

Ref 6.55

MBT in Chinese Organizations – The Role of HRD Practices

Refereed Paper

Yeh, Hui-Ching Diana¹

Yuan Ze University

Email: hcdianayeh@gmail.com

Lin, Yueh-Ysen Claudia

Yuan Ze University

Email: claudia.ylin@saturn.yzu.edu.tw

Keywords: Human Resource Development (HRD) Practice, Management by Trust (MBT), Chinese Organizations, Role playing, Sensitivity training, Team building, Two-Way Communications

Abstract

Trust is viewed as an important concept by academic researchers and by business practitioners and consultants as well (See, for example, Bartolome, 1989; Belasco, 1989; Clawson, 1989; Covey, 1989; Horton & Reid, 1991; and Watson, 1991; Covey, 2006). All stressed the critical importance of building trusting relationships in management. Despite the benefits of trust are well-documented, few attempts have been made to provide a linkage of Human Resource Development (HRD) practice and management by trust (MBT). A primary aim of this paper, accordingly, is to develop a practical Human Resource Development model for Chinese management by trust.

A comprehensive literature review was conducted, further, five founders and five senior Human Resource Development managers were interviewed, and authors' experiences were embedded to provide the answers to the research questions. First of all, the authors described the relations of Human Resource Development and management by trust within organizations; second, we discussed the possibility of developing management by trust through Human Resource Development practice in Chinese; third, a "TRUST" model of HRD for management by trust was built.

This new perspective has the potential to combine the abstract conceptual knowledge which contains that leadership style, organizational culture, and

¹ 135, Far-East Road, Chung-Li, Taoyuan, Taiwan, R. O. C.

organization climate, etc.; and concrete workable practice which includes that two-way communication, role playing, Unitize activity, sensitivity training, team building. Finally, the authors concluded that it is possible to develop management by trust only through the optimal Human Resource Development functions and executions.

Purpose – The purpose of this paper is to discuss the possibility and workable methods of MBT in Chinese organizations through HRD practices and try to integrate an exploratory working HRD model for MBT in Chinese organizations.

Research question – How can Human Resource Development practice encourage MBT in Chinese organizations?

Design/methodology/approach – A comprehensive literature review is conducted, further, five CEOs and five senior HRD managers who are working for Chinese organizations in Taiwan are deeply interviewed by taking the form of snowball sampling. The authors' experiences are also embedded to provide the answers to the research questions.

Research/Practical implications – The emerging perspective has the potential to combine the abstract conceptual knowledge with the concrete workable HRD practices. The former contains leadership style, organizational culture, and organization climate etc. however, the latter includes Two-way Communication, Role Playing, Unitize Activity, Sensitivity Training, and Team Building and so forth. For practicing managers, the results underscore the optimal HRD practices are significant processes to improve trust in Chinese organizations and the trust capital is good for MBT.

Originality/value – This paper addresses pragmatic facet of trust research in Chinese organizations – MBT – which is especially crucial in light of the growing awareness that most effective management actually start off with high levels of trust rather than low trust. Thus, this study offers insights into implementing MBT through HRD practices.

Limitations - Although all interviewees are the CEOs or Senior HRD managers of Chinese organizations only, this research serves as a valuable first step. The present study invites future research on interviewing both of the management team members and employees, and developing a MBT scale which is according to the result of this study to evaluate the results of MBT through HRD practices.

Introduction

There appears to be a general consensus that trust is important and useful in a range of organizational, such as leadership, team work, labor relations, and performance appraisal (Mayer, Davis & Schoorman, 1995; Morris & Moberg, 1994). The alleged criticality of trust in these activities and their outcomes has engendered a great deal of discussion among practicing managers and organizational researchers (Whitener, 1997). The concept of trust has received considerable attention in the literature but from a scholarly perspective little empirical research has been done in this area (Elangovan Werner, & Erna, 2006).

The aim of this paper is to address an aspect of trust that has not been extensively developed – the role of Human Resource Development (HRD) practices in Management by Trust (MBT). Dwivedi (1983) indicates that there has been a constant search for the most adequate solution to the baffling problems, “What is the most effective system of management?”, including management by exception, management by objective, management by communication, management by participation, and the like. However, these solutions have provided divergent results, sometimes negative ones in different organizational settings, hypothetically because of varying levels of trust and distrust in them.

McLagan (1989) presents several outputs of the heart of the HRD field, such as resolved conflicts for an organization or group; changes in group norms, values, or culture; facilitations of group discussion; individuals with new knowledge, skills, and attitudes, and so on. Whitener (1997) though that HR activities and employee trust interact over time. Initial and early experiences of HR activities have a direct effect on employee trust which has an effect on employee reactions to subsequent HR activities. On the other hand, Huselid, Jackson & Schuler (1997) suggest that strategic HR activities include activating teamwork, communications, employee participation and involvement, and developing the leadership of the organization.

Therefore, how can Human Resource Development practice encourage MBT in Chinese organizations? In addressing this question, we particularly look at how MBT is perceived, understood, and practiced through HRD processes. We then interview five CEOs and five senior HRD managers, and try to identify the means of HRD that stimulate MBT to work. We also maintain the attention to the links between MBT and HRD practices that generate a trusting climate in organizations that are moving toward becoming an organization with effective performance. The authors eventually hope to

contribute to the field two ways. By examining existing knowledge in trust and HRD, this study strengthens the international HRD knowledge base. By interviewing local professional practitioners who have had expertise in managing organizations, the study expands present comprehension and allows integration of multidisciplinary practices.

Literature

Trust and MBT (Management by Trust):

There has been a dramatic surge of scholarly interest in the role of trust for organizational management in general (Gambetta, 1988; Inkpen & Currall, 2004; Koza & Lewin, 1998; Rousseau, Sitkin, Burt & Camerer, 1998; Zaheer & Harris, 2006). Some of them support the MBT model indicating that trust, as a definable, measurable, and developable basic input, can be used in organizational settings with a view to accomplishing effective results (Dwivedi, 1983). McGregor (1967) describes the importance of trust with example “I know you will not deliberately or accidentally, consciously or unconsciously, unfairly takes advantage of me, and I have complete confidence to put my situation at the moment, my status and self-esteem in the group, our relationship, my job, my career, even my life in your hands”.

Schoorman Mayer & Davis (2007) claim that if trust in the general manager could be developed and sustained, it would be a significant competitive advantage to the firm, and the framework merited further consideration as an approach to building trust in management. From the standpoints of superior and subordinates in management, it has been defined as the confident expectation of something involving the conditions of accessibility, availability, predictability, and loyalty (Jennings, 1971) and allowing people to perform with a sense of confidence that they are supported by the person over them (Dyer, 1976), respectively. The process of building trust appears to be dynamic and interactive. It is also cross two levels: trust at one level (e.g., dyadic trust-in-supervisor) appears to affect trust at other levels (e.g., organizational trust-in-employer).

Argyris (1965) defines organizational trust as a behavior that induces members to take risks and experiment, while distrust is defined as a behavior that restricts and inhibits members from taking risks and experimenting. The trust of either the dominant coalition or the management team is critical to understanding organizational trust, since it is this level of trust that will govern the strategic action of the organization (Cyert & March, 1963; Simon, 1957). Schoorman et al. (2007) contend that just as perceptions about an individual's ability, benevolence, and integrity will have an

impact on how much trust the individual can garner, these perceptions also affect the extent to which a group or an organization will be trusted.

Though the strong roots of trust and distrust in the infancy (Erikson, 1963), there is always possibility for change (Lindsfold, 1978). The techniques to develop trust include organizational behavior modification (OB mod), Transactional Analysis (TA), T-groups, and organization development (OD). OB mod (Luthans & White, 1971) can be used to develop individual trust by positively reinforcing trusting behavior and negatively reinforcing or ignoring distrusting behavior. As Robbins (1979) acknowledged the utility of TA for developing trust, Gibb (1964) theorized that distrustful-reductive climates can be formed by T-groups to accomplish growth on the acceptance dimension relating to trust formation. Finally, OD can be used to increase individuals' trust of their work groups and others (Kegan & Rubenstein, 1973).

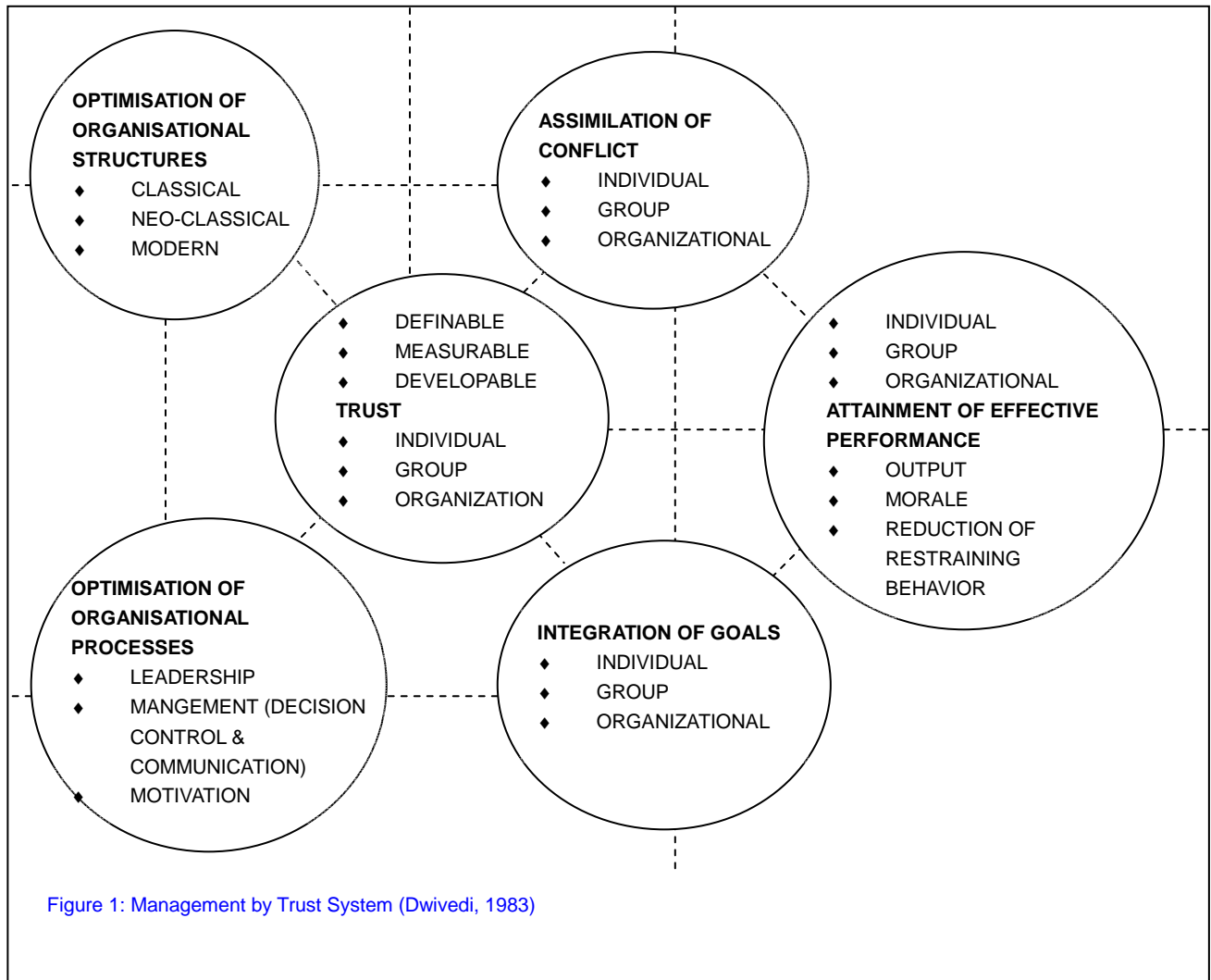
Likert (1967) did expansive research to support and infer that organizational performance is a function of trust. At the individual level, although higher level of trust stimulates better performance which in turn reinforces the level of trust (Haney, 1967) spectacular performance without an accompanying high level of mutual trust may have dysfunctional interpersonal consequences (Jennings, 1971). At the group level, if trust is improved by performance and it seems more considerably to raise (Davis, 1973) and the performance of a managerial team is a function of mutual trust and open communication (McGregor, 1967). Trust forms a prerequisite to constructive resolution of conflict (Deutsch, 1973) and to effective organizational process (Dwivedi 1983), perception of a high level of future trust forms a determinant of the resolution of disputes through conferral (Sullivan, Peterson, Kameda & Shimade, 1981); and collaboration is a function of perceived power and trust (Pareek, 1982). The more an individual trusts, the greater his or her self-actualization will be (Kegan & Rubenstein, 1973).

An adequate theory of organizational trust must incorporate more systematically the social foundations of trust-related choices (Mayer et al., 1995; McAlister, 1995; Tyler & Kramer, 1996). The sociological theory and research on the impact of social embeddings on economic transactions (Granovetter, 1985), and within organizational settings, trust as a form of social capital has been discussed primarily on its constructive effects on reducing transaction cost within organizations (Kramer, 1999). Identification of this problem has led to several theories to focus on the role of trust of reducing the costs of both intra- and interorganizational transactions (Bromiley & Cummings, 1992; Chiles & McMackin, 1996; Creed & Miles, 1996; Granovetter, 1985;

Uzzi, 1997; Williamson, 1993). From a psychological perspective, one way in which trust can function to reduce transaction costs is by operating as a social decision heuristic. Uzzi (1997) notes that trust heuristics facilitate the exchange of a variety of assets that are difficult to put a price on but that mutually enrich and benefit each organization's ability to compete and overcome unexpected problems.

The MBT model is the most effective managerial device or system and can be considered as a process of managing. It bases on definable, measurable, and developable units of trusting behavior, purporting to attain effective performance as a dependent variable through a trust-based managerial approach to design optimization of organizational structures and processes, assimilation of conflicts, and integration of goals as an independent variable (Dwivedi, 1983). MBT model consists of six interdependent and interacting elements that the organization has to take in order to build or restore trust during a change process: trusting behavior, effective performance, optimization of organizational structures, optimization of organizational processes, assimilation of conflicts, and integration of goals. Each element itself involves several interacting and interdependent sub-elements. These elements and sub-elements are shown in Figure 1, depicting the MBT conceptual model.

MBT is defined as a dynamic system which is an ongoing, reliable and supportive activity in the organization based on trust behavior of all participants and relates to individual, group, and organization levels of analysis and facilitates attainment of effective performance: improved quality and increased quantity of products; reduction of restrictive behavior, such as turnover, absenteeism, lack of discipline, grievances, and unrest, and raised level of satisfaction among the participants (Dwivedi, 1983). Dwivedi's MBT research reveals that effective and ineffective organizations differ in terms of their devotion to trust-based and distrust-based managerial approaches, respectively. We can tentatively conclude that the MBT system is an effective managerial mechanism to improve performance in industrial organizations.



HRD (Human Resource Development) and MBT Training

McLean & McLean (2001) summarize the global definition of Human Resource Development (HRD) as any process or activity that, either initially or over the long term, has the potential to develop adults' work-based knowledge, expertise, productivity and satisfaction, whether for personal or group/team gain, or for the benefit of an organization, community, nation or, ultimately, the whole of humanity. On the other perspective, in models for HRD practice, the term HRD means "the integrated use of training and development, organization development, and career development to improve individual, group and organizational effectiveness". HRD is defined as a process of developing and/or unleashing human expertise through organization development (OD) and personnel training and development (T&D) for the purpose of improving performance (Swanson, 2001).

Dessler (2005) interprets the organization development process as almost always being handled through Human Resource. To process organization development techniques people generally aim first at improving human relations skills. The goal is to give employees the insight and skills required to analyze their own and others' behavior more effectively, so they can then solve interpersonal and inter-group problems. These problems might include, for instance, conflict among employees, or a lack of interdepartmental communications. Sensitivity training is perhaps the most widely used technique in this category. Team building and survey research are others.

Robinson and Rousseau (1994) propose that trust issues surface in almost every area of human resources--training and development, compensation, promotion, job duties, job security and placement, and performance evaluation and feedback. However, trust has only been investigated in a few HR contexts. Past research on HR activities and trust has investigated the relationship between trust and performance management, employment, and compensation (Whitener, 1997).

Based on previous work (Delaney, Lewin, & Ichniowski, 1989), Huselid (1995) identifies HR activities that tend to increase productivity through their impact on employee skills (e.g., job analysis, training, selection testing, employee participation programs, and information-sharing/communication efforts) and on employee motivation (e.g., formal performance appraisal, compensation system, the linkage between performance and compensation). Each class of HR activities, more than each individual HR activity alone, establishes different relationships between organizations and their employees, conveys different expectations of employees, and displays different commitments to employees that affect employee turnover and productivity, as well as firm performance. Each class also impacts employee attitudes, and in particular employee expectations and vulnerabilities. These attitudes also include the strength and level of employee trust (Whitener, 1997).

In conjunction with the interventions of the six phases of MBT implementation by Dwivedi in 1983, the supervisory personnel and trade union leaders in the two plants were provided MBT training in appropriate contexts to develop trust and facilitate the effective implementation of different measures. It in several corporate behavioral science methods and techniques, including sensitivity training, TA, and business games, and stressed Indian value systems (Dwivedi, 1982b, 1983b).

OD, a frequently used integration technique, largely stresses development of a high level of trust and reduction of distrust (Schein, 1969). While Argyris (1971)

provides OD interventions largely aimed at movement from distrusting relationships to trusting relationships, Gibb (1978) proposes a new approach to personal and organizational development based on trust. Indeed, a moderate to high level of trust is a prerequisite to several OD approaches, such as survey feedback, grid, transactional analysis, sensitivity training, and autonomous group (Hellriegel and Slocum, 1976).

The cases studies of action research by Dwivedi (1983) provide adequate evidence to support that interventions of MBT measures in an industrial organization will lead to more effective performance and tentatively confirm the MBT theory. The other two cases studies of basic objective research present substantial evidence to support that an effective industrial organization will be marked by a managerial approach more similar to the MBT system than will an ineffective industrial organization and tentatively confirm the MBT theory.

It can be inferred from the theoretical foundations and the results of action and basic objective researches that management by trust is an effective behavioral system having immense possibilities for achieving effective performance in industrial organizations (Dwivedi, 1983). However, to actualize these possibilities there is an urgent need for management to cease its exclusive reliance on traditional, reductive, distrust-based systems of getting things done through people and to start experimenting with behavioral, augmenting trust-based systems, such as the MBT.

Finally, employees are likely to respond to the variety of HR activities that portray their perceptions of the organizations' support with their own commitment and support. The effective design and implementation of HR activities to increase trust could have a significant impact as well on other important organizational outcomes, including turnover, productivity, and financial performance (Whitener, 1997).

Research methodology

This study is a qualitative study and is an exploratory research in nature. The purpose of qualitative research is to develop an understanding of individuals and events in their natural state, taking into account the relevant context (Borg, Gall & Gall, 1993). In this study, the authors try to understand the phenomenological reality of trust-related management and HRD practices functioning in Chinese organizations. According to the literature review above, the authors design a structure for this research as follows (please see **Figure 2**),

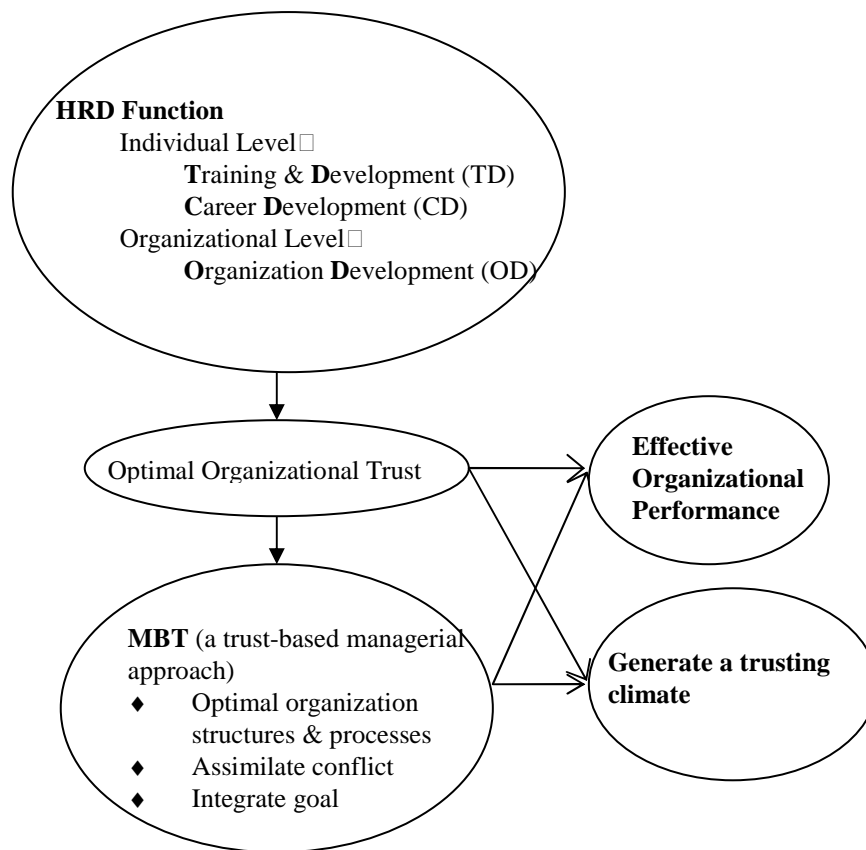


Figure 2: Research structure of this study (By authors)

Data collection

The method of qualitative research is more appropriate when we attempt to acquire in-depth information about what contributes to the success of MBT through HRD practices in organizations. There are four types of methods: collection of primary and secondary data, expert interviews, case study, and in-depth interviews (Huang, 1994). Within this study, by having a comprehensive review of primary and secondary data as well as in-depth interviews, the authors collect information extensively and produce thick descriptions of an interesting phenomenon.

Interviews are adopted as the major technique to collect data in this study. By adopting a semi-structured interview that deals with this specific topic that is familiar to the interviewees, the authors aim to determine the interviewees' perceptions of and responses to that topic. The semi-structured interview involves asking a series of structured questions and then probing more deeply using open-form questions to obtain additional information. The main advantage of personal interviews is the high level of respondent motivation that a skilled interviewer can generate, resulting in high

response rates and a high-quality sample of respondents (Whitley, 2002). Ten participants are interviewed individually in this study.

Participants

By taking the form of sampling – known as snowball sampling, the authors initially selected a sample on the basis of convenience or purposive sampling nominate acquaintances whom we think might be willing to participate in the research. The nominees who agree to participate are then asked to nominate other potential participants. Snowball sampling is frequently used in developmental research, and it is also used to construct samples of hard-to-research populations whose members might otherwise be unidentifiable (Whitley, 2002). We interviewed ten interviewees who are either CEOs or HRD managers. The interviewees are working for the companies that are in various industries in Northern Taiwan.

Techniques of interview

To collect data successfully, as an interviewer the authors continuously perform a number of interpersonal tasks. These tasks include establishing rapport with respondents, listening analytically, probing for additional information, and maintaining control of the interview. Among these tasks, the authors consider the tasks of ‘listening analytically’, and ‘probing for additional information’ a challenge.

During the process of collecting archival materials, notes are taken, and questions for in-person interviews are shaped and prepared. The authors make greater use of pre-specified open-form questions. Patton (1990) indicates that the purpose of using an interview outline is to avoid digression; the organization and design of interview questions is one of the most critical factors in determining how interviewees respond. Certainly, during the interviews, the whole conversations are tape recorded, and after the interviews, the taped materials are transcribed verbatim by the authors.

Analysis of results

There are few empirical studies to examine the reciprocal linkage of how one party’s trust influences the other party’s trust in return, so this study try to discuss practical HRD ways to employee MBT in industrial organizations. The interviewees of this research implicate that most of the management activities, such as the implementation of total quality management or re-engineering processes, management by objectives, and the redefinition of job security and employee loyalty in the employer-employee relationship can be effectively implemented in a trusting rather

than a distrusting climate.

About the professional competency of fostering trust, the capability of establishing and then expanding trust is the key. In very simple terms, the individuals and organizations that can do this will move forward while those entities that cannot will not make any real progress at all. Covey (2006) provided an example that you have to learn how to extend “smart trust”; you need to have the ability to restore trust that has been lost, including don’t be too quick to judge, forgive everyone at the drop of a hat, make restoring trust a priority; you need to act on your natural propensity to trust others in all situations. He also said that “Trust always affects two outcomes – speed and cost. When trust goes up, speed will also go up and costs will go down. It’s that simple, real, and predictable.

Again, prior researches show that trust is a prerequisite to group effectiveness (Friedlander, 1970) and group loyalty (Likert, 1961). This paper proposes a HRD trust-building model which is based on Dwivedi’s MBT model. This study contributed to HRD by providing a practical HRD model to improve trust in Organization in Taiwan. The emerging perspective has the potential to combine the abstract conceptual knowledge with the concrete workable HRD practices. The former contains leadership style, organizational culture, and organization climate etc. however, the latter includes Two-way Communication, Role Playing, Unitize Activity, Sensitivity Training, and Team Building and so forth. For practicing managers, the results underscore the optimal HRD practices are significant processes to improve trust in Chinese organizations and the trust capital is good for MBT.

Our summarize the means of HRD practices which can shape MBT in Chinese Organizations as follows,

Two-Way Communications:

Communications that provide for feedback are called two-way communications because they allow the sender and receiver to interact with each other. The opportunity for two-way communication plays an important role in our perceptions of how fairly we’re being treated (Dessler, 2005). Studies support this commonsense observation. The authors concluded three actions that contributed to perceived justice in organizations such as commitment, clarification, and transparency.

For this reason, many employers facilitate two-way communication. For example, at many firms including Toyota Motor Manufacturing in Lexington, Kentucky, a

hotline gives employees an anonymous method of bringing questions or problems to management's attention. Other firms administer periodic opinion surveys. For example, the FedEx Survey Feedback Action (SFA) program includes an anonymous survey that lets employees express their feelings – about the company and their managers and to some extent about service, pay, and benefits. Each manager then has an opportunity to discuss the department results with subordinates, and create an action plan for improving work group commitment (Weaver & Trevino, 2001).

Although ideally all communications should be interactive, this is not always possible in large organizations where large amounts of information must be distributed to many employees. Gomez-Mejia, Balkin & Cardy (2007) described with a sample that top executives at large companies do not usually have the time to speak to all the employees they need to inform about a new product about to be released. Instead, they may communicate with the employees via a memo, report, or email. In contrast, top executives at small businesses have much less difficulty communicating with their employees. Managerial behavior is able to promote interpersonal trust and communicates their trustworthiness to other employees. The interviewees also indicate that reaction and communication from the administrators on compensation decisions increase trust-in-their supervisor of human resource.

Role playing

It is a kind of off-the-job techniques for training and developing managers and is a training technique in which trainees act out parts in a realistic management situation (Dessler, 2005). The aim of role playing is to create a realistic situation and then have the trainees assume the parts (or roles) of specific persons in that situation. When combined with the general instructions and other roles for the exercise, role playing can trigger spirited discussions among the role player/trainees. The aim is to develop trainees' skills in areas like leadership and delegating. For examination, directors can try out with both a considerate and an autocratic leadership style. It may also train employees to be more aware of and sensitive to others' feelings (Maier & Solem, 1975).

Role playing, as most often used in a classroom, requires physical involvement on the part of students. Two or more people "act out" the part of individuals in a hypothetical situation. In-class case exercises and role-plays provide an opportunity for trainees to apply what is being taught in the class and transfer that knowledge back to the job (Gomez-Mejia et al., 2007). Two interviewees of present study have the experience of role playing.

Unitize Activity

This type way of facilitating trust has not yet been formally provided by theoretical researchers but it is often designed and used in industrial organizations. The interviewees of this paper said that HRD practitioners can plan an inter-organizational activity for their own organization such as competitive ball games. The main purpose is to enhance the trust climate in their organization through winning the intended external challenge.

Sensitivity training:

Dessler (2005) defines sensitivity, laboratory, or training-group training is one of the earliest OD techniques. It mainly aims to increase the participants' insight into their own behaviors and the behavior of others by encouraging an open expression of feelings in the trainer-guided t-group. Typically, it usually has no specific agenda and is away from the job. Instead, the heart is on the feelings and emotions of the members in the group at the meeting. The facilitator encourages participants to show themselves as they are in the group rather than in terms of past behaviors or future problems.

The t-group's success depends on the feedback each person gets from the others, and on the participants' willingness to be candid about how they perceive each others' behavior. The process requires a climate of "psychological safety," so participants feel safe enough to reveal themselves, to expose their feelings, to drop their defenses, and to try out new ways of interacting (Scott & Cummings, 1973). OD's typical emphasis on action research is quite clear in team building, which refers to a specific process for improving team effectiveness (Wendell & Cecil, 1995).

Team building:

Gomez-Mejia et al. (2007) define team is a small number of people with complementary skills who work toward common goals for which they hold themselves mutually accountable. Because team members often initially lack the skills necessary for the team to function successfully, companies can speed up this evolution by using its HR function to train employees in the skills required of team members. As we found that there are three areas are important: Technical skills, administrative skills, and interpersonal skills (Orsburn, Moran, Musselwhite & Zenger, 1990). Especially, the last ones mean that team members need good communication skills to form an effective team. They must be able to express themselves effectively in order to share information, deal with conflict, and give feedback to one another (Chatman & Flynn, 2001).

The interviewees proved that developing teamwork, one type of outdoor experiential training, has been more and more popular, particularly among managerial and supervisory teams. Companies such as IBM, General Electric, and DuPont periodically take hundreds of employees out of the office and into the woods in hopes of building teamwork, increasing communication skills, and boosting self-esteem. Many of these experiential training programs resemble Outward Bound, the rigorous outdoor adventure course, although they are less physically demanding (Gomez-Mejia et al., 2007).

As mentioned above, the “TRUST” model was provided by the authors in this study. The model was chosen because it seemed to provide clear and detailed steps that in practice should be relatively easy for an organization to implement.

Discussion and Conclusion

Many leaders understand the needs for a high level of trust in their organizations but lack a clear vision of how to create it. Some modern organizational theories see mutual trust development and interaction as an integral force in organizations (Dwivedi, 1983; McCauley & Kuhnert, 1992). In the literature several models can be found for building trust in organizations (Dwivedi, 1983; Goodman, 2001; Galford and Drapeau, 2004; Herting and Hamon, 2004; Ramchurn, Jennings, Sierra & Godo, 2004). Covey (2006) indicates that the professional competency of fostering trust which the ability to establish and then expand trust is the key professional competency of the current business era.

Similarly, Dessler (2005) stresses that ethics training typically plays a big role in helping employers nurture a culture of ethics and fair play. Such training usually includes showing employees how to recognize ethical dilemmas, how to use ethical frameworks to resolve problems, and how to use HR functions in ethical ways. Martin further provides the short employees training session, “what-if” scenarios that highlight how to identify and deal with conflict of interest situations. The training should also emphasize the moral underpinnings of the ethical choice and the company’s deep commitment to integrity and ethics. The participation of top managers underscores that commitment.

This study contributed to HRD by providing a practical HRD model to improve trust in Organization in Taiwan. The emerging perspective has the potential to combine the abstract conceptual knowledge with the concrete workable HRD practices.

The former contains leadership style, organizational culture, and organization climate etc. however, the latter includes Two-way Communication, Role Playing, Unitize Activity, Sensitivity Training, and Team Building and so forth. For practicing managers, the results underscore the optimal HRD practices are significant processes to improve trust in Chinese organizations and the trust capital is good for MBT.

This paper addresses pragmatic facet of trust research in Chinese organizations – MBT – which is especially crucial in light of the growing awareness that most effective management actually start off with high levels of trust rather than low trust. Thus, this study offers insights into implementing MBT through HRD practices.

Although all interviewees are the CEOs or Senior HRD managers of Chinese organizations only, this research serves as a valuable first step. The present study invites future research on interviewing both of the management team members and employees, and developing a MBT scale which is according to the result of this study to evaluate the results of MBT through HRD practices.

Reference

- Argyris, C. (1965). *Organizational and Innovation*. Homewood, IL: Irwin Dorsey Press.
- Argyris, C. (1971). *Management and organizational development*. New York: McGraw-Hill.
- Bartolome, F. (1989). Nobody trusts the bosses completely – now what? *Harvard Business Review*, 67(2), 135.
- Belasco, J. (1989). What went wrong? *Executive Excellence*, 6(4), 13.
- Borg, W., Gall, J., and Gall, M. (1993). *Applying Education Research: A Practical Guide, 3rd Ed.* New York: Longman.
- Bromiley, P. and Cummings, L. L. (1992). Transaction costs in organizations with trust. *Working paper No. 28*, Strategic Management Research Center, University of Minnesota, Minneapolis.
- Chatman, J. and Flynn, F. (2001). The influence of demographic heterogeneity on the emergence and consequences of cooperative norms in work teams. *Academy of Management Journal*, 44, 956.
- Chiles, T. H. and McMackin, J. F. (1996). Integrating variable risk preferences, trust, and transaction cost economics. *Acad. Manage*, 21, 73-99.
- Clawson, J. (1989). You can't manage them if they don't trust you. *Executive Excellence*, 6(4), 10.

- Covey, M. R. S. (1989). Seven chronic problems. *Executive Excellence*, 6(2), 3.
- Covey, M. R. S. (2006). *The Speed of Trust: The One Thing That Changes Everything*. New York, NY.
- Creed, W. D. and Miles R. E. (1996). Trust in organizations. In: R. M. Kramer and T. R. Tyler, (ed.), *Trust in Organizations*, Thousand Oaks, CA: Sage. Pp. 16-38.
- Cyert, R. M. and March, J. G. 1963. A multilevel approach to trust in joint ventures. *Journal of International Business Studies*, 33, 479-495.
- Davis, S. A. (1973). Building more effective teams. In J. Humble (Ed.), *Improving the performance of the experienced manager*. London: McGraw-Hill.
- Delaney, J. T., Lewin, D., and Ichniowski, C. 1989. Human Resource Policies and Practices in American Firms. Washington DC: U.S. Government Printing Office.
- Dessler, G. (2005). *Human Resource Management*. Pearson Prentice Hall.
- Deutsch, M. (1973). *The resolution of conflict: Constructive and destructive processes*. New Haven, CT: Yale University Press.
- Dwivedi, R. S. (1982). MBT training for effective results. *Lok Udyog*, 15(11), 39 (b)
- Dwivedi, R. S. (1983). MBT-training has made great strides. *Productivity*, 23, 451-459(b).
- Dwivedi, R. S. (1983). Management by Trust: A Conceptual Model. *Group and Organization Studies*, 8(4), 375.
- Dyer, W. G. (1976). *Insight to impact: Strategies for interpersonal and organizational change*. Provo, UT: Brigham Young University Press.
- Elangovan A.R., Werner A. R., and Erna S. (2006). Why don't I trust you now? An attributional approach to erosion of trust. *Journal of Managerial Psychology*, 22(1), 4.
- Erikson, E. H. (1963). *Childhood and society* (2nd Ed.). New York: Norton.
- Friedlander, F. (1970). The primacy of trust as a facilitator of further group accomplishment. *Journal of Applied Behavioral Science*, 6, 387.
- Galford, R. and Drapeau, A. S. (2004). *The Principles of Trusted Leadership-The Trusted Leader*. Minerva Solutions Inc.
- Gambetta, D. (1988). Can we trust trust? In D. Gambetta (Ed.), *Trust: Making and breaking cooperative relations*, 213–237. New York: Blackwell.
- Gibb, J. R. (1964). Climate for trust formation, IN I. p. Bradford, J. R. Gibb, and K. D. Benne (Eds.), *T-group theory and laboratory method: Innovation in reeducation*, New York: Wiley.
- Gibb, J. R. (1978). *Trust: A new view of personal and organizational development*. New York: Guild of Tutors.
- Granovetter, M. (1995). Economic action and social structure: The problem of embeddedness. *American Journal of Sociology*, 91, 481-510.
- Haney, W. V. (1967). *Communication and organizational behavior*. Homewood, IL:

Irwin.

Hellrigel, D. and Slocum, J. W., Jr. (1976). *Organizational behavior: Contingency views*. St. Paul, MN: West Publishing Co.,

Herting, S. R. and Hamon, T. R. (2004). Dynamics of trust among entities in a mechanistic simulation model. *Public Performance and Management Review*, 28(1), 30.

Horton, T. R. and Reid, P. C. (1991). *Beyond the trust gap: Forging a new partnership between managers and their employees*. Homewood, IL: Business One Irwin.

Huang, J.Y. (1994). *Business Research Method*, Taipei, Taiwan: Tung Hua Book Co., Ltd.

Huselid, M. A. (1997). The Impact of Human Resource Management Practices on Turnover, Productivity, and Corporate Financial Performance. *Academy of Management Journal*, 38, 635-672.

Huselid, M. A., Jackson S. E., and R. S. Schuler. (1997). Technical and Strategic Human Resource Management Effectiveness As Determinants of Firm Performance. *Academy of Management Journal*, 40, 171-188.

Inkpen, A. C. and Currall, S. C. (2004). The coevolution of trust, control, and learning in joint ventures. *Organization Science*, 15, 586.

Jennings, E. E. (1971). *Routes to the executive suite*. New York: McGraw-Hill.

Kegan, D. L. and Rubenstein, A. H. (1973). Trust, effectiveness and organizational development: A field study in Rand. *Journal OF Applied Behavioral Science*, 9, 498.

Koza, M. P. and Lewin, A. Y. (1998). The co-evolution of strategic alliances. *Organization Science*, 9, 255.

Kramer, R. M. (1999). [Trust and distrust in organizations: Emerging perspectives, enduring questions](#). *Annual Review of Psychology*, 50(1), 569.

Likert, R. (1961). *New Patterns of management*. New York: McGraw-Hill.

Likert, R. (1967). *The human organization*. New York: McGraw-Hill.

Lindskold, S. (1978). Trust development, the GRIT proposal, and the effects of conciliatory acts on conflict and cooperation. *Psychological Bulletin*.

Luis R. Gomez-Mejia, David B. Balkin and Robert L. Cardy (2007), *Managing Human Resources (5e)*, Pearson. Goodman, M. B. (2001). *Restoring Corporate Trust*. Fairleigh Dickinson University.

LuThanks, F. and White, D. D., Jr. (1971). Behavior modification: Application to manpower management. *Personnel Administration*, 41.

Maier, M. and Solem (1975). *The Role Play Technique*. San Diego, CA: University Associates. 2.

Mayer, R., Davis, J. and Schoorman, F.D. (1995). An integrative model of organizational trust. *Academy of Management Review*, 20, 709.

- McAlister D. J. (1995). Affect- and cognition-based trust as foundations for interpersonal cooperation in organizations. *Academy of Management Journal*, 38,24-59.
- McCauley, D.P. and Kuhnert, K.W. (1992). A theoretical review and empirical investigation of employee trust in management. *Public Administration Quarterly*, 16(2), 265.
- McGregor, D. (1967). *The Professional Manager*. New York: McGraw-Hill.
- McLagan, P. A. (1989). [Models for HRD Practice](#). *Training and Development Journal*, 43(9), 49.
- McLean, G. N. and McLean, L. (2001). [If we can't define HRD in one country, how can we define it in an international context?](#) *Human Resource Development International*, 4(3), 313.
- Morris, J.H. and Moberg, D.J. (1994). Work organizations as contexts for trust and betrayal, in Sarbin, T. Carnery, R. and Eoyang, C. (Eds). *Citizen Espionage: Studies in Trust and Betrayal*, Praeger, Westport, CT, 163.
- Orsburn, J., Moran, L., Musselwhite, E., and Zenger, J. (1990). *Self-directed work teams*. Homewood, IL: Business One Irwin.
- Pareek, U. (1982). *Managing conflict and collaboration*. New Delhi: Oxford and IBH.
- Patton, M.Q. (1990). *Qualitative Evaluation and Research Methods*. Newbury Park, CA: Sage.
- Ramchurn, S. D., Jennings, N., Sierra, C., and Good, L. (2004). Devising a trust model for multi-agent interactions using confidence and reputation. *Applied Artificial Intelligence*, 18(9/10), 833.
- Robbins, S. P. (1979). *Organizational behavior*. Englewood Cliffs. NJ: Prentice-Hall.
- Robinson, S. L. and Rousseau, D. M. (1994). Violating the Psychological Contract: Not the Exception But the Norm. *Journal of Organizational Behavior*, 15, 245.
- Rousseau, D., Sitkin, S., Burt, R., and Camerer, C. (1998). Not so different after all: A cross discipline view of trust. *Academy of Management Review*, 23, 393-104.
- Schein, E. H. (1969). *Process consultation: Its role in organizational development*. Reading, MA: Addison-Wesley.
- Schoorman, F. D., Mayer, R. C. and Davis, J. H. (2007). An Integrative Model of Organizational Trust: Past, Present, and Future. *Academy of Management Review*, 32(2), 344.
- Scott, W. E. and Cummings, L. L. (1973). Effectiveness of T-Group Experiences in Managerial Training and Development. *Readings in Organization Behavior and Human Performance*, 571.
- Simon, H. 1957. *Administrative behavior*. New York: Macmillan.
- Sullivan, J., Peterson, R. B., Kameda, N. and Shimade, J. (1981). The relationship

- between conflict resolution approaches and trust: A cross-cultural study. *Academy of Management Journal*, 24, 803.
- Swanson, R. A. (2001). [Human resource development and its underlying theory.](#) *Human Resource Development International*, 4(3), 299.
- Tyler T. R., Kramer R. M. (1996). *Whither trust?* See Kramer & Tyler 1996, 1-15.
- Uzzi, B. (1997). Social structure and competition in inter-firm networks: The paradox of embeddedness. *Administrative Science Quarterly*, 42: 35–67.
- Watson, C. (1991). Doing what's right and doing well in business. *Business Forum*, 16(2), 28.
- Weaver, R. G. and Treviño, K. L. (2001). The role of human resources in ethics/compliance management: a fairness perspective. *Human Resource Management Review*, 11(1/2), 113.
- Wendell, F. and Cecil, B. Jr. (1995). *Organization Development*. Upper Saddle River, NJ: Prentice Hall, 171.
- Whitener, E. M. (1997). Patterns of Social Exchange: The Relationship between Perceptions of Human Resource Practices and Employee Attitudes. *Paper presented at the Academy of Management Meeting*. Boston, MA.
- Whitley, B. (2002). *Principles of Research in Behavioral Science*, 2nd ed. New York: McGraw Hill.
- Williamson O. (1993). Calculativeness, trust, and economic organization. *Journal of Law Econ*, 34, 453-502.
- Zaheer, A. and Harris, J. (2006). Interorganizational trust. In O. Shenkar and J. J. Reurer (Eds.), *Handbook of strategic alliances*, 169. Thousand Oaks, Calif: Sage.