Trust, Gender, Performance and the Relationship Lifecycle

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The purpose of this paper is to outline the initial differences then latter convergence of male and female trust in business-to-business relationships. Specifically, emotional and cognitive forms of trust are examined to determine their influence on relationship performance at two phases of the relationship marketing lifecycle. In this case, we will assess the differences between males and females at both phases, providing insight into the differences between males and females in the early phases of the lifecycle and the similarities at the mature phase of the relationship lifecycle. Using two structural equation models the early differences and later similarities between males and females are highlighted and confirmed through multigroup analysis.

Theoretical Framework

Since the inception of relationship marketing, trust has figured prominently (Gronroos, 1994). While the prominence of trust is known, the construct has had many different interpretations throughout the relationship marketing literature (Svensson, 2001, Young, 2006). Despite the many interpretations, most studies do not focus on a broad inclusive construct of trust (Young and Daniel, 2003). Most marketing related research focuses on the cognitive base of trust, largely ignoring the emotional base of trust (Young and Daniel, 2003). Trust has both an emotional and a cognitive base (Jones, 1996, Rousseau et al., 1998, Arnott, 2007), with the cognitive base more favoured in relationship marketing studies. This study uses both an emotional and a cognitive base of trust, thus creating a fuller measure of trust and helping to unravel its various effects on relationship performance.

Within the relationship marketing and other literature fields it is generally accepted that there are elements that form overall cognitive trust. Many typologies exist all of which try to break cognitive trust into various subsects. In general, three main elements of cognitive trust are apparent; competency, contractual and goodwill trust. Competency trust refers to the expectation that another party will be able to complete its tasks within the relationship (Mayer et al., 1995). Competency trust also contains the notion of expertise to carry out the required tasks (Maathuis et al., 2004, Braeshear et al., 2003). Contractual trust involves the adherence to a written or verbal agreement, maintaining honesty in the relationship (Sako, 1992). More broadly, the notions of ethics and integrity are included in contractual trust. Here the trustor perceives that the trustee adheres to a set of principles that the trustor finds acceptable (Mayer et al., 1995). This may also be regarded as an ethical standard within the relationship (Sako, 1992). The final element of cognitive trust, goodwill trust refers to a mutual expectation of open commitment (Sako 1992). Goodwill trust is the degree that one partner believes another will look after its interests without a formal request (Sako 1992; Roy et al 2004). Goodwill trust does not involve fulfilling contracts or promises and is not associated with professional standards, so it differs from both contractual and competency trust (Sako 1992).

In addition to the three cognitive elements of trust, the emotional base also has elements of trust. Two elements of emotional trust, feeling and faith can be found within the psychology and sociology fields. Most of the business typologies offered ignore an emotional component (Young and Daniel 2003). Yet it is argued that trust needs more than rational proof based on personal observation; the cognitive side can be reduced to weak induction, while not fully
grasping the whole trust concept (Mollering, 2001). Feeling trust is not a rational decision on
the other person’s character; it is an emotional decision, made without developed or inductive
knowledge (Newell and Swan 2000; Hansen et al 2000). Emotional feeling trust is subjective,
based on moods, feelings and emotions that one has for another, and is not developed using
objective methodological approaches (Hansen et al 2002). It is an assessment on another
person’s character. Faith trust is quasi-religious, where faith is placed in the norm of reciprocity
(Mollering, 2001). Faith trust has nothing to do with knowledge and is more about an
unaccountable faith in the norm of reciprocity with the other person. This unaccountable faith
trust assumes others in a relationship will reciprocate, essentially expecting without knowledge
that others will return good deeds in relationship (Mollering 2001).

Therefore, it can be argued that five elements of trust form total trust. There are three cognitive
elements of trust, competency, contractual and goodwill and two emotional elements of trust
faith and feeling. These will be used in conjunction with commitment and liking as a basis for
the conceptual model. While there are many other relationship marketing variables, the scope of
this research is limited to these. Commitment has been linked with relationship marketing
outcomes (Morgan and Hunt, 1994). Commitment in relationship marketing is seen as involving
an explicit or implicit pledge of relational continuity between the partners (Dwyer et al., 1987).
Liking has also been tested in relationship marketing settings previously (e.g. Nichosen et al).
Liking pertains to an attraction, or an emotional sentiment which draws people together. Liking
may be argued to be an affective attachment, a feeling beyond acceptance and more towards an
attraction, where there is a desire to be around a person (Nicholson et al., 2001).

The relationship lifecycle is concerned with explaining the establishment and development of a
relationship (Ford, 1980). The pattern of development can be classified into various stages or
phases which catalogue the development process of the relationship (Ford 1982; Dwyer et al
1987; Larson 1994). While contention is present over the evolution through the phases, trust is
argued to be present in some form or another in most phases. Arguably, high uncertainty and
distance between partners in the early or development phase of the relationship lifecycle requires
a high level of trust (Ford 1982). Communication and bargaining also increases in this stage
(Dwyer et al 1987), which may require trust. In the mature or commitment phase the integration
of the parties (Larson, 1992) may also have an impact on relationship outcomes. Information
exchange and its place in a relationship is a key point of investigation for this research. Larson
(1992) argued that information exchange is a key feature of this phase of the relationship
lifecycle. Power sharing and information exchange both require trusts. There is also an ongoing
level of commitment in this phase, which is demonstrated through tangible inputs (Jap and
Anderson, 2007).

In the past, there have been attempts in some fields to map the relationship between gender and
trust. In economics, gender has been linked to trusting intentions, but was found not to be linked
to trusting behaviours (Croson and Buchan, 1999). Further, gender has also been found to have
an effect on trust in another person’s ability, yet not on trust in another person’s cooperation
(Schwieren and Sutter, 2003). Both of these studies were conducted in economics. Little work
has been conducted on gender and trust in a relationship marketing context. Moreover, there are
few, if any studies that look at trust and gender with reference to a lifecycle. Hence, we will test
the above constructs, using two phases of the relationship lifecycle to examine if males and
females are different.
Methodology and Sample

The principle methodology used in this research is structural equation modelling (SEM). SEM was used as there are covariances between each of the constructs and the need for multidimensional scales. Two structural models were estimated, one each for the early and mature relationship phases. 380 surveys were used, which were collected from regional NSW. Convergent validity (all factor loadings were above 0.70), discriminant validity and reliability (all Cronbach’s scores were above 0.80) were all tested; with all but one test was acceptable. The only issue was the discriminant validity of competence and contractual trust using the average squares method. However, comparing using the Chi square method there is discriminant validity.

Initially three structural models were estimated to develop the most statistically and theoretical model. It was found that liking and commitment were mediating variables. This model provided the highest level of overall model fit, thus was adopted.

Findings

The overall model fit of for both the early and mature models were with acceptable ranges. Both had Chi square/ degrees of freedom of 2.298 and 2.476 for the early and mature model. The GFI was low in both models (0.80 and 0.79) however the RMSEA was also acceptable (0.06 and 0.06). The CFI (0.93 and 0.93) and TLI (0.92 and 0.92) were also acceptable for both models.

The total and direct effects in Table 1 contain the regression paths included in the early and mature models, for both male and females. Competency was found to be insignificant in the early relationship phase, for both males and females. While goodwill was found to be insignificant in the early and mature relationship phases for males. All other relationships were found to be significant to the 0.001 level in the early and mature models.
Table 1: Path Effects Early and Mature Relationships

<table>
<thead>
<tr>
<th>Covariate</th>
<th>Mediating effect</th>
<th>Female</th>
<th>Male</th>
<th>Total effect on performance Female</th>
<th>Total effect on performance Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract</td>
<td>Commitment</td>
<td>0.54</td>
<td>0.6</td>
<td>0.26</td>
<td>0.38</td>
</tr>
<tr>
<td>Goodwill</td>
<td>Commitment</td>
<td>0.45</td>
<td>0.06</td>
<td>0.22</td>
<td>0.04**</td>
</tr>
<tr>
<td>Competency</td>
<td>Commitment</td>
<td>-0.17</td>
<td>0.26</td>
<td>-0.08**</td>
<td>0.16**</td>
</tr>
<tr>
<td>Faith</td>
<td>Liking</td>
<td>0.58</td>
<td>0.62</td>
<td>0.26</td>
<td>0.18</td>
</tr>
<tr>
<td>Feeling</td>
<td>Liking</td>
<td>0.27</td>
<td>0.25</td>
<td>0.12</td>
<td>0.07</td>
</tr>
<tr>
<td>Commitment</td>
<td></td>
<td>0.49</td>
<td>0.63</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liking</td>
<td></td>
<td>0.44</td>
<td>0.29</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Mature Relationship Phase**

<table>
<thead>
<tr>
<th>Covariate</th>
<th>Mediating effect</th>
<th>Female</th>
<th>Male</th>
<th>Total effect on performance Female</th>
<th>Total effect on performance Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract</td>
<td>Commitment</td>
<td>0.32</td>
<td>0.34</td>
<td>0.23</td>
<td>0.27</td>
</tr>
<tr>
<td>Goodwill</td>
<td>Commitment</td>
<td>0.18</td>
<td>0.03</td>
<td>0.13</td>
<td>0.02**</td>
</tr>
<tr>
<td>Competency</td>
<td>Commitment</td>
<td>0.38</td>
<td>0.53</td>
<td>0.27</td>
<td>0.42</td>
</tr>
<tr>
<td>Faith</td>
<td>Liking</td>
<td>0.72</td>
<td>0.59</td>
<td>0.17</td>
<td>0.13</td>
</tr>
<tr>
<td>Feeling</td>
<td>Liking</td>
<td>0.29</td>
<td>0.33</td>
<td>0.07</td>
<td>0.07</td>
</tr>
<tr>
<td>Commitment</td>
<td></td>
<td>0.72</td>
<td>0.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liking</td>
<td></td>
<td>0.24</td>
<td>0.22</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(** Insignificant)

With females in the early phase of the relationship lifecycle, faith and contractual trust have the largest effect on relationship performance. With men, there is much more influence from contractual trust, followed distantly by faith, which had less than half the magnitude. Goodwill trust is the third largest predictor of performance for females, yet is insignificant for males. Feeling also has nearly twice the impact on performance for females than it does for males. Liking had a larger influence for females on performance while for men commitment had a larger magnitude of effect on performance.

In the mature phase of the relationship lifecycle competency trust became the largest influence on performance for both males and females. Contractual trust, while diminished, was the second largest predictor of trust for both males and females. The third largest influence on performance was faith for both sexes. While the fourth was goodwill for females, the construct was insignificant for males. Males and females had a decrease in magnitude for faith, while feeling remained stable for men it was nearly halved for females. Commitments influence on performance was substantially higher for both males and females. Liking was slightly reduced for males and for females likings influence on performance was drastically reduced.

The total effects illustrates that there are some differences between males and females. Particularly in the early phase of the relationship lifecycle where there are several differences. To examine this further multigroup analysis was used. Here, each of the structural paths was individually constrained, making the male and female groups equivalent. The testing then indicates if there is a significant difference between the male group and the female group. In the early phase, competency, goodwill and liking are all significantly different. In the mature phase, competency is significantly different to the 0.05 level, while faith is significantly different to the 0.10 level.
Following the individual constraint, cognitive and emotional trust were then constrained, with each construct from the female group equal to the same construct in the male group. In the early phase, there are significant differences between the cognitive trust side of the model for females and males. While for the emotional side, the males and females are equivalent. In the mature phase, males and females there is no difference for males and females for both cognitive and emotional trust.

**Table 2: Multigroup Analysis**

<table>
<thead>
<tr>
<th></th>
<th>Early Phase</th>
<th>Mature Phase</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Model</strong></td>
<td>DF</td>
<td>CMIN</td>
</tr>
<tr>
<td>Measurement weights</td>
<td>18</td>
<td>23.091</td>
</tr>
<tr>
<td>Structural weights</td>
<td>25</td>
<td>45.839</td>
</tr>
<tr>
<td>Structural covariances</td>
<td>40</td>
<td>66.141</td>
</tr>
<tr>
<td>Structural residuals</td>
<td>43</td>
<td>69.093</td>
</tr>
<tr>
<td>Measurement residuals</td>
<td>69</td>
<td>143.898</td>
</tr>
<tr>
<td>Contractual</td>
<td>1</td>
<td>0.098</td>
</tr>
<tr>
<td>Competency</td>
<td>1</td>
<td>14.109</td>
</tr>
<tr>
<td>Goodwill</td>
<td>1</td>
<td>3.854</td>
</tr>
<tr>
<td>Faith</td>
<td>1</td>
<td>0.075</td>
</tr>
<tr>
<td>Feeling</td>
<td>1</td>
<td>0.009</td>
</tr>
<tr>
<td>Commitment</td>
<td>1</td>
<td>1.458</td>
</tr>
<tr>
<td>Liking</td>
<td>1</td>
<td>8.894</td>
</tr>
<tr>
<td>Contractual, competence, goodwill</td>
<td>3</td>
<td>16.441</td>
</tr>
<tr>
<td>Faith, feeling</td>
<td>2</td>
<td>0.092</td>
</tr>
<tr>
<td>Contractual, competence, goodwill, commitment</td>
<td>4</td>
<td>18.106</td>
</tr>
<tr>
<td>Faith, feeling, liking</td>
<td>3</td>
<td>8.898</td>
</tr>
</tbody>
</table>

The final multigroup analysis involved again constraining the elements of trust with each other across the male and female groups and extended by constraining their mediating variable across the groups. In the early phase, males and females were invariant, with significant differences between the groups, yet they were the same in the mature phase. This testing and the previous testing indicate that as a group the emotional and cognitive parts of the model are different early, yet the same in the mature relationship.

**Conclusions and Directions for Further Research**

This research empirically examined the differences between genders in a business-to-business relationship. Specifically, the research examined the differences between males and females with respect to the different elements of trust and how they influence relationship performance. The total effects indicated that males and females were largely different in the early phase of the relationship, and to a lesser extent different in the mature phase of the lifecycle. The multigroup analysis indicated largely that when grouped, both the cognitive and emotional aspects of the model were different in the early phase. However, again when grouped both the emotional and cognitive aspects were the same for males and females in the mature phase.

Much more work is required in this area. This study was limited by the nature of the sample, with the focus being regional business. More research could be conducted, to further examine gender and the role it plays in trust and relationship performance.


