

FEELING TRUSTED AND LOYALTY: MODELING SUPERVISOR-SUBORDINATE INTERACTION FROM A TRUSTEE PERSPECTIVE

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Abstract

Previous research on interpersonal trust has focused only on trusting, such as the antecedents leading to trust in management. This study explores the effect of subordinate feeling trusted in the interaction between Chinese supervisors and subordinates. We examine the mediating effect of subordinate satisfaction with supervisor and the moderating effect of trust in supervisor on their loyalty to supervisor in this interaction. The findings indicate that subordinate feeling trusted positively affects their satisfaction with the supervisor and ultimately results in improving loyalty to supervisor. The article concludes with a discussion of theoretical and practical implications for trust management in real work settings.

Introduction

This study explores the effect that subordinate feeling trusted has on trust-loyalty interactions between supervisor and subordinates, and situates the discussion within Chinese culture. Chinese culture is characterised by Confucianism, which attaches great importance to harmony, reciprocity and loyalty (Earley, 1989; Warner, 1993). In present-day Chinese society, many Confucian values of trust and loyalty remain strong (Bond & Hofstede, 1989; Ng, 1998). In China, a supervisor is supposed to trust subordinates and in turn, subordinates are supposed to be loyal to their supervisor. The loyalty of managers to top executives, for example, is considered to be a crucial factor in their promotion (Selmer, 2000, 2001), and the importance of trust-loyalty interaction between supervisor and subordinates is emphasised in Chinese culture.

However, the effect of feeling trusted in the trust-loyalty interaction has not yet been fully examined. How are subordinates motivated? How do they respond to their supervisor's demands when feeling trusted? Under what conditions will he/she offer greater loyalty to the supervisor? The answers to such questions will increase the understanding of how to manage trust issues between supervisor and subordinates. To clarify the effects of subordinates' feeling trusted in the supervisor-subordinate relationship, the present study examines the effects that feeling trusted have on a subordinate loyalty to his/her supervisor. Previous research on interpersonal trust focuses only on trusting, such as the antecedents leading to trust (McAllister, 1995; Mayer *et al*, 1995; McKnight *et al*, 1998); trust mechanism (Lewicki *et al*, 1995; Aryee *et al*, 2002), and the consequences of trusting (i.e. performance, organisational commitment, turnover, organisational citizenship behaviours, etc.) (Dirks & Ferrin, 2002; Mayer & Gavin, 2005). Along with trusting, the trust relationship also includes the component of being trusted. However, limited attention has been given to issues of the perception of being trusted, or of feeling trusted and performance.

Nevertheless, the fact that subordinates are trusted exerts no influence on their behaviour until they *feel* that they are trusted.. It is thus very important to ensure that subordinates feel trusted in order to improve the supervisor-subordinate relationship. Therefore, it is hoped that exploring subordinate feeling of being trusted in trust-loyalty interactions from the perspective of the trustee will shed new light on the mechanism of supervisor-subordinate interaction, which in turn may improve trust management.

Theoretical Background and Hypotheses

Subordinate Feeling Trusted

Although trusting and feeling trusted are often mentioned together, they are actually independent concepts with distinct structures (Brower *et al*, 2000). Sometimes trusting may not be felt by the trustee because trusting and feeling trusted are perceptions of two different parties. Furthermore, trust does not necessarily translate into mutual trust, because one party can trust the other without being trusted in return (Schoorman, Mayer & Davis, 2007). In other

words, trust exerts influence on a trustee's behaviour only when it has been felt by the trustee.

Feeling trusted is referred to as "the trusted other's own perception of whether he or she is trusted by others" (Lau *et al*, 2007). Subordinates' feeling of being trusted equates to the subordinate's perception of being trusted by their supervisor. With regard to the factor structure of feeling trusted, as demonstrated in Lau *et al*'s (2007) study, feeling trusted is measured in terms of the perception of a supervisor's four types of behaviours. If a supervisor empowers his subordinates, treats his subordinates fairly, supports his subordinates, or shares important information with his subordinates, then the subordinates' perception of being trusted is expected. It can be inferred that the structure of feeling trusted encompasses four dimensions: empowerment perception, justice perception, supervisor support and information sharing.

People can reciprocate each other's favours in interpersonal interaction (Malhotra, 2004). When feeling trusted, subordinates may reciprocate in interaction with their supervisor. There are at least two effects for which subordinates' perception of being trusted is of critical significance in the trust-loyalty interaction between supervisors and subordinates. One is increasing subordinates' satisfaction with the supervisor, and the other is increasing subordinate loyalty to the supervisor.

The motivation effect of feeling trusted is emphasised in Chinese supervisor-subordinate interaction. For example, a famous Chinese saying states that "A gentleman is ready to die for his bosom friends" (shi wei zhiji zhe si, 士为知己者死), which means one would do anything for others' trust and understanding. In other words, feeling trusted is a kind of motivation and spiritual need. There are many Chinese idioms that imply the motivation arising from feeling trusted, for instance, "recognizing others' kindness and looking for opportunities to repay that spiritual debt" (zhi en tu bao, 知恩图报). It can be deduced that feeling trusted is very important in the supervisor-subordinate relationship in Chinese firms. A Chinese subordinate will commit to the supervisor and try his/her best to accomplish the job specified by the supervisor when he gains the trust and affirmation of the supervisor.

The Relationship between Subordinates Feeling Trusted and Their Satisfaction with Supervisor

Subordinate feeling trusted may result in those subordinates having increased satisfaction with their supervisor. The subordinates who feel trusted by their supervisor often feel appreciated by the supervisor. Accordingly, feelings of earning a supervisor's appreciation may result in subordinates' increasing satisfaction with their supervisor in the supervisor-subordinate interaction.

Furthermore, trusting and feeling trusted are a mutually interactive process embracing attitude and satisfaction. According to Lau *et al'* s (2007) study, when subordinates feel trusted by supervisors, they believe that the supervisors will give them fair treatment, respect, and probably more resources or more opportunities, which will satisfy both their physical and spiritual needs. As a result, they may have greater satisfaction with their supervisor (Wang, Law & Chen, 2008).

Subordinate perception of supervisor empowerment and support is the source of subordinate feeling trusted. Supervisors are more empowering with subordinates they trust (Spreitzer & Quinn, 2001). Empowerment resulting from supervisor trust should be intrinsically motivating to subordinates (Seibert, Silver & Randolph, 2004), and should thus increase their satisfaction with their supervisor. In Fu *et al's* (2002) study, it is found that an autocratic leadership style is least preferred due to there being little empowerment and support, and that subordinates have a very low level of satisfaction compared to those under other leadership styles. In a cross-cultural comparative study between western and Asian countries, Dorfman *et al* (1997) found that autocratic leadership behaviours are positively related to subordinates' dissatisfaction, since autocratic leaders seldom delegate or empower their subordinates during the decision-making process. Such explicit dissatisfaction is caused by the lack of feeling trusted. It is likely that feeling trusted will lead to satisfaction with supervisor. Hence, we hypothesize:

H1: Subordinates' sense of feeling trusted is positively related to satisfaction with the supervisor.

The Relationship between Subordinate Feeling Trusted and Their Loyalty to Supervisor

Subordinates' feeling of being trusted can also increase their loyalty to their supervisor. Loyalty to supervisor is referred to as the relative strength of a subordinate's identification with, attachment and dedication to a particular supervisor (Chen *et al*, 1998). When a subordinate feels trusted, there will be a positive effect on the subordinate loyalty to the supervisor in the long run.

Brower et al (2009) demonstrate the importance of being trusted by one's manager as a significant predictor of subordinate outcomes (e.g. subordinate job performance, organisational citizen behaviour, and intention to quit), in addition to loyalty to one's supervisor. It has also been found that trust in supervisor mediates the relationship between interaction justice and loyalty to supervisor (Wong *et al*, 2002). As justice perception is another dimension of feeling trusted, we can infer that feeling trusted will result in loyalty to supervisor.

According to leader-member exchange (LMX) theory, a high quality LMX relationship is characterised by trust and loyalty (Liden & Maslyn, 1998). Sparrowe and Liden (1997) state that the relationship between supervisor and subordinates develops as work-related exchanges between each other take place. Within in-group members, the LMX relationship is often characterised as being of high quality (i.e. having trust, respect, and loyalty). Loyalty occurs when a good LMX relationship is reciprocated with trust behaviours between leader and members. These exchanges create in the subordinate a feeling of obligation to reciprocate and high expectations of reciprocation (Cropanzano & Mitchell, 2005). Subordinates of the in-group will develop loyalty to the supervisor in reciprocity for being trusted. From the subordinates' perspective, when feeling trusted the subordinates are likely to be the recipients of more favourable benefits and to increase self-esteem (Pierce & Gardner, 2004). As a result, subordinates should be motivated to perform well and should be more loyal to the exchange relationship (Brower et al., 2000; Pierce & Gardner, 2004).

Chinese norms of reciprocity are embedded in *hui-pao* (*reciprocity*) and institutionalised in *guanxi*. Returning another person's favors is an obligation expected within the whole of Chinese society (Luo, 2005). That is to say,

when people feel trusted they will reciprocate others' trusting behaviours by offering help and support (i.e. loyalty). More often than not, a supervisor who performs trusting behaviours towards subordinates expects that subordinates will reciprocate these favours by developing loyalty to him/her. Feeling trusted may result in a sense of obligation in the trustee to fulfil responsibilities expected by the trustor, which is an essential motivation to the subordinates' behaviours and will give rise to subordinates' loyalty to their supervisor (Lau, 2007). Therefore, when subordinates feel trusted and valued by their supervisor, they may develop a certain degree of loyalty to their supervisor.

Employee loyalty is likely to be based on gratitude for individualised support by the supervisor and personal role obligations for the supervisor (Chen, Tsui & Farh, 2002). The validated scale for loyalty to supervisor has already been developed in Chinese settings to capture some indigenous ideas in Chinese culture (Chen *et al.*, 1998), which we draw upon to examine the variable of loyalty to supervisor. We thus hypothesize that:

H2: Subordinates' feeling of being trusted is positively related to their loyalty to their supervisor.

Mediating Effect of Satisfaction with Supervisor

In respect of feeling trusted in the trust-loyalty interaction between supervisor and subordinate, we propose that subordinates' feeling of being trusted motivates their satisfaction with their supervisor, and ultimately results in improving loyalty to supervisor, which means that satisfaction with the supervisor is the mediator between feeling trusted and loyalty to supervisor. In what follows, the mediating effect of this satisfaction with supervisor between subordinates' feeling trusted and their loyalty to supervisor will be analysed.

It is argued that one of the major reasons for which people leave organisations is that they are treated poorly by their supervisors (Williams, 2002; Ismatilla, 2007). When subordinates are dissatisfied with their supervisors, they will demonstrate a low degree of loyalty to supervisor and a low degree of commitment to the organisation. Those who stay in the organisation but work under poor supervisors will have lower job and life satisfaction, lower

commitment, and psychological distress (Tepper, 2000). It seems that lower satisfaction with supervisor is associated with lower loyalty to that supervisor.

There is no lack of research concerning the relationship between satisfaction with supervision and loyalty to supervisor in the Chinese work setting. Wong & Kung's (1999) findings suggest that satisfaction with supervisor has a positive correlation with loyalty to supervisor and organisational commitment. It can be inferred that when subordinates feel more trusted by their supervisor, they will be satisfied with the supervisor, which may result in increasing loyalty to their supervisor.

Therefore, we formulate the following hypothesis:

H3: Satisfaction with supervisor is the mediator between subordinate feeling trusted and their loyalty to supervisor.

Moderating Effects of Subordinates' Trust in Supervisor

Trust in supervisor can be defined as a psychological state comprising the intention to accept vulnerability based on the expectations of supervisor's positive intentions or behaviours (Podsakoff *et al*, 1990; Rousseau *et al*, 1998). The trustworthiness of the supervisor is an important moderator affecting loyalty to the supervisor. The more subordinates trust in their supervisor, the more they are likely to be satisfied with the supervisor and show increased loyalty to the supervisor. In two recent meta-analyses, it is found that trust in the manager is positively related to job performance and organisational citizenship behaviour (OCB) including loyalty to supervisor, and negatively related to counterproductive outcomes, such as the intention to quit the organisation (Colquitt, Scott & LePine, 2007; Dirks & Ferrin, 2002).

Trust in supervisor is shown to be positively associated with job satisfaction and effect (Simmons *et al*, 2001; Tan & Tan, 2000; Konovsky & Pugh, 1994), and Tan and Tan (2000) find that trust in supervisor is significantly and positively related to satisfaction with supervisor. When subordinates trust their supervisor, they should be more willing to provide benefits in the form of extra effort in job performance and OCB and should have more favourable attitudes toward the exchange relationship as well as being more willing to

maintain it (Dirks & Ferrin, 2002; Konovsky & Pugh, 1994; Mayer & Gavin, 2005).

Based on the leader-member exchange theory, the good relationship between supervisor and subordinates is developed through long-term interaction and characterised by a high level of trust and loyalty (Sparrowe & Liden, 1997). As the long-term interactions between subordinates and supervisor are repetitive and reciprocal, the reciprocated trust interaction between supervisor and subordinates in the long run will result in loyalty to each other. McAllister (1995) points out that frequent and long-term interaction between individuals (e.g. subordinate and supervisor) may lead to the formation of emotional attachment based on reciprocal care and concern. It thus can be inferred that subordinates' trust in their supervisor will have a positive impact on the development of their loyalty to the supervisor. Wong *et al's* (2002) empirical study also confirms that trust in supervisor is positively related to loyalty to that supervisor. Therefore, another hypothesis is proposed:

H4: Trust in supervisor moderates the relationship between supervisor and subordinate feeling trusted, and satisfaction with supervisor is stronger for subordinates who place high trust in supervisor than for subordinates who have low trust in supervisor.

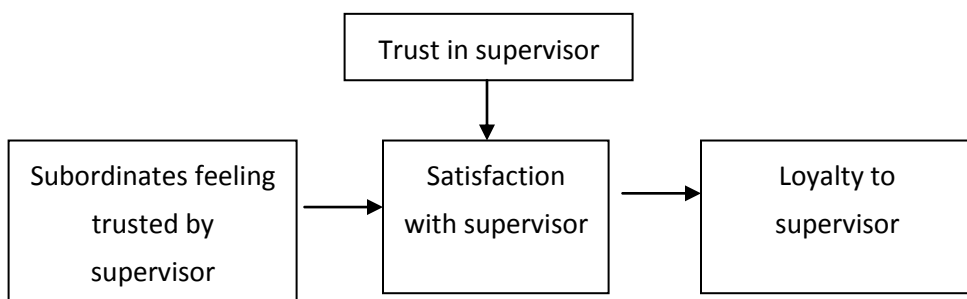


Figure 1. A proposed model on the effect of subordinates feeling trusted

Overall, a tentative model (Model 1, see figure 1 below) is set up to reflect the aforementioned relationship. In the proposed model, we propose that satisfaction with supervisor has mediating effects between feeling trusted and loyalty to supervisor, and trust in supervisor will moderate the effects between feeling trusted and both the satisfaction with the supervisor and loyalty to supervisor.

Method

Sampling

Sampling was conducted in two universities located in Guangzhou (Guangdong Province, South China) and Hangzhou (Zhejiang Province, East China), two of the most prosperous regions in China. Questionnaires were distributed among 240 MBA students who volunteered to participate, and altogether 229 questionnaires were handed back. After the invalid ones were deleted, 216 questionnaires were analysed. Participants work in state-owned enterprises (41.9%), privately-owned companies (38.6%), foreign-invested companies (18.6%), and a few in township and village corporations (0.9%). They all hold management positions, ranging from upper-level managers to entry-level monitors and all of them are under high level supervision. Specifically, most participants are involved in entry-level management (53.0%) with fewer in middle-management (43.2%) or upper-level management (3.8%). The majority of participants are male (60.8%). In terms of age, most are under 30 years of age (59.5%), while the second largest group consists of those between 31 and 40 years of age (40.4 %).

Procedures

First, the survey questionnaire was designed based on four existing scales (see the section “Measures” below). Moreover, the Chinese version of the questionnaire was examined by two independent Chinese scholars at the participating universities, to ensure that it could be clearly understood by the participants.

Second, a pilot test was conducted to decide upon the appropriateness of the contents, the proper use of words, the ease of understanding and any modifications that were needed. Twenty post-graduate students with work experience volunteered to participate in the pilot test. The descriptions of frequency show that the scale had good discriminate validity.

Finally, questionnaires were distributed and subsequently collected immediately after the participants completed the questionnaires. Participants were given written confirmation that their answers would be kept confidential. Survey data were collected between October and November 2008.

Due to all variables being collected from single respondents in the current research, there was the potential problem of common method bias. We used some procedures suggested by Podsakoff *et al* (2003) to control the extent of common method bias. In the survey design, we placed the measures of the independent variables and the dependent variables in different sections of the questionnaire. We used different instructions as well as a number of filler items. These efforts created a psychological separation between the independent and dependent variables (Podsakoff *et al* 2003).

Measures

Independent variable

- **Feeling trusted (FT)** Feeling trusted is a four-item scale inductively developed by Lau *et al* (2007). The four items are: 1. My supervisor delegates important work to me; 2. My supervisor empowers me with great decision-making power; 3. My supervisor consults with me confidential information within my organisation; and 4. My supervisor informs me of his/her personal developmental plans.

Mediating variable

- **Satisfaction with supervisor (SS)** Satisfaction with supervisor is often assessed as a feature of job satisfaction. In the current study, satisfaction with supervisor is measured based on Janssen's (2001) measure of job satisfaction. To be specific, the following three items are adopted in this research: "your collaboration with your supervisor"; "the support you get from your supervisor"; and "the support you give to your supervisor". Items are rated from (1) "very dissatisfied" to (7) "very satisfied".

Dependent variable

- **Loyalty to supervisor (LS)** Chen *et al.* (1998) developed and validated a five-dimension scale to measure loyalty to supervisor, which includes seventeen items. The five dimensions are "dedication to supervisor",

“exerting effort for supervisor”, “following supervisor”, “identification with supervisor”, and “internalisation of supervisor’s values”. Among them, the first three dimensions are Chinese indigenous dimensions.

Moderator variable

- **Trust in supervisor (TS)** Based on the trust in/loyalty to the leader scale (Podsakoff *et al.*, 1990), four items are adopted: “I have complete faith in the integrity of my supervisor”; “My supervisors would not try to gain an advantage by deceiving employees”; “I feel quite confident that my supervisor will always try to treat me fairly”; and “I would support my supervisor in almost any emergency”.

Control Variables

The demographic items such as gender, age, position levels are also noted in the questionnaire, which are treated as control variables. Specifically, the gender item is labeled as (1) male and (2) female, the age item as (1) under 30 years old, (2) 31-40 years old, and (3) above 41 years old. Position is recorded as (1) entry-level, (2) middle-management level, and (3) upper-management level.

Scale Reliability and Validity

Reliability analysis is used to construct a reliable measurement scale in this study. The aforementioned four existing scales are adopted and modified into a 7-point scale questionnaire. Cronbach’s alpha coefficient is used to examine the reliability of the scale items. In the scale of feeling trusted, the value of alpha is 0.89. In the case of satisfaction with supervision, the value of alpha is 0.96, and in the case of trust in supervisor the value of alpha is 0.92. The Cronbach’s reliability coefficient of loyalty to supervisor is 0.87. All the coefficients show very high reliability of the scale items, which indicates acceptable measurement reliability.

Construct validity of those multi-indicator constructs is tested through confirmatory factor analysis (CFA) by using AMOS 16.0. A CFA for all items that measured the FT, SS, TS and LS to check for convergent and discriminant validity as well as common method variance in the data was conducted. Before doing that, the structural model was simplified by reducing the number of indicators for loyalty to supervisor in order to curtail the problem of having

too many indicators (Bentler & Chou, 1987). Two items were combined with the highest and the lowest factor loading into one aggregated score. The method was repeated until the factor had five indicators. The four-factor model was compared with four alternative models. The fit indices for these models are summarised in Table 1.

The four-factor model had the best fit among all the comparison models ($\chi^2/df = 1.78$, RMSEA = .057). All fit indices for this model were within acceptable levels. In addition, the four-factor model had a significantly better fit than any of the four alternative models, and according to $\Delta\chi^2$ test, all the $\Delta\chi^2$ are significant at $p < .001$.

As shown in Table 1, the alternative models did not fit well. The one-factor model had a poor fit ($\chi^2/df = 4.77$, RMSEA = .24), providing evidence against bias from common method variance (Podsakoff et al., 2003). Therefore, it was concluded that the four-factor model was an appropriate factor structure for the items, and all the results suggest little common method bias and provide support for the validity of our measures.

Table 1 Comparison of alternative factor models

Model	df	χ^2	RMSEA	IFI	CFI	TLI	$\Delta\chi^2$
Four-factor model (FT, SS, TS, LS)	99	176.23	.057	.95	.95	.92	
Three-factor model I (FT, SS, TS+LS)	100	325.66	.093	.91	.93	.90	149.43
Three-factor model II (FT+SS, TS, LS)	100	357.81	.11	.92	.91	.87	181.58
Two-factor model (FT+SS, TS+LS)	101	392.40	.18	.86	.89	.83	216.17
One-factor model	104	496.35	.24	.67	.79	.61	320.12

Results

Descriptive Statistics and Correlations

Means, standard deviations, and intercorrelations among the variables are represented in Table 2 below. The correlation among variables indicates that feeling trusted correlates significantly with all of its potential consequences. For example, the intercorrelation between FT and SS is 0.46 ($p < 0.001$),

between FT and TS is 0.51($p<0.001$), between FT and LS is 0.56 ($p<0.001$). The results of descriptive statistics suggest that the correlations among variables are consistent with the hypothesised relationships. Thus, H1 and H2 are both supported. Satisfaction with supervisor also correlates significantly with other variables, which indicates its potential mediating effect. In a nutshell, subordinates' state of feeling trusted has a statistically significant positive relationship with the potential mediator (i.e. satisfaction with supervisor), and with the outcome variables (i.e. loyalty to supervisor).

The correlations among the control variables (gender, age and position levels) and other variables show that age is not correlated to the FL, SS, TS and LS. Gender is moderately correlated to the SS, TS and LS. The females have higher level SS, TS and LS than the males. Position levels are moderately correlated to the FT and LS. The higher level managers feel more trusted than the lower level managers, and the higher level managers also reciprocate more loyalty than the lower level managers.

Table 2. Means, standard deviations and correlations among measures

	Mean	S.D.	1	2	3	4	5	6	7
1 Feeling trusted (FT)	4.36	1.11	—						
2 Satisfaction with supervisor (SS)	5.14	0.85	.46**	—					
3 Trust in supervisor (TS)	4.99	1.01	.51**	.53**	—				
4 Loyalty to supervisor (LS)	4.48	.87	.56**	.59**	.50**	—			
5 gender	1.40	.49	.15	.21*	.19*	.25*	—		
6 Age	1.41	.50	-.03	-.01	-.12	.02	-.14	—	
7 Position level	2.50	.57	.27*	.06	.07	.21*	.01	.31**	—

Note: * $p<.01$, ** $p<.001$.

Hypotheses Testing

AMOS16.0 is used to test the proposed models and hypotheses. Model 1 was first tested and it was treated as baseline model. As shown in Table 3, most fit indices are below 0.90 (i.e. GFI =0.85, IFI=0.88, CFI=0.92 and TLI=0.83), which suggest that Model 1 is not satisfactory enough.

Another competing model is then compared with Model 1 to see if there is a model which fits better. In the literature, trust in supervisor is often treated as an outcome variable of subordinates feeling trusted. The trust relationship between supervisor and subordinates is built through repeated interactions of being trusted over time. When subordinates feel trusted, they may choose to reciprocate the trust. It has been observed that people often reciprocate the acts of others even when doing so is against their self-interest (Berg *et al*, 1995; Ortmann *et al*, 2000). When subordinates experience greater justice in the workplace, they will trust their supervisors more (Aryee *et al* 2002; Konovsky & Pugh, 1994). As indicated above, justice perception can be treated as one dimension of feeling trusted. Therefore, based on Model 1, one path from feeling trusted to trust in supervisor is added, which results in Model 2.

Model 2 is also tested by using AMOS 16.0. The fit indices of Model 2 are shown in Table 3 below. The fit indices suggested that Model 2 fits well, because most of the fit indices are above 0.90 (e.g. GFI=0.89, IFI=0.91, CFI=0.94, TLI=0.92).

The fit indices show that Model 2 fits better than Model 1. The chi-square test comparing the two models also indicates that Model 2 provides a significantly better fit to the data than model 1 ($\chi^2/df = 1.99$). In comparison with the baseline model, Model 2 better reflects the relationship between the four discussed variables. Therefore, the path from feeling trusted to trust in supervisor should be retained.

Table 3. Fit indices for model test

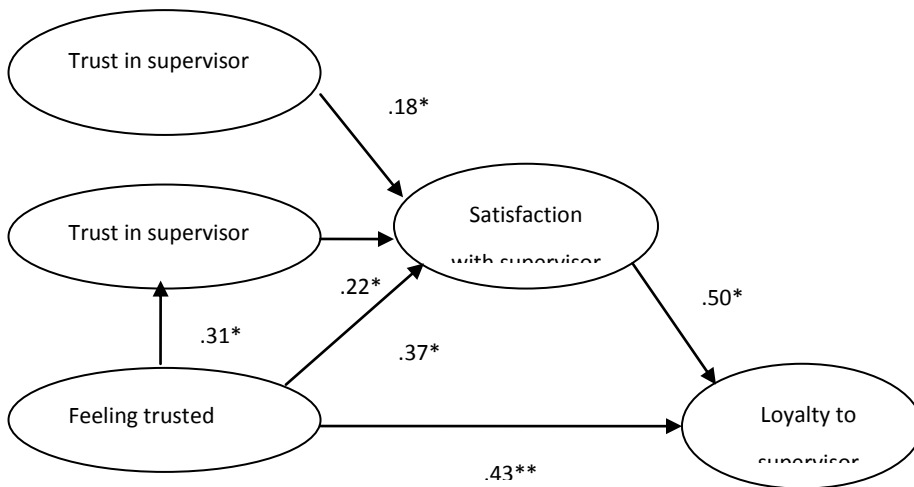
	χ^2	df	GFI	IFI	CFI	TLI	RMSEA	$\Delta\chi^2$
Model 1	387.26	120	.85	.88	.92	.83	.081	
Model 2	236.65	119	.89	.91	.94	.92	.032	-150.61 *

Notes: * $p < .05$, ** $p < .01$

Figure 2 represents the path coefficients for Model 2. All the path coefficients for Model 2 are reasonable and supported. For instance, satisfaction with supervisor is significantly related to loyalty to supervisor ($\beta=0.50$, $p < 0.01$). In

conclusion, Model 2 is better supported than the baseline model. Model 2 can effectively explain how subordinates' sense of feeling trusted affects trust in the supervisor and loyalty to the supervisor; that is, satisfaction with supervisor mediates the relationship between feeling trusted and loyalty to the supervisor, and trust in the supervisor moderates the relationship between feeling trusted and to loyalty to the supervisor.

As mentioned above, H1, H2 and H3 are all supported by SEM analysis. The above hypotheses are further tested by the path coefficients. Because Model 2 fits better, the path coefficients of Model 2 are analysed to test the above hypotheses. In particular, H1 is tested by the path coefficient between feeling trusted and satisfaction with the supervisor. H2 is tested by the path coefficient between feeling trusted and loyalty to the supervisor. H4 is tested by the path coefficient between FT*TS and loyalty to the supervisor.



Note: * $p < .05$, ** $p < .01$

Figure 2. Path coefficients for Model 2

The path coefficients shown in Figure 2 suggest that feeling trusted is positively related to satisfaction with supervisor ($\beta=.37$, $p < .01$), and loyalty to supervisor ($\beta=.43$, $p < .01$). Thus, H1, H2 are all supported. On the other hand, Figure 2 reveals that the interaction between feeling trusted and trust in supervisor is positively related to loyalty to supervisor ($\beta=.18$, $p < .05$). Therefore, H4 is also supported.

The regression method developed by Baron and Kenny (1986) is used to examine H3, the mediating effects of satisfaction with supervisor in the proposed mediation model. It is necessary to meet three requirements for mediation in three steps. In Step 1, the dependent variables (LS) are regressed on the independent variable (FT). The beta should be significant, which is the first requirement for mediation. In Step 2, the mediator (SS) was regressed on the independent variable (FT), which should also be significant. In Step 3, the dependent variables (LS) were regressed on both the independent variable (FT) and the mediator(SS). The contribution of SS is highly significant, whereas the contribution of FT becomes less significant or not significant and is the third requirement for mediation. The results for the mediation effects are shown in Table 4.

Table 4. Results of Regression Analysis of Loyalty to supervisor on Feeling trusted and Satisfaction with supervisor

Variables	Satisfaction with supervisor		Loyalty to supervisor		Loyalty to supervisor		Mediating effect
	β	<i>t</i>	β	<i>t</i>	β	<i>t</i>	
Feeling trusted	.56**	15.42**	.51**	-12.39**	.23*	-8.23*	partial

As shown in Table 4, subordinates' state of feeling trusted significantly predicts their satisfaction with their supervisor. Second, feeling trusted significantly explains the dependent variable, i.e. loyalty to supervisor. Third, when adding the mediator to the equation, the contribution of the mediator is highly significant and the contribution of feeling trusted becomes less significant. To sum up, the three conditions of the mediating effect are all fulfilled. The results therefore suggest that H3, which states that satisfaction with supervisor has a mediating effect between feeling trusted and loyalty to supervisor, is supported.

Discussion

Theoretical Implications

The primary purpose of this study is to explore how subordinates' feeling of being trusted impacts on their reciprocal intention and behaviour to the supervisor. The present study contributes to the trust literature by

demonstrating that subordinates feeling trusted does play a key role in the trust-loyalty interaction between supervisor and subordinates in the Chinese context. When subordinates feel trusted by the supervisor, they may also feel more satisfaction with their supervisor, which in turn engenders loyalty. In sum, subordinates' satisfaction with a supervisor mediates the relationship between their feeling trusted and loyalty to the supervisor. At the same time, trust in the supervisor moderates the relationship among the above variables. The results are consistent with Chinese trust-loyalty culture. China is a high-context society where interpersonal harmony and social bonds are important. Individuals seek to build trust and loyalty through developing personal relationships (Child & Mollering, 2003).

Analysing the supervisor-subordinate trust relationship from the perspective of feeling trusted provides a new and complementary perspective on that issue (e.g. Lau, *et al* 2007). Although feeling trusted is emphasised in Chinese culture, there is a lack of scholarly attention in the existing research. Lau *et al* (2007) have distinguished the antecedents of feeling trusted and the indicators to measure feeling trusted. However the effect of feeling trusted is not clear in their study. The findings of the current study address this missing link in the trust literature with an empirical study in the effect of subordinates' sense of feeling trusted on trust-loyalty interaction. Subordinate feeling trusted is found to be an indicator of loyalty to supervisor. Specifically, the effect of trust relationship is studied from the trustees' point of view, which is under-explored in previous studies and deserves more research attention. The findings indicate that the reciprocity of Chinese culture plays a significant role in Chinese subordinate-supervisor interactions.

The current research also extends research on trust by taking the contextual factor of subordinate satisfaction into account in this link in the Chinese context. The mediating effect of subordinate satisfaction on the relationship between feeling trusted and loyalty to supervisor indicates that Chinese subordinates are significantly motivated by their supervisor's trust and their loyalty to the supervisor is conditioned by their satisfaction of a higher level need in the workplace.

Practical Implications

The current research is also intended to shed light on some practical concerns in trust management. Clarifying the effects of feeling trusted is conducive to trust management. This study has sought, albeit briefly, to explain the effect mechanism of subordinates feeling trusted, which it is hoped will offer insights into real-life trust management and supervisor-subordinate interaction. Feeling trusted, as demonstrated in this study, is of great importance in the supervisor-subordinate relationship, especially in Chinese culture. A high level of satisfaction with the supervisor and loyalty to the supervisor can only be achieved when subordinates feel they are trusted by the supervisor. In order to develop good trust relationships and foster loyalty, Chinese managers should ensure that their trust is perceived well by their subordinates.

On a more practical level, it has been shown that the measures available to a supervisor in improving trust-loyalty interaction include empowering subordinates, fair treatment, providing support and sharing information.

Limitations

Several limitations of the present study can be identified. The first concerns the fact that only MBA students were involved in the survey, and therefore the sample might be deficient in cross-sectional validity. Another limitation may lie with the sample size and range. The study was conducted in two Universities in two provinces in China, where 229 MBA students answered the questionnaires, of which 216 samples were valid. Therefore, more studies need to be conducted to compare 'feeling trusted' among different types of staff members.

Second, the scale of feeling trusted in this study which was modified from Lau *et al* (2007) for Chinese work settings may need further testing worldwide. In different cultures, the meaning of feeling trusted might be different, and therefore the structure of feeling trusted should be examined and compared in different cultures.

Third, the directions of the hypotheses are based on theories and previous research findings, but the possibility of opposite causality cannot be ruled out.

Some previous studies argue that loyalty to supervisor positively affects job satisfaction (Liden & Maslyn, 1998). Longitudinal studies could test the underlying causality.

Future study may further analyse the effects of feeling trusted in work settings, especially the motivation effect. In addition, besides the three variables (i.e. trust in supervisor, loyalty to supervisor and job performance) that have already been discussed in this article, and other outcome variables such as organisational citizenship behaviour and employee turnover, other moderators such as characteristics of trustor and trustee are also worth exploring. Moreover, the antecedent of feeling trusted still needs to be further investigated in constructing the concept structure.

Conclusion

Limited attention has been paid to the issue of the perception of feeling trusted and performance by previous studies. This present research fills the gap in the literature to propose and examine the relationships between feeling trusted and loyalty and the moderating and mediating effects on this interaction. The findings of the investigation provide significant support to the hypotheses and contribute to the trust literature by extending the extant theories and increasing the understanding of dynamic trust relationships in the Chinese context.

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