



WORKPLACE CHANGE

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WORKING PAPER

Workplace Experiences and Trust in Government

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We ask in this article whether certain job and workplace changes presently ongoing in the United States affect individual American's level of trust in government. In particular, we address the possible effects of job reengineering and downsizing on affective orientations towards the federal government, asking whether some of the negative effects of changes at the workplace "spill over" into negative attitudes about government and political leaders and help sustain distrust among many citizens.¹ In this study, we want to determine if such a "spill over" occurs and, if it does, to explore the pathways by which certain workplace experiences are translated into political outlooks.

Low Political Trust in the United States and Its Possible Causes

Public trust in the federal government and its political leaders has declined precipitously since the mid-1960s.² In 1964, for example, the American National Election Study reported that 75 percent of Americans said they trusted the federal government to do the right thing "most" or "just about all" of the time. By 1996, only 29 percent said they agreed with the statement.³ Between 1964 and 1996, moreover, agreement with the statement that "government is run by a few big interests" grew from 29 percent to 69 percent; the number agreeing with the statement that "public officials don't care what people like me think" grew from 36 percent to 60 percent.⁴

Related trends from the Harris Poll show a decline in confidence in leaders of the national government. In 1966, 41 percent responded that they had "a great deal" of confidence in the Executive Branch and 42 percent placed such faith in Congress. By 1996, the numbers declined to 16 and 11 percent, respectively. (Blendon, Benson et al. 1995; Harris and Associates 1996) During the same period, voting participation among Americans fell to all-time lows, political candidates from both major political parties (as well as third parties) made "running against Washington" a commonplace practice in American politics, and general cynicism about government and elected political leaders pervaded popular culture, from Hollywood films to the humor of late-night comedians.

Many factors have been implicated in the historical decline of political trust in the United States and its stubborn resistance to improvement.⁵ Almost all observers agree that the Vietnam War and the Watergate affair,⁶ as well as the anti-establishment youth culture partially fomented by the former, caused the initial drop in regard for government and its leaders. Beyond that, agreement is less universal about why low political trust remains a constant of contemporary American life. One set of explanations sees an over-extended government as the villain of the piece, with a growing sense among Americans that government has taken on too many responsibilities, intrudes too much in their lives and taxes them too heavily. Another set of explanations locates the sources of discontent in the purported failures of the federal government to adequately address the many problems that afflict the American people, such as pollution, crime and poverty. Yet a third set of explanations looks to the political process itself as a source of growing distrust, focusing on public displeasure at negative advertising in campaigns, partisan warfare and deadlock in Congress, and corruption and other ethical lapses among political leaders. Other explanatory candidates include: decreasing interpersonal trust and its “spill over” effects on trust in government (Moore et al. 1985; Orren 1997; Uslander 1993); adversarial journalism and a sensation-mongering mass that feeds the public’s cynicism about elected officials and government (Bennett 1996; Patterson 1993; Sabato 1991; Spenner 1990); the spread of post-materialist values with their powerful anti-authority and anti-institution themes (Bennett 1996; Inglehart 1990; Inglehart 1997; Patterson 1993; Sabato 1991; Spenner 1990).

In the public and journalistic discourse about low political trust, a variety of factors associated with economic change have played a prominent role. The prevailing argument goes as follows: because of technological change and economic globalization -- which includes corporate relocation of manufacturing off-shore, out-sourcing to other countries where low-wage labor is cheaper, and a relatively borderless world for currencies, credit instruments and securities -- advanced industrial economies like the United States are being “hollowed-out.” (Barnet and

Cananagh 1994; Bluestone and Bennett 1982; Dicken 1992; Reich 1992) Such transformations produce increasing income inequality and a decline in the size of the middle class and its prospects. (Braun 1997; Phillips 1993) The result is a rising sense of insecurity among many Americans⁷ and anger that not enough is being done to rectify the situation. This anger is directed against virtually all institutions, especially large transnational firms and a federal government seemingly in league with them. (Craig 1993; Phillips 1993; Greenberg 1995; Craig 1996; Tolchin 1996)

The scholarly literature only weakly supports this story. To be sure, it is fairly well established that people's economic circumstances and prospects have an important influence on their political attitudes and behavior. For example, those in difficult economic circumstances are more likely than other Americans to support an enhanced federal government role in the provision of social services and income maintenance and to identify with the Democratic party, and they are less likely to vote and make contributions to political candidates. (Jacoby 1997; Nagel 1987; Rosenstone and Hanson 1993; Schlozman and Verba 1979; Verba et al. 1995) Scholarly support for the "economic circumstances-trust in government" linkage, however, is either non-existent or weak. One would expect, for example, that those who find themselves in the most difficult situations because of economic change would be most distrustful of government. Lawrence and Orren, among others, report that this expectation is not supported by extant national surveys. Both the decline in trust for government, and present low levels of trust in government, are found in every demographic and economic group, with no significant differences between groups. (Lawrence 1997; Orren 1997) Both males and females distrust government equally, as do high school graduates and college graduates, low income people and high income people, union households and non-union households, youngsters and oldsters, and blue-collar workers, housewives, professionals and farmers. Even among those who tell pollsters that they are in difficult economic straits differ hardly at all from their better off neighbors.

(Orren 1997: 86-87) Though several scholars do suggest the existence of a significant association between individual economic circumstances and trust in government, the relationships they report tend to be quite weak. (Lawrence 1997; Lipset and Schneider 1987; Nye and Zelikow 1997)

Given these findings, should we, then, abandon economic change and individual economic circumstances as contributing factors in low trust in government? We think not. There is enough circumstantial evidence -- the behavior of the disaffected, blue-collar middle class in recent elections being the main case in point -- to warrant further investigations. It is our position that the “economic circumstances” domain has not been fully explored. Surprisingly absent from most accounts is the impact of the everyday work experience of Americans. Scholars and journalists may not have been looking in the right place, that is to say, for the political “spill over” effects of economic change. More finely-tuned observations, rather than the macro-level economic circumstance measures that have been used to date in national surveys, are needed to untangle the link between the economy and citizen reactions to their government. We suggest that one of the places that has been missed is the workplace itself, precisely the location where Americans directly and personally experience the effects of technological change and corporate globalization strategies. In this article, we turn our attention to this domain and examine how experiences there may affect outlooks about government. Next we explain in greater detail why and how the workplace provides an important link between the economy and political trust for many Americans.

Hypotheses on Workplace Change and Distrust of Government

Fundamental transformations now underway in the global economy have compelled large corporations to develop a set of strategies with respect to both their external environment and their internal operations. These new corporate strategies have significant consequences for their employees.

Intensified global competition forces businesses to adapt in order to increase the probabilities for their survival and profitability. Two principal strategies have generally been employed: cutting production costs for existing processes; and engaging in "permanent innovation" in designing, producing, marketing and selling of products and services. (Sabel 1993: 138-39) The first typically involves automating production processes where possible, cutting redundant activities and subcontracting to lower cost producers. The upshot is a smaller work force within the firm, achieved through "downsizing." (Cameron 1994; Feldman and Leana 1995; Kets de Vries and Balazs 1997; Kozlowski et al. 1993; Tomasko 1987) The second incorporates ways to better use the skills and creativity of those in the organization to increase overall productivity and to be more responsive to rapidly changing markets. Firms increasingly require nimble organization, flexible use and deployment of enterprise skills, a workforce comfortable with change and uncertainty, and less hierarchical and more cooperative forms of decision-making. For employees, this generally means "reengineering" existing jobs -- learning new skills, or using skills in unfamiliar settings or tasks, changing standard operating procedures, and increased responsibility for autonomous action.⁸ These changes are often associated with results-based compensation and an intensification of work (longer hours, more pressures to produce results). Economic change, then, is mainly experienced by employees in the contemporary workplace as layoffs or the perceived threat of future layoffs, and as reengineered jobs in which they are asked to do more, in less time, and with new tools, technologies, and organizational arrangements.

Only a minority of Americans have been laid off from their jobs. This does not mean, however, that a substantial number of American have not been affected by the general process of "downsizing" (experienced by workers as "layoffs"). Research on *layoff survivors* shows that many are profoundly affected by the layoffs of friends and co-workers in their companies, especially if they themselves had ever been laid off or warned that they were about to be let go.

(Kozlowski et al. 1993) Many employees in this study said that they carry strong memories of having been laid off in the past, or have close friends and work-mates who have been forced from the company, or worry that their number will come up in some future round of layoffs. Each of these circumstances is likely to engender uncertainty about the future. For some employees in such circumstances, levels of anxiety are likely to grow and negative feelings about their company and its top management are likely to increase. It is conceivable, moreover, that free-floating anxiety and negative outlooks developed about one's own company and its leadership might spill over into outlooks about other institutions that seemingly influence one's fate, particularly the federal government. Accustomed to a government that has taken on the roles of macroeconomic manager and "safety net" provider, some employees singed by downsizing might think that the federal government is not doing enough to help.

Unlike layoffs or the threat of layoffs, the job reengineering experience is not necessarily a negative one for all employees. Some may find the rapidity of change and the requirement that they "retool" themselves in various ways threatening and discomfoting. But other employees may experience job reengineering as liberating and exhilarating to the extent that it allows them to use their skills and capacities to the full, avoid boredom, work more cooperatively with others, and encounter the workplace as a learning environment. If there is a relationship between job reengineering at the workplace and distrust of government, we would expect to find it among those whose job reengineering experiences are negative rather than those whose experiences are positive. Again, job reengineering experiences affect how employees feel about their companies -- with negative experiences generating feelings of anxiety and distrust -- with some spillover effect on feelings about government.

These observations lead to the first two hypotheses to be tested in this study:

H₁: *Employees who are most directly touched by layoffs will be less likely than their fellow employees to trust government.*

H₂: *Employees who describe their experiences with job reengineering negatively are more likely to distrust government than their fellow employees who describe their experiences positively.*

People respond to layoffs in different ways. To some, observing the discharge of their co-workers increases their worries about the security of their own jobs in the future. To others, these layoffs are distant and unrelated to personal calculations about future employment. A few feel their own jobs, to their way of thinking, are so important to the activities of the company, that worries about layoffs touching them are not well developed. If layoffs are related to distrust of government, it is probably the case that it is among the job insecure that distrust of government is most evident. Thus,

H_{2a}: *Employees who worry the most about the security of their jobs are less likely than other employees to trust government.*

One of the themes that came up constantly in our interviews and focus group sessions with employees (described below in the section on data gathering) is that directly or indirectly experiencing a layoff (that is, having been laid off in the past, or having a friend or coworker laid off) is less important to current employees' assessment of their company and its leadership (and, we suspect, of government) than is their assessment of the degree to which management conducted layoffs in a fair and just manner.⁹ Recognizing that companies must sometimes lay off people, current employees repeatedly express the view that what is important to them is that management selects those who were to be laid off on the basis of clear and reasonable criteria, gave fair notice, and offered some assistance in finding a new job. Assessments of how justly their company acted during "downsizing" profoundly affects employees' overall feelings about their company. (Brockner et al. 1988; Kissler 1994; Morrison and Robinson 1997; Robinson et al. 1994; Rousseau 1989) If layoffs are related to trust in government, as we suspect they are, and if the relative sense of justice is considered to be the most important aspect of layoffs for

employees, then one would expect that those who most strongly believed their company acted unjustly are the most likely to distrust government.¹⁰ Thus, the following hypothesis:

H_{2b}: *Employees who believe their companies acted unjustly in conducting layoffs are more likely than their fellow employees to distrust government.*

How is it that layoffs and job reengineering are related to distrust of government? What mechanism serves to connect workplace experiences to overall conceptions of government? To be sure, layoffs no doubt generate some degree of free-floating anger, some of which is eventually directed against government. A more compelling possibility, however, is that employees may transfer some of their general feelings about the top leadership of their company to the top leadership of the nation. That is to say, it may be that layoffs and job reengineering affect attitudes about top management, and that these assessments of top management are generalized to the top leadership of other organizations, including government.

There is some warrant in the research literature for this possibility. There are, for example, a number of studies, much of it generated by the debate on “social capital,” (Putnam 1995a; Putnam 1995b; Putnam 1993; Sobel 1993) showing a close association between trust in people in general and feelings of confidence in government and public officials. The guiding idea here is that “trust breeds trust.” (Brehm and Rahn 1997; Hirschman 1984; Lane 1959; Moore et al. 1985; Uslander 1993) As Robert Lane put it, trust in government may be “a specific instance of trust in mankind.” It does not require much of an analytical extrapolation to imagine an equivalent transfer from trust of those in authority in one’s immediate environment to more general feelings about public authorities. Fortunately, one need not depend entirely on extrapolation; there are a number of studies, in fact, that look directly at the issue of private-public authority transfer. Almond and Verba, for example, in their pioneering work *The Civic Culture*, suggest that lessons learned at work, particularly about one’s relationship to leadership in the organization, are more strongly related to political behavior and attitudes than lessons

learned in other settings (such as the family and friendship groups) because authority patterns in the workplace are both closer in time to and more similar in their level of formality to authority patterns in politics and government. (Almond and Verba 1963) Eckstein theorized in his highly regarded *Division and Cohesion in Democracy* (Eckstein 1966) that people's experience with non-governmental authority is likely to be strongly associated with their feelings about political authority, with the relationship strongest where there is a similarity in authority structure between governmental and non-governmental sectors. And, a range of studies on the socialization of children consistently show that attitudes about distal political authority are, to a great degree, extensions of attitudes about more proximate authority figures. (Easton and Dennis 1969; Hess and Torney 1967; Moore et al. 1985)

More recently, Sobel has suggested and empirically demonstrated that the transference of attitudes learned at work to politics occurs most strongly between work and political domains that are isomorphic in terms of their level of formal authority. (Sobel 1993) Formal authority in organizations may be defined in two parts, according to Sobel. Formality refers to set rules, roles and relationships. Authority patterns refers to the directionality of control in the organization, with hierarchical relationships being the norm in most large organizations, including business corporations. In politics, formality refers to the degree to which "established institutional arrangements and procedures structure political activities." (Sobel 1993: 342) Formal authority in politics refers, in the common parlance, to the "authorities," those filling positions in the government. From these formulations, one might conclude that top management officials, and the set rules, regulations and relationships that allow them to run large corporations, is isomorphic with government where top officials operate within a context of set rules, regulations and relationships within which they make and execute public policy.¹¹ We would expect, then, that employee attitudes about top management will shape, to some extent, their attitudes about top

leadership in politics, understood in its global sense, as the government. The following hypothesis captures our expectations:

H₃: Attitudes towards top management in the company will mediate the relationship between the layoff and job reengineering experiences of employees and their trust in government.

Methods

We test these hypotheses using data drawn from in-depth interviews and survey research within a single, large company. Given the nature of the sample, we cannot and do not make broad generalizations about the American public. On the other hand, our sample allows for an intensive examination of the workplace experience and how it affects political outlooks. Our hope is that we might be able to cautiously generalize about how job and workplace changes are affecting trust in government among employees of large firms where substantial changes in organizational structure, process technologies, required skill sets have been taking place and where employees are feeling anxious about their long-term job security. We believe that this includes a substantial subset of the American public.

Study Site

The study was conducted in the largest division of a major American manufacturing company. The company is the dominant firm in its product line and an important U.S. exporter. The division in our study employed well over 80,000 people at the time of our investigations, with employees occupying posts stretching across a wide range of job skills and occupational categories, from high level design engineers to semi-skilled assemblers, from accountants to receptionists. The division operates in an industry subject to cyclical fluctuations in demand.

As we began our study, the division was just completing a four-year-long process of layoffs that had reduced the workforce by 27 percent (and was actually beginning a process of

rehiring to meet higher demand). The layoffs were distributed across all job classifications (known as paycodes in the organization) in rough proportion to each paycode's representation in the company. For example, the drop in the number of employees between the peak of the cycle in January 1992 and its trough in January 1996 was 29 percent for hourly production workers and 26 percent for managers. Thus, hourly workers comprised 49 percent of the labor force in 1992 and 47 percent in 1996. The proportion of managers remained constant at 10 percent. Additionally, many employees received "warn notices" notifying them that they might be laid off should further workforce reductions prove necessary.¹² The layoffs were undertaken both as a response to a decline in market demand and as part of a long-term strategy to restructure the design and production process. The strategy included conversion to a computerized and streamlined design and part-ordering system, the introduction of lean manufacturing processes modeled on the Toyota system (Womack et al. 1990) as well as experiments with cross-functional teams in certain areas and product lines. These changes were designed to raise productivity by cutting cycle time and costs across the entire division.

Data Collection

The company cooperated fully in the study, giving us access to key policy makers and employees on condition of complete confidentiality. We also sought and gained the support of the two labor unions that together represent about 70 percent of company's employees. One union represents line manufacturing workers; the other represents engineers and technicians.

Data were collected in three forms. First, depth interviews lasting from one to two hours were conducted with a randomly selected sample of 53 employees, representing all job categories and management levels. Interviews were also held with top managers in order to gain a sense of the company's rationale for layoffs, reengineering and teaming and where these changes fit in their strategic vision for the company. Second, three focus group sessions, involving 22 employees, were conducted by the principal investigators. The purpose of the employee

interviews and focus groups was to gain a sense from the employees of the range of changes going on in the firm. It also elicited opinions about their jobs and workplace social and supervisory relations, their feelings about the changes going on around them, participation in problematic behaviors (like alcohol abuse) connected to changes at work, and possible tensions between work and family responsibilities.

Based upon the in-depth interviews, the focus group discussions, and the literature on impact of the workplace environment, a questionnaire¹³ was developed and pretested. This questionnaire was sent to randomly selected employees who had worked for the firm for at least two years.¹⁴ 2,279 valid questionnaires were returned, representing a 68 percent return rate.¹⁵ Respondents were 75 percent male, 86 percent white, had a mean age of 44, and had worked on average for 14.6 years with this corporation.¹⁶ Among the respondents, 9.1 percent had received a “warn notice” (putting them on notice that they were candidates for being laid off) within the last five years, but less than 1 percent had actually been laid off within that time period. 35 percent had a close friend at work who had been laid off, while half of the respondents knew other co-workers who had been let go.

Politically, the workforce of the company used in this study is more active than average Americans: 85 percent report that they voted in the 1996 election, compared to the 72 percent rate for the sample in the American National Election Study. (ANES 1958-1996) This is not surprising in light of the fact that the company workforce was better educated -- 40 percent college graduate or post graduate compared to 22 percent in the national sample -- somewhat older on average, more likely to be married and better paid than Americans in general. The workforce was also less trusting of the federal government compared to the national sample, with more of them saying that government cannot be trusted, is run for a few big interests, and wastes tax money.¹⁷

Variables

In this section we describe the main variables and measures used in this analysis. For the most part, the measures take the form of indices constructed from multiple questions. Some of the measures used in the analysis are standard measures from the social science literature, validated across a wide range of studies. Other measures have been created specifically for this study, based on questions suggested by the depth interviews and focus groups sessions.¹⁸ For these latter measures, we performed a combination of item and scale analyses (e.g. item-to-total correlations, exploratory factor analysis, and Cronbach's internal consistency analysis prior to creating additive indices (Cronbach 1951). Below is a description of the scales used in this study. Appendix 1 lists each of the components and Alpha scores of these scales.

Strength of Layoff Experience is constructed from four questions that probe the details of respondents' direct and indirect experience with layoffs in their present company. The questions ask respondents whether they had in recent years been laid off, received a notice that they might be laid off in the next round of layoffs, or had close friends and/or co-workers laid off.¹⁹

Sense of Layoff Justice Two questions make up this additive index. One asks whether the respondent believes the company acted fairly in selecting those who were to be let go during the last round of layoffs; the other asks how well the company treated those who were let go.

Sense of Job Security is a slightly modified three-question additive index drawn from Armstrong-Sassen . (Armstrong-Stassen 1993; Armstrong-Stassen 1994) The questions ask respondents to assess the degree to which they have worried or are presently worry about retaining their job in this company, and how confident they are that the company will be their place of employment for the foreseeable future.

Subjective Evaluation of the Job Reengineering Experience This variable measures how positively respondents assess job and organizational changes to which they have been subject. These include use of new skills and technologies and the training required to do them, working on

new sets of problems with people from a wider range of job categories, being more responsible for setting and meeting work goals, and working with less supervision and more team responsibilities.²⁰

Trust in Top Management is an additive index comprised of four questions that seek to tap the degree to which respondents' believe the top management in the firm to be trustworthy. The questions ask about the honesty of managers, their general trustworthiness and whether they can be trusted to do what they say. (Kirkpatrick and Locke 1996)

Trust in government is the standard four-item measure from the American National Election Studies. (ANES 1958-1996) We code the four questions -- trust government to do the right thing, government run by a few big interests, government wastes money, and government officials are crooked -- following the conventions used by Steven J. Rosenstone and John Mark Hansen in *Mobilization, Participation and Democracy in America*. (Rosenstone and Hanson 1993)²¹

Control Variables In addition to a number of traditional control variables -- sex, income, education and age -- we use a job-category control variable throughout the analysis we have designated "paycode," borrowing the terminology from the company used in this study. We do so to recognize the likely possibility that much of what goes on in the workplace, from layoffs, to job reengineering and assessments of top management, will be influenced by the kind of job one has and where one fits in the organizational hierarchy. For the purposes of this study, we created a dummy variable designed to take into account the varying degrees of power and autonomy various job classifications exercise. We suspected that job category (paycode) may have an independent effect, in particular, on employee assessments of top management in the firm and, if H3 is correct, trust in government. High autonomy job categories -- professionals, administrators, and middle managers -- were coded "1", while lower autonomy job categories -- hourly production workers, secretaries, technicians and engineers -- were coded "0".

Data Analysis

We begin our analysis with a preliminary OLS regression that examines the effects of the main control variables on Trust in Government with an eye towards determining which of them ought to be retained for the statistical analyses to follow. Only education and paycode are significantly related to trust in government. Both of these control variables are retained in the remaining statistical procedures.

TABLE 1 ABOUT HERE

We turn our attention to the first hypotheses to be tested. H1 proposes that employees who are most closely touched by layoffs -- they themselves have been laid off or have received warn notices, or close friends and coworkers have been laid off -- are least likely to be trustful of government. H2 proposes that employees who evaluate their job reengineering experience positively will be more likely to be trustful of government. We examine these expectations in an equation in which trust in government is regressed on the index of layoff experience and on the index of evaluation of the job reengineering experience, controlling for paycode and level of education. The results are reported in Table 1, col. 1. Note that both indices are significant, taking into account all other independent variables, confirming both H1 and H2. Note, as well, that education retains its significance, suggesting an independent effect unrelated to the workplace. But paycode loses its significance, suggesting that direct and indirect experiences with layoffs and the nature of employee experiences with job reengineering matter more than the particular kind of work people do or where they are located in the organization.

H2a and H2b suggest that it is not necessarily the strength of the layoff experience that is most important for the transference of trust or distrust to government but it is, first, the sense of job insecurity that layoffs engender, and second, employee assessments of how justly top management has acted towards those “receiving the axe.” Thus, one might have experienced a layoff in the past, or seen close friends or coworkers laid off, but not feel particularly threatened

at the present time. One might have a job skill that is in high demand within the company, for instance, or see that orders for company products and services are on the rise, no matter what one's direct or indirect experience. It may be that only those who feel job insecure will translate workplace experiences into more global political orientations. Moreover, if employees come to believe that there is no one to blame for periodic layoffs, given the pressures for competitive efficiencies in the global economy, then employees are likely to assign blame only when top managers seem to act unfairly towards those being laid off, either selecting those to be let go in an arbitrary fashion and/or failing to give them enough time or assistance to find other employment. We test these ideas by adding the sense of layoff justice index and the sense of job security index to the previous equation. The results are reported in Table 1, col. 2. The hypotheses are strongly supported. As expected, the sense of job security has a significant independent effect on trust in government, as does the sense of layoff justice, while the layoff experience itself loses significance. The sense of job security and the sense of layoff justice, therefore, may be interpreted as mediators between the layoff experience and trust in government. Note that the index measuring employees' assessment of the job reengineering experience remains an important independent predictor of trust in government.

Why is it that assessment of the job reengineering experience, sense of job insecurity and sense of layoff justice are associated with trust in government? We hypothesized (H3) that the relationship between workplace experiences and trust in government may be mediated by attitudes toward top management in the company. We test this hypothesis by adding the index of Trust in Top Management to the previous regression equation. The results are reported in col. 3 where we see very strong confirmation of the hypothesis. Note that trust in management is significantly related to the trust in government measure and that all other previously significant workplace experience variables lose statistical significance. There are strong grounds, both theoretical and statistical, for believing that assessments of top management mediate between

workplace experiences and employee assessments of government. Authority transference is taking place between top leadership in the company and top political leadership, or government. Trust in one is associated with trust in the other, holding all other factors equal.

The nature of the relationships is more clearly explicated in the path diagram shown in Figure 1. A path diagram is, of course, a visual summarization of a series of regression equations -- not shown here -- in which each dependent variable becomes an independent variable in the next regression equation as one moves from the left to the right of the model. Path coefficients are standardized regression coefficients allowing one to assess the relative contribution of each variable for understanding the final dependent variable. The path diagram in Figure 1 shows the relationships between workplace experiences and trust in government. Only paths that reach statistical significance are shown. The results are unambiguous and support our main hypothesis, namely, that the relationship between workplace experiences and trust in government are mediated through employee judgments about their relative trust in the top management of their firm.

FIGURE 1 ABOUT HERE

Alternative Specification I – General Psychological Predispositions

Before we can accept this conclusion, however, we must ask whether the seeming transference of trust from top company management to the federal government is not better explained by general psychological outlooks that affect both. That is to say, orientations of trust and distrust about top company management and government may both be the product of psychological predispositions that are implicated in the formation of trusting attitudes towards others and social institutions. Rather than a transference of affect from one to the other, what may be going on is the joint outcome of a third factor. We consider that possibility here, though in an admittedly less than perfect manner. While we have no general “trusting” mental outlook measure in this study, we do have two general psychological construct measures, each of which

has been shown to be associated with a wide range of social psychological attitudes and behaviors, namely, *sense of mastery* and *depression*. For its part, mastery (and its opposite, the sense of powerlessness) has been shown to be associated with attitudes about political leaders and governmental institutions, as well as the propensity to participate in politics (Greenberg 1981; Greenberg 1986; Greenberg et al. 1996; Rosenstone and Hanson 1993). Depression, though not often considered in political research, nevertheless, remains one of the most potent constructs in the psychological literature, and has been shown to be implicated in the formation of a wide range of attitudes and behaviors concerning social institutions and social relations (Robinson et al. 1991).

In this study we measure mastery with the Pearlin and Schooler scale (Pearlin and Schooler 1978). We measure depression using a shortened version of the CES-D depression scale (Radloff 1977). Both mastery and depression are entered into our predictive equation for trust in government. If general psychological orientations are the main reason why trust in top management and trust in government are significantly associated, rather than the existence of a transfer of affect between one set of authority relations to another, then the addition of mastery and depression scales to the regression equation should erase the significant relationship between trust in top company management and trust in government. The results are reported in column 4 of Table 1. We see that the addition of these two psychological scales does not undermine or erase the statistically significant association between trust in top management and trust in government. The relative weight (as measured by standardized coefficients) of trust in top management as a factor in explaining trust in government remains unchanged and is roughly four times greater than the standardized coefficient for depression and ten times that of the sense of mastery. Trust in management is not spuriously related to trust in government. Neither generalized depression nor sense of mastery reduces this key link in our explanation of political trust.

Alternative Specification II -- Bottom Up or Top Down Transfer of Trust?

Political socialization theories posit the existence of actors who serve as conduits for the generalization of trusting attitudes. From one perspective, political trust is the result of the generalization of attitudes first displayed toward parents and slowly applied to other, non-familial agents. Early research portrayed the police officer and the school teacher as local authority figures for children who later in life transfer their relationship with authority to the larger political system (Easton and Dennis 1969, Hess and Torney 1967). In like manner, the model offered in this article explicitly adopts the bottom-up orientation to the transfer of trust from local authority to national authority. Attitudes toward economic leaders (the top corporate managers of one's own company) serve to structure opinions of national policy makers.

But is such a model reasonable? Other research on public sentiments about the Presidency suggests that a "halo effect" is generated by which positive affection for the incumbent Chief Executive is transferred to the rest of the political system.(Citrin 1974; Citrin and Green 1986; Easton and Dennis 1969; Greenstein 1960; Greenstein 1965; Hetherington 1998) Perhaps citizen-employees recognize the degree to which national policy and the political leaders associated with that policy enhance or constrain the development of corporate profits. If so, blame or praise for corporate management may be qualified by citizen evaluations of the performance of the federal government. In statistical terms, this second perspective suggests that we have the path between trust in management and trust in government depicted in Figure 1 backwards. It is trust in government that produces trust in corporate management.

Or perhaps some combination of these perspectives is most appropriate. Citizens may recognize an even more complex world in which businesses contribute to national policy and national economic success at the same time their success is a product of the activities of our national political leaders. If so, the interdependency of these relationships should be examined as

a simultaneous equation model in which evaluations of business leaders and national institutions are endogenous. As a general test of the directional hypothesis that trust in management is a determinant of trust in government, we next consider the statistical evidence for this interdependence perspective.

A simultaneous equation model captures the variety of hypotheses that might prevail. Both trust in business and trust in government may support one another, in essence, can be conceptualized as a reinforcing feedback loop by which social institutions jointly win public support (or jointly lose it). Or we may discover that trust in institutions is a bottom up phenomena with trust in local leadership spilling over and influencing trust at the national level. On other hand, the opposite pathway may dominate. That is, it is the national government that structures citizen attitudes toward all institutions including local economic and social leadership in corporate America.

FIGURE 2 ABOUT HERE

Simply adding a path from political trust to trust in management in Figure 1 produces a model that is under-identified. Additional information is necessary to estimate both pathways linking the two trust variables.²² Three new independent variables are included in the analysis to identify the model.²³ Two variables specifically focus on who is viewed as responsible for the protection of the American worker: the corporations who employ them or the government that oversees and regulates corporations. An additional question asked of our survey respondents requests their judgment of the performance of government. “Is the country moving in the right direction?” Figure 2 displays our alternative model of the relationship between trust of local business and trust of national government incorporating their mutual interdependence and the impact of three new independent causes of trust. Standardized maximum likelihood coefficients for this model are presented in Table 2.²⁴

TABLE 2 ABOUT HERE

The ML estimates support the notion that reciprocal causality underlies the relationship between trust and trust in the federal government. Both the impact of trust in management competency and integrity on trust in the federal government and the impact of trust in government on judgments about management are positive and approximately equal. Importantly, the explanatory power of this general model is considerably greater than that associated with our simple model.

Nonetheless, the preliminary conclusions drawn earlier in this paper are sustained. Local workplace experiences do influence individual worker's evaluations of their corporate leadership which in turn influences the trust with which Americans hold their national government. The effect of trust in management on trust in government remains significant at the .001 level.

Discussion

While a great deal is known about why trust in government has declined in the United States and stayed low for many years, scholars have not yet fully explained either the decline or the stickiness at low levels of public attitudes about government. Great attention has been paid in the popular media and by some scholars and political figures to the purported uncertainties and dislocations of technological change and economic globalization as important explanatory variables in this story. However, the view that personal economic circumstances are a significant determinant of the level of trust in the national government has lacked to date strong empirical grounding. But the impact of economic change and circumstance on individual Americans, in our view, has not been fully explored.

Here we have argued that scholars not abandon the “economic” as a potentially important factor that helps explain low trust before they take a closer look at the workplace itself to see how economic globalization and technological change might be shaping the political orientations of working Americans. The evidence presented justifies attention to the workplace. Not only is the

relative saliency of layoffs associated with lower levels of trust in government but its effects are most pronounced for those whose sense of job security is affected and for those who do not believe their company acted justly in the layoff process. Moreover, it is those employees whose experience with job reengineering is the most positive who evince the highest levels of trust in government. Finally, we have shown that the relationships between layoffs and job reengineering and trust in government are mediated entirely by employees' assessment of the top management of their company, a finding that remains robust in the face of alternative hypotheses and a test of possible reverse causality. What seems to be going on is a generalization of affective orientations from the leaders of one's own company to the top political leaders of the nation.

Of course, the generalizability of our findings is limited given that our study was conducted within a single, large company. Use of a representative, random national survey would increase our confidence in the generalizability of our findings, as would a comparative company design that would pull respondents from a wide cross-section of American economic sectors.²⁵ Having said that, the great advantage of the study design used here is the opportunity it has given us to explore job and workplace change in great detail. Such a research design, unlike the more traditional national survey, allows examination of the micro-level links between these multiple changes and attitudes and behaviors across a wide spectrum of domains, including the political, the social and the familial.

What we have reported here may well be typical of the experiences of a substantial number of Americans, namely, those working in large companies undergoing broad restructuring of jobs, organizational relations and technological processes, as well as decreasing "head-count" (the common term among managers for the total number of employees). Even for those who have not been laid off—who, in the end, represent only a minority of American workers in large companies—those who are generally called "survivors," the climate of anxiety aroused continuing processes of "head-count" reduction, perceptions of procedural justice in the layoff

process, and other organizational and technological changes in the workplace, significantly impact their outlooks about their company, its leadership and, in the end we believe, broader social outlooks, including those about government and politics. We suggest, then, that these findings, despite the single company focus of the study, may be more broadly generalizable.

Many others have shown that the decline in trust has been substantially constant across all demographic groups in the United States and concluded that economics do not matter as part of an explanation of public's trust in their government. What we have shown is that within this overall pattern of apparent uniformity, differential experiences in the workplace have an important effect on attitudes toward government and deserve to be considered as part of the story. The social, economic, political and cultural transformations that have been going on in the United States over the past three decades, taken together, have no doubt undermined trust in government and helped keep it at very low levels. But to date, the effects of these transformations are empirically underdeveloped in the research literature. One of the ways, but not the only way, that macro-level *economic* changes may be affecting people is by how they are experienced by people where they work. This article has tried to empirically establish this point.

There are any number of reasons why large companies might want to decrease anxieties among their employees about down-sizing, improve procedural justice, and introduce process technologies that empower employees and allow them to use their capacities; each improves employee job satisfaction, commitment to the company and work performance. An added side benefit of such workplace reforms, if the findings of this study prove to be more generalizable, is that trust in government, all other things being equal, might at least marginally improve, a nice example, perhaps, of "having one's cake and eating it too."

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ENDNOTES

¹ On the workplace experiences-politics “spill over” connection, see (Almond and Verba 1963; Elden 1981; Goldthorpe et al. 1968; Greenberg 1981; Greenberg 1986; Greenberg et al. 1996; Kohn 1977; Sabel 1982; Staines 1980).

² This article is based on a cross-sectional survey taken in early 1997 so it cannot directly address trends in political trust. The following discussion of the decline of political trust simply provides the context for what follows.

³ Gallup reports 39% of its respondents trusted the federal government in 1998. (Ladd and Bowman 1998)

⁴ All of the above figures are from the American National Election Studies, 1964-1996, University of Michigan. (ANES 1958-1996)

⁵ These many potential causes are admirably described and evaluated in a collection of research papers on the subject published by the Kennedy School of Government at Harvard University titled *Why People Don't Trust Government*. (Nye et al. 1997) Sources for the following claims may be found in this first-rate collection.

⁶ See especially (Jennings 1998)

⁷ In 1994, the *New York Times* published a series of articles based on its own polling reporting widespread anxiety among Americans of all social classes and occupations about job security brought on by waves of company downsizings. (Kagey 1994)

⁸ One popular approach to job re-engineering is the movement of employees into and out of “work teams,” temporary organizational structures designed to handle contemporary production tasks and short term problems.

⁹ For a review of the literature on the substantial attitudinal and behavioral effects on employees of perceived unfair treatment by authorities in business organizations see (Lind et al. 1998)

¹⁰ Margaret Levi suggests that a sense of trust in institutions, including government, may in part be based on the sense that such institutions have fair procedures, act impartially and make decisions based on universalistic standards. (Levi 1998) Perceived procedural justice has been shown to be important in the

determination of the legitimacy of social and legal institutions, as well, and for voluntary compliance with the law. (Lind and Tyler 1988; Lind et al. 1998; Thibaut and Walker 1975; Tyler 1990; Tyler 1988; Tyler 1995)

¹¹ There is some empirical evidence for the existence of an isomorphic transfer between work and politics though the relationship between organizational and governmental authority remains unexplored. Sobel finds, for example, that informal involvement in workplace decision making is associated with increased levels of community participation, though not voting (which he suggests is more “formal” than community participation). (Sobel 1993) Greenberg and Grunberg report that participation in direct, face-to-face decision making bodies in worker owned and run companies is directly related to the level of involvement in community and campaign activities—the less formal domain—but not voting—the more formal domain. (Greenberg et al. 1996)

¹² Large companies are required by law to give at least 60 days notice to employees targeted for layoffs. Managers admitted that they handed out many more of these “warn notices” than were actually activated, an action that damaged employee morale more than was necessary.

¹³ Approximately three-fourths of the items in the questionnaire are validated items used by other researchers or by us in the past, and widely discussed in the research literature. The remainder are items specific to this study, formulated after interviews and focus group sessions with employees. A preliminary version of the questionnaire was pretested on a sample of 104 employees from one work sector of the company. A focus group, organized from among employees who had participated in the pretest, helped analyze the questionnaire. No hesitancy was displayed by focus group participants in pointing out to the principal investigators mistakes, ambiguities and misunderstandings in the questionnaire.

¹⁴ This was done because our main focus in this study is on *layoff survivors*, those who have been through substantial layoffs but who continue to work for the firm. Because the last major round of layoffs occurred roughly 18 to 22 months prior to our survey, the “two year” filter allowed us to exclude new hires who had not experienced “downsizing.”

¹⁵ Several efforts were made to enhance the response rates to this mail survey. Each member of the sample who failed to return a questionnaire after the first mailing received a follow-up postcard requesting that

they complete and submit the questionnaire. Non-respondents were then sent a second questionnaire with a request that they take part in the survey. Respondents who completed the survey were paid \$20 for their time.

¹⁶ The sample closely matches the demographics of the corporate division within which this study was conducted. The division's workforce at the time of the survey was 77 percent male, 86 percent white, had a mean age of 42 and job tenure of 11 years. Paycode representation in the sample was also a reasonable match to that of the division. For instance, 13 percent of our sample and 10 percent of the division's employees are in the technicians paycode, 7 percent of our sample and 8 percent of the division's employees are in the secretarial category, while 17 percent of our sample and 13 percent of the division's employees are engineers.

¹⁷ There is no reason to believe that the sample is biased with regard to the main "trust" study variables. In none of our interviews and focus groups with employees at all levels in the organization did anyone ever suggest that those who were most distrustful of top management were those who were most likely to have been laid off. The key variables in this regard, according to our informants, were job performance, seniority and relations with front-line supervisors (not top executives of the company).

¹⁸ Copies of the questionnaire are available from the authors.

¹⁹ In order to take account of the relative intensity of the layoff experience, items were weighted such that being laid off was scored as "4", receiving a warning that one might be laid off in 60 days was scored as "3", having a friend in the company laid off was scored as "2", and having a co-worker laid off was scored as "1". The resulting index ranges from 0 to 10

²⁰ No alpha coefficient is presented for this index since no assumptions or requirements for internal item consistency are made. Our interest is simply in an aggregate measure of the subjective evaluation of the change experience. The index ranges from 14 to 42, with the latter representing the most positive assessment of the reengineering experience.

²¹ The procedure yields a scale ranging from 0-4, with 4 being the highest trust in government and 0 the lowest.

²² Absent additional information to identify the full model, the equation for political trust is still identified and the effect of trust in management on trust in government can still be estimated..

²³ In adding these variables we are also offering further explanations of the causes of trust in the federal government and competing tests of our original hypotheses.

²⁴ Maximum likelihood estimates of the structural equation model is performed using AMOS, available as supplemental software with SPSS.

²⁵ Our long term goal is to do such a comparative company study.