

## Reputation and Trust: A Multi-Dimensional Perspective

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## Abstract

Personal reputations are an important factor in trust. Prior work has focused on how favorable reputations lead to higher trust than unfavorable ones. In this paper, I examine the effects of other reputation dimensions on trust, specifically reputation breadth (how widespread the reputation is) and reputation consensus (how well agreed upon the reputation is). In two studies, I present participants with reputation information that varies in favorableness, breadth and / or consensus. I find that, for positive reputations, both breadth and consensus increase trust. For negative reputations, consensus reduces trust, but breadth only has weak effects on trust.

## Introduction

Employees frequently shift work relationships as they engage in project-based teams, rotate through departments, and advance in their careers (Burt, 2006; Kilduff, Tsai & Hanke, 2006). In such dynamic environments, personal reputations are important currency that individuals can use to foster trust with new colleagues (Ferris, Blass, Douglas, Kolodinsky & Treadway, 2003; Kollock, 1994). Employees whose positive reputations precede their entry into a group may find it easier to build trust than if they had entered the group as unknown entities. In contrast, employees entering the group with negative reputations may have more challenges in trust-building than if they had been completely unknown to the group members.

Researchers have repeatedly found that positive reputations enhance trust and negative reputations harm it (Buskens, 2003; Buskens & Weesie, 2000; Kollock, 1994). Although these findings establish an important link between reputations and trust, they do not completely characterize the reputation-trust relationship. Reputations vary on other dimensions besides favorableness (Rindova, Williamson, Petkova & Sever 2005; Fischer & Reuber, 2007). For example, people's reputations differ in how widespread they are (breadth) and how well others agree about them (consensus). Notably little research has examined how actors use these other reputation dimensions in trust decisions. Prior work on social networks has recognized the important role that third parties play in trust (Burt & Knez, 1995; Ferrin, Dirks & Shah, 2005) and has shown that trust is related to the number of third parties linking the trustor and trustee. These studies hint to the importance of reputation breadth, but neither study examines it explicitly. To my

knowledge, no prior work has examined how the three reputation dimensions of favorableness, breadth and consensus combine to influence trust.

In this paper, I use experimental studies to vary the three dimensions and examine their influence on trust. First, I define reputation and review research characterizing it as a multi-dimensional construct. Second, I draw from research in attribution and advice-taking to introduce a model describing the relationship between trust and reputation favorableness, breadth and consensus. Third, I describe two studies that test the model, using a vignette experiment and a laboratory experiment. Finally, I discuss these findings, limitations of the studies and directions for future research.

Going forward, I will refer to the person deciding about trust as the *actor* and the person whose reputation is of interest (and who the actor may or may not trust) as the *target*.

### Reputation as Multiple Dimensions

Reputation is typically defined as “an attribute or characteristic ascribed by others” (Raub & Weesie, 1990, p. 630). Raub and Weesie (1990) distinguish two views of reputations as reputations in a narrow sense and reputations in a broad sense. A target’s narrow reputation forms through direct interactions with the actor; in trust decisions, the actor only uses information about how the target has treated him or her in the past (Rousseau et al., 1998). In the narrow sense, if an actor has had no personal experience with a target, the target will not have a reputation with the actor. In contrast, broad reputations include “reputation vis-a-vis third parties with whom [the target] interacts in *other* situations and who happen to acquire information about [the target’s] behavior in situations in which they are not directly involved” (Raub & Weesie, 1990, p.

631, emphasis in original article). In the broad sense, a target can have a reputation with the actor without directly interacting with him or her. In this research, I am interested in reputations in a broad sense. I examine how third parties' information about a target influences trust when the actor has no previous experience with the target.

Before looking at how actors use reputation information, we must have a clear idea of what reputation information is available for use. A target's reputation can be characterized by multiple dimensions (Bromley, 1993; Fischer & Reuber, 2007; Rindova et al., 2005). Most research has focused on *reputation favorableness*, i.e., how positively or negatively the target is viewed, on average. In addition, reputations vary in *breadth*, or the number of people who have perceptions of the target's attribute<sup>1</sup>. For example, a new accountant known to only a few department members would have low reputation breadth. In contrast, a new CEO may have high reputation breadth without meeting many of the employees who hold a perception of his or her integrity. In this way, reputation breadth differs from social network measures of centrality. Breadth includes anyone with a perception of the person's attribute (in this case, integrity), while centrality includes only those with whom a person has direct contact, ranging from frequent and close ("strong ties") to less frequent and less close ("weak ties"). Prior studies on social networks have found the average employee has about eight ties at work (Lawrence, 2006), but many participants in Lawrence's study "knew of" more than 50 fellow employees.

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<sup>1</sup> Other researchers have defined similar dimensions as prominence (Rindova et al., 2005) and scale (Bromley, 1993). Prominence incorporates other concepts beyond breadth, such as how salient the target is in the mind of others. Scale is calculated as a percentage of network members with perceptions of the target instead of a count of these individuals. Using either of these conceptualizations decreases the applicability of opinion integration research. Instead, I use the term breadth to maintain consistency with Raub & Weesie's terminology.

Reputations also vary in *consensus* (Fischer & Reuber, 2007; Hoyt, 1994) or how well people agree about the target's attribute. For example, everyone may agree that the accountant has high integrity, giving him or her a high consensus reputation. In contrast, some people perceive the CEO to be a person of high integrity and other people perceive the CEO to have questionable integrity or no integrity. Related to Kelley's (1967) attribution model, reputation consensus provides information about a target's consistency, i.e., how similarly the target has behaved in the past. Reputation consensus differs from Kelley's notion of consensus, i.e., that other people would behave as the target did in the given situation.

Taken together, the three dimensions of favorableness, breadth and consensus can be thought of as parameters that characterize the sampling distribution of the person's reputation. Favorableness shifts the mean of the distribution, consensus changes the spread of the distribution, and breadth changes the sample size. Figure 1 depicts reputations that vary on all three dimensions. The top left distribution represents someone with a well-known and agreed upon positive reputation. The bottom right represents someone with a little known and controversial negative reputation. In the next section, I consider how these dimensions inter-relate to influence trust.

### Reputation Dimensions and Trust

Trust is defined as the willingness to be vulnerable to another person in an uncertain situation (Rousseau, Sitkin, Burt & Camerer, 1998). Trust is based on how positively the actor perceives the target's attributes (Mayer et al., 1995), and how confidently the actor holds these perceptions (Burt & Knez, 1995; Deutsch, 1960; Doney

et al., 1998). Two employees may both estimate a colleague to be “very trustworthy”, but one may claim “I am 100% positive that this colleague is very trustworthy” while another hedges, “this colleague seems very trustworthy to me”. Although perceptions of the colleague’s trustworthiness are high for both employees, the more confident employee will have higher trust in the colleague than the less confident one.

Individuals can have reputations regarding multiple attributes, such as reputations for intelligence, friendliness and diplomacy. Perceptions of a target’s trustworthiness are derived from three main attributes: the target’s ability, integrity and benevolence (Mayer, Davis & Schoorman, 1995). In this paper, I focus on reputations for integrity. A person’s integrity is defined as the degree to which he or she acts in accordance with morally justified principles (Becker, 1998). Integrity includes specific characteristics such as honesty and fairness (Becker, 1998; Butler & Cantrell, 1994; Mayer et al., 1995). Researchers have also used the terms morality and character to identify the similar attributes (Morgan Roberts, 2005; Wojciszke, 1994). Reputation information can significantly affect both the valence of perceptions and the confidence with which they are held (Burt & Knez, 1995). Below, I describe how each dimension relates to trust through one or both of these variables.

#### *Favorableness and Perceived Integrity*

Reputation favorableness primarily impacts trust through perceptions of the target’s trustworthiness. In forming his or her own perceptions of the target, the actor will rely on others’ information about the target’s integrity. A favorable integrity reputation indicates that others have found the target to have high integrity in the past. Actors consider this information relevant in forming their own perceptions of the target’s

integrity (Buskens & Weesie, 2000; Camerer & Weigelt, 1988). Although few studies directly examine the effect of reputation favorableness on perceptions of integrity, several studies have established a relationship between reputation favorableness and judgments and behaviors indicative of trust. In an experiment in which buyers could bid for various sellers' goods, Kollock (1994) found that buyers were willing to pay a premium to, and establish a commitment with, sellers who had been truthful about their product quality in earlier exchanges with those buyers. King-Casas and colleagues found that a trustee's past cooperation in a social dilemma increased the speed by which trusters decided to cooperate with that trustee in future rounds (King-Casas, Tomlin, Camerer, Quartz, & Montague, 2005). In an online negotiation experiment, participants viewed their counterparts less favorably, and shared less information with them, when they were told the counterpart had a distributive reputation than when they were not given reputation information, even though the reputations were randomly assigned (Tinsley, O'Connor & Sullivan, 2002). Based on these studies, I expect reputation favorableness will influence trust by affecting the actors' perceptions of the target's integrity.

H1: Trust will be higher for targets with favorable reputations than unfavorable ones.

H2: Perceived trustworthiness will mediate the relationship between reputation favorableness and trust.

### *Consensus, Breadth and Confidence*

Trust is affected by both perceptions of trustworthiness and the confidence with which they are held. Kelley's model of attribution indicates that people will have more

confidence in their perceptions of a target when that target has high consistency in behavior, i.e. that the target behaves in a similar way over time (Kelley, 1967). Several studies have supported the positive effect of consistency on confidence (see Fiske & Taylor, 1991 for a review). This research has typically focused on a target's actual past behavior as opposed to others' judgments of the target, which may or may not be based on direct observation of the target's behavior. In measuring agreement among others' judgments, reputation consensus provides a signal regarding the consistency of a target's past behavior. If people strongly agree in their perceptions of a target's trustworthiness, the actor will infer that the target has had a consistent level of integrity in past interactions. This inference of consistency should increase confidence in the actor's perceptions of the target. Thus, I expect reputation consensus to increase an actor's confidence in his or her perceptions of the target.

Confidence does not have a direct effect on trust, but moderates how strongly perceptions of integrity influence trust. Being confident in one's positive perceptions of a target will lead to higher trust, but being confident in one's negative perceptions of a target will lead to lower trust. That is, I expect reputation consensus to increase trust for positive reputations, but decrease trust for negative reputations.

H3: Trust will be higher towards targets with positive, high consensus reputations than targets with positive, low consensus reputations.

H4: Trust will be lower towards targets with negative, high consensus reputations than targets with negative, low consensus reputations.

H5: Confidence in perceptions will mediate the effect of consensus on trust.

Reputation breadth can also influence confidence. In the advice-taking literature, psychologists have found that when an actor uses opinions from multiple advisors, the number of advisors increases the actor's confidence in his or her judgment (Ashton, 1986; Budescu & Rantilla, 2000). An actor considering more opinions will feel that his or her judgment is based on more evidence than an actor who considers few opinions. However, Budescu and Rantilla (2000) found that the number of advisors only increased confidence when the advisors had high consensus. When the advisors had low agreement, having more advisors' opinions did not help confidence and sometimes decreased confidence. This work can easily apply to reputations where the number of advisors is analogous to reputation breadth. Directly applying the above findings, I expect a target's reputation breadth to increase the actor's confidence in perceptions of the target, but only when reputation consensus is high. Hearing consistent opinions about a target from many people will lead the actor to be more confident than hearing consistent opinions from very few people. However, hearing divergent opinions from many people will lead to similar, low confidence as hearing divergent opinions from a few people.

H6: When reputation consensus is high, trust will be higher towards targets with positive, high breadth reputations than targets with positive, low breadth reputations.

H7: When reputation consensus is high, trust will be lower towards targets with negative, high breadth reputations than targets with negative, low breadth reputations.

H8: Confidence in perceptions will mediate the effect of reputation breadth on trust.

*The Negativity Bias and Reputation-Trust Relationships*

A large literature in social cognition demonstrates that people generally weigh negative social information more strongly than positive social information (see Baumeister, Bratslavsky, Finkenauer, Vohs, 2001; Skowronski & Carlson, 1989; and Rozin & Royzman, 2001 for reviews). Regarding integrity, negative information is considered more diagnostic of the person's disposition than positive information (Madon, Jussin & Eccles, 1997; Skowronski & Carlson, 1989; Snyder & Stukas, 1999). Situational explanations for negative behavior are less compelling than situational explanations for positive behavior. Even individuals with low integrity act upstanding at times, due to social conformity, someone monitoring their behavior, or high costs of being caught. Thus, a single positive act does little to help categorize the person as a person with high integrity or low integrity. In contrast, there are few situations that people expect someone with high integrity to lie or steal (Reeder & Brewer, 1979; Skowronski & Carlson, 1989). As a result, a single negative act is often considered enough evidence that the person has low integrity (Kim et al., 2004).

Applying this work to reputations, I expect a single favorable opinion to be viewed as less diagnostic than a single unfavorable opinion. An actor will believe that a person who is honest with one individual may have many reasons for behaving that way, such as conformity or impression management concerns. In contrast, a person who was dishonest with one person is more likely to be perceived as having a dishonest disposition. As a result, fewer opinions may be required to be confident in one's negative assessment of a target compared to a positive assessment. Thus, breadth should affect positive reputations more than negative ones. A target's negative reputation may not need

to have high breadth to decrease trust, but a target's positive reputation may need to have high breadth to increase trust.

H9: The effect of breadth on trust will be stronger for positive reputations than negative ones.

Figure 2 depicts a model summarizing these hypotheses. I examine the hypotheses in two studies. In the first study, I used a vignette experiment to examine the effect of favorability and breadth on trust, testing hypotheses 1-2, and 6-9. In the second study, I examine how all three dimensions influence trust in a laboratory study, testing hypotheses 1-9. In both studies, I examine situations where the counterpart lacks relevant experience with the actor, i.e., situations in which counterparts commonly rely on reputational information.

### Study 1

In the first study, I used a vignette to examine the effects of reputation favorableness and breadth on trust. Participants first read a vignette about working with a colleague they did not know, but about whom others had perceived to be honest or dishonest. Following the vignette, participants rated their intentions to trust the colleague, perceptions of the colleague's honesty and confidence in the accuracy of these perceptions.

#### *Materials*

*Vignette.* In the vignette, participants were told that they had moved into a new role in which they would be working closely with an employee they hadn't met before. I

manipulated the reputation favorability and reputation breadth of this employee in a 2 (honest vs. dishonest) by 2 (low vs. high breadth) between-subjects design. In the low breadth condition, participants were told “Curious about the employee, you asked six members of your organization about him. One colleague perceived the employee to be honest and trustworthy (or dishonest and untrustworthy). The other five people you asked had no impression of the employee.” In the high breadth condition, participants were told “Curious about the employee, you asked six members of your organization about him. Five people perceived the employee to be honest and trustworthy (or dishonest and untrustworthy). One person you asked had no impression of the employee.”

*Trust, trustworthiness and confidence.* Following the vignette, I measured participants’ intentions to trust the employee using a ten-item scale from Dunn and Schweitzer (2005) ( $\alpha = 0.86$ ). I measured perceptions of the colleague’s integrity using items from Mayer and Davis (1999) ( $\alpha = 0.81$ ) that were adapted to address a colleague instead of top management. Finally, I measured participants’ confidence in their integrity perceptions using three questions, “how confident are you in the accuracy of your assessment of this person?”, “how likely is it that you have misjudged this person’s integrity?” (reverse-scored) and “how surprised would you be if this person’s integrity was different than your perceptions?” (reverse-scored). The three confidence items were averaged into one measure ( $\alpha = 0.92$ ). All items were measured with 7-point Likert scales.

*Demographic variables.* At the end of the survey, participants included their gender, age, and years of work experience.

### *Procedure*

Survey participants were commuters at a large Northeast train station. Participants completed the study in exchange for a chocolate bar. The surveys were completed anonymously. The survey took approximately five minutes to complete.

### *Results*

Of the 178 participants who began the study, 167 completed all items in the survey. These 167 participants were used in the analysis. The mean age of participants was 41 (SD = 12) and 57% were female. On average, participants had 16 years of work experience. There were no significant effects of age, gender or work experience on the variables in this study.

I examined the effects of reputation favorability and breadth on three variables - trust, perceived trustworthiness and confidence - using analysis of variance. I depict these results in Table 1. Reputation favorability had large significant effects on trust and perceived trustworthiness, but no significant effect on confidence in perceptions. Reputation breadth had a significant effect on trust and confidence. Finally, there was a significant interaction between reputation favorability and reputation breadth for trust. Means across all four conditions are depicted in Table 2. Trust ( $t(84) = 4.45, p < .01$ ) was greater for positive reputations of high breadth than positive reputations of low breadth. However, trust was only marginally lower for negative reputations of high breadth than negative reputations of low breadth ( $t(78) = 1.71, p < .10$ ). In summary, when reputations were positive, breadth had a significant effect on trust, perceived trustworthiness and confidence. When reputations were negative, breadth had a weaker effect on these variables. These findings support hypothesis 1, 6, and 9.

Next, I tested whether perceived trustworthiness mediated the relationship between reputation favorableness and trust, and whether confidence mediated the relationship between reputation breadth and trust for positive reputations. As predicted, perceived trustworthiness fully mediated the favorableness-trust link (Sobel's  $Z = 3.19$ ,  $p < .01$ ). When both variables were included in the regression, the coefficient for favorableness was no longer significant ( $\beta = 0.19$ , n.s. vs.  $\beta = 0.78$ ,  $p < .01$  in original equation) and the coefficient for perceived trustworthiness was significant ( $\beta = 0.84$ ,  $p < .01$ ). Confidence partially mediated the breadth-trust relationship for positive reputations ( $Z = 2.27$ ,  $p < .05$ ). When both reputation breadth and confidence were included in the regression, reputation breadth was less significant ( $\beta = 0.23$ ,  $p < .05$  vs.  $\beta = 0.54$ ,  $p < .01$ ) and confidence was significant ( $\beta = 0.33$ ,  $p < .05$ ).

*Discussion.* Study 1 provides evidence that reputation breadth affects trust, and that its impact differs for positive and negative reputations. An actor who heard positive reports from many sources had higher trust in the colleague than an actor who heard a single positive reference. Breadth had only a marginal effect on trust for negative reputations. A truster hearing one negative view had considerably low levels of trust, and additional negative views resulted in only a small decline.

In this study, actors only receive reputation information that has high consensus. When five people had impressions of the colleague, they were either all positive or all negative. When only one source is known, there's no opportunity for differing opinions. In the next study, I examine the effect of reputation breadth on trust when consensus is high and when it is low, for both favorable and unfavorable reputations.

## Study 2

In the second study, participants made trust decisions based upon reputation information presented as numerical ratings from third parties. A similar paradigm has been used by Meyer (1981) and West and Broniarczyk (1998) in examining the effect of critic ratings on product preferences. Regarding social judgments, people rarely exchange numerical ratings about other people in casual conversation. However, there are many popular websites in which individuals rate the behavior of others on Likert scales. In some cases, such as eBay, individuals engage in social exchange with others but never meet face-to-face. The trust context is highly specific to fulfilling that particular order. On other websites, individuals can read ratings of individuals with whom they will interact in the future. For example, students use [ratemyprofessor.com](http://ratemyprofessor.com) (and similar school-specific sites) when choosing courses and forming expectations about the professor's behavior. Lawyers and clients use [ratephillyjudges.com](http://ratephillyjudges.com) to ascertain the characteristics of the judge they will face in court proceedings. Understanding how individuals incorporate multiple others' numerical ratings in their trust decisions will have increasing relevance as such websites proliferate and reputation information becomes more widely available in this form.

In this study, I manipulated all three dimensions of reputation: favorableness, breadth and consensus. By using numerical ratings, I was able to manipulate the three dimensions orthogonally. As my dependent variable, I measured a trust-based decision: whether to take a monetary risk when the reward depends on the target's promise fulfillment. I also measured perceived trustworthiness and confidence in perceptions of trustworthiness.

### *Procedure*

208 participants completed the study as one of multiple studies in which they were compensated \$10 for the entire one-hour session. This was the first study in the session. Participants completed the study in one of 30 sessions over a two-week period. Lab participants were ostensibly paired with negotiation students to play a trust game (e.g., Croson & Buchan, 1999; Schweitzer, Hershey & Bradlow, 2006). In the game, participants were initially told that both they and their partner were given \$8 and they needed to decide whether to pass their \$8 to their partner. They read that by sending \$8, the money would double and the counterpart received \$16 (in addition to their original \$8). The counterpart could return all \$16 or return any amount between 0 and \$16, in one dollar increments. If the participant kept the \$8, the counterpart made no decisions and received no money. Participants were told that their counterparts would use their \$8 in a different individual decision-making game. All participants ultimately left with \$8 bonus in addition to the \$10 show-up fee.

The negotiation students (N = 62) with whom participants were paired had volunteered to participate in the lab sessions for extra credit. Each student was involved in three or four sessions. They arrived at the lab at the same time as the participants. After everyone received general instructions, the negotiation students were sent to a lab next door to complete a different task, and the participants were paired with fictional counterparts. The negotiation students were aware that they were not paired with the participants, and they essentially acted as confederates in this experiment. They did, however, complete other studies for extra credit.

To make the participants' decision more explicitly one of trust in their counterpart (and not general risk preferences or expectations of reciprocity), participants read a message from their counterpart promising positive behavior. Participants were told that their partner could choose to send one of three messages indicating the range of money they planned to return, which could be as low as zero and as high as 200% the amount they had originally sent. The three message options were 0 - 99% of original money sent, 100% - 149% of money sent, or 150%-200% of money sent. Participants were also told their counterpart could choose to send no message at all and that messages were not binding (i.e., the counterpart could return less than they indicated in the message). All participants read that the counterpart would return 150-200% of the money they had originally sent.

*Reputation Manipulation.* Lab participants were told that their partners were from a negotiations class and that each partner had been evaluated by his or her 14 classmates in terms of their honesty. Participants were also told that the evaluations were made in the first half of the semester, and as a result not everyone had a perception of everyone else's honesty. For each partner, the participant saw 14 ratings columns across the screen. When a given rater did not have a perception of the counterpart, participants saw a blank rating in that column.

Partners' reputation favorableness, breadth and consensus were experimentally manipulated in a 2 (favorable vs unfavorable) by 2 (high consensus vs. low consensus) by 2 (high breadth vs. low breadth) design. Participants were told that ratings were on a 1 to 9 scale and that a rating of 5 was to be interpreted as "not any more or less honest than the average classmate" and that the actual average rating was very close to 5.0. For

favorable counterparts, the average rating was 6.70-6.75. Ratings in the high consensus conditions were for 7, 7, 7, 7, 7, 7, 7, 6, 6, 6 for high breadth and 7, 7, 7, 6 for low breadth. Ratings in the low consensus conditions were 9, 9, 8, 8, 7, 7, 7, 5, 3, 2 for high breadth and 9, 8, 6, 3 for low breadth. For unfavorable counterparts, the average rating was 3.25-3.30. Ratings in the high consensus conditions were 3, 3, 3, 3, 3, 3, 3, 4, 4, 4 for high breadth and 3, 3, 3, 4 for low breadth. Ratings in the low consensus conditions were 1, 1, 2, 2, 3, 3, 3, 5, 7, 8 for high breadth and 1, 2, 4, 7 for low breadth. The order that the ratings were displayed among the 14 rater columns, including blank ratings, were randomized across participants (e.g., one would see “5 9 \_ 8 \_ 9 7 8 \_ 2 7 \_ 3 7” and another would see “3 5 \_ 8 9 9 \_ 7 7 2 8 \_ 7 \_”). Participants were told that the ratings were presented in alphabetical order of the rater’s last name. As a baseline I included a control condition where participants made decisions with no reputation information.

*Trusting Behavior.* After reading the ratings, students read the message from the counterpart. Next, the participant decided whether to pass the \$8 to the counterpart. Following their decision, participants completed scales about feelings of certainty in their decision, perceptions of their counterpart’s trustworthiness and confidence in the accuracy of their perceptions. Certainty in their decision was measured by agreement with three statements “I am sure that I made the right choice”, “I know I will not regret my decision” and “With the information I had, I would make the same decision every time” (alpha = 0.74). Perceptions of trustworthiness and confidence were the same as those in Study 1. After receiving results, participants were debriefed and paid for their participation.

## *Results*

The percentage of participants who passed in each condition is shown in Table 3. Participants passed more often when their counterparts had favorable reputations with high breadth and consensus than the control condition ( $\chi^2 (2) = 6.37, p < .05$ ). Participants in the control condition passed at similar rates as the participants whose counterparts had favorable reputations that were low in either breadth or consensus. Participants passed less to counterparts with unfavorable reputations than in the control condition ( $\chi^2 (2) = 15.01, p < .01$ ). Among those whose counterparts had unfavorable reputations, participants passed at higher rates when consensus was low than when consensus was high ( $\chi^2 (2) = 7.41, p < .05$ ).

Measures of perceived trustworthiness, confidence and certainty in the decision also varied by condition as shown in Table 3. Perceived trustworthiness was higher in favorable conditions than unfavorable ones, and highest in the high breadth and high consensus condition. Confidence in perceptions and certainty in the decision were higher in high consensus conditions, and somewhat higher in high breadth conditions than low breadth conditions.

## General Discussion

Having a positive reputation is important in facilitating trust, but this paper trust is also affected by the breadth and consensus of that reputation. In two studies, people generally trusted others with positive reputations, but much more so when the favorable reputation was widespread and agreed upon. Findings in the second study also

demonstrate that having a widespread reputation does not increase trust unless the reputation also has high consensus.

Negative reputations are less affected by breadth than positive ones, but the second study showed that they can be strongly affected by consensus. People passed at significantly lower rates to counterparts who had consistent negative reputations than those with widely divergent, but overall negative reputations. A potential explanation for this finding is that, based upon the passing rates in the control condition, many individuals were inclined to pass money to their counterparts. When participants were faced with a counterpart's negative reputation of low consensus, some may have focused on the positive ratings to confirm their initial inclinations (Tetlock, 1983). In contrast, the consistently negative reputations provided no support for a passing decision.

### *Contributions*

This study contributes to our understanding of reputations, and particularly how individuals use reputation information beyond favorableness. Much of the prior work examining reputation effects has focused solely on the influence of positive versus negative (or neutral) reputations. The results in this paper indicate the importance of building a positive reputation's breadth and consensus. In particular, the findings suggest that having both a widespread and agreed upon reputation is far superior to having one that is either well known and controversial or little known and high in consensus. This study also provides evidence for two routes through which reputation information is used by individuals. In particular, favorableness has a strong influence on perceptions of trustworthiness, while breadth and consensus contribute mostly to a person's confidence

in the perceptions. Both perceptions and confidence in perceptions partially mediate the effects of the reputation dimensions on trust.

The necessity of consensus in reputation effects is important given that prior has found that people generally have low consensus in their perceptions of others (Kenny, 1994; Park and Judd, 1986). The implications of this study in light of that research is that reputation effects may be incredibly rare in real situations. People may hear too many disparate views to form confident perceptions about others when they lack personal experience. They may withhold judgment until interacting directly with the target, or they may fall back on stereotype information (Fiske & Neuberg, 1990) and use only the opinions consistent with those stereotypes. Alternatively, a “false consensus” may emerge if people have similar ideas about what others *want* to hear and they share those perspectives instead of an honest opinion (Burt & Knez, 1995). In that case, reputation effects may be common, but based upon a false sense of confidence in perceptions of the target.

The finding that breadth has a stronger impact on positive reputations than negative ones is consistent with views on the asymmetry of reputations, that good ones are hard to form and bad ones form swiftly (Ferris et al., 2003; Lewicki et al., 2005). Here, I found that good ones also require more solid formation and that bad ones require less breadth and consensus to have effects. This asymmetry presents another challenge in individuals’ reputation management.

### *Limitations and Future Research*

This paper explores some of the important contributions of reputation breadth and consensus to trust, but additional work is needed to fully understand how these dimensions relate to trust in organizations. For example, reputation breadth also plays a key role in the accessibility of reputation information. In this paper, I examined how an actor uses reputation information given to him or her. In reality, actors will need a way to access information about their new counterparts. Counterparts who have more widespread reputations will be more likely to have their reputation information channeled to the actors. Similarly, actors who actively seek counterpart information will be more successful when inquiring about well-known counterparts than lesser known ones. Thus, at a network level, reputation breadth is likely to have a strong effect on trust through accessibility of opinions in addition to confidence in those opinions.

Like reputation breadth, information on reputation consensus was provided to actors in the second study. Some participants were faced with divergent opinions, but were given little information by which they might reconcile those opinions. For example, participants may have put more weight on the opinions of trusted others (Ferrin, Dirks & Shah, 2005; Budescu, Rantilla, Yu, 2003), or sought more information such as the bases of opinions or whether certain raters had high or low ratings on average. Future research should examine how actors naturally respond to low consensus information.

Favorableness may also influence confidence in perceptions. Like the negativity bias, extreme information is often given more weight and viewed to be more diagnostic than rate information. Thus, extreme reputations are likely to influence both perceptions of trustworthiness and confidence in those perceptions. Future work should compare the effects of extreme reputations and moderate reputations that have perfect agreement.

Finally, I examine perceptions of integrity in this paper but do not study reputations for ability or benevolence. Future research should test these hypotheses across the other perceptions important for trust. Ability reputations may exhibit different relationships to trust than integrity reputations, as prior work has found that people consider positive behaviors more diagnostic of ability than negative ones (Skowronski & Carlson, 1987, 1989). Thus, breadth and consensus may have weaker effects on positive ability reputations than on negative ability reputations.

### Conclusion

Reputation favorableness is a critical component to how reputations influence trust, but it does not account for the role of confidence in the reputation-trust relationship. People are more confident in their perceptions of a target after hearing many opinions that are in agreement than when few opinions and / or divergent opinions are available. As a result, they are more willing to trust the target who has a widespread and agreed upon positive reputation, and less willing to trust the target with a widespread and agreed upon negative reputation. Viewing reputations as multidimensional constructs opens many avenues through which the reputation-trust relationship can be explored.

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Table 1. Analysis of Variance (Study 1)

N = 167		F		
Source	df	Trust	Perceived Trustworthiness	Confidence in Perceptions
Reputation Favorableness	1	369***	640***	0.28
Reputation Breadth	1	2.49*	1.86	10.30**
Favorableness x Breadth	1	10.20**	2.08	4.11*
Error	163			

Table 2. Means of Trust, Perceived Trustworthiness and Confidence (S1)

		Trust	Perceived Trustworthiness	Confidence
Favorable	High	5.56a	5.82a	4.72a
	Low	4.65b	5.37b	4.08c
Unfavorable	High	2.44c	2.07c	5.00a
	Low	2.80c	2.35c	4.49b

Npte: Subscripts denote differences within a column at  $p < .05$ .

Table 3. Means of Trust, Perceived Trustworthiness and Confidence (S2)

		Pass rate (trust)	Perceived Trustworthiness	Confidence in Perceptions	Certainty in the decision
Favorable					
High Consensus	High Breadth	83%	5.53a	4.98a	5.11b
	Low Breadth	66%	5.25ab	4.57b	4.81b
Low Consensus	High Breadth	58%	5.15b	3.90c	4.25c
	Low Breadth	61%	5.08b	4.10c	4.41c
Unfavorable					
High Consensus	High Breadth	10%	2.52c	5.14a	5.51a
	Low Breadth	18%	2.57c	4.94a	5.33a
Low Consensus	High Breadth	29%	2.71c	4.09c	3.83d
	Low Breadth	43%	2.80c	3.80c	3.59d
Control		57%	5.03b	4.38bc	

Note: N = 22 - 29 per condition. Subscripts denote significant differences within columns.

Figure 1. Examples of reputations varying in favorableness, breadth and consensus

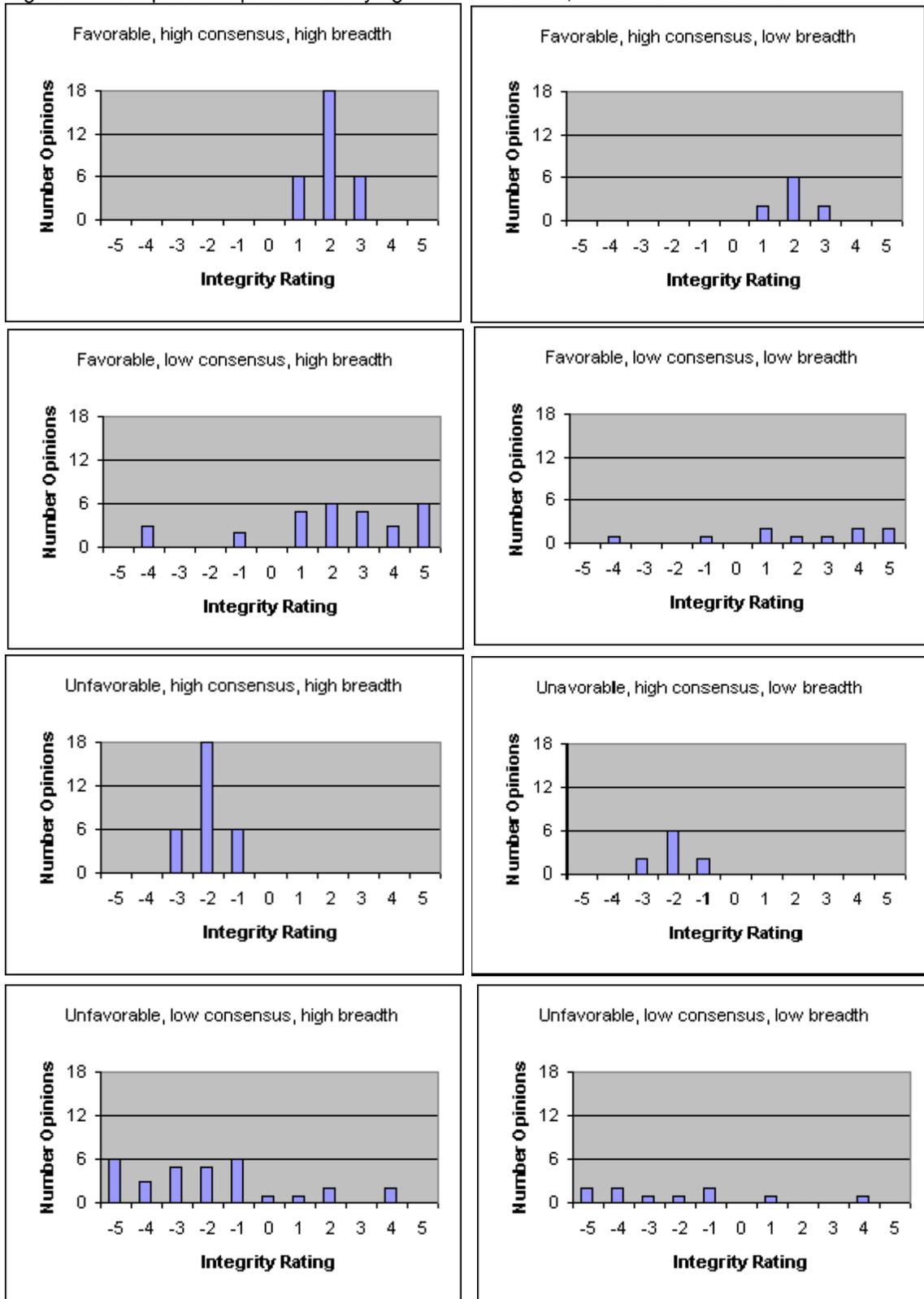


Figure 2. Model of reputation's influence on trust.

