



GUIDO MÖLLERING

*Trust:
Reason,
Routine,
Reflexivity*

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TRUST: REASON, ROUTINE, REFLEXIVITY

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PREFACE

What makes trust such a powerful concept? This question has been at the back of my mind for about nine years now while I have been researching trust both in highly abstract terms and in more practical settings. It is with great pleasure and satisfaction, but also with a sense of vulnerability and uncertainty, of course, that I present in this book what I believe to be the most important approaches to understanding trust in the social sciences as well as core original insights into the leap of faith as the essential element at the heart of trust.

Young scholars are increasingly discouraged from writing books and advised to focus their efforts on journal articles. Personally, I am glad that people around me have encouraged me to compose and publish this work. The opportunity to develop and describe my scholarly understanding of trust more thoroughly has been immensely valuable to me because in this book I can connect my most recent thoughts with some ideas that I have presented separately in articles and chapters elsewhere. As a result, a bigger picture emerges not just for me, but also for the reader. I have noticed that key inspirations have often come from books rather than articles on trust, which might reflect the fact that trust is a complex topic that does not lend itself well to merely incremental or fragmented contributions. Books, however, can integrate a broad range of ideas and move the field in new directions.

The authors whose writings have enabled me to develop my own argument are duly cited in this book. Of those who have encouraged, inspired and assisted me in my work on trust over the years in person, I would like to thank specifically: Mats Alvesson, Reinhard Bachmann, Jens Beckert, Katinka Bijlsma-Frankema, Sandro Castaldo, John Child, Nicole Gillespie, Chris Grey, Rod Kramer, Christel Lane, Frédérique Six, Denise Skinner, Jörg Sydow, Malin Tillmar, Antoinette Weibel, Arnold Windeler and Aks Zaheer. Countless others have also helped me through constructive dialogue and exchanges of ideas. I am grateful to all of them and hope that this work provokes further lively discussion to which I already look forward.

The book owes much to the amazing enthusiasm and professional support of the people at Elsevier Science. Mary Malin fuelled my initiative, Julie Walker was an excellent editorial advisor and AnnHelen Lindeholm reassured me on the marketing side. Moreover, I received terrific assistance in manuscript preparation from the Max Planck Institute for the Study of Societies in Cologne, in particular from Astrid Dünkelmann, Thomas Pott, Christel Schommertz and Sabine Stumpf. We commissioned the external services of Jeanette Störtte, who did a magnificent job in typesetting the camera-ready manuscript, and John Booth, who copy-edited the whole text and polished my English carefully with a great sense of humour and understanding. Overall, I am impressed by the professionalism that all these people demonstrated and flattered by their genuine interest in the content of my work, confirming the feeling that trust matters to all of us.

I thank the British Printing Industries Federation, London, and the respondents of my long field interviews for their kind cooperation, which enabled me to generate the empirical cases described in the last part of the book.

The book's cover features the painting 'Leap of Faith' by Margaret Smithers-Crump (2004), which resonates extremely well with my ideas. Acknowledging the artist's authorship and copyright, I am very grateful for the permission to use the artwork here.

I dedicate this book to my wife Martina Möllering and to our families because the meaning of trust is particularly clear to me whenever I realize how fortunate I am in enjoying their love and support.

Cologne, Germany, November 2005

Guido Möllering

CONTENTS

Preface	v
Figures	ix
1 Allured by Trust?	
1.1 Topicality of Trust: Blessing or Burden?	1
1.2 Key Concepts and Challenges	7
1.3 Overview of the Book	10
2 Trust and Reason	
2.1 The Rationalist Paradigm	13
2.2 Trust in Rational Choice Perspectives	15
2.3 Trust in Economic Theories	24
2.4 The Rationality of Emotions	44
2.5 Indicators of Trustworthiness	46
3 Trust and Routine	
3.1 Taken-for-Grantedness	51
3.2 Trust as a Form of Natural Attitude	54
3.3 Trust as a Form of Institutional Isomorphism	61
3.4 Rules, Roles and Routines	65
3.5 Trust in Institutions	71
4 Trust and Reflexivity	
4.1 Adopting a Process View	77
4.2 The Functionality of ‘Blind’ Trust	80
4.3 Experience and the ‘Principle of Gradualness’	84
4.4 Familiarity, Unfamiliarity, Familiarization	94
4.5 Active Trust and Reflexive Structuration	99

5	The Leap of Faith	
5.1	The Missing Element: Suspension	105
5.2	As if: Trust as Fiction	112
5.3	Bracketing: Just Do It	115
5.4	The Will to Believe	119
5.5	Evidence of Suspension	121
6	Studying Trust	
6.1	Overview of Empirical Approaches	127
6.2	Quantitative Studies: Measuring Trust	135
6.3	Qualitative Studies: Understanding Trust	140
6.4	Comparative Studies: Context and History	145
6.5	Calling for Interpretative Studies	151
7	Experiencing Trust	
7.1	An Exploratory Study of Buyer–Supplier Relations	155
7.2	Case I: Uni Press, Brass Plate Paper and Scott Mills	160
7.3	Case II: Bluechip Print and Merch Papers	170
7.4	Case III: Retail Group Print Unit and Repute Papers	176
7.5	Interpreting Trust Relationships: Lessons from the Cases	185
8	Positive Expectations	
8.1	Core Insights and Contributions	191
8.2	Reconnecting to Bigger Research Agendas	193
8.3	Avenues for Further Trust Research	196
	Bibliography	199
	Index	217

FIGURES

2.1	The Trustor's Bet	16
2.2	Effect of Trust on Transaction Costs	28
2.3	The Trust Game	34
2.4	The Trust Game with Contractual Penalty and Incentives	35
2.5	Trust Game with (Un)Trustworthy Trustees	42
3.1	Types of Isomorphism	63
4.1	Spiral Reinforcement Model of Trust	86
4.2	Process Framework of the Development of Cooperative IORs	91
4.3	Duality and Recursiveness in the Constitution of Trust	101
5.1	The Trust Wheel – An Integrative Framework	110
6.1	Heuristics for Categorizing Empirical Work on Trust	129
6.2	Perceptions of Trust in the Cambridge Contracting Study	148
7.1	Typology of Supplier Relations	158

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1

ALLURED BY TRUST?

1.1 TOPICALITY OF TRUST: BLESSING OR BURDEN?

Trust belongs to the same class of abstract concepts as freedom, justice, knowledge, power, prosperity, solidarity or truth, which are all highly evocative, but also highly ‘elusive’ (Gambetta, 1988b), and which keep on fascinating not only generations of scholars but anybody with at least a slight proclivity for social philosophical questions. The initial cue that makes trust appear an attractive concept that one wants to read or, for that matter, write about can come from almost anywhere. In my case it was the question of how interorganizational cooperation can be successful. Others start, for example, with problems in the family, disappointments in the political system, the challenges of teamwork, or the remarkable economic success of certain regions or communities. At the beginning of my own research on trust somebody warned me that this was a slippery slope and, if they meant by this that there is an infinite amount of issues within and around trust that one can get drawn into, then they definitely had a point. In this book, I want to demonstrate systematically the many facets of trust, the value of taking different perspectives on trust, and also the possibility of getting to the bottom of the phenomenon, pointing to the key idea that unites all abstract conceptions and practical applications of trust.

Research has to be relevant and, in keeping with this spirit of striving for legitimacy, virtually all contributions to the trust literature begin by pointing out the topicality of trust. The general line taken is that not only has trust always been relevant; it is of particular importance today (see,

for example, Deutsch, 1973; Gambetta, 1988b; Sztompka, 1999; Nooteboom, 2002; McEvily et al., 2003). Rather than simply replicating such common and well-rehearsed claims, this first section of the book is intended as a comment on the apparent topicality of trust and on the question of whether this topicality is a blessing or burden from the point of view of a scholarly interest in trust. I will look into the claim that trust is currently problematic and into allegations that the interest in trust is 'mere' rhetoric, and I will offer my own thoughts on the essential ambivalence of trust, which makes the concept an attractive long runner, too.

We often hear about crises of trust and there is a general feeling that trust may have become problematic, which is bewildering if Georg Simmel ([1907] 1990) was correct when he said that 'without the general trust people have in each other, society itself would disintegrate' (p. 178), not to mention Confucius who regarded trust as a precondition for all worthwhile social relations 2,500 years ago (see Hann, 1968). Talking specifically about the bases for business, Alfred Marshall (1920), often seen mainly as a founding father of neoclassical economics (rather than as an economic sociologist), made a similarly broad claim that trust is fundamental to the workings of society and that it 'permeates all life, like the air we breathe: and its services are apt to be taken for granted and ignored, like those of fresh air, until attention is forcibly attracted by their failure' (p. 165; see also Aspers, 1999, 2001). This statement suggests that trust is strongly related to taken-for-grantedness (as I will argue in Chapter 3) and thus explains why trust tends to become topical when it is problematic (and may then involve deliberation and reasoning, about which see Chapter 2; see also Barber, 1983). As Doris Brothers (1995) puts it: 'We are no more likely to ask ourselves how trusting we are at a given moment in time than to inquire if gravity is still keeping the planets in orbit. However, when trust is disturbed it claims our attention as urgently as would any irregularity in the gravitational field' (p. 3, also cited by Kramer, 2001).

Building on these observations – highlighting that there must be a perceived failure – current claims that refer to the shortage of trust can be divided into at least two main lines of argument, which are ultimately connected. On the one hand, some authors see an erosion of trust and trustworthiness (Barber, 1983; Coleman, 1990; Putnam, 1995; Cook, 2001). On the other hand, there are authors who argue that there is an explosion in the demand for trust (Giddens, 1994b; Misztal, 1996; Seligman, 1997; Sztompka, 1999; Adler, 2001; Bijlsma and Koopmann, 2003; Bijlsma-

Frankema and Klein Woolthuis, 2005). While the first group fear that a given demand of trust can no longer be supplied ('the wells are drying up'), the second group claim that we require more trust because it has to be used in more and more areas of life ('the pumps cannot keep up'). Ultimately, the effect perceived by both groups is a lack of trust, but the suggested visions of future social life are diametrically opposed: in the pessimistic scenario people have to learn to live without trust, while in the optimistic scenario they have to learn to build trust at a faster rate and on a greater scale. Their common interest lies in understanding trust better so that it can be preserved, rebuilt and/or extended more effectively at a time when it becomes both more important and more problematic (Lane, 1998).

Another way of looking at the topicality of trust would be to question that there is any real substance to it. The discourses on trust that we find may be little more than a rhetoric that disguises some kind of helplessness or hypocrisy. The plea 'Trust me!' certainly sounds helpless and/or raises suspicion in most practical situations, irrespective of whether it is uttered by a loved one or the leader of a nation – and is therefore generally not to be recommended except as a very last resort, if only because it draws attention to a potential failure as mentioned above. However, as will become clear in the following chapters, trust always involves a certain kind of helplessness on the part of the one who trusts (*trustor*) as well as the one who is trusted (*trustee*) because trust necessarily implies one's own lack of certainty and the other's room for autonomy. This is why Niklas Luhmann (1979) points out that trust needs to be 'perceptive' (p. 68) and tactful, meaning that actors who are aware of the precariousness of trust seek to avoid causing the embarrassment that comes with the element of helplessness in trust. Annette Baier (1986) concludes from this that trust should not be put to the test lightly or unnecessarily. In other words, even though we may recognize the helpless rhetoric, pointing it out might jeopardize genuine trust.

A different kind of helplessness can also be observed in academic writings on trust whenever scholars introduce trust as a quick fix or catch-all solution without explaining exactly what they mean by trust. For instance, the burgeoning literature on the formation of international joint ventures and strategic alliances in the 1990s regularly included a paragraph or short section, just before the conclusion, stating more or less in passing that – besides all sorts of economic and technical matters that have to be considered carefully before entering a partnership – mutual

trust has to be built, too (see also, more generally, Gambetta, 1988b). Incidentally, I became so frustrated with this that I spoke to John Child about it, decided to investigate the issue more thoroughly and ended up writing my doctoral dissertation about trust. (See also Child and Faulkner, 1998, who recognize this issue as well, devote a whole chapter to trust and thus represent the exception that proves the rule).

More generally, rational choice theory, game theory and other rationalist theories reviewed in Chapter 2 of this book come across as helpless whenever they are confronted with the fact that they explain trust away, explain anything but trust and/or introduce trust as an explanation for the 'non-rational' phenomena they cannot account for themselves (see James, 2002). Similarly, a certain helplessness could be attributed to the very common idea that trust needs to be built up in small steps over time and that the main concern is to simply initiate the process somehow – 'just do it' (see Chapter 4). However, this latter approach is not so much helpless in itself but acknowledges the helplessness implied in all trust as mentioned above. There is a huge difference between bringing in trust as a black-boxed, catch-all concept to fill major holes in a theory, on the one hand, and seriously investigating the complexity and ambiguity underlying the concept of trust, on the other.

Moreover, the rhetoric of trust may be hypocritical, disguising ulterior motives on the part of those who either invoke the socially desirable notion of trust or induce paralysing feelings of distrust in order to manipulate others in a way that serves their own interests. For instance, companies hope that customer trust will increase sales and that employee trust will increase productivity. Politicians hope to win votes by portraying themselves as trustworthy people (instead of laying out their intended policies in detail). And there are many examples of actors forcing their own 'trust' on others in order to compel them into a form of loyalty and responsibility that stretches beyond the ordinary (see Simmel, 1950, on secret societies; Fox, 1974, on spurious trust in the workplace; Eisenstadt and Roniger, 1984, on patron–client relationships; Gambetta, 1988c, on the Italian mafia).

Such rhetoric is evidence for the politics of trust, which is often recognized as a problem but rarely investigated in detail (see Bachmann et al., 2001). Can trust be requested, created or, at least, manipulated in such a way that people trust against their own will and interests? Later in this book, I will refer to several sources that doubt this. In order to make progress on this question and more generally on understanding the politics of

trust, it will be important to distinguish between genuine trust and trust-like façades in discourse and behaviour. For this, we will need a good understanding of ‘proper’ trust to start with. Hypocritical or not, the rhetorical aspects of trust remind us that trust has consequences and affects interests.

Apart from helplessness and hypocrisy, trust is also a highly attractive and powerful concept because of its inherent ‘connectability’. Trust is a concept that many people can relate to from personal experience; it is a topic that interests everybody in some way and regularly crops up in public discourse; it is also highly convenient in that many social science disciplines can connect to it because it is generally not defined in an overly technical or narrow way; it refers to basic but non-trivial problems of most forms of social interaction and association; and it also carries moral and emotional elements, making it a far from dispassionate issue. We can find preliminary evidence for this connectability thesis in the high level of interdisciplinarity of the contributions to edited volumes on trust (for example, Gambetta, 1988a; Kramer and Tyler, 1996; Lane and Bachmann, 1998; Cook, 2001; Bijlsma-Frankema and Klein Woolthuis, 2005), in the participant lists of conferences on trust and, not least, in the bibliographies of literature on trust (as in my own list of references at the end of this book).

By way of illustration, Niklas Luhmann is not exactly a social theorist whom most scholars would find easy to relate to in their own work, but his impressive little book on trust has inspired trust researchers across a broad range of disciplines and it is also highly interdisciplinary in itself (Luhmann, 1979). However, in the foreword to his seminal volume on trust and cooperation, Diego Gambetta (1988b) reminds us that interdisciplinarity is a challenge: ‘the sense of discomfort and isolation that scholars in the social sciences sometimes feel in connection with the limitations of their subject ... does not imply that they are ready to embrace each other fraternally as soon as they are given the chance.’

Nevertheless, even Gambetta recognizes points of convergence, and trust may be topical because social scientists have (re)discovered it recently as a concept that captures common questions and enables researchers and practitioners from very many different traditions to talk to each other – mostly without hostility, in my experience. This is wonderful, but it also raises the suspicion that the topic of trust may be no more than a fashion or fad of the kind that is criticized, for example, in management research (see Abrahamson, 1991, 1996; Kieser, 1997). The words ‘fash-

ion' and 'fad' as such connote that a new idea is transient, insubstantive and restricted to a particular place and time. Especially when presented with a certain exaggerated enthusiasm, any new or newly revived idea is prone to be called a fad, but will subsequently have to either pass into extinction (traces of them remaining like 'embarrassing teenage photographs', Morris, 1998, p. 11) or be deemed valid knowledge (for instance when backed up by solid research, at least until better ideas are presented). At times, I have also had the feeling that the topic of trust has merely been a recurrent interlude between major waves of research on 'culture', 'knowledge', 'networks' and perhaps, recently, 'identity'. However, as many serious publications keep coming out, largely unaffected by the faddish pamphlets that are also on the market, I believe that the connectability of trust is a good thing. It may even connect the other 'waves' just mentioned.

This brings us, finally, from the crisis and rhetoric of trust to the concept of trust as such and to the core question explored in this book: what makes trust such a powerful concept? Before going into more detail in the next section, a first approximation to my answer is that I regard the inherent ambivalence of trust as the main feature that makes the concept so interesting and unusual. Trust has both highly uncomfortable and highly positive connotations. It reminds actors of the harm others might cause them in principle. Yet, at the same time, trust also implies that this vulnerability and uncertainty need not be problematic in practice.

Trust is ambivalent because it solves a basic problem of social relations *without* eliminating the problem. This ambivalence applies to the current topicality of trust, too: it expresses the ongoing possibility and necessity of a favourable state of expectation towards others in the face of a heightened awareness of vulnerability and uncertainty raised by negative experiences, ranging from everyday lies and deceit to terrorism and war, as well as by positive new possibilities, created through individual empowerment and global media of communication and interaction.

As will be emphasized in Chapter 5 in particular, in order to describe the typical experience of trust we often refer to the fact that actors trust *despite* their vulnerability and uncertainty, *although* they cannot be absolutely sure what will happen. They act *as if* the situation they face was unproblematic and, although they recognize their own limitations, they trust *nevertheless*. This ambivalence (expressed by words like 'despite', 'although', 'as if' and 'nevertheless') is not some quirky defect of an otherwise sound concept, but rather the powerful essence of the concept –

the particular trick of trust, as it were. I propose that this can be captured by the concept of suspension (the leap of faith, see Chapter 5 and Möllering, 2001).

1.2 KEY CONCEPTS AND CHALLENGES

Instead of proceeding straight to the main conclusions, which I propose to reach after I have reviewed a broad range of trust research that I group into three main perspectives over the following chapters, it is first of all necessary to introduce some key concepts that are required to circumscribe what the topic of trust entails.

As a starting point, Denise Rousseau and her colleagues (1998) offer a widely supported definition of trust as ‘a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another’ (p. 395). From this we can already derive that trust is essentially the state of expectation of a trustor (see also Gambetta, 1988d; Bradach and Eccles, 1989; Sako, 1992; Mayer et al., 1995). It must not be confounded with the bases from which it is reached (antecedents), nor with the actions (enactment) resulting from trustful expectations (see Hardin, 2001). Manifestations of trust are any empirical incidents in which this state of expectation is reached, irrespective of whether the trustor is conscious of this or whether it is directly observable by others in any way.

The carrier of trust is the actor as an entity that can have expectations and in the broadest sense refer to them in action (see Bachmann, 1998). The trustor expects favourable intentions and actions on the part of the object of trust – another actor referred to as the trustee (see Baier, 1986; Gambetta, 1988d). Going beyond Rousseau et al.’s strictly psychological definition, not only individual persons but also collective or even non-human entities could be classified as trusting or trusted actors as long as it is possible to ascribe expectations and actions to them meaningfully (see, for example, Nooteboom, 2002). To what extent this is the case, for example, with reference to a social group, an organization, a political system, an animal or a god is a moot point, though. Avoiding this debate here, the main conceptual requirement is simply that we need to be able to identify trustors and trustees in order to be able to speak of trust.

The relevance of trust is due to the principal vulnerability and uncertainty of the trustor towards the trustee (see Luhmann, 1979; Bigley and

Pearce, 1998; Lane, 1998; Rousseau et al., 1998; Heimer, 2001). The trustee could harm the trustor, who cannot be absolutely sure whether this will happen or not, but his own action partly determines whether or not and, if so, to what extent the trustee can actually harm him (see Luhmann, 1979; Dasgupta, 1988; Gambetta, 1988d). The actions of the trustor and the trustee are therefore interdependent. This view implies that trust is a social phenomenon and does not cover the actors' vulnerability and uncertainty in matters not (primarily) attributable to the actions of others, for example self-inflicted accidents, technical failures or natural disasters (see also Lewis and Weigert, 1985; Luhmann, 1988; Craswell, 1993).

Moreover, for trust to be relevant, social vulnerability and uncertainty have to be irreducible, because the trustor's expectations about the other's actions are imperfect, reflecting not simply the cognitive limitations in processing information, but more crucially the agency of both trustor and trustee, who are autonomous in that their states of mind and actions are not fully determined, the result being that neither manifestations of trust nor the honouring of trust can ultimately be forced or guaranteed (see Gambetta, 1988d; Brenkert, 1998; Bachmann, 1998). Note that uncertainty is used here in the sense introduced by Frank Knight ([1921] 1971), who distinguished between *risk* as randomness, on the one hand, where the probabilities of alternative outcomes can be assigned, and *uncertainty*, on the other hand, where neither the alternatives nor the probabilities are known by the actor. Hence, trust is indeed 'risky' (Luhmann, 1979, p. 24) in a general sense of the word, but it is irreducible to calculation and therefore more than simply a probabilistic investment decision under risk (see Chapter 2). Instead, trust would fall into the category of Knightian uncertainty.

It is also important to note how exactly vulnerability is understood in the context of trust. Referring back to the basic ambivalence noted earlier, vulnerability is a precondition for trust because the trustor could be harmed in principle, but when the trustor reaches a state of trust it means that the trustor no longer expects to be harmed. The definition of trust by Rousseau et al. (see above) is sometimes misunderstood in this respect, as is the following definition by Roger Mayer and his colleagues (1995), who propose that trust is 'the willingness of a party to be vulnerable to the action of another party based on an expectation that the other party will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party' (p. 712). The 'intention to accept vulnerability' (Rousseau et al., 1998) and the 'willingness to be

vulnerable' (Mayer et al., 1995) should *not* to be understood as 'willingness to be hurt' (indicating a somewhat masochistic desire), but as highly optimistic expectations that vulnerability is not a problem and no harm will be done. Trust differs in this very crucial point from other social processes that are about avoiding or eliminating vulnerability, or resigning to it, rather than positively accepting it.

Moreover, it is also important to recognize that the trustor and the trustee are embedded in a social context which influences how exactly they can define themselves as actors and enact their agency (see Meyer and Jepperson, 2000): through networks of social relationships (see Granovetter, 1985; Burt, 1993) and through institutionalized rules (Berger and Luckmann, 1966; Giddens, 1984; Powell and DiMaggio, 1991). It follows that trust is practically never a purely dyadic phenomenon between two isolated actors; there is usually always a context and a history, and there are also other actors that matter (see Chapters 3 and 4).

In sum, and put differently, without actors, expectations, vulnerability, uncertainty, agency and social embeddedness, the problem of trust does not arise and, if this were the case, the conceptualization of trust would be pretty meaningless or superfluous. The main challenge in trust research lies in devising a rigorous theoretical framework for understanding trust, drawing on existing theoretical perspectives and traditions. More specifically, it is a challenge to use theory in such a way that trust is not explained away, because otherwise there is a temptation to treat trust as just another form of expectation and/or action that fits established rational choice models (see Chapter 2), reproduces well-known institutionalized patterns (see Chapter 3) or emerges in a self-reinforcing process (see Chapter 4). Instead, the conceptualization of trust offers an opportunity to push the limits of rational, institutional and processual theories. This implies, of course, that there is some unique element in the concept of trust that existing theories are not able to capture. Thus, the biggest challenge is to try and identify this element (see Chapter 5). It will then be necessary to show that a theoretical framework that includes such an element also has implications for empirical research (see Chapters 6 and 7) and contributes to broader research agendas (see Chapter 8). As indicated, these challenges are reflected in the composition of this book, which I present next.

1.3 OVERVIEW OF THE BOOK

The book is structured as follows. Following this introduction, Chapter 2 on ‘Trust and Reason’ reviews the vast literature that frames trust as being essentially based on reason. Specifically, I look at the work of James Coleman, Jon Elster, Russell Hardin and Piotr Sztompka as indicative examples of an extended rational choice approach to trust. I then move on to present trust-relevant aspects in economic theories in particular transaction cost economics, principal–agent theory, game theory and signaling theory. I also discuss the ‘rationality of emotion’ (de Sousa, 1987) and the efforts of many researchers to identify indicators of trustworthiness. In the course of the chapter, I note repeatedly that rationalist explanations of trust run into paradoxes. I conclude that there may be an element of reason in all trust, but that trust as such would not be required if it could be explained solely and wholly by reason.

Following on from this, Chapter 3 on ‘Trust and Routine’ takes a radically different approach by building on that part of the trust literature which points out the taken-for-granted nature of trust in many practical situations. Often, trusting and being trustful appear to resemble a routine that people follow habitually, rather than a conscious choice. This can be conceptualized using theories such as sociological phenomenology, ethnomethodology and, first and foremost, neoinstitutionalist sociology. In this chapter, I present Alfred Schütz’s concept of the natural attitude and Harold Garfinkel’s work on constitutive expectancies and normalizing. Then I progress via Lynne Zucker to neoinstitutionalist sociology and the idea that trust may be a form of institutional isomorphism. It follows that when institutions serve as a source of trust between actors those institutions also become objects of trust, which raises a number of further issues. Overall, this neoinstitutionalist approach to trust highlights the important influence institutions have on trust, but it does not deny agency either (which would eliminate the relevance of trust). Hence, a more processual perspective suggests itself.

This is taken up in Chapter 4 on ‘Trust and Reflexivity’. Searching further for perspectives that enhance our understanding of trust, I discuss in this chapter a number of diverse ideas about trust, whose common thread is that they see trust as a reflexive process that depends on ongoing interactions between actors. Such interactions may be started relatively blindly or accidentally, but then there is a possibility that they become self-reinforcing. Trust typically undergoes gradual growth and transfor-

mations in a process of reflexive familiarization and structuration. I argue that actors play an active role in this, which is expressed most strongly in Anthony Giddens' concept of 'active trust'. This means, however, that actors are assumed to 'just do it' and initiate potentially harmful trust-building processes somehow. The process view as such cannot explain how actors are able to achieve this.

Chapter 5 is entitled 'The Leap of Faith'. It starts by acknowledging that all three perspectives introduced in the preceding chapters highlight important aspects of trust. I summarize the previous discussion and explain in detail what is meant by trust as a phenomenon that manifests itself *between* reason, routine and reflexivity. It means that all three elements are needed, but neither can explain trust alone, and all three need to be complemented by a conceptualization of the leap of faith required for all trust – the 'as-if' element which Georg Simmel drew attention to and which I prefer to call suspension. This chapter offers various ways of making sense of suspension: trust as fiction, trust as bracketing out and trust as the will to believe. I also present a number of empirical studies that have applied the notion of the leap of faith and represent evidence for its practical relevance. This chapter takes the first steps in a new direction of trust research, placing the suspension of uncertainty and vulnerability at the heart of the concept of trust.

Chapter 6 on 'Studying Trust' takes a closer look at how trust has been studied empirically and what we can infer from different perspectives on trust for studying the phenomenon in the future. This is done on the basis of six heuristics for distinguishing between the vast number of highly diverse empirical studies of trust that have been undertaken to date. The main heuristic is the distinction between quantitative, qualitative and comparative studies and these are discussed in detail. The chapter closes with a call for interpretative approaches that adopt a process perspective, obtain a rich picture of actual trust experiences, understand the embeddedness of the relationships under investigation and take into account the reflexivity not only in trust development as such but also in the research interaction.

The fact that it is possible to get close to the ideal presented in the preceding chapter is demonstrated in Chapter 7 on 'Experiencing Trust'. Here I present three qualitative cases of interorganizational relationships in the British printing industry. The cases are instructive in the way they reveal the concurrent simplicity, complexity and ambivalence of experienced trust. And they allow critical reflection on the limits of accessing

trust in empirical research. The chapter gives empirical meaning to the abstract conceptualizations of the earlier chapters and therefore furthers our understanding of the concept of trust in this way, too.

In the final chapter (Chapter 8, 'Positive Expectations') I summarize the key insights from this book once again and suggest how my approach can enhance the relevance of trust research and its contributions to broader research agendas. In particular, I argue that trust research is ultimately part of the general investigation into the question of how actors can form positive expectations of others. Trust is only one answer to this question and we need to be able to say how it relates to other answers such as 'control'. In this spirit, I suggest avenues for further research and conclude, optimistically, that trust is indeed a truly powerful concept in understanding past, present and future developments at different levels within and between our economies and societies.

It may be helpful to know that I have written the book with two kinds of readership in mind. First, I hope that the book can serve as a general introduction for advanced students and scholars in the social sciences, especially in economics, sociology, psychology and management studies. This means that I cover a fairly wide range of literature, try to include all the 'classics', realizing, though, that I cannot mention everything that would be worth mentioning. Many accounts also have to be highly simplified, to say the least. I am also aware that, due to my own disciplinary background, the ground that I cover is biased towards sociological organization theory and empirical applications from business studies.

Second, for more experienced researchers, I want to provide a challenging and provocative critique of the field and a new approach to understanding trust. This is why I do not hide my own opinion on previous conceptualizations of trust and I go into more detail in those more unusual areas where I personally find new, original ideas that are ignored or underexplored in the existing literature. Overall, this is still a relatively short book and I definitely do not claim that my argument is exhaustive. I am confident, though, that my main message is substantiated enough to give plenty of food for thought: the leap of faith is at the heart of the concept of trust, but present theories of trust fail to grasp it so far. Indeed, I expect that those who read this book with a more practical rather than theoretical interest will be able to relate to the ideas presented here relatively easily by reference to their own daily experiences of trust, whereas theorists tend to think in abstract frameworks which are not so easy to challenge and revise.

2

TRUST AND REASON

2.1 THE RATIONALIST PARADIGM

‘A natural and common account of trust is that certain people are trustworthy and can therefore be trusted’ (Hardin, 2001, p. 18). This simple observation by Russell Hardin expresses three important ideas. First, trust is selective: we can only trust certain people, not everybody. Second, trust is reasonable: we look for good reasons and, in particular, we assess the other’s trustworthiness before we trust. Third, trust is decisive: we trust by taking a step in one direction, not the other, thereby reaching a certain state of expectation, performing corresponding actions, if required, and facing consequences. Altogether, in this approach, trust represents a choice made ‘within reason’ (Hollis, 1998).

While this may truly be a natural and common account of trust in many of our everyday experiences, it also circumscribes the paradigm for the current mainstream of trust research. Against the background assumption of methodological individualism and self-interested utility maximization, trust (as the dependent variable) is seen as a rational or, at least, reasonable choice based on the trustor’s perception of the trustee’s trustworthiness (as the independent variable). Sometimes acknowledging the potential influence of contextual factors such as predispositions and embeddedness, models of trust express trust primarily and essentially as a function of perceived trustworthiness, predicting a positive sign: the more trustworthy others appear to us, the more likely we are to trust them at all, the stronger our trust will be and the more we will be prepared to enact this trust.

Once this general hypothesis is established, researchers in this tradition are interested in how trustors are able to recognize trustworthiness in potential trustees: what makes a trustee trustworthy in the eyes of a particular trustor? Overall, if the trustee is more likely to honour than to exploit trust, this makes him trustworthy in the eyes of the trustor, who also needs to be aware of the gains and losses at stake. This emphasis on probability is expressed by Diego Gambetta, who concludes that ‘there is a degree of convergence on the definition of trust’ which turns on the idea of subjective probability: ‘When we say we trust someone or that someone is trustworthy, we implicitly mean that the probability that he will perform an action that is beneficial or at least not detrimental to us is high enough for us to consider engaging in some form of cooperation with him’ (Gambetta, 1988d, p. 217).

One line of research looks at the trustee’s specific incentives to honour or exploit trust in a given situation. Another line of research identifies more general and less situation-specific indicators of trustworthiness. These mostly concern the character that the trustor attributes to the trustee. In principle, the two lines should be connected because, whenever the choice of trust needs to be made, incentives and character need to be considered together.

To give just two brief examples, which will be taken up again in more detailed analyses later, much research aiming to predict trust is often based on models of the trustor’s net expected values, as for example in the work of Robert Axelrod and James Coleman. This approach would be more common in economics and sociology. Research identifying indicators of perceived trustworthiness which, together, predict trust can be found a lot in psychology and management studies. Probably the most famous and certainly one of the most cited models of trust has been proposed by Roger Mayer, James Davis and David Schoorman (1995). Integrating much of the previous literature, they propose: ‘Trust for a trustee will be a function of the trustee’s perceived ability, benevolence, and integrity and of the trustor’s propensity to trust’ (p. 720). Although the authors do not emphasize this point, they naturally assume that it is reasonable to trust a trustee who is competent, means well and adheres to acceptable principles. All such catalogues of trustworthiness indicators presume that they are applied more or less consciously by intendedly rational trustors in choosing whether to trust or not.

In this relatively long chapter, I will present in detail the fundamental ideas underlying the view that trust is a matter of reason. First, funda-