

Organization Studies

<http://oss.sagepub.com/>

Editorial

Reinhard Bachmann, David Knights and Jörg Sydow
Organization Studies 2001 22: v
DOI: 10.1177/0170840601222001

The online version of this article can be found at:
<http://oss.sagepub.com/content/22/2/v.citation>

Published by:



<http://www.sagepublications.com>

On behalf of:



[European Group for Organizational Studies](http://www.sagepub.com/content/22/2/v.citation)

Additional services and information for *Organization Studies* can be found at:

Email Alerts: <http://oss.sagepub.com/cgi/alerts>

Subscriptions: <http://oss.sagepub.com/subscriptions>

Reprints: <http://www.sagepub.com/journalsReprints.nav>

Permissions: <http://www.sagepub.com/journalsPermissions.nav>

>> [Version of Record](#) - Mar 1, 2001

[What is This?](#)

Editorial

Trust and Control in Organizational Relations

The phenomenon of trust has recently attracted enormous attention within organizational research and socio-economic theory. Both in intra- and trans-organizational relations, trust has been recognized as a central mechanism in the co-ordination of social actors' expectations and interactions. Without a certain degree of trust, it is almost impossible to establish or maintain successfully organizational relations over a longer period of time. Neither formal contracts nor informal agreements seem to be manageable solely on the basis of open threats of sanctions, and in most cases it even seems impossible to gain a complete knowledge of all the relevant factors that might influence *alter ego's* future behaviour. Thus, trust is undoubtedly one of the key concepts in the analysis of the internal and external relationships of organizations.

Trust has become a topic of growing interest among academics and a concern within organizational communities, not least because of a perceived sense that change is occurring more rapidly and dramatically. The fear of being 'out of control' renders notions of trust much more central and important in contemporary social relations. However, while concepts of 'trust' and 'control' have been prevalent in academic discourse and organizational practice for generations, this does not mean that they are well understood or unproblematic, as many of the papers in this Special Issue reveal.

Like most concepts, trust and control can be made to mean, at least to some extent, what a theorist or practitioner wants them to mean. They clearly can be, and are, used politically, since trust has an especially laudatory ring to it and, depending on the circumstances, control may be seen more pejoratively, particularly by those who feel that they are victims of control. At the same time, trust is dangerous if it means that caution is thrown to the wind and remaining in control is considered a highly positive way to behave. Consequently, trust and control cannot be taken for granted; their use and misuse and their management and mismanagement, in both theory and practice, are always a case for investigation and analysis. Nor should trust and control be seen to be necessarily on the opposite side of the fence, so to speak. While there are numerous examples in the literature where control chases out trust and situations in which trust seems to remove the necessity for control, there are equally as many examples of trust and control being complementary, or going hand in hand. Within this Special Issue, we see several variants of the relationship between trust and control.

Despite what could be seen as an overload of information available to practitioners in the age of electronic communications, organizations are often having to find ways of (inter-) acting on the basis of limited information and without the benefit of tightly monitoring all aspects of their 'internal' and 'external' behaviour. In these circumstances, trust inevitably becomes

a central issue in control. More than ever, to avoid getting out of control, organizations need to be able swiftly to develop flexible but reliant relationships. On the one hand, trust merely appears to be a basic precondition of all social interactions within and between organizations. On the other hand, trust is an important — but unevenly distributed — resource that cannot only save on transaction costs, but also render strategic action possible in the first place. Thus, trust and control are essential features of organizational life.

However, it would be wrong to assume that trust is always a convenient and simple solution to the problem of how to achieve stability, flexibility and efficiency in organizational relations. Trust can be understood as a means that allows informational gaps to be bridged, but — *uno actu* — it often produces considerable risk, since, unavoidably, it can be betrayed and turn out to be misplaced. While the willingness and capacity to take such risks may vary between individual social actors, it seems that ‘blind trust’ is anything but a favourable option. In other words, even if trust is the dominant element, it usually occurs as one element in a complicated process of co-ordinating and controlling organizational relations. Notwithstanding this insight, substantial parts of recent organizational literature seem to suggest, rather naively, that business relationships should simply be based on more trust to make them more efficient. However, there is neither empirical evidence nor are there sound theoretical arguments to support this view. If Lenin was wrong to believe that ‘trust is good while control is better’, since the reverse (and several other variants) of this are equally plausible, it seems unlikely that the truth of trust arises when it is simply turned on its head. From our point of view, the whole matter appears to be a lot more complicated.

Our aim in compiling this Special Issue is not only to make a substantial and critical input to the current debates on trust and control but, in particular, to question the tendency of some authors to treat these concepts unproblematically. It is time to develop an integrated, balanced and context-sensitive understanding of the social organization of trust, power and control. When we agreed to act as guest editors of this Special Issue, it was not our idea to reduce the study of organizational relations to the analysis of trust. Nor, on the other hand, was it in our minds to simply leap back to the notion of capitalist or managerial interests being in total control of the labour process as well as the quality of boundaries spanning organizational relations. Our intention, rather, was to provide an adequate forum, from a variety of angles, for thoroughly investigating the complex relations between trust and control. Clearly, the reviewing process has limited the diversity to some degree but we ‘trust’ that what is contained here is sufficiently provocative to stimulate further debate.

The result, in our view, is an inspiring collection of six papers. Each of them places strong emphasis on developing a specific conceptual framework and most of them also draw on original empirical research. The general theoretical orientations to which the authors of this collection relate in their contributions include Systems Theory, Structuration Theory, New

Institutionalism, Critical Realism, and Neo-Foucauldian Theory. The empirical studies on which the authors report vary across a number of sectors (including NGOs) and cultural regions. This Special Issue can thus be considered to be quite representative of some of the most innovative approaches within the current debates on trust and control. At the same time, it is focused on a clear aim, which is to contribute to a theoretically well-informed and empirically realistic discussion on issues of trust and control in organizational relations.

The paper by Mike Reed offers a useful review of the most prominent theoretical approaches in recent organizational theorizing and the specific ways in which they reconceptualize trust/control relations. Among these, he suggests a neo-realist framework to be the most promising for reconstructing the 'generative mechanisms' underlying the changing patterns of expert power and the 'positioned practices' of trust and control in organizational relations.

Christina Garsten and Chris Grey examine the role of trust and power in post-bureaucratic organizations. As the fabrication of 'corporate culture' — as widely popularized in the 1980s — seems critical in the face of the erosion of long-term work contracts, new forms of post-bureaucratic 'global scripts' allowing for trust and control are suggested and discussed in this paper.

T.K. Das and Bing-Sheng Teng discern different types of trust, control and risk which are relevant for the analysis of strategic alliances. Their findings centre around the insight that perceived risk is the central problem which can best be coped with by a specific combination of trust and control mechanisms. Das and Teng discuss various trust/control-building techniques and conclude with what they see as managerial implications for risk management.

The paper by Steve Maquire, Nelson Phillips and Cythia Hardy deals with the problem of how to foster the production of 'identification-based trust'. With reference to the development of cooperative relations between the pharmaceutical industry and a patients' activist organization, they study the combination of trust and control that seems most promising to establishing stability and predictability within organizational relations.

David Knights, Faith Noble, Theo Vurdubakis and Hugh Willmott investigate the development of 'virtual' markets in the financial services sector. With reference to electronic payment systems in e-commerce and other electronic modes of trading, the paper presents a nuanced exploration of trust and control by focusing on attempts to 'manage' trust, the problems encountered by such attempts, the various techniques employed in their resolution and the power relations in which they are embedded.

Reinhard Bachmann, finally, analyses two distinct relationships between trust and power and how the institutional environment in which 'trans-organizational relations' are embedded decides which of these becomes dominant. While he finds institutional arrangements where personal trust and individual power tend to be perceived as alternative options to controlling relations between firms, he suggests that there are others where systemic

forms of power foster the constitution of a high level of trust between business organizations.

Selecting the papers presented in this Special Issue has been no easy task. More than 70 papers were submitted and we had to narrow down the number by a factor greater than 10. All the papers that finally made it into this Special Issue went through various rounds of double-blind reviewing. Of course, our own contributions were completely taken out of our hands by the OS editor-in-chief who assumed responsibility for all aspects of their reviewing. At the time when we started our editing work, Arndt Sorge was in this position. We wish to thank him, not for ultimately accepting our own papers for inclusion in this Special Issue but for his continued and extremely valuable advice throughout the exercise. This helped us to be as fair as possible to the authors of all the papers submitted to this Special Issue.

Reinhard Bachmann
University of Groningen, The Netherlands
David Knights
University of Keele, UK
Jörg Sydow
Free University of Berlin, Germany