Dialogue IV

Organizational Control Through Trust: A Biblical System?

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Smith explores the roles of trust and trustworthiness in the hierarchy and culture of business.

Abstract

The concept of using trust as an organizational control system is in great favor today in the business literature. Since trust is an essentially Christian concept, it is tempting to think that this system of control is good, or godly, by its nature. This paper explores the concept of trust as a control mechanism to see if this is a warranted assumption.

First, biblical trust is examined, and then it is compared to interpersonal and interorganizational trust as it is dealt with in the management, psychology, and sociology literature. It is determined in the discussion that, by its nature, trust is built upon belief, and this is common between biblical trust and trust used in an organization. However, biblical trust is based in a belief in the truth. There is no guarantee that organizational trust will be based on a belief system that is true or beneficial to those who believe, or to others they encounter. Therefore, it is possible that organizational trust could be used in a manipulative or even coercive manner.

This leaves us with two conclusions which will affect Christian business teaching in the future. First, some organizations will seek to use belief which acknowledges truth (or at least a traditional or conservative value set), and they will need trustworthy employees. Christian employees should be highly desirable in this setting, providing an opportunity for Christian higher-education institutions who seize it. Second, there will be organizations that seek to build trust on non-biblical belief systems, and our Christian students will need to be able to discern between these organizations and those in the first case.

Introduction

Trust is an important lubricant of a social system. It is extremely efficient; it saves a lot of trouble to have a fair degree of reliance on other people's word. Unfortunately this is not a commodity which can be bought very easily. If you have to buy it, you already have some doubts about what you've bought (Arrow, 1974, p. 23).

The field of management has long sought for the most cost-effective ways to provide adequate control mechanisms within organizational processes. The basic problem is that an organization needs to act as a single entity, but it is made up of many individuals. The primary task of management is to get the many individuals with their individual tasks to act in unity. Over the years, numerous theories have been put forth regarding this issue. Perhaps the best known theory of control is Weber's (1947) theory of bureaucracy. Weber explained how control could flow down from the apex of an organization through a hierarchical, authority-based structure in order to assure compliance to a single set of objectives throughout the organization.

Later, the theory of transaction cost economics (Williamson, 1975) was proposed to explain the cost trade-offs between pure market transactions vs. bringing the transactions under the control of organizational bureaucracy. The key element of transaction cost economics is that firms have two choices. They can either contract in the open market for the goods or services required or produce what they need internally, depending upon which of these is least costly. If the firm contracts in the open market, control comes from the terms of the contract, and the legal system is the potentially coercive "enforcer" of the contract terms. Conversely, if the firm chooses to produce goods or services internally, control comes through the bureaucratic authority structure of the firm.

In more recent years, some management theorists have questioned the conclusions of transaction cost economics. Both Smitka (1989) and Bradach and Eccles (1989) have argued that there is a third option to transaction cost's choices of market or hierarchy. The third option is to use trust to control the transaction. When contracting in the open market, the existence of trust between the parties allows for a less comprehensive contract or, in some cases, no formal contract at all. Within the firm, the existence of trust diminishes the need for strict hierarchies and authority structures. The use of complex contracts is very expensive. Moreover, the perfect contract can never be created (Beale & Dugdale, 1975; MacNeil, 1978). Comprehensive hierarchy/authority structures are also extremely expensive, requiring multiple layers of management with literally everyone checking up on everyone else. For this reason, the approach also tends to be resisted by employees (Raven & Kruglanski, 1970). On the other hand, as reflected in the Kenneth Arrow quote that began this article, trust is an extremely low cost control mechanism. For this reason, Wilkins and Ouchi (1987) go so far as to conclude that transaction costs only come into play in situations where trust doesn't exist.

... trust [is] the control mechanism of choice.

Cost is not the only reason to consider trust as the control mechanism of choice. Trust is increasingly seen as the only feasible organizational control mechanism that will bear up under the modern requirements of speedy decision-making and rapid change in a global economy.

As early as 1970, Argyris pointed out that change will be resisted in an organization that is "low in openness, trust, and risk-taking" (Argyris, 1970, p. 70). More recently, numerous management theories from management by objectives to total quality management and reengineering all propose more efficient operations through empowerment of employees, which requires some level of preexisting trust (Scott, 1980). Moreover, an organization-wide reliance upon a network of trust is so necessary today that it is considered to be a fundamental requirement for any organization facing a global economy (Bartlett & Ghoshal, 1995).

So, there are two overriding reasons why managements are currently attempting to build networks of trust relationships within their organizations. The first of these is based in lowered cost structures, while the second is based in time and change dynamics. Because of this, the field of management has seen a fresh surge of interest in the trust concept, as is indicated by the fact that two of the premier management journals have recently devoted special issues to the subjects (Special Research Forum: Intra and Interorganizational Cooperation, 1995; Special Topic Forum on Trust in and Between Organizations, 1998). At the risk of being overly zealous, I would suggest that trust in and between organizations will continue to be a central management topic well into the 21st century.

Christians and Trust

As Christian business teachers, we need to understand and convey to our students the changes in the marketplace that will affect them, especially where those changes will particularly impact Christians. As Christians, an increased emphasis upon trust in the marketplace is of special importance, since we should have an advantage in turning out graduates with strong propensities toward the use of trust and strong abilities in the area of trust building.

There is, in fact, some evidence that this change in the marketplace is already happening. In 1990, and again in 1997, Robert Half International Inc. asked executives the question, "Other than the ability and willingness to do the job, what is the one quality that impresses you the most about a candidate during a job interview?" In 1990, the number one answer was "Verbal Skills." In 1997, the number one answer (32 percent) was "Honesty/Integrity" ("Honesty Counts," 1997). As we will see later in this paper, a person's honesty and integrity are particularly important when we are choosing whether or not to trust them.

Trust is a Christian Concept

It is important to understand that the world chooses to use a Christian concept when it relies upon trust. The evidence for this is clear. First, God chose the mechanism of trust as the "trigger" to unleash His power for our salvation. We find this teaching throughout the gospels. For instance, Jesus, speaking of Himself in John 12:36, says, "Put your trust in the light while you have it, so that you may become sons of light." Secondly, God's desire for us to "be conformed to the likeness of his Son" (Romans 8:29) is accomplished through trust in Him also (e.g., II Thessalonians 1:11).

When the world appropriates what is essentially a Christian concept, we need to be wary. It is tempting to assume the world is learning to follow God's methods, and occasionally that may be true. However, Satan has proven to be very adept at twisting biblical principles, "And no wonder, for Satan himself masquerades as an angel of light" (II Corinthians 11:14). Before examining what the world, through management theory, has to say about trust, it makes sense to examine trust as God created it for His purposes in salvation and discipleship.

The Biblical Concept of Trust

The Greek and Hebrew words that most often get translated as *trust* in our English Bibles are also translated in other places as the English words *faith* and *belief*. This connection between *trust*, *faith*, and *belief* is often lost in our modern usage.

Trust in the Old Testament

In the Old Testament, three Hebrew words are often translated into English as *trust*. The first of these words is *'aman*, which means "to be firm; to endure, be faithful, be true, trust;" or "believe" (Strong, 1989; Vine, 1985). The second word is *'emunah*, which is defined as "firmness," "faithfulness," "truth," or "honesty" (Strong, 1989; Vine, 1985). Finally, the word *'emet* is translated most often as "truth," "right," or "faithful" (Strong, 1989; Vine, 1985). These words get translated somewhat interchangeably depending upon their context.

For example, in three different Old Testament passages from the New International Version of the Bible, the word *'aman* is translated three different ways. The translated word is shown in italics.

Genesis 15:6 Abram *believed* the LORD, and he credited it to him as righteousness.

Exodus 14:31 And when the Israelites saw the great power the LORD displayed against the Egyptians, the people feared the LORD and put their *trust* in him and in Moses his servant.

Numbers 12:7 But this is not true of my servant Moses; he is *faithful* in all my house.

Therefore, the three English words *faith*, *belief*, and *trust*, are all closely linked to a single idea in the Old Testament Scriptures. This concept is important for our understanding of God's use of trust. We find in the Scriptures that belief is never to be haphazard—it is to be based in the truth, which is embodied in God. To believe in God and His message means that we have faith in His faithfulness. Because we believe in God and have a relationship with Him, we can trust Him who is ultimately trustworthy. We will therefore act upon our belief, and the actions based in belief in God's faithfulness are the actions that are commonly labeled as *trusting*.

Trust in the New Testament

There are also three Greek words found in the New Testament that most often convey the idea of trust. As with the Hebrew, these three words most often are translated as *faith*, *belief*, or *trust*. The first word is the root verb *peitho*. It is most often translated as "trust," and means "to have confidence in," or "to be persuaded" (Strong, 1989). The second word is *pistis*, and is most often translated as "faith," meaning "firm persuasion." *Pistis* is drawn from *peitho* and is always used in the Scriptures as "faith in God or Christ or things spiritual" (Vine, 1985).

The third word is *pisteuo* and is most often translated as "believe." It is drawn from the word *pistis* and means "'to believe,' also 'to be persuaded of,' and hence, 'to place confidence in, to trust,' [signifying], in this sense of the word, reliance upon, not mere credence" (Vine, 1985). *Peitho*, *pistis*, and *pisteuo* share a common root and are aspects of a single concept, as with the three Hebrew words used to indicate trust. Also like the Old Testament words, they are translated somewhat interchangeably, depending upon context. For example, in the following verses the word *pistis* is translated differently in three different passages of the New International Version of the Bible. The translated word is shown in italics.

Romans 3:31 Do we, then, nullify the law by this *faith*? Not at all! Rather, we uphold the law.

Titus 2:10 ... and not to steal from them, but to show that they can be fully *trusted*, so that in every way they will make the teaching about God our Savior attractive.

Romans 14:22 So whatever you *believe* about these things keep between yourself and God. Blessed is the man who does not condemn himself by what he approves.

Trust in Modern English

The connection between the concepts of trust, faith, and belief makes sense in modern speech as well. To say "I believe you" could normally be substituted for "I trust you" or "I have faith in you." However, in scholarly work (and particularly in the field of management), this connection has been uncoupled through redefining the terms in the academic literature.

Trust researchers have by and large consciously discarded the idea of faith having anything to do with trust, relegating it purely to the realms of religion, saying that faith is involved in the act of trusting only when there is no evidence upon which to base the trust (e.g., Lewis & Weigert, 1985). While trust researchers do normally acknowledge the requirement of belief in the act of trusting, belief has been generally redefined in the social sciences to mean "existential propositions" (Beyer, 1981) or simply an attitude or opinion (Chaplin, 1985). The concept of trust being embedded in a relationship has therefore been changed in our day to the point where we commonly discuss trusting a man-made system (e.g., "I trust the free market system to appropriately set prices") or even a piece of machinery (e.g., "I can trust my car to start every morning").[1] Of course there is nothing particularly wrong with these uses of the word as long as we understand that we are talking about something that is significantly different than interpersonal trust.

The point is that in order to trust someone, you have to believe in them or, said another way, you must have faith in them. Trust, faith, and belief go together. In this paper, therefore, the word *trust* is used to mean the faith/belief/trust concept, and it is assumed to be a primary biblical concept. Trust is an essential element in the biblical explanation of how we, as fallen humans, can be saved from our sin. Trust is the mechanism chosen by God to enable our salvation and to enable our growth in the Christian life. God chose trust on our part as the means for our salvation and growth because we are incapable of saving ourselves or growing ourselves—only His power is sufficient. His power is "unleashed" through trust.[2] There is substantial scriptural evidence for this relationship.

For one example, consider II Thessalonians 1:11—"... we constantly pray for you, that our God may count you worthy of his calling, and that *by his power* he may fulfill every good purpose of yours and every act *prompted by your faith*" (emphasis mine). Other passages that speak of this relationship include I Corinthians 2:4-5; Colossians 2:8-12; Romans 15:13; and I Peter 1:3-5.

Therefore, it seems reasonable to conclude that the primary purpose of trust—the reason it was created—was as a means for man to be reconciled to God and to have a relationship with Him. If that is so, any organizational benefits to be obtained from trust are purely secondary. Nonetheless, the mechanism of trust—the unleashing of another's power through our belief in them—is the same whether we are talking about trusting God for our salvation or trusting a subordinate with a work project. Here then is the reason why trust between people is a valuable organizational concept—trust can become a substitute for command (i.e., hierarchical authority.)

... organizational relationships typified by trust ... have substantially less stress.

As Riker comments, "Trust is, in some sense, an alternative to power. One can coerce other people to bring about a result one desires or one can trust them to bring about a desired result without coercion" (1974, p. 63). We know that the Old Testament law (an essentially coercive system) was insufficient to provide salvation for mankind, so God provided salvation through trust (faith) in His Son. In the same way, organizations are attempting to replace the controlling structure of authority and hierarchy (an essentially coercive system) with a network of trust relations. Since creating, maintaining, and using hierarchical authority is expensive and time-consuming, and since it is often resisted by those being controlled by it (Raven & Kruglanski, 1970), the virtue of trust seems self-evident.

The Secular Literature on Trust

Each of the fields of psychology, sociology, and management (particularly in organizational behavior) have a well-developed trust literature. Interestingly, much of this literature is compatible with the issues of trust just discussed from the Scriptures. Where the literatures are compatible with what we know from Scripture, it may be useful to our understanding of the trust relationship. Subject to Scripture therefore, the following discussion is offered.

Trust Reduces Complexity and Uncertainty

Probably the most complete secular theory of trust has been developed by Luhmann (1979). One of his key insights is that trust has the perceptual effect of reducing the complexity and uncertainty in the world around us. While it is true that some people manage to create their own problems, it is more usual to conclude that much of the complexity and uncertainty in the world is caused by someone else and is, at least partially, under someone else's control.
When person A chooses to trust person B to deal with the future complexity and uncertainty, person A can relax, and his or her perceptions of the future complexities and uncertainties are effectively reduced to a manageable level through the belief in the trusted person.
This is why we should not be surprised that organizational relationships typified by trust, rather than coercive authority and hierarchy, have substantially less stress.

Supporting evidence for this concept comes from Gratton's (1973) phenomenological study of people's perceptions of the trust experience. She found that there is a difference in attitude between the moment before trusting and the one after trusting. Respondents called it a "deepening of trust" or a "relief and relaxation." It created a "closer and more intimate" relationship between the party doing the trusting and the one being trusted (Gratton, 1973, pp. 274-275). Believers can identify with this: the stresses of life are always greatest when we are trying to do things for ourselves instead of giving them over to God and trusting in Him alone.

The Need for Faith

As discussed above, Scripture indicates a close relationship between trust, faith, and belief. That is, an act of trust is based upon a belief or faith in the person being trusted. Unlike most trust researchers, Luhmann (1979) does not relegate faith purely to the domain of religion.

He explains that it is impossible to know the future with certainty, and since all acts of trust are necessarily for something in the future, they all require faith. He does not suggest that faith is believing without evidence, but rather, that it is believing when the evidence is not complete, as it cannot be when dealing with a future event. This view of faith is, of course, compatible with the biblical view, as found in Hebrews 11:1—"Now faith is being sure of what we hope for and certain of what we do not see."

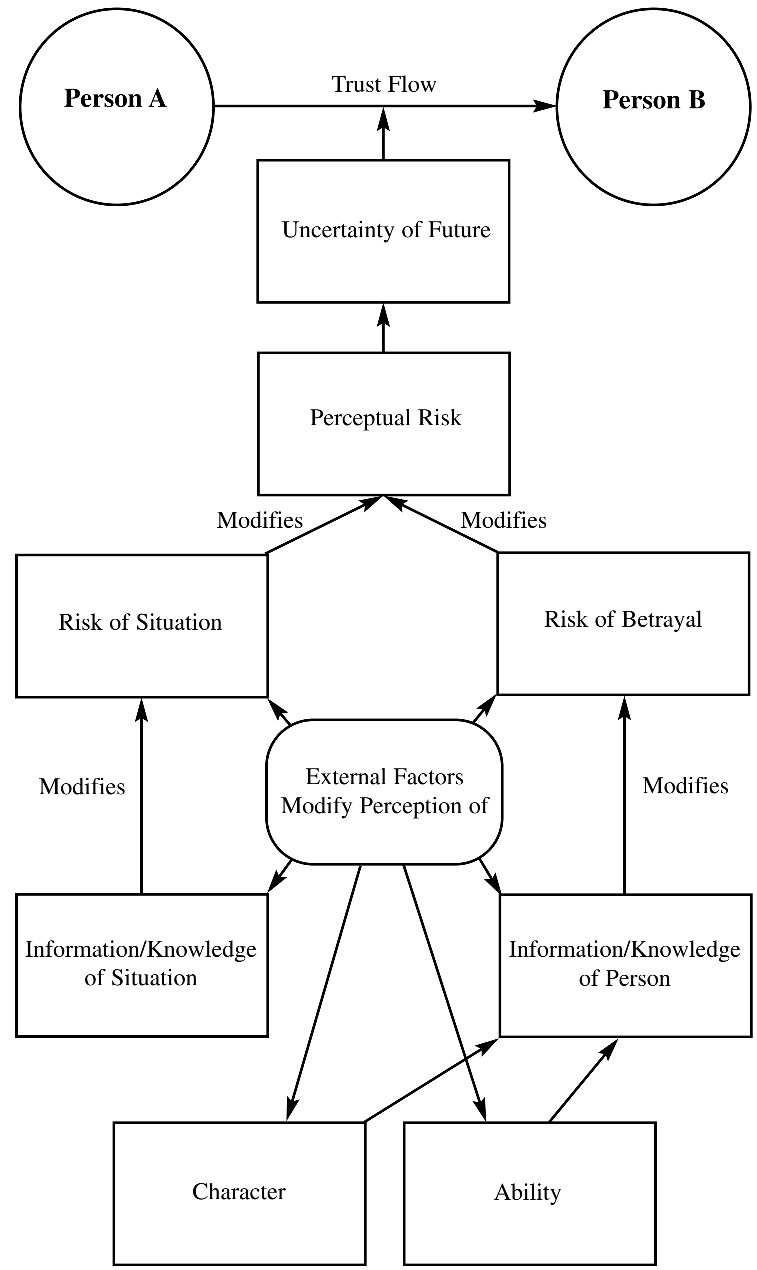
The Nature of Trust

There are several other things that are generally agreed upon in the secular literature. First, the object of trust is some future event. Since the event is in the future, it is (at least perceptually) surrounded by uncertainty, so there is an element of risk attached to it. Since we are not able to control the event ourselves, faith or belief in one or more person(s) who can control the event is required. The faith or belief allows us to trust them to deal with the uncertain event. However, there are several moderating factors that will affect the granting of trust, as well as the level of trust granted. Therefore, trust depends upon the amount of inherent risk, the information we have as to the event, the information we have as to the person we are considering trusting, the external factors available that affect trust, and the bounding of the trust due to the setting. These moderating factors all act upon the amount of risk perceived to accompany the act of trusting. Figure 1 illustrates the act of trust and the risk modifiers described in the following paragraphs.

Trust is Risky

Luhmann (1979) notes that trust is always concerned with something that will take place in the future. Since we cannot know the future with certainty, we must reason beyond the evidence at hand in order to trust someone. In other words, a person must take a risk to trust. The initial amount of risk is dependent upon what is at stake—that is, the thing that is being trusted for (Kee & Knox, 1970). The question is, what is the worst thing that could transpire if the thing being trusted for does not happen? That is the amount of risk taken. For example, if a father is trying to decide whether to trust his teenager with the family car, the level of financial risk is quite different if

Figure 1
A Diagram of Trust



the car is a new Lexus vs. an old Chevy.[3]

There are two different perceptual risks attached to the act of trusting that modify the overall risk. The first of these is the risk attached to the situation itself. In the example just used, the risk associated with the situation would be the normal risk of driving any car. That is, your teenager could always be hit by a drunk driver or a tire might fail, etc. However, all of these things could happen to any driver.

The second risk is comprised of the chances of a betrayal of your trust by the person you are trusting. In the example just used, that would be the risk that would probably be at the forefront of the father's mind. Both of these perceived risks will act to modify the overall risk perceived by the father.

Informational Risk Modifiers

Both the risk inherent in the situation and the risk of betrayal will be modified by information or knowledge the person has or can find that is pertinent.

The information about the situation can reduce (or increase) that perceived risk, but will have no effect upon the risk of betrayal. Likewise, information about the person being trusted can reduce (or increase) that perceived risk, but will have no effect upon the risk of the situation. The smaller the risk initially, or the more the risk can be mitigated through supportive information and outside forces, the more likely it is that the risk will be taken, and an act of trust will be entered into.

Risk of Situation

Information regarding the situation itself is pretty straightforward to come by—we do it all the time. In fact, the situational information search for a trust situation is identical to informational searches for any decision. At the extreme, this becomes the job of the insurance actuary. The actual purchase of insurance or other external mechanisms used to reduce the risk will be dealt with later on under "External Factors."

Risk of Betrayal

Information about the person being trusted is obviously much more specific and therefore much harder to come by. The less information available (e.g., the teenager who wants to borrow the car just received his or her license, and we don't know who is going to be with them) or the more information that is negative to our purpose (this will be left to your own imagination), the higher the risk is perceived to be.

The more information available that is in accordance with our purpose (e.g., the teenager has shown maturity beyond his or her years in past situations), the more the risk will be seen to be mitigated. This information often comes in the form of previous positive or negative experiences trusting the individual(s) involved in the current trust act.

Numerous writers have discussed the fact that people are willing to increase their levels of trust (take larger risks) when they have successfully trusted for smaller things in the past (see for instance, Axelrod, 1984; Cangemi, et al., 1989; Ring & Van De Ven, 1994). This is generally termed the "upward spiral of trust." If a person has trusted someone previously, and they have proven trustworthy, it is easier to trust them the next time. There is a surety that faith placed in them will not fail. This is the scriptural principle, "Whoever can be trusted with very little can also be trusted with much ...." (Luke 16:10). Reputation works in a similar way. For example, David says, "Those who know your name will trust in you, for you, LORD, have never forsaken those who seek you" (Psalms 9:10). Thus, trust and trustworthiness tend to proceed over time in an upward spiral.

Ability

There are two general elements to think about when evaluating a person's trustworthiness: ability and character (Barber, 1983; Coleman, 1990; Silver, 1985). Ability is the technical competence or capacity to perform (individually or through others) whatever task the person is being trusted for. Some researchers leave ability out of considerations of trust, because they are concerned primarily with trust in social situations such as marriage and family, where the ability of any person is generally sufficient. Nevertheless, it can be argued that, even there, ability may be an issue.

However, it is clear that the ability of the person being trusted in the work setting is important. A person in an organization generally trusts another person for some job-related outcome (Gabarro, 1978). There is no point in trusting someone to do a job he or she is incapable of doing. There are various ways we can determine the person's ability. In some cases, the fact that he or she has been in a given job for a period of time might be sufficient evidence of ability. In other cases a certification or reputation might provide sufficient evidence (more about that under "External Factors").

The Role of Character in Trustworthiness

Character is variously defined in the literature as fiduciary responsibility (Barber, 1983), ethical values (Morgan & Hunt, 1993), commitment and loyalty (Silver, 1985), and the willingness to do the task being trusted for (Coleman, 1990). In fact, character might be summed up in the words "honesty" and "integrity"—as cited earlier in this paper, the thing executives said they look for most in job candidates ("Honesty Counts," 1997). Particularly in the organizational setting, character may be much more difficult to ascertain than ability, and therefore may take precedence in selection criteria. For instance, when Gabarro (1978) studied the development of trust between subordinates and managers, one finding was that integrity and credibility were of first importance (above ability issues) in both groups when determining the trustworthiness of a member of the other group.

This result is more easily understood if one thinks about the practicalities of the work setting. Unlike when trying to discover a person's ability to do a specific task, where many external aids are available, there are few external factors that will indicate a person's inner character. Certification may occasionally be an aid if it includes a code of conduct which is policed by the certifying body and if the code relates to the task at hand (Zucker, 1986). Otherwise, the person who is seeking to trust has to rely upon any personal experience with the person to be trusted, and/or the person's reputation (Anderson & Weitz, 1989; Tsui, 1984; Weigelt & Camerer, 1988). Personal experience (an ongoing relationship) is normally considered the most reliable of these options, but, at best, we can only infer character from past actions. Thus, character is almost always more difficult to assess than ability.[4]

It is worth noting that the character requirements of trust are virtually identical to the scriptural elements of *agape* love. According to Vine,

> *Love can be known only from the actions it prompts. God's love is seen in the gift of His Son ... Love seeks the welfare of all (Romans 15:2) and works no ill to any (13:8-10); love seeks opportunity to do good to "all men, and especially toward them that are of the household of the faith" (Galatians 6:10)* (Vine, 1985).

Likewise, the Apostle Paul says, "love is kind ... It always protects, always trusts, always hopes, always perseveres" (I Corinthians 13:4, 7). Therefore, the believer who practices the character traits of *agape* love will also be practicing the character traits of trustworthiness.

As an example, the Bible portrays Daniel as maintaining both of the personal elements of ability and character. There we find that Daniel distinguished himself above the other administrators by his exceptional qualities (ability). When the other administrators tried to find fault with him, they could not "because he was trustworthy and neither corrupt nor negligent" (Daniel 6:1-4).

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External Factors

Acts of trust are rendered more complex because there are factors in all societies that act to either mitigate the risk of the situation or the risk of betrayal. There are also factors that can act to control the outcome of the event itself. All of these factors, however, are external to the trust situation. Most of them are the result of a social system element designed to control uncertainty. Such elements include, but are not limited to, insurance (risk of situation), certifications such as Certified Public Accountant, Certified Microsoft Engineer, Ph.D. in Business, etc. (risk of betrayal, competence), the rule of law (risk of situation, risk of betrayal, character), and a sound monetary system (risk of situation). All of these social elements are external factors that modify risk (usually downward) in the act of trusting. Within the organizational setting, risk is most often reduced through the external factors of goal alignment, competent hiring practices, training programs, etc. If a situation should arise where one or more external factors completely removes risk, trust is not necessary by definition, though it may exist.

It should be noted that some authors consider what this paper calls "external factors" as a completely separate form of trust (see for instance, Luhmann, 1979; Zucker, 1986). Luhmann (1979) calls this "system trust." The problem with considering these impersonal factors as a type of trust is that they are never sufficient, in themselves, to assure trustworthiness, though they may produce the same end. Moreover, there are always "guardians" of the system, who must prove trustworthy for the system to stay trustworthy. Therefore, there is always a personal element to trust. Space does not allow for a complete discussion of this issue here, but for those interested, see Smith (1996).

Trustworthiness

Trustworthiness is as much based in belief as trust is. An act of trust is entered into based in belief in the person being trusted. An act of trustworthiness is based in the corresponding belief that the one trusted has an obligation to prove trustworthy. This belief in the obligation is often lacking today in those who need to be trustworthy, which is the primary difficulty with using trust (in the biblical sense) in organizations in any large-scale way. The belief in "obligatedness" should be much more common in the Christian. As Paul says, "Now it is required that those who have been given a trust must prove faithful" (I Corinthians 4:2).

The Bounding of Trust

In most situations, the scope of trust is bounded by the task situation itself. Without this bounding effect, trust relationships would probably be impossible to maintain within a business organization. When we choose to trust God, the trust needs to be totally unbounded, because we are trusting Him with everything we are and have. Trust in a marriage situation is somewhat akin to this. On the other hand, trust in the work setting normally has a number of boundaries, one of which is the work setting itself. In many cases a person only has to be trusted for a specific job-related goal or task. As Luhmann puts it,

> *One can, for example, accept without question the opinion of one's colleague about a technical matter but nevertheless not risk lending him money "personally" ... One can trust someone in matters of love but not in money matters, in his knowledge but not in his skill, in his moral intention but not in his ability to report objectively, in his taste but not in his discretion* (1979, p. 91-92).

Thus, the bounding effect of the job setting often makes trusting easier, primarily because it makes the character judgment easier. There is a caveat here, however. Numerous studies have shown that if a person is trustworthy in one thing, they are significantly more likely to be trustworthy in other things (Butler & Cantrell, 1984; Moorman, et al., 1993), and if they are untrustworthy in one thing they are significantly more likely to be untrustworthy in other things (Deutsch, 1958; Golembiewski & McConkie, 1975; Good, 1988). This finding should not be surprising, since it agrees with the Bible (Luke 16:10). Therefore, while the bounding of trust situations in organizations can help promote trust, it is no panacea.

Betrayal of Trust

An act of betrayal works in the opposite manner to the act of trust, changing trust into active distrust (Akerstrom, 1991). Once trust has been betrayed, the risk will be perceived as too high to trust the individual again. An example of this is the story of John Mark as found in the book of Acts. Chapter 15 tells us that Paul and Barnabas came into great disagreement over whether to take John Mark with them on a missionary journey, since they had taken him once before and he had returned home prematurely. It is probably safe to say that Paul felt that his trust was betrayed by John Mark, and he didn't want to trust him again.

Happily, this is not an issue with trust between God and man. God is ever willing to forgive us our betrayals, and He will never betray us. Likewise, God has given us the interpersonal mechanism of forgiveness to deal with the betrayal of trust between Christian brothers and sisters. Christ said, "If [your brother] sins against you seven times in a day, and seven times comes back to you and says, 'I repent,' forgive him" (Luke 17:4). Of course, in ourselves, we often do not have the ability to forgive. This is specially true if the betrayal was deep. Once again, we have to trust our God and Savior to provide the power to be able to forgive others.

Of course, a person may forgive someone and still not want to trust them in the future. The upward spiral of trust discussed earlier reenters here.
If a person successfully trusted someone in the past, he or she will be willing to trust them more (take a larger risk) this time. Betrayal tends to destroy this upward spiral. When betrayal has happened, even forgiveness is not likely to immediately place the parties back at the position they were in prior to the betrayal, but it will allow for trust to begin again. Betrayal without forgiveness will destroy a relationship. Through the story of John Mark, we know that Barnabas excelled in the ability to forgive betrayal and to restart the trust-building process. Paul also must have forgiven John Mark and eventually restarted the trust-building process, because we find that John Mark is with him and is highly spoken of when Paul is writing his letter to the Colossians (Colossians 4:10).

Betrayal without forgiveness will destroy a relationship.

The Managerial View of Trust as a Control Mechanism

Traditional organizational control systems emphasized a strict hierarchy of power and authority. The idea was to control all of the workers' actions through structures, rules, and procedures, thus forcing them to cooperate and act in concert, so that organizational decisions and actions would be united (Morgan, 1973). This approach to organizational control seemed to be successful for a time, but created large, slow, bureaucratic organizations that have been unable to adequately compete in a modern, globally-networked world. Management theorists have realized for some time that a firm could do away with much of its bureaucracy and rules if it could trust its employees to consistently act in the best interests of the firm (Argyris, 1970). In essence, the firm could replace much of the hierarchical control through the authority and power system with control through trust at the level of the individual worker.
When this happens, the firm is replacing external (to the employee) coercive control with an internal voluntary control. Thus, what is really being considered is replacing hierarchical control through authority with employee self-control.

Doing this can increase motivation and decrease frustration on the part of workers, since they become more involved in workplace decision-making and are valued for their minds as well as their bodies. And, of course, if the workers are now controlling their own work processes, the organization can lower costs by getting rid of many of the managers who were needed in the vertical control system but are not needed now. This sounds like the best of all worlds, and it is easy to see why trust has become a popular management topic. However, things are not necessarily that simple. There is no reason to think that worker self-control by itself will automatically control things in the way management desires.

This is a very real problem. The unpleasant fact must be faced that, in the experience of management, many workers have not displayed the trustworthiness required for this kind of system to operate. Of course, this is the classic problem of agency theory: when one party delegates work to another (the agent), what is to keep the agent from self-serving actions (Eisenhardt, 1989)?
A basic assumption of agency theory is that self-control is an inadequate control mechanism. In other words, the agent cannot be trusted. Much time could be spent discussing this issue, but suffice it to say that management theorists that seek to utilize trust as a control factor in organizations also strongly emphasize the use of what this paper calls "external factors" and a strong company culture which supports trust (see for instance, Cangemi, et al., 1989; Morgan, 1973; Wilkins & Ouchi, 1987).

An Organizational Culture of Trust

In order for trust to work as an organizational control mechanism, the people being trusted will have to prove trustworthy. They must make decisions in such a way that the resulting actions are in harmony and are motivated (and thereby directed) by the same organizational goals (vs. individual, self-centered goals). That is, the workers must subjugate their own personal desires to the good of the larger organizational entity. In a trust situation, the person who trusts is placing his or her trust in the person(s) *who have the power to affect organizational outcomes.* So, the person(s) required to be trustworthy must first be given the power to affect organizational outcomes. This is the process of empowerment. Therefore, a strong organizational culture also becomes important, since it can be molded around the organizational mission statement and goals. If workers can be persuaded to accept the mission and goals as their own, they will limit their own power use to organization-wide ends—or at least, that is the hope.

There is a substantial amount of evidence that a network of trust has the capability to deal with the control problem of self-serving actions in organizations. For example, after reviewing organizational trust studies, Golembiewski and McConkie conclude, "Trust seems a salient factor in influencing central dynamics in the full range of social systems: interpersonal, group, and organization" (1975:177). Indeed, trust has been found to correlate significantly with truthfulness and honesty (Anderson & Weitz, 1989; Earley, 1986), ability and competence (Butler, 1991; Gabarro, 1978), integrity (Moorman, et al., 1993), dependability (Swan, et al., 1985), good judgment and moral character (Gabarro, 1978), high job performance (Golembiewski & McConkie, 1975), and a host of other positive employee characteristics.

Is Trust a Viable Alternative to Hierarchy?

From the previous discussion, it is apparent that trust is a unique power source that is potentially capable of handling the control function of organizations. In fact, the problem with using trust as a control feature is not with trust itself. Rather, it is with the primary prerequisite necessary for developing a network of trust relationships. It seems too obvious to say, but in order to create trusting relationships in a broad pattern across the organization, we must first have a large percentage of trustworthy employees. This requirement seems to have dropped out of sight in most academic discussions of the subject, though, as mentioned earlier, it does not seem to have dropped out of sight of practicing executives ("Honesty Counts," 1997). With the significant moral decline in the U.S. in the last 40 to 50 years, where are these trustworthy employees to come from? And, there seems to be little hope, outside of a spiritual revival, for things to get better in the future.[5] Thus, general sociological trends would seem to diminish the chance of successfully using widespread trust as a way to control the secular organization—at least, if the trust is rooted in biblical morality.

A Dangerous Solution

There is a potential solution for organizations that need a control system that will work in the interdependent global marketplace, and this solution lies in the development of an organizationally-specific network of trust among employees. However, that trust may not bear much resemblance to the trust found in the Bible.

As organizations actively seek ways to use internal trust networks for control purposes, they must be able to hire or create trustworthy employees—but, as discussed in the first part of this paper, trust and trustworthiness are built upon belief. Given that the general morality of potential workers is not high, what usable general beliefs are available? It is quite possible that these organizations will seek to create trust around a non-moral belief system—what that belief system is will have dramatic effects upon the trust outcomes. That is, a nonbiblical belief pattern will create substantially different actions from a biblical one, since peoples' actions are regularly guided by their beliefs (e.g., James 1:21-26).

There is no reason to assume that the belief patterns attached (or created) by a business organization for the purposes of control through trust need be Christian or even moral. For example, consider the beliefs that were used to build the trust relationships that eventually caused the federal backlash that we call the antitrust laws. Those beliefs resulted in business trust relationships between a few individuals, and, to their benefit, that was at the expense of many others. Likewise, the growth, influence, and stability of the Mafia in Italy has been attributed to a predominant belief system which emphasized that one could only rely upon family members. Thus, a general lack of trust in the culture, combined with strong trust relationships within family groupings, forced all relationships outside of the family to be dealt with through coercive power (Gambetta, 1988).

Belief has been called the most potent of all power sources (Galbraith, 1983), and there are many strongly-held beliefs that are not biblical or even religious. We can find many examples of people without any religious beliefs who, because of the beliefs they had, willingly underwent great hardships, even hardships which led to death. These non-religious beliefs may be in a country, a family, or even a family pet. Why not a company? In fact, we have many examples of companies creating strong beliefs in their employees or even their customers (Apple Computer springs to mind). Those beliefs, in turn, motivate very specific behaviors. There is a trust bond between those who share the beliefs, but generally at the expense of anyone who doesn't share the belief.[6] If an organization can create and/or attach these beliefs and build a network of trust upon them, it may be very possible to use that level of trust as a control mechanism.

Likewise, an organization can find various ways to attempt to assure trustworthiness. While, in the biblical sense, trustworthiness should be based upon the rightful obligation owed to another person, in a non-biblical setting an act of trustworthiness could be based upon something as ungodly as greed ("If I help him, I will get what I want") or as mundane as fear of punishment. An excellent example of this comes, again, from the rule of the Mafia, where trustworthiness in business dealings is assured through fear of reprisal (Gambetta, 1988). In this case, the company would be using the power source of coercion to try to "force" people to be trustworthy, and the ultimate result is unlikely to be trust—at least the sort of trust we have been discussing. In effect, the company would be establishing an external factor (a system external to the trust relationship, designed to enforce trustworthiness). It may create what looks like genuine trust from outside the company, while what is really causing the human actions is the system.

It may well be that the corporate world is headed in this direction of creating limited forms of trust through internalized organization-wide belief systems. It is becoming more and more common to read in the business press of company meetings that companies are exemplified by their "religious zeal." Many of our students might ask, "What is wrong with that?" When they do ask, are we prepared to provide the answer?

Essentially, the non-Christian world is taking as its own a tool that is designed by God for use by believers. Dick Chewning summed it up well in a previous issue of this journal when he said, "Serving the business rather than God is a trap that is all too easy to fall into" (1997:39). While trust is a creation of God, designed for His purposes, and can thus be considered a virtue, Satan will always attempt to twist the virtues to his own ends. It may be that the next major threat to the Church will come primarily from the concept of the "employer as god."

At the same time, there will be employers that are looking for employees who are trustworthy in the biblical sense. Christian university graduates should be in high demand for just this reason, if we can make our case adequately to the employers. Christian business schools in the 21st century will need to be much more explicit in our teaching regarding trust. Our students need to understand the nature of biblical trust and will need to be able to discern the differences between biblical trust and what they may encounter in some organizations. Our call as business teachers in the next millenium is to become well-versed in these distinctions and clear and persuasive in our teaching.

ENDNOTES

[1]This issue has been explored in depth by Smith (1996).

[2]Of course we also have to understand that we couldn't even trust in God unless He first gave us the ability to do so. Thus, salvation is utterly His work and none of ours.

[3]The level of risk of a loved one getting hurt would also be quite different, but it would proceed in the opposite direction, since the newer car would probably have advanced safety features.

[4]It is interesting to note in this regard that having too many people in a given organizational setting will cause trust problems, because a person can only maintain so many personal relationships, and a personal relationship is the best way to ascertain a person's character. For instance, when discussing the possible future structure of the transnational corporation, Bartlett and Ghoshal discuss networks of trust requiring smaller organizational entities and provide an example, saying "[Asea Brown Boveri] ... is not a $30 billion behemoth: It is a network of 1,300 separate companies, each a legal entity with its own balance sheet and profit and loss statement, with an average of 200 employees per company ... [E]ach unit must be restricted in size so that every member of the unit can personally know all others (1995:794).

[5]Even as far back as 1970, one study indicated that the general level of trust among college students was declining over time in the U.S. (Hochreich & Rotter, 1970).

[6]Christians have also been accused of this and not without some justification, even though Scripture is clear that our love should extend outside of our own circle.

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