INTRODUCTION TO SPECIAL TOPIC FORUM

NOT SO DIFFERENT AFTER ALL: A CROSS-DISCIPLINE VIEW OF TRUST

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Our task is to adopt a multidisciplinary view of trust within and between firms, in an effort to synthesize and give insight into a fundamental construct of organizational science. We seek to identify the shared understandings of trust across disciplines, while recognizing that the divergent meanings scholars bring to the study of trust also can add value.

Disciplinary differences characterizing traditional treatments of trust suggest that inherent conflicts and divergent assumptions are at work (Fichman, 1997). Economists tend to view trust as either calculative (Williamson, 1993) or institutional (North, 1990). Psychologists commonly frame their assessments of trust in terms of attributes of trustors and trustees and focus upon a host of internal cognitions that personal attributes yield (Rotter, 1967; Tyler, 1990; see Deutsch, 1962, for an example of more calculative framing by a psychologist). Sociologists often find trust in socially embedded properties of relationships among people (Granovetter, 1985) or institutions (Zucker, 1986).

These different assumptions are manifest in our divergent use of language. To some scholars the term "contract" refers to a legal means for avoiding risk where trust is not particularly high (Smitka, 1994; Williamson, 1975); to others the word signals a basis for trust resulting from sharing and mutuality (Macauley, 1963; Rousseau, 1995). Notwithstanding our differences in emphasis and approach, if our disciplines are to communicate, we must assume that others are seeking some common meanings, just as we are. Without that assumption, we will not make a good-faith effort to understand one another, referred to by Sabel as the "act of charity" (1993: 111) necessary to produce mutual intelligibility out of a mix of ideas and terms. As a result, our disciplines will continue to work at cross-purposes and will remain fragmented.

A phenomenon as complex as trust requires theory and research methodology that reflect trust's many facets and levels. The features of trust that characterize the set of papers composing this special issue include

- multilevel trust (individual, group, firm, and institutional),
- trust within and between organizations,
- multidisciplinary trust,
- the multiple causal roles of trust (trust as a cause, outcome, and moderator),
- trust as impacted by organizational change, and
- new, emerging forms of trust.

This body of work suggests that trust may be a "meso" concept, integrating microlevel psychological processes and group dynamics with macrolevel institutional arrangements (House, Rousseau, & Thomas-Hunt, 1995). In effect, to study trust within and between firms is to ride

the organizational elevator up and down a variety of conceptual levels. Our ride in this elevator will focus on the interconnected hallways of the contemporary firm, rather than its isolated corner offices.

It may appear that we believe trust research reflects casual scholarship because efforts to date have focused more on charting the territory than on probing its depths. However, work on trust, as evidenced by this special issue and a very insightful recent book by Kramer and Tyler (1996), is beginning to take a more well-defined and focused form. As the authors of this special topic forum demonstrate, trust is at once related to dispositions, decisions, behaviors, social networks, and institutions. However, despite the complex (one might say "multiplex") character of trust, this special issue attempts to promote the accumulation rather than the fragmentation of theory and research on trust.

Our goals in this Introduction are to (1) gauge whether there are common elements underlying trust as it is viewed across disciplines and different levels of analysis, (2) discuss views scholars hold regarding the dynamics of trust (i.e., whether it is static or has phases), and (3) clarify the multiple ways in which organizational researchers model trust (as cause, effect, or moderator), with the ultimate goal of creating a more cumulative body of knowledge on trust in and between organizations. We begin by investigating a series of assumptions about trust.

TESTING ASSUMPTIONS: WHAT DO WE KNOW ABOUT TRUST?

To date, we have had no universally accepted scholarly definition of trust. There is agreement that trust is important in a number of ways: it enables cooperative behavior (Gambetta, 1988); promotes adaptive organizational forms, such as network relations (Miles & Snow, 1992); reduces harmful conflict; decreases transaction costs; facilitates rapid formulation of ad hoc work groups (Meyerson, Weick, & Kramer, 1996); and promotes effective responses to crisis. Sometimes, scholars use the term "trust" when they mean other things, which has been problematic (Sitkin & Roth, 1993). In a very influential early line of "trust" research, Deutsch (1962), for instance, uses the term when referring to cooperation within groups. However, cooperation may result from a variety of reasons unrelated to

trust, such as coercion (e.g., court-ordered compliance). This blurring of the distinction between trust and cooperation has led to a fuzziness in the treatment of behavior-based trust and the construct of trust itself.

To advance our understanding of trust, we suggest that the concept of trust requires clear boundaries to usefully inform research and theory. We explore how trust's boundaries are constituted by examining the articles that make up this special topic forum in relation to boundaries proposed in previous treatments of trust. We structure our analysis around four key questions about the state of our knowledge regarding trust. We begin with a basic question.

1. Do Scholars Fundamentally Agree or Disagree on the Meaning of Trust?

To answer this question, let us examine how trust is defined in the articles in this special topic forum. Regardless of the underlying discipline of the authors—from psychology/micro-organizational behavior (e.g., Lewicki, McAllister, & Bies; Mishra & Spreitzer) to strategy/economics (e.g., Bhattacharya, Devinney, & Pillutla)—confident expectations and a willingness to be vulnerable are critical components of all definitions of trust reflected in the articles. The most frequently cited definition in this special issue is "willingness to be vulnerable," proposed by Mayer, Davis, and Schoorman (1995).

This contemporary definition plays the central role in defining trust for McKnight, Cummings, and Chervany; Mishra and Spreitzer; and Jones and George. Other authors say the same thing but with different words: "willingness to rely" on another (Doney, Cannon, & Mullen) and "confident, positive expectations" (Lewicki et al.). "Positive expectations" of others defines trust for Hagen and Choe, Elangovan and Shapiro, and Das and Teng, whereas trust is a positive attitude toward others for authors Whitener, Brodt, Korsgaard, and Werner. Even Bigley and Pearce, who make a case for the *absence* of an overarching definition of trust, characterize it in much the same way as other authors—as "vulnerability," "perception," and "preconscious expectation." Our evidence from this contemporary, cross-disciplinary collection of scholarly writing suggests, therefore, that a widely held definition of trust is as follows:

*Trust is a psychological state compris-
ing the intention to accept vulnerabil-
ity based upon positive expectations
of the intentions or behavior of an-
other.*

Note that identification of common meaning
does not imply that all operationalizations of
trust reflect the same thing. For example, clear
evidence exists that interorganizational and in-
terpersonal trust are different, because the focal
object differs (Zaheer, McEvily, & Perrone, in
press). However, the composition of trust (i.e., the
fundamental elements of its definition) are com-
parable across research and theory focusing on
parties both inside and outside firms and inves-
tigating trust relations from different disciplin-
ary vantage points. We did not expect this re-
sult, but it is encouraging to observe.

Across disciplines, there is agreement on the
conditions that must exist for trust to arise. *Risk* is
one condition considered essential in psychologi-
cal, sociological, and economic conceptualiza-
tions of trust (Coleman, 1990; Rotter, 1967; William-
son, 1993). Risk is the perceived probability of loss,
as interpreted by a decision maker (Chiles & Mc-
Mackin, 1996; MacCrimmon & Wehrung, 1986). The
path-dependent connection between trust and risk
taking arises from a reciprocal relationship: risk
creates an opportunity for trust, which leads to
risk taking. Moreover, risk taking buttresses a
sense of trust when the expected behavior mate-
rializes (Coleman, 1990; Das & Teng, this issue).
Trust would not be needed if actions could be
undertaken with complete certainty and no risk
(Lewis & Weigert, 1985). Uncertainty regarding
whether the other intends to and will act appro-
priately is the source of risk.

The second necessary condition of trust is *in-
terdependence*, where the interests of one party
cannot be achieved without reliance upon an-
other. Although both risk and interdependence
are required for trust to emerge, the nature of
risk and trust changes as interdependence in-
creases (Sheppard & Sherman, this issue). De-
grees of interdependence actually alter the form
trust may take, with the nature of trust a firm
places in temporary workers being quite distinct
from trust associated with its veteran, core em-
ployees. Authors of several articles in this spe-
cial issue provide frameworks linking forms of
trust to the context of the relationship (Lewicki,
McAllister, & Bies; Sheppard & Sherman). In-

deed, the time may be right for an overarching
view of trust across forms of interdependence.

To answer our initial question, scholars do
appear to agree fundamentally on the meaning
of trust. Trust, as the willingness to be vulnera-
ble under conditions of risk and interdepen-
dence, is a psychological state that researchers
in various disciplines interpret in terms of "per-
ceived probabilities" (Bhattacharya et al., this
issue), "confidence," and "positive expectations"
(e.g., Jones & George, Hagen & Choe, Das &
Teng, all this issue)—all variations on the same
theme. Trust is not a behavior (e.g., cooperation),
or a choice (e.g., taking a risk), but an underlying
psychological condition that can cause or result
from such actions. Regardless of the discipline
of the researcher, we share the root assumptions
that trust is psychological and important to or-
ganizational life.

Finally, because risk and interdependence
are necessary conditions for trust, variations in
these factors over the course of a relationship
between parties can alter both the level and,
potentially, the form that trust takes. The poten-
tial for trust to change gives rise to a second
question.

2. Do Researchers View Trust Statically?

A focus on static and stable phenomena is
characteristic of normal science, which values
precision and control. Indeed, equilibrium seek-
ing is an underlying assumption in such fields
as economics. Given this emphasis, it is not
surprising that scholars often have treated trust
as static. Social psychologists often see trust as
either/or, where one person either completely
trusts or completely distrusts another (Gabarro,
1990, cited in Lewicki et al., this issue). This
static, all-or-nothing view is linked to the pre-
dominance in early trust research of laboratory
studies focusing on highly structured games,
such as the Prisoner's Dilemma game (e.g., Ax-
elrod, 1984). Under such conditions, the level of
trust reflects a single point, rather than a distri-
bution along an intra- or interpersonal contin-
uum. However, the fact that trust changes over
time—developing, building, declining, and
even resurfacing in long-standing relation-
ships—is evidence from comparative and histor-
ical research upon trust in organizations (Miles
& Creed, 1995) and in the broader society
(Fukuyama, 1995).

But the question remains whether scholars pursuing precision and control have focused unduly upon trust as a static rather than dynamic phenomenon. To answer the question, we examine the articles in this special topic forum in terms of three phases of trust: (1) building (where trust is formed or reformed), (2) stability (where trust already exists), and (3) dissolution (where trust declines). These phases of trust characterize the ebb and flow of relationships. Characterizing this issue's articles in terms of the phase upon which they focus helps address how comprehensively scholars have viewed the development of trust.

The *building* phase is addressed in several articles: in the emergence of trust in new organizational settings (McKnight et al.) and new organizational relationships (Das & Teng), or in the context of an existing relationship between workers and managers (Whitener et al.) where trust may be created or enhanced. The functioning of trust under *stable* conditions is central to the broad treatments given to institutional factors associated with trust by Hagen and Choe (trust in Japanese society) and Sheppard and Sherman (trust across different relational forms). *Declining* trust is the focal point in articles on downsizing (Mishra & Spreitzer) and betrayal (Elangovan & Shapiro), in which the authors explore the effects of reduced trust.

The articles here do not overemphasize stability but address a variety of trust's phases, at least raising the possibility of a balance in scholarship on trust and its dynamics. A related question thus arises. Do scholars recognize that trust is dynamic but focus only upon a particular phase? In 4 out of the 12 articles, the authors consider multiple phases of trust. Processes of trust building and decline are examined by Jones and George, as well Bigley and Pearce. Bhattacharya and his colleagues examine how firm-based relationships begin and the conditions under which they achieve stability. Finally, Lewicki and his colleagues, by focusing simultaneously on antecedents of trust and distrust (which they conceptualize as two distinct constructs), run the gamut—from factors building trust or promoting distrust to conditions that achieve an equilibrium in each and the dynamics that can move individuals and firms through distinct levels of trust and distrust.

In answer to the question, scholars do, at times, focus on multiple phases. However, the tendency of the authors in the majority of articles here is to focus upon building, stability, or decline and to specify conceptual frameworks *within a particular phase*. Such an emphasis on phase-specific trust may be necessary at this point in the development of trust scholarship. Given the dynamic nature of trust, the next question is related to trust's role in the causal frameworks researchers employ.

3. Does the Status of Trust As a Cause, Effect, or Interaction Vary Across Disciplines?

Theorists and researchers of trust may model the concept as an independent variable (cause), dependent variable (effect), or interaction variable (a moderating condition for a causal relationship). When economic outcomes are of interest, researchers often conceptualize trust as a potential cause in choice scenarios framed around social dilemmas. High trust, perhaps based on previous experiences with a partner in a repeated game, tends to result in the decision to cooperate, which can lead to access to economic gains, as in the classic Prisoner's Dilemma (Axelrod, 1984; Miller, 1992). Trust, thus, is conceptualized as an independent variable.

Similarly, transaction cost economists view trust as a cause of reduced opportunism among transacting parties, which results in lower transaction costs (Williamson, 1975). Trust has also long been found to be an important predictor of successful negotiations and conflict-management efforts (Deutsch, 1958), and it has a direct effect on disputants' responses to mediators attempting to settle disputes (Ross & Wieland, 1996). We note that several articles in this special topic forum consider trust as a cause. Elangovan and Shapiro and Jones and George focus exclusively on trust as an independent variable.

In contrast, trust can be the result of deep dependence and identity formation, as has been the case historically in Japanese firms (Ouchi, 1981). Trust as the result of institutional arrangements is characteristic of a sociological perspective (e.g., Zucker, 1986). Third-party relations have been found to impact trust, where existing social structures shape a person's reputation based upon a third party's ability to tell stories that corroborate one's trustworthiness (or lack of it; Burt & Knez, 1996). Further, trust can also be seen as the result of attributes of the other party,

such as that party's competence, concern, openness, and reliability (Mishra, 1996). In this special issue trust is conceptualized exclusively as a result in seven articles (Bhattacharya et al.; Doney et al.; Hagen & Choe; Lewicki et al.; McKnight et al.; Sheppard & Sherman; Whitener et al.). Note that these authors run the gamut of disciplines—from psychology and organizational behavior to economics and marketing.

The moderating role of trust in shaping causal relationships is characteristic of studies of interpersonal behavior in organizations and social settings, as found in both micro-organizational behavior and social psychology (e.g., Robinson & Rousseau, 1994). Mishra and Spreitzer (this issue) use trust as a cause and moderator in their modeling of reactions to downsizing, whereas Bigley and Pearce (this issue), along with Das and Teng (this issue), systematically model trust in all three roles.

Our authors model the role of trust in diverse ways, regardless of their disciplinary base. The economic focus of Das and Teng and Bhattacharya and his colleagues does not constrain either article from treating trust as an effect, despite the trend for economic models to use trust to explain human choice (Miller, 1992). Similarly, with their micro-organizational behavior perspectives, Mishra and Spreitzer, Bigley and Pearce, Elangovan and Shapiro, and Jones and George view trust, at least in part, as a cause of the behavior of interest—not simply an outcome (whereas Lewicki et al., Sheppard and Sherman, and Whitener et al. do follow in the traditional use of trust as a micro-organizational behavior individual response). Das and Teng model the moderating effects of trust from an economic viewpoint, whereas Bigley and Pearce and Mishra and Spreitzer do the same from the vantage point of micro-organizational behavior.

We conclude, therefore, that disciplinary differences do not account for the status given to trust as an independent, dependent, or moderator variable. Rather, the function of trust in the causal frameworks researchers model appears here to reflect richer and more complex cross-disciplinary views.

4. Do Disciplinary Differences Exist in the Levels of Analysis in Trust Research?

Our last question concerns the level of analysis at which scholars conceptualize trust and

related phenomena. Our call for papers emphasized the desire for multilevel perspectives on trust in and between organizations—reflecting the array of entities, individuals, dyads, groups, networks, firms, and interfirm alliances in which trust and related processes play a role. It is commonly assumed that disciplines occupy different turf in organizational science: psychologists, the individual and occasionally the group; sociologists, the group and society; and economists, the individual or the larger firm.

Strikingly, the great majority of articles in this special issue include, often exclusively, a focus on the individual—whether as trustor (e.g., Doney et al.; Lewicki et al.; McKnight et al.; Mishra & Spreitzer) or trustee (e.g., Elangovan & Shapiro; Whitener et al.). Analysis at the individual level tends to characterize conceptualizations of trust within firms, particularly the willingness of subordinates to trust their bosses (Whitener et al.). In five articles the authors address firm-level trust: Das and Teng, exclusively at the firm level; Hagen and Choe and Sheppard and Shapiro, in combination with dyadic analysis; Bhattacharya and colleagues, in their analysis of the behavior of firms and agents; and Bigley and Pearce, who address trust at multiple levels. Although micro-organizational behavior researchers predominate at the individual level and economists at the firm level, neither turf is "sacred" to a particular field. Scholars from a variety of backgrounds address phenomena at any given level.

This special topic forum provides numerous examples of articles adopting multiple levels of analysis, as well as a simultaneous consideration of trust within and between firms. Why might trust require a multilevel analysis, regardless of the disciplinary focus of the scholar?

First, we know that reputation matters, particularly the historical trustworthiness of parties in previous interactions with others (Burt & Knez, 1996), and it is the social context (e.g., networks) that makes reputational effects possible. Social norms shape both the behaviors parties engage in, as well as their beliefs regarding the intentions of others (Sitkin & Stickel, 1996; Whitener et al., this issue). Institutions promote or constrain trust relations (Fukuyama, 1995; Hagen & Choe, this issue; Smitka, 1994). Thus, microlevel trust relations are constrained and enhanced by macro processes (Sitkin, 1995). Conversely, broader forms of trust, particularly between

firms, can be influenced by microlevel arrangements—in particular, how individuals representing each firm relate to each other (Fichman & Goodman, 1996; Zaheer et al., in press). Thus, multilevel processes underlie trust, and scholars across a variety of disciplines have embraced this multilevel view.

In sum, what do we know about trust? We find that trust is a psychological state composed of the psychological experiences of individuals, dyads, and firms. There is a common underlying definition of trust across scholars from different disciplines, and this basic definition applies across trust's levels of analysis and developmental phases. Scholars tend to view trust dynamically but focus on specific phases in developing their conceptual frameworks. Some are interested in trust's beginning, others in its end, and still others in trust as an ongoing and stable phenomenon.

Scholars will continue to debate the kinds of questions that a cross-disciplinary view raises—whether contracts are a basis of trust or a means of reducing risk and whether the language of the marketplace can be used to describe personal relationships—and they will puzzle over the question of why one party to a relationship is willing to trust first (is it self-interest or good faith?). The broad convergence of issues and interests in this special topic forum suggests that research on trust from the perspective of any one discipline is likely to inform several others.

ISSUES AND IMPLICATIONS

The case for integrating trust across disciplines rests on the common psychological basis upon which all formulations of trust rest. Pulling together disparate research on trust requires attention to the *context* in which trust is studied. One thing is apparent: scholars operationalize trust differently, depending on the focus and phase of trust they study. Trust in one-time transactions typically derives from the calculus of gains and losses, weighed by perceived risks. However, in ongoing relationships the question is not so much "How much do I trust?" but "In what areas and in what ways do I trust?" (Lewicki et al.). We acknowledge that some ongoing relations remain predominantly transactional, with a focus on gains and losses (Williamson, 1975). However, both history and the

nature of the interaction between the parties can shape the form that trust takes.

Scholars who differentiate trust from distrust (e.g., Lewicki et al., this issue; Sitkin & Roth, 1993), in effect, imply that trust has a "bandwidth," where it can vary in scope as well as degree. Trust takes different forms in different relationships—from a calculated weighing of perceived gains and losses to an emotional response based on interpersonal attachment and identification. Market-based exchanges may emphasize calculus more, whereas communal relationships might emphasize identification. However, even in the same context, the scope of trust may vary, depending on the relationship's history, stage of development, and cues in the immediate setting. The recognition of variations in the scope of trust is evident in the writings of Williamson (1993), who asked where "calculative" trust ends and "people" trust begins.

The bandwidth of trust varies in the same relationship over time. Moreover, broad and narrow bandwidths characterize different types of relationships. Where a trustor believes in the positive intentions of the trustee across a broad range of situations, bandwidth is great. In contrast, bandwidth is narrow when trust's range is limited to specific conditions only (Sitkin & Roth, 1993). Lewicki et al.'s differentiation of trust and distrust as separate concepts is an implicit recognition of variations in bandwidth across relationships where trust (expectations of positive intentions) and distrust (expectations of negative intentions) can exist simultaneously. To understand how bandwidth functions, we must consider the different forms of trust included in the bandwidth.

Different Forms of Trust

Deterrence-based trust emphasizes utilitarian considerations that enable one party to believe that another will be trustworthy, because the costly sanctions in place for breach of trust exceeds any potential benefits from opportunistic behavior (Ring & Van de Ven, 1992, 1994; Shapiro, Sheppard, & Cheraskin, 1992). Asset specificity effects in the form of switching costs to parties, as in transaction cost economics, are examples of deterrence-based trust. The question then becomes whether sanctions foster or substitute for trust, particularly in interfirm situations (Hagen & Choe, this issue).

Some have raised the issue that deterrence-based trust is not trust at all (Sitkin & Roth, 1993). It is clear that sanctions can foster or obstruct *cooperation*, which is a behavior. However, although trust promotes cooperation, cooperation can occur for other reasons as well (e.g., coercion or fear of loss). As trust at its narrowest bandwidth, deterrence-based trust has the qualities of low distrust/low trust (Lewicki et al., this issue), where costs of breaching trust are high and the involvement between the parties is limited in the first place.

In a sense, trust is not a control mechanism but a substitute for control, reflecting a positive attitude about another's motives. Control comes into play only when adequate trust is not present. For example, a detailed legal contract is one mechanism for controlling behavior. However, Macaulay (1963) observes that detailed contracts can get in the way of creating an effective exchange relationship: in effect, people do not need to develop trust when their exchange is highly structured and easily monitored. Although detailed contracts promote limited cooperation based upon deterrence, most firms that form alliances do so because of a social network of prior alliances, which makes detailed contracts less necessary (Kogut, Shan, & Walker, 1993).

There is an apparent incompatibility between strict controls and positive expectations about the intentions of another party. Some controls actually appear to signal the absence of trust and, therefore, can hamper its emergence, perhaps by limiting the degree of interdependence that develops between the parties. Moreover, belief in the absence of "negative intentions" is not the same as beliefs in the presence of positive ones—the latter being a necessary condition of the generally accepted definition of trust. Deterrence-based trust, therefore, may not be trust at all but may be closer to low levels of distrust.

Calculus-based trust, however, is based on rational choice—characteristic of interactions based upon economic exchange. Trust emerges when the trustor perceives that the trustee intends to perform an action that is beneficial. The perceived positive intentions in calculus-based trust derive not only from the existence of deterrence but also because of credible information regarding the intentions or competence of another (Barber, 1983). For instance, credible infor-mation about the trustee may be provided by others (reputation) or by certification (e.g., a diploma). Such "proof sources" signal that the trustee's claims of trustworthiness are true (Doney et al., this issue). In Lewicki et al.'s (this issue) framework, this would incorporate the high trust/high distrust condition. Here, parties *trust but verify* under conditions where willingness to trust is limited to specific exchanges (e.g., financial but not personal). Opportunities are pursued and risks continually monitored. The range of calculus-based trust is often limited to situations where evidence of failure to perform can be obtained in the short term. Risk may entail short-term performance losses but not threaten the trustor's broader interests.

Relational trust derives from repeated interactions over time between trustor and trustee. Information available to the trustor *from within the relationship itself* forms the basis of relational trust. Reliability and dependability in previous interactions with the trustor give rise to positive expectations about the trustee's intentions. Emotion enters into the relationship between the parties, because frequent, longer-term interaction leads to the formation of attachments based upon reciprocated interpersonal care and concern (McAllister, 1995). (For this reason, scholars often refer to this form of trust as "affective trust" [McAllister, 1995] and as "identity-based trust" at its broadest scope [Coleman, 1990]).

Repeated interactions can vary considerably in the resources exchanged and in the scope of interdependence between the parties (from repeated employment of contract labor from the same agency to career advancement of full-time employees in a firm). Repeated cycles of exchange, risk taking, and successful fulfillment of expectations strengthen the willingness of trusting parties to rely upon each other and expand the resources brought into the exchange. Thus, an exchange can evolve from an arm's-length transaction into a relationship: from a "fair day's work for a fair day's pay" arrangement to a high-performance employment relationship characterized by mutual loyalty and broad support. Citizenship behavior from employees and organizational support from employers are characteristic of high levels of relational trust based upon experience within the relationship (Eisenberger, Huntington, Hutchinson, & Sowa, 1986; Organ, 1990).

In Lewicki et al.'s (this issue) framework, relational trust entails not only beliefs in the positive intentions of the trustee but also in the absence of negative intentions, giving rise to the condition of high trust/low distrust. Interdependence between the parties to relational trust is likely to increase over time as new opportunities and initiatives are pursued. A dynamic of relational trust is its potential for expansion or contraction, where experiences over time can escalate positive beliefs regarding the intentions of the other or, conversely, exacerbate negative beliefs (Lewicki et al., this issue; Sitkin & Roth, 1993).

Whereas calculus-based trust is relatively circumscribed, limited as it is to discrete exchanges reinforced by the existence of deterrents, relational trust involves a broader array of resource exchange (including socioemotional support, as well as concrete resources) and entails a greater level of faith in the intentions of the other party. Exchanges based on calculus-based trust are likely to be terminated once violation occurs, but exchanges characterized by relational trust often are more resilient. Unmet expectations can be survived when relational trust exists, particularly if parties make an effort to restore a sense of good faith and fair dealing to their interactions.

There is a fine line between the existence of a good-faith relationship between parties and the emergence of a shared identity. Two parties may continually cooperate and share information and assets while still believing that the other party is "them" instead of "us." However, there is a tendency for repeated interactions to create expanded resources, including shared information, status, and concern. These expanded resources can, in turn, give rise to a psychological identity (Gaertner, Dovidio, & Bachman, 1996). Employees may come to characterize themselves in relationship to their teammates or firm as "we," and may derive psychic benefits from being part of a successful enterprise. Identity-based trust is relational trust at its broadest.

Institution-based trust can ease the way to formulating both calculus-based and relational trust. Ex ante deterrents may promote trust, because one's confidence that reputation matters permits relationships to form in the first place. Institutional factors can act as broad supports for the critical mass of trust that sustains further risk taking and trust behavior (e.g., Gulati, 1995;

Ring & Van De Ven, 1992; Sitkin, 1995). These supports can exist at the organizational level, in the form of teamwork culture (Miles & Creed, 1995; Whitener et al., this issue), and at the societal level, through such cultural supports as legal systems that protect individual rights and property (Fukuyama, 1995).

One example where both organizational and societal factors affect trust can be found in comparative research on Hungarian firms under communism (Pearce & Branyicki, in press). The absence of within-firm procedures for promoting consistent employee treatment, coupled with the autocratic nature of the Hungarian government, undermined trust and good-faith relations between supervisors and subordinates. In contrast, the U.S. firms studied enjoyed the benefits of standardized human resource practices within firms (e.g., performance reviews and compensation) and legal protections from the federal government. Not surprisingly, trust between supervisors and subordinates was considerably higher in American firms than in Hungarian ones.

Whether institutional trust is a control or a form of trust support is a fundamental issue (Shapiro, 1987). Control, as manifested in laws and reputational sanctions, acts as a deterrent from opportunism. These mechanisms, however, can serve as a springboard for the creation of trust. Hagen and Choe (this issue) argue that, in Japan, societal controls function as both a means of controlling behavior and as a basis for supporting the development of trust. Conceptualizing trust and distrust as distinct offers insights into how institutions promote trust in societies where the anticipation of positive motives can be fostered without high levels of monitoring, because a legal system makes expectations of harm low-probability events.

Institutional controls can also undermine trust, particularly where legal mechanisms give rise to rigidity in responses to conflict and substitute high levels of formalization for more flexible conflict management (Sitkin & Bies, 1994). Scholars have variously interpreted the tension between institutional mechanisms creating impersonal forms of trust and less standardized (but more flexible) interpersonal trust. Based on research in North American organizations, Zucker (1986) views institutional mechanisms as reducing the opportunity for creating interpersonal trust. In contrast, based upon comparative

research in Hungary and the United States, Pearce and Brzenksky (in press) see a minimum level of institutional trust as sine qua non for the emergence of interpersonal trust.

The possibility of a step function characterizing the role institutional trust plays in shaping interpersonal trust remains a subject for future research. Nonetheless, a variety of institutional factors, including legal forms, social networks, and societal norms regarding conflict management and cooperation, are likely to interact in creating a context for interpersonal and interorganizational trust.

The variations we observe in the bandwidth of trust across relationships suggest there may be a tension between acting out of self-interest (agency) and acting out of the interests of a broader collective (community). Sabel (1993) suggests that we need to move away from thinking of trust as rational self-interest toward a shared sense of community with a common fate. Beliefs can arise in communities that lead to avoidance of exploitation, where trusting others is a condition of membership. Such shared understandings between individuals or between firms can arise out of interactions and from shared or common knowledge.

Indeed, some societies have penalties for putting oneself ahead of community interests (Hearn, 1904, as cited by Hagen & Choe, this issue). High power distance societies, such as Japan, may build obligations into societal roles, creating codes of conduct that reinforce collective behavior through relational sanctions. In low power distance societies, such as North America, mechanisms that support repeated interactions, including stable employment, network ties, and laws protecting property rights of individuals and firms, may also enable trust (Nooteboom, Berger, & Noorderhaven, 1997). Our discussion of bandwidth suggests that institutional mechanisms can play a critical role in shaping the mix of trust and distrust that exists.

In Figure 1 we model the three basic forms of trust (calculative, relational, and institutional) with respect to the issue of bandwidth. (Note that we conclude that deterrence is not trust and exclude it from the model.)

The various forms trust can take—and the possibility that trust in a particular situation can mix several forms together—account for some of the apparent confusion among scholars. Conceptualizing trust in only one form in a given relationship risks missing the rich diversity of trust in organizational settings. Recognizing that, in a given relationship, trust has a bandwidth (which may exist to different degrees between the same parties, depending on the task or setting) introduces the idea that experiences over the life of a relationship may lead to pendulum swings. The interests of each party separately and their mutual concerns might be met to a limited degree at any single point in time—but to a large degree over the life of the relationship.

Is Trust in Transition?

The form and context of organizations are in transition. We observe in society a move toward small-scale relations (Miles & Creed, 1995; Miles & Snow, 1992). In this era of more flexible forms

FIGURE 1
A Model of Trust

Early   Middle   Later

Developmental time
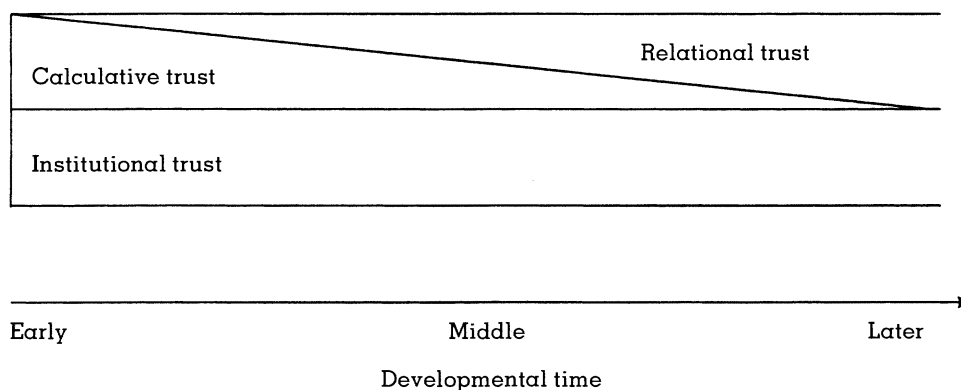
of organizing, the breaking up of large firms, the rise of independent contractors, and shifts in the prevalent forms of trust are likely. In fact, we may currently observe a shift from institutional trust to individual and network-based trust (Saxenian, 1996). Even highly competitive industries, such as investment banking, manifest evidence of individual and network-based trust mechanisms, despite high turnover and loose ties to one another. In a recent study researchers observed friendship or advice relationships or ties of around 2 percent among investment bankers, whereas individual ratings of investment banker trustworthiness display inter-rater agreement of .8 (Burt, 1998).

In more fluid work settings, trust may be particularly important for the ability of workers to self-organize. Where trust is present, it can promote a critical mass of trust-related behaviors, such as the cooperation needed to create higher-unit trustworthiness (Whitener et al., this issue). In a knowledge-based economy, a trustee's competence, ability, and expertise become increasingly important as an indicator of his or her ability to act as anticipated.

In this issue McKnight et al. and Sheppard and Sherman raise the issue of whether new organizational forms imply new forms of trust, characterized by changes in the nature of vulnerabilities and risks or changes in bandwidth. These shifts raise the possibility that violations of trust may take new and different forms. In a highly interdependent marketplace, violations of calculus-based trust may be signs of irrationality, whereas breaches of relational trust may be indicators of unpredictability at the middle level and of bad faith and lack of caring at the highest level (Sheppard & Sherman, this issue).

In sum, the impact of contemporary organizational changes on trust leads us to conclude that context is critical to understanding trust. Acontextual research will be limited in its ability to represent the true functioning of trust. Future empirical research on trust needs to address whether a particular context has given rise to a single form of trust (what Lewicki et al. refer to as "uniplex") or to broader multiplex forms. New organizational forms built around the management of interdependence will provide a catalyst for innovative research on trust and its bandwidth into the next millennium.

CONCLUSION

Our disciplines are intellectually dense at different points in the network of constructs (Bigley & Pearce, this issue). We may be divided by jargon and tribal identification, but we are part of the same network of ideas. Despite the common concern regarding our different disciplinary lenses (i.e., "blinders"), we observe considerable overlap and synthesis in contemporary scholarship on trust. But we have a confession for the reader: by collaborating across disciplines to identify and develop multilevel, multidisciplinary views of trust, we have stacked the deck.

This special topic forum has been designed to reinforce integration and cumulation of insights. The scholars who have contributed to this special issue have undertaken the challenge to be consciously integrative in their approaches to fundamental problems surrounding trust in organizational settings. We applaud *AMR's* willingness to provide the context and the incentives to support a creative synthesis across disciplines, and we deeply appreciate the scholarship and creativity of the authors who have stepped up to the challenge this special issue offered. Enjoy the product of their efforts. This special topic forum will have achieved its purpose if it acts as a pointer to further the cumulative nature of research on trust in and between organizations.

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