Distrust: Forgotten, yet Promising

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Abstract

In this paper, I am discussing the concepts of trust and distrust and their role in collaborative endeavors, in the light of the debate on trust that has been going on in the management and organization theory literature for the last two decades. I am arguing that while the concept of trust has been thoroughly studied, it is its complement - distrust - that constitutes a forgotten, yet very promising territory to explore in the organization studies field. Moreover, the review of existing studies shows that the role of trust might have been overestimated while in fact the balance between trust and distrust in collaborative relations may be beneficial to the parties involved.

Keywords: trust, distrust, interorganizational relations.

Introduction

The general presumption that has circulated in the mainstream research within organization studies claims that trust enhances performance and that its serves as a precondition for cooperation at various levels of analysis. In some cases, it is portrayed as a sort of ‘magic formula’ that glues organizational actors together and comprises an ever-efficient resource that could cure almost every problem of contemporary organizations (Möller, 2006). For example, a typical statement that exemplifies this attitude comes from the work of Silver (1985, p. 56) and states, ‘Trust underlies order in civil society – allows mutual dealings (both business-like and personal) among formally free persons’.

Concerning the role of trust in organizational life, trust has been a hotly debated topic in the field of organization studies for the last 20 years. Trust has been analyzed at many different levels and from many different standpoints. For example, studies examined trust between employees and their superiors, among employees within teams for example, and among organizations in business groups, strategic alliances or joint ventures, or regions. It is interesting to note that the early enthusiasm around the topic of trust (trust as a solution to every kind of organizational problem, sort of magic formula, cf. (Möller, 2006) has been recently replaced with more sophisticated research designs that do not implicitly assume that trust is good.

In business related disciplines, researchers usually agree about the crucial role of trust in business contracts (Zucker, 1986; Gambetta, 1988; Sako, 1992; Wicks, Berman and Jones, 1999; Vangen and Huxman, 2003). In particular, trust is claimed to reduce costs, improve performance (Zaheer, McEvily and Perrone, 1998), and facilitate cooperation (Smith, Carroll and Ashford, 1995). In general, trust has been seen overwhelmingly as a positive force (March and Olsen, 1989; Das and Teng, 2001; Rus and Iglic, 2005; Serva, Fuller and Mayer, 2005; Poppo, Zheng Zou and Ryu, 2008).

However, as the literature in organization and management science indicates, trust may also prove to be detrimental. For instance, the development of a supportive and friendly environment within an organization may increase employees’ satisfaction, but it may also inhibit learning and innovation within organization. Some degree of uncertainty triggers an entrepreneurial spirit; on the other hand, excessive trust and loyalty within a group of employees may damage or kill creativity, even if the ideas are revolutionary (Dasgupta, 1988; Wicks, Berman, and Jones, 1999; Nooteboom, 2002; Zeng and Chen, 2003; Langfred, 2004; Anderson and Jap, 2005; Hoetker, 2005; Mesquita, 2007). Moreover, they recognize that trust may be less crucial than many of us believe (e.g., Williamson, 1993; Hardin, 2004; Cook, Hardin and Levi, 2005). As Margaret Levi stated, ‘there are some problems, and trust does not have to be a solution’ (2000, p. 137). Therefore, in this text I am taking a closer look at the notions of trust and distrust, attempting to delineate differences and similarities between them and indicate possible application of both concepts in research in the field of management and organization.

Trust

Trust is defined as an exchange partner’s expectation that he/she can rely on the other party who will behave as predicted and will act fairly (see Zaheer, McEvily and Perrone, 1998, p. 143). This definition emphasizes the reliability, predictability, and fairness as focal components of trust (Poppo, Zheng Zou and Ryu, 2008), and it coincides with the three factors of trustworthiness, that is, ability, benevolence, and integrity. Ability concerns the context-specific skills and competencies that enable one to trust another to complete a given task.
Benevolence regards the extent to which one is believed to want to do ‘good’. Finally, integrity relates to a person’s willingness to follow mutually acceptable principles. According to these generally accepted definitions, trust thus not only encompasses the belief in the ability of a partner organization to accomplish a task, but also the belief in the goodwill or positive intentions of a partner and the perception that he/she adheres to acceptable values (Mayer, Davis and Schoorman, 1995; Serva, Fuller and Mayer, 2005). Such expectations of trustworthiness are confirmed ‘when parties (1) demonstrate reliability by carrying out their promises, (2) act fairly when dealing with each other, and (3) exhibit goodwill when unforeseen contingencies arise’ (Krishnan, Martin and Noorderhaven, 2006, p. 895) ‘social-psychological bonds of norms, sentiments and friendships’ as well as the faith in the morality and goodwill of others further reinforce and support the expectations (Ring and Van de Ven, 1994). Therefore, trust involves ‘a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another’ (Rousseau et al., 1998, p. 395). It ‘entails that one does not expect to be harmed by a partner, even though she has both the opportunity and the incentive to be opportunistic’ (Nooteboom, 1999, p. 203). These and other definitions of trust indicate that trust consists of a subjective state of positive expectations (Das and Teng, 2001) and that the partner and the partner’s behavior are the objects of trust (Inkpen and Currall, 2004). They further imply that trust involves choice, uncertainty, risk, and the acceptance of vulnerability (Luhmann, 1988; Mayer, Davis and Schoorman, 1995; Newell and Swan, 2000; Das and Teng, 2001). In line with this, trust has been defined as ‘the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party’ (Mayer, Davis and Schoorman, 1995, p. 712).

**Distrust**

As Cook, Hardin and Levi (2005, p. 60) noted, ‘We probably learn as much about trust from the analysis of distrust as we do in analyzing the role of trust...’. Yet, distrust, unlike trust, has rarely been examined as an autonomous research problem (Hardin, 2004; Cook et al., 2005). Initially, distrust has been perceived as a simple opposite of trust based on assumptions about functional similarities of both. Yet both trust and distrust involve agency (Cook et al., 2005). Their role is also similar as they both help people deal with uncertainty (Luhmann, 1979; Lewis and Weigert, 1985). Trust has often been described in terms of cooperative and distrust in terms of non-cooperative behavior (Arrow, 1974; Axelrod, 1974). Piotr Sztompka in this seminal book ‘Trust: A sociological theory’ (1999) perceived distrust as a mirror image of trust. Up to very recent times, distrust has usually been conceptualized as a negation of trust, as even the term itself would imply - *dis-trust*.

However, current literature advises us to consider several powerful differences that actually call into question the parsimonious view of these notions as opposite sides of a single continuum (Lewicki, McAllister and Bies, 1998; Ullman-Margalit, 2002, 2004). Initially defined as a converse of trust, distrust recently began to be seen as a separate, independent construct (Lewicki, McAllister and Bies, 1998).

**Trust vs. distrust – complementary, or opposite concepts?**

Several differences in the meaning of these two notions indicate that they should be considered as related but not as dichotomous. Some of these differences are sketched below. Distrust is often thought of in normative terms, that is, as negative, problematic, and bad, which puts it in contrast to trust that is usually associated with the label of ‘good’ (Lewicki, McAllister and Bies, 1998; Cook et al., 2005). It is sometimes implicitly assumed that distrust should be seen as a dysfunction that needs to be reduced while trust is to be developed and fostered *a priori*. However, as some researchers has already noted, neither trust nor distrust is intrinsically good or bad and ‘there are immoral as well as moral trust relationships’ (Baier, 1986, p. 232). Therefore, it seems artificial to place the two concepts on the same continuum of ‘bad – good’. Moreover, trust usually builds up through time in a troublesome and long-term process, while distrust may be a matter of single action, a hurtful conversation, misconduct, or unfortunate actions, among others. As Six (2005, p. 5) wrote (quoting Dutch states official J. Thorbecke), ‘trust comes on foot, but leaves on horseback’. While it is common to think that trust builds up gradually and in a generally time consuming manner though ‘small steps’ and reciprocal disclosures; distrust may appear in a rather ‘catastrophic’ mode, resulting from one-moment, single action (Lewicki and Bunker, 1996; Lane and Bachmann, 1998).

The experience of distrust, in contrast to trust, is usually more pronounced and more readily experienced (Ross and LaCroix, 1996). Misplaced trust tends to bring about much more harmful results than undue distrust; when in doubt, the distrustful attitude may then be seen as a wisely taken precaution (Cook et al., 2005). This is exemplified by the popular saying, ‘If there is any doubt, there is no doubt’, which serves some of us well in some life situations. For instance, when making decisions that may affect life and well-being of our families (e.g. looking for a nanny, choosing a medical doctor to perform a life-saving operation/procedure), the ‘trusting instinct’ is a very important factor in decision-making (Cook et al., 2004).

As Cook et al. (2005, p. 78-79) pertinently pointed out, there is no empirical evidence that trust spills over to intersecting areas of our social life; but it is still a widely held conviction in the literature that builds upon the assumption of the overall beneficial and positive meaning of trust. Such a generalization (spillover from one area
to another) is yet to be empirically proven as a striking quality of distrust (Hardin, 2004).

Another feature distinguishes the concepts of trust and distrust. Namely, it is generally less difficult to prove somebody untrustworthy than fully reliable, since when making judgments about trustworthiness of the other, we are inevitably confronted with the freedom of this human being (Nootbooom, 2002; Möllering, 2006). We cannot have full control over the intentions or actions of others, since such control would preclude any need for trust (cf., Möllering, 2006, about control). Further, certainty concerning the other’s trustworthiness would actually provide total control and would deprive individuals of their freedom to make choices (Nootbooom, 2002). This is an untrue and dangerous presumption, especially within the realms of organizational life.

Next, trust may be falsified in action, while it is hardly possible in the case of distrust (Luhmann, 1979; Gambetta, 1988; Nootbooom, 2002). As Nootbooom (2002, p. 207) noted, ‘Pathological [unconditional] mistrust will keep one from entering into relations, which robs one of the opportunity of favorable experience’. Since we generally restrain from forming relations with someone we distrust, there would be no opportunity for the other to prove trustworthy or experience positive actions that would allow for overcoming initial distrust and build up trust. That is probably one of the reasons why the vicious cycles of distrust (cf. Sztompka, 1999) are so difficult to reverse.

Behind the argument about separating trust and distrust conceptually lies the idea that the elements that reduce distrust do not necessarily build up trust. According to existing research, lack of trust does not necessarily imply distrust. This was observed, among others, in Cook et al.’s (2004) research on patient-physician relationships.

Another difference between trust and distrust lies in radically different orientation towards expectations. On the basis of their study of organizational responses to employees with HIV/AIDS, Sitkin and Roth (1993) developed a theory according to which trust is founded on expectations about one’s ability to complete tasks reliably (so-called task reliability). Distrust, in turn, is said to be based on the expectations that one’s beliefs and values in the context of organizations are incompatible with organization’s cultural values.

Risk and uncertainty play a crucial role in both the notion of trust and distrust. However, while the connection between trust and risk has been investigated for some time now, and is relatively well described, about a limited number of studies has examined the relationship between risk and distrust (McKnight, Kacmar and Choudhury, 2004). Furthermore, some scientists claim that trust and distrust form in different processual patterns, but to my knowledge, no empirical evidence has supported this claim (Xiao and Benbasat, 2003).

To further explore the notions of trust and distrust, we may also choose to look at the interim zone between these two in their definite form. Apart from trust and distrust, we quite often actually experience the state that lies in-between the two. Yet, as we can derive from the illustration above, ‘not to trust’ does not necessarily imply ‘distrust’ (Ullman-Margalit, 2004). We may then distinguish a middle ground that would be called the trust ‘agnosticism’ or simultaneous ‘lack of trust’ and ‘lack of distrust’, that is, simple indifference, after Ullman-Margalit (2002, 2004). This conceptualization allows us to see a huge similarity between the notions: yet, they both involve agency (Cook et al., 2005). Whereas trust involves actions taken on the ground of positive expectations, distrust calls for an active seeking of safeguards against the opportunism of the other party. Therefore, it might be easier to build trust from the point of the mere lack of it, instead of the initial condition of (still active) distrust.

Seminal work by Luhmann (1979) indicated another powerful similarity between the notions of trust and distrust. Namely, he put forward the argument that from the functional vantage point, trust and mistrust may serve the same purpose: they help people deal with uncertainty and complexity (Lewis and Weigert, 1985) by supplying them with simplified decision-making frameworks and helping them deal with intricacies of everyday reality.

The final argument that advocates treatment of trust and distrust as distinct and related instead of dualistic constructs comes from Lewicki, McAllister and Bies (1998) study. In their comprehensive analysis of psychology, social psychology, and management and organization literature, Lewicki, McAllister and Bies convincingly argued that human relationships have the quality of ‘thickness’, therefore it is not only possible, but also quite common to experience trust and distrust simultaneously within the very same relationship. ‘Just as it is possible to experience attraction and disattraction, and love and hate, it may be possible to both trust and distrust others’ (p. 449). Ambivalence is common in human interaction, as recognized by Freud long time ago (Freud, 1918). Therefore, it is not correct to see trust and distrust as mutually exclusive concepts. They do coexist as even the most ordinary encounters with others teach us. For example, I may trust my friend with deepest secret of my relationship but I would never borrow her any money as I know she squanders every penny she gets in her pocket; I would pursue without reservation every advice I get from my supervisor regarding my future career, but never about my marriage. Hence, it is quite common that trust and distrust coexist within the same relationship.

They are not exclusive and we may well experience distrust and trust towards the same partner at the same time. Such an ambiguity is not dysfunctional or abnormal, yet we see it as everyday reality of human interactions that individuals learn to deal with on everyday basis.

The next sections of the document review the literature on functional aspects of trust and distrust to explore some limitations of trust and some advantages of distrust.
Beyond trust-distrust debate: alternatives

Russell Hardin (2002) argued that the functional quality of trust makes the concept so appealing, as we are preoccupied with trust mainly because it enables cooperation. However, it does not take an academic to observe that our everyday lives are filled with multiple instances of cooperation in the absence of trust (Lewicki, McAllister and Bies, 1998). Experimental research confirms that the concepts of trust and cooperation should be distinguished (Cook et al., 2005; Yamagishi et al., 2005). As Hardin (2002, p. 173) noted, ‘cooperative relationships constitute a broader and more inclusive category than trusting relationships’, Cook et al. (2005, p. 169) observed that ‘although we know something about the conditions under which trust declines, we are only just beginning to systematize knowledge about how to build trust where it does not exist and how to reconstruct it when it dissolves or, what is more likely, how to look for alternative bases for cooperation’ [emphasis added]. Furthermore, ‘Distrust is not necessarily bad or destructive; indeed, it can be good and protective when it is well directed (. . .) we can get people to cooperate with us even without trust between them and us’ (ibid, p. 60).

In everyday life, we generally trust only a small percentage of the many people with whom we interact. We may cooperate with others because we share common interests, but often, we are forced to cooperate with them because of external pressures or because we feel secure enough in the belief that there is some mechanism or institution that causes others to treat us properly. However, trust can play a more limited role (Cook, 2008) and is important in many interpersonal relationships. With little or no trust in society, a network of stable and efficient formal institutions, such as the rule of law and legitimate government, become necessary. These institutions limit uncertainty and make cooperation possible at a relatively impersonal, societal level.

Many forms of cooperation in modern societies do not involve trust; instead, they rely on various alternatives that deserve further exploration.

Although several authors have proclaimed that trust is crucial for exchange, a close review of the literature indicates that under certain conditions, trust may assume a less significant role in producing and maintaining order in organizational-context relationships (cf. Latusek and Vlaar, 2007).

For example, natural dependencies between partners may hold them together. Such dependencies arise from a lack of alternative partners, highly anticipated performance benefits, lock-in situations, and reputation effects.

As far as alternative controls are concerned, partners may intentionally create a certain level of interdependency amongst themselves by writing contracts, performing equity swaps, conducting reciprocal investments in relation-specific assets, and developing extensive search and selection activities.

Therefore, trust may also be less important in particular contexts. For example, when the parties have collaborated with each other before, when they interacted and communicated across a broad interface, or when relationships became embedded in environments with supportive cultures and institutions that reduce or remove uncertainty and weaken the need for engaging in a leap of faith between the partners.

Balance of trust and distrust in relationships

Ample evidence in existing literature shows that excessive trust as well as excessive distrust may be unhealthy for collaborative relations. As Margaret Levi (2000, p. 154) puts it, ‘Healthy skepticism – a form of distrust (…) a kind of distrust that leads to the building of defenses against the untrustworthy, the exploiters, the corrupt. (…) By paying the price of protections against negative effects, it may be possible to maintain a healthy skepticism while engaging in productive and cooperative relationships’. Therefore, a balance of trust and distrust is important for well-functioning relationships (McKnight and Chervany, 2001). A partner exhibiting excessive trust (i.e., not coupled by an appropriate amount of distrust) may become ‘blind’ (cf., Smith-Doerr and Powell, 2005 even to negative aspects of the relationship/partner. Therefore, remaining more watchful and attentive to problems may make one more likely to find valid problems and, subsequently, find proper ways to solve them when it still would matter. On the other hand, excessive distrust (not coupled by an appropriate level of trust) may cause one to become paranoid (Kramer, 1995) and may even deter the potentially beneficial cooperation from starting. As a result, a chance for cooperation would be lost before it even began. In that case, it may become important to look only at the positives or the negatives in balanced decision-making processes and may prevent many common decision-making problems (McKnight and Chervany, 2001).

Wicks, Berman and Jones (1999, p. 99) claimed that, ‘trust is good – but a conditional good. … it is possible to both over and underinvest in trust, as neither is desirable from either a moral or a strategic point of view’. They further introduced, inspired by Aristotle’s ethics, the concept of ‘optimal trust’ that reflects what I previously termed healthy balance of trust and distrust in relationships. Optimal trust is defined as the situation in which agents ‘have stable and ongoing commitments to trust so that they share affect-based belief in moral character sufficient to make a leap of faith, but they should also exercise care in determining whom to trust, to what extent, and in what capacity’ (Wicks, Berman and Jones, 1999, p. 103). This definition accurately captures the benefits of the bias towards trust in decision-making processes; at the same time, it indicates that some level of vigilance is needed in every relationship.
Why trust seems more important than distrust?

The general feeling pervading contemporary writing in management and organization theory about the key importance of trust within organizational resources may stem from a broad range of delusions described by Rosenzweig (2007). Starting with the halo effect, we contend that many studies on trust claim that trust drives performance, although these attributions may simply be based on prior performance. In this regard, survey respondents have to rate themselves on trust scales when they already know something about the outcome. Once they believe the outcome is positive, they tend to make positive attributions regarding the trust items. When performance is negative, they tend to make negative attributions because this allows them to ‘create and maintain a coherent and consistent picture, to reduce cognitive dissonance’ and to ‘make attributions based on cues that [they] think are reliable’ or salient and seemingly objective (Rosenzweig, 2007, pp. 50, 52). To have any validity, studies on trust should ‘rely on measures that are independent of performance’ and that involve ‘actions or policies or behaviors that are not shaped by perceptions of performance’ (Rosenzweig, 2007, pp. 68, 72). In conclusion, findings suggesting the significance of trust are probably overstated because most trust measures correlate highly with performance measures and most studies consist of case studies and cross-sectional studies in which the level of trust and performance were assessed at the same time.

The second factor that may have led to the overstatement of the significance of trust involves the delusion of correlation and causality. In this case, authors infer causality even though the results of their analyses represent associations or correlations. Although several authors investigating the performance effects of trust noted that interrelationships ‘between trust and cooperation, trust and communication, and trust and performance [can] be reciprocal’ (Seppänen, Blomqvist and Sundqvist, 2005, p. 256), most of them depict performance as the dependent variable and only a few of them attempted to disentangle the direction of causality. In this respect, a positive coefficient for the relationship between trust and performance in a regression analysis may only mean that performance affects trust just as much as trust affects performance.

The third factor presumably causing an overstatement of the findings on the significance of trust concerns the use of a limited number of factors – including trust – to explain performance. When more predictors are included, particularly those that correlate with trust measures, the effects of trust diminish. What would happen with the results of studies on the performance effects of trust, for example, if we added ‘the extent of interest-alignment’ as an independent variable? Most would probably expect its relationship with performance to become weaker. Fourth, most studies on trust, and particularly those on trust in inter-organizational relationships, are prone to selection biases because only high-performing relationships are included in the research samples. This is because most relationships in which trust is low do not extend beyond the partner selection stage and the majority of the less successful relationships probably terminate before research can be conducted; therefore, they are not included in the databases that are the basis of survey studies. The reluctance of most people to talk voluntarily about failures reinforces these effects.

Conclusions

As shown above, unlike trust, distrust has rarely been posed as an autonomous research problem. However, in reality, human relationships have the quality of ‘thickness’, i.e., they may simultaneously involve trust and distrust. Partners can trust each other in one respect and distrust each other in other respects. Moreover, partners may cultivate trust and distrust at the same time to reap the benefits from both and compensate for the weaknesses associated with each of them. Trust, for example, always remains a fragile mechanism. As the reviewed literature shows, the prevailing conviction about the benefits of trust should be circumscribed and in fact a combination of trust and distrust may be most beneficial cooperative relations. Topics of distrust and alternatives of trust deserve more systematic academic reflection. Lack of this perspective creates a striking imbalance when we look at the greatly developed theoretical reflection on the topic of trust and the very limited number of publications on its dark sides, substitutions, and alternatives.

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References

Nepasitikėjimas: pamirštas, bet daug žadantis

Santrauka