Collapse of giants: Conceptualizing trust as a metaphysical imperative in organization infrastructure

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Information and communication technologies make things simpler for the ones looking at the big picture from outside. Around the globe, large public sector organizations, conglomerates, powerful financial brokers, multinational firms succumbed to their own wrong doings; yet, their collapse has changed the entire scenario even the social life of the exchequers, investors and shareholders. In this paper, we are looking into some of these downfalls as failure of trust and try to peep into the foundational policies of these organizations as if there was any conceptual framework available that advocates the significance of trust needed to generate beneficial output in terms of financial gains for people on board or providing due services to masses.

Key words: Organisation design, trust, self interest.

INTRODUCTION

Organization design is a formal and comprehensive process used to develop a sharp and lasting linkage among people, technology and information in a holistic manner (Corkindale, 2011). The conceptual foundation of an organization design is derived form its vision statement which appears as a key concept in scores of leadership theories (Kirkpatrick, 2002); as the prime nature of vision statement is its future orientation that envelops the purposes and ambitions of an organization. Chevron exemplifies in its vision statement that ‗To be the global energy company, most admired for its people, partnership and performance...‘ (Romero, 2008) and if we look into their Corporate Social Responsibility vision statement then it discloses that ‗We invest in strengthening our communities, because business succeeds when people prosper.‘ (Chevron, 2001). The careful scrutiny of these two statements reveals a balance between focus on performance of the company on the one hand and upbuilding of community on the other. It is principally required to rationalize the existence of an organization of that stature in a society. People trust in organizations, their close bonds with these commercial and non-commercial entities spell out their significance in our lives as they stand as the standardbearers within the cross fold of a country or countries.

The close tie amidst an organization and society is based upon the notion of trust; the one that bridges the lag between organization and community and provides a consolidate rationale for organizational existence in any or many part(s) of the world. The sole aim of this paper is to look into the collapse of large scale organizations and the way they have damaged the trust of their stakeholders, community and whole society as well; on the other hand, this paper would strive to present trust based organization model that clarifies the notion of trust and its standings pertaining to an organization.

In this very regard, we focus upon scores of large scale private and public sector organizations through their vision statements and examine what they promised and what did they deliver at the end and the eventual impact...
of this breach of trust on concerned quarters, community and society in the larger perspective. This study is three-fold as firstly, we review couple of such cases; secondly, our focus would be on to the previous works and critical analysis and thirdly, detailed discussion focussing trust and formation of trust based organization model.

**REVIEW OF RELATED LITERATURE**

In order to develop a well knitted conceptual network for our discussion, it is needed to look into some of the significant corporate collapses round the globe with a notion of similarity with respect to the breach of trust, Social values, deception, dishonesty, dis-integrity and failed value framework.

1. US energy conglomerate Enron’s motto was “Respect, Integrity, Communication and Excellence.” Its ”Vision and Values” mission statement declared, “We treat others as we would like to be treated ourselves....We do not tolerate abusive or disrespectful treatment. Ruthlessness, callousness and arrogance don't belong here.” (Avakian, 2002) entire world witnessed that around 20,000 employees of Enron entered the darkest phase of their lives, they left Enron empty handed, no retirement and post-retirement benefits. The ruthless, arrogant and callousness owners of Enron took what they had and left them stranded in open.

It was not only the largest ($63.4 billion) bankruptcy in US corporate history but even the biggest audit failure also, (Bratton, 2002) billion of dollars lost in failed deals; and crack projects kept hidden beneath accounting loops and bulky filing structures. US $11 billion were wiped out of the shareholders’ equity when Enron shares dropped to historical lowest ($1/per share in November 2001) from historical highest ($90/per share in 2000) (Benston, 2003). The outcome of this bankruptcy was that employees and shareholders received very limited as outcome of the filed lawsuits while washing out billions in terms of pensions and returns, (Ayala, 2006) it was the time when new principles and regulations were ratified to keep an eye on the precision of financial reports, especially in public sector corporations (Palepu, 2003).

2. Italian dairy giant Parmalat’s value statement was “Parmalat is committed to the highest standards of corporate governance and corporate and social responsibility throughout the Group. We are committed to ethical business practices, honesty, fair dealing and full compliance with all laws affecting our businesses” (Parmalat, 2000); this scintillating value statement turned over in the form of largest bankruptcy in European corporate history with 14 billion Euros; as around 40,000 investors left stranded and sought compensation for their losses (Correspondent, 2008). The founder, Calisto Tanzi is accused of, manipulating the share prices, hampering auditors and fabricated accounting practices.

Tanzi himself admitted that he transferred 500 million Euros from Parmalat to a personally owned family subsidy while employees, workers and large/small investors (Sverige, 2004) were left at the verge of losing millions, even some at the brink to lose their life time savings. The questionable accounting practices and planned fraudulent financial book keeping initiatives revealed the whole story that was more than shocking for Italians as Tanzi was a symbol of inspiration and they never thought of such a devastated end of Parmalat’s empire overnight (Correspondent, 2003). Thousands of dairy farmers seemed trackless after the breakdown of Parmalat, from Italian dairy farms till Brazil, they are penniless as Parmalat owed them millions (Writer, 2004). These non payments did not leave any room for these farmers who relied heavily on Parmalat and now their social and family life is in dooldrums because of the very downfall.

3. American Insurance giants (American International group): AIG’s vision/mission statement clearly exemplifies “As a global financial services organization, we have committed our resources to developing products and services that address the needs of our clients as well as promote a corporate culture that values integrity, diversity, innovation and excellence.” (Correspondent, 2003) ; instead of addressing the needs of their clients, the disastrous downfall of AIG revealed by the drop down in share value from $70.13 to $1.25 by September 16, 2008 and the largest bailout in US corporate history worth $182.5 billion (Morgensen and Walsh, 2008). The saga of AIG elucidates the greater tragedy not for the reason that, it was the largest corporate bailout in US; but AIG’s failure and succeeding liberation engulfed approximately all the precarious fundamentals, together with misunderstanding and dishonesty. These financial transactions are preposterously complex, difficult to comprehend (Greider, 2010)—ethical misperception from top to toe, and the disaster of principal establishments to achieve their commitments to the community. The painful but interesting twist in the story appears with a simple question that who were the beneficiaries of this bailout?, employees or shareholders-NO- the same partners who had already shared the pie before and did not want to go through the pain of their own misadventure as Bank of America, Goldman, Morgan Stanley and JP Morgan Chase and the list goes on (Spitzer, 2009).

4. HIH insurance Australia with its concrete vision to provide “honest, diligent and timely insurance services to countrymen”succumbed to its bleeding wounds and penned the history with biggest bankruptcy and financial collapse in Australian corporate history with $5.3 billion in reported losses (Bonnie, 2003). It is worth noted that the general perception about HIH was of a reliable and robust organization but surprisingly in 2003; Royal commission found that the cause of HIH debacle was not one but a series of management and system failures generated the total down fall (Bailey, 2003) and the
gravity of this failure was so deep that criminal charges were levied against the key members of the organization (Mardjono, 2005). The most painful point in this story was the nature of charges surfaced as, for instance, Rodney Adler (Former HIH Director) was charged on Two counts for dissiminating false informations purposefully, one count for gaining money from deceptive and untruthful declarations, one count for inadequacy in satisfying his due obligations as Director and appearing deliberately dishonest (Westfield, 2003); move further to note that Adler himself pursued HIH to invest $2 million in BTS (Business thinking Systems) in which he had personal interest (Percy, 2005).

5. India fourth largest information technology company, Satyam Computers captioned in one of their value statements that “It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships, where we operate, and to implementing and enforcing effective systems to counter bribery.” (Satyam, 2012); with this, such a sound vision statement, Satyam was on the verge of bankruptcy when the then chairman Ramalinga Raju accepted that he was intentionally misleading the board by putting false statements and the actual financial standings of the company is $1.0 billion less than what was reported (Kumara, 2009), this confession took the entire market by a storm and the share price fell to all time low as Rs.11.50 on January 10th 2009 as compared to all time high of Rs. 544 in 2008 (Correspondent, 2009). The ultimate fate of thousands of employees hanged in disbalance as the arch rivals started pirating the on-going contracts and the future of hundreds of Software engineers and hardware experts went bleak. Satyam was not a single night story, rather its board of directors was decorated with some of the most prestigious names in Indian corporate world. keeping them on board and coming up with such a fraud gave way to confusing questions and India lost its corporate face, especially in the eyes of potential foreign investors (Vaswani, 2009).

6. Société Générale, a premium French bank since 1871, expounded its commitment to sustainability as, “As a central player in the economy and conscious of the worldwide challenges posed by the need for sustainable and equitable development, Societé Générale is committed to encouraging and promoting ethical and environmentally-friendly practices.” (Générale, 2009) unfortunately the bank turned in under the cover of suspicious stock trading of massive quantum in January 2008 and lost €4.9 billion in three days closing of trading on the stock floor and Jerome Kerviel, a junior trader was held responsible for this fiasco (Martin, 2008) and he was taken into Police custody on January 24th 2008. The question was, If Jerome was alone in this very fraud? or being helped by someone else from inside?. In meetings with investors in current times, Société Générale’s chief executive, Daniel Bouton, self-confessed that the internal systems of the bank lost its control in coping up with the pace of derivative businesses which led to this failure at the end (Bennhold, 2008). Yves-Marie Auflan, a former chief economist at Société Générale and a longtime Paris banker, was of the opinion, "I have a suspicion that this was inevitable, given the way things were engineered, "It's a necessary warning that these things are so complicated that they are hard to control." (Sage, 2008). The accumulative loss of investors’ in the monitoring systems of French financial institutions became the question remain unanswered, the money involved in trading was of account holders and they were the ones kept far away from whole proceedings and till date they have been asking one another that who were actually involved in the whole fraud.

7. Pakistan International Airlines (PIA), the national flagship carrier proudly announces its corporate policy as “PIA has institutionalized the practice of good governance by establishing a Corporate Social Responsibility Committee. The Committee provides a platform to evaluate, update, and recommend best practices as PIA continues on its mission to adhere to business ethics and stamp out corruption. Corporate Social Responsibility (CSR) is woven into the fabric of daily operations at PIA.” (official website, 2012). The highly decorated past of PIA placed it in the top performing Airlines among other notable carriers but unfortunately since 2005 till date, the airlines has been passing through a miserable phase of its corporate history, in the year 2005, the net loss was Rs. 4,412 million which touched the sky rocketing loss of Rs. 26, 617 million in 2011 and the financial figures in the first quarter of 2012 did not show any significance improvement in the continuing situation (Shaolb, 2012).

The ongoing stories of corruption in national carrier have become a sugar-tea chronicle, even the prevailing deal of buying five 777 Boeing Aircraft for $1.5 billion is echoed with a purse of $500 million in kickbacks, Corruption by the PIAs management with backing of its political bosses was likewise noticeable from the fact that this deal was not once advertised and the whole process of finalizing such a big deal was wrapped in just 21 days that is even a record in aviation history. (Report, 2012).

SUMMARY

There are scores of other examples as we have selected the ones publicly known and deeply rooted within the corresponding society, culture and values. In all the above collapses, there are number of similar factors but the focused commonality that revolves around the whole saga was failure of corporate governance and damage of trust that was reposed by the employees, investors, stakeholders and society. We need to comprehend the
concept of trust, its philosophical implications, nature, need and significance in human and social life. Organizations are part of society and people working in these organizations are dispatched by the society. The question is if they have learned a new mode of social norms or they have applied what have they already learned?

**Philosophical aspects of trust**

Trust is not a concept new to organization science and sociology, its foundational and intellectual basis are thousands of years old as Aristotle in *Rhetoric* described Trust, as the listeners perception towards speaker is solely dependent upon three characteristics of trust as “the intelligence of the speaker (correctness of opinions, or competence), the character of the speaker (reliability - a competence factor, and honesty - a measure of intentions), and the goodwill of the speaker (favorable intentions towards the listener)” (Bizzell, 2000); and if we relate it to the present day organizational design then character, competence and goodwill would appear as the core key factors that employees and society want to see in the ones running an organization and their level of trust is based upon these three characteristics; even the stock market gauges the share price in the very right perspective of the good will of top management. People invest hard earned money once they come across the names of decorated individuals in the Board of Directors. Sun Tzu in “Art of War” defines, “it is the role of a General to be quiet and ensure secrecy; upright and just and thus maintain order.” (Giles, 2005); the most important characteristics a top executive must possess are the ones defined by Tzu secrecy and governance and most of the captioned failures described above were the outcome of failed corporate governance.

Plato described a utopian world in his famous work *The Republic* and further elaborates the key traits owned by the rulers in such a state as “ruler should have the philosophical knowledge of the Good ...” (Nails, 2002), this notion of good is in fact a comprehensive guideline built upon concrete concept of mutual trust that is the key of success in 21st century corporate governance; as in every collapse the ones responsible are not the ones suffer and those who are responsible are always remain at large. The imprisonment posted on them by the respective court of law is so trivial that does not match with the gravity of their incompetency, greed and selfishness.

Aristotle’s *Ethics* revolves around the concept of building definite traits in character that enables us to be the better form of humans or ‘flourish’ by cultivating certain virtues that definitely includes trust (Ackrill, 2010). He was confident that friendship is a love bound relationship between those who are equally virtuous, love and virtue are the cores of a friendship, instead of punishment and rewards; and that ensures trust and trustworthiness. In fact, the prime problem in 21st century organizations is the lack of intergroup and intra-group relationship and if ever it seems existing then the nature of this existence is purely ‘objective’ and people come across one another in a bid to solve common problems or resolve general issues and then they move apart, while the holistic essence of this goodness seems missing from the very core of organizational culture. A wide research poll conducted by Martiz Research revealed the cracks in this relationship, the report determined, “few (11%) employees strongly agree their managers show consistency between their words and actions. In addition, only seven percent of employees strongly agree they trust senior leaders to look out for their best interest, and only seven percent strongly agree they trust their coworkers to do so. Approximately one-fifth of respondents disagree that their company’s leader is completely honest and ethical, and one-quarter of respondents disagree that they trust management to make the right decisions in times of uncertainty. While workplace trust has been dwindling since the Enron, WorldCom, and Tyco scandals of the earlier part of the decade, threats of layoffs and downsizing have only exacerbated the problem.” (Research, 2010).

Machiavelli Niccolo in his famous work, *The Prince*, justified the posture of an ideal statesman as, “... what is basically needed to manage a state in a successful manner; in his opinion, the core of this, is the conduct of Prince who must be seen by the populace as a good man with traditional virtues as compassion and integrity…” (Alvarez, 1999). The missing attributes of top executives have rolled the dice over and over again, Christina Boedker, in her extensive research study which is based upon the data gained from 5600 people across 77 organizations, reveals that the most significant element with greatest influence on productivity and profitability within the close proximity of an organization is the capability of its leader to spent more and more time and extensive efforts in developing and recognizing the people of their organization, receiving feedback and criticism with an open mind in an affirmative manner and try hard to foster inter-group cooperation among staff members (Boedker, 2012). The ever increasing lag between top management and employees eventually results in a catastrophic collapse of entire organization and during whole of this time; they act as two different parties sailing in the same boat. The people at the top guard their interest and when they fail to deliver then the ones at the bottom suffer for the sins that has never had been committed by them and this demolishes their trust in top management and for their entire professional life they develop a sense of precautions against the top management and always keep an eye open rather than blind faith in them.

Thomas Hobbes in his famous work *Leviathan* described that in order to maintain and secure peace in a
society, the members of the society must submit to a sovereign authority and this authority must act in such a way as required to protect its subjects and maintain the needed peace across whole society (Malcolm, 2007); it directly relates with the extent of relationship between different tiers of an organization as the people on the top need extreme submissiveness from the employees and ones they have it then they streamline all the functions and processes with a sense of confidence and force but what, when they do not deliver and run away with their personal kitty and leave everyone on one’s own. It damages the related trust and for whole of their lives these stranded employees never repose their trust in any one, even their social relationships are tarnished and seem disturbed because of this distrust, not to talk of the organizational collapse as it transforms into a social collapse altogether.

David Hume in his Treatise of Human Nature, epitomizes and appreciates the role of trust and mistrust exists in the dissimilarities of life, he believed that it is in very nature of human beings to be sympathetic towards one another which definitely encourages trust; and a process of reassurance seems necessary in terms to bring oput trust with others, this reassurance is primarily needed rather than coercion. (Norton, 2000). The concept of reassurance is core in relationships as if there is any conflict occur between two parties (two organizational tiers) then the best way is to patch toghter and reassuring (Kydd, 2000) one another with respect to the whole situation and plan the future moves reasonably. It so happens, that in most of the organizations, an essense of disbelief and conflict remains existent and a simple trigger is needed to shot.

The missing bottom line: Evolution of Trust

Society is an in-organic/organic totality which is comprised of different groups of people who are related to one another in a form of persistent relationships, share similar culture, institutions and the over all geographical territory (Lenski, 1974). The persistency of relationships between two individuals or group of individuals is based upon the notion of trust, usually known as Social Trust, that can simply be a rational mental state or a well defined social attitude (Castelfranchi, 2005) that not only paves the way for people to be together but also provides ample room for interaction between different groups and it appears as the most significant and dominant factor in human relationships (Hardin, 2002). It can be said that the intrinsic positioning of trust is one of the basic social constructs (Searle, 1995) beside power, control, risk etc. The question that is to be raised here is if social trust is working as expected? Which can further be elaborated as if we can trust the trust? (Gambetta, 2000). Trust is core for every society as the society functions at the brink between confidence in what is acknowledged from routine experience and contingencies of novel prospects and possibilities. If contingencies are encountered through trust then the possibility of inter-group dependency seems more open and vibrant as social actors come close to one another and help one another (Bachmann, 2001). The relationship between social actor with reference to dependency appears uni-dimensional as the trustee feels that the trustor is powerful and in control of the situation and this specific thinking cycle keeps him closer to the trustor (Mollereng, 2005). In fact it is the first missing link in the loop of trust, that the social evolution seems more objective and people come closer to one another in a targetted mode, the closest relationships are being viewed through materialistic lens and the fundamental social infrastructure is in jeopardy. Gerry Mackie, in his research expounds the declining of social trust with a different set of patterns in western european countries; and he candidly manifested that despite some variations the trust level is lowering in western and estern regions (Cook, 2003).

The plausible balance works around the whole society and it preapres an individual from a very early age to trust other individual and this sense of dependency generates a sense of relationship among all social actors. In modern societies, this social unity (Misztal, 1996) seems in peril as individualism overpowered the collectivism and the solidarity of society does not appear intact in this age of complexity, diversity and change; the increasing level of social disturbance, rising divorce cases, single parents paranoia, domestic violence etc. have left the entire social compedium in dooldrums. The most important element of trust has lost its roots in the very foundation of a society which has caused negative impact on those minds, especially the youth segment of population, (Rahn, 1998) who are growing up and preparing themselves to take over new assignments in forthcoming future. Are they exposed to untrustwothiness of trust? The micro-aspect of trust begins with the family and named as basic trust and this basic trust educates a child; as it is the very first phase of psychological development of an individual and the relational period of this very trust is the first 2 to 4 years of a child's life (CDI, 2013) which are very significant with reference to shape up the personality and defining the meaning of relationships in one’s mind. A consolidate, complete and happy personality built around the notion of trust (DeNeve, 1998) and a person's natural propensity to trust other is a considerable personality attribute and it directly links with the way people experience their lives while incorporating both the emotional responses and cognitive judgements (Diener, 1984). Happiness as described by scores of psychologists; is a well knitted combination of satisfaction in life coupled with negative/positive effects of circumstances (Diener, 1999). It further links with the concept of one’s social identity (Oakes, 1986) which is developed in the perspective of belonging with a closely net social group and the family is the most significant,
essential and closed social group. Unfortunately, in modern societies this closest net is exposed to breakdown and manifesting anxiety, depression, distrust, aggression, loss and bereavement (Ritchie, 2004) among children. This situation is touching new heights in western societies. These troubled children are the would-be corporate citizens; so, what are we expecting from them when they have learnt from the very childhood that Not to trust the ones should be trusted.

The close knitted social circle of a child begins with school; the teacher, the students and the school, this trio gives him sheer sense of confidence, knowledge of social norms and values and nourishes him to be ready to take future responsibilities and shoulder the due obligations. Relational Trust nurtures a sense of organization in a child from a very early age and enables him to strengthen the socio-psychological profile in a conducive and encouraging environment and it further helps in building children communities all around (Bryk, 2003). If the same is applied on a business organization then we conclude that formal and informal relationships are like blood in the veins of any organization and for lasting success and enhanced productivity these relationships built on trust act as catalyst. Relational contract theory which was established by Ian Roderick Macneil (Macneil, 1969) and Stewart Macaulay clearly prescribed a type of contract that is based upon relationship of trust between parties, but the point is how to build the foundation of this trust in one’s personality and if one is not known or skeptical towards relational trust then how one can be accommodated as a productive corporate citizen. This damaging relational trust in families, social unions, educational institutions etc. is paying back in the form of dissatisfied, degenerated and disturbed corporate employees who are grown in the environment where they have learned not even to trust the ones appear trustworthy.

In the absence or gradual decline of social trust, basic trust and relational trust, how can we talk of organizational trust which is nothing but an outcome of these three types of trust? We need to start form the scratch and unless the social value chain is re-invented and re-assembled; we will not be able to gain what we are looking for in the extensive, competitive and dynamic corporate world. Further discussion with reference to trust is going on but my core intention to discuss the bottom line of trust is to give readers an idea about the missing link. If one is not confident about people around one then one cannot act normally during the entire course of life. In order to extract the best out of an individual, it is more than necessary to develop the personality of our children on the basis of trust or keeping trust as the foundational stone in shaping one’s persona.

**Conceptualization of ‘Trust’ in an organization**

“Where People are trusting and trustworthy, and where they are subject to repeated interactions with fellow citizens, every day business and social transactions are less costly” (Puntam, 1993).

Trust has scores of connotation with respect to social sciences and primarily it can be understood as ‘the extent of reliance from one actor to another actor’ (Mayer, 1995) and in this situation the trustor does not have any control over the trust exercised by the trustee and he only develops expectation pertaining to the trust as exhibited by the trustee. Many scholars and practitioners emphasized upon the significance of trust as it ensures the cooperative actions materialize (Arrow, 1974; Gambetta, 1988). It is to be kept in mind that while passing through the periods of uncertainty and organizational crisis, the trust appears more considerable and important (Weick, 1993). If you remember the 1990s era of economic crisis; when organizations were passing through extensive restructuring then trust was the sole, strategic and key assets an organization possessed (Mishra, 1996); on the other hand trust is even the most effective tool in lasting working relationships between different quarters within a society (Gabarro, 1978).

Trust is so complex a phenomena that cannot be explained in isolation and it is next to improbable to generalize the findings of one research study encircling trust to altogether a different study as it exemplifies the core of relationships which are changed once the people changed (Golembiewski, 1975). D. Harrison McKnight in his article, "The Meanings of Trust" (1996) focused upon core categories of trust that were derived from extensive review of literature and empirical studies undertaken by researchers, practitioners and scholars during different time periods; as the three foremost classifications of trust are Impersonal/Structural, Dispositional, and Personal/Interpersonal. Scholars have categorized trust as everything from an impersonal structural concept to an interpersonal behavioral concept. Impersonal/Structural stands for, that trust is based on institutional or social configurations in specific circumstances, not on individual (personal) traits of any (trusting/trusted) actor (Lewis, 1985). Further, Impersonal/Structural denotes those descriptions of trust that clarify that it cannot be under ownership of a person/persons. Somewhat, it is owned by institution in very natural (Garfinkel, 1967) or social/organizational state (Shapiro, 1987). Dispositional trust is grounded in the personality characteristics of the trusting actors (Rotter, 1971), or has an overall confidence in human nature (Wrightsman, 1991). Personal trust means the notion of trust prevails between two persons in their individual capacities, or trust of a person in different things in specific situation; that materialize the position of trust in a very social context. Interpersonal trust occurs when more than one person or groups trust each other in specific situation and in this very case two actors are always remain in the picture.

It is clear that trust is closely linked with context as two people, in different categories, maintain different contexts.
of trust between them, trust in family is different from trust within society. When we talk of trust between society and organization then in its very simple form; it is personal trust that exists between two people, two entities in the form of reliance, expectations and outcomes (Cohen, 2001). The question is how to place this notion of trust within the very roots of an organization? and how to make the top brass remembered that that most important of all the essences they must preserve is trust of the people?; it principally links with the overall organizational design and related behavior that depicts the fundamental design (Farris, 2008). The socio-cultural influence plays a pivotal role in this very situation as high level of trust is found in Japanese companies while the level of trust in American organizations is comparatively low (Kelly, 2003); it relates with the overall culture and societal values as people who shape, form and run an organization and people who suffer, benefit and effect by the organization come from the same society.

Trust as a metaphysical imperative to build social and organizational relationships

Trust is a two way relationship as described by Immanuel Kant that … “if our moral principles allow us to break the bonds of trust then we should not expect others to honor such bonds – in which case the trust would be a word without real meanings” (Kuehn, 2001). It is core of relationship as inter-personal trust; employees/top management and society/organization; organization comprises of employees and society comprises of organizations, so the element of trust works between these relationships and moves along. In all these relationships, trust appears as an optimistic expectation that an actor builds form another actor (Barber, 1983). In this very regard, the conceptualization of trust as a key element while founding an organization needs analytical attention and since that the due lack in conceptual clarity of trust strongly advocates that the concept has not had been applied in a manner needed (Reichman, 1989). Ring and Van de Ven (Ring, 1992) were of the opinion that “implications of trusting behavior in designing governance mechanism are generally ignored” and this ignorance leads towards disaster as once the notion of trust is overlooked then the next is the fear of being accountable and once this fear is gone then the course of action seems personal rather than epistemological, and most of the top men work in the very context of their free will. It is not that the top executives do not comprehend or consider the importance of trust while developing value based infrastructure of their organizations but they miss out the fifth element as described by Hosmer (Hosmer, 1994) in one of his papers as, the context of trust relates in different dimensions as individual expectations, economic exchanges, interpersonal relationships, social structures and ethical principles. The context of trust as ethical principle is not very comprehensively known to the organizations and ones run these organizations.

The context of Individual expectation related to trust is more perceptive and experience based and essence of rationality is not so exercised as it moves along with the set of conditions in which both the parties exist and operate (Golembiewski and McConkie, 1975) and closely links with morally and technically correct performance in a natural order (Barber, 1983). In economic exchange theory, the concept of principal and agent clearly exemplifies the context of trust relevant to economic exchange, as it varies from person-person, group-group and firm-firm relationships and ethical values are often compromised with the very consents of both the parties in order to assure the viability of profitable economic exchange (Williamson, 1975). The context of interpersonal relations is even more complex but significant as in this very context, the first actor (trustor) seems vulnerable in relation with another actor (trustee) as he does not have any control over the behavior of other actor (Zand, 1972) and they both live together and the sense of reliance depends upon what is the outcome of this very relation and the required balance seems dependent upon the expectation and delivery. The process of economic development advocates the transformation of trust from a personal relationship to a concrete social mechanism (social structures) (Weber, 1987); this context focuses upon the overall shift in conceptualizing trust and emphasized building the entire social mechanism, of which organization is an integral part, on trust. The most important but the neglected context of trust is the trust based upon ethical principles; in order to explain this very relationship, we take into account the summaries of Ten Ethical principles as presented by (Hosmer, 1994) as the core foundation of organizational trust, some have already been explained by us in the philosophical aspects of trust, rather, we take all in a compendium as:

Self-interests (Protagoras and others): If we would all look after our own self-interests, without forcefully interfering with the rights of others, then society as a whole will be better off because it will be as free and productive as possible. Over the short term this would seem to be a simple recipe for selfishness; over the long term, however, it creates a much more meaningful guide for action because our long-term interests are usually very different from our short-term desires. The principle, then, can be expressed as “Never take any action that is not in the long-term self-interests of yourself and the organization to which you belong.”

Personal virtues (Plato and Aristotle): The lack of forceful interference with the rights of others is not enough. As we each pursue our own self-interests, even those that are good only over the long term, we have to adopt a set of standards for our “fair” and courteous treatment of one another. We have to be honest, open, and truthful, for example, to eliminate distrust, and we should live temperately so as not to incite envy.
Religious injunctions (St. Augustine): Honesty, truthfulness, and temperance are not enough; we also have to have some degree of compassion and kindness toward others to form a truly "good" society. That compassion and kindness is best expressed in the Golden Rule, which is not limited to the Judeo-Christian tradition but is part of almost all of the world's religions.

Government requirements (Hobbes and Locke): Compassion and kindness would be ideal if everyone would be compassionate and kind, but everyone won't be. People compete for property and for position, and some people will always take advantage of others. In order to restrain that competition and maintain peace within our society, we all have to agree to obey some basic rules from a central authority that has the power to enforce those rules.

Utilitarian benefits (Bentham and Mill): Common obedience to basic rules would work if the people associated with the central authority did not have self-interests of their own. They do. Consequently, we need a means of evaluating the laws of the government, and that same means can be used to evaluate the justice of our own actions.

Universal rules (Kant): Net social benefit is elegant in theory, but the theory does not say anything about how we should measure either the benefits or the harms - what is your life or health or well-being worth? - nor how we should distribute those benefits and allocate those harms. What we need is a rule to eliminate the self-interest of the person who decides, and that rule must be applicable to everyone.

Individual rights (Rousseau and Jefferson): Eliminating self-interest on the part of the decision maker isn't really possible, given what people actually are like. They are self-interested. Consequently, we need a list of agreed-upon rights for everyone that will be upheld by everyone.

Contributing liberty (Nozick): Perhaps liberty-the freedom to follow one's own self-interests within the constraints of the law and the market is more important than justice-the right to be included in the overall distribution of goods and services.

Distributive justice (Rawls): The problem with the economic efficiency argument is that the market distributes the output of needed goods and services unjustly, for it excludes those who are poor, uneducated, or unemployed. We need a rule to ensure that those people are not left out.

Economic efficiency (Adam Smith): Basic rights are meaningless without the essentials of food, clothing, and shelter. Therefore, we should maximize the output of the needed goods and services by setting marginal revenues equal to marginal costs.

Critical Analysis of Previous Trust based Organization Models and Framing New Socio-Organizational Trust based Model

In this section, we take into account the significant studies, where researchers present trust based organizational models. Our sole aim is to look into these models critically, if these are fulfilling what is needed by an organization with reference to trust.

1. Peter R. Scholtes presented his model in his book The Leader’s Handbook: A Guide to Inspiring Your People and Managing the Daily Workflow and based his model upon a reciprocal relationship between leader and follower. He focused this relationship bond on the basis of affection and respect and further linked these two notions with distrust. If the leader is affectionate towards the follower then organization's routine activities can be undertaken easily; but the question arises here is how to make sure that the leader comprehends the meaning of affection? This model appears with a pre-conceived notion that the corporate leaders belong to the personality type that fully understands the importance and significance of trust in building reciprocal relationships. Unless, the Board of Directors assures that the leader’s personality profile is based upon a strong and convincing social upbringing, this model acts one sided and the follower has to bow before the leader’s choice. It appears as a trust based relationship but in the real sense of words, it would be leader-follower relationship, where compromises are made by one party to keep the organization on the track as it relates with the notion of survival.

2. R.C. Mayer, J.H. Davis, and F.D. Schoorman presented their model of organizational trust in their paper, titled An Integrative model of organizational trust and provided three core characteristics of trustee as ability, benevolence and integrity. If we take all these three characteristics as three different variables then ability is natural, benevolence is behavioral and integrity is personal. The nurturing of all these three variables (characteristics) in one’s personality is a matter of social grooming and if the said person has not been groomed in such a manner then how can we sure of that in the capacity of a trustee, he would be able to exercise all these while developing reciprocal relationships with in an organization?. It is further elaborated here that the perceived risk as exemplified by respected authors is a dependent variable and if the trust is greater than the perceived risk of having damaged the relationship would be lower and vice versa. The same situation, as prescribed for the Scholtes model, appears here and the level of trust is based upon the characteristics of trustee. Trustor is not left with any choice but to rely upon the truster, the one-sidedness in the relationship is apparent and vocal in simple terms. We need to be assured of the personality profile of the trustee (the boss) and in case, he has not been well scrutinized then the relationship would even be one-sided.

3. D.S. Reina and M. Reina, in their book Trust and Betrayal in the Workplace: Building Effective Relationships in Your Organization described the capacity of trust with respect to three dimensions as
competence trust, contractual trust and communication trust and linked these three dimensions of trust with culture of trust in an organization and they were of the opinion that this culture is to be maintained by the leader and the follower in an organization. This model even, itself, clarifies that in case of consistent unethical conduct, overall trust based culture would receive damaging impact. Here, a question arises, that have we made sure that the leaders, who create organizational culture possess strong ethical personality? Which remains consistent and keeps organizational culture on the required track. If not, then again, we are formalizing organizational trust on pre-conceived notion that leaders are ethical enough to remain consistent in their behaviors, commitment, concern and conviction. Their will not be any rational foundations of this very argument as the trust based profiling of a person was not so focused as it ought to be.

In all the above models trust based relationships were focussed and these relationships were linked with overall productivity of organization. In fact, the notion of objectivity in trust is complex to understand as value based propositions confirms the need of relationship between two individual at any sphere. The prime and foundational rationale of these relationships is based upon self interest and transparency; as without being assure of these two moderating variables, the cyclic process of trust cannot be understood in required depth. Self interest can be defined as Personal advantage or interest (Dictionary, 2009) where one seems selfish and more concerned towards one’s own interest or personal advantage (Webster, 2013). There are different dimensions of self interest as expounded by scores of philosophical and psychological schools of thought and each of these dimensions define a peculiar angle of self interest. Narcissism, a mental disease, in which one falls in love with oneself and apparently becomes introvert upto extreme levels (Symington, 1993); Individualism, where an individual strives to pursue own goals and interest and does not want any external influence or interference (Wood, 1972); Psychological egoism posits that human beings are always motivated by their self interest, even in the case of altruism, a person helps others keeping the same for his own self in case of need (Nagel, 1970); Ethical egoism maintains that moral agents should perform in the very interest of their own (Baier, 1990); Hedonism explains that the pleasure is the only intrinsic good and a person tries to maximize this amont of pleasure in order to be pleased (Chisholm, 1911) and Enlightened Self Interest which explains that a person who works for the interest of others, serve others, is the one fulfilling his own interest. This kind of self interest emphasizes upon long term interest in opposition to the short term benefits for one self (Brewer, 2001). The concept of enlightened self interest advocates that companies secure more competitive advantage and sound market standings by behaving more ethically.

This enlightened self interest is closely patched with social, basic and relational trust, in which a child learns from the very early age, the way people sacrifices for one another and build life long relationships on the basis of their close bonding, benevolance, sacrifices, care and compassion. The top management, the corporate leaders and the ones running the show are the most important and significant group of people in an organization. If they are well into enlightened self interest then they can easily secure lasting benefits, advantages and opportunites for themselves and whole organization as well. On the contrary, they wouldnot only damage and destroy whole organization (as captioned in the cases above) but also leave a permanent and drastic impression on the whole society.

The need is to inculcate this very concept of self interest into their personalities from the very early age, this inculcation would take them over and turns them into such an individual who acts for lasting good, not only for himself but for all others concerned and around. The trust based organization model is intrisicly the scio-organizational trust based model. Unless society plays its role, we cannot assumes a better working environment in an organization, it is like two hands make the clap. If the social setup, aura and environment is not so concrete as it is meant to be then it is next to impossible to have nurtured such individuals who run the successful and top organizations through humanistic and philantropic lens.

The behavioral aspect of transparency as discussed in humanities is to be open, accountable, fair and impartial in inter-personal affairs; transparent behavior ensures the existence of plausible balance that is needed to establish lasting relationships. Radical transparency is more like a phrase that supports the corresponding management method which urges to take all decisions openly,keeping all the stake holders on board (Hammond, 2001). The concept of corporate transparency is more or less same as radical transparency and it emphasizes to have removed all barricades and give open access to employees,public and involved quarters of the society to information, rules and regulaitons and novel developments (LaCross, 2005).

In order to maintain transparency across organization, it is needed that the leadership must be aligned and the gaps between senior leadership and middle managers must be eliminated or lessen (Studer, 2009). The sense of keeping all personal dimensions transparent is somewhat akin to basic trust as the first group of people that comes around a child, provides confidence and encourages him to be open and never try to hide anything from the people around. Child carries this baggage for whole of his life and the more he grows and becomes influential, the more people seem influenced by his presence and actions. It has been noted that spirituality also helps building transparent personality; Joan Chittister captions that the sole aim of Benedicntine spirituality is to develop transparent personality.
This transparent personality helps in establishing mutual trust and if every human being behaves in such a way then whole society would be a better place. Prevailing societies are losing the core values and by and large the social circles are diverting towards individualism and sheer isolation (Devlin, 1977). The mutual trust is diminishing and people have started living in islos. In such a circumstances, how can we develop and groom the would be leaders who are walking-talking bank of values.

Socio-organizational trust

It is for sure that organization is an integral element of society and people run and work in an organization are social actors. Their personalities are well influenced by their families, teachers, fellows, social circles and friends; it is next to impossible to search for such an individual who joins an organization and does not carry any baggage of pre-determined social values. We need to work upon this relationship, if societies are better off then organization would get the in-take of those individuals who replicate this set of values in a well designed entity. Trust directly links with friendship, confidence, benevolence, tolerance and care; at the time of recruitment, it is needed to focus upon personalism more as compared to professionalism.

Figure 1 clarifies that the pre-requisites for an employer or top manager’s personality is to well equipped with basic, social and relational trust. Such an individual can easily maintain professional, financial and environmental trust. Professional trust related with the cause-based relationship between boss and subordinates with a close focus upon routine activities, key performance indicators and objectives that exemplify the existence of an employee with in an organization. Employee carries the trust of the boss with an assurance that he would never be pulled back and taken care of, subject to his performance and job expectations. Financial Trust vitalizes the fulfilment of basic needs of an employee, he is assured by the boss or top management that he should not be worried of his financial liabilities and company would take care of these; so, he performs with best of his abilities and gain profitable options for the organization. Environmental Trust ensures that every person is working in a free atmosphere as a free individual. He is respected, valued and significantly considered as an active element of organization in a holistic manner. The quality of work life (QWL) further supports this environmental trust with the metaphysical aspect of top management’s behavior towards employees during all the times.

It directly links with the motivation level of an employee and employees working in these organizations are more productive and happy. If they are motivated then they appear strong with respect to their performance at work which is the eventual out come of this relationship.

CONCLUSION

The model presented needs valuable inputs from worthy researchers, practitioners and management scholars as it is an early attempt to link the notion of trust with society and frame a bridge between organization and society. The concept of trust can only be understood through socialization, as it is the process with the help of which one can comprehend the word relationship.

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