

Questions about Trust for the Development of Social Capital and Competence

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Abstract

This article aims at discussing the understanding of trust so as to contribute to the handling of social capital, as well as competences, focusing on knowledge transmission in organizations. This work was done based on concepts of trust developed from the theoretic perspectives of Psychology, Anthropology, Sociology, Economics and Administration. It intends to reflect upon the amplitude of the variables that contribute to trust building, basic resource to social capital and competence once it is the element that leads to positive intentions among individuals, which, in their turn, lead to the interaction of relationships between individuals and social groups. This work analysis, and shows trust as a common element to social capital and competence formation, and next it discusses trust in different knowledge areas. The result of this analysis leads to questioning the need to better understand the mechanisms that build trust in different contexts and levels.

Key Words: trust, social capital, competence

1 Introduction

Modern types of organization management state that there should be particular approaches to deal with the business environment. Any approach that proposes dissociation as methodology would prove to be either limited or ineffective because of its complex nature, that is structures in which systems' and event's properties are part of the whole, in the same way as the properties of its elements and integrating systems can only be conceived within the whole (Pitassi and Leitão, 2002; Demo, 2002). This statement reveals the handling of tacit knowledge, which is the ability of contingency response to specific demands of a given context which is not usually repeated identically; therefore, its transmission does not focus on the result but on learning how to obtain these responses (Von Krogh, Ishijo and Nonaka, 2000, Mcfayden, Canella, 2004).

This proposition leads to the understanding of the individual's acting characteristics to use or generate knowledge, competences. For this process to be possible, it is necessary to understand and accept that the pre-requisite of knowledge transmission is good will to interaction among individuals, in a structure which functions as an environment where exchange encourages relationships among the participants (Davenport and Prusak, 1998; Von Krogh, et al, 2000).

The demands presented have stimulated a number of structures and types of work organization in one or in many business units (Malnight, 2001; Quintanilla and Ferner, 2003). Coordinating networks becomes the main task of administration, developing and managing the organizational structures links, both in horizontal and vertical levels, to encourage innovative projects which are carried out by national or international work groups from business regions or divisions (Malnight, 2001). These links can be understood as social capital, resources derived from social relationships, a variable that can galvanize individual and collective interests of the organization's members, according to its proposition, social interaction of individuals in search of objectives within a given structure, including economic objectives, which are mobilized through the social network (Payne et al, 2011; Nahaphiet and Ghoshal, 2000; 1997; Coleman, 1994; Burt, 1992).

Economic activities, in which corporations operate, consist of a continuum of interpersonal relationships of individuals, groups and organizations whose critical interfaces rely on relationships and links built from those same individuals, groups and organizations. These relationships and links can hinder or help individuals fulfill their interests (Johannisson, 2000; Uzzi, 1997).

2. Nahaphiet and Ghoshal's Social Capital Model and Le Boterf's Competence Model

In this work, the analysis model of social capital proposed by Nahaphiet and Ghoshal (1997) is considered. It is formed by three dimensions: structural, cognitive and relational. The first refers to the organizational structure, patterns of connections among individuals, and the links that form the organizational network. The second is based on components that represent shared knowledge, comprehension and a system of shared symbols (i.e. language, codes and culture). The last dimension is formed by trust, norms and sanctions, duties and expectations, which allow the setting of the other dimensions as it builds the necessary conditions for relationships to exist, as shown in the picture bellow.

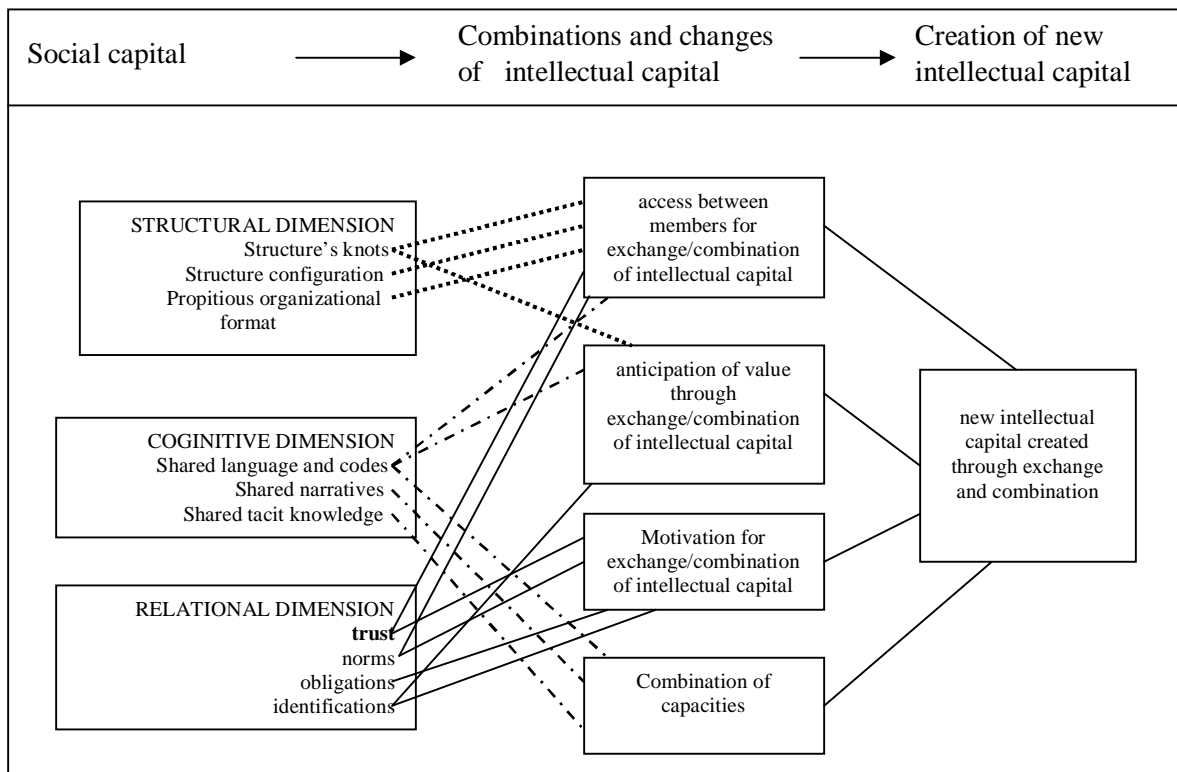


Figure. 1: Nahaphiet & Ghoshal's model 1997, p.37.

The dimensions presented have individuals' skills and qualifications as their generating elements, as well as their attitudes to work in a given environment (Ducci, 1997; Le Boterf, 2003; Zarifian, 2001). Seminal presuppositions of the concept of competence in which three basic aspects of organizational dynamics stand out:

- a) Proper environment to establish relationships based on trust in different degrees that can lead to levels of security in interactions (Hatak and Roessl, 2011; Cox, Jones and Collinson, 2006, Le Boterf, 2003, Nahaphiet and Ghoshal, 1997), since
- b) Their existence in both individual and collective levels depends on action, once competences can be understood as capacity to provide contingency responses to reality in work environment;
- c) They promote a reconstruction process (Bunk, 1994; Le Boterf, 2003; Gallart and Jacinto, 1997) that implicates in continuous learning – through experiments (tacit knowledge) and/or explicit knowledge (cognition) (Le Boterf, 2003; Von Krogh et al, 2000) to meet the work environment's demands.

After these considerations, it can be considered that the model of competence proposed by Le Boterf (2003) together with the model of social capital makes it possible to analyze the interrelationship of their concepts in order to transfer knowledge and corporative practices. This model makes it clear that there are three dimensions which contain parallelisms among themselves, such as: cognitive dimension and knowing how to act, relational dimension and willingness to act, and structural dimension and power to act, as shown below

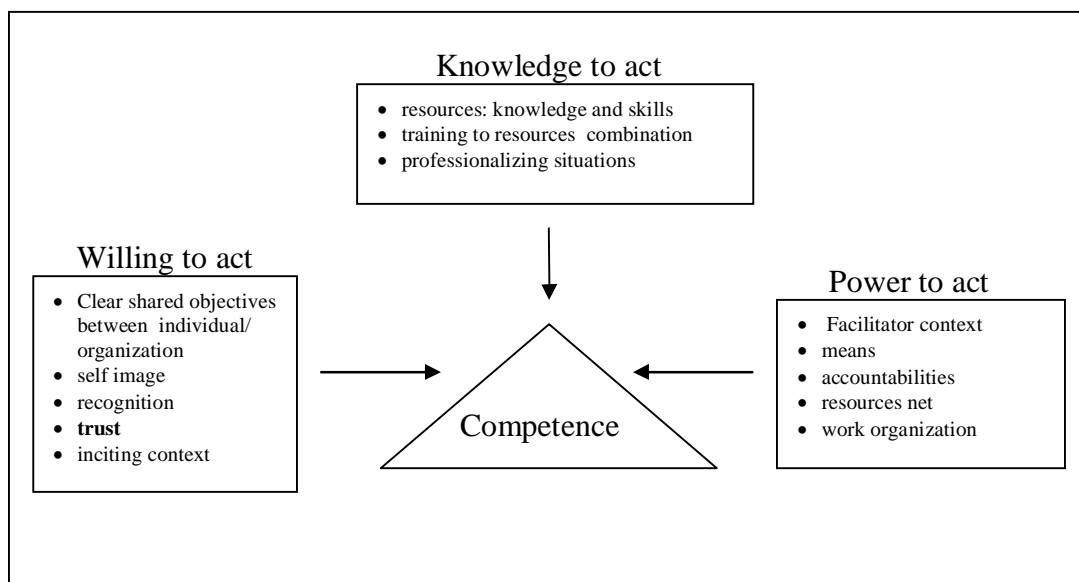


Figure 2: Adapted from Le Boterf's model, page. 160, 2003.

These three models show trust as integrative part of the structure that makes the relationship between participants possible. Although researches on organizational structure, social capital and knowledge transfer are being intensively developed, according to Fang (2011) and Maurer, Bartsch & Ebers (2011), they still require further studies to the understanding of how different organizational structures are processed, and which requisites of trust within social capital are necessary to create an environment of emotional relationships. Taking trust as a dynamic phenomenon underlying relationships among individuals, expanding or restraining itself due to attitudes, expectations and behaviors between parts (Ashleigh and Stanton, 2001), this article is intended to show new perspectives to the understanding of this reality.

3 Trust

When referring to the concept of trust, there is a consensus among several researchers that there are various definitions of the construct. However, according to Forster and Nilakant (2005), four aspects seem to be recurring in literature. First, trust has been seen as a social phenomenon, not a personality trait; therefore, it can be studied in interpersonal, inter-organizational and institutional levels.

Second, trust is a structure formed by interdependent relationships. Third, the idea of trust is associated with risk and uncertainty in relationships. Finally, trust involves the hypothesis or the expectation that the situation of vulnerability is not an advantage to the other, in other words, trust can be seen as a positive expectation that the other part in a interdependent relationship will not exploit the vulnerability of whom he or she trusts, giving up an opportunist behavior. Trust has been studied by researchers of different fields, from different points of view and in different levels (Janowicz-Panjaitan and Noorderhaven, 2009; Vangen and Huxham, 2003; Lundasen, 2002; Hoffman, 2002; Nyhan, 2000).

According to Lundasen (2002), although its origins is rooted in psychological studies, trust has been widely studied in different fields, especially in social sciences, with an outstanding role in social capital theory when it comes to explain the origin of virtuous cycles of development in different societies. In Sociology and Anthropology, for example, trust has been studied from the perspective of social mechanisms which, intentionally or not, end up originating and supporting social relationships marked by positive expectations in relation to the behavior of the others. From the economic point of view; however, trust has been analyzed through its instrumental character, according to which there are costs and benefits to trust people or even institutions (Lions and Mehta, 1997).

Nyhan (2000) warns that trust can be seen as an inward organization as well as from the perspective of external environment. Either way, trust has been associated with situations involving personal conflict, results uncertainty and problem solving. Nevertheless, there seems to be a tendency to understand trust as the individuals' response to changes in the social context in which they live, rather than the expression of their personality traits (Tonini Macke, 2007; Forster and Nilakant 2005; Newton, 2001). The emphasis on the context makes it possible to explain why people trust some individuals and organizations, but not others. The definition of who is trustworthy or not will vary considerably as from the identification of pertaining indicators by the one who trusts someone else. In Newton's opinion (2001), it is the variations in the external world that will explain why the level of trust in a given society increases or decreases so drastically and so quickly.

According to Das and Teng (2001), trust may be defined as a subjective state of positive expectation. Yamagishi et al (2005) define an act of trust as an individual's voluntary exposure to other people's actions. To Hoffman (2002), trust refers to an attitude which involves an individual's will to put his or her own interests under the control of someone else. Thus, trust is related to the ability to predict the actions of those we trust. In this way, there is a possible differentiation: trust can be seen as a mere expectation (expectation approach), or the expectation that people will do what is right (fiduciary approach). Tonini and Macke (2007) seem to have taken the fiduciary approach when they considered that trust exists as something necessary to those who trust the others.

Therefore, it stems from a situation of dependence in which an individual chooses to trust or not someone. However, trust does not come to be spontaneously, it must be built (Janowicz-Panjaitan and Noorderhaven, 2009). So, trust is better built when there is a stable and collaborative environment, which is shown as one of its antecedents. Such conceptions agree with Putnam's arguments (1993) that trust increases as it is used, and tends to disappear if not used constantly. That's how a virtuous cycle of trust is established. Although Forster and Nilakant (2005) identify different definitions of trust, they propose a delimitation of the construct based on four main aspects. The first is that trust refers to a social phenomenon, not a personality trait; therefore, it may be studied in interpersonal, inter-organizational and institutional levels.

The second aspect is that trust refers to a structure of interdependent relationships. The third is the fact that trust is associated with risk uncertainty in relationships. Finally, a situation of trust involves the expectation that the vulnerability of the one who trusts will not be exploited by the one who is trusted. Newton (2001) adds that these different levels should be investigated in isolation because, for example, nothing can be said about an individual's trust in another person in view of the fact that this individual trusts the government or not. In the organizational level, trust has been related to several different forms of connections between an organization and its members. It has been recognized as a modern world necessity either because of the many recent changes in the work market, or because of the recognition of its importance for the work to be done more efficiently (Freire, 2007).

To Nyhan (2000), trust should be built in organizations, especially in public ones. For this to happen, collaborators should participate more in decision taking; give and receive feedback, and be empowered to do work unilaterally. Beugelsdijk (2006) presents a discussion about trust in which the construct is considered from two levels: micro and macro. He argues that in the first level, studies are more refined, what makes it possible to find a greater number of definitions of trust than in the latter. Moreover, the development of the studies in micro level ends up contributing to the considerations defended in the macro level.

The relationship between the two levels is not clear enough. It is possible to find theoreticians who defend that the way an individual trusts a person will, in the end, influence his or her trust in organizations and in society in general. On the other hand, there are theoreticians who state that it is all about independent levels, and that it is impossible to predict an individual's trust in one level as from the other (Uslaner, 2008; Reina and Reina, 2007; Luo, 2005). According to the present study's interest, trust, in its different levels, is understood as a component of social capital within the relational dimension in Nahaphiet and Ghoshal's model (1997), as well as one of the components that make individual feel like acting in Le Boterf's competence model (2003). Therefore, in both models, trust is understood as a factor that leads the individual to action or not.

Consequently, the idea that trust, in its different degrees or levels, assumes an interdependent character is defended. In Tonini and Macke's terms (2007), the engagement in cooperative behaviors end up generating trust; and its only requisite is a stable environment. So, trustworthy people in a trustworthy organizational environment and in a trustworthy society contribute to reducing risks in social exchanges. As a result, there are better chances to predict events either in relation to an individual's behavior, or events in organizational and social levels. Uslaner (2008), following the same rational, considers that the most common conception of trust reflects the individual's experience.

Thus, in organizational context, variables like climate and culture may have an important role in the configuration of a favorable environment, or not, to the development of relationships based on trust. However, the author makes a distinction between general trust, and trust involving expectation of reciprocity. While the first is related to people who, although are not known, are recognized as members of a moral community; the latter refers to beliefs about the other's behavior. This last one will be based on experience, which changes according to records of expectations' fulfillment or not. In organizational context, it seems adequate to consider that trust is related to expectation of reciprocity, and it is possible to talk about practices that increase or reduce the probability that relationships based on trust will occur.

In relation to the model of trust based on expectation of reciprocity to which Hoffman (2002) refers when he states that trust involves the capacity to predict other people's actions and that is present in Nahaphiet and Ghoshal's social capital analysis model (1997), and in Le Boterf's competence model (2003). Therefore, the relational dimension in social capital, as well as willing to act in the competence model, depends on a propitious environment for trust to appear. This environment is marked by a series of corroborations of expectations developed in organizational environment horizontally (among collaborators), and vertically (between workers and their superiors) (Uslaner, 2008).

It is in this way that Newton (2001) considers trust as an expression of how people evaluate the world around them; it is a response to external world's variations. Giusta (2007) calls attention to the fact that in many areas, as it happens in the orthodox economic theory, one of the main obstacles to set and keep trust is the belief that people are selfish when they have the opportunity, they will cheat in order to maximize their benefits. Therefore, due sanctions in exchange relationships should be expressed in contracts. Uslaner (2008) still makes a distinction between two types of trust: moral and instrumental. The first refers to a behavior whose objective is to make people feel good for behaving in a socially responsible way.

If people do not behave as agreed in the exchange relationship, they will be subjected to guilt and inadequacy, and become object of criticism of the other members in society. The other type of trust, instrumental, is related to an objective which is beyond behavior, in other words, instrumental trust occurs when it is worth behaving in a certain way to reach personal or institutional objectives. One last aspect to be discussed in relation to trust, according to the objective of this paper, refers to one of its main characteristics: trust is a construct that is constantly changing, following a very well defined movement in its development (Lewicki and Bunker, 1996).

Initially, trust appears from a calculative or instrumental point of view. One trusts someone or something because there are more benefits than losses if he or she behaves in this way. After that, trust may change, and it may occur based on knowing the other part. Consequently, the risks in exchange relationships are reduced or even eliminated. Finally, trust may change, and it becomes based on identification. This movement in trust's genesis is of great interest to establish an environment that is propitious to cooperation and sharing information in an organizational context, including everybody as part of the same objective of reaching organizational goals and reducing costs.

Conclusion:

The relationship between trust and social capital has been greatly explored. Social exchanges, according to Lions and Mehta (1997) are characterized in situations in which each part orientates its behavior as a whole or as a significant part of it, based on expectations developed in relation to the other's behavior. In this way, trust becomes a concept that has a relevant role only if; at least, one of the parts is exposed to some level of risk, which indicates some degree of uncertainty about the behavior the other will choose. In organizational environment, as well as in relationships between organizations, there is still a lot to be done in order to identify and control the obstacles to building and keeping trust that are found in organizational environments.

A deeper theoretical basis should put together contributions from several different fields, which are directly or indirectly interested in trust analysis in different contexts and levels. The types of identification and measuring of trust and correlated variables should also be brought to question (Lundasen, 2002), since in related studies about trust in general, small variations in the formulation of questions have led to quite different results. Another objective would be the quest for understanding the way interpersonal, social, organizational and interpersonal trust interrelates.

Although it is not a consensus among researchers interested in the topic trust about the influence of individual's characteristics, persona logic variables could be considered in different levels of the construct, seeking to verify how self-confidence (self-esteem, self-concept and self-efficiency, among other variables) would be related to confidence in the different levels discussed.

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