

UC Irvine

UC Irvine Previously Published Works

Title

Bureaucracy and Trust: A Review of Recent Volumes in the Russell Sage Foundation Series on Trust

Permalink

<https://escholarship.org/uc/item/1x63n0cc>

Journal

International Public Management Journal, 11(4)

ISSN

1096-7494

Author

Pearce, Jone L

Publication Date

2008-11-19

DOI

10.1080/10967490802496987

Copyright Information

This work is made available under the terms of a Creative Commons Attribution License, available at

<https://creativecommons.org/licenses/by/4.0/>

Peer reviewed

REVIEW ESSAY

**BUREAUCRACY AND TRUST: A REVIEW OF RECENT
VOLUMES IN THE RUSSELL SAGE FOUNDATION SERIES
ON TRUST**

JONE L. PEARCE

UNIVERSITY OF CALIFORNIA, IRVINE

Trust in Society. Karen S. Cook, editor. New York: Russell Sage Foundation, 2001, 464 pages. ISBN: 978-0871541819

Distrust. Russell Hardin. New York: Russell Sage Foundation, 2004, 352 pages. ISBN: 978-0871543509.

Trust and Distrust in Organizations: Dilemmas and Approaches. Roderick M. Kramer and Karen S. Cook, editors. New York: Russell Sage Foundation, 2004, 368 pages. ISBN: 978-0871544865

Trust has always been a central idea for those studying both public management and organization theory. Governments, at least the non-kleptocracies, exist to produce trust: trust in fellow citizens, trust in contracts and the rule of law, and trust that governments will meet their responsibilities to serve and protect. What is more, public managers have taken on tasks of grave importance involving large numbers of people, situations in which reliance on particularistic interpersonal trust is not always possible. In order to carry out their responsibilities public managers developed the organizational form designed to create trust among strangers that Weber (1947) called “bureaucracy.” First in war, and later in Prussia’s innovative welfare state, public managers needed to bring large numbers of people together to carry out tasks that contribute to distant strategic objectives. They discovered that bureaucracy fosters trust in those we don’t personally know, and trust that our hard work and expertise would not be ignored by distant power holders (Zucker 1986).

Organization theory began as a separate discipline with the study of how and why those inexplicable bureaucratic behemoths that burgeoned in the early twentieth century functioned. As Alfred Chandler (1977) has documented, businesses began to import the bureaucratic organizational form from government once their businesses could take advantage of the new continent-sized markets in late nineteenth century United States. Businesses and non-profits, like governments before them, found they

needed to find organizations that created and sustained the trust of hundreds and then thousands of employees who needed to collaborate in achieving organizational objectives (Zucker 1986). The bureaucratic organizational form, with its focus on the separation of the job from the person, objective assessments of performance, merit-based promotions, internal rule of law, and documentation of decisions proved successful whenever large-scale tasks were undertaken by organizations relying on specialized expertise, whether in governments, business, or non-profits.

Of course, bureaucracies have changed from the nineteenth-century Prussian social welfare organizations that Weber described. Few bureaucracies today would promote based on tests of arcane academic knowledge, relying instead on evidence of task-relevant knowledge and skills. Now measurement, communications, and employment law are more sophisticated, allowing the use of systems that foster more organizational responsiveness and flexibility than the tools available to those pioneering Prussian bureaucrats and Sears Roebuck catalogue employees. Unfortunately, many organizational theorists seem to have lost sight of bureaucracy's trust-producing role and now seem to say that bureaucracies destroy trust.

Because most organizational theorists focus on business, not governmental organizations (Pfeffer 2006), perhaps they have been distracted by the proliferation of organizational adaptations in businesses and no longer notice what bureaucracy does. Organizational theorists write more of trust these days, but many too easily see it as an alternative to bureaucracy. I will suggest that organizational theorists need to turn to scholars of public management for a more nuanced perspective on how trust works in and across organizations. Because they have been centered on the problems of trust in society, governance, and public management, these books, and the Russell Sage Foundation Series on Trust more generally, have much to say to organization theorists about trust.

Given the importance of government to trust production, it is no surprise that the first volume in this series addressed the role of trust in government, and in particular how the mix of trust and distrust form the basis for effective government (Braithwaite and Levi 1998). This essay covers three of the recent volumes in this series most concerned with organizations. The 2001 volume, edited by Karen Cook, has chapters addressing trust in society. These papers address the fundamental concerns of those worried about the decline of trust in society, with most chapters focusing on the role of organizations or governments in producing and sustaining trust. The 2004 volume, edited by Roderick Kramer and Karen Cook focuses on trust and distrust in organizations. It has a diverse collection of studies and essays on the problems and prospects for trust among those who work within and across organizational boundaries. The 2004 volume edited by Russell Hardin is entitled *Distrust*. This volume contains a series of empirical papers and essays on distrust, with a particular focus on how differing governmental policies and public management practices can produce distrust.

Trust remains central to scholarship in public management. As is detailed in Cook's 2001 volume, public managers and policy makers produce trust through the establishment and maintenance of organizations enforcing and administering the rule of law, citizens' trust in contracts, and in one another. Citizens trust the food and medicines they consume based on the actions of regulatory organizations. And

through the sophisticated systems of central banks, professional licensing bodies, among many others, governments produce the trust that allow citizens to make the investments in education and businesses that have produced the wealth of the richest nations today, issues that have come dramatically to the fore in the context of the 2008 financial crisis.

These volumes include excellent exemplars of this important work. How government organizations can and do produce trust is examined in Bill McEvily and Akbar Zaheer's chapter, "Architects of Trust: The Role of Network Facilitators in Geographic Clusters," in Kramer and Cook's volume. They describe the trust-producing effects of the federally funded Western Michigan Manufacturing Technology Center. Through face-to-face interactions facilitated by the center, trust among manufacturers and suppliers increased sufficiently to allow these businesses to gain many of the advantages of large vertically integrated bureaucracies while remaining small. In Hardin's volume, Margaret Levi, Matthew, Moe and Theresa Buckley examine how the National Labor Relations Board created trust between union and management by serving as a disinterested arbiter, and by helping to shift the power in this relationship, making it more equal and balanced. When neither party could overpower the other both were more likely to reduce complaints and reach more agreements at lower levels. Finally, in the same volume, Vadim Radaev argues that without credible court systems in Russia, business managers and entrepreneurs' first priority was to develop personal relationships with trustworthy suppliers and customers, and worked to maintain those relationships rather than seek relationships with unknown partners who may have presented better business opportunities. In this way, without trust-producing government, Russian businesses remained small and unproductive. These and similar chapters provide rich illustrations of the powerful role of public organizations in creating the trust that allows private organizations to prosper.

In recent years public management scholars have broadened their study of governments and trust to explore how some government officials actively create distrust to further their personal ideological objectives. Building on Gambetta's (1988) excellent work on how the Sicilian Mafiosi actively propagated distrust as a means to increase their personal power, the Hardin volume chapters focus on how differing office-holders' policies and practices can produce distrust. For example, in Hardin's introduction he describes how committee chairmen in the United States Congress, who wished to discredit the Internal Revenue Service in order to intimidate them into avoiding investigations of their campaign contributors, held "kangaroo hearings" in order to foster distrust of the tax collection agency. Such hearings did not allow testimony that would explain why the investigations were undertaken and what they found, and served to reduce the larger public's trust in the agency. Deborah Larson, in the same volume, describes how it is prudent to display more distrust than you actually feel in international relations. This has the unfortunate consequence of leading to negative spirals—those who see they are distrusted also distrust and act to protect themselves, producing more distrust. Prudence in the face of risk actually produces escalating distrust. Both chapters are fascinating accounts that enrich our understanding of how organizational systems can be used, in the first case strategically and in the second inadvertently, to create distrust.

In contrast to the innovative work done by those studying public management, who seek to understand the complex interplay of bureaucracy and trust, organization theory has shifted to a focus on particularistic interpersonal trust—among alliance partners and among those who develop innovations, for example (illustrated in the changes in Richard Scott's 2003 *Organizations* over the decades). Recently, organization theorists do not attend to how organizational structures produce trust or are used to foster distrust, but on the psychology of individuals and why they choose to trust or distrust particular others. These volumes have several articles taking this more psychological approach. Most relevant to public management is Tom Tyler's chapter in Cook's volume on the role of trust in obedience to authorities. This chapter is an extension of his pioneering work drawing on courtroom practices and psychology to understand the cues that individuals use to determine the trustworthiness of authorities.

The purely psychological aspects of particularistic trust in others is an important feature of people's work lives, to be sure, but Radaev's chapter provides a rich illustration of the limits of particularistic trust in the absence of bureaucracy. Many organizational theorists now refer to trust as something that is undermined by the impersonal-trust creating properties of bureaucratic formalism. These editors are not immune from this facile assumption. As an illustration, in introducing their volume, Kramer and Cook suggest the growing scholarly interest in trust stems from disenchantment with the hierarchy and command ideas of traditional organization theory. What accounts for this reductionism of bureaucracy to "hierarchy and command?" Why ignore its meritocracy, attempts to banish favoritism, and bureaucratic constraints on the powerful with organizational rule-of-law?

Patrick Troy's (2004) chapter in Hardin's *Distrust* suggests one reason. In this excellent analysis of the development of urban safety, fire, health, and urban planning regulations in Australia he argues that government regulations are designed to produce trust, but that successful regulations inherited from a bygone era become forgotten over time. Generalizing from his chapter, perhaps the organizational features of bureaucracy that we find attractive are now simply taken for granted. Organizational theorists just assume the value of meritocracy, constraints on misuse of office, and documentation; these have been around so long they no longer command their attention. While the introduction of the new is always welcome, this forgetting of the trust-producing features of bureaucratic organization should alert us to the perils of forgetting the old.

One of the most serious perils is some scholars' adoption of the popular use of the term bureaucracy as a slur, despite the scholarly responsibility to introduce nuance and complexity into popular discourse. Too many organizational scholars flippantly use the term "bureaucracy" as an epithet for mindless formalism and abusive authority. Perhaps public management scholars have been less prone to this temptation because they have so often been on the receiving end of this use of the word bureaucracy as an insult. They have studied public managers who have had to carry out the policies of their political overseers who dodged responsibility for their own policies by blaming bureaucrats. These scholars may be less likely to abandon the scholarly meaning of the term for its popular use as a term of abuse because they too often have been its objects of insult.

An illustration of how a more sophisticated understanding of the trust-producing role of bureaucracy can inform analyses is Gabriella Montinola's chapter, "Corruption,

Distrust, and the Deterioration of the Rule of Law,” in Hardin’s volume. In it, she looks at the complex ways in which trust and bureaucracies reinforce, or fail to reinforce, one another. Montinola’s study of the 1987 Philippine constitutional reform found that an effort to balance an overly powerful executive by strengthening the judiciary simply produced a more corrupt judiciary. With the selection of judges non-transparent, and in the absence of a strong legislature, the incentives for corrupt behavior expanded from the executive to include the judiciary. When higher level judicial officials did not take action against corrupt officials, citizens distrusted them and the government more.

Can the trust produced by bureaucracy safely be ignored? Does particularistic personal trust really provide a substitute for the impersonal trust produced by bureaucracy? My own work and others who study businesses in countries that still rely on such pre-bureaucratic particularistic trust document the performance costs these organizations and their societies bear (e.g., Pearce 2001; Peng and Luo 2000). Bureaucracy does not undermine particularistic trust, but rather provides the framework in which personal trust can be built. As Weber predicted, and as Drori, Jang and Meyer (2006) have recently documented, bureaucracy is everywhere on the march, eagerly adopted by those seeking to build the trust necessary to their prosperity. The public management scholars in these volumes describe the rich interplay among bureaucracy and trust, and I recommend that organizational scholars follow the lead of those business executives of a hundred years ago and seek to learn from their public-sector colleagues.

REFERENCES

- Braithwaite, V. and M. Levi. Eds. 1998. *Trust and Governance*. New York: Russell Sage Foundation.
- Chandler, A. 1977. *The Visible Hand*. Cambridge, MA: Harvard University Press.
- Drori, G. S., Y. S. Jang, and J. W. Meyer. 2006. “Sources of Rationalized Governance: Cross-National Longitudinal Analyses, 198-5-2002.” *Administrative Science Quarterly* 51: 205–229.
- Gambetta, D. 1988. “Mafia: The Price of Distrust.” Pp. 158–210 in D. Gambetta, ed., *Trust*, New York: Basil Blackwell.
- Pearce, J. L. 2001. *Organization and Management in the Embrace of Government*. Mahwah, NJ: Lawrence Erlbaum Associates.
- Peng, M. W. and Y. Luo. 2000. “Managerial Ties and Firm Performance in a Transition Economy: The Nature of the Micro-Macro Link.” *Academy of Management Journal* 43: 486–502.
- Pfeffer, J. 2006. “Like Ships Passing in the Night: The Separate Literatures of Organization Theory and Public Management.” *International Public Management Journal* 9: 457–465.
- Scott, W. R. 2003. *Organizations: Rational, Natural, and Open Systems*, 5th edition. Upper Saddle River, NJ: Prentice Hall.
- Weber, M. 1947. (Translation, first published in 1924). *The Theory of Social and Economic Organization*. in A. H. Henderson and T. Parsons, eds., Glencoe, IL: Free Press.
- Zucker, L. G. 1986. “Production of Trust.” *Research in Organizational Behavior* 8: 53–112.