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Trust

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TRUST

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Abstract

The paper begins with the account of a focus group discussion of Hungarian female managers who demonstrated high level of trust. The author explores the nature of trust and looks at works and research findings in different disciplines. In psychology Erikson's findings on human growth and development are discussed. Representatives of Eastern and Western philosophy are quoted to highlight the underlying differences of thinking in relationship to trust. The impact of cultural heritage and the influence of the environment on trust add further dimensions to the argument. In conclusion it is suggested that management education could be a platform for further research and exploration of trust in individuals and organisations.

Introduction

Trust is a key component of human life. We need and use trust in different forms in all areas of life. We need to trust ourselves and others to make choices that will have an impact on our lives and on the lives of others today and in the future. There are ample examples of trust as a scarce resource and it is often noticed and

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defined by its absence. We easily pick up signals of suspicion and are acutely aware of the contractual limitations of trust in organisations.

Research in the field of knowledge management and knowledge creation conclude that trust is a prerequisite to creativity in an organisational context. Knowledge is locked into the mind of individuals and we need to trust and be trusted to make full use of our potentials. We need to feel protected and cared for so that we can focus our energies on creation rather than survival. Pfeffer[2] argues that if an organisation is expecting full productivity of their people through hard work and commitment, it will ultimately have to make sure that the message conveyed is one of protection and security.

This paper was inspired by a focus group meeting of Hungarian women who demonstrated a deep level of trust, openness, sincerity and honesty. Building on that personal experience the paper explores the concept of trust from different perspectives drawing on the knowledge in philosophy, psychology, culture, leadership and organisational behaviour. The focus is primarily on the feminine aspects of trust reflecting on the focus group meeting and what we could learn from it individually and in an organisational context.

Trust, Gender and Culture

On the 4th of November 2004 the author of this paper was at a focus group meeting with women in management positions. The event took place at Veszprem University in Hungary. It is interesting to note that from its beginning Hungary has had a King's City and a Queen's City. Veszprem is the Queen's City. [3]

The meeting was part of a comparative research project that attempts to capture the experience of women in Hungarian and British organisations. It was set up with the aim to explore what women thought and felt about their roles and possibilities in the workplace. A loose schedule and an indication of the questions were sent out to the participants two weeks before the meeting to enable them to reflect on these issues and outline their thoughts. The researchers involved in the project agreed to play the role of observers and not to push the agenda, to let go of control, go with the flow and just 'see what happens'.

Well, a lot happened and a very rich set of data was collected, a full tapestry of female experience in Hungarian organisations. It was observed right from the beginning that something unusual, something very beautiful was unfolding in the group. The participants had not met each other before. They had only met the local researcher of the team but the two researchers from Cambridge certainly fell into the stranger category for all of them. To my surprise even though the women responded to the questionnaire in a fairly standard way during the focus group they demonstrated high level of trust.

Right from the beginning when these women shared, they shared from the heart. They gave us the trust that is usually earmarked for close friends. They opened up and invited us into the depth of their life experiences. They had the schedule; they knew that the research was about 'experiences in the workplace' however no one spoke solely about work. For them work was an extension of who they were in the family and in the community. They managed different aspects of human lives simultaneously and as a whole. The unspoken philosophy of these women is that

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[2] Pfeffer, J. *Human Equation*, McGraw-Hill (1998) p.180

[3] This will be explored further in the paper.

everything is related to everything else. They also believe that with a solid value base and network, that they heavily support and rely on, there are no irresolvable issues. They intuitively and rationally know who need help and who can help when there is a problem. Heroic undertakings like looking after a bed ridden mother for 3 years as a family project managing full time jobs and children in the meantime is only one of the examples that we recorded. Nursing homes are available in Hungary but those are considered by many as an absolute last resort. There is a strong belief that love and care from the family is what old and dying people primarily need. If it requires sacrifices from the family it is a duty and a privilege. It is also considered as a valuable opportunity to teach children of trust, unconditional love and support.

All of these women's life had been influenced by changing external circumstances in society. Their life histories were intertwined with events of the command economy with its subsidy system and paternalistic, egalitarian policies. These personal lives also experienced the impact of the collapse of communism, the childlike naivety and enthusiasm that welcomed the market economy and the sobering, abrupt realization that the rules of the new game were equally tough and survival skills were still vital. However, these people never really had the luxury or the complacency to put their trust into economic or political systems. Distrust in the external is deeply ingrained in the collective consciousness of Hungarians. Regimes come and go; rulers and politicians make and break their promises. Individuals in Hungary learn quickly that it is very risky to rely on big words because they have little or no substance most of the time. People prefer to put their trust into personal relationships rather than institutions. This mentality has not changed a lot over the centuries and people particularly in rural communities still depend primarily on extensive families and networks. The currency of these relationships is trust. You are trusted with a problem, you are trusted to help, you are trusted to use your skills and labour for the benefit of someone else in the community. It works like a savings account. You help others when they need help. Then one day when you are in trouble you will know that people in the network will be there for you, too. This phenomenon of interconnectedness is deep rooted in Hungarian culture. It is present in many cultures and tends to be particularly strong in communities where people constantly battle for survival and where there is a high level of insecurity in society.[4]

One of the focus group participants said that "women were trading all the time but they were trading primarily in values rather than in commercial commodities."[5] The constant struggling and balancing act between the different roles make these women the centre of the family, community and also of the organisations though they do not always aspire for leadership positions. Many of them prefer a more diverse, less visible involvement. Status is not as important to them as the overall well being of their loved ones and their environment. When they are in leadership position they often run the company as an extended family and network. Organisations prosper through the nurturing and caring of women leaders. Some of them create an environment that resembles to the culture of "servant leaders"[6] -

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[4] This might suggest that an interesting study might reveal some differences between the level of trust of Hungarian and British men. But that would lay outside the scope of this paper.

[5] The quote in the original Hungarian: "A nők is állandóan kereskednek de ők nem áruval hanem értékekkel kereskednek."

[6] Collins, J. *Good to Great*, Random House Business Books (2001) Collins talks about 'Level 5 leaders' who can turn a good company into a great company.

individuals who integrate the Yin and Yang qualities of iron will and personal humility. Women who make it to the top need to have determination and iron will indeed. Some of them also manage to preserve and use their innate female quality of humility, caring, protecting and nurturing. They are the outstanding women leaders.

Hungary and Veszprem is in an interesting position in many respects. It is a geographic location in Europe that had to learn to co-exist and cooperate with different nationalities both from the East and the West. Hungarians in general are hospitable, friendly people who take on new ideas with great enthusiasm. They are also known to have a complex and unusual language that carries ancient symbols and messages from generation to generation.[7] The first Hungarian king Stephen tells his son in his laws and teachings to "listen to the teaching of his father and never abandon the laws of his mother." [8] This suggests the balance of Yin and Yang qualities that are still present in the collective consciousness of the Magyars. Hungarian queens have always had an equal status and recognition to kings. The first Hungarian king Stephen had such a high regard for women that, instead of offering his country to the protection of God, as was usually the case' he offered the country to the protection of Mary, the Holy Mother.

Through the interaction with the women of Veszprem I experienced an unusually high level of trust. It inspired me to clarify the nature of trust by looking at works in different disciplines.

Trust – in psychology

Trusting someone is like putting ourselves in their hands; making a leap of faith that goes beyond rational calculation. Life without trust would be very bleak and miserable. It fascinates us yet it is a complex phenomenon with many intangible qualities that we can observe but cannot necessarily define or categorise. Trust means unlimited liability in relationships. Power based relationships on the other hand signal limited liabilities.

The obvious starting point for studying trust is psychology. Psychologists study trust from the birth of the human being. Erik H. Erikson [9] divides human life between birth and death into eight significant phases. Each phase has its specific learning opportunity and we need to develop certain positive emotions and their negative counterparts in order to grow in a healthy manner psychologically. If we fail to develop one aspect fully within its natural phase we will carry the task with us to the next phase. If we accumulate a 'backlog' of psychological development it is part of our make up even if it is not necessarily visible straight away. A person's 'backlog' tends to show itself primarily under stress or external pressure.

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[7] Mireisz, L. *A Magyar vallas* (Hungarian Religion), Paradigma Konyvek, Budapest (2004)

[8] *Szent Istvan Kiraly Intelmei es Torvenyei* (Lessons and Laws of Saint Stephen ,Szent Istvan Tarsulat, Budapest (2003)

[9] Erikson, E.H. *Childhood and Society*, Vintage (1963)

Erikson, E.H. *Childhood and Society*, Paladin (1977)

Erikson, E.H *Identity Youth and Crisis,* W.W. Norton and Company Ltd (1968)

The very first step of human development is the development of a balance between trust and distrust. A baby develops a sense of trust towards the mother who provides food and eases the discomforts of life. The trust is noticeable when the mother can leave the room without upsetting the baby. When the mother does not or is unable to respond to the need of the child the baby experiences an element of distrust and under normal circumstances gradually develops a healthy balance between trust and distrust. This experience is the foundation of human development and it has an impact on the development of all the other phases and all the other areas of life.

The eight phases continuously interact with and reinforce each other all through human life so they need to be considered as an evolutionary, psychological and emotional growing process rather than closed and self-contained units of development.

The eight phases are: (see appendix 1)

Basic Trust versus Basic Mistrust
Autonomy versus Shame and Doubt
Initiative versus Guilt
Industry versus Inferiority
Identity versus Role Confusion
Intimacy versus Isolation
Generativity versus Stagnation
Ego Integrity versus Despair

Each item of psychosocial strength discussed here is systematically related to all others, and they all depend on the proper development in the proper sequence of each item. However, each item exists in some form before its critical time normally arrives. For example a child might show signs of autonomy even before he starts acting independently from the adults.

The diagram in appendix 1 expresses a relationship between the steps that are next to each other and also facts fundamental to each. Each comes to its ascendance, meets its crisis, and finds its lasting solution during the stage indicated. But they also must exist from the beginning in some form, for every act calls for an integration of all. In other words all phases are linked to each other and when one area changes that has an impact on all the other areas as well.

However, basic trust must have developed in its own right, before it becomes something more in the critical encounter in which autonomy develops. If, in the last stage we would expect trust to have developed into the most mature form of faith that an aging person can muster in his cultural setting and historical period, the chart permits the consideration not only of what old age can be, but also what its preparatory stages must have been.

Erikson says that we should not use these categories as check lists and that the 'positive' aspects should not be simply looked at as achievements secured once and for all at a given state. He also states that the negative senses are equally important and they remain the dynamic counterpart of the 'positive' ones

throughout life. Winnicott[10] also suggests that most of the processes that start up in early infancy are never fully established and continue to be strengthened by the growth that continues in later childhood and indeed in adult life, even in old age.
Self knowledge and reflection give us the opportunity to monitor our growth, evaluate our experiences and integrate them into our evolving personal development.

Trust, Psychology and culture

In his *Insight and Responsibility* Erikson[11] outlines the basic virtues that are the lasting outcome of the favourable balance between the paired concepts at the eight stages of maturity.

Basic Trust v. Basic Mistrust: Drive and *Hope*
Autonomy v. Shame and Doubt: Self-Control and *Will-power*
Initiative v. Guilt: Direction and *Purpose*
Industry v. Inferiority: Method and *Competence*
Identity v. Role Confusion: Devotion and *Fidelity*
Intimacy v. Isolation: Affiliation and *Love*
Generativity v. Stagnation: Production and *Care*
Ego Integrity v. Despair: Renunciation and *Wisdom*

Erikson calls the italicized words *basic* virtues because without them, and their re-emergence from generation to generation, all other and more changeable systems of human values lose their spirit and their relevance.
These are the basic values that are the cornerstones of all religions and cultures; these are the basic principles that give the foundation of well functioning communities and societies.

These virtues are lived and demonstrated within large families and close communities where the older generations teach the younger members by example. This is an education that is continuous, informal and is not restricted to the classroom. Everyday situations give opportunities for teaching trust or mistrust and at the same time test the individual's level of trust or distrust. During the focus group meeting the Hungarian women demonstrated hope, will-power, purpose, competence, fidelity, love, care and wisdom. One could argue that those who possess all the richness and wealth of these virtues can afford the luxury of trusting even strangers. A more cynical view could be that they were happy that someone showed an interest in their lives and views; they were in a risk-free environment outside their usual place of work so it is not surprising that they were so ready to share. One could also argue that they had nothing at stake and being honest and trusting unconditionally in a private context is different from operating at the same level of trust in the work place.

I am not suggesting either that these women are unconditionally trusting in all situations. All I say at this point is that they all had the capacity to demonstrate these highly developed and primarily privately used qualities in an unfamiliar setting in front of people that they had not seen before.

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[10][9] Winnicott, D. *The Maturation Process and the Facilitating Environment*, London, Hogarth (1965)

[11][10] Erikson, E.H. *Insight and Responsibility*, W.W. Norton and Company Ltd (1964)

Unconditional relationships

How do we know when it is safe to trust unconditionally? And how do we learn to trust in the first place? Trust is taught primarily through the unconditional relationships practiced by women as the carriers of 'community'. The first experience of unconditional relationship comes from mothers. Children are fed and looked after regardless of their behaviour. They are loved and cared for even when they cry all night or when they misbehave later on in life. Mothers 'install the fundamental concept of unconditional love' into their children. The unspoken message here is: "I love and accept you the way you are regardless of what you do or do not do." This acts as an anchor and a foundation that the growing person can always return to either in the physical sense or by revisiting the memory of childhood experiences. The unconditional relationship is the right platform to start the child's education. Unconditional love and trust makes it acceptable for children to follow the leadership and guidance of the parent. In unconditional relationships there is room for mistakes, there is room for testing the spectrum of good and bad, of right and wrong. It is not untypical even among grown ups that they try to live up to their mothers' expectations associating safety, security and final approval by the mother and the family. This is the model that we try to recreate in our adult relationships. This is the safe and secure relationship that gives us the protection that allows us to look inside and grow and develop and be unique individuals. This is the unit of measurement that we would like to use when interacting with other in the community.

Children who grow up in extended families have the natural capacity to extend the unconditional trust to a broader circle of people than those who grow up in isolated, micro units of human relationships. Extended families teach through events that happen to their members. Children witness courage or cowardice, honesty or deceit within the family and distil core values from the interaction that they observe between significant grown ups. Stories are told as living examples in family history either to encourage or to warn people of the consequences of certain types of behaviour.

Conditional relationships

Conditional relationships are based on power. These are limited liability relationships.
Some of us experience conditional relationships within the family and we all experience different forms of power based relationships when we interact with the external world. Bowlby suggests that " In societies where death rates are low, the rate of employment high, and social welfare schemes adequate, it is emotional instability and the inability of parents to make effective family relations which are the outstanding cause of children becoming deprived of a normal family life." [12][11] Western societies with their micro families and relative isolation have a higher level of risk of not providing enough opportunities for children to develop a range of unconditionally trusting relationships.

"Failure in the holding environment, perhaps because of illness in the mother, can mean that the infant's line of life is interrupted and its development hindered by the need for defence against primitive anxiety. But it can also be seen that failure

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[12] Holmes, J. *John Bowlby & Attachment Theory*, Routledge (1993) p.39

of the father to protect the mother in the crucial weeks after the infant's birth can contribute to this state of affairs. If the circle made by the father, or by some person fulfilling the father's function is broken, the mother cannot abandon herself without anxiety to her infant's needs."[13][12]

Something or someone is needed to give infants space and protection against impingement from without, and also from within – from loneliness, pain, rage.[14][13] A protective and safe environment is vital for infants and it has fairly significant importance to personal growth all through life.

" All of us, from the cradle to the grave, are happiest when life is organised as a series of excursions, long or short, from the secure base provided by our attachment figures"[15] Bowlby in his research outlined some of the relational elements which provide "the foundations of psychological health: a sense of security, of efficacy, of being loved and having the capacity to love, of being a person in the world like others and yet with one's own unique biographical trajectory, of being able to withstand the failures, losses and disappointments that are the inevitable consequence of the 'thousand natural shocks that flesh is heir to'….[He tells us about] some of the ingredients that make up good parenting: responsiveness, atonement, holding."[16]

Attachment Theory has shown that self-knowledge in the form of narrative is associated with a core state characterised by secure attachment. Narrative turns experience into a story which is temporal, is coherent and has meaning. It objectifies experience so that the person who tells his experience becomes detached from it, by turning raw feeling into symbols. It creates out of fragmentary experience an unbroken line or thread linking the present with the past and future. Narrative gives a person a sense of ownership of their past and their life.[17][16] Women in communities and large families share the events of their daily life with others. These stories enable a healthy individual growth and also provide the building blocks that keep the community informed, related and alive. The women at the focus group meeting used narrative effectively and by sharing their experiences they also reinforced a sense of meaning, a sense of purpose in their own individual lives.

Trust – in philosophy

A sense of meaning and a search for harmony is very much present in Eastern philosophy. They do not necessarily define trust explicitly but it is there implicitly in the descriptions of ideal behaviour and leadership. Those who studied trust tend to agree that it is a complex phenomenon. No single, simple, universally satisfying definition is possible. Trust is as elusive in philosophy as it can be in practice. There is a noticeable difference between the Western and the Eastern tradition of thinking. People perceive the world differently and it has an impact on values and beliefs that individuals and communities approve of or accommodate.

In the Western tradition of thinking most people accept the following claims: trust involves risks, those who trust do not constantly monitor those they trust; trust

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[13] Davis, M. and Wallbridge, D. *Boundary and Space*, London: H. Karnac (1981) p.151

[14] Klein, J. *Our Needs for Others and its roots in infancy*, Brunner-Routledge (2002)

[15] Bowlby, 1988 quoted in Holmes, J. *John Bowlby & Attachment Theory*, Routledge (1993)

[16] Holmes, J. *John Bowlby & Attachment Theory*, Routledge (1993) p.124
[17] ibid

and distrust are self-confirming; trust and distrust are contraries but not contradictories; trust cannot be willed; trust has non-instrumental value.

Jones [18] distinguishes between the following three kinds of trust:
1." risk-assessment accounts, which are indifferent to the reasons why one trusts;
2. will-based accounts which stress the importance of the motives of those who are trusted;
3. affective attitude accounts, which claims that trust is a feeling as well as a judgment and a disposition to act."

Philosophers in the Western tradition often simply ignore or presuppose trust, and when they do consider it, they often struggle to explain it. However, considering some major philosophers' thoughts on trust both from the Eastern and the Western traditions can reveal certain important features that could be helpful in understanding the complex and elusive nature of trust. Looking at trust in a detached manner may also encourage the reader to study his or her individual level of trust in different situations and relationships.

The cornerstone of Eastern philosophy is the desire for balance and harmony. The focus in a philosophical sense is on oneness, on the universally uniting. On a pragmatic level, however the responsibility to grow and develop is primarily on the individual.

"Heaven and earth last forever.
Why do heaven and earth last forever?
They are unborn,
So ever living.
The sage stays behind, thus he is ahead.
He is detached, thus at one with all.
Through selfless action, he attains fulfilment." [19]

Life is sometimes explained as a circle. When we look after the old we simply do what they did for us when we were children and could not look after ourselves. Life is also an opportunity to grow, to expand, to cultivate the intellect and to transcend the world of suffering and aspire towards enlightenment. The sage is a leader, a role model of society who teaches by example.

"Easy promises make for little trust.
Taking things lightly results in great difficulty.
Because the sage always confronts difficulties,
He never experiences them."[20]

Confucius beautifully captured the desirable behaviour in the following description:

"Gentlemen never compete. You will say that in archery they do so. But even then they bow and make way for one another when they are going up to the archery-

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[18] Jones, K. *Trust* in the Routledge Encyclopaedia of Philosophy, Routledge (1998)

[19] Lao Tsu *Tao Te Ching*, Wildwood House (1993) p.7

[20] ibid p.63

ground, when they are coming down and at the subsequent drinking-bout. Thus even when competing, they still remain gentlemen"[21]

Platts explains with great clarity the significance and depth of this statement.[22] "Someone who *needs* to compete does so because they have no internal security, self value and meaningfulness in their lives. They therefore seek external confirmation of their worth by "beating" someone else. They "assert" their competitiveness because they lack any deeper sense of identity.

Someone who *is* internally secure enjoys exploring and doing their best because they enjoy, find meaningfulness in and grow from the process of exploration itself, from the process of discovery, realisation (making real) and self-development that craftsmanship implies. They simply *affirm* what meaningfulness is. And indeed they enjoy the meaningfulness found by others just as much as they enjoy the meaningfulness they find themselves.

To the extent that they give meaning to other people's lives these people are deeply valued. If they manage to make real what is right, which is what they love to do, the result is that they are publicly successful. But that is simply the affirming of what goodness is. They will feel the burden of responsibility that comes with such success and willingly carry it. They do not "assert" that they have "won" in any competitive sense.

Confucius makes a profound distinction between *Leaders, (gentlemen)*, who rule through *te* – which Waley translates as "moral force", and leaders who act by *li* – which Waley translates as "physical force", which we might extend to include "economic force". We might speak of ruling by *insights (te)* by *thoughtful sensitivity,* as opposed to ruling by crude emotion (*li),* controlled by and controlling other people by desires and fears." [23]

We can find holistic and optimistic ways of viewing humanity in the Western tradition. Socrates for example in Plato's The Republic outlines the two principles for social organisation and the need for human beings to relate to each other in a meaningful way: "First, mutual need. Men are not self-sufficient; they need to live together in society. Second, difference of aptitude. Different people are good at different things, and it is best for all that each should concentrate on developing his particular aptitudes. In this sense, society, with its regulations, is a 'natural' growth."[24] Later on the concept of good is also described. It is important for us to consider it because it is closely linked to trust.

In describing the 'good' Socrates uses the simile of the Sun. The simile compares the form of the good to the Sun. The Sun represents the Visible World, it is the source of growth and light; it gives visibility to objects of sense and the power of seeing to the eye. It is the faculty of sight. The Good represents the Intelligible World. It is the source of reality and truth; it gives intelligibility to objects of thought and the power of knowing to the mind. It is the faculty of knowledge.[25]

Plato builds on the Sun simile and illustrates further the relation between the two orders of reality. He looks at the mind and suggests the following four sub-divisions of mental states:

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[21] Waley, A *The Analects of Confucius.*III.7. Unwin Hyman, (1988) p.7

[22] Platts, M. J. *Confucius on Leadership*. Journal of Strategic Change, 3,(5) (1994) pp.249-260

[23] Ibid p.251

[24]Plato *The Republic*, Penguin Classics (2003) p.53

[25] ibid p.231

1. Intelligence. Full understanding, culminating in the vision of ultimate truth.
2. Reason. The procedure of mathematics, pure deductive and uncritical of its assumptions.
3. Belief. Commonsense beliefs on matters both moral and physical, which are a fair practical guide to life but have not been fully thought out.
4. Illusions. All the various illusions, second-hand impressions and opinions of which the minds of ordinary people are full. In a wider interpretation all works of poetry and art are to be included in this sub-section.

Human beings continuously use all four sub-divisions of their mental state when they interact with others and when they form their opinion on the state of community or world affairs.

Gibbon distinguishes between benign and dominant societies. Benign societies are exceptional and their creation is a slower and more uncertain process than their destruction. Whether an individual is born into a relatively benign society or not is a matter of the purest chance. In The Decline and Fall of the Roman Empire Gibbon formally acknowledges his personal good fortune and he gives thanks for the fact that he had the good fortune of living in a culture of science and philosophy and, in what was rarer still, 'in a free and civilized country'. [26]

Adam Smith, who is known primarily as an economist, shared Gibbon's view that a state's ability to support benign, and suppress malign conduct depends heavily upon the prior existence of a population that holds the same conceptions of what is good and evil, and accepts the desirability of the particular rules that the state enforces.

For Smith, a society is precisely a set of people who willingly abide by the same rules, including the rules that define the private sphere and how the people who break the rules or invade the private sphere should be punished.[27] A largely unconscious familiarity with and acceptance of its rules of justice are as necessary to the functioning of a society as are the rules of grammar to the mutual comprehensibility of the society's language, 'precise, accurate and indispensable.[28] One could argue that if justice is the grammar of morality, benevolence is comparable to the loose and vague rules of language that are laid down for the attainment of what is 'sublime and elegant' in composition. When benevolence is wide spread, social life is not just fair, it is happy; society does not just survive, it flourishes. In Smith's view, however, benevolence is a component of human nature. Providence has imposed upon human kind a 'piece of folly', he says, that drives them through their benevolent conduct to seek the approbation of other people:

"It is well that nature imposes upon us in this manner. It is this deception that rouses and keeps in motion the industry of mankind. It is this which first prompted them to cultivate the ground, to build houses, to found cities and commonwealths, and to invent and improve all the sciences and arts which enable and embellish

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[26] Gibbon, E. *The Portable Gibbon: The Decline and Fall of the Roman Empire* (1776-1788) Harmondsworth: Penguin (1977) p.1

[27] Dennis, N. and Erdos, G. *Cultures and Crimes*, Civitas (2004)

[28] Skinner, A. '*Introduction' to Smith, A. The Wealth of Nations*, Harmondsworth: Penguin (1970) pp.27-28

human life, which have entirely changed the whole face of the globe, have turned the rude forests of nature into agreeable and fertile plains, and made the trackless and barren ocean a new fund of subsistence and the great highroad of communications to the different nations of the world." Adam Smith insisted that success of 'free markets' themselves, no less than the efficacy of states, depends upon our acting, not simply selfishly, and not even simply with a rigid sense of justice, but 'according to the dictates of our moral faculties.' To the extent that we follow this natural inclination, we pursue the most effectual means of promoting the happiness of mankind, 'and may therefore be said in some sense to co-operate with the Deity and to advance, as far as is in our power, the Plan of Providence.[29]
Smith's view of human nature was optimistic. His optimism seems to be based on the sense he shared with Gibbon, that he was already living in a morally benign and economically successful community. His society required relatively little internal use of the coercive action of the state; and small applications of the state's coercive power, when exercised, were effective.

Beneficence, for Smith, then, is just as important, if not more important, than the mechanism of markets free from force and fraud in leading people 'as if by an Invisible Hand' to promote the welfare of others as well as their own well-being. Without such pre-existing beneficence, the state can do little to combat resulting evils, much less create a moral society.

Throughout the history of humanity there is also a pessimistic, fear based view of reality. This view is distrusting and suspicious not only of the external world and others but deep inside of the self as well.

A well known and often quoted expression of this view can be found in Plato's The Republic. Here we read about the ring of invisibility and Socrates' dialogue with Glaucon about the issue of trust. Glaucon argues that: "We shall catch the just man red-handed in exactly the same pursuits as the unjust, led on by self-interest, the motive which all men naturally follow if they are not forcibly restrained by the law and made to respect each other's claims." [30] Only fear of detection and punishment prevents a human being from breaking the law and doing evil for the sake of his own self-interest. Glaucon thinks that this natural fact is demonstrated by the shepherd Gyges, who found a gold ring which made him invisible whenever he twisted it on his finger. (According to the story, he found the ring on a corpse "which seemed to be of more than human size" in a hollow bronze horse, which was revealed when an earthquake opened up the ground beneath his flock.) On realising the ring's power, Gyges uses it to seduce the queen, murder the king, and take the throne. Glaucon's claim is that every one of us, however law-abiding and good we might seem, would do as Gyges did, or something else in our self-interest, if we could avoid detection and punishment. And, Glaucon claims, we would be right to do so, since each human being's only interest is their own self-interest, and we have no interest in justice and morality for their own sakes.[31]
Many people have accepted the above view and it leads us to the following question: when and why should we trust others, if we think that only fear of detection and punishment prevents them from harming and stealing from us? Glaucon's answer is that we should trust others only if we are confident that they fear detection and punishment sufficiently to dissuade them from harming or

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[29] ibid. pp.22-23
[30] Plato *The Republic* Penguin Classics, 2003 p.43
[31] Bailey, T. *Reith Lectures* hpp://www.open2.net/trust/on_trust/on trust1.htm (2002)

stealing from us. It reveals an important aspect of trust. When we trust others, we are confidently relying on them to take care of something which we care about, but which they could harm or steal if they wished. When we trust, then we make ourselves vulnerable. But we do so in the confidence that the trusted will not exploit this vulnerability, and generally in the confidence that the trusted will actively take care of what we make vulnerable.

Confidently relying on another and making oneself vulnerable is the prerequisite of human growth. These are the conditions that enable someone to focus and use the resources on expansion, growth and going beyond limitations. This is the safe environment when one can tap into creativity, when it is possible to have optimal human experiences, when one can surpass the ego needs and limitations of the self and cultivate a sense of oneness with the universe. If the mindset is fear based then the world is a battle field where others are villains and "One can make this generalisation about men: they are ungrateful, fickle, liars, and deceivers, they shun danger and are greedy for profit; while you treat them well, they are yours...but when you are in danger they turn away".[32] From a Machiavellian view of the world the focus is on survival, control and victory. The recommended strategy is not to trust anyone, attach first and outwit the opponents.
Hobbes conclusion is that "covenants [and agreements] without the sword are but words, and of no strength to secure a man at all".[33]

Enlightenment philosophers give some credit to human nature, morality and education and make an attempt to soften the extreme bleakness of the pessimistic, fear based view of the humanity. A pessimistic line of argument do not seem to be able to explain why we trust when we trust even when it is irrational, why we trust people who let us down in the past and why we distrust others who we had no dealings or personal contact with previously. In much of what they say they appear to be expressing a fear rather than capturing reality.

The lesson that we might learn from the example of the women who trusted us with their life experiences so unconditionally in Hungary is how to integrate the knowledge and teachings from the East and West how to make choices and decisions on the basis of our core values and how to relate to others in a mature and civilized manner.

Conclusions

On the one hand we observe a high level of disintegration, disillusionment and a sense of 'falling apart' in the world on the other hand there are more and more examples of the courage of people and organizations that are prepared to 'go to

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[32] Machiavelli, quoted in Bailey, T. *Reith Lectures* hpp://www.open2.net/trust/on_trust/on trust1.htm (2002)

[33] Bailey, T. *Reith Lectures* hpp://www.open2.net/trust/on_trust/on trust1.htm (2002)

pieces' [34] in order to re-examine their components and come together in a new, more meaningful way. It is a popular saying that "an unexamined life is not worth living". However if we set out to examine our lives we very quickly realise that there is only so much we can do on our own. We need the help of someone we trust to witness and support our self-examination, to provide a 'holding' environment where we feel safe to dive into unknown depths of our psyche and look at our life in a more detached and holistic way. It requires an individual effort of observation, reflection and analysis if we intend to understand and bring to consciousness our unconscious processes that developed from our life histories and how we managed to integrate the various experiences into our whole being over the various phases of our development. Trusting others is the foundation of developing trust in ourselves. It is a process of internalization, of embodiment of the holding, nurturing experience that supports our growth and maturity. If we distrust people and if we do not feel safe in our relationships then we internalize fear and suspicion. These feelings create a high level of insecurity and we perceive the world as a dangerous place that we need to control. So we seek control and power to protect ourselves. History is full of examples of the extreme manifestations of fear based behaviour.

"Each individual, to become a mature adult, must to a sufficient degree develop all the ego qualities mentioned, so that a wise Indian, a true gentleman, and a mature peasant share and recognize in one another the final stage of integrity. But each cultural entity, to develop the particular style of integrity suggested by its historical place, utilizes a particular combination of these conflicts, along with specific provocations and prohibitions of infantile sexuality. Infantile conflicts become creative only if sustained by the firm support of cultural institutions and of the special leader-classes representing them. In order to approach or experience integrity, the individual must know how to be a follower of image bearers in religion and in politics, in the economic order and in technology, in aristocratic living and in the arts and sciences. Ego integrity, therefore, implies an emotional integration which permits participation by followership as well as acceptance of the responsibility of leadership."[35]

A mature civilized level of development means "The fully adult relationships between emotional equals, characterised by mutuality, spontaneity, co-operation, preservation of individuality and valuable differences, and by stability. The relationship is irreversible and stable, having no motive for change. Its morality is implicit, not imposed, a natural acceptance of obligations to other people. The relationship of mature dependence is equal partnership and friendship: love that is capacity to give to another a relationship in which his personality can flourish". [36]
According to Csikszentmihalyi the total fulfilment of one's potentialities, which usually generates happiness, depends on the simultaneous presence of two processes. "The first is the process of *differentiation,* which involves realizing that we are unique individuals, responsible for our own survival and well-being, who are willing to develop this uniqueness wherever it leads, while enjoying the expression of our being in action. The second process involves *integration*, or the realization that however unique we are, we are also completely enmeshed in networks of relationships with other human beings, with cultural symbols and artefacts, and with the surrounding natural environment. A person who is fully differentiated and

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[34] Epstein, M *Going to Pieces without falling apart*, Thorsons (1998)

[35] Erikson, E.H. *Childhood and Society*, Paladin (1977) p.242

[36]Klein, J. *Our Needs for Others and its roots in infancy*, Brunner-Routledge (2002) p.422

integrated becomes a *complex* individual – one who has the best chance at leading a happy, vital, and meaningful life." [37]

Platts talks about the importance of intent and talks about the four different worlds that we need to be able to integrate to be fully grown and psychologically and spiritually mature. "They are in ascending order, the world of action, the world of forms (thoughts, ideas, plans), the world of fundamental principles which lie behind things and have to be correctly understood and manifested in plans and in actions if those plans and actions are to work, and the final 'world' of emanation – the level from which the spark comes that drives a vision ".[38]

When we individually address the issue of trust we shall have slightly or considerably different answers than others to questions like: When do we trust, who do we trust, what needs to happen to increase our level of trust, why and how do we withdraw our trust? However, once we have a conscious understanding of ourselves we are in a better position to start understanding and supporting others.

The lesson that we might learn from the example of the women who trusted us with their life experiences so unconditionally in Hungary is how to integrate the knowledge and teachings from the East and West. We may also learn how to make choices and decisions on the basis of our core values and how to relate to others in a mature and civilized manner.

Women in Veszprem manage to tap into the collective unconscious of their history and live by the rules of the feminine that create, nurture and hold communities together. On a stain glass window of Veszprem Cathedral the Queen holds the cathedral in her hands continuously reminding her subjects of their responsibilities. Women in the Queen's city today still know how to translate this symbol into their daily lives. It is noticeable in their intents, and it is there in their actions. Apart from the focus group meeting they do not necessarily talk or even think about trust, leadership or feminine responsibilities. They simply hold their smaller or bigger cathedrals in their hands and provide a safe environment for growth.

Having been on this long journey of exploring the meaning of trust one might wonder how it could be related back to management education. The importance of trust in personal and organisational life is a known fact, however there are not many opportunities for individuals and communities to reflect on the level and nature of trust and its effects on well being and productivity. Perhaps management educators and business schools could provide initial platforms for studying trust as a pre-requisite of all harmonious and cooperative human interaction. Perhaps it is the task of higher education, and of university courses in the first instance to initiate a culture change where students would get opportunities to develop not only intellectually but also emotionally. They could learn how to develop a trust based protecting environment where members would feel safe to tap into their creativity and experiment without fear. In such a climate individuals could develop into mature and balanced people who would take trust into organisations and turn them into places of knowledge creation and sharing.

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[37] Csikszentmihalyi, M. *Good Business, Leadership, Flow and the Making of Meaning*, Hodden & Stoughton (2003) pp28-29

[38] Platts, M. J. *Meaningful Manufacturing*, William Sessions Limited, York, England (2003) pp.113-114

Appendix 1

	1	2	3	4	5	6	7	8
Maturity								Ego integrity v. despair
Adulthood							Generativity v. stagnation	
Young adulthood						Intimacy v. isolation		
Puberty and adolescence					Identity v. role confusion			
Latency				Industry v. inferiority				
Locomotory-genital			Initiative v. guilt					
Muscular-anal		Autonomy v. shame, doubt						
Oral-Sensory	Basic trust v. mistrust							
	1	2	3	4	5	6	7	8

(Adopted from Erikson, E.H. (1963) Childhood and Society, p.245)