Interorganisational trust-building

following the 2008 financial crisis

by

Gareth Owen

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LIST OF ABBREVIATIONS

- BBA: British Bankers' Association
- BoE: Bank of England
- CRA: Credit Rating Agency
- EBA: European Banking Authority
- ECB: European Central Bank
- EEA: European Economic Area
- ESRB: European Systemic Risk Board
- EU: European Union
- EU Council: Council of the European Union
- FCA: Financial Conduct Authority
- FSA: Financial Services Authority
- FSB: Financial Stability Board
- ICB: Independent Commission on Banking
- LIBOR: London Inter Bank Offered Rate
- PRA: Prudential Regulation Authority
- SSM: Single Supervisory Mechanism
- TSC: Treasury Select Committee

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ABSTRACT

This thesis is a qualitative study of a group of leaders from the Westminster Parliament, the Financial Services Authority and three UK high street banks following the 2008 financial crisis and has been undertaken to further our understanding of interorganisational trust.

The study is ethnographically informed, but makes significant use of focus group and interview data. It also uses data collected from Treasury Select Committee meetings and other publications relating to the policy debate following the publication of the draft Independent Commission on Banking Report in April 2011.

There is currently a gap in our knowledge about how interpersonal trust relates to trust between organisations. There has been a good deal of empirical work on interpersonal trust between individuals and within organisations; on the other hand, our understanding of interorganisational trust tends to be more theoretical, lacking the same breath of empirical work that has been undertaken on interpersonal trust.

This thesis attempts to better understand interorganisational trust-building by using what we know from the trust literature. It then proposes a practice-based approach to studying trust-building to address the challenge we face in conceptualising trust coherently at micro and macro levels together, moving our understanding beyond thinking about trust as a construct or as existing at a level.

The thesis firstly identifies three practices that help us better understand how trust-building takes place in the complexity of the interorganisational system. The first of these practices is storytelling, the second is curating space, the third is managing knowledge flows.

The thesis secondly proposes that understanding individual and organisational actors as occupying a liminal state, existing in a state of being both individual and organisational actors. This allows us to begin to consider trust-building as both a micro and macro concern at once and provides fresh insight into trust-building.

CHAPTER ONE: THE FINANCIAL CRISIS AS A TRUST CRISIS

*'Anyone who says we're in a
recession, or heading into one,
especially the worst one since the
Great Depression, is making up his
own private definition of recession.'*

Donald Luskin, Former CIO, Barclays Global Investors
(The Washington Post, September 14 2008)

On the 15 September 2008, or "Black Monday" as it became known, Lehman
Brothers Holdings Inc. filed for Chapter Eleven Bankruptcy Protection with bank debt
of 613 billion dollars and 155 billion dollars in bond debt. Lehman Brothers'
bankruptcy filing represented the equivalent value of the sum-total of the ten largest
bankruptcy filings that had ever previously been filed. This 'investment bank,
operating essentially as a hedge fund' (Mario Draghi, Notes from the Meeting of the
Governing Council, European Central Bank 20 November 2012) was, as
commentators quickly began to agree, 'too big to fail'[1] (McKinney, 1984).

Lehman Brother's default was however 'just the leading edge of a financial
hurricane' ('Into the Storm', *The Economist* 23 October 2008) as trust in the global
financial system quickly disappeared. On the trading day proceeding news of
Lehman's default, the Dow Jones Industrial Average fell 500 points, the FTSE Index
fell by six percent and the Nikkei 225 index fell by eleven percent. The following
month, the Belgian Bank, Fortis, the twentieth largest business in the world by
revenue in 2007 was bailed out and nationalised by the Belgian Government.

In the UK, a lack of liquidity led to Bradford and Bingley Building Society
being nationalised and resold, Halifax Bank of Scotland (HBOS) becoming partly
nationalised with the Government taking a forty-three percent stake in the business
and the Royal Bank of Scotland effectively nationalised with a Government bailout
representing an estimated eventual liability of eight hundred and fifty billion pounds

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[1] This was a term first coined in remarks made regarding the Deposit Insurance Corporation by U.S. Congressman McKinney in a 1984 Congressional hearing, but quickly became a maxim in commentators' references to large financial institutions following the 2008 financial crisis.

('Bank Bailout Hits £850 Billion' *Reuters*, 4 December 2009). Although other UK banks were not forced to nationalise, it became apparent, as the cost of credit increased and use of the wholesale markets came under intense scrutiny, that the UK banks may not have the sufficient liquidity to ensure they had sufficient resilience should the crisis deepen and, without exception, they all raised further capital by new share issues to preserve their capital ratios.

The crisis was essentially the collapse of a complex set of interconnecting relationships across national boundaries, between multiple actors in the retail and wholesale functions of the banks, which was caused by a single catalyst: 'the high-profile disorderly failure of Lehman Brothers' (Swedberg, 2010: 42). The catastrophic, roughly simultaneous, collapse of the interconnecting relationships based on a failure of the interorganisational system is fundamentally what differentiates the 2008 crisis from any previous crisis.

This thesis is a study of trust-building amongst British politicians, regulators and the UK banks following the breakdown of interorganisational trust in the system. The study recognises the European and American contexts, it also acknowledges the other financial services sector organisations contributing to the escalation of the crisis as well as the ongoing public scrutiny on the stakeholders in the study, but the primary focus of the thesis is on the attempts to build trust that take place between the British regulators, the British legislators and the UK high street banks.

A breakdown in interorganisational trust in the financial system

The 2008 crisis was not the first time there has been significant disruption to the routine business of the banking system. Indeed, Martin Wolf, an ICB Commissioner commented that the 2008 crisis should be considered 'an inevitable part of the modern business cycle' ('The Origins of the Financial Crisis' *The Financial Times*, 8 December 2008). Most commentators agree that Martin Wolf is correct in his assertion that financial crises should be considered as 'an inevitable part of the modern business cycle'. However, I argue that the financial crisis represented a breakdown in trust in the system that went beyond the individuals and organisations operating in the global financial system.

Financial crises are generally observed at the level of the organisation where there is an expectation of periodic failure (Harper, Randall & Rouncefield, 2012). Wider contagion is therefore considered to be 'unpredictable, but unlikely' (Kaufman,

1994:34) and when it happens it can normally be contained. If an organisation is a risk, counterparties simply removed their exposure to that organisation. The system within which the organisations operated remained unaffected, provided the perceived risk was isolated to a specific organisation. This type of interorganisational trust breakdown has increasingly been considered 'business as usual' (Caplin & Leahy, 1994: 81) between financial organisations operating in the global financial system and there are manifold cases that highlight that trust breakdown between organisations does not necessarily impact trust in the overall financial system; it is simply viewed as a 'breakdown of cooperation between organisations' (Spagnolo, 1999: 23).

Bradford and Bingley's mis-selling of precipice and with-profit bonds in 2005 (Laffey & Gandy, 2009), the Clearstream failings which began in 2004 (Robert & Backes, 2005) and the example that the Securities and Futures Authority (SFA) made of Natwest who hid losses by over-valuing options in 2000 (Bowe & Jobome, 2000) are examples of organisational-level trust violations that impacted multiple organisations prior to the 2008 crisis. Similar breeches of trust throughout the 1990s such as the Baring Bank derivatives trading scandal in 1995 (Jones & George, 1998), the Credit Lyonnais case in 1991 and the Salomon Brothers Treasury bond auction scandal provide evidence that over the past twenty-five years organisational-level failure has not necessarily constituted grounds for a wider financial crisis and failure of trust in strategically important financial organisations can be isolated to the organisation in question.

In some scenarios, organisational failures focus on the individual as the cause of organisational failure and the breakdown in trust has therefore focused on an individual such as the Chief Executive. Bob Diamond is a notable example in the case of the LIBOR scandal in 2012. However, work on the cases of Charles Ponzi in 1920 (Greenspan, Belongie, Goodman, Perona, Rakshit, & Anderson, 1994) and Ivar Kreuger in 1932 (Flesher & Flesher, 1986) remind us that scapegoating an individual (or small group of individuals) is not a new, or post-2008-crisis phenomenon. Even as far back as the sixteenth century the failure of Ambrosius and Hanns, one of the most prominent German merchant-banking houses, was blamed on the Höchstetter brothers (Safley, 2009).

Most financial crises prior to 2008 crisis have taken place at the level of the organisation. Often this is not entirely clear when the blame is placed on external conditions faced by the organisation. For example, the Northern Rock (Goldsmith-Pinkham & Yorulmazer, 2010: 55) case demonstrated that trust – or at least

confidence - is important to protect against the unpredictable effects of integration of 'modern banking and capital market developments' but ultimately this example was the result of an organisational-level failure (Tobias & Hyun Song Shin, 2009). The Banco Ambrosiano and the Vatican Bank scandal in 1982, The Butcher Brothers and the United American Bank in 1983 are further examples of organisationally specific crises that were brought about by external factors that were located at the organisational level, which leads one to conclude that blaming exogenous factors for failures located at the level of the organisation has taken place for at least thirty years and is therefore not isolated to Twenty-First Century examples – organisational trust breakdown is therefore not a new phenomenon.

There are instances where the breakdown of trust between individual organisations does spread to a wider group of organisations; for instance, in the case of Enron in 2001 due to the size and the number of stakeholders and more recently the criminal settlements against Barclays Bank in June 2012 for fixing their LIBOR rate and the 'implications for the US derivatives market' (Blanco & Wehrheim, 2016: 49). This 'spill over of shocks' (Böwer & Guillemineau, 2006) from one firm to another is described in the financial services literature as 'bank contagion' (See Kaufman, 1994 for a review of theory and evidence).

The key point to note in all the cases mentioned so far however is that the crisis has been linked either directly with the actions of individual(s) or organisation(s) as the perpetrator. Despite the widespread contagion in some of these cases the exposure to risk and the ensuing breakdown of trust in the organisations in these cases can be rationalised by the financial community as 'specific to individuals or organisations and their circumstances' (Reason, 2016: 31). External stakeholders were able to isolate themselves from the organisation in question to ensure they were not vulnerable.

Therefore, provided the failure is located at the level of the organisation and not the interorganisational system itself, the breakdown of trust and any ensuing bank contagion in the financial services sector will likely only have a peripheral impact on trust placed by stakeholders in the wider architecture of the system. Fundamentally interorganisational trust breakdown (even following a severe period of wider contagion) does not necessarily lead to a breakdown of trust in the system if the root cause is situated at the level of the interorganisational system, but as the 2008 financial crisis demonstrated, a breakdown of trust in the interorganisational system will bring about a level of contagion amongst strategically important financial

organisations in a way that cannot be isolated to the level of the individual or the organisation.

It should also finally be acknowledged that although the Dotcom bubble had a similar effect to the 2008 crisis since the effects of the collapse of the Dotcom crisis were global in nature and the crisis impacted other sectors, it could be rationalised as an organisation-level problem. It is now considered to be based on the revelation that the legitimacy of venture capitalists' confidence in technological advancements was largely unsubstantiated, rather than a interorganisational problem relating to the structural architecture of the financial services sector itself. The legacy of the Dotcom crisis has therefore been rationalised as part of this boom and bust cycle which creates winners (such as Amazon and eBay for example) and losers (such as Cisco and LastMinute.com for example). The Dotcom crisis was more severe in its effects than the financial crises preceding it because of the speed with which the crisis spread due to the globalisation of the financial sector and advances in technology. However, the fact that those invested in the crisis could identify a cause within the system that could be isolated at the level of the organisation (i.e. moderating the rapid investment in new internet-based technologies) meant there was a clear way to address the crisis for those involved in the leadership of the financial services sector as well as those regulating and legislating the sector at the time.

The fundamental factor that makes the 2008 crisis different to all the preceding crises, including the Dotcom bubble, and why it is of such empirical interest is because it was the trust in the overall architecture of the financial system that broke down. The combination of a globalised marketplace, readily networked actors and the lack of trust in structural aspects of the financial services sector meant that we saw an unprecedented 'black swan' (Taleb 2007: 2) event in the 2008 crisis. Lehman Brothers' insolvency was therefore incidental to those involved in the future of the global financial system since it was a symptom rather than the cause. It was quickly recognised domestically in the UK, in Europe and in the United States that the failure was not because of any specific individual, organisation or activity within the system as with the examples previously cited, but that the banking system itself had been allowed to develop in such a way that it was now 'no longer fit for purpose' ('Wounds from the 2008 financial crisis are still bleeding' *The Financial Times*, 6 May 2009). This presented a much greater challenge to those with an interest in the long-term future of the banking system and those organisations that provided its structure and operated within its boundaries.

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Therefore, the 2008 crisis can be understood as new type of financial crisis, where the breakdown of trust in the interorganisational system brought about the breakdown of the trust in and between strategically important financial organisations. Firstly, the inter-connectedness of the organisations and individuals in the system, secondly, the speed at which information was shared and thirdly the structural nature of the breakdown of trust differentiate it from the Dotcom bubble and all previous financial crises. Although the crisis has commonalities with many of the crises that have come before it, the combination of these three factors mark the 2008 crisis out as fundamentally different– and the breakdown in interorganisational trust more pervasive than any other financial crisis. There was a breakdown in confidence – or more specifically in trust in the interorganisational system itself that had implications for all the organisations within it.

The system broke down not because Lehman Brothers had collapsed (Plenty of organisations had been bailed out previously) but because it revealed what many involved in the strategic future of the banks had suspected - that the level of trust that third party organisations allowed participants to place in the system was not warranted (Wolf, 2009). Although, as has previously been observed, the 2008 crisis is still considered by many as 'an inevitable part of the modern business cycle' (Wolf, 2008: 12). What made this crisis different is that this complex set of relationships broke down not because Lehman Brothers had collapsed but because Lehman Brothers' collapse was a catalyst that revealed that the level of trust placed in the fundamental building block of the system had failed. Essentially the malleability of the architectural structure of a global market-based economy to insulate organisations from mass contagion and instant failure was removed and therefore it was not possible to locate any single fault point for the crisis.

The idea that 'the cause of the crisis was because of a breakdown in trust across a range of parties' (Roth, 2009: 325) seems to have been agreed upon in much of the media and academic commentary. Economists (Colander, Goldberg, Haas & Juselius, 2009), Psychologists (Ariely, Kamenica & Prelec, 2012) and even Historians (Sylla & Ögren, 2010) have touched on the issue of trust breakdown amongst the banks (Lapavitsas, 2009). The relevance of the crisis to scholars from a range of disciplines, and the fact that some of those scholars have begun to make links between the financial crisis and the lack of trust (i.e. Roth, 2009; Erkens, Hung & Matos 2012 & Earle, 2009), makes it a particularly appealing, but conceptually complicated case for trust scholars (Gillespie & Hurley, 2013).

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Furthermore, the 2008 crisis is of particular interest to a study of interorganisational trust because of the complexities of interactions between multiple stakeholders operating in specific locations that evolved and changed over time and presents an empirical opportunity to explore interorganisational trust-building. The global financial crisis of 2008 was the result of a loss of trust in the financial system, which was affected and caused by a multitude of individual, organisational and institutional actors and prompts us to ask the question:

> *"How do individual, organisational and institutional actors work to build trust following a financial collapse?"*

In addressing this question, I will take a practice perspective on trust-building that addresses two theoretical questions that have been problematic in the trust literature. First, I suggest that practice theory can be applied to interorganisational trust-building to help us make sense of the complexities of interorganisational trust repair, an area of research that remains largely unaddressed. I suggest specifically that storytelling, curating space and managing and mediating knowledge flows are useful practices to make sense of the complexities of interorganisational trust-building following a breakdown in trust such as we have seen in the financial crisis. Secondly, taking a practice approach I address the challenge of addressing the dichotomy of levels of analysis that the current debate remains polarised around between primarily psychological theories of interpersonal trust (Kong, Dirks & Ferrin, 2014; Weibel, Den Hartog & Gillespie, 2015) and nomological structural theories of institutional trust (Kroeger, 2016; Bachmann and Inkpen, 2011). In the hinterland of this debate is some nascent interest developing amongst scholars (Vanneste, 2016; Villena, Choi & Revilla, 2016) around how organisations build interorganisational trust. I address this gap by suggesting that studying trust-building from a practice perspective allows us to go beyond considering trust as either a macro or micro concern and therefore cannot be considered as phenomena that exists at particular unit of analysis or in specific way, since individuals and organisations are socially embedded in a complex web of interactions that constitute the social reality in which they exist.

The theoretical interest in the 2008 financial crisis therefore stems from a desire to better conceptualise trust building between multiple organisations within a system and to develop new approaches capable of accommodating micro and macro interpretations of trust-building (Bachmann, Gillespie, & Priem, 2015; Bachmann & Inkpen, 2011) in the messiness of the interorganisational environment

where there are individual, organisational and institutional actors all working to influence the trust-building process.

Structure of the thesis

Chapter two reviews the trust literature and identifies five aspects of trust that are significant in the trust literature, but are also relevant to the empirical study undertaken in this thesis. The chapter also identifies two challenges for trust research. Firstly, the lack of alignment between micro and macro interpretations of trust, which continues to remain a challenge for trust scholars. As this thesis is in print there is a call for papers for a special issue on multi-level trust in the *Journal of Trust Research*. Secondly, the chapter recognises that our current research methods are fundamentally ill-equipped to address the complexities of interorganisational trust-building. In this chapter I propose a practice theory approach to trust-building that allows us to (1) address the complexities of trust-building in an interorganisational environment and (2) allows us to reconcile the micro and macro conceptualisations of trust in new ways that we have not yet previously been able to consider.

Chapter three presents the methods that were undertaken in the study and provides some further context regarding the data gathering and the data analysis. The fieldwork focused on the policy debate between senior bankers, the FSA and politicians with an interest in the legislation in the period between the publication of the draft Independent Commission on Banking (ICB) Report in April 2011 and draft publication of the draft Banking Reform Bill in October 2012.

I worked in Parliament during this period and undertook this Ph.D. research part-time. Therefore, the study relied heavily on ethnography, but also made extensive use of interview and focus group data together with data collected from the Treasury Select Committee (TSC) hearings and other material published by the three stakeholder groups during this period. Using these different data sets allowed me to study the discussion about the policy recommendations put forward in the draft ICB report from a variety of perspectives and an opportunity to explore the participants views and behaviours in a range of public and private fora.

Chapter four briefly outlines the salient information about the organisations that are relevant to the study. These include the three high street banks, the TSC and the Financial Services Authority.

Chapter five describes the data collected about the interactions of the three stakeholder groups that was of particular interest to trust-building: first, the bankers' interactions with the TSC and then with the other two stakeholder groups in the focus groups. The chapter then examines the ways that the actors curate and are influenced by the spaces they inhabit exploring the ways the TSC and the focus groups served to facilitate attempts at trust-building.

Chapter six focuses specifically on the bankers' collective interactions with one another, their engagement with the European regulatory and American legislatory environments and their focus on the City of London. It also considers how the spaces the banks occupy help to facilitate their attempts at trust-building.

Chapter seven makes two contributions to our knowledge of trust-building. It firstly offers three practices that contribute to interorganisational trust-building. These practices are storytelling, curating space, and managing and mediating knowledge flows. The thesis then addresses the challenge of reconciling micro and macro conceptualisations of trust by suggesting that we consider the individual and organisational actors in a perpetual state of liminality – never quite fully one nor the other.

Chapter eight suggests three practical applications. First, clarifying the relationship between the leaders and their organisations. Second, considering how spaces might be used more prominently in the trust-building process and third, how we might reframe the role of the regulator. Chapter eight also provides some suggestions of further avenues for research.

Chapter nine provides a brief conclusion of the thesis and summaries the contributions that the thesis makes to our understanding of trust-building

CHAPTER TWO: TOWARDS A PRACTICE PERSPECTIVE ON TRUST

'Not so different after all?' Considering interorganisational trust-building

The past twenty years or of trust research in organisation and management studies has steeled our understanding of trust as primarily a psychological concern (Bigley & Pearce, 1998; Mayer & Gavin, 2005). Overall, the dominant approach to trust research in organisation studies combines an the context specific, 'fuzzy logic' of trust (Bachmann 1999: 1032) with a sense that trust can be quantified either as the attitude or state of mind of an individual (Rousseau, Sitkin, Burt & Camerer, 1998) or as an organizing principle (McEvily, Perrone & Zaheer, 2003).

If the ambition of trust researchers is to become the reflexive awareness of what trust looks like in today's society, then the study of practices is a central analytic task in developing an understanding of trust for scholars and practitioners. With this goal in mind, the purpose of this thesis is not to devalue previous work on trust but to contribute a different way to think about trust in and between individuals and organisations, which reconnects the trust research agenda in organisation studies with research on trust in the broader social sciences, which has, relatively-speaking, received little attention from trust scholars in management and organisation studies of late. (I will refer periodically to Sztompka's (1999) book, since it provides an excellent point of departure into a discussion of trust from a practice perspective, but it would be remiss not to refer to Luhmann (1982), Barber (1983) and Giddens (1994) as making a significant contribution to the view of trust that I describe). This thesis is merely a signpost for thinking about trust differently; as Möllering (2001: 343) suggests 'it should be interesting to analyse how the new framing challenges or confirms previous findings'.

Since practice theory is a broad church of many faiths I do not claim to offer an authoritative exegesis of practice theory in this thesis, but simply to reflect on some of the central tenants of practice theory to explore what they might bring to our understanding of trust. As trust scholars, we are in a fortunate position insofar as the practice path is already well worn by other organisation scholars; the discussion in management and organisation studies of the "practice turn" over the past decade now feels distinctly well-rehearsed (See Whittington, 2006 and Schatzki et al., 2000), having been explored in numerous special issues (For example, *Organization,* 2007;

Human Relations, 2007; *Organization Studies*, 2009) and a raft of international symposia.

To orientate the reader to the task ahead I point in particular to the burgeoning literature on strategy-as-practice since my discussion of trust will take a similar approach to try to reorientate our thinking about trust research as part of a 'broader concern to humanize management and organization research' (Whittngton, 2006) focusing on the thick description of social life and contributing more generally to the turn 'towards soft social sciences' (Stompka, 1999 3; see also Pettigrew et al., 2002 and Korkman, Storbacka & Harald, 2010). I also borrow from other pockets of practice-based research – in areas such as organizational learning (Gherardi, 2009), technology (Orlikowski, 2007) and from the nascent literature on marketing-as-practice (In particular the special issue in the *Scandinavian Journal of Management*, 2011). In this respect, I offer my practice-based approach as a 'collage, heteroglossia or even carvinvalesque approach' (Nicolini, 2012: 34) to trust research.

However, in researching this thesis I have come to recognise the significance of thinking about trust from a practice perspective, which links trust research to deep traditions of theoretical work in other disciplines whilst contemporaneously helping to address some of the ontological and methodological questions that have challenged trust scholars in organisation and management studies over the past twenty years or so. My discussion therefore serves a dual purpose: first, as an experiment to explore how a practice theory perspective might help us, as organisation scholars, reflect from a different perspective on trust. Second, in doing so I examine to what extent we might consider my account yet another 're-turn to practice' (Fredericks, Miettinen and Yanow, 2005) reflecting back on what we know about trust research in management and organisation studies, given the rich European heritage of broader social scholarship from Luhmann to Giddens and Sztompka that has grappled with the concept of trust in the social sciences more broadly from, what might in all but name be considered a trust-as-practice perspective. The originality of the conceptual framework I develop in this chapter therefore stems in part from this re-turn to ways of thinking about trust by standing 'on the shoulders of giants' (Sztompka, 1999: 2). One might suggest, in line with Mueller Carter and Whittle's (2015) account in the recent *Organisation Studies* special issue on trust, that I am merely bringing these perspectives firmly to the fore of management and organisation studies, in order to explore them within the

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management and organisation studies literature. And, therefore in this respect my conceptualisation is a novel one.

This chapter continues as follows. The next section outlines the distinctive emphases of the practice perspective for trust research. In doing so I identify trust-as-practice's family resemblance to strategy-as-practice. Second, reflecting on the recent *Organisation Studies* special issue on trust I explore some of the current and persistent challenges facing trust scholars and proceed to discuss in further detail five aspects of trust that help us to consider the cognitive, normative and regulative aspects of trust. Finally, I turn our attention to back the "nuts and bolts" of trust-as-practice: considering what how we might consider a practice theory approach to an empirical study of trust and in doing so, I reflect further on the distinctive approach to trust research that a practice theory allows.

Trust, strategy-as-practice and the practice turn in Social Sciences

Whittington (2006) and Jarzabkowski, Balogun, and Seidl (2007) foreground their discussion of strategy-as-practice with three classifications that provide some initial bearings to my approach to this study. Broadly, these are (1) the social, where shared routines of behaviour, including traditions, norms and procedures exist and are reproduced (practices), (2) what actually happens in practice through the activity and actions of individuals in bodily interaction with the environment (praxis) and (3) the people themselves that perform the praxis (practitioners). I address each in turn and discuss how each one foregrounds our understanding of trust from a practice perspective.

First, a practice theory approach to trust prompts us to consider that trust is *always* socially accomplished. From a practice perspective, it makes no sense to talk of trust as something that can be assigned to an individual or an organisation since trust does not exist discrete from the relationships from which it is created. Trustee and trustor are always orientated towards one another within fields of practice as they work to earn, or learn to, trust not as atomistic individuals, but essentially part of the social. From this perspective, we would never encounter trust in isolation and to think of a specific instance of trust one must foreground it by bracketing its relationships. As Stzompka (1999: 66) reminds us 'intuitively we feel that trust must be vested in people'. Trust from a practice perspective is thus

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accomplished as the mutual outworking of social interaction between multiple actors rather than belonging to, or bestowed on, an individual.

This perspective is a departure from the more positivist assumptions underpinning much of the most influential trust research in organisation studies. Traditionally, trust researchers have tended to treat trust as a property of an individual or organisation (See for example, respectively, Lewicki, Tomlinson & Gillespie, 2006 or Gillespie & Dietz, 2009), and existing in a reified sense (This trend continues in the trust research published in leading management journals of late; see Fulmer & Gelfrand, 2014's article in *Journal of Management for* instance). Whilst placing the individual or organisation as the locus of trust might at first be appealing, from a practice perspective it diminishes the socially accomplished, mutually constituted nature of trust. I would agree with Szompka (1999: 12), it somehow does not seem to make sense to dislocate trust from its social context.

Second, practice theory places the act of trusting central to a discussion of trust and considering trust-as-practice moves our thinking firmly beyond the 'snapshot view' of trust (Lewicki, Tomlinson & Gillespie, 2006: 1342); trust is therefore *always* 'in the action' (Nicolini, 2012: 67). Trusting in social life is consequently an ongoing production and thus 'emerges through people's recurrent actions' (Feldman & Orlikowski 2011; 1240). This should be an intuitive leap for trust scholars since trust is usually followed by a verb. Trust is developed (Vanneste, Puranam & Kretschmer, 2014), broken (Tomlinson and Mayer, 2009), repaired (Gillespie and Dietz, 2009) and enhanced (Kramer & Lewicki, 2010).

A practice perspective however moves us away from the use of the past participle and suggests on each occasion that trust would be recursively shaped through the ongoing iterations of praxis of the trusting parties. For trust research, this means that instead of considering trust at a specific moment in time, often retrospectively, or as having developed on a continuum from, for example, from weak to strong trust (Levin & Cross, 2004) or, say, from calculus to identification-based trust (Lewicki & Bunker, 1996) we consider actors as playing a role in continually monitoring and assessing situations, employing different trusting praxis in the 'here and now' (Nicolini, 2012: 91). This view of trust means that praxis will impact the state of trust between parties *ad infinitum* as practices continually shape the trusting relationships.

Third, the distinction between practices and what happens 'in practice' (Nicolini, 2012) points to the actors and provides a plumb line for a people-centred-view, which is interested in authentic explanations about the trustee and the trustor

as well as the characteristics of their trusting relationship. Actors are seen 'not as simple automata, but as artful interpreters of practices' (Nicolini, 2012: 103). However, despite actors' ability to decipher and make sense of practices often the reality of trusting in practice is rather pragmatic. Therefore, to coin a phrase from Whittington (2006: 614) 'from a practice theory perspective, people count' both in terms of their idiosyncrasies and their aggregate behaviour.

This acknowledgement of individual agency, whilst also holding in check the very real impact of social norms brought about by activities is an important distinction for trust researchers. For trust scholars, this addresses two challenges that have plagued community of trust scholars: (1) how can we draw comparisons between studies of trust (See Dietz and Den Hartog, 2006) and (2) how do we consider the micro and the macro aspects of trust without leaving either as the "poor relation" (Bachmann, 2001).

Current, perennial and enduring themes in trust research

In the editorial of a 2015 *Organization Studies* special issue on trust crises, Bachmann, Gillespie and Priem (2015: 1124) confirm the ongoing challenge of reconciling micro and macro conceptualisations of trust, commenting that 'new methods will likely be required to examine trust crises such as the financial crisis'. The special issue made a significant empirical contribution to the nascent literature on organisational trust. The issue included four empirical papers that addressed organisational trust, an area of research which has typically been the purview of theoretical work on institutional trust. Prior to the special issue, in top management and organisation studies journals, there were only a handful of other studies on organisational trust-building that considered both the interpersonal and the organisational. These studies focused on trust-building either between two organisations (Pfarrer et al., 2008 and Dirks, 2009) or in the case of Gillespie and Dietz (2009) trust repair of a single organisation with external stakeholders being the trustors.

The special issue included four further studies of trust in organisations (Spicer & Okhmatovskiy, 2015; Stevens, Macduffe & Helper, 2015; Eberl, Geiger & Aslander, 2015 and Mueller, Carter & Whittle, 2015). However, to date, despite the insight that these studies brought to the fore, the dominant discussion between those who study organisational and inter-personal trust is that it is not possible to study

the two using similar measures (This discussion goes back to Creed & Miles, 1996 through Zaheer, McEvily, & Perrone, (1998) to Blomqvist & Stahle, (2000) and is continued in Lewicki et al., (2006) and more recently brought to light in the special issue's editorial (Bachmann et al., 2015). Similarly, the focus in recent symposia and scholarly articles has remained that organisational trust is conceptually discrete from interpersonal trust; debates will refer to external (as organisational) or internal (as interpersonal or intra-organisational) as ways to differentiate the two for instance (Kim, Dirks, Cooper & Ferrin, 2006) or for example, micro and macro (Sitkin, 1995) or interpersonal and institutional (Lewicki et al., 2006). The recent special issue on multilevel trust research in the *Journal for Trust Research* appears to continue this line of thinking where levels are disaggregated and studied independently.

From this nascent literature on inter-organisational trust in management and organisation studies, the comments in the editorial in the *Organization Studies* special issue and, where relevant, the wider corpus of trust literature I refer to five aspects of trust that I will discuss briefly to further orientate our discussion on trust in order to conceptualise it as a phenomena that should be studied without the constraints of levels of analysis.

1. Ability

Muller et al.'s (2015) study of trust in the *Organization Studies* special issue is of particular note both because of its empirical focus and because of its conceptualisation of trust. However, like other articles in the special issue the focus remains on levels of trust – for instance in their study of trust repair of the big four accountancy firms following the financial crisis - they remind us that 'it is possible to distinguish four bases of trust: one can trust individuals, organisations, institutions and systems' (Ibid.: 1324). However, as Mueller and colleagues explore the concept of trust transference, I refer to Sztompka's (1999: 33) assertion that 'we ultimately trust human actions' and suggest that the human aspect of transference remains true, and that, although Mueller et al.'s assertion is a new idea to management and organisation studies it is not a new idea to trust research in the social sciences more broadly. Sztompka (1999) made the same argument as Mueller et al. (2015) when he comments that when we trust the actions of an individual or a group we often begin to trust the institution they represent. In this sense, Mueller et al.'s (2015: 1330) assertion that 'trust "travels" or can be transferred' also builds upon Mayer et

al.'s (1995) description of ability-based trust in a particular domain by referring to Sztompka's theory of trust transference.

A trustee's ability to deliver an agreed output has been established as instrumental in building (Laeequddin, Sahay & Sahay, 2012), maintaining (Nickerson, Gubler & Dirks, 2013) and repairing trust (Tomlinson & Mayer, 2009). Barber (1983:14) highlights the importance of specific skills, noting the trustee's 'expectation of technically competent role performance' to establish trust. Mayer et al. (1995: 717) acknowledge *both* domain specificity and the importance of specific skills describing ability-based trust as reliant on 'that group of skills, competencies, and characteristics that enable a party to have influence within some specific domain' suggesting that ability-based trust is reliant on 'skills, competencies and characteristics' to influence a specific domain. Mayer et al.'s (1995) definition of trust as the ability trustee to deliver a task in a domain specific environment continues to be cited systematically by researchers as fundamental to successful trust-building (For example, see Robert, Denis & Hung, 2009; Schaubroeck, Lam & Peng, 2011; Dirks & Ferrin, 2002; Lewicki et al., 2006).

These studies confirm what we know about trust transference and suggest that trust-building is often reliant on actions that present a degree of transference. This contributes to subsequent work which builds on Mayer et al's (1995) paper and we see in more recent studies that the domain-specific ability of the trustee has been successfully proven in a range of domains. Therefore domain specific ability-based trust as defined Mayer et al., (1995) is a firmly established aspect of trust-building in the interpersonal trust literature. However, the important contribution Mueller et al., (2015) make in their assessment of trust transference is that although we can study the development of the trustee/trustor relationship through the abilities shown by the trustee in one domain, it will not translate to another domain, particularly in a professional services environment such as the accountancy (See also Schwieren & Sutter, 2008; Bhattacherjee, 2002 and Hoegl, 2014).

Therefore, we know that the ability of the actor, whether an organisation or an individual, does not exist in a hermetically sealed environment. The ability of the actor in different domains will be influenced by the external environment in which trust is being built. As Earle (2009: 81) highlights, tasks are 'reliant on the environment surrounding the individual', which allows them to achieve the necessary outcomes and build trust influenced by external influences beyond the scope of a dyadic relationship. We see the same argument rehearsed by Mueller et al. (2015). Therefore, to focus simply on the actors' ability and not acknowledge external

influences affecting the trustee/trustor relationship, (particulary the institutions) means we will not have a full picture of the complexities of interorganisational trust-building.

Ability as an aspect of trust-building therefore provides useful insight into understanding the importance of the domain specific ability of an actor as contributing to the trust-building process, but to describe an individual or an organisation as able to deliver a task or have influence in a specific domain and to expect this to consistently be the case even if the domain specificity of their competence is acknowledged does not acknowledge the external environment and the influences of other actors that are constantly evolving and shaping the environment in which the ability-based trust is being built. There will be immeasurable external variables that influence the trustee's ability that are beyond the scope of the interpersonal or dyadic organisational trusting relationship.

The role of other actors to facilitate the delivery of a task or produce an output is an underexplored aspect of the trust-building literature (Möllering, 2002) and is a theme that is developed both by Mueller et al., 2015 and Bachmann et al., 2015 – this is described in terms of trust transference, but is similar to the domain-specificity ability-based trust as defined by Mayer et al., (1995) (i.e. the set skills, competencies, and characteristics that the trustee must do a specific task and the ensuing relationship with the trustor those skills develop or maintain). For Mueller et al. (2015), just as for Mayer et al., (1995) the focus is on the dyadic relationship between organisations and they pay less attention to the role that other actors play in assisting the ability of the actor to 'deliver on an agreement' (Mayer et al., 1995: 724). There will likely always be other actors that affect the actor's ability to deliver on an agreement, positively or negatively regardless of the domain studied – whether at the organisational or individual level.

Since ability based trust *is* agreed to be domain specific (See Levin & Cross, 2004 for a useful review) and likely to be reliant on external factors and other individuals one might pose the question that, if the trustee has the right 'aptitude, intelligence, knowledge or skills' (Schoorman, Mayer & Davis, 2007) to deliver a task in one domain might it be possible for the trustee, as an intelligent actor interacting with others and their surroundings, to develop new abilities shaped and supported by the external environment and other actors when circumstances require such a shift?

2. Knowledge and knowing

Knowledge and knowing is a second theme that has both dominated the trust literature, and a theme also developed in the recent *Organization Studies* special issue through the discussion of trust transference. Mueller et al., (2015: 1328) describe expert systems as 'principle ways that knowledge is codified beyond the interpersonal and shared across teams and between organisations in order to provide a basis for trust'. This idea is not a new one. Almost forty years ago, Rotter (1980: 55) defined knowledge-based trust as 'a generalized expectancy held by an individual that the word, promise, or statement of another individual can be relied on', a definition that still regularly cited in the trust literature. Knowledge-based trust is differentiated from ability-based trust since it relies on information gathered about the trustee rather than their actions *per se* (Lin, 2011). Interpersonal knowledge-based trust requires repeated instances of the trustor gaining information about the trustee that will allow the trustor to 'predict the actions of the other even in their unpredictability' (Lewicki et al., 2006) which go beyond simply the abilities or actions of the trustee. Knowledge-based trust can therefore be understood as a 'complex compilation of judgements by the trustor based on information gathered about the trustee' (Dietz & Den Hartog, 2006: 1032) as they interact over time.

To be able to predict the unpredictability of the other – as we see in Mueller et al.'s (2015) empirical study – requires an ongoing relationship (See also Sitkin & Roth from 1993). Both studies imply a degree of interdependence between the trustee and trustor 'where agreements develop obligations which may or may not include genuinely expressed, communicated and exchanged promises of the parties' (ibid. 34) as the trustee and trustor gain a deeper knowledge of the motivations of the other and the trustor can begin to predict the behaviour of the trustee based on aggregation of information gathered (Robert, Denis & Hung, 2009). These obligations based on knowledge gathering have typically been difficult to measure or quantify as they are subjective and exist as the result of the actors' own abilities and methods of gathering information (Hardwig, 1991).

Knowledge-based trust-building between two individuals within an organisation is achieved in two ways: through arrangements based on explicit rules of behaviour that are codified by the trustor who is normally the manager (Das & Teng, 1998) or as implicit routines and practices that develop between the two parties where the relationship may be as equals (Long & Sitkin, 2006). Implicit rules are of interest to our study of interorganisational trust-building since the routines and

practices of an organisation that shape behaviour over time can come to imply formal rules 'especially when they acquire stability over a longer period and attain legitimacy through common acknowledgement' (Bachmann & Lane, 2011: 11).

At the organisational level knowledge-based trust is based on gathering information about 'organisation's structural arrangements represented by rules of behaviour to which individual and collective action is oriented' (Bachmann & Lane: 2011: 22), implying that knowledge can be gained about how 'organisations create social order by providing patterns of behaviour used by actors to lend meaning and legitimacy to their behaviour' (Shamir & Lapidot: 466) and that interpersonal trust between individuals is also reliant on the social order created through the 'implicit and explicit routines and behaviours provided by the structure of the organisation' (Currall & Inkpen, 2002: 480).

Organisational-level studies tend to offer responses focused on trust-building from the perspective of a single organisations, such as the organisational level trust repair (OLTR) model (See, Gillespie & Dietz, 2009, Dietz & Gillespie, 2012 and Gillespie and Owen, 2013). Interpersonal studies offer solutions that places the organisation as an outer context rather than an active background that influences the interpersonal trust relationship (McAllister, 1995). However, the organisational actor and the individual actor refer to one another. An organisation's trustworthiness is defined by the individuals within the organisation (Lewicki, McAllister & Bies, 1998) and individuals, as actors within organisations are perceived through the lens of the organisation they represent (Six & Sorge, 2008). These observations demonstrate that knowledge-based trust requires an approach that explores the trustworthiness of the actor by gathering knowledge of an actor in a range of 'social situations' (Jones & George, 1998), or by acknowledging 'joint activity embedded in social interaction' (Lawler, 2001).

Knowledge-based trust is established through a relationship spanning different situations and activities that deliver successful outcomes for both parties on a consistent basis (Mayer et al., 1995; Lewicki et al., 1998; Schoorman et al., 2007). Knowledge-based trust distinguishes "trustworthiness assessments" and "trust decisions" in joint activities. "Trustworthiness assessments" tend to focus on the overall strategic relationship of the two parties (Chen, Sapirito & Belkin 2011) based on a range of knowledge gathered about the trustee and suggests that assessing the trustworthiness of one's partner through knowledge of their motivations is a way to ensure long term successful partnership transactions which does not require the assessment of a recurring pattern of separate activities in order

to establish that the partner is able to deliver on an agreement in a specific domain, therefore minimizing the number of "trust decisions" a trustor will make (Sabel, 1998).

Therefore, knowledge-based trust is viewed as more subjective than ability-based trust since it is qualified by the degree to which the actor 'perceives that its relationship…is based upon mutual trust and thus is willing to accept short-term dislocation because they are confident that such dislocation will balance out in the long-run' (Anderson et al. 1987: 87). As a result, knowledge-based trust is more diffuse in the precise expectations of specific outcomes, making trustworthiness assessments and derives trust from knowledge gathered that 'bring about successful agreed strategic outcomes' (Ring & Van de Ven, 1992: 488) based on knowledge that allows the trusting party to anticipate the predicated actions of the trust partner.

Acknowledging the tendency for knowledge-based trust to rely heavily on diffuse outcomes presents a challenge for interorganisational trust-building since it presents a lack of transparency in the knowledge that is shared. Interpersonal trust-building studies suggest that transparency is key to developing knowledge-based trust (Nayar, 2009) and to be sure that the knowledge gathered is accurate and representative of the individual (Abrams, Cross, Lesser & Levin, 2003). The same has been proven in studies of trust-building at the level of the organisation (Lidberg & Robie, 2012). Transparency (or lack thereof) has implications for a study of interorganisational trust-building since it will be difficult to identify the motives of all the actors involved in an interorganisational trust-building scenario.

The issue of transparency when dealing with knowledge-based trust between multiple organisations is a key theme in the recent Organization Studies special issue. In response, I return to the challenge Luhmann (1979: 8) sets out: multiple actors 'unencumbered by distance time, commodity or familiarity' will unlikely present a transparent environment for knowledge-based trust-building. We, frankly, do not have a suitable way to capture information when it is so diffuse using the methods currently available. Furthermore, we know that external influences heavily influence the way knowledge is understood and codifiedAs Möllering (2002: 786) notes, 'even when generalised factors such as reputation are drawn upon, trustworthiness is ultimately "in the eye of the beholder"" and therefore knowledge-based trust in an interorganisational environment will remain opaque and difficult to fathom for the researcher.

3. Identification and alignment of values

The trustors' psychological alignment with the trustee is therefore the third aspect of trust-building that I consider (See DeConinck, 2011 for a discussion of alignment and trust). According to Dietz and Gillespie's (2012: 1032) organisational-level study of trust, 'if between equitable partners the trustors' judgement of the trustee is positive and values are aligned this will increase the willingness of the trustor to take a risk in dealings with the trustee and ultimately to place trust in them'. Identity-based trust is 'socially oriented trust' (Zuppa, Olbina & Issa, 2016: 91) and 'rests on shared values or close personal ties' (Dunn & Schweitzer, 2005: 81) between individuals representing the organisations highlighting again the role of the individual and the organisation in shaping and forming perceptions of trust. Between individuals, this might be demonstrated through acts such as gift-exchange (Baviera, English & Guillén, 2016) or between organisations through face time (See Kroeger, 2012). Interpersonal and organisational identification-based trust goes beyond the actions of the individuals or the knowledge that the trustor can gain about the trustee. Identification based trust therefore is highly idiosyncratic (Ho, Kuo & Lin, 2012), relying on the past experiences of the trustor, or for instance expectations that are rooted in diffuse and uncodified structures in the external environment that shape and give reason for the trustor to trust the trustee.

Values are therefore an important aspect of identification-based trust. Unlike ability or knowledge-based trust, identification-based trust involves a cognitive 'leap of faith' (Möllering, 2001: 934) that the trustor takes which goes beyond basing their trust simply on an assessment of the abilities or knowledge about the trustee, but on the perception of shared values. A trustee might demonstrate ability to undertake a task to engender trust in the trustor or knowledge may be gained about the trustee that might enable the trustor to place trust in the trustee. However, identification-based trust requires an alignment of values that goes beyond simply the abilities of the trustee regardless of their competence in a specific domain (Gillespie & Mann, 2004) and the trustor might trust the trustee despite accepting that the actions and knowledge gathered do not necessarily provide an obvious reason for the trustor to trust the trustee.

The 'leap of faith' (Möllering, 2001: 934) that the trustor must take means that trust based on identification with the trustee is a decision normally instigated by the trustor (Möllering, 2001, 2006), indicating once again that trust-building is not always in the hands of the trustee but in the 'eye of the beholder' (Möllering, 2002:

786) and identification based trust places the trustor in a position of alignment with the trustee.

The trustor's position of alignment with the trustee helps distinguish the process of identification-based trust from ability and knowledge-based trust. Since Identification-based trust appears to demonstrate alignment between the trusting parties it is often contrasted to 'skepticism, impartiality, exigency [and] opportunism' (Stevens, MacDuffe & Helper, 2015: 1). McAllister's (1995) study of 194 managers and professionals proved this at the inter-personal level. The study concluded that interpersonal cooperation within organisations is often based on identification, and that the role of alignment in identification-based trust plays a 'crucial role in the creation and maintenance of trusting relations in the face of uncertainty about trustworthiness' (Ibid.: 334).

Rempel, Holmes and Zanna (1985) focused their study at more intimate level. Instead of investigating the interactions between colleagues, they interviewed forty-two Canadian couples. Rempel and colleagues concluded that trust was "closely tied to feelings of identification and the attribution of intrinsic motivation to both self *and* partner" (Rempel et al., 1985: 101) [my emphasis added]. Therefore, identification-based trust is something – even between married couples – that requires the attribution of certain qualities the trustor determines for themselves about the ability and motivations of the trustee, but the 'leap of faith' is not a rational construction of the former. Rather identification-based trust for the individual trustor 'is a state of mind' (Das and Teng, 2001: 254) of the trustor.

Having said this, the trust must to some degree be warranted by the trustees' actions (Bhattacharya & Devinney, 1998) and this will likely involve a period of identification with their values and their motivations, which are demonstrated to an extent by the actions of the trustee (Lewicki & Bunker, 1996) *and* knowledge about the trustee which may lead to a decision on the part of the trustor to align themselves with the trustees situation, but the precise reason for the trustor's decision to place identification-based trust in the trustee remains elusive. The literature simply acknowledges that at some point identification-based trust may develop (Mayer et al., 1995).

However, the description of identification-based trust in the interpersonal literature is useful in a study of interorganisational trust as it indicates that where identification-based trusting is taking place there is a commitment to the individual or the organisation rather than simply the function they perform (Buchan & Croson,

2004). The individual becomes the focus of the trustees' trust rather than the expected outputs. This presents an insight that may be observable in the behaviours or actions of the trustor and trustee: for instance, trustors will likely be more tolerant of trustees' mistakes (Costa, 2003) and therefore one would expect to see less adversarial behaviour between individuals (Crisp & Jarvenpaa, 2013) because the basis of the trust is on the relationship between the trustee and trustor, not simply the delivery of an agreed output by the trustee.

What is not clear in an interorganisational environment is how values might be collectively considered and shared. Identification-based trust in an interorganisational environment is likely to demonstrate that the organisations will depend on the other and behave in a manner acceptable to all parties without the need for formal legal arrangements but what might be acceptable to one party may well be unacceptable to other parties, however what may be a consideration is the practical resource-saving value of collective alignment and a form of collective identification-based trust as actors realise that the resources (i.e. time and money) that are saved outweigh the risk of closely monitoring the multiple relationships through knowledge gathering or measuring the specific outputs (Sitkin, Burt & Camerer, 1998).

4. Control and benevolence

Forth, in line with Bachmann (2015), we consider control as an aspect of trust-building. For Mueller et al., (2015) impersonal structures resonate closely with the systems they critique. At the interpersonal level this is relatively straightforward. According to Wiebel (2002: 6) 'formal control may strengthen the intentions of the trustee to act in the interests of the trustor and thereby contribute, in conjunction with trust, to organizational effectiveness'. On the other hand, formal control is considered in much of the interpersonal literature to be 'at odds with a trusting environment' (Das & Teng, 1998: 501). However, I am inclined to take the view of Möllering (2002) that in the most part, it depends what social theory one applies and the context in which the trust-building is studied (See also Reed, 2001). However, what is of note here – and something that is not really touched on in any great detail in the *Organization Studies* special issue on trust is that the interpersonal trust literature describes control and trust as situated solely in the micro environment relating to the actions of the trustee/trustor relationship and pays little attention to the way in which control or trust is created in the macro environment through the

ongoing individual behaviours and actions (See Bachmann and Inkpen, 2011 for a helpful discussion of distinctive role of institutional trust). Control is therefore often described by psychologists as 'deterrence-based trust' Rousseau et al, (1998: 393), 'that emphasises utilitarian considerations that enable one party to believe that another will be trustworthy, because the costly sanctions in place for breach of trust exceeds any potential benefits from opportunistic behaviour' (Ibid. 394)

Since the terms are described as micro concepts that influence the behaviours and actions and routines of the individuals that are to be either controlled or trusted, the trust literature has tended to consider trust and control as dichotomic (De Man & Roijakkers, 2009). Control is also described in pockets of the interpersonal trust literature as the antithesis of trust (Reed, 2001). Whether the two terms are considered as contrary or as two subsets, the literature *has* established that control does not to 'equate to trust' (Skinner & Spira, 2003: 42) but in doing so these studies *have* acknowledged that control is an aspect of trust that contributes in some way either to trust-building or to the decline of trust (Paxton, 2005). However, although the literature acknowledges the interplay between the two concepts, it does this at the expense of largely ignoring the agency individuals have to shape and interpret trust at the micro level either as control or trust themselves but rather it is considered a mechanism (Bachmann et al., 2015) that controls their behaviour rather than an emerging consensus co-created through behaviours and actions.

When exploring the relationship of trust and control at the interpersonal level, some trust scholars have conceptualised trust and control as a duality (Möllering, 2002) rather than a dualism, which is helpful as we begin to think about the complexities of organisational trust-building and the agency of the individual in this process. Möllering (2005: 912) states that trust and control should be considered as a 'trust/control duality instead of a dualism'. This addresses to an extent the fact that human agency plays an important role in determining and interpreting and shaping the institutions, organisations and the macro environment that contributes to the ways that trust and control are enacted, but does not address the fact that control in one instance might represent a form of trust to one individual whereas it might at the same time be interpreted as control by another; or how, as interorganisational trust is built, we might be able to unravel the "how" and the "when"; can trust create control, can control create trust, or can there be an absence of either or the presence of both at the same time? These questions remain unaddressed in the trust

literature, but are important considerations in a study of interorganisational trust-building.

Thinking about trust and control as benevolence may be a way to address this challenge in an interorganisational trust-building situation. Benevolence is an aspect of trust that is underdeveloped in the trust literature but appears to relate both to trust and control. We know from the interpersonal trust literature that benevolence must 'consider the trustee's overall intentions' (Sitkin and Roth, 1993: 368) towards the trustor. We know from the interpersonal trust-building literature that between two trusting parties 'the effect of perceived benevolence on trust will increase over time as the relationship between the parties develops' (Mayer et al., 1995: 722). Benevolence as an aspect of interpersonal trust-building 'implies a greater good' (Wray-Lake & Syvertsen, 2011: 14), 'the belief of goodwill' (Dong & Li, 2017: 1240) and a 'public-spiritedness' (Kong, 2014: 388), which all suggest that benevolence may not simply relate to the orientation of the trustee towards a single trusting party as it has been studied in the interpersonal literature but may be considered to understand multiple simultaneous trusting and controlling relationships. Since both complete control or complete trust in a global system where financial organisations operate is unlikely to be possible, it may be more helpful to think about the trust/control duality Möllering (2002) describes and interpret his trust/control and consider the problem as one of benevolence, where there is a general well-meaningness towards all parties involved that moderates rather than controls to facilitate the trust-building process.

If we consider this to be the case, benevolence observed in individuals as described by Mayer et al. (1995) should be considered simply the by-product of cultural values that form normative behaviour and therefore benevolence should be considered as the outworking of institutional arrangements. Bachmann and Inkpen (2011: 54) observe from an organisational perspective that 'an organisation establishes behavioural norms that exchange parties usually will orient their behaviour to, especially if they have limited knowledge about each other and long-winded face-to-face trust-building is not a desirable option' suggesting that normative influences may be responsible for benevolent behaviour between individuals attempting to build trust.

There is empirical evidence that suggests this might be the case. Sako and Helper (1998) noted in their study of office workers that the level of interpersonal trust is higher in Japan than in the United States observing that structural factors facilitating trust and those attenuating opportunism differ in the US and Japan. The

study leads one to conclude that the Japanese system ensured that the organisations and individuals acted with more benevolence simply because there was less scope for opportunism because of the external context, not because there was any specific difference in the benevolence of the individual participants. The study also noted that the participants were the 'engine of change' (Ibid. :812). This suggests again that benevolence may simply be the by-product of cultural or organisational norms that are created over time by individual actions (Guiso, Sapienza & Zingales, 2015) but also that benevolence is also the result of benevolent structures producing routines and behaviours that govern social interactions in ways that allow individuals to operate effectively.

Although the focus of these experiments on interpersonal trust-building (Mayer & Davis, 1999) and dyadic organisational-level trust-building (Gillespie & Dietz, 2009; Sako & Helper, 1998) are not specifically focused on benevolence as a form of trust, their descriptions of the complicating role of control mechanisms in the development of trust suggests that benevolence may be an aspect of trust-building in an interorganisational environment that can be influenced by individual agency but also exists as part of the background of the macro environment in which the actors operate and may be a useful way to theorise about the relationship between trust and control in an interorganisational environment.

5. Calculus-based trust, regulations and boundary setting

Finally, we turn our discussion to calculus-based trust. The structure of most interactions between individuals and organisations today therefore include the possibility for joint benefit or loss – risk of losing something individually (Susan & Holmes, 1991) or collectively (Langfred, 2004). Individuals may have 'considerable uncertainty about each other's intentions and likely actions, and whether the interaction will be positive' (Bottom, Gibson, Daniels & Murnighan 2002: 497). Organisations will therefore attempt to employ calculus-based trust that often involves bargain agreements (Lorenz, 1999) or economic trade-offs (Lyons & Mehta, 1997). Weighing relationships, creating boundaries (McEvily & Tortoriello, 2011) through calculative assessments of the trustee is an important aspect of how a trustor protects their own interests as they embark on the process of establishing the basis on which they can begin to trust any potential trustee (Buchan & Croson, 2004). 'An individual may be said to have trust in the occurrence of an event if he

expects its occurrence and his expectation leads to behaviour which he perceives to have greater negative motivational consequences if the expectation is not confirmed than positive motivational consequences if it is confirmed' (Deutsch, 1958: 265).

The interpersonal and organisational-level trust literature has established that this process often takes place in the early stage of any trusting relationship. As a result, calculus-based trust, whether at the interpersonal or organisational level, is considered a 'weaker form of trust' (Blau, 1968), 'often one-time' (Ba & Pavlou, 2002: 255) and tends to relate in particular to 'early trust-related experiences' (Kramer, 1999). It is the initial calculation made by the trustor, which focuses on the possible risks (and benefits) of being vulnerable to the trustor (Rousseau et al., 1998) based on factual knowledge gained about the trustee often from third parties combined with their own calculation of the risk to themselves of placing trust in the trustee. Therefore, attempts to build calculus-based trust focus on the possible gains or repercussions for the trustor in placing trust in the trustee in the early stages of the relationship and is an important basis for initially developing a trusting relationship between the trustee and the trustor.

At the level of the organisation, regulatory and legal provision provided by external bodies become important tools for organisations to build trust. Bachmann and Inkpen (2011: 91) highlight 'the existence of regulatory controls and reliable contract law can actually be very conducive to developing trust between two organisations, as relationships firmly based on legal rules can significantly lower the inherent risk of trust' and that the 'law – or at least regulatory provision – can be an effective risk reducing mechanism for organisations because it aligns organisations' expectations and behaviours long before any serious disagreement arises' (Ibid: 22). In this regard, in an interorganisational environment calculus-based trust may have a good deal in common with control mechanisms (Lewicki & Bunker, 1996), legal provision for the trusting parties (Bachmann, 2001) and as a 'tit-for-tat series of economic exchanges' (Walker, 1992: 182).

However, since the number of variables and the number of actors involved in any attempt to build trust increases exponentially at the level of the system where organisations exist, it seems unlikely that organisations operating in a system where benevolence rather than control might be the only aspect of trust they can begin to build they are likely to focus on ways in which they can maintain calculus-based trust to preserve their own interests as the relationships progress. This assumption is a significant shift from the assumption of the interpersonal trust literature that there will

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be less need for calculus based trust as the relationship progresses. One might expect there to be an ongoing use of calculus based trust.

Since calculus-based trust implies a certain level of distrust (as it relies on legalistic control mechanisms) one might expect to see individuals and organisations shift their mode of calculus based trust as they feel more inclined to trust the other organisations in an interorganisational trust-building scenario to more nuanced practices to demonstrate they are prepared to move from legal mechanisms. This might involve managing information flows more subtly, through actions and words that have tacit or implied meaning as to the consequences if the boundaries are not adhered to through anecdotes to suggest possible meaning. The idea of shifting modes of calculus-based trust to more nuanced practices is not explored in the interpersonal or organisation-level trust literature, but might shed some light on the development of calculus based trust in an interorganisational environment and may mean we might reconsider the assumption that calculus-based trust is simply a catalyst for trust-building at the start of a trust-building relationship.

Table (1): Summary of relevant literature and observations

Aspect of trust	Interpersonal examples	Organisational-level examples	Relevant observations
Ability	Laeequddin, Sahay & Sahay, 2012; Mayer, Schoorman & Davis, 1995; Hoegl, 2014	Levin & Cross, 2004; Denis & Hung, 2009 Stevens, Macduffie & Helper, 2015	1. Ability-based trust is domain specific 2. Focuses on the activities or skillset of and individual or organisation 3. Ongoing demonstration of ability indicates an individual or organisation is reliable
Knowledge	Rotter, 1980; Lewicki, Tomlinson & Gillespie, 2006; Long & Sitkin, 2006	Dietz & Den Hartog, 2006; Bachmann & Lane, 2011; Currall & Inkpen, 2002	1. Knowledge-based trust is based on knowledge gathered about an individual or organisation to attempt to predict unpredictable behaviour in a trusting relationship 2. Used to gather information about an organisation's structural arrangements 3. Knowledge is gathered in a range of social settings 4. Transparency plays a role in ensuring knowledge gathering brings about knowledge-based trust
Identification	DeConinck, 201:1 Möllering, 2001 Gillespie & Mann, 2004 Mayer Davis & Schoorman, 1995	Gillespie & Dietz, 2012; McAllister, 1995; Bhattacharya & Devinney, 1998; Lewicki & Wiethoff, 2006	1. Identification-based trust goes beyond the act or the fact and indicates an alignment of values 2. Requires a trustee to decide to trust and this will often require a willingness on the part of the trustee to be vulnerable 3. Identification-based trust will demonstrate a commitment to the individual or the organisation and is not simply the sum of their actions or the knowledge that has been gathered 4. Trustors will be more sympathetic if actions are influenced by external events
Control	Das & Teng, 1998; Möllering, 2002, 2005; Shapiro, Sheppard & Cheasrakin, 1992; Reed, 2001	Bachmann, 2011; Kong, 2014; Spicer & Okhmatovskiy, 2015; Eberl, Geiger & Aslander, 2015	1. Control is a form of deterrence-based trust focusing on manging the actions of the trustee 2. Benevolence and control may play similar roles in the trust building process
Calculative	Blau, 1968; Kramer, 1999; Lewicki & Bunker, 1996; Wiebel, 2014	McEvily, 2011; Bachmann & Inkpen, 2011; Pfarrer, DeCelles, Smith & Taylor, 2008	1. Calculus-based trust is used to manage risk in the early stages of a trusting relationship 2. The use of calculus-based trust can be helpful for organisations in establishing a basis for interactions through legal or regulatory mechanisms

Addressing the challenge of levels and constructs

Bachmann et al. (2015: 4) suggest that 'new methods will likely be required examine trust crises such as the financial crisis'. Although the five aspects of trust explored here provide useful insight into interpersonal and organisational trust, and a series of lenses through which to consider interorganisational trust-building, the current way that we think of trust in terms of discrete constructs, antecedents or underlying mechanisms limit the way we can explore the complexities of trust-building between multiple stakeholders.

For example, defining ability-based trust in the interorganisational environment of the financial crisis becomes wrought with questions about how one might measure ability. Abilities may rely on relationships; abilities will likely exist in domains that are constantly shifting. Similarly, questions of calculus decisions made at what moment or how to use control to build trust when there is no ultimate authority become fluid and intangible. One might consider ability based trust as based on knowledge in one instance, or that ability-based trust might be reliant on the control an individual or organisation has in a specific situation in another instance for example. Identification-based trust between individuals might equally for example rely on forms of control enacted by the organisation for individuals to build identification. Questions of who trusts, whether it is the individual trusting the organisation, the organisation placing trust in its own staff or trust in the interorganisational system allowing organisations to make trust decisions about one another, complicate our ability to describe trust as a form, or ascribe trustworthiness to an individual or organisational actor.

The point here firstly is that the focus of studies that isolate trust to a particular construct of level or analysis will unlikely reflect the complexities of the social reality in which interorganisational trust-building between multiple stakeholders is taking place. Using the insights from the trust literature outlined in the previous pages we need consider new research methods that can acknowledge the complexities of interorganisational trust in cases such as the financial crisis where there are multiple individual, organisational and institutional actors operating to build trust in different ways. As Bachmann et al., (2006: 6) point out in the *Handbook of Trust Research:*

Trust should move beyond single snapshots of interpersonal, inter group or inter-organisational trust. Such approaches do not do justice to the intricacies of trust

or the degree to which it changes over time. Therefore, we call for a new era of trust research that shifts attention towards multilevel analysis of trust.

We see that to date the primary focus of trust research continues however to be focused on delineating levels of analysis and has further dislocated our understanding of interpersonal and organisation trust as discrete concepts (See Bachmann et al., 2015) and we still continue to find ourselves focused on levels of analysis in ways that do not allow us to fully consider the complexity of a interorganisational environment where there are multiple stakeholders attempting to build trust following the breakdown trust in the interorganisational system as we have seen in the financial crisis.

However, trust scholars insist that the division between micro and macro conceptualisations of trust only serves to add more confusion to our understanding of the concept of trust (Fulmer & Gelfrand, 2012; Gillespie, Hurley, Dietz & Bachmann, 2012) and that key to a better understanding of how we better conceptualise trust is to 'reconcile the micro and the macro' (Dietz & Den Hartog, 2006: 435). Therefore, I suggest that to address this problem we need to consider the concept of trust beyond simply a micro or macro concern and instead of formalising trust through mechanisms that exist at levels of analysis, I suggest we consider how we can go beyond thinking of trust in terms of levels, or precise mechanisms, but in ways that allow us to think about interorganisational trust in order to address the question of:

"how do individual, organisational and institutional actors work to build trust following a financial collapse?"

Conclusions: towards a practice perspective on trust

In this chapter, I suggest that interorganisational trust should be studied neither in terms of micro or macro phenomena, nor just as singular concepts, since trust between multiple organisations will involve a complex web of interactions between individuals representing the organisations that are attempting to build trust, which current research methods currently struggle to address. Therefore, rather than viewing trust as a thing that exists as a fixed construct based on specific constructs or levels of trust, one might conceive that interorganisational trust-building and the various aspects of trust described in this chapter will be both created and shaped by human behaviour and determined by the actions or beliefs of the trustee or trustor and will represent 'embodied, materially mediated arrays of human activity organised around shared understanding' (Schatzki 2001: 2).

Considering trust from a practice perspective aims to study relationships situated and socially accomplished through the actions and interactions of multiple actors. Such a perspective builds on Weick's (1979) distinction that social life is better understood using gerunds and verbs instead of static, reified concepts. Central to such an approach is the notion that social life 'is an ongoing production and thus emerges through people's recurrent actions' as it focuses on dynamics, relations and enactment (Feldman & Orlikowski 2011: 1240).

In conclusion, a practice theory approach to building and maintaining trust offers four unique angles to trust research. First, a practice ontology rejects dualisms, such as micro-macro, subject – object, theory-action, body-mind. In trust research this is an important reorientation of thinking and addresses the challenge that we currently face in the trust literature between micro and macro conceptualisations of trust (Dietz and Den Hartog, 2006; Bachmann et al., 2015) where levels of analysis are considered as discrete (Fulmer & Gelfrand, 2012), described as different categories (Schoorman et al., 2007) or as dualistic (Lewicki et al., 2006) and provides new opportunities to consider trust beyond levels of analysis. 'Individual and collective social agency is therefore constituted through assembling, aligning and stabilising patterns of relationships so that any form of social order is in fact the outcome of observable instances of ordering' (Nicolini, 2009: 1394) rather than existing at a level of analysis or as a static, reified concept. From this follows that the aim of studying interorganisational trust in this way is concerned with 'tracing the associations between human agency and the structures it creates and studying the effects that the resulting arrangements make in the world' (Nicolini, 2012: 32). This provides an

opportunity to revaluate our approach to studying trust-building that does not build up levels of analysis (See Bachmann et al., 2015) but rather considers the micro and macro in a state of mutual constitution (Feldman & Orlikowski, 2011).

Second, a practice approach focuses on the centrality of everyday actions as consequential. Activity, performance and work create and perpetuate all aspects of social life (Nicolini, 2012) as ongoing, routinized and recurrent accomplishments. Conceptualising interorganisational trust as both a process curated by the individual and a process that shapes the individual acknowledges that the individual is at once an agent able to shape the environment of their organisation and the interorganisational system they exist within, as well as an actor bound up in the routines, practices and cultures of their organisation and the interorganisational system. Therefore, the everyday actions in the word and the deed can be understood to provide insight into the various practices that take place as a whole range of different individuals and organisations interact to rebuild trust in the UK banking sector whilst also rebuilding trust amongst themselves and in their own organisations. It is only once we appreciate the set of practices involves ongoing, routinized and recurrent accomplishments that we can ask what sort of ability individuals have to build interorganisational trust. Thus, rather than considering concepts like control, knowledge or ability as existing in a reified sense, a practice perspective on these characteristics or concepts that have been linked to trust, would consider how knowledgeability (or control etc) is accomplished and perpetuated (or altered) in everyday actions. Using this approach makes trust public and visible, manifest in what people do, rather than an idea or belief internal to an individual.

Third, the practices of building trust become the central unit of analysis. Practice as a unit of analysis takes account of bodies, people, histories, knowledge, rules, objects, goals that work together to enact practice. In relation to trust, this suggests that the perceptions, reasons and goals established in and through a practice wherein trust is being built can be just as important as the bodily movements or actions that are performed. It also highlights that knowledge – for example regarding someone's ability or competence – is not the property of an individual but is formed through practical understanding, ways of proceeding as well as the material environment and that actors are 'capable of shifting from one form of trust to another' (Nicolini, 2009: 1396), using a particular form of trust sooner than expected or 'negotiating their strategies of trust as circumstances change' (Ibid.). The role of space is therefore an important consideration, since the physicality of the space, the material objects that the actors interact with, the histories and shared knowledge of a space

will influence the possibilities and propensity for trust-building. This suggests that the perceptions, reasons and goals established in and through a practice wherein trust is being built can be just as important as the bodily movements or actions that are performed. It also highlights that knowledge – for example regarding someone's ability or competence – is not the property of an individual but is formed through practical understanding, ways of proceeding as well as the material environment they interact with.

Fourth, practice theory posits that activities are not accomplished by discreet entities, such as individuals, knowledge and objects. Therefore, the analytic task, again, is to identify 'concerted scenes of action' (Nicolini, 2009: 1394). Interorganisational trust-building considered in this way is constantly evolving and shaped by the actions and reactions of the trusting parties using practices and routines adopted over time that best align their individual and organisational needs with their needs in the present. This ontology begins to make sense of the challenges of interorganisational trust-building where trust-building is taking place between multiple individual actors, at multiple levels and between organisations with agendas that are both at once competing and aligned, and shaped by the encounters and beliefs that have both created and have been formed by the structures within which the organisations operate. This confirms a view that interorganisational trust is neither micro nor macro, nor interpersonal or organisational, but as the result of the dynamic relationship of mutual constitution co-created in relationships (Feldman & Orlikowski, 2011). Thinking about interorganisational trust in this way will provide an opportunity to explore the five aspects of trust discussed in this chapter for instance without limiting them to either a level or orientation to the trusting parties but acknowledging trust is a collaborative process that exists as a result of a relationship not because of the construct.

Thus, practices such as building trust, are mutually constituted by the multiple entities and actors enacting them, rather than cognitive reasoning. Individuals become orientated to one another, as well as rules, histories etc, through an ongoing process of adjusting (Barnes, 2001) as they work to earn or learn trust. How an individual might respond to another, monitoring or adjusting their actions to accomplish a goal, suggests that an examination of trust as practice needs to account for collective level activities, and interdependent social agents.

Each of the aspects of trust discussed in this chapter might therefore exist for a moment, change with time, develop into something new depending on the actor's own motivations and interpretation of their own actions and those around them.

Acknowledgement of the individual's role as an actor that has the ability to both to 'enact trust and influence structures' (Meyerson, Weick & Kramer, 1996) whilst also recognising they remain 'suspended in webs of significance he himself has spun' (Geertz, 1973: 44) presents an opportunity to address the challenge of studying the complexities of the interorganisational trust-building described in the previous chapter and an understanding about how the aspects of trust discussed in this chapter might be used to provide further insight into interorganisational trust-building not as constructs to provide positivistic evidence, or to test for the presence or absence of a type of trust, but as heuristics for understanding the complexities of the social reality of the interorganisational environment in which trust-building is being attempted.

CHAPTER THREE: METHODOLOGY AND DATA COLLECTION

This chapter firstly provides information about the context in which the data was collected. It then describes the rationale behind the choice of participants and how main sources of data were collected. The chapter then describes the theoretical approach to the analysis of the data.

Context of the data gathering

The study was undertaken whilst I worked in Parliament in a role that brought me into regular contact with the participants in the study before the study began. My role as Chief of Staff in the organisation where I worked required me to facilitate dialogue between politicians and business leaders in a manner that provided information sharing between politicians and business leaders in ways that were non-party political and worked with all parliamentarians and businesses of any sector or size. The work that was undertaken was governed by a cross-party representation of seventeen senior parliamentarians and was accountable to the Leaders of the House of Commons and the House of Lords.

The organisation was established in 1977 by a committee of Parliamentarians to facilitate dialogue between politicians and businesses and operated within the Parliamentary estate. There was significant external and internal scrutiny over our work to ensure that these aims were met and that the organisation was not used as a vehicle for lobbying. Weekly internal office meetings focused on ensuring that we were effectively moderating discussions and debates in order to ensure that the ethos of the organisation remained non-political, impartial and accessible to all Members of Parliament and all businesses. Since the organisation was mandated as an impartial facilitator of the interactions between politicians and business leaders, this organisation and the role I played in it placed me in a position where I was regularly required to observe the interactions between the participants in such a way that I was an impartial observer of the discussions between stakeholders with the responsibility of ensuring that neutrality was maintained. I was therefore in a position of facilitating discussion without directly having an interest in the outcome other than ensuring that it was of educational value and represented, as best could be managed, the views and interests of all parties involved. The organisation focused on eight industries, one of which was the financial services sector.

The impact of the financial crisis was a significant influence on our work and as a result I was placed into regular contact with senior staff from a range of financial institutions prior to the data gathering phase of the project. These individuals were usually at "C" level or on the board of the organisation working to address the challenges of the financial crisis. Interactions that took place beyond the scope of the study that brought me into contact with the participants involved delegations to Brussels, facilitating visits for individual parliamentarians, or groups of parliamentarians to the offices of an organisation as well as providing space for dialogue between groups on policy issues relevant to financial crisis. I was therefore inevitably influenced by my own role prior to beginning the study, which was a consideration in the data gathering, which is discussed in further detail later in this chapter but also a reason for choosing to study the financial crisis. However, the organisation that I worked for had operated for thirty-seven years as a moderator in this way and the focus of the organisation on sectors beyond the scope of the financial services sector placed me in a position where I was known to the participants as an "insider" who had no stake in the discussion. I would often describe myself as "the butler" to colleagues – reflecting my role of ensuring that the interactions took place in ways that were appropriate but without the status or any personal interests in the outcome of the discussion other than to ensure that that the discussion was balanced and allowed representation of different views to be considered by politicians and industry leaders. The role I played in my official capacity therefore was a consideration both in terms of my own bias, but it also allowed me privileged access to the participants. Furthermore, the relationship of my own work to their organisations meant that they were prepared to share information with me that I otherwise might not have been able to gather as an "outsider" attempting to understand the interactions of the participants.

Choice of participants

The participants were selected from three separate stakeholder groups who were placed together to address a crisis and who had different motivations for restoring trust in the financial system. The banking participants were taken primarily from the UK high street banks, the regulators from the FSA (and in cases where relevant from the Bank of England (BoE)) and the politicians from both Houses of Parliament. Six of the politicians were members of the TSC at the time of the study.

The seniority of the participants was a significant factor in the choice of participants. If we are to examine how individual actions and behaviours can influence

trust in an individual's organisation and to consider interorganisational trust-building existing beyond levels of analysis, then it is important that the individuals in the study had the legitimacy to represent their organisations. The banking participants included individuals with the following titles for example: UK CEO, Deputy CEO, Chief of Staff, Non-Executive Board Member, Group Head of Compliance and Group Director of Corporate Affairs. The politicians were all either involved in the TSC or more widely in the finance services debate about the ICB Report that was taking place in the Houses of Parliament at that time either through positions in Government or membership of relevant All Party Parliamentary Groups. Engagement with the ICB policy debate was the rationale for the selection of the Parliamentary participants. The seniority of roles was also applied to the rationale in asking members from the regulatory community to take part in the project. There was an attempt to ensure that cross-party representation, differing regulatory views and different types of high street banks were represented in the selection of participants to allow for a range of views to be considered.

Description of the data collection

The main sources of information gathered in the fieldwork were (1) thirty interviews, (2) six focus groups, (3) the meetings and the minutes of the TSC between April 2011 and August 2012 and (4) the public literature published by the organisations (reports, responses to consultations and advertising campaigns, for example) as well as (5) ethnographic field notes taken between April 2011 and August 2012. The ethnographic element of the study, given my role in the organisation, was important in interpreting the other sets of data.

Since context is a key component to understanding trust (Chen, Saparito & Belkin, 2011), data gathering was structured in such a way to allow a range of perspectives from private to public. Furthermore, since the creation of trust is highly context specific (Tillmar, 2002) the study aimed to engage in an 'exercise of reflexivity that interprets [its] own interpretations' (Alvesson & Skoldeberg, 2000: 96) exploring a range of data on multiple levels in a diverse range of contexts. The study therefore combined semi-structured interviews, focus groups, literature reviews and ethnographically-inspired methods (Garsten 1999) aimed to provide a diversity of perspectives that could be collectively addressed and understood as I began to explore interorganisational trust-building from a practice perspective.

The purpose of the five types of data collected was to attempt to capture private, semi-private, passively public and actively public statements from the participants and their organisations to explore the responses in a range of settings in order to take an holistic approach that would allow for comparison between data sources and for information from one data source to inform analysis of another data source. Table two provides further information on the data collected and the rationale for each type. The following five sections briefly outline the different data sources collected and describe the method for each in more detail. Figure one shows how the data sources were considered to relate to one another, acknowledging the data gathered related to different public and private contexts.

Table (2): Explanation of data sources

Source	Nature of source	Reason for analysis
Private interviews	Thirty unattributed interviews which were held in private and anonymised	To capture private sentiment from individuals in the group
Round table focus groups	Six Chatham House-style meetings with up to twenty of the participants attending	To analyse semi-public discussion between regulators, legislators and leaders in the sector
Treasury Select Committee (TSC) minutes	Minutes of fifty-five meetings between April 2011 and August 2012	To analyse a public dialogue between the Treasury Committee and the leaders of the banks
Official reports and other public domain literature	115 other public sources including speeches, interviews, press releases corporate documents and news stories and advertising campaigns	To analyse literature referring to the banks and the crisis specifically purposed for a public environment
Ethnographic field notes	Field notes taken during the duration of the study in a journal. (Separate notebooks were used for each focus group and interview, which included ethnographic data)	To reflect on the information gathered in the other four data sources and to consider underlying aspects of the discussions between the stakeholders that may not be apparent in the spoken or written material shared by the participants

Figure (1): Diagram of data sources

	Source	Nature of source	Reason for analysis	
Anonymous & Private [1]	Private interviews	30 unattributed interviews which were held in private and anonymised	To capture private sentiment from individuals in the group	
Chatham House Rule [2]	Round table focus groups	Six Chatham House-style meetings with up to 20 of the participants attending	To analyse semi-public discussion between regulators, legislators and leaders in the sector	
Indirectly Public [3]	Treasury Select Committee minutes	Minutes of 55 Treasury Select Committee meetings between April 2011 and August 2012	To analyse a public dialogue between the Treasury Committee and the leaders of the banks	
Actively Public [4]	Official reports and other public domain literature	115 other public sources including speeches, interviews, press releases and corporate documents	To analyse literature from the banks specifically designed for a public context	

(Left margin label: ETHNOGRAHIC FIELD NOTES)

(Right margin labels: Private conversations / Internal perspectives; Public conversations / Outer contexts)

1. Interview data

Interviews were conducted at locations requested by the interviewee. There were five different locations that interviews took place. Interviews with regulatory colleagues were conducted at their place of work, interviews with parliamentary participants took place ether at the dispatch box in Portcullis House or in the participant's office. Interviews with the banking participants took place in their offices or, on two occasions, in hotel lobbies. Interview data was gathered through semi-structured interviews with thirty of the individuals who attended the round table focus groups. In total, there were five individuals involved in the regulation of the financial services sector, ten individuals who were involved in in the creation or development of legislation, six individuals from the three UK-based high street banks studied and nine individuals who worked in the financial services sector, but were not directly employed by one of the three banks that were observed in the study. Requests to record the interviews were made on each occasion and anonymity was agreed with the participant prior to the interview. Six of the thirty interviews were taped and transcribed. The remaining twenty-four relied on notetaking whilst conducting the interview. Interviews lasted between twenty minutes and one hour, but the length of the interview was governed by the interviewee. For example, one interview was cut short because of a division bell in the House of Commons which meant that the participant had to leave the interview and vote. Despite the relationship I had

established with the participants through the role in my organisation, the seniority of the participants meant that there were challenges in gathering a homogenous set of thirty interviews. However, the study did not require homogeneity in the interviews, but rather an insight into the participants own particular views and their worlds. On occasion a shorter interview meant that the participant would focus on a particular topic, which demonstrated the significance of the topic to the interviewee in sharing certain information in a private setting. It became apparent from the interviews that trust was an important topic and therefore I began to consider how trust-building was being enacted by the participants in the study.

With this goal in mind and in order to ensure that certain themes could be examined, the individual interviews were structured and where it was appropriate the order of the questions was rearranged or the focus of the interview was shifted to explore in more detail specific points made by participants. This was also to explore emergent themes as they arose (See Spradley, 1979). The interviews also formed the basis for some of the focus group discussion topics and the opportunity was taken where possible in the interviews to explore topics for the focus groups to discuss and for the participants to reflect on topics discussed in the focus groups.

2. Focus group data

The second type of data collected comprised of transcripts from six semi-structured focus groups held between April and September 2011 and January to May 2012. Each focus group was comprised of approximately twenty people. There were representatives from the TSC, FSA and each of the three high street banks present at each one of the focus groups. The group was also comprised of other leaders in the sector, interested politicians and civil servants. The number of participants and the breakdown of the representation from each of the stakeholder groups is shown in the table ten below.

Each focus group lasted for one hour and was transcribed. There were participants present at the focus groups who were not interviewed, however, all but six of those interviewed attended at least one focus group session. Participants were told that the meeting was held 'in the spirit of the Chatham House Rule'. It was explained to the participants that this meant that although they would not be quoted directly, their unattributed comments may be quoted in the study. This variation on the Chatham House Rule (where the place but not the individual would be attributed) was highlighted at the start of each focus group to convey to the participants that the focus groups were not anonymous like the interviews but did provide a degree of anonymity since their identity would not be shared.

Table (3): Representation of stakeholders in focus groups

Participants present	Focus group 1	Focus group 2	Focus group 3	Focus group 4	Focus group 5	Focus group 6
Banking	7	12	6	9	12	9
Parliamentary	11	7	8	5	6	6
Regulatory	3	3	2	4	5	2
Total	**21**	**22**	**16**	**18**	**23**	**17**

Participants were assured all data would be kept securely and that specific details that might directly identify participants in the focus groups, or indeed the any of specific dates of the focus groups would not be revealed to any outside party. This ensured a semi-private environment where information that was particularly sensitive could be shared in a controlled way but it did not provide the full anonymity that the interviews provided since the participants were amongst colleagues from their own organisation and other organisations.

To test whether the semi-private environment intended in the focus groups was reflected in the experiences of the participants, several of the participants were asked in the second tranche of private interviews whether they felt comfortable sharing information and views in the focus groups. The participants questioned confirmed that the fact there were three stakeholder groups around the table made the focus groups conducive to sharing information and their views, suggesting that the participants felt that the focus groups were a space where sensitive, but not business-critical information could be shared.

The focus groups took place in rooms booked on the Parliamentary Estate either in Portcullis House or within the Palace of Westminster. Due to the nature of the group, convening the meetings was determined largely by the participants' schedules. Therefore, there was again a lack of homogeneity in the focus groups in terms of time, participation and the environment in which the focus group discussion took place. Two of the focus groups were held at 6:30pm in Dining Room B in the Palace of Westminster and participants were provided dinner afterwards at 7:30pm. Two of the focus groups were held in meeting room Q in Portcullis House at 8:30am and tea, coffee and biscuits were provided for the one hour discussion, and two of the focus groups were held in Dining Room B in the Palace of Westminster at 8:30am where a continental breakfast was provided at the table for the one hour discussion.

Therefore, although the timings, participants and the locations differed to an extent, the length of the discussion and the focus of the discussions on the ICB report remained consistent. The differing contexts provided challenges to the data gathering process, but also provided opportunity to explore the ways that the participants interacted in the material spaces when they met at different times.

3. Treasury Select Committee data

The third type of data collected were the minutes of all open-session TSC meetings that were relevant to the policy discussion. In total, there were fifty-five relevant hearings between April 2011 and August 2012 that were used as data for the analysis of which fifteen were directly observed by sitting in the room and taking notes. The remaining forty were reviewed through the transcripts provided subsequent to the meeting. The nature of TSC meetings are such that often, unless there is a particularly newsworthy item, the meetings provide publicly accessible information that in the most part members of the public do not choose to access. This meant that, despite being a public forum, some topics were discussed very openly in TSC meetings if they were considered not to be too controversial. It became clear as the study developed that although the TSC meetings were in principle not necessarily of significant public interest they had the potential to become the focal point of media attention almost inadvertently and therefore were considered a passively public environment in which the participants engaged.

4. Official reports & other public domain literature

Longitudinal documentary analysis was conducted to track shifting discourses by the leadership in banks, more general regulation of banking practices and any lessons learnt since 2008. The research relied on the diversity of available sources to support the analysis of the data from the interviews and the focus group meetings. Therefore, three types of sources were used: Firstly, articles from the printed and broadcast media, specifically relating to organisations involved in the study. Relevant data was gathered from the BBC Television Archive and the Sky News Library as well as news reports from *The Financial Times*, *The Economist* and *ReutersBest* archives. These materials were analysed in the period between the gathering of the first tranche of interview and focus group data and the gathering of the second tranche of focus group and interview data to provide a "qualitative barometer" about the perceptions of the organisations studied to understand the wider environment and the impact this

might have on the participants' responses. Secondly, materials produced by the TSC, the FSA and the UK high street banks such as advertising campaigns and reports were reviewed to provide a further strand of qualitative material about how the banks, TSC and FSA wished to be perceived. Thirdly, documents produced by political groups, some Parliamentary debates recorded in Hansard,[2] position and lobby papers written by think tanks and research papers produced by Committee Clerks and the House of Commons Library were analysed to understand what aspects of the debate politicians and regulators publicly discussed. Reading these documents also served to support the ethnographic element of the data gathering in providing context to the study to interpret the data that was gathered in the focus groups and the interviews to help reflect on my own situation within the study and because I had a relatively limited understanding of the financial services and the relevant policy discussions that were taking place prior to the study.

5. Ethnographic data

It became clear in the development of the study that prior to the financial crisis the participants observed in the study had spent very little time together. This was an observation that was of interest and prompted the decision to examine in further detail the interactions between the participants beyond the scope of the interviews and the focus groups. Although this project is not solely ethnographic, in the spirit of trust scholars such as Lardeau (2012) who use ethnographic methods extensively, my approach to the data collection relied heavily on my own relationship with the participants and my own position in the study.

Some relationships between participants were already established (particularly those between the parliamentary participants) but aside from these relationships, the majority of the interactions were between participants who did not previously know one another prior to the publication of the ICB report and the project therefore observed a temporary community of three stakeholder groups resolved to tackle the issue of reforming the British domestic financial infrastructure.

The approach to the design of this project therefore uses the period between the publication of the ICB report and the publication of the Banking Reform Bill 2012 as a boundary to the study. This was an eighteen-month period between April 2011 and August 2012. It was therefore considered that that gathering ethnographic data to support the other types of data gathered would be an integral element of the data

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[2]

gathering process to contextualise the data gathered from the four other main sources. Where possible I attempted to use my position to interpret the data to gain a deeper understanding of the interactions.

The ethnographic data gathered gave me an opportunity to observe interactions between the groups beyond the TSC meetings, focus groups and interviews. This allowed for an opportunity to observe instances outside the scope of the focus groups, TSC meetings and the interviews that otherwise may have not been observed. Crucially the ethnographic element of the project served to provide deeper understanding of some of the interactions and comments made in the focus groups and the interviews.

Kidder (2005) states, the fundamental goal of an ethnography is to gain an insider's perspective through understanding behaviour. To gain this insiders perspective (and therefore gather data which will allow the researcher to uncover new insight) researchers will take on a role in an organization or group. To do this, work was undertaken alongside the participants, which allowed the opportunity to be an active and trusted observer. The role I undertook in Parliament in this period provided an opportunity to gain an insiders perspective, to understand the nuances of the organisations that were involved in the study and to play the role of "butler" to their conversations. I was therefore able to observe conversations that took place, that otherwise I may not have observed. The value of the role I undertook at the time of the study was an important part of interpreting the information shared by the participants in the interviews, focus groups and the public information they shared as it gave a vantage point from which to observe and question the information being shared and to interrogate the data with knowledge not only with the information gathered but with insight into the reasons why the information may have been shared or not shared. However, as Henry and Fields (1984) suggest gaining an insider's perspective can also cause problems whilst gathering data because it is extremely difficult to preserve the natural situation whilst trying to gather data and this was a challenge faced throughout this study as I managed the responsibilities of my work.

Comparable examples which have taken a similar approach are Fletcher (2010) who became a white-water rafting instructor, Henry (1978) who became a driver, and Fields (1984) who lived with drug dealers in California. These studies methodologies were helpful in the design of the research project, although my role in Parliament preceded the genesis of the project therefore I had become an insider without having to 'take on a role to gain an insider's perspective' (Ibid. :84). Although,

as Fletcher (2010) and Fields (1984), I was observing the discussions without detailed previous knowledge of the subject matter.

Data coding and analysis

The data analysis was a reflexive process – a 'hermeneutic spiral' (Landa, 2002: 2) that was informed (1) by the literature review, (2) by my role within my own organisation and (3) the decision to gather interview and focus group data in two tranches. The following section describes the process of analysing the data. Examining the interactions of the participants over an eighteen-month period was an important consideration in the data analysis and allowed for further reflection on practices that were identified and how they could contribute to what we know about interorganisational trust. The analysis of the data can broadly be described as developing through three stages that moved from the raw data to more concrete empirical themes, and then to more general abstract concepts. As the study developed, it became apparent that to capture the richness of the trusting practices that were taking place, the ethnographic aspect of the project had become increasingly important.

Figure (2): Gantt chart detailing data gathering and analysis
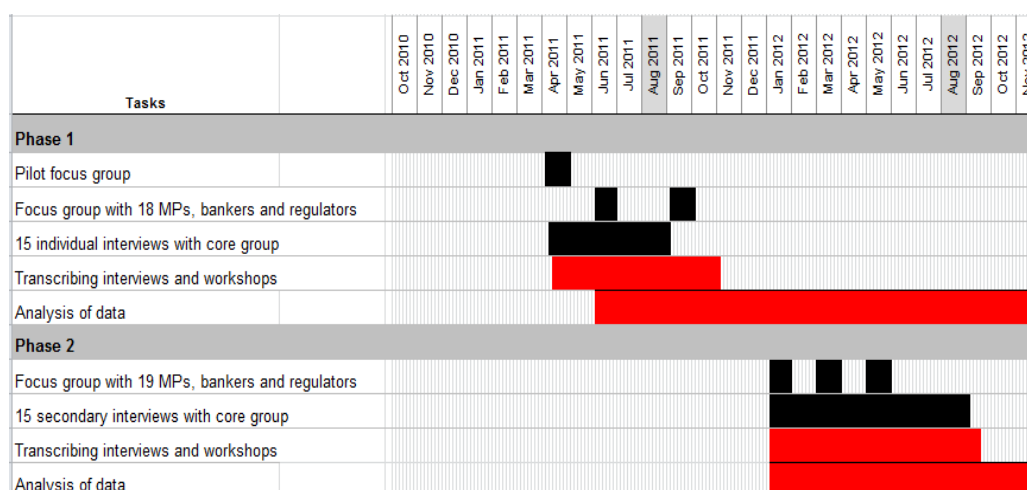
Stage one. As I began the data collection a literature review of trust research was undertaken to inform the coding of the first tranche of interviews. The literature review examined manuscripts cited in four previous reviews of the trust literature: Rousseau, Sitkin, Burt & Camerer, (1998), Mayer et al. (1995), Bachmann and Inkpen (2011) and Gillespie and Dietz (2009). In total, the four reviews cited 183 separate

studies on trust (See appendix I). The analysis of the literature cited in the four literature reviews was supplemented with an article search. The article search was conducted using Google Scholar and Mendeley Network using the key phrases 'trust', 'trust building' and 'trust repair'. A further 85 articles were found that presented relevant definitions of trust (See appendix II).

When reviewing these combined 268 articles, I tried to ensure that the subject of the study, the empirical context and the methodological approach did not bias the consideration of its relevance; rather my focus was on the conclusions or observations that each study made about the nature of trust in order to establish some broad themes relating to trust to inform the first cycle coding of the data collected during the first tranche of data gathering. This was an initial attempt in the time allocated to this research project to take stock of the current and perennial trends in trust research within the fields of management and organisation studies and consequently orientate the data analysis to themes that were relevant to the trust research in my field. Further explanation as to how the first order coding was developed and made "real" from themes in the trust literature are included in appendix III.

Stage two. Having completed the coding of the first tranche of interviews and focus groups and now having had some experience in the field (a deliberate shift of emphasis from my day job, which I will discuss later in this chapter), I realised (1) that some of the themes were less relevant to the study and that (2) some of the themes could be absorbed into one another. As the study progressed towards a second tranche of data gathering, I identified twelve of the thirty themes that were both relevant to the study *and* prominent in the trust literature (Details can be seen in appendix IV). Having now gathered two tranches of data I then chose to investigate in more detail some of the conversation topics that appeared prominently in the interviews, focus groups and select committee data. I began to consider other codes such as "European legislation" and "The City of London", which appeared to strongly resonate with and substantiate the discussions I was observing and reflected the "practical" subjects that the participants appeared to see as important and I considered these codes in the context of the other categories I had observed. This provided a secondary lens through which I could consider the twelve trust themes that I had established and was useful to begin to shape the presentation of my data. For example, it helped me decide to present vignettes and stories alongside the data gathered from Select Committee hearings, interview and focus groups, given the challenges to empirical work on trust set out in chapter two.

Stage three. Having reflected further on the practice literature, I returned once again to the coding and data analysis. I realised that the themes in my data were

highly fluid (and often interchangeable). At this point I began to consider if the themes may require further consolidation and development in order to capture the richness of the practices that were taking place. This led me to do two things. First, I established three prominent patterns emerging around space, stories and knowledge management, which I develop later in the thesis as trust practices. Second, I was prompted to return to the literature review and consider once again the twelve themes that I had developed. At this stage, I also became aware of the content of the *Organization Studies* special issue on trust crises (Volume 36, Issue 9, September 2015) and I reflected on the articles in the special issue as I returned to the themes from the literature review. From the initial thirty (then twelve) themes, there now appeared to be five aspects of trust that were of interest to the development of our understanding of trust from a practice perspective. These five aspects of trust, discussed in the previous chapter were of particular interest to the study were selected because (1) they had been shown to be significant to the broad conceptualisation of trust shown in the trust literature in the literature review that was undertaken, (2) that they were aligned with the themes described in by Bachmann et al. (2015) in their editorial of the *Organization Studies* Special Issue (See appendix V) and (3) they provided a good methodological fit with the data and showed expository promise in developing an initial understanding of practices that contribute to interorganisational trust.

Challenges (and other observations) regarding the research method

I will briefly discuss four aspects of the data gathering and analysis that I believe warrant particular comment. First was the challenge of gathering reliable data. Gathering reliable data from the individuals in this study was difficult since the information that I gathered was of strategic importance to the individuals and the organisations involved. Therefore, to assess possibly misleading responses from the participants there was an eighteen month long ethnographic study, which took place concurrently whilst the data was gathered from the four contexts studied. Given the context-specific nature of trust research, the ethnographic element allowed the study to capture further context and provide a more holistic interpretation of the interviews, focus groups and the public materials examined in the study and "read between the lines" in interpreting the responses of the participants in the interviews, focus groups and the Select Committee meetings.

Given the nature of the data collected and the seniority of the participants, there was no feasible option to undertake a pilot study. This would have been beneficial in so far as it would have helped me to explore some of my initial thinking about trust in the interorganisational environment, which I had developed from the literature. However, this was not possible because of the time that the participants could commit. However, given the benefits of the ethnographic approach outlined below, it was in some ways rather helpful to explore the data "in the action" as it were.

Second, identifying, acknowledging (and best avoiding) researcher bias was a persistent challenge, particularly given my day job. It became apparent as the study progressed that the practice perspective and the methodology became increasingly important in this respect as it was an approach that allowed for (And in fact encouraged!) a self-reflexive approach to the project – I realised that I began to recognise the project as it developed as 'something constructed in context; not an experimental science in search of law but an interpretive one in search of meaning' (Geertz 1973: 82) and therefore the analysis in the following chapters took a view of trusting relationships that led me to view each actor as 'an animal suspended in webs of significance he himself has spun' (Geertz 1973: 81). This approach helped me to acknowledge and consider first-hand some of the challenges with regard to context specifity and comparisons of empirical studies, which were considered in chapter two. It also meant that, as I moved through the various phases of data analysis and fieldwork, the ethnographic aspect of the project allowed a form of thematic analysis to develop where interesting areas were explored beyond the scope of the interviews, focus group and Select Committee transcripts. For example, section four of chapter five is heavily reliant on a single experience that, as a result of the data gathering and analysis, I felt represented a broader theme in the data about the use of space to control.

Third, I stand with numerous other scholars before me who acknowledge that there are significant challenges to creating an ethnographic study which is empirically robust (Parker, 2007; Hammersley, 1992). Combining ethnography with other data collection provided an interesting way to explore the data and the emerging themes from different perspectives. My view on completion of the project remains firmly aligned with the many contemporary ethnographers who present the method as the best way to get reliable data in a given situation. I note, that Maher and Dixon (1999: 492) comment that their study of drug addiction presents a 'more accurate representation of a street-level drug-using population than could have been achieved through survey research'. In my study, ethnographic field notes were taken throughout

the eighteen-month period of data collection to help interpret the other four data sets and allowed me to capture the richness of the interactions. Field notes were therefore taken and analysed alongside the four main sets of data gathered and I became conscious that the research process was supported and informed by ethnographic principles and was not simply an ethnography. Therefore, the study should not be considered solely to be ethnographic but to be 'ethnographically informed' (Currall & Inkpen, 2006). This tension between ethnographic data and the other data gathered therefore offered both an opportunity to really "dive deep" into the interactions, but also had to be consistently balanced with the cautions Parker (1997) and Hammersly (1992) present and I had to therefore acknowledge that the data collection involved a unique positionality that inevitably influences the data one collects (Clifford & Marcus, 1986). As is the case when selecting a field site and a focus for the study, the overwhelming amount of data one must choose from, coupled with the various lenses through which one could interpret the data, make it difficult for the researcher to claim any notion of objectivity.

I am still very much at the start of my academic career, and this process was a significant learning curve. As I started the project I erred towards Lofland's inclusive approach and begun by coding anything and everything that was collected – towards the end of the project, and with a little more experience (Coupled with a clearer sense of the themes emerging from the codes in the data, that I believed to be relevant - and having gained "an insider's view") I became more decisive as to what information in my field notes and in the focus group, interview and Select Committee data was of primary interest to the study. I felt that this process of learning through practice appropriately represented the practice approach to trust I was developing.

CHAPTER FOUR: CASE CONTEXTUALISATION

This chapter provides some contextual information about the three stakeholder groups in the study as well as relevant information about the ICB and wider regulatory environment. The chapter is structured in three sections, first, the chapter provides information to contextualise the parliamentary participants, the Westminster Parliament and the TSC. The second section provides information about the UK high street banks and some historical context of the City of London as a financial centre. The third section describes the role of the FSA to contextualise the regulatory environment. This section provides a discussion of the ICB report as well as some wider context about the regulatory environment.

The Parliamentary participants, the Parliamentary Estate and the TSC

During the period of the study there were 652 members of the House of Commons each accountable to their constituency, typically spending Thursday to Sunday in their constituency and Monday to Wednesday on the Parliamentary estate. The public elects Members of Parliament (MPs) to represent their interests in the House of Commons. Members of the House of Commons and their time is split between Parliamentary and constituency business.

Routines and patterns of work for a Member of Parliament

Although it changes annually each year, state opening of Parliament takes place towards the end of May and prorogation (the end of a Parliamentary session) takes places place in March. The dates are ultimately decided by the Queen, based on advice from the Privvy Council. Between May and March, Parliament follows a pattern of three sitting periods per year like school terms or academic semesters. When the House is sitting Members are likely to be in attendance (i.e. physically on the estate) to vote. These times are (1) Monday 2.30pm–10.30pm, (2) Tuesday 9.30am– 10:30pm (3) Wednesday 9.30am–5.00pm when debates are taking place in the Chamber and when Parliament is sitting.

However, there is no formal requirement for parliamentary participants who are Members of the House of Commons to stay on the estate to vote or to engage with the process. They are essentially employed as individuals by the House of

Commons as elected representatives. However, it is simply assumed that to progress one must be present for debates and vote based on the oversight of the Parliamentary Party's Whips offices. Therefore, there is clearly a degree of autonomy as each Member of the House of Commons is accountable to their constituency once elected and does not in fact physically have to attend Parliament, however the party maintains informal tacit control over the behaviour and pattern of business of the Members through the incentive to advance to more senior positions in Government or shadow Government roles provided one "tows the line".

The Parliamentary Estate

The House of Commons and House of Lords function effectively as two separate organisations. For instance, their kitchens ordered food from different caterers, they used different suppliers for most office related supplies and even the passing of a Bill from one House to the other was done formally (A clerk from one House would meet a clerk from the other House at the point at which the two Houses physically join to exchange the paper work).[3] Space was subtlety controlled. The different levels of clearance allowed Members or Officers of the House to access different parts of the estate. This was controlled informally. However, lanyards, clearly marked out statuses and parliamentary police officers would remove an individual without the correct pass from the area. However, boundaries were not explicit and were waived on occasion. Rules were highly idiosyncratic. For example, researchers working in the House of Commons could use the House of Lords dining room out of term time and on a Friday. This was not written down, but assumed wisdom that had become a fact over time.

Over fifty percent of the House of Commons was on parts of the estate that were not in the palace of Westminster. Figure (4) shows Millbank, Norman Shaw, Parliament street and Portcullis Houses were all part of the Parliamentary estate. With the exception of Millbank House, one could move freely between the palace and the cluster of buildings to the West once inside the Parliamentary estate through an underground walkway. This created a sense of enclosed space once inside the estate referred to as the "Westminster bubble".

Access to the estate itself was heavily controlled. Depending on your lanyard there were up to seven different entrances that you could use to enter the estate. However, there were two main public entrances where guests could enter the estate.

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[3] Since 2002 email copies of the bills are sent as well to facilitate this process.

One was to the south side of Portcullis House and the other was on the North side of the Palace of Westminster (Marked with white dots on figure (4) below) Guests passed through airport style security and, depending on your lanyard, passholders[4] could bring guests on to the estate. The most guests that any one passholder could bring onto the estate was four at a time.

Figure (4) Map showing Parliamentary estate and related buildings
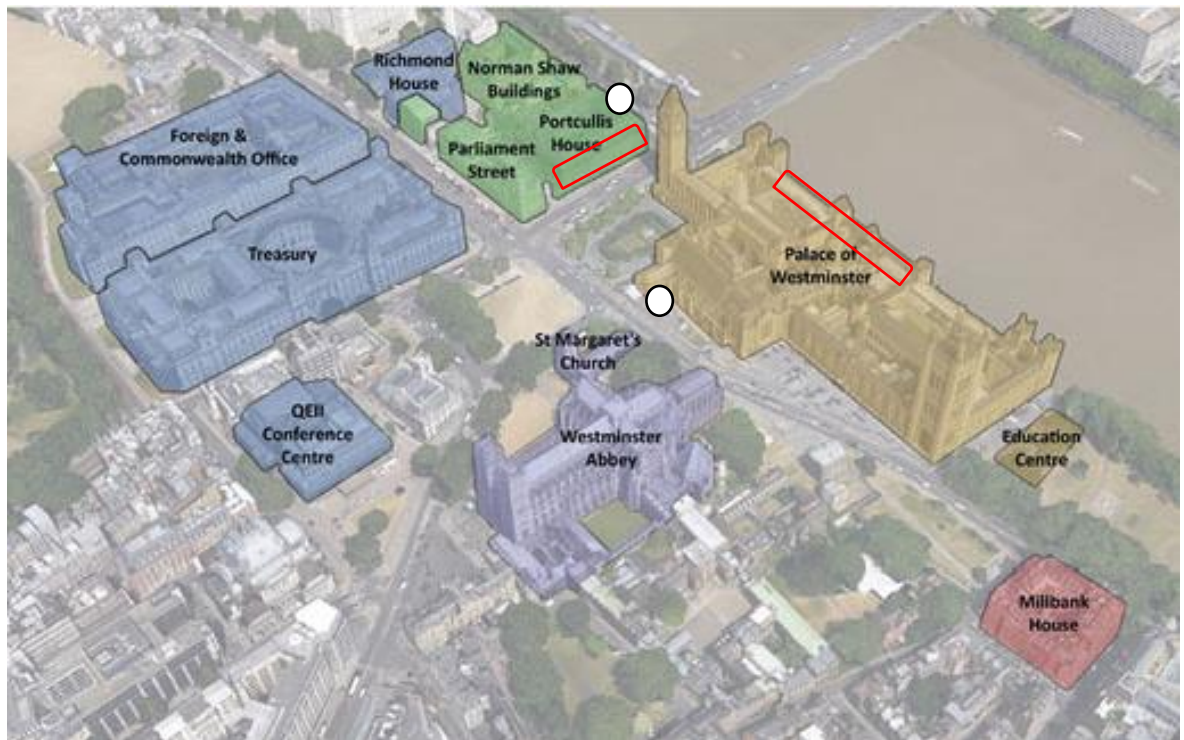
The Treasury Select Committee

The TSC decides its topics of inquiry independently depending on the topic being examined and time constraints. There is no formal pattern and scheduling Committee meetings is managed by the Table office, subject to the requirements of the Committee. It is also commonly acknowledged amongst Members of Parliament that, together with the Foreign Affair select Committee the TSC is a prestigious Committee on which to sit. The Government and opposition have a balanced representation on each Committee. Being asked to be a member of a Committee means one of two things. Either, it is an acknowledgement that the member has the potential not simply to remain a backbencher, but might in time take a seat in cabinet

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[4] "passholder" is a commonly used term for a member of staff who had access to the estate.

and sit on the front benches of the debating chamber. Secondly, it might be because of the expertise of the individual in the area. In this second example, the Member will tend to define themselves in these terms and may remain on a Committee for several parliamentary cycles as a subject expert. This is Particularly true of Committee Chairs who are elected by their peers and can often remain in post for many years and become established as the subject experts in the House of Commons.

The Bankers, the UK high Street Banks and the City of London

There are five independent UK retail banks headquartered in the UK at the time of the study. These were HSBC Holdings, Lloyds banking Group, Royal Bank of Scotland Banking group (RBS), Barclays and Standard Chartered. These five banks were estimated to have total assets of around six billion and a market value of around 300 billion pounds. The important distinction I make here in this study is that, although there a raft of other banks and financial institutions that are relevant to this study, the two facts that mark these five banks out are first that they are universal (i.e. retail and wholesale banks operating as one) and second, that they have their headquarters or at least operate the majority of their wholesale functions in London.[5] Each of the five banks have their head office either in the City's square mile or in Canary Wharf. The figure below shows where each of the banks is located.

Although fundamental to the ecosystem of the financial services sector in London, the major UK high street banks represent a small amount of the financial services activity that takes place in the city. According to the annual report published by the CityUK, in 2012 banks from ninety different countries had offices in the square mile or Canary Wharf and there were 18,156 organisations on the FSA's register who were based in London. The financial services sector in London employed around two million people and firms operating in the City of London managed over four trillion pounds of assets. London was also home to the five of the ten largest law firms globally by revenue as well as home to the four biggest management consultancy firms globally by revenue, with a combined revenue of roughly half a trillion pounds.

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[5] RBS and Lloyds Banking Group both also have a head office in Edinburgh. However, the majority of their wholesale business takes place in their head office London.

Figure (5): Head offices of the five UK headquartered retail banks
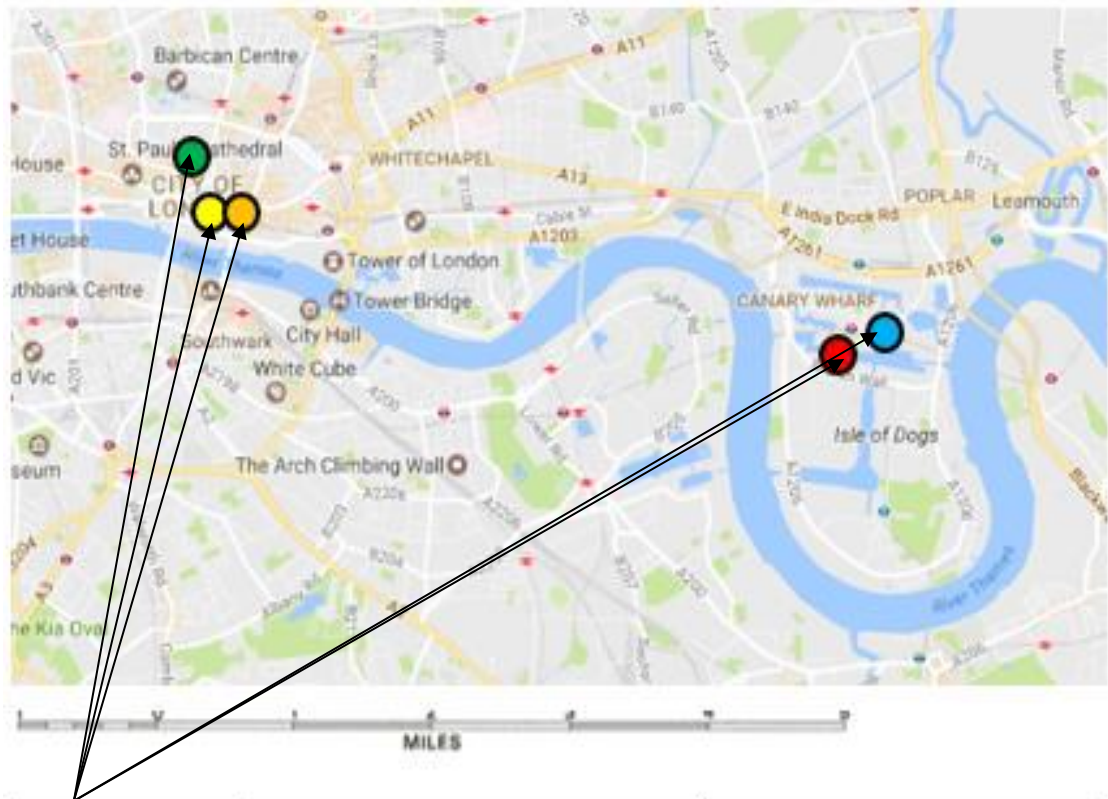
Bank	Address	Notes
HSBC Bank	8 Canada Square, London	Also has part of the office in city of London: 1, Albert Street London
Barclays bank	1 Churchill Place, London	
RBS Bank	62 Threadneedle Street, London	Scottish head office: 36 St Andrew Square, Edinburgh,
Lloyds Bank	25 Gresham Street London	Scottish head office: 69 Morrison Street, Edinburgh
Standard Chartered Bank	1 Aldermanbury Square, London, EC2V	

The Financial Services Authority and the ICB Report

Much of the success of the City of London had come about because of the intended or unintended consequences of regulatory decisions by the predecessor of the FSA, the Securities and Investment Board (SIB). The FSA was a quasi-judicial body set up in 2001 to replace the Securities and Investments board. The FSA was based in Canary Wharf and was mandated with two objectives (1) to ensure the macroprudential stability of the UK economy and (2) to address instances of financial

misconduct at individual banks. It had a staff of approximately 3,800 employees. Its board and Chief executive were chosen by the Treasury Department. However, it was self-governing and maintained an independent status. The SIB, operating as a limited company during the Thatcher years had made decisions in the 1980s that defined the regulatory environment and established London as an international home for finance leaving a legacy for the FSA, which made regulation of the sector a balance between enabling business and preventing financial misconduct. The recommendations of the ICB report contextualise the position that the FSA was in during the period of the study as it attempted to address both the failings and misconduct that had contributed to the crisis whilst also ensuring that London remained an attractive place for financial services (and the raft of ancillary firms) to undertake their business. Therefore, this section will briefly discuss the ICB report and global regulatory challenges that were being faced, as well as decisions about regulatory changes that had already taken place or were in the process of being debated.

In light of the concerns following the failure of Lehman Brothers and its impact on the British economy, the Rt. Hon. George Osborne, Chancellor of the Exchequer of the British Government, announced a review of the banking industry at the Chancellor's annual Mansion House Speech On 16 June 2010.[6] Professor Sir John Vickers was asked to chair the Commission.[7] The opening pages declare the ICB's mandate as one of generative change to the UK banking system. The third paragraph begins:

> *Beyond the immediate task of repairing bank balance sheets while restoring the normal flow of credit to the economy at large, the challenge is to make the UK banking system more stable, and markets for banking services more competitive (ICB Report, 2011: 1)*

The initial ICB report made some more detailed preliminary recommendations that covered three broad issues: (1) the concept of a regulatory ring fence, (2) capital ratios for UK headquartered banks. (3) Developing twin peaks of regulation. The response from policy-makers and leaders in the financial services to the interim report focussed largely on these three areas. The following section explores each of these recommendations in turn.

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[6] The Mansion House speech takes place at an annual dinner, hosted in the Lord Mayor's residence, and is customarily accepted to be an occasion for the Chancellor to reflect on the previous year and to take a broad look at opportunities and challenges that might impact the state of the British economy.
[7] Sir John Vickers is a British economist and was the Warden of All Souls College, The University of Oxford when asked to Chair the ICB.

The regulatory ring fence. The ICB summarised the reason for creating a ring fence in its draft report. The logic given as to why the Commissioners supposed a ring fence would be the best structural intervention was that it would provide a compromise between the option of a complete separation of retail and wholesale banking or the continuation of the stasis of the universal banking system which was currently place. Presented with the binary option of total separation or continuation of the current system, the ICB recognised that there needed to be a measure of reform and suggested a third option of ring-fencing noting that, although change was necessary, 'structural reform, in sharp form, would end universal banking and require retail banking and wholesale and investment banking to be carried out by separate banks.' (ICB Report, 2011: 4). The report further observed that 'This [the ring fence] would aim to isolate retail banking services and taxpayers from the risks of global wholesale and investment banking but would have a less significant immediate impact on the British economy' (ICB Report, 2011: 4).

Capital ratios for UK headquartered banks. Aside from the ring fence, the Report's recommendations regarding the banks' liquidity requirements was the second substantive issue that focused the attention of the three stakeholder groups involved in the study. The ICB report made two statements that were challenging to the three groups. Firstly, that 'systemically important banks should have an equity ratio of at least ten percent provided that they also have genuinely loss-absorbing debt' (ICB Report, 2011: 14) and secondly that this 'should be agreed internationally' (ICB Report, 2011: 14). The view of the ICB Report was that 'such a limit on banks' freedom to deplete capital would be proportionate and in the public interest' (ICB Report, 2011: 13), and would preserve benefits of universal banking while reducing risks. The report suggested that 'without it, capital requirements higher than ten percent across the board might well be called for' (Ibid.). The ICB argued that the current highly leveraged system they observed illustrated that the higher a bank's leverage (the more it borrows for any given asset base) the more volatile the bank's return on capital, such that 'relatively small declines in the value of their assets threatened insolvency' (ICB Report, 2011: 13). The report subsequently surmised that this risk was further tempered by the existence of implicit government support (ICB Report, 2011: 13) and encouraged by the more favourable tax treatment of debt over equity since debt interest is deducted from profits, whereas dividends are distributions of it (ICB Report, 2011: 13). Therefore, 'If debt holders only bear losses on the insolvency of a bank and governments cannot, or will not let banks become insolvent, then debt holders have no incentive to monitor what is done with their money' (ICB Report, 2011: 17). These asocial incentives were presented in the report as an issue

that should be addressed to realign the banks' relationship with the society within which it exists.

       Twin peaks of regulation. The ICB was realistic in acknowledging that the Financial Conduct Authority (FCA) presented a 'potentially a vital spur to competition in banking' (ICB Report, 2011:17) and would have to balance the competitiveness of the banks with protection for the customer. The Prudential Regulation Authority (PRA) would therefore provide a second 'twin peak' (ICB Report, 2011: 19) to ensure that the role of the regulatory functions in the UK should have a clear duty to promote effective competition *as well as* protection for domestic interests against macroeconomic risks. The potential separation of the FSA into these two separate 'twin peaks' of the FCA and the PRA provided a type of regulatory ring fence which the ICB believed would enable the regulator to function more effectively. By separating the functions of competitiveness and risk management, the FCA could 'exist to ensure that markets work well so that consumers get a fair deal' (ICB Report, 2011: 18) and the PRA could focus on 'the safety and soundness of financial firms' (Ibid.). This would mean that the regulator could consider domestic risk and domestic economic advantage in moderate isolation before deciding on where the trade-off should be between the two. Given the historic tendency for decisions to focus on the shareholder, the separation ensured that both perspectives would be considered.

       Therefore, to address the challenges set out by the ICB of achieving financial stability against macroeconomic risks to the British economy, whilst ensuring competition in the banking industry and a prompt return to responsible lending, the overall theme of the ICB's Report was of divestiture – through ring fencing of banking functions but also through the separation of regulatory functions. The ICB was clear that conflating the goals of regulators or of the UK banks was the overarching factor that stopped the organisations functioning in the best interests of both the public and the UK banks. For the reasons outlined above, universal banking and the FSA had ensured that the bias was in favour of the shareholders and towards a sales culture rather than the customer and a service culture (ICB Report, 2011). By articulating the different responsibilities of aspects of the banks and the regulators, the ICB was attempting to address the balance between these competing goals and ensure both the interests of the shareholder *and* the customer was taken into account in the best interests of the long term of the UK economy.

CHAPTER FIVE: TRUST-BUILDING PRACTICES BETWEEN THE BANKING, REGULATORY AND PARLIAMENTARY PARTICIPANTS

This chapter examines the interactions between the banking, parliamentary and regulatory participants. It explores first the bankers' use of managing knowledge flows and storytelling in attempts to build trust with the other two stakeholder groups. Second, it explores the role of the spaces in which the participants met, played an active role and how they were actively curated by parliamentary participants in order to attempt to build trust in different ways with the other two stakeholder groups. Third, the chapter examines the ways that the regulatory participants addressed the banking participants in focus groups as they attempted to manage flows of knowledge in order to establish control.

Table (4): Trust-building practices discussed in chapter five

Stakeholder group	*Trust-building attempted and practices observed*
Banking participants' attempts to build trust	1. Managing knowledge flows to attempt to build trust in the TSC meeting 2. Storytelling to build trust in the focus group meetings
Parliamentary participants' attempts to build trust	3. Controlling space to focus conversation to attempt to build trust in the information shared in the TSC meeting 4. Creating boundaries and barriers to establish a space that controlled the banking participants as they attended the TSC meeting
	5. Identifying with individuals beyond the sphere of work in order to build trust through knowledge about the individual as well as their role at work 6. Using space to show ability of the organisation and their own status
Regulatory participants' attempts to build trust	7. Managing knowledge flows in order to clarify boundaries in an attempt to establish a basis for calculus-based trust

The bankers: managing knowledge flows and storytelling to build trust

In the formal environments, the banking participants appeared to be attempting to build trust in ways that were shaped by their organisations' agenda. This was observed in the formal environment of the TSC meetings where the banking participants met with their parliamentary colleagues. The banking participants approach to the TSC meetings is explored in the first half of this section. The second half of this section focuses on the storytelling techniques that the individual bankers used to talk about the crisis in the focus groups meetings where they appeared to be building trust with the Parliamentary and regulatory participants through talking about the crisis using stories.

1. Managing knowledge flows to build trust

To avoid sharing certain information in the TSC meetings, the banking participants worked with public affairs officials to monitor and control the flow of information that they provided to the politicians in the TSC. This act of withholding information and sharing specific information indicated that the banking participants were focused on maintaining control of the relationship with the parliamentary participants through the management of flows of knowledge between their organisation and the parliamentary participants in the meeting. This practice shows that the individual participant was operating as a functionary, shaped by the organisation they represented.

The act of 'sticking to a narrative', as one banking participant commented in their discussion about TSC meetings, presented the banking participants in their public interactions with the parliamentary colleagues squarely as representatives of their organisation. As one of the banking participants observed in a private interview it was a role the banking participants recognised as important in 'presenting the organisation in a positive light' to the parliamentary participants.

The public affairs officials were referred by the banking participants as "blue suits" in the interviews. They were also described as 'hovering around the fringes of meetings' listening to the conversations. "Blue suits" would know parliamentary procedure in detail and would network with more junior staff in Parliament such as the Committee clerks or MP's researchers to ensure that they got the best possible idea of what would be asked in the Committee and what the ideal narrative was for the

organisation to take to the Committee through the banking participants' statements. "Blue suits" reflected the interchangeability of the public affairs officials. 'You can easily pick up another blue suit on a lunch break in Canary Wharf and have it tailored by the end of the day' one banker joked to me when asked about the reference to "blue suits". The "blue suits" were also simply an organisational function that the organisation tailored to its needs and the banking participants valued them purely for the function they performed.

The "blue suits" were expected to be able to provide information quickly for the banking participants. It was a demanding job with long hours and the job involved attending receptions and other networking events in Parliament and long periods out of the office. It was considered, for example, perfectly normal for the "blue suits" to spend the whole of September at the three main party conferences. Their role was to be out gathering and codifying tacit information for their organisation about Parliament in preparation for eventualities such as TSC meetings. In doing so they insulated the banking participants from "incorrect" information sharing. Often the "blue suits" would have previously worked in Parliament. It was an "open secret" that there were two reasons why someone became a Parliamentary researcher. Either you took this role to progress into politics and become an MP or to become a "blue suit" and work in public affairs for an organisation such as one of the high-street banks, managing the information that was shared by the organisation with parliamentary participants.

Below is an image taken from a well-documented TSC hearing that took place during the study, where Bob Diamond, CEO of Barclays was called to give evidence. The image shows us more now we have this insight into how involved the "blue suits" were in the curation of the information shared with the politicians in the TSC meeting. The two individuals on the front row to the left of the picture and the individual on the front row to the right are "blue suits". Their manner is earnest and we see how they, compared to other individuals in the picture who mostly look unengaged, are actively involved in the what is being said by their Chief Executive. One has a tablet PC and the other is taking notes. They are both making eye contact with the Committee whereas most of the other attendees are distracted. This is because the TSC meeting is *their* meeting as much as their Chief Executive's. In some way, it is more *their* meeting since environments like these are what they are paid specifically to manage. They are not able to interact directly in the meeting as it is the individual not the organisation that is called to be a witnesses but they are listening, making eye contact and preparing for any further appearances that may be requested of individuals from

their organisation or any follow up to the meeting that their organisation might be required to take.

Figure (6): Photograph of a wittness sitting before the TSC

A senior executive from one of the banks involved in the study explained that they prepared for TSC meetings with 'carefully written statements that were drafted by the organisation's public affairs department' and he was confident that his colleagues did the same: 'after all why would [*UK high street bank*] have a forty-strong public affairs team in the UK alone'. The fact the banking participants' positions and views for the TSC meeting were written down by colleagues in the public affairs department, assigned to memory by the participants before a TSC meeting and then 'performed as required', as one participant put it, further showed that the banking participants were controlling the information that they shared in their interactions with Parliamentary colleagues in the TSC meetings – they were controlling knowledge in order to build a relationship that best controlled the losses and maximised the gains that could be made for their organisations and the script was not entirely their own, rather the result of pre-agreed organisational narratives with the "blue suits" that they then presented to the parliamentary participants in the TSC meeting.

The banking participants recognised their function in the TSC meetings was to manage knowledge and present the "right" facts. As one banking participant commented: 'I have a team of advisors and we make sure that we present ourselves appropriately'. However, as the comments from the private interviews highlight this was a role that they knew that had to play and what 'appropriately' really means in

this sense is the agreed version of the facts that the organisation had decided to present.

As one might expect the personal views of the banking participants differed from those that they were required to present publicly by their organisations and that the "blue suits", the wider organisational structures and a narrative that had been established within their organisation directed the knowledge shared by the banking participants in the TSC meetings. The banking participants involved in the study were senior executives and, on the surface, were free to speak as they wished. However, the idea that they would go "off message" and give their own thoughts about the ICB report was considered 'entirely unthinkable' as one banking participant put it: 'I won't stay long here by flaunting my own opinions'. Table 46 below shows how their personal views differed from the organisational narrative that was presented in the TSC meetings. What we are observing in the TSC on the part of the banking participant is knowledge flows being carefully managed by the individual and the organisation.

Table (5): Comparison of banking participants' comments in private interviews, focus groups and TSC meetings

Interview	Focus Group	TSC Meeting
Banking participant (6): *'I'm not going to tell them. Ten percent is not feasible. As it is we must not discuss it because banks create money and money makes people happy and happy people re-elect their government'.*	**Banking participant (6):** *'Capital ratio requirements will be a significant barrier to growth in the industry and we must make sure we address this. It will be a challenge for [UK bank]'.*	**Banking participant (6):** *'It is important that we address the issue of capital ratios. I think the ICB is right in recommending at least ten percent'.*

The act of curating information by the banking participants in the TSC ensured that exchanges of information were based in fact and established a basis for the organisation to share information – the team of "blue suits" would prepare detailed reports for the TSC where required and it was not that the banks would not offer up information when it was requested. Indeed, the opposite was true: detailed letters

were written in follow up to specific questions raised in Committee. The approach of pre-preparing the information that would be shared with the Committee by the individual banking participants and following up with written responses was to ensure that the Committee received a response that was representative of the organisation.

Despite the fact that there was a lack of alignment between what was said in private and what was said in the TSC meetings, as we see in table five, did not mean that the banking participants were not attempting to build trust with the parliamentary participants in the TSC meetings, nor did they disbelieve what they themselves were saying in the TSC meetings, but rather they viewed the process as a was a way in which they could manage knowledge in a way that their organisation was able to present a coherent organisational position. We therefore see in this section the banking participants shaping the image of their organisation through the way that they shared information in the TSC meetings to make sure that their organisations could keep control of certain information as required and the individual banking participants could present the best narrative about their organisation.

2. Storytelling as a trust-building practice

In the focus groups the banking participants adopted a very different approach towards their Parliamentary colleagues. The banking participants interacted with both the Parliamentary and the regulatory participants in the focus groups through storytelling to relay information about the failures that brought about the crisis in a way that showed that they had fully internalised the perspectives of the other two stakeholder groups

We see in the focus groups evidence of attempts by the banking participants, as individuals, to align themselves with the other two stakeholder groups through the practice of storytelling to attempt to build alignment around cultural or moral issues. Since the focus groups were informal "off the record" meetings they were free to speak as they chose without the supervision of the "blue suits". The bankers chose to tell stories to align themselves with their colleagues from the other two stakeholder groups and distance themselves from the failings of the 2008 crisis.

There were four types of stories that the banking participants told. Each of the four types presented an opportunity for the banking participants to demonstrate to the other two stakeholder groups that they identified with the Parliamentary and regulatory participants over important issues and that they shared the same set of

principles, without necessarily going into detail about the specifics of the debate that was taking place. This helped the banking participants to avoid sharing the "wrong" information. The four types of story that were observed were: (1) historical stories about banking ethics, (2) anecdotal stories told in the third person, (3) fairy-tale stories and (4) discussion that relied heavily on personification.

The four types of story settled on were established from the themes in the second tranche of coding. Once it became apparent that stories might be of interest I returned to the data gathered in the focus group and identified all the examples of storytelling that I could find and cross-referenced them with the categories that I had established. I noticed that there were broadly three types of story that could be identified. These were historical, third person, and fairy-tale. The forth type of storytelling that is described in this chapter (personification) was originally contained within the historical and third person categories, but, after reading some of the literature on storytelling (See, in particular Boje, 1995), I decided on inclusion of the fourth category because it neatly captured the subjectivity and role of the storyteller.

The stories functioned effectively to build alignment with the other stakeholders. They were a way for the banking participants to demonstrate shared views with the participants from the other two stakeholder groups and align themselves emotionally with the perspectives of the other two stakeholder groups and in doing so this made the banking participants appear individually more trustworthy as individuals. Presenting a detailed anecdote whilst ensuring they themselves remained removed from any personal implication in the crisis allowed the banking participants to make a connection with their colleagues from the other stakeholder groups.

The first type of story that was shared were fanciful stories of historic events, which allowed the individual telling the story to align themselves with values they believed the other stakeholders held whilst simultaneously distancing the focus from the 2008 crisis. For example, in a focus group discussion about the culture of banking and possible avenues that might be explored one senior figure from a bank told the following story:

> '*I looked at the history of the financial system to try and understand how we came be where we are as a sector. During my investigation, I found an example of a man who had been an executive of [UK High Street bank] in the late 1930s. This man, we will call him Greybeard, undertook some remarkable feats that we today would not consider. He was in occupied enemy territory, he put himself in remarkable peril by taking provisions into*

prison camps. This meant that the people in the camps were able to stay

alive. He also ensured vital communications were sent back to the UK

telling them of what conditions were like. When he was eventually caught

he was put to death'.

Historical stories such as that of Graybeard are told in such a way as to idealise his actions for the bank and, more importantly, for the public good, sharing mutual values with the group about public-spirited leadership and demonstrating to the group that they themselves were invested emotionally in values and aims they believed the other participants wished to see.

This was a way to demonstrate that they personally identified with the importance of the values and ethics that had been discussed by the group without discussing the actions of their organisation. The practice of telling the historical story had the effect of building an alignment of values in the focus group between the individuals. Notably however, the story does little to directly address the question of culture in banks, which had been the topic of the discussion for the previous five minutes. Instead it presents an historical account of a benevolent act that a banker did over eighty years ago. The story does not acknowledge the current crisis and there is little substantive content. The participant is simply saying obliquely through the telling of the story that they recognise that bankers should be selfless and principled risk-takers like Graybeard. Therefore, we see in this type of storytelling an attempt by the banking participant to express values through a historical story that (1) implies they agree and uphold these values and (2) presents values that the participant believes participants from all three stakeholder groups will identify positively in order to build a connection through individually identifying with their colleagues.

The second type of story that the banking stakeholders told were specific, emotive anecdotes told from a distance with no reference to their context. For example, one banking participant told the following anecdote:

'There is an organisation in Chesterfield which had been established for nearly

twenty years in the electronic and manufacturing field. It undertook a huge

variety of primarily defence and aviation work. Last year they were in position

where they had a good level of profitability and eighty members of staff. They

had reached capacity and want to expand. They couldn't do that and do you

know why? Because the banks would not lend to them'.

Notice here how the banking participant makes no reference to themselves directly in this anecdote. This is striking because from the later discussion it became evident that it was his bank that did not lend the money to the organisation. The participant was also in a significant leadership position relating to the Merlin Agreement[8] during the period that the organisation in the anecdote was struggling and the banking participant does not deny this nor does he acknowledge it in the anecdote above or the proceeding focus group discussion. Instead he appears to simply focus on telling a story that their colleagues will identify with. This provides the banker with a chance to critique the actions of the banks, admitting the failures without directly acknowledging their own liability or responsibility.

The third type of storytelling that appeared to take place in the focus groups was what might be described as allegorical or fairy-tale. In this type of storytelling, the person is entirely removed. For example, one banker described the 2008 crisis in a focus group in the following way:

> *'Fairy dust relies on trust. Essentially the banks' trust that you'll return it, but also your trust that the banks will not abuse their power to make it. In the build-up to a financial crisis, the banks often do abuse their side of the trust. Sometimes it's because politicians want them to, because if you have more credit than you can afford, it briefly makes you feel richer, kindlier towards politicians and more likely to vote for them. And you'll be paying more taxes, which is what politicians need to pay for the things that will make you vote for them (they don't have any other supply of money, so they either have to takes yours or borrow it). Since 2008 the trust has gone. Trust will only come back when the fairy dust is once again liberating you and not enslaving you. That means we should be making more of it, for those who can afford it, particularly for the companies who create jobs and make stuff that enriches our lives, and for new infrastructure and the low-carbon technologies that will help preserve our little planet for our children'.*

This type of storytelling helped to build identification between the individual and the other participants because it sanitised the events of the financial crisis whilst also acknowledging that mistakes were made. In this case, describing credit as fairy dust suggested that trust was based on the fairy dust that the banks create removed the reality of the responsibility that the banks had. The idea of credit as fairy dust creates a fantasy world that allows the banker to say some things about the banks that

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[8] The Merlin Agreement was an arrangement between the British Government and four of the high street banks to lend more money to small and medium-sized businesses in the UK.

acknowledge the reality of what has happened without admitting liability directly: 'Trust will only come back when the fairy dust is one again liberating you and not enslaving you' creates images of an imaginary world where the banks "save the day" and the fairy dust returns back so we can 'preserve our *little* planet for our children' [my emphasis added].

The forth type of storytelling that appeared in the focus groups was allegorical. In the case below we see the banking participant personifies the organisation. For example, one banking participant, who was Deputy CEO one of the banks during the onset of the financial crisis reflected in a focus group:

> *'There is the belief the reasons for the financial crisis are more severe than they appeared on the surface. because banks lent too much, they showed a lack of care. In cases where banks overvalued they showed a lack of consideration. When banks disobeyed regulations, they showed a lack of restraint'.*

The language this participant uses to describe the crisis personifies the bank. The participant states 'because *banks* lent too much, they showed a lack of care. In cases where *banks* overvalued they showed a lack of consideration. When *banks* disobeyed regulations, they showed a lack of restraint'. [emphasis added]. However, the crisis was not caused by how the banks as organisations behaved. An organisation cannot lack care, consideration or restraint; these are personal qualities.

Despite the fact this comment was made by a senior member of one of the banks who was directly accountable together with the board for the organisation's actions in the UK, there is no admission of personal liability for the mistakes that were made, but rather the participant appears to present the banks failings by personifying the organisation and in turn this description of the organisation as its own entity with personal traits allows the participant to talk about the events of the financial crisis in a way that implies that they identified with the challenges facing the sector moving forward and that they personally were invested in the future of the sector and that it was the banks as *organisations* that made the mistakes. By placing distance between the individual and the organisation in the discussion the individual banker is, in this case, able to highlight to the other participants that they identified with the challenges and were united with their colleagues in tackling the problems that the banks had caused.

The aim of these four types of storytelling appears to be to create a world – either allegorical, fairy-tale-like, historical or simply in the third person – which

sanitises the events and removes the individual from the organisations they are describing. This allows the banking participant to address questions and talk about things with the group without directly admitting their involvement. It is a confessional to the other participants that they are not able to make when they have to stick to the organisational positions they have agreed with the "blue suits" and storytelling allows them to tell the truth and make this confession without directly acknowledging their own guilt. The act of storytelling also has the effect of showing to the other two stakeholder groups that they recognised the issues facing the group and that *as individuals* they shared the same values as the participants from the other two stakeholder groups and that they were not simply the sum of their organisation as we see in the TSC encounter.

By telling a story rather than engaging directly with discussion it gave the impression in the focus groups that the banking participants were personally invested in addressing the issues that had arisen within the sector without acknowledging their own role, or their organisations role in the events that had led to the crisis and it also allowed them an opportunity to be honest without admitting guilt. The use of storytelling techniques allowed the banking participants to remove themselves from the incidents and aligned them with the participants from the other two stakeholder groups. It also allowed them to tell the truth without implicating themselves. This appeared to be a way in which the banking participants attempted to build trust with the other participants, implying through stories that their desires and intentions were aligned, that they recognised the failures and that they wanted to act in the best interests of the group and support the work of reforming the sector.

Parliamentary participants curating spaces for control: two stories of the Select Committee meeting

The structure of the TSC rooms, the tradition of the Select Committee, the implied meanings of phrases such as 'Select Committee inquiry' and the complex array of meanings implied by the physicality of the meetings themselves were not accidental and were continually curated by the Parliamentary participants. This meant that both the activities of the banks and the banks' perception of their relationship with the politicians when engaged in a TSC meeting were structured in a scene of activity that removed the opportunity for the banking participants to lead the discussion. This explains in part why the responses that the banking participants gave in this environment were pre-prepared.

The discussions between parliamentary and banking participants were directed entirely by the parliamentary participants, orchestrated firstly by material objects such as the room itself with its array of traditions and symbols and secondly by the process that the Banking participants went through to arrive at the Committee meetings. This section will explore how the Parliamentary participants used the physical layout of the room and the process by which the banking participants arrived at the Committee hearings as instruments to maintain a certain image that enabled them to control the discussion.

The TSC was a formal environment that shaped the interactions of the participants and this meant that it symbolised very different things to the banking participants and the parliamentary participants – one banking participant commented when asked about their recent TSC appearance in a private interview: 'the Select Committees are so turgid. It becomes confrontational. It is not the best way to conduct the inquiry'. On the other hand, the Parliamentary participants valued the distance it provided and them with control over the discussion; 'on our terms' as they put it. As another Parliamentary participant commented: 'Like statutory instruments, the Committee meetings are a tool to make sure we have the appropriate control we require over how legislation develops and to keep Government to account'. This sense of control they felt in the TSC meetings appeared to be a way for the Parliamentarians to feel they could begin to build trust with the banking participants.

3. The theatre: seating, symbolism and language in the TSC

Firstly, the seating arrangement of the Committee rooms in Parliament heavily influenced the options that the banking participants had to alter their orientation with the parliamentary participants whilst in TSC meetings or to influence the flow of the discussion. Even the more modern Select Committee Rooms in Portcullis House shown in figure seven on the follow page are deliberately formal and their design is purposely to ensure the Committee can scrutinise evidence with an appropriate degree of control. As one can see from the picture below, there is a formality to the arrangement of the room. TSC members sit in a horseshoe seating arrangement around the participant who has been invited to give evidence. Officials are taking notes to the left-hand side and a public gallery of up to 150 people sit behind the individual giving evidence to the Committee. The witness is the focal point in the room.

In figure eight on the following page there are two individuals giving evidence. The microphones in the picture in front of each participant records everything that is

said for the official record and creates further distance between the participants, despite the fact they are relatively close together in this room. The ornate wooden panels towards the back of the room and the green leather desks and green leather studded chairs create a formality that serves to remind the witness that they are in the meeting to *give evidence* not debate with the Members of the Committee. The scene is constructed in a way that appears more like an interview rather than a debate.

Figure (7): Photograph showing the physical layout of a Select Committee room

This atmosphere of interview and evidence gathering is further consolidated by the fact that the Committee sits in a closed session before the meeting and, with the help of the Committee Clerks, they prepare questions and agree who will ask which question and in what order. There is therefore minimal scope for any Committee member to dominate the discussion because of this planning and control of the discussion is carefully maintained. There are also two doors to the Committee rooms. One is for the Committee Members to enter and the other is for witnesses and members of the public to enter. This creates further physical distance between the Committee Members and the banking participants and makes it clear that boundaries are being marked, that it is a meeting to examine facts, not to debate opinions or views on how legislation should be developed.

During the course of study, The House of Commons issued each Member with a tablet PC. These were regularly used in Committee meetings as a tool to emphasise the fact the meetings were business meetings. Notice in figure nine below how the

Member to the right of the picture has his tablet PC propped up on the table. Often the tablet PCs were propped up in such a way, but they were rarely used for the purpose of discussion. In fact, quite the opposite was true. The members used them to glance at emails or, as it appears in figure nine, as another physical barrier between the banking participants as witnesses and the Committee members as in control of the evidence gathering.

Figure (8): Photograph II showing a Select Committee Room

Figure (9): Select Committee Example in the Palace of Westminster

The TSC is a formal instrument of Parliament and the language used in the meetings by the parliamentary participants in the meetings is deliberately formal since

its purpose is focused on control and establishing a legalistic environment for politicians to scrutinise evidence. For example, the way that members of the TSC referred to each other follows a highly formalised pattern. A Member of the Committee is meant to be addressed by their colleagues as "the honourable member of [constituency]". However, if the Member has ever previously held a Ministerial office they are addressed by their colleagues as "the right honourable member from [constituency]. However, this does not apply to the most junior of the three tiers of ministerial office: Parliamentary Undersecretary of State. If the Member has held this position they are to be referred to as simply "the honourable member of [constituency]". The language is deliberately formalised to curate a legalistic atmosphere.

The language reinforced the message of the physical arrangement and helped the TSC maintain control of the conversations. This did not mean the Parliamentary participants did not adopt a more conversational style on occasion, but rather that they made sure that the focus was on the legislation they were scrutinising. The exchange below is taken from a TSC meeting and eloquently demonstrates how the formality kept the control with the TSC Members and what happened when the banking participant attempts to adopt the same conversational tone:

> ***Parliamentary participant (4)****: It is good to be back in Committee. It has been an eventful Easter recess, not least for the honourable member for [constituency], who got married. I am sure that the Committee will want to congratulate him on that.*

> ***Banking participant:*** *What a honeymoon! Indeed, I hope that this does not qualify as his honeymoon, and that he enjoyed a more companionable honeymoon with his wife. And Thank you very much Andrew for the comments in your letter, let me say my wife is signed up to what you've said, she never ceases to remind me of my public duty to spend more.*

> ***Parliamentary participant (4):*** *And we should get down to business as we have a good deal to get through today and I know two of our colleagues need to leave promptly at 11am this morning. At the moment, we have the most rigorous jurisdiction for pay in the world, but we want to go further and make it tougher.*

In this example, the witness was called before the Committee to discuss remuneration in the banks. However, the banking individual has attempted to enter into a more conversational tone before the business of the Committee begins. This is quickly closed down by the parliamentary participant who does not acknowledge the bankers attempt to lighten the mood with his joke. The banking participant attempts to build alignment through the focus of the honeymoon rather than the business of the Committee and that the Parliamentary participant is swift to ensure that the focus returns directly to the debate about executive pay.

Therefore, despite attempts by the banking participants to change the tone in the TSC meetings, the Parliamentary participants use the TSC meetings as a space to gather information, finding agreement through clarification of specific pieces of legislation and use the formality of the environment to ensure that they maintained control over the focus of the discussion. The conversation above continues in a much more scripted manner afterwards. The Parliamentary participants ask the questions they have prepared before the meeting and the banking participants ensure that they share the "right" information that they have agreed with the "blue suits" in their organisation before the meeting. It is an elaborate scene played out in a theatre that controls the language, the tone of the language and even the opportunity to speak freely.

4. The Fortress: A journey to a Treasury Select Committee meeting

The process of getting to the Select Committee hearing further shaped the process of keeping the politicians in control of the discussion and influenced the way the banking participants viewed the Committee, which appeared to change during one encounter I had with a banking participant as they arrived to give evidence at a TSC meeting. I will briefly describe that journey to a TSC meeting that the banking participant made in order demonstrate the intended and unintended barriers that were encountered, which visibly changed the banking participant's demeanor as the journey progressed. Although this was the only journey that I made with a banking participant, it is representative of the challenges the banking participants faced when attempting to get to the Committee meetings. It seemed that the journey to the Committee meeting was perhaps as important as the Committee itself in shaping the banking participants views of the Committee.

The banking participant arrives at 8:45am in a black car outside Portcullis House (shown in figure ten), where there is no parking as it is on a busy intersection

of Bridge street and Victoria Embankment. This lack of parking is the first barrier they meet. Nobody in Parliament drives to work. Being driven in a car is for those senior in Government therefore no provision is made for parking unless you park inside the estate, which guests are not permitted to do.

Figure (10): Portcullis House photographed from the corner of Bridge Street and Victoria Embankment

In the car there is the banking participant, two advisors and the driver. The driver stops the car and holds up the traffic on Victoria Embankment so the other three can get out and the participant tells me that it is their first time going to a Committee meeting. The location of the room they have been asked to report to is ambiguous and this is the second barrier they meet. They seem to think the Committee meeting is in Portcullis House (The very name of the building implies a barrier). I explain the room is in the main Palace of Westminster, but that I will walk them to the correct Committee room. Committee rooms are given letters, but it is not clear to those who don't work with the Committees whether a meeting is taking place in the Palace Committee rooms or in the Portcullis House Committee rooms. One of the "blue coats" should perhaps have picked up they are not at the right entrance for their Committee meeting. They could have entered at St Stephens Hall for a slightly quicker journey,

but this has not been made clear by the information sent out by the Committee Clerks either. They have simply been asked to go to Committee Room G.

Figure (11): A photograph of the main entrance to Portcullis House facing out towards Victoria Embankment

The entrance to Portcullis House itself is the third barrier we meet, an entrance which the banking participant observes is 'not obvious'. Figure eleven above shows the main entrance that faces out towards Victoria Embankment. The revolving door to the foreground is for those who work in Parliament and the revolving door to the background is for those visiting but neither is signposted. Nor is it clear that this is an entrance to Parliament. It looks like an ordinary office building. There is a queue of about thirty people outside the visitors' entrance which is the fourth barrier we encounter. I explain to the banking participant that they will have to join the queue and that I will meet them once they have passed through security. This is the first time he has been asked to give evidence and he does not appear pleased that he is being asked to queue to do so. His manner is tense and he is curt with me as the group joins the back of the queue.

I wait for ten minutes for the group to reach the front of the queue. They are looking more frustrated now. They arrive at the fifth barrier: airport style security where their photograph is taken and they are asked to empty their pockets, take off their belts, watches and jackets and one of the participants has to take his laptop out of his bag. The manner of the guards is sullen. Many of the House staff who previously

performed the role have been replaced by G4S staff recently. I wait for a further five minutes as one of the security staff looks through the banking participant's bag. The banking participant is looking across at me indignantly, although one of his colleagues appears to be looking in some detail at his newly acquired visitor's lanyard that he has been asked to wear 'clearly at all times'. By the time the group have put their belts, watches and jackets back on it is 9:10am according to the annunciator. 'Nobody said we'd have to do all this' comments the banking participant. 'I'd have arrived earlier' clearly angry at the fact he has not accounted for such a delay but he also appears to have been rather annoyed by the process of having to take off his jacket, watch and belt. Outside of an airport, he is unlikely to have done this and I sense he is a little disorientated by the process as he was not expecting it.

Figure (12): Photograph of the entrance to Portcullis House post-security clearance

Once through security we are faced by the sixth barrier pictured above in figure twelve. These two rotating doors require someone to use their keycard to allow people through. I tell them to 'wait on this side of the doors' whilst I use my key card three times on the keycard reader on the other side of the door to let them through. It keeps jamming as they don't leave enough time between each other. This jolt clearly annoys the banking participant and the impracticality of the process remains unsaid.

Figure (13): The scene once we have passed through the revolving doors

Once through the doors we are faced with the scene shown in figure thirteen above which makes the banking participant comment that he likes the trees. He smiles as he says this to me and the mood has lightened. The banking participant's assistant says it feels 'like a shopping mall'. They are clearly a little disorientated by the open feel of the environment now we are inside. There are lots of people walking around and people sitting drinking coffee. We walk past a Post Office, which they comment is an odd feature. Since they mention the oddity of the Post Office, as we walk, I explain a little bit about the "Westminster bubble" telling them how employees work long, anti-social hours here so there are most things you need on site. I mention that there is also another Post Office in the main Palace as well as a barber, a florist, four gift shops, a crèche, a rifle range and seventeen different places to get food. They find it amusing that they have just entered this microcosm in the centre of London. A closed world that they had not considered before. There is a sense of simulacra. The trees and the glass atrium further add to the curiosity of the closed-off world they have entered that covers around eight acres of London.

As we descend an escalator it brings us along the main route past Parliament Square and into the Palace itself there is the seventh barrier, but it is invisible to the participants. Two statues, one of a Lion and one of a Unicorn either side of the walkway mark the entrance to the Palace but there is no security to clear now we are

inside the estate. As we walk through the cloisters pictured in figure fourteen the banking participant's attitude changes again. He observes how different the cloisters feel to the modern scene in Portcullis House that we have just passed through. He is also impressed as he looks out to the right of the cloisters and can see out across Palace Yard. His manner has changed. He is not angry anymore, more intrigued at how the "Westminster Bubble" functions. He is quiet as we walk through the cloisters and he tries not to turn his head as we walk past a prominent politician. He appears to have accepted the inconvenience of queuing and security clearance now he is inside the Palace.

Figure (14): The cloisters across Parliamentary Yard

Eventually, after a further ten minutes of walking we arrive at the corridor shown in figure fifteen on the following page. The banking participant and his team thank me for helping them and they comment that they 'would have had no idea where to go' and the mood has changed from our initial encounter. The atmosphere is tense now but the banking participant is not angry at the inconvenience of having to queue and pass through security and the general lack of information they have been given. Instead he seems to be a little nervous or perhaps disorientated from his journey to

the Committee room and the idiosyncrasies of the "Westminster bubble" he has just discovered.

Figure (15): photograph of a Committee meeting room corridor

I leave as a "bluesuit" comes out of the door armed with piles of papers and a mobile phone. He explains that the Committee is running a little behind and the banking participant does not seem inconvenienced. By this point the banking participant seems to be clear where the power lies in the meeting he is about to have. He is arriving as a witness not just a guest. What has been left unsaid by both of us is why someone was not there to escort them, why it took nearly forty minutes to get to the room from leaving the car and what precisely the banking participant should make of the physical and symbolic barriers that were placed between the Committee and the banking participant before they even arrive at the room.

These barriers mean more than simply their primary purpose to ensure security. They are meaning making: shaping the banking participants attitude before he even enters the Committee hearing. The curation of space is at once disorientating and controlling and ensures for a certain type of atmosphere in the Committee meetings. The banker is taken into another world away from their own sphere and this

is an opportunity for the Parliamentary participants to focus on gathering information in an environment where they are able to control proceedings.

Parliamentary participants curating space to establish and align identities

From the focus groups observations, the Parliamentary participants tended to behave in their orientation towards the other two stakeholder groups in ways that were more typical of behaviour one might observe between individuals who had personal relationships with one another. The Parliamentary participants used the focus groups to build trust with the two other stakeholder groups by gathering information about their colleagues' *individual* lives. They particularly used the fringes of the meeting as an opportunity to get to know their colleagues personally.

In the fringes of the focus group meetings the Parliamentary participants were keen to learn more about their colleagues' personal lives. Before and after meetings one-to-one conversations took place, or they talked in small groups stood around the room. There were two ways I observed this taking place, which demonstrated that the parliamentary participants' intentions were to gather personal information about their colleagues' individual lives and that trust-building was being attempted through a scene of action that used the physical space, small verbal gestures as well as establishing and aligning common identities beyond the sphere of work that informed about the workplace. Two examples are described in the following two sections.

5. **A room with a view: building identification through the use of space**

Three of the morning focus groups were in meeting room Q in Portcullis House, which has a view over Parliament Square. I observed in the study that that this view led a pattern where the regulatory and banking participants would occasionally separate themselves from the circle that gathered by the tea and coffee desk and walk over to the window to look out at the view. I noticed that the parliamentary participants would then join the participant who had separated from the group to take in the view and the Parliamentary participant would begin to point out parts of the Parliamentary estate from the vantage point they had from meeting room Q in a way that one might give a guest a tour of your house if you were so inclined. For instance, Room Q in Portcullis House looks over bridge street into the Palace. One of the Parliamentary participants explained that there was underground walkway beneath Bridge Street that joined Portcullis House and the Palace of Westminster. At this point

they mentioned the exit under Bridge Street from the walkway, which went directly into Westminster Tube station and required a Parliamentary key card. They are posturing here. Showing off their home and their status in this enclosed private Members environment, but there is more to this description than simply ego. They are revealing things about their world, offering up pieces of gossip about their place of work and their commute that is not related to the meeting they are about to have. A snippet of gossip that there is an entrance into Parliament from Westminster tube station is offered instead.

Figure (16): Photograph showing the location of room Q taken from the entrance to Westminster Hall

All the relationships observed were professional in nature (i.e. between the organisations that the participants' represented rather than between the individuals and it was not obvious from observing the discussion that there were any significant personal relationships between the participants that extended beyond their work) but it was clear that, when participants were waiting to begin the morning meetings that the parliamentary participants took care to learn about the personal lives of the other stakeholders and they used anecdotes about the physical features of Parliament such as the underground entrance to begin a discussion that was related to their *place* of work rather than work-related. This is an important distinction since talking about the physical place of work rather than work itself allowed discussions to lead more naturally to topics that went beyond the scope of the work.

For instance, on one occasion I was involved in a discussion where one of the banking participants noticed out of the window one of the bike racks in the grounds of the Palace of Westminster and he asked whether MPs really cycled to work. The Parliamentary participant said that it was mostly researchers and other staff that cycled but pointed to another smaller bicycle rack which was for Members only, which was full. This led to a discussion about the images of David Cameron and Boris Johnson cycling in the press at which point the banking participant revealed that they cycled parts of the *Tour de France* route in their vacation time. My own interest in cycling led me to ask what bicycle he had and the parliamentary participant listened as we discussed the styling of the make of the bicycle, where the top tube tapers to a square from a cylinder and why the banking participant had chosen to replace the tires with some more suited to the particular part of the course he was preparing to undertake that year. The Parliamentary participant is silent for the minute or so that we discuss this and then asks who the banking participant goes on the cycling vacations with. It turns out the banking participant does these alone. The conversation moves on, the Parliamentarian has gathered some personal knowledge about the individual that has no apparent relevance to the business that is to be discussed shortly, but he has gained insight into the personal life, and potentially the mentality of the *individual* not just the person that they are when they are at the bank or about to be in the meeting.

Some further examples of discussions observed in the fringes of the focus groups that appeared entirely unrelated to the discussion in the focus groups themselves can be seen in the table six on the following page. Parliamentary participants did things before and after the meetings like ask how the participants' families were and attempts seemed to be made by the parliamentary participants to get to know personal bits of knowledge about colleagues as individuals. One of the parliamentary participants later commented in an interview, when asked why they had stayed for twenty minutes after one of the morning focus groups: 'I always like to find out something about their partner or children so I can ask about it the next time I see them. It breaks down the barriers between us and gives me a better sense of how they are likely to behave when they are not here'.

The act of offering up pieces of information about their own life was a way that the Parliamentary participants gathered individual knowledge about the other participants. This gave them an insight not just into the organisations but the individuals leading the organisation. The Parliamentary participants could gather

information about organisations easily enough in Committee meetings, but these encounters allowed them to get a better idea of the person as an individual.

Table (6): Examples of conversations taking place before or after focus groups

Parliamentary participant (9): *I understand you are involved in [charity]. It is a wonderful organisation. How long have you been a trustee?*	**Parliamentary participant (2):** *'[banking participant] tells me you have a place running the Royal Parks this year. I did the London Marathon in 2001. How are you finding the training?*
Parliamentary participant (8): *'I used [Nursery] in Islington. It was very good and they did have places a while ago. The crèche here is also very good.*	**Parliamentary participant (15):** *'We went to the British Kebabs Awards last night. [Parliamentary participant] was also there. There were quite a group of us.*

It was noticeable that it was the Parliamentary participants that adopted this approach rather than the banking participants or the regulatory participants and reflects their own view of themselves as social actors creating legislation through interacting and building consensus through personal relationships with their colleagues rather than functionaries of an organisation that had a strict hierarchy.

6. A visit to Strangers Bar: showing ability through the use of space

Three of the focus groups took place at 7pm and there were two places that Members could take guests if they wished to continue the discussion afterwards: Strangers Bar and the Sport and Social bar. On one occasion the parliamentary participant made an offer to the group at the end of the formal discussion to join them for a drink in Strangers Bar to continue the discussion.

The offer to go to Strangers Bar is made to the group and three of the participants take up the offer; a regulatory participant and two banking participants. Here the parliamentary participant is acknowledging that they see the participants as individuals and everyone is included despite the heated debate about capital ratios that had taken place, where there had been a strong disagreement between one of the regulatory participants and the banking participants. The offer to go to Strangers Bar suggests that they want to spend more time talking about the issues from the

meeting whilst socialising with anyone who wants to do so. However, there are two things that this Member's guests do not know that are implied by the timing of the offer (at 9:15pm) and the suggestion that they go for a drink specifically in Strangers Bar.

Firstly, timing. It is a Monday and Parliament is still sitting in session and the Parliamentary participant knows that they need to be within seven minutes of the voting chamber when a vote is called in order to walk through the voting chamber even though they are not required in the Chamber for the debate. They will not be able to predict when a vote will be called and the debate is not expected to finish before 10pm, potentially requiring a vote before 10pm. It is a three-line whip on this particular evening but the Member's guests will not know this. The Member has the choice between going back to their office in Portcullis House or spending further time getting to know their colleagues in a social environment. The parliamentary participant sees both as legitimate work. They choose to welcome the regulatory and banking participants into their "home" by suggesting that the discussion continues and that they will take them to Strangers Bar implying an interest in socialising more generally as they continue the discussion about capital ratios.

As we leave the room the banking participants and the regulatory participant appear pleased to be invited into a space that they don't normally have access to and to be hosted by the Parliamentary participant in the bar after the meeting has finished. There is no reason that our group has to leave Dining Room D to continue the discussion since I have booked for the room for the entire evening and the Parliamentary participant knows this is the case but he chooses to make the offer to go to Strangers Bar anyway. The offer is about more than a drink it is a "welcome into my home", an acknowledgment by the parliamentary participant that they recognise the other participants as more than simply their organisation's position or the words that have been shared in the discussion that has taken place, and, as it appears to the guests at least, the Parliamentary participant wants to take more time out in an evening to spend socially with them.

The Parliamentary participant has asked the three guests if they have ever been into Strangers bar. They have not. This is the Parliamentarians opportunity now to flatter their guests by bringing them into their closed world and they will use the space to direct the conversation. As the group leaves, the regulatory participant and the banking participants are excited to be welcomed into this world for a short while. One of the participants takes their name place card from the focus group, which has a picture of a Portcullis on it and places it in his pocket suggesting despite their seniority in their own sphere that they feel that the meeting was to be remembered

perhaps because of its location and perhaps also because of the eclectic mix of participants in the focus group.

Figure (17): A photograph of the sign on the door to Strangers Bar

Use of STRANGERS' BAR is restricted to Members, Peers who were formerly Members, Officers of the House, together with up to three guests and other staff of HEO grade and above on the approved list.

Serjeant at Arms
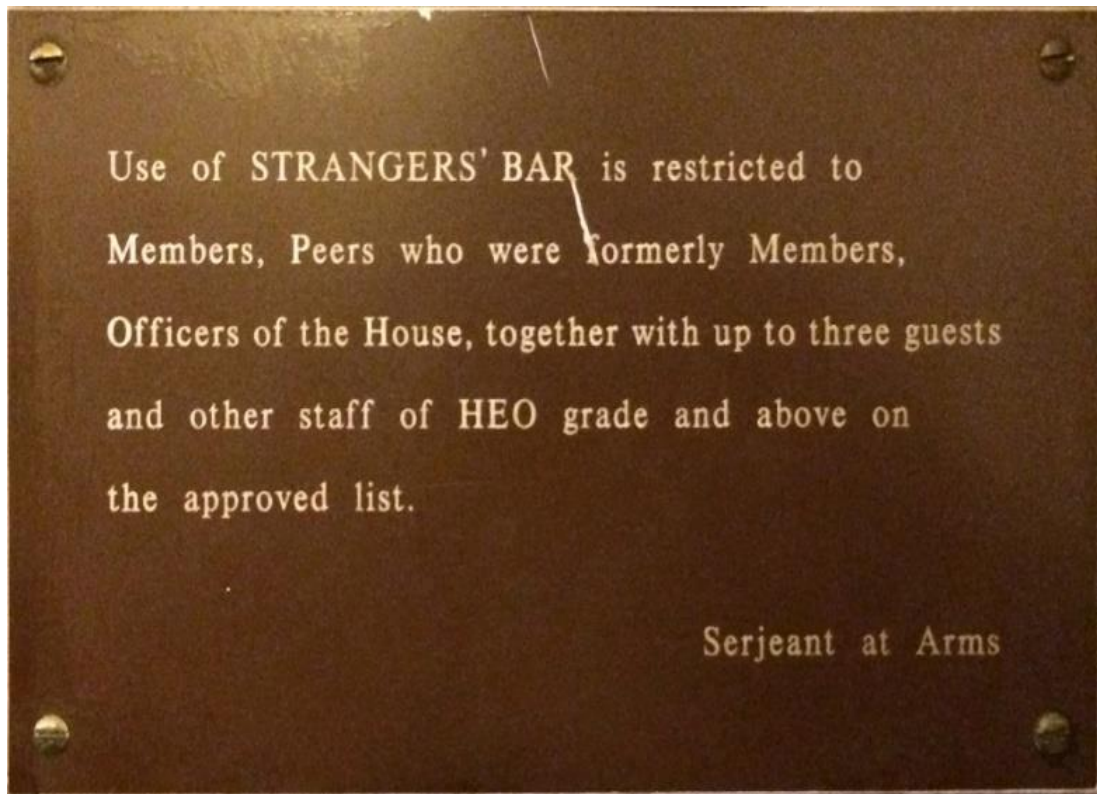
As I leave with the group I note that they will be unlikely to miss the sign on the door to Strangers bar that is photographed in figure seventeen: this sign is not intended *really* for those who work in Parliament. The rules are known to those who work there, but the sign will likely remind the three participants that they are *honoured* guests by the Serjeant at Arms as they step into Strangers Bar. They might be wondering who the Serjeant at Arms is, but none of them ask. Like his counterpart 'Black Rod' in the House of Lords, the Serjeant at Arms is responsible for security matters concerning the House. The sign also highlights this is a place for HEO[9] grade staff and Members only, again reinforcing the private, exclusive nature of the place. As we enter the bar, the regulatory participant and the banking participants also continue to wear the visitor lanyards such as the one below in figure eighteen

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[9] HEO grade refers to Higher Executive Officer and is equivalent Civil Servant Grade A3

reminding them again how they are being welcomed as visitors into this exclusive place.

Figure (18): Examples of visitor lanyards

Once inside the bar the surroundings are familiar. It looks like any other bar. In fact, one might have forgotten that we are in the House of Commons if it was not for the Green panelling on the bar, the green carpet and the annunciator on the wall. The regulatory and banking participants are impressed by how normal it seems and comment to this end. There is even a dart board on the wall, which draws attention and amusement initially. Figure nineteen below shows a picture of the bar area

There is plenty of seating in the bar. We line up behind the Parliamentary participant as he asks what everyone is drinking and addresses the bartender by his first name. It is made clear by this action that the Parliamentary participant wants to remind us that we are in *his* space and we are welcomed by the offer of 'what would you like to drink'. We give our various requests to the bartender. The Parliamentary participant has ordered first and has asked for a pint of beer. The regulatory and banking participants follow suit all requesting alcoholic drinks. The discussion that had ended just five minutes ago about capital ratios is not returned to for the rest of the evening. We are now five men standing at a regular bar talking as we wait at the bar for the drinks to be poured. The flow of events feels natural, but is being choreographed carefully by the parliamentary participant to make it feel like we are just five ordinary men in a pub. The beer, the dartboard and the *ordinariness* of the bar makes it difficult to return to the intensity of the discussion about capital ratios. During the pause as we are waiting for our drinks the parliamentary participant talks about his family and there is some discussion about how to balance constituency life with their role in Westminster. The Parliamentary participant asks lots of questions,

none are related to the previous discussion. He jokes about his diary and that his colleagues in London constituencies have an advantage in Westminster because they don't have the same commute he has between his constituency and Westminster.

Figure (19): A photograph of Strangers Bar

The parliamentary participant recalls a time when they were a junior minister and how his wife brought in cups of tea throughout the day as he went through the paperwork in his red ministerial box on a Sunday. He tells the other three participants that the secret to being a minister is to take the paperwork out of the ministerial box and work from the bottom up because 'this is where civil servants hide stuff they hope you won't get to. You know you are pretty safe to sign off on most of the stuff they put at the top' he comments. The member is casually implying how hard working he is, how he recognises the support his wife gives him, how important he considers himself to be. All of this is conveyed in what appears to be a light-hearted anecdote told in an ordinary bar. He has told this story before, it is rehearsed but does its' purpose of making his three guests feel at ease, whilst also reminding them of his status, allowing him to direct the flow and tone of the discussion. It is noticeable that the reason the participant suggested a trip to Strangers Bar in the first place has not been addressed yet. There has been no discussion of capital ratios as we stand at the bar.

The Parliamentary participant's anecdote about his previous role as a Minister leads the regulator to talk about his previous role in the Treasury which had an old

wine cellar underground where he used to work if he wanted to avoid interruption and the bankers explain why no one walks above ground in Canary Wharf: 'all the tall building funnel the wind'. Conversation has shifted from how to regulate capital ratios to gossip and anecdotes about their own worlds. Stories that give information about the individual and their organisational lives. One of the banking participants offers up that he thinks the next financial crisis will be because of store card credit; a comment that he later repeats in a focus group.

Once the drinks are poured, despite there being more than adequate seating in the bar, the banking participant casually delivers the line that the regulatory participant and banking participants are not expecting, but is familiarly heard in Strangers Bar: "shall we sit outside?" The group agrees. None of them appear to know there is an outside seating area in this bar but they all take the Parliamentary participant's lead as they had done so at the bar when ordering drinks. The member gestures to another door at the far end of the bar. This leads out on to a terrace overlooking the Thames. A picture of the terrace is included below in figure twenty. The door we emerge through is to the upper right of the photo. The bar inside remains almost empty.

Figure (20): A photograph of the terrace outside Strangers Bar

Unlike the photo above, on this particular occasion the sun has just set. We find a seat and the Parliamentary participant acknowledges the space for the first

time. He has waited for this moment to show he is at home in these surroundings. He simply says 'Its wonderful out here. The only problem is the view from the other side of the bank is much better.' We laugh. His script has finished now and we return to being five men drinking beer in a pub, sharing stories as the regulatory and banking participants casually glance around at the grandeur of the palace and the uniqueness of their surroundings.

Despite their statuses in their respective spheres, the Parliamentary participant knows this is a special occasion for the other participants and his casual attitude further creates an environment where they begin to talk more freely about a whole host of topics. They eventually return to the financial crisis and an anecdote is told by one of the banks about Lehman Brothers that surprises me in its candour. The banking participant comments in passing, as if it was nothing of significance, 'we could all see it coming on Friday when we went home, but there was nothing we could do, we just came in on Monday and tried to fix the mess'. Here the individual is talking as an individual. As a man in the pub, not as a functionary of his organisation sharing information that tells the parliamentary participant about his attitude towards the crisis, the impotence that he personally felt and his resigned attitude to the fact he knew it was coming and that his colleagues did too. The implication that it was an open secret that one of the banks would fail eventually and specifically that they were willing to share with a group they did not know well that they knew that Lehman was about to default before it was made public was brought about by way the parliamentary participant used the surroundings to set a tone where comments such as this could be made. The banker appeared to be trying to impress the parliamentary participant in some way about his position in his own sphere by offering a piece of knowledge about his own world.

The politicians behaviour in this scene of action might appear disingenuous and it *was* staged, but there was a sincerity behind this behaviour – one parliamentary participant, when asked directly about an incident similar to the two described in this section commented in a private interview: 'we must gather as many different views as possible here on the Committee so we can take a decision that alleviates the problem sufficiently for as many people as possible and we need to better understand the challenges *they* face' [My emphasis added]. The focus on the individual in this way appeared to be a way of getting the banking participants to talk more freely about the banks they represented but also the challenges the banking and regulatory participants faced as individuals. As one parliamentary participant commented: 'it is important to recognise that these are all just people that we are dealing with' despite

their roles in their respective spheres. As another Parliamentary participant commented, 'the fringe of the meeting provides a time to really get to know them … I have firmer facts to work with if I know more about their circumstances'. The Parliamentary participants were attempting to get to know the banking and regulatory participants *as individuals* through these scenes of action. They believed that the insight they gained about the individuals through such episodes helped them to better predict the unpredictable behaviour of their organisations.

What is left unsaid in this Parliamentarian's earlier comment 'really get to know them' is that the group rarely met in environments such as the focus group. This was not anticipated at the beginning of the study and was highlighted by one of the participants after the first focus group. Indeed, there were very few opportunities for the participants to spend time in a round table environment where senior colleagues were represented from industry as well as the regulatory and legislatory spheres. It was made particularly rare by the fact that the meeting was not "owned" by any of the three stakeholder groups. If a group of senior individuals from the three stakeholders were to find themselves in a room together 'there would normally be an agenda' according to one participant. For example, the banks might organise a meeting or an event to lobby on a position. Likewise, the TSC meetings would see representatives from FSC or the banks presenting to them as witnesses and they would be present to discuss an agenda item relevant to a specific TSC inquiry. This perhaps suggests why the Parliamentarians were active in their attempts to gather knowledge about individuals.

The Regulators: Managing flows of knowledge to control the banks

The regulatory participants from the Financial Services Authority interacted with the participants from the banking sector in a way that focused on rules and an orientation that suggested they wanted to control the behaviour of the banking participants. They remained quiet and did not contribute to discussions on topics such as values and ethics that took place but dominated the discussion about the regulatory ringfence, interrupting the flow of the conversation and reading from pieces of paper that they had prepared in advance of the meetings. This section will examine how the FSA used the management of knowledge flows in two different ways to establish the basis for trust between their organisation and the banks and to attempt to build trust in the regulatory environment.

7. Placing paper between the regulator and the banks to control

The following episode from a focus group involving one of the regulatory participants highlights the rules-based orientation that the regulator took to their interactions in the focus groups and their desire to control the actions of the banks more effectively. Standing up to address the room and reading from typed notes on a sheet of A4 paper one of the regulatory participants commented:

> *There will be new information handed out about Basel II in the following month, which, which we will develop. Requirements will be outlined in a supervisory statement, that we will send out*

The act of reading from a sheet of paper about rules and regulations in a group meeting showed that the focus for the regulator was on what the rules were, that they needed to be clearly understood by the banking participants and that they believed their role as the regulator was to enforce the rules through a 'supervisory statement'. The participant had written down what they wished to say and stuck to their script. They explain that the requirements will be outlined in a 'supervisory statement' that *they* will develop and *they* will send out. The regulatory participant leaves no opportunity here for the banking participants in the focus group to influence the content of the statement and the banking participants are simply told 'requirements will be outlined in a supervisory statement, that we will send out' asserting control not only over the regulation, but also the timeline in which the regulation is developed. This action contrasted entirely with informal and more general discussion of the focus groups up until this point and the politicians' approach to the meetings that has been discussed in the previous section. The fact the regulator stood up to read from the piece of paper indicated that he intended his statement to have a dramatic effect.

At the beginning of the each of the focus groups participants introduced themselves briefly. This, I expected would mean that the representative would say they were attending the focus group in place of their colleague. On both occasions, there was no explanation given for why the colleague was not there, nor did the participant seem to think this could be an issue for the group. They just introduced themselves and made no reference to the fact the name place card they had picked up as they came in the room and put in front of themselves had their colleague's name on it. However, the way they seemed entirely comfortable with the fact they were not the person whose name was written on the card suggested that this was a regular

occurrence for them when they represented their organisation – it was as if they thought that the other participants should expect anyone from their organisation might turn up and that a name was just a place holder for the organisation at the focus group meetings.

Figure (21): Reproduction of the front cover of the document placed on the table by the regulatory participant in focus group two
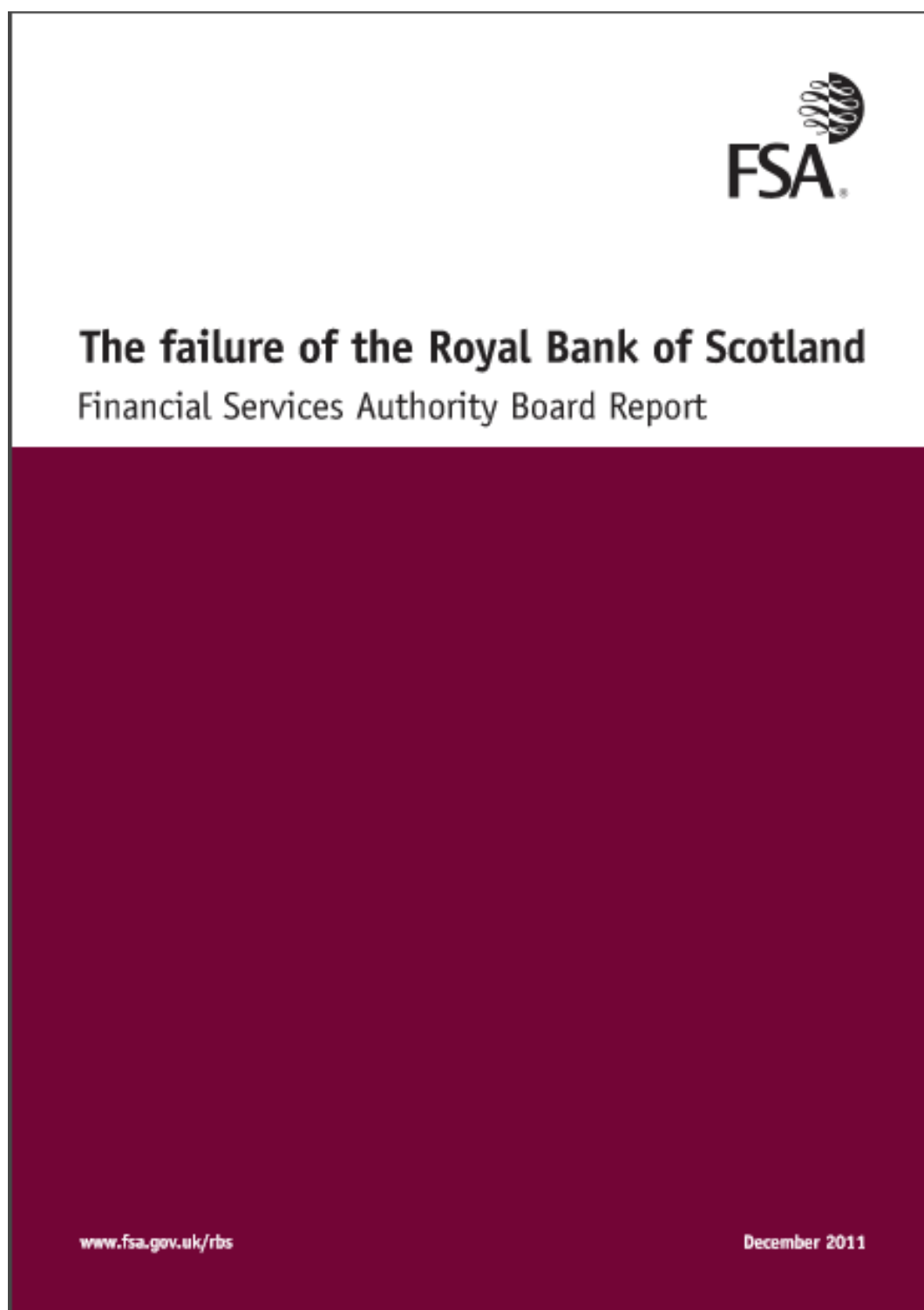
Although all three examples here of the regulators' behaviour appear adversarial, this third behaviour provided insight as to why the individual representatives behaved in the manner they did in the first two examples. They saw their contribution to the focus group meetings as purely presenting their organisation's perspective (much like the organisational narratives the bankers used in the TSC meetings). Therefore their responses would remain the same whoever was in the room as they were organisational statements, in fact precisely because they were not who it said on the name card only further consolidated the impression that they were there simply present in the bureaucratic function to deliver information or convey messages on behalf of the organisation and therefore it was the message they conveyed to the banking participants in the focus groups that was important to the regulatory participants not the individual relationships with those around the table.

Figure (22): FSA website December 23 2011 (From National Archives)

http://webarchive.nationalarchives.gov.uk/20111222123220/http://www.fsa.gov.uk/
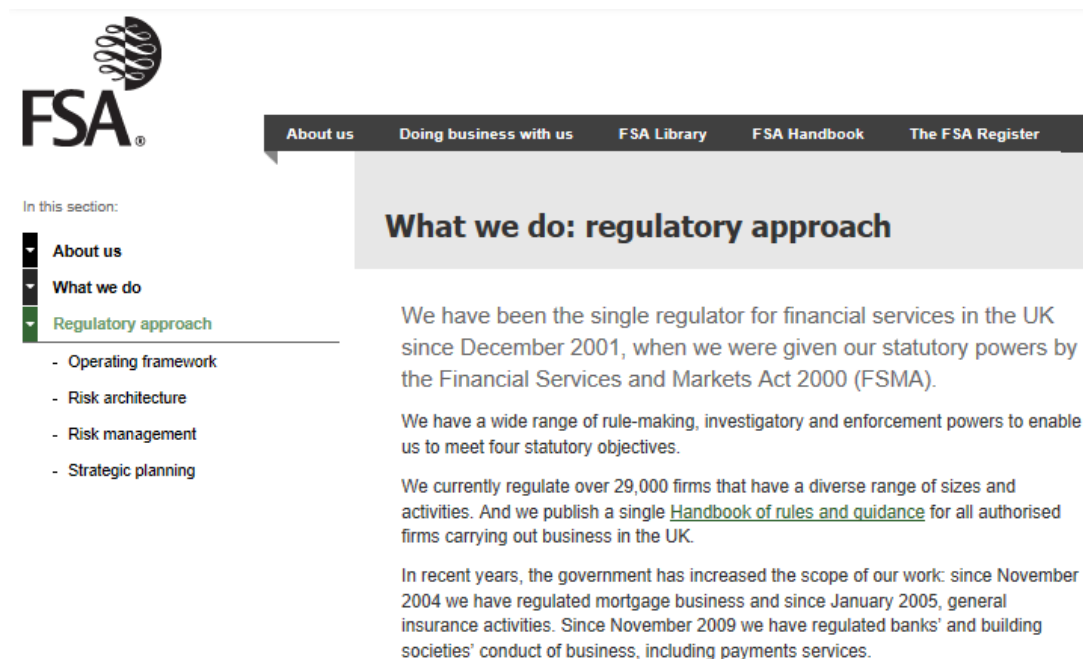
The regulatory participants' focus on rules and punitive action, and the way they delivered their message "by the book", was therefore defined by the way they viewed themselves in the focus group meetings as functionaries of their organisation. An organisation that they believed existed to 'police the activities of the banks' as one of the regulatory participants suggested in a private interview. The participant

however is again reflecting an organisational view here not their own. For example, the description of the FSA's role on their own website and emphasised that the organisation was mandated to use a 'wide range of rule-making, investigatory and enforcement powers'. The tone of the statement about their regulatory approach is shown in figure twenty-two in an archived copy of the FSA website from December 23 2011, which reflects the type of organisation that the FSA believed it was mandated to be.

What we see in the in the regulator's orientation towards the UK high street banks as they discuss the ICB's recommendations is a desire for further clarification of the rules that both reflects their understanding of what their organisation was mandated to do as a result of the statutory powers granted in 2001 by the Financial Services and Markets Act 2000 (FSMA) and their desire to place distance between the banks and the regulator. Placing paper between themselves and the banking participants either as statements on a website, a 492-page document, the wrong name on a place name card or a piece of A4 paper made it clear how they wished to conduct their relationship with the banking participants in the post-2008 environment that the ICB report discussed. It was about clarity on paper with rules *not* personal relationships. Given the FSA's situation in the proceeding discussion clarity about what role the FSA played was of course of significant import.

CHAPTER SIX: TRUST-BUILDING ATTEMPTS BETWEEN THE BANKING PARTICIPANTS

This section explores the banking participants attempts to build trust collectively in the sector and therefore focuses primarily on the interactions of the banking participants in the various environments in which they interacted. It also makes use of ethnographic material and interview data to contextualise some of the conversations that were captured amongst the banking participants. Since there were participants from the other stakeholder groups present throughout, this section does not suggest that the conversations took place in isolation, but makes an attempt to capture the discussions that were important to the banking participants

First, I explore how the banking participants attempt to build trust collectively through creating a collective identify as the City of London. The banking participants did this by acknowledging collectively that the City of London was a home as well as a place to conduct business and also through references to the benevolence of the City of London as a financial centre.

Secondly, I show that the banking participants also attempted to build trust collectively through the acknowledgement of the perceived unfairness of the American Legislation. This created both a collective adversary against which they can unite and identify but also allowed the participants to share examples of how their organisations were addressing the "problem" of the American legislation.

Thirdly, I examine how the banking participants choose to share information in their discussions about European financial services regulation and in particular the European Commission in order to collectively mediate knowledge to agree a version of the facts that best suited them collectively and then I explore how they form a collective knowledge around the inabilities of the European financial services regulatory structure, to present themselves as a group with collective knowledgeability, which they could use as the basis for trust-building.

Table (7): Examples of trust-building between the banking participants

Discussion	Relevant observations

The City of London	1. Curating a home for 'finance, food, fashion and film'
	  - *Acknowledging the benefits of working and living in London*
	  - *Building identity through a collective living and working space*
	
	2. Promoting the benevolence of the City of London
	  - *Reflecting on the importance of London's history*
	  - *Allowing unsubstantiated claims about the City of London's wider benevolence*

The American legislatory environment	3. Tacitly acknowledging a lack of control and collectively identifying a lack of perceived fairness of the American legislation
	  - *Placing distance between the participants' organisations and the American legislation*
	  - *Identifying with colleagues who may get 'caught out' by American legislation*
	
	4. Mediating knowledge to establishing new ways of knowing
	  - *Placing competence-based trust in the banks' American regulatory affairs departments*
	  - *Sharing experiences of how their organisations' regulatory affairs departments functioned*

European financial Services regulation	5. Collectively mediating knowledge about the European Commission
	  - *Highlighting a lack of transparency of the Commission and bias towards the UK banking sector*
	  - *Privately acknowledging the failings of the three stakeholder groups in presenting a collective position to the Commission*
	
	6. Collectively acknowledging the inabilities of the regulatory structure
	  - *Presenting the complex lines of communication between regulatory organisations as a 'barrier to business'*
	  - *Identifying specific points of dislocation between the EU and UK regulatory positions*

The City of London: creating a collective identity

1. Curating a home for 'finance, food, fashion and film'

A collective identity was developed by the banking participants by making statements about what made London different from other financial centres. One example involved a discussion where one of the banking participants referred to London as 'a centre for finance, food, fashion and film' several times during the hour-long focus group meeting, a phrase which was repeated by colleagues in later focus groups. The choice of words here is important. The alliteration in the phrase gives the statement a soundbite-like quality, something that is easily remembered and repeated. The participant is choosing specific words to remind colleagues that it is not just finance, but food, fashion and film that make London a place where the banks are well-served; a place to live as well as to work. The participant added 'our employees want to live in London. They don't want to live in the middle of a desert … it is particularly the second-tier services that are here, I'm thinking legal services and consultancy services in particular, that mean you can do the deal in the morning, the lawyers can complete for you in the afternoon and you can be back in Abu Dhabi by the evening'. Again, this reference to London in contrast to living 'in the middle of the desert' presents London as a place that the individual participants would want to live as well as work.

The participant is using the focus group to highlight the importance of the quality of the wider environment beyond the financial services sector that London provided for employees, which was a persistent theme in the banking participants interactions with one another – reminding one another of the provision for families in terms of internationally recognised public schools, a cosmopolitan environment with opportunities for partners to work, top international universities for children, healthcare as well as easy access to Europe that enabled the banks to provide a package supportive of the employees' families and life beyond work, which, as the participant suggested, was a significant factor in attracting and retaining the best, most experienced staff but also, *importantly,* what is implied by the participant's comment, a place that the banking participants themselves want to live where there were benefits beyond the sphere of work.

However, when this participant discusses London in a private interview he states that he presents the bank to external stakeholders beyond the sphere of the financial services in a way that focuses solely on the quality of the financial services

firms that operate in London placing less emphasis on the fringe benefits that were discussed in the focus groups:

> *'When I am asked, I normally point out that London is a world leader in financial services. There are over fifteen-thousand firms operating here in the City and the financial services sector employs over half a million people in the UK. There are nearly four-hundred foreign banks operating successfully here. This remains the single biggest factor in why companies chose to do business'.*

Comments such as the ones made in the focus groups to colleagues about fringe benefits contrasted with comments such as the above in the private interview and those made in public fora, where the value of the financial services sector is presented as the primary concern for the banking participants.

It appeared that the banking participants recognised that amongst their peer group they could built a collective identity between their organisations not through a focus on the quality of the financial business they undertook, but the other elements of working in London, which they all shared together. As the same participant commented later in an interview: 'It is not just how it really is, it is the optics of the situation that are important for us. London helps with this'. The image of London as a *home* as well as a financial centre was something therefore the banking participants acknowledged to one another but was notably left unacknowledged in conversations outside of the banking community. The following discussion was observed between a group of bankers in focus group three that further showed that the banking participants recognised the importance of London as an attractive place to live and a place to call home but that this was a conversation that took place within the auspices of the banking community:

> **Banking participant (4):** *'We should celebrate the rise of Canary Wharf. There has been little public investment. It was nearly lost in a wasteland. Over 1,700 local companies have benefited. When I started out in the 1990's people used the area for five days a week only. This has changed significantly'*
> **Banking participant (5):** *'Canary Wharf is the place for this. It's a deliberately domestic cylinder'.*

Although the participants recognised that they should focus on the quality of the financial services sector when presenting themselves to other stakeholders, the physical space they occupied served to corroborate the collective identity that they

described in the focus groups to one another. Each of the banks studied had an office in Canary Wharf, a space that supported the notion that London was *a* centre for finance, food, fashion and film'. Canary Wharf was a physical space that consolidated the statements that the banking participants made about London as a home for 'finance, food, fashion and film and contrasted with the focus on finance in their discussions with stakeholders beyond the sphere of the financial services sector.

Figure (23): Map of Canary Wharf Mall adapted from Canarywharf.com
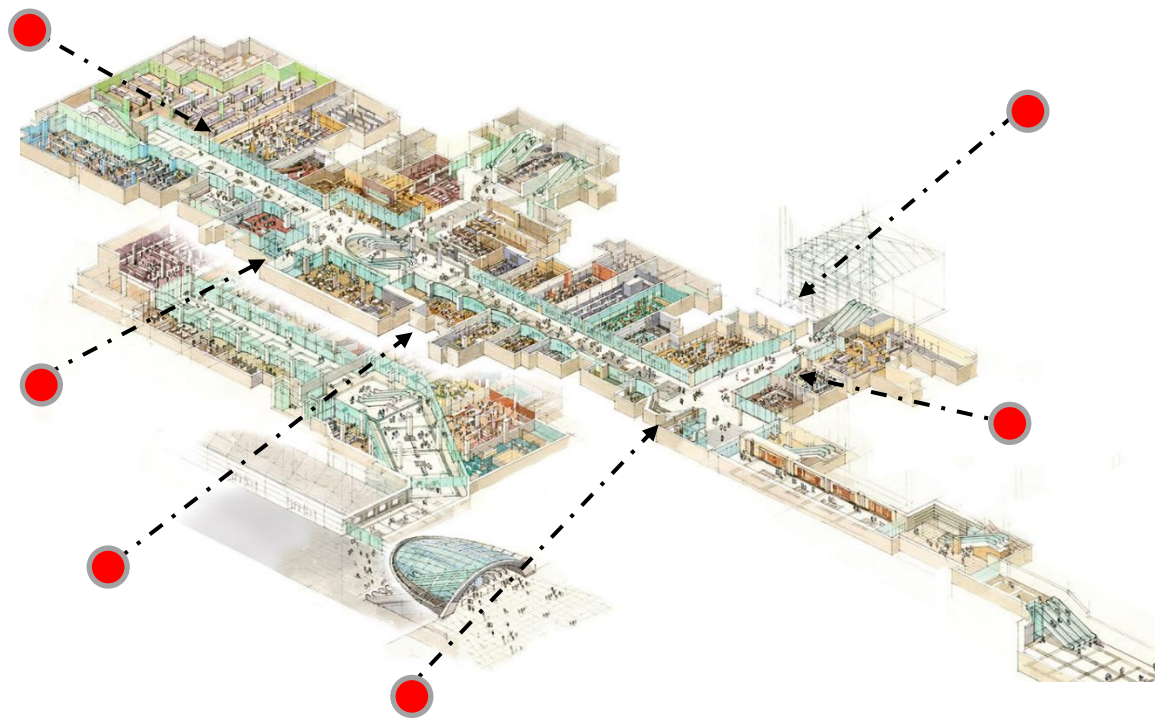
Red dots indicate where there is an entrance from a bank directly into the mall

Figure (24): Text copied from the landing page of the Canary Wharf website at www.canarywharf.com

A beautiful and modern part of London, Canary Wharf's iconic skyline is an integral part of the landscape, with the addition of Crossrail Place, the latest shopping and leisure destination offering new restaurants, a cinema, plus one of London's biggest roof gardens

Combined with a fantastic programme of music, film, theatre, dance, art, fashion and more throughout the year, plus over 300 shops, cafes, bars and restaurants, there has never been a better time to visit Canary Wharf.

The shopping mall, pictured in figure 23 has 197 shops and 78 restaurants and is underneath the banks' office space. The red dots indicate there is a direct entrance into the mall from one of the banks. The participant's words in the focus group are therefore supported by the physical space where the banks chose to locate their place of work. The integration of the banks workspace and a space for entertainment, food and shopping physically reflected the participants comments that the banks considered their operations in London to be more than simply a place to work, but an attractive place to live. This was further demonstrated by activities that took place in Canary Wharf. For example, the London Independent Film Festival (LIFF) was hosted in Canary Wharf in April each year of the study. Although these benefits remained unsaid personally by the banking participants in their wider communications, the physicality of the space they occupied reflected the other benefits referred to in the focus groups were an important element of their collective identity. For example, the description from the Canary Wharf website copied above in figure twenty-four shows how the space is deliberately curated online in order to be a space that is not simply a work destination but a place where there is a 'fantastic programme of music, film, theatre, dance, art, fashion and more throughout the year'.

The phsyical space that Canary Wharf provided was integral to the way the banking participants understood the importance of building trust through creating a community. This was further shown by the fact that this space was *actively* curated by the banks through branding on the site. The adverts that the banks placed in Canary Wharf demonstrated that, just as the participant has curated the image verbally in the focus group and the description of the space online, the organisations also curated their physcial space using words that sourrounded them in their workspace. For example, during the course of the study there was an advertising campaign that one of the high-street banks developed around Canary Wharf. There were no images, just text. Bold statements on billboards such as 'Do you think like a Barclays person', 'Barclays people are more romantic' and 'Barclays explorers follow in the footsteps of no one'. It was notable that this campaign was only adopted within Canary Wharf and that only text was used reflecting again the idea that this was a message aimed at colleagues *within* the sector. See figure twenty-five on the following page for examples of the campaign. These images were part of a branding campaign specifically focused on curating space in the same way the participant used the sound-bite to highlight that 'finance, film, fashion and food' come as a package. The images attempt to remind the participants that the individual and the organisation are aligned beyond the scope of the financial services sector.

Figure (25): Examples of Barclays branding campaign in Canary Wharf between October and December 2010
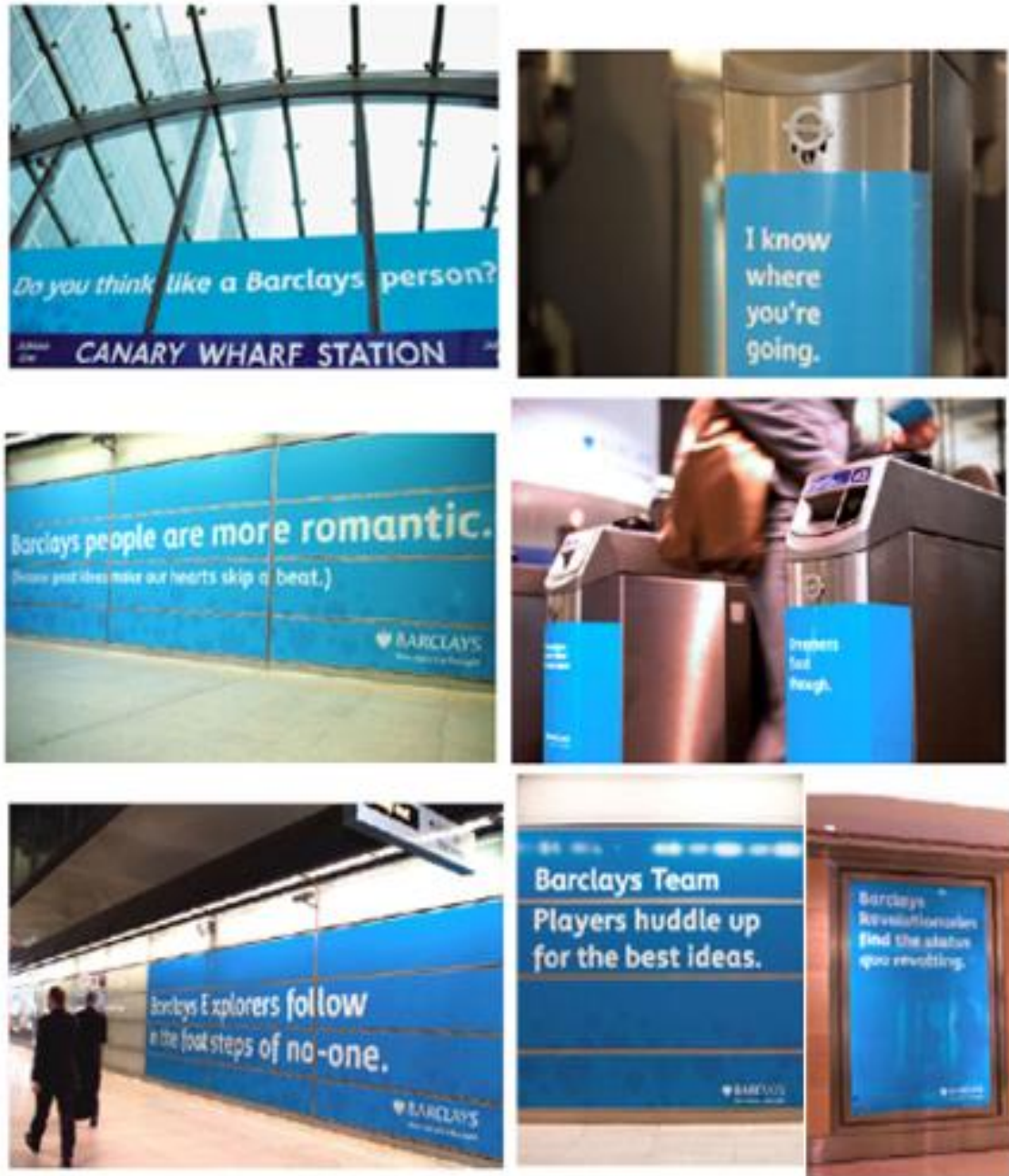
Furthermore, the entrance to the banks themselves presented messages that demonstrated how the banking participants understood themselves as the City of London. For example, the images in the reception of Barclays bank's headquarters at One Churchill Place during the period of the study had a display that is presented in figure twenty-six on the following page. Notice the River Thames and the skyline of London portrayed in the entrance poster. The picture in the bottom half of the figure shows a close-up of the right-hand side of the sign at the top. The poster reads 'Being:

London by Barclays'. Being London was an important part of the banks' identity post-2008 and a way to establish transference between London's image to restore the bank's image. It is also noteworthy again that we see another alliterative sound-bite in the phrase 'Being London, by Barclays'.

Figure (26): Example of branding in lobby of Barclays headquarters

The physicality of the space that the banking participants operated in was reflected in the comments they made to one another and influenced the ways that the banking participants developed a collective identity. The focus groups served to provide an opportunity for the banking participants to reiterate their corporate messages to one another about the importance of London and benefits of headquartering in London beyond it simply being a centre for finance. This was the story they told one another. They avoided dwelling on the fringe benefits with stakeholders beyond the sphere of the financial services sector. Perhaps because of the tone it would set, but it became clear as the study progressed that the fringe benefits described in the phrase 'a centre for finance, food, fashion and film' were an

integral part of how the banks understood themselves collectively and what they viewed as important in their decision to locate the head offices in London and their identity together as a potential basis to build trust amongst their organisations.

2. Promoting the benevolence of the City of London

The benevolence of the City of London was a discussion between the banking participants that showed a similar attempt by the banking participants to create collective agreement about the City of London as something more than simply a place to conduct business. One of the banking participants concluded that 'it feels like a special time for the City as we rebuild from the foundations. There is a reassurance about London, its history and its resilience to weather even the worst of storms. There is a collective identity here that we should trust. It works for all of us'. Here we see the focus on the concept of the City of London as an entity that served all the participants as a safe place because of its ability to 'weather the worst of storms'. The participants recognised that the history of the City of London served to maintain confidence and to build trust across the sector. A banking participant alluded to this in one of the focus groups:

> *'It comes in cycles. We know this is a fact. Working in London magnifies the impact. When the City is confident, it makes people feel more confident. London is seductive. The history. I think the history infects people'.*

Over the course of the study it became clear that the banking participants' attempts to present the City of London as a safe place to do business because of its history re-enforced the perceived benevolence of the City to individual participants and that the history 'infects people'. The City of London is presented as a collective identity that unites the organisations and the individuals representing them and supports the sector. The following comment was made by one of the banking participants in the second focus group:

> *'I am grateful that we have such a dynamic community here in London. Our colleagues around the world have attempted to recreate what we have here in the City with variable success. The success is largely thanks to vision of the City of London'.*

The participant is suggesting here that the dynamic community here in London is thanks to the vision of the City of London. However, what is left unsaid here is that there is no clear consensus as to what the City of London actually meant to the participants. It was not clarified in any of the focus groups and became a *leitmotif* for their discussions. It was a symbol that they used to unite their organisation.

However, the *idea* of the City of London as a 'force for good' appeared to become more important than presenting the facts and participants made unsubstantiated claims in the focus groups about the City of London's benevolence. The following comment from a focus group sums up how the desire to maintain a benevolent image of the City of London on occasion become more important that presenting facts about the City of London:

> *'Between 1990 and 2010, the global economy grew from about twenty-two trillion US dollars to about seventy-five trillion US dollars. That's a difference of about fifty-three trillion dollars, and in truth most of it thanks to the City of London. And over the same period, the percentage of the world's hungry went from sixteen percent to under fourteen percent of a population that grew by almost two billion. Thanks to the growth of the global economy, fueled by financial centres such as the City of London'*

This participant makes rather bold claims in the statement above. He suggests that the City of London is responsible for the percentage of the world's hungry decreasing by two percent between 1990 and 2010. By making the statement that the City of London was responsible for the growth of the global economy and then suggesting the global economy is responsible for the decreasing number of people going hungry in the world, the banking participant is suggesting that the financial services sector in London collectively understood as 'the City of London' supports those in need more widely beyond the purview of the financial services sector. London is therefore portrayed as a means to provide the necessary conditions that allows wealth generated by financial institutions (Such as the UK headquartered banks) to benefit organisations *beyond* the financial services sector and – if the participant's comment above is to be believed – ultimately reduce the percentage of the world's hungry by two percent.

It is clearly a stretch to claim that there is a direct causal link between the success of the organisations such as banks operating as the City of London and reduction in food poverty but the notable observation is that the statement went

unchallenged by the other banking participants in the study. The participant does not provide any evidence of a link between the financial success of the City of London and the hungry being fed. The participant simply observes that over the same period that the City of London prospered, the percentage of people in the world going hungry decreased. Instead of any challenge to its veracity, the comment was met with affirmation by another participant who commented that they 'very much agree'. Since there was no means to find collective agreement about what the City of London was, there appeared to be no way members of the group could challenge or confirm the veracity of these assertions, but it suited them to maintain this image of benevolence beyond the sphere of the financial services sector. The participants were, it seemed, focused on perpetuating a group identity through their agreement of a benevolent City of London.

The lack of challenge to the earlier quote contrasted with much of the other discussion observed in the study (The minutiae of which *was* often challenged by colleagues). Furthermore, the comment directly ignores the prominence of other financial centres such as New York, Singapore, Frankfurt and Tokyo for example as well as the economic impact of emerging economies post-2008. Nor is it clear how the figures the participant gives are arrived at, or are we clear how specifically the City of London achieved the feat. In short it is puzzling that the participant can make this statement unchallenged by a room full of experts unless we are to accept that maintaining the image of the City of London as benevolent and a source of mutual identity was a primary concern for the banking participants.

The American legislation: identities and collective adversaries

As well as creating a collective identity the banking participants also appeared to build trust by acknowledging the challenges that the American legislatory bodies presented to their organisations. The American legislation that had been passed became another collective focal point for the banking participants and they used this to create a collective adversary. They used the challenges that the American Legislation posed as an opportunity to build a form of identification-based trust through the acknowledgement of the lack of fairness of the American legislation. The banking participants did this in two ways. Firstly, by acknowledging the limitations that the American legislation presented to the UK banking sector and secondly by acknowledging openly in the focus groups the ways in which their organisations were addressing the lack of unpredictability presented by the American legislation.

3. **Tacitly acknowledging a lack of control and collectively identifying a lack of perceived fairness of the American legislation**

The banking participants appeared to feel they had little control over the American legislation that was being enforced and they used the focus groups to acknowledge this to one another. As they did this, the banking participants placed distance between themselves and the American legislatory bodies. They described the American legislation by making bold statements to their colleagues about the lack of fairness of the American legislation and contrasted it to the regulatory environment in the UK. For example, the following conversation in focus group three shows how the banking participants are placing distance between themselves and the American legislation, whilst also aligning their organisations collectively as British banks engaging with British legislation.

> *Banking participant (5):* 'When the Act was first broached, I never believed that there could be a more prohibitive legislatory framework possible. Reflecting back, I see that this view, although it was a miserable one, completely failed to realise how restrictive the legislation would be'.
> *Banking participant (8):* 'Striking a balance between financial risk and financial misconduct'.
> *Banking participant (5):* 'Precisely. It has been a period of misunderstanding, with features similar to a bank that has endured a failure and merger at once'.

> *Banking Participant (3): 'We need to ensure the same mistakes are not made here. Careful thought needs to be given to what we mean by a regulatory ring fence and how we move forward'.*

The banking participants in this exchange are focused on the way legislation was applied by the US regulator suggesting that the American legislatory environment meant they had a lack of control and are 'penalised for making loans'. However, this exchange also indicated that that they are identifying with their colleagues' situations with regards to the American legislation implying that they were attempting to build a collective voice for the UK banking sector not simply their own individual organisations. For example, when asked about American legislation one of the banking participants observed in an interview that:

> *'Regulatory decisions can often travel across the pond very quickly and are added to the patchwork we have here. It is a constant state of flux. We need to keep a close eye on the decisions made by the US regulators; [one of the UK high street banks] was caught out only last week by US regulation which seemed, at least I thought, not to have much to do with their activity there. I guess he just got bad information or thought it was worth the risk or something'.*

The participant is specifically observing that their colleague was 'caught out' by the American legislation and appears to empathise with their position showing that he both identified with his colleagues' situation, whilst also indicating that they felt that the American legislation lacked fairness. The theme of lack of fairness of the American legislation recurred throughout the focus groups as the banking participants discussed the American legislation. See table eight below for further comments about the American legislatory environment to this end.

The American legislation was described as lacking fairness by the banking participants, but also underlying this was a tacit acknowledgement of the lack of control that the participants felt they had over their own organisations when dealing with the American legislation. The Dodd–Frank Wall Street Reform and Consumer Protection Act was signed into federal law before the policy debate observed in the study and it became clear that being 'caught out' by American legislation was viewed by the group as a risk towards the UK banking sector and not just the participant's individual organisations. As the participant in the earlier quote suggests, the banking participants felt they were trying to follow rules but sometimes 'simply unable to do

so'. The perception of a lack of fairness was, as the participant above indicates, because there was a large amount of new US legislation to comply with over which they felt they had a lack of control and this further aligned the banking participants as a group against the American legislation as a collective adversary.

Table (8): Examples of a lack of perceived fairness in the American regulatory system from comments in focus groups

Banking participant (3):	*'I'm not sure that I agree with the spirit of the American regulations that were introduced. It seemed heavy handed'.*
Banking participant (6):	*'The Dodd-Frank Act is isolationist at best. You would be extremely hard-pushed to find anyone in the US or here who would not agree that the legislation takes little regard for concerns beyond American economic recovery'.*
Banking participant (11):	*'There is really no kind way to say this. The Act is a bullish piece of legislation. The over-regulation is going to damage the American economy and impede the success of organisations that are doing business there'.*

To put these comments into perspective it helps to acknowledge the scale of the new American financial services legislation that was being put into place during the period of the study. The final legislatory document which described the Dodd–Frank Wall Street Reform and Consumer Protection Act was 1,376 pages long and the final Act, when put into effect on the 21 July 2010, introduced 243 new regulations into the American domestic banking system. There was simply too much information for the banks to address and their inability to do so meant that their comments to one another in their focus groups were intended to create a collective identity united against the unfairness of the American legislation.

There is a certain legitimacy to this collective position that was being developed by the banking participants. Being 'caught out' by US regulations indicates the seemingly arbitrary nature in which the regulations were applied since the regulations were not necessarily concerned with the participants' organisation's

operations in the United States, but rather the business their organisation undertook with any organisation that operated in the United States. The large number of prescriptive US regulations that impacted third party transactions in particular that might not be directly undertaken in the US (Coupled with the volume of new financial services regulations introduced by Dodd-Frank Financial Regulatory Reform Act) meant that participants were not always sure if they (or importantly their colleagues, as shown in the indented quote on page 108 had transgressed a US regulation and it appeared to be difficult for the participants to clarify whether they were in breach of any of the financial services regulations that had been recently enacted in the US.

The seemingly arbitrary application of the regulations specifically to third party transactions were viewed by the participants collectively as lacking fairness. However, the significance of these comments is not simply acknowledgment that the application of US financial services regulations to third party transactions was unfair but that they are *collectively* agreeing that is unfair. As one participant commented: 'there seems to be a lack of consistency in the application of American legislation … and I don't see this changing in the short term until the dust has been allowed to settle *we have all* had a chance to catch up' [my emphasis added]. The following conversation shows another instance of the banking participants developing agreement collectively about the lack of fairness of the American legislation:

> ***Banking participant (6):*** *'America needs a smarter approach to regulation I think we would all agree'.*
> ***Banking participant (7):*** *'hear hear' [bangs his hand on the table].*
> ***Banking participant (6):*** *'In the US they think they can account for all eventualities. Cases from the simply irritating, a rule for playgroups that stipulates how many pencils must be in each tin, to the downright impractical. The idea that somehow Dodd-Frank can mitigate against every eventuality. It is absurd'.*
> ***Banking participant (13):*** *'If something becomes more complex there are often more loopholes'.*
> ***Banking participant (7):*** *'Quite simply the regulations need to be much simpler. They need to spell out the spirit of what is required by the banks rather than try and anticipate every possible eventuality that nasty bankers might dream up'.*

What is noteworthy about this exchange and the earlier comments in the focus groups is not simply the fact that the American legislation is being described as

unpredictable and unfair because of its impact on third party transactions, but that the banking participants are using the American legislation to build consensus between their organisations and agreeing that they are *all* affected by the unfairness of the legislation and building a collective position against the unfairness of the Dodd–Frank Wall Street Reform and Consumer Protection Act.

4. Mediating knowledge to establishing new ways of knowing

It became apparent that the participants were attempting to address the lack of control they felt they had over their operations in the US by relying on experts within their American regulatory affairs teams, who provided them with insight into the new US legislation that had come into force. Comments included in table nine on the following page provide some evidence of the banking participants referring to their American regulatory affairs teams as a way to address the challenges presented by the US regulations. Using information provided by their American regulatory affairs teams the participants weighed up the risks against the possible rewards when interacting with the American regulatory institutions and accepted that there would be some degree of financial liability for their own organisation – their attempts to trust were therefore also reliant on the competence of their American regulatory affairs teams who helped to minimize the financial liability of doing business that might be affected by the Dodd–Frank Wall Street Reform and Consumer Protection Act. They were calculating the risk and placing trust in the competency of their regulatory affairs teams.

The participants managed the lack of control they had over the American regulation by ensuring that there were enough capable staff in their own individual American regulatory affairs departments to address the complexity of the American legislation and ensured that they were surrounded by suitably qualified experts. The in-house expertise meant that they could operate effectively to some degree in their US operations.

The banking participants were also very open in sharing their experiences of developing their American regulatory affairs capabilities which contrasted with the lack of information sharing about other aspects of their business. Each of the banks in the study had between five and thirty people working in the regulatory departments focused specifically on interpreting American regulation, this was information that was shared openly in the focus groups and discussed in detail as to why it was necessary.

Table (9): Example comments demonstrating that the competence-based trust was being placed in the American regulatory affairs teams

Participant (8) Focus group (2):	*'The Volcker Rule could be a major contribution to financial stability or it could flop. Either way we must approach it carefully weighing up the risks of doing certain types of business in the US. There might very well be an opportunity for the British banks in all of this, particularly if we make good use of our in-house teams and trust them.'*
Banking participant (12) focus group (1):	*'I personally weigh decisions up every day. My job is essentially to say yes, yes, no no, yes, to things. Dodd-Frank is no different. We will assess the rules. Ensure we comply, take a decision on what we change and move on. It is because I am supported by a lot of very able employees.'*
Banking participant (9) Focus group (5):	*'I hear a lot of grumbling about the legislation overseas. Let's get our house in order first and then decide how we are going to approach the American context … Now we have the benefit of hindsight let's make use of the experts that we have here.'*

The banking participants described their reliance on the fact they had 'experts providing accurate data to make business decisions' was the way they felt could make decisions about the American regulatory environment that they felt they could trust – the participants shared with one another that they mitigated the risk by working with a team of competent experts within their organisation that they could trust and developed a collective knowing about the new American legislation. Therefore, we see competence-based trust being placed in the American Regulatory affairs departments of their organisations by the participants in the study and notably that they are discussing this openly with one another.

The participants were sharing their experiences in the hope that they were not 'caught out' by American legislation. By sharing this information with one another they began to agree collectively a new mode of operations – of placing trust in the competency of their American regulatory affairs teams and it appeared that they were sharing examples of ways of operating that ensured that their American regulatory affairs teams were competent. The discussion below gives an indication of how the banking participants shared their experiences in the focus group environment of how they structured and worked with their teams. This type of information was not shared about other aspects of the banks' business:

> *Banking participant (9): 'I trust the team to do good work. There are challenges and given the task we have to do we are really a little thin on the ground, but these guys are some of the best regulatory experts around. We are lucky to have them and I trust their judgement but sometimes this is not enough'.*
>
> *Banking participant (4): 'This is a wider problem. Finding the people to do the job is a significant challenge. We simply do not have enough knowledge about the American system. We rely on [xxxx] organisation for a lot of our information.*
>
> *Banking participant (14): 'We also need to be better at trusting our teams to do the work as [banking participant 9] says. This is an increasing problem because regulatory roles are just not what they were twenty years ago. Hiring from the US has been effective'.*
>
> *Banking participant (9): 'And this is only going to happen if we can trust the leadership of our regulatory affairs teams. Our group head of compliance is part of the management team at [High street bank] but this is only the start. We need to take the problem much more seriously'.*

Here we see the banks collectively identifying a common threat and each attempting to mitigate the risk by relying on the competence of their American regulatory affairs teams. There are two things happening here in this sharing of knowledge. Firstly, the participants are acknowledging their lack of control over the American legislation. Secondly, and most significantly, they are sharing their experiences about business-critical aspects of their organisation in ways that were not observed elsewhere in the study. The threat of 'being caught out' and the identification between the banking participants that this brought about appeared to outweigh the risks of sharing information with their competitors. The process of sharing key pieces of information about how their organisations was operating with regards to the American regulatory environment seemed to be a collective process of agreeing a new mode of operations – collectively becoming knowledgeable to mitigate the risks of the US regulatory environment to avoid being 'caught out'.

Collectively mediating knowledge and identifying regulatory challenges presented by the EU financial services regulations

The banking participants used their interactions in the focus groups to further build a collective identity by firstly agreeing a collective orientation towards the

Commission and secondly collectively acknowledging the inability of the regulatory networks that operated within the auspices of the Commission. By doing these things in the focus groups the banking participants are locating their roles *collectively* in the European networks within which they were operating. This process served to help the banks build consensus about their identity as the UK banking sector rather than simply as individual banks operating in the UK and this further served as an attempt to build trust amongst the group. In this section, the focus is less on creating an adversary, but the focus is more on aligning roles and expectations together as they come into a place of better knowing and alignment in the ways they interact and behave in their interactions with European financial services regulation and the European Commission.

5. Collectively mediating knowledge about the European Commission

In the focus groups the banking participants appeared to be building agreement in their discussions about the European Commission that European legislation was weighted towards other European countries banking sectors – this was observed in the banking participants' discussions about the Commission's relationship with Germany's banks. For example, the following comment was made by one of the banking participants to his colleagues in a focus group:

> *I'm not sure how [German Bank] does it. They have a smaller team than us in Brussels. They are at less of the information sessions and yet they always seem to get what they bargain for.*

The participant is suggesting to his banking colleagues in the focus group that the German bank invests less time and resources into influencing the European Commission's agenda, yet repeatedly gets a favourable outcome. The following conversation between banking participants was later observed in one of the focus groups showing the banking participants building collective agreement about the Commission's bias towards the German banks:

> ***Banking participant (3)****: 'It is really a question about leverage ratios'.*
> ***Banking participant (4)****: 'I am no great supporter of Basel II, and am yet to meet anyone who is. Basel actually has three pillars to it - the third pillar is transparency'.*

Banking participant (12): 'We've got a situation where we have different requirements for British banks operating in the UK and German banks operating in the UK'.

Banking participant (10): 'And, you've got a situation when [German bank] is able to choose whether to conduct business in Frankfurt or London'.

Banking participant (4): 'Information is just handed down to us by the Commission'.

In this exchange, the banking participants appear to feel that although they remain stakeholders in the European discussion and that there should be transparency in the decision-making process that the Commission took, they felt that the 'information is just handed down by the European Commission'. The participants are finding agreement in this exchange that the European Commission is not aligned with the interests of the UK financial services sector *as a whole* not just their own organisations and that information is simply 'handed down' to sector by the Commission with no transparency.

What remained unsaid in this discussion between the banking participants however was that in private the interviews the banking participants acknowledged that the German approach to lobbying the Commission was more effective than the British approach not because of any bias against the UK banking sector nor did they consider that the Commission lacked transparency. Instead, in the private interviews, the banking participants acknowledged that the European lobby process in Germany was approached in a unified way where regulators, legislators and banks in Germany agreed on a position and shared the weight of reinforcing a position to the Commission. Furthermore, the banking participants also recognised in the private interviews that the three stakeholder groups in the UK appeared not to come together in the same way as their German counterparts to decide on a united lobby position when interacting with the Commission. This difference between the German and British approach was *not* addressed publicly in the focus groups by the banking participants – rather the banking participants used the focus groups to create a collective position with their parliamentary and regulatory colleagues that the Commission lacked transparency and was biased against the UK banking sector even though they did not appear to believe this when asked privately in the interviews.

The banking participants' private views are valid, but the fact they did not share them in the focus groups is what is more significant. In the European context of twenty-eight member states, logically it is more efficient if messages across the three stakeholder groups in the UK are aligned if they are to engage effectively in Brussels,

since the bureaucrats Brussels are unlikely to take a decision if there is not a harmonised approach to what is required from pieces of legislation by a Member State and the organisations it represents. For example, in a private interview one of the banking participants commented to this end:

> *'We have a fragmented approach to lobbying here in the UK which does us a tremendous disservice and we could learn a thing or two from friends on the continent who know how to get things done in Brussels. We do not invest enough time first and foremost, but what I find most peculiar is the way we make successive demands on the Commission without first agreeing amongst ourselves what we want to achieve'.*

This comment provides some insight into why the German bank is much more successful in 'getting its own way' but importantly, also shows the contrast between the public statements made to their banking colleagues in the focus groups and the statements the banking participants made in the private contexts. It is not the Commission's bias or lack of transparency that was the issue, but rather the lack of unity with which the three stakeholder groups in the study communicated with counterparts in Brussels. Table ten below shows some further evidence of the private views of the banking participants about the Commission that contrasts with their discussions about their German counterparts in the focus groups.

The discrepancy between the focus group discussions and the private interviews shows that the banking participants are choosing in the focus groups to agree that the Commission is biased against the UK banking sector as they search in the focus groups for collective agreement about their orientation to the European Commission. It appeared from the focus groups that rather than acknowledging that a more unified approach to engaging with the European Commission might be the solution, they chose instead to focus on the fact that the German banks are 'getting their own way'. Rather than addressing their own (And their regulatory and Parliamentary colleagues) failings publicly in the focus groups, they chose to agree a collective orientation towards the Commission as an organisation that lacked transparency and was biased towards the interests of the German banks, rather than acknowledging collectively their own private sentiments that 'there is a lack of work put into building relationships with the Commission' in the UK's approach to lobbying the European Commission.

Table (10): Examples from the private interviews of lobbying in Europe

Banking participant (9): '*Britain's ability to make changes in Brussels continues to waiver. I suspect there are two reasons. Firstly, a lack of interest in the amount of regulatory revisions but also that we do not present a singular message to the Commission'.*

Banking Participant (5): '*If we don't take immediate steps to address our approach to lobbying in Europe we will continue to suffer, Basel II is a good example. We simply did not know what we wanted to achieve'.*

Banking participant (12): '*I think that our attitude over the years to the EU and the Commission in general has been no less than hostile. We seem to simply be a mass of angry voices'.*

Banking participant (4): '*There is a lack of work put into building relationships with the Commission. Other countries take this much more seriously'.*

6. Collectively acknowledging the inabilities of the regulatory structure

The theme of focusing on the negative aspects of the Commission continued as the banking participants discussed the network of relations that existed around the Commission's financial regulatory structures. This was the second challenge that was cited by the banking participants in the focus groups. They chose to build alignment with their colleagues through critiquing the EU regulatory structure that they had to operate within. This provided an opportunity for the banking participants to collectively build agreement amongst their organisations as they united in providing accounts to one another about the challenges that the EU regulations created for their organisations. Again, we see here the banking participants creating a collective identity by focusing on the challenges they faced as a sector in the complexities of European financial regulations.

Again, the banking participants' views were not unfounded. A Parliamentary Commission published towards the end of the fieldwork suggested that the bi-partite regulatory system in Europe left those working in the financial services sector 'confused about primary and secondary regulations' and 'further hindered new entries to the market' (European Union Committee, 5th Report of Session 2011-12: 23). The reality was that the regulatory environment was complicated and this impeded the banks' ability to operate effectively. Figure twenty-seven below shows the lines of

communication in the European financial services regulatory framework giving an indication of the complexities of the European financial services regulatory structure.

Figure (27): Lines of communication between international, European and British regulatory organisations

[Adapted from House of Commons guidance note on financial services regulation]

The banking participants in the study highlighted that this complicated nexus of interactions between regulatory bodies in Brussels presented in the table above presented a 'barrier to business'. This was stated upfront in the focus groups in to assert themselves as the group that are attempting build a new way forward; one banker in the study observed in the opening minutes of the first focus group:

'The difficulty is that quite often it is impossible to know who is responsible. There is now potentially going to be the PRA looking after UK interests on one hand and the ESRB on the other hand looking after Europe's interest[s]. But our history with Brussels tells me that these will never be aligned. We are going to see very little direct alignment - oversight should be undertaken by a single body, it currently sits fragmented between Brussels and Westminster. It is bad for business'.

The banker is referring here specifically to the relationship between the UK and the European regulators that manage macro-economic risk at British and at European level. The participant is highlighting that the proposed PRA and the ESRB will not necessarily have the same opinions, rules or incentives to operate and that they are likely to contradict one another. The unclear lines of communication are 'bad for business'. Therefore, the specific issue that the banks were making to one another by highlighting the regulatory confusion was that the continued lack of clarity over who was ultimately responsible for *macro-prudential regulation* in the UK hindered the banks' ability to undertake their business.

In the UK, macro-prudential risk analysis existed in a wider European regulatory framework. The body that led this work at a European level - the European Systemic Risk Board - was created in 2009 by policy makers in Brussels to fulfill on a European level a similar role as the PRA was expected to undertake in the UK environment as it replaced the FSA. The key difference is that the ESRB was mandated to act in interests of all twenty-eight European member states rather than just the UK and this discrepancy appeared to be problematic for the banking participants and was voiced as a way to justify why they are not able to effectively conduct their business and as a form of orientating themselves in the 'mess of European regulations'. The banking participants are presenting the EU financial services regulatory framework as the antagonist that hindered their ability to undertake their business creating a distraction from the mistakes the banks themselves had made.

Again, there is a degree of truth in this collective position that the banking participants took. The ESRB had been operational for eleven months prior to the start of the field work and therefore had become the *de facto* regulator. In contrast, the FSA's influence was weakened by the speculation in the draft ICB report that the FSA was going to be split into two distinct 'twin peak' functions of the PRA and the FCA and presented an uncertainty that was a collective threat the banks' business. It is

therefore understandable in the earlier comment that there is confusion 'about primary and secondary legislation.' And a need for clarity. The banking participants made repeated reference to this divergence and the need for clarity.

The banking participants essentially used the divergence the British and the European financial services regulation to form a collective position that the European regulatory system was a hindrance to their efforts to address challenges the sector faced and orientated themselves as the stable actors in the changing landscape. The question they repeatedly posed to their colleagues in the focus groups was did the FSA still have a valid mandate, or was the ESRB's tacit influence important? There was no concrete answer to this question and the banks used it to their advantage presenting the lack of clarity over regulatory responsibilities as the primary problem that needed to be addressed in order to move forward from the crisis rather than the reform of the banks.

The tone the banking participants took as they did this is summed up by one of the banking participants who commented: 'it is beyond a joke. How can we have two organisations responsible for financial stability? It is at odds with common sense and utterly incompetent'. Here the participant again highlights in strong terms that the specific challenge of macroprudential oversight being undertaken by two separate entities is 'beyond a joke' and 'at odds with common sense, suggesting that the common sense lay with the banks who were attempting as a sector to work towards an arrangement that would move them on from the financial crisis. As another banking participant commented, 'on one level we don't mind what the rules are, just that there is clarity, consistency and a long-term perspective taken. We need to make investments for the next twenty-five years, not the next five. European regulation needs to support British business.'[10] Again, the banking participants are highlighting that the regulatory environment was the key problem for the sector as organisations unable to conduct their business because of a lack of clarity over how the regulatory structure worked.

The aim of these comments therefore appeared to be to unite against a dislocated and complex European regulatory system that hindered their business and the sector as a whole. As the banking participants acknowledged the inabilities of the regulatory networks this created a sense of identity for the UK banking sector that was 'battling against inefficiencies' and a regulatory environment 'at odds with common

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[10] The participant is alluding here to the five-year electoral cycle in the Westminster Parliament. The twenty-five-year investment that the participant refers to is likely the decision of where to headquarter the bank.

sense'. The conversation below was observed between the banking participants, which shows how they are collectively acknowledging the inabilities of the regulatory structure as they discuss the regulatory structure in the presence of their colleagues in the focus groups.

> **Banking participant (3):** *'But can we please avoid overzealous interventionist regulation? How do we strike the balance? It's not easy, let's not hide that'.*
> **Banking participant (5):** *'Why is the Commission continuing to generate this meaningless drivel that we send out to people and pretend offers a level of protection, and pretending that people read it? It's being forced down our throat'.*
> **Banking participant (8):** *'I agree with you, though it's not my field. I haven't got time to read this stuff'.*
> **Banking participant (5):** *'We don't need more regulation. We need better regulations. This is not something that can be ignored and it is the responsibility of the British regulator to engage'.*

The reality is that the banking participants are accurate in what they say here, the regulatory networks were inefficient and they hindered the banks' ability to undertake their business. However, they are using he discussion not to address the underlying challenges of a lack of unity in the British efforts to engage with the European regulatory network since they offer no solution. Rather it is a means to building a common agreement about the complexity and dislocation of the EU regulatory structure and to orientate the banking sector as a whole in the events of the 2008 crisis as restricted by the complexities of European financial services regulation.

CHAPTER SEVEN: DISCUSSION

In this chapter I first identify three trust-building practices that provide new thinking on how interorganisational trust is built: the practice of storytelling, curating space, and managing and mediating knowledge flows. The second half of the chapter focuses on how we might consider the challenge of reconciling macro and micro conceptualisations of trust, referring to the five aspects of trust discussed in chapter two, I discuss how considering the concept of a liminal space between the individual and the organisation might offer further insight into this question.

Where there is such complexity in considering who to trust, what to trust and even how to trust, new ways of trust-building must therefore be established. We know trust is 'context specific' (Bachmann et al., 2015) but this is an aphorism to explain our inability to capture the richness of social life. Showing whether trust is being built is *more* than an issue of context-specificity.

The trust literature also suggests that we can understand trust as domain specific ability (Mayer et. al, 1995), as knowledge of (Levin & Cross, 2004) or identification with the trustee (Mooradian, Renzl & Matzler, 2006), control (Möllering, 2005) or calculus-based (Mayer et al., 1995) provided we caveat examples with the fact the study is context-specific. This will continue to provide a barrier to understanding how trust is built in an interorganisational environment since trust is beyond context specific, but exists in constantly-evolving states enacted by individuals, organisations, their surroundings and the material objects they come into contact with.

The subjectivities this discussion presents does not mean we depart into Relativism; referring to Geertz's seminal lecture Anti-anti Relativism, attempting to explore interorganisational trust-building should not 'scare us away from certain ways of thinking and toward others' (Geertz, 1984: 263) but rather that we should acknowledge our own positionality when focusing on our understanding of our relationship with trust-building.

Table (11): Explanation of trust-building practices observed

Type of practice	Relevant contribution to trust-building	Chapter five example	Chapter six example	Relevant type of trust	Relevant observations to trust-building
Storytelling	Stories about the past, storytelling in the present, and stories about an imagined future show attempts to build identification-based trust	Banking participants telling stories to align themselves with the Parliamentary participants in focus groups	Collective Storytelling between banking participants to build a collective identity in the City of London	Ability-based trust Identification-based trust	1. Storytelling may take a range of formats: for example, historical, anecdotal, fairy-tale or allegorical. 2. Storytelling allows actors to align values or create collective beliefs. 3. Storytelling can be used to create proximity or distance of the individual and their organisation to events or ideas depending on the intention of the storyteller.
Curating space	Curating space is a practice that enables actors to build calculus-based trust through control or identification based trust through mediation	Parliamentary participants curating the TSC meetings to control their discussions with the banking participants	Banking participants collectively curating Canary Wharf to build an identity	Calculus-based trust Control Identification-based trust	1. The type of space and the individuals' relationship to the space will influence the type of trust that is built between organisations. 2. A space may be curated in such a way that it allows different types f trust-building to be attempted
Managing and mediating knowledge flows	Managing and mediating knowledge flows can be used in place of formal rules and can provide a collective knowing	Banking participants openly managing flows of information shared in the TSC Regulatory participants managing flows of information in their exchanges with the banking participants	Collectively sharing knowledge about how US regulatory affairs teams function Actively presenting negative information about the European Commission to agree a collective position	Calculus-based trust Knowledge-based trust	1. Openly managing knowledge flows can in certain situations establish calculus-based trust between organisations requiring less need for formal rules. 2. The mediating of knowledge flows can be used to come to a collective knowing about a situation and provide an opportunity for knowledge-based trust building 3. The mediating of knowledge flows can also be used to ensure certain information shapes a collective position

In Media Res: The practice of storytelling and trust-building

The role of storytelling as an identification-based trust-building practice

We see identification-based trust being developed through the practice of storytelling in section two of chapter six where the banks discussed the benevolence of the City of London and the storytelling observed in the focus groups in section two of chapter five. We see that identification-based trust is established through the collective alignment storytelling brings. We explore this in three ways. Firstly, storytelling allows actors to reframe the past, secondly, storytelling provides a way for actors to build collective identity and establish alignment and values in the present, and thirdly storytelling is a cathartic process to move into a new future. Each of these practices shows an attempt at building identification-based trust.

Wittgenstein (1969: 130) acknowledged, 'the more definite our account of story or plot, the more indefinite our account of the act. The act is what constructs or makes, in part, the story, and the more we take that story as finished and whole, assigning to it a fixed and reliable meaning, the more we interfere with and change the values of what constitutes the act'; the more an actor owns the story and 'shapes the narrative act' (Boje, Fedor & Rowland, 1982: 23), the more it provides the actor with a way to use it to shape the views of others to bring their own interpretation to the fore.

We tell ourselves stories about one another (Krotter, 2002), about our organisations (Hatch & Schultz, 2003) and about the environment around us (Hopkinson, 2003). Unconsciously and consciously our world is shaped by stories of who we are and how we are known (Boje, 1991) and stories shape how we know and interact with the world (Boje, 1995) and how we understand our relationship with and in our organisations (Boyce, 1995) and what we believe to be true and who and what we trust. Storytelling therefore provides identity, identification with the other; storytelling imparts knowledge in ways that may not be achieved by other means because stories are flexible and help to provide individuals with 'thick description' (Geertz, 1973:81) about themselves and the world around them to align a collective narrative of the reality of our worlds. We see for example in chapter five that the banking participants are storytelling to build identification-based trust and create a collective view of a benevolent City of London in which they can trust. This storytelling as a trust-building practice enables the banking participants to align their values and identify common values in an uncertain environment where there are multiple actors and activities taking place.

Why is the practice of storytelling effective in building identification-based trust?

The flexibility of interpretation of a story is why the literature on strategy and storytelling for example, continues to provide insight for leaders (Fleming, 2001). Since strategy, like interorganisational trust-building is a flexible evolving process reliant not on precise details but ideals, principles and values (Czarniawska, 1997), identification-based trust-building through the practice of storytelling can therefore exist beyond the deed: 'In the beginning was the deed' (Wittgenstein, 1969: 3), but enduring beyond the deed is the story - a fluid construction that can be imagined and reimagined with multiple meanings and interpretations depending on the audience present and future. Stories and storytelling therefore present an opportunity to address the complexities of trust-building in an interorganisational environment in new ways that we have not previously considered.

Identification-based trust-building through storytelling is effective because it can (1) reframe the past, (2) help the actor orientate themselves in the present and (3) allow the actor to imagine a possible imagined future. In a complex interorganisational environment stories with multiple meanings and interpretations depending on the audience allow actors to create a 'fiction based on truth' (Doležel, 1998: 4), building identification-based trust through alignment of values rather than facts in an attempt to establish trust in an interorganisational environment in an uncertain present and an unpredictable future.

Storytelling has been implied in previous studies of trust-building, suggesting that although the practice of storytelling as a means to build trust has not been discussed by trust scholars, there is reason to propose that storytelling will be an important aspect of the interorganisational trust-building process. For example, we see an indication that storytelling may be significant in studies of trust between individuals where culture (Brien, 1998) or interpersonal narratives (Driscoll & McKee, 2007) are discussed in studies that explore the relationship between individuals as they develop trust between one another (See also Lewicki & Bunker, 1995 and Gillespie & Mann, 2004). The same is true of studies between organisations (Kong, Dirks & Ferrin, 2014). However, the fluidity of stories, with their multiple meanings and ability to align values to bring about identification in an interorganisational environment presents the first significant departure from our current thinking of trust-building that I propose, not as relying on mechanisms that bring about organisational trust (Bachmann et al., 2015) and reflect on past mistakes (Dietz and Gillespie, 2011)

but that help 'individuals and organisations make sense of the 'complexities of social life' (Luhmann 2000: 94).

The specific reorientation that storytelling brings to our thinking about the process of trust-building is that interorganisational trust can be considered as a tapestry of narratives told about the past, about identities in the present and reflecting possibilities about the future by individuals all of which are influenced by their own stories, stories of their organisations (Cunliffe, Luhman & Boje, 2004), the stories they themselves bear witness to - and indeed those they may 'never or are yet to hear' (Ibid.). A study of interorganisational trust-building will always therefore begin *in media res* – in the midst of activity, with unknown things past and an uncertain future shaping the trust-building process that is taking place in a present that will be interpreted by individuals in different ways depending on their own orientation to the other actors involved. This reorientation of our thinking of storytelling (and restorying) as a trust-building practice therefore presents the second significant departure in our thinking about the way that trust-building takes place.

Boje (1995: 998) comments that 'much of management is about judging stories and storytellers and capturing story characters in a panoptic, interconnected network of interpretative-disciplinary relationships.' The financial crisis and the multiple attempts at trust-building we see from the different stakeholder groups provides evidence that this is the case in the management of trust-building. As Luhmann's (1973: 113) words echo, 'the potential for complex forms of social organization afforded by agency seems infinite at the level of the system: global exchanges unencumbered by distance, time, commodity, or familiarity, economies of scope and scale, transactional liquidity, expanding temporal possibilities and protection from risk' make it impossible to identify every detail in coming to a conclusion that will take into account of all the actors' motives and actions in a system-wide environment where organisations exist'.

Trust-building in an interorganisational environment observed amongst the stakeholders in the period studied following the financial crisis therefore presents a different challenge and Boje's insight into the role of storytelling in making sense of the fact that there is an unlimited 'potential for complex forms of social organization afforded by agency [which] seems infinite at the level of the system' (Luhmann, 1973: 113) provides a way forward in our thinking about interorganisational trust-building.

Storytelling as a trust-building practice also shows us that trust decisions are ultimately in the eye of the beholder (Möllering, 2002) as we see in Lempicka's

decision not to provide any reason in the play *Tamara*[11] to sell her art to the highest bidder, the labyrinthine stories that unfold in relation to this event and the multitude of paths the spectator may choose to take (Boje, 1995). The reasons for these paths are unknowable because in an interorganisational environment we find ourselves in many rooms, hearing many different voices and guessing who is trusting, where the trust is taking place and simply "how" we are to trust. We will ultimately be influenced by our own situation, unaware of the seemingly infinite number of variables taking place in other rooms or between other actors as different stories are told.

Storytelling to build trust: considering the past, present and emergent future

Reframing the past. Where there is a breakdown in trust stories are an integral way that we shape our views on what the world was and how it has come to be as it is (Jackson, 2005). Reframing the past to build trust firstly places distance between the story teller and the previous actions: instructing and binding the decisions made about the storyteller and collectively sculpting the views of the present (Gabriel, 2010) in a practice of storytelling where the storyteller controls the narrative of past events and reframes it in an attempt to build identity-based trust.

Firstly, storytelling is a practice that builds identity-based trust by reframing past events in a way that sanitises them. We see storytelling used by the banking participants in their discussions with the Parliamentary and regulatory participants in the focus group to sanitise the events that led to the financial crisis - referring to credit as fairy dust for instance. Secondly, stories of the past are also used to place distance between the present and past events to build identification between actors in the present. Stories that are allegorical - told in the third person for instance - are used to place distance between the past to tell a version of events that espouses values that those hearing the story will identify with since stories in everyday lives 'create the present' (Ochs & Capps, 2009: 42).

The practice of storytelling of the past enables the storyteller to reframe the past placing distance between past misdemeanours and the present. It also allows the storyteller to sanitise the past events and to shape their identity in the present (Van Zanten, 2012). This was an important part of the trust-building process for the banking participants as they removed themselves from the 'mistakes of the past' and created a new version of themselves in the present based on reframing the past. The

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[11] See Boje, D. M. (1995). Stories of the storytelling organization: A postmodern analysis of Disney as "Tamara-Land". Academy of Management journal, 38(4), 997-1035.

example of the banker Greybeard for example is used to such effect in the focus group discussion.

Stories of the past therefore become a series of simulacra that present a palatable version of events that goes beyond the scope of the individual telling the story (Deuten & Rip, 2000). Trust-building through storytelling can therefore firstly be understood as reframing of the past by the storyteller to establish a basis for trustworthiness. The past is reimagined through telling stories by sanitising the past and placing distance between the past and the present to allow a "clear deck" for participants to build trust in the present.

Aligning values in the present. Stories do not take place in isolation, they are retold and restoryed (Rosile & Boje, 2002), they are contested (Davis, 2004), whether the purpose is to make sense of shared or individual histories (Boje, 1992) to establish an acceptable reality and allow a "clear deck" but also to 'locate the present within a historically emerging process' (Llewellyn, 2001: 36). Participants told stories in the present in such a way that they create a version of events that uses the 'cues of past of identities' (Dunford & Jones, 2000: 1208) to allow stories to be told that imply trustworthiness of the identity of the storyteller *in the present* and therefore we see an attempt to build identification-based trust in the present that is salient with the stories of the past. This process further serves to reinforce identify and as the basis for the participants to build identification-based trust.

Key to storytelling as a trust-building practice in the present therefore are the different interactional resources that actors use to build interorganisational trust to bring about the alignment of values with others or with collective ideals (Stivers, 2008). Stories allow actors to orientate themselves in the interorganisational complexity of the present through identification-based alignment of values using various media as forms of communication. We see in the visit to Strangers Bar and the branding of the space in Canary Wharf space for instance that storytelling goes beyond the story itself. These stories we observe, the contributing artefacts and the embodiment of the stories in place, which the participants told about themselves in the present therefore imparted an alignment of values and attempts at trust-building through stories in the present since stories are physically 'transmitted by gestures, words, or actions in social interaction' (Blumer 1969: 276) that provide an opportunity to attempt identification-based trust *in the present* (Suchman 1987), which the sharing of facts or might otherwise not make possible (Gershon & Page, 2001).

Furthermore, storytelling as a trust-building practice is an effective means to build alignment of values in the complexities of the present because of the multitude

of interpretations and meanings one can take from the story depending on how, when, where or by whom it is told. Telling anecdotes about the City of London for example brings alignment because it does not rely on establishing a singular truth, but establishes a consensus of identification told in manifold ways. These stories create a sense of collective identity when past histories and events may mean that the individuals telling the stories have little in common and may have very 'different interpretations of past realities' (March & Olsen, 1975: 42). In fact, the process of alignment can be considered more important in the establishment of interorganisational trust than establishing facts. As Diane Setterfield comments in the *Thirteenth Tale*:

> *My gripe is not with lovers of the truth but with truth herself. What succour, what consolation is there in truth, compared to a story? What good is truth, at midnight, in the dark, when the wind is roaring like a bear in the chimney? When the lightning strikes shadows on the bedroom wall and the rain taps at the window with its long fingernails? No. When fear and cold make a statue of you in your bed, don't expect hard-boned and fleshless truth to come running to your aid. What you need are the plump comforts of a story.*
> Diane Setterfield, *The Thirteenth Tale* (2006: 53)

At the heart of the discussions about the financial crisis was a desire for the participants to find agreement where the context presented a range of past experiences from stakeholders about the crisis and were trying to find collective agreement about an uncertain present. To establish trust in the system, storytelling served as a practice to attempt to build identification-based trust: a way to find collective agreement presenting unquantifiable truths in the form of a story – the story of the benevolence of the City of London and the percentage of the world's hungry decreasing by two percent between 1990 and 2010, for example.

Weick (1995: 61) points out that a good story holds 'disparate elements together long enough to energize and guide action, plausibly enough to allow us to make retrospective sense of whatever happened'. Stories that are told in the present – orally, but also through the use of reports, branding of space and organisational narratives - are often reactive to a situation to 'energize and guide action' through an alignment of values rather than a focus on failings of the past or attempting to assert a truth about the interorganisational environment. This process of building identification through alignment in the present to 'energize and guide action' showed an attempt by the participants to build identification-based trust in ways that were not '"some talk" running alongside actually occurring events' (Llewellyn, 2001: 54), but

that were part of an enacted process of identification-based trust-building, reliant on artefacts, restoryed (Boje, 2002) and presenting an opportunity for the participants to attempt to build identification-based trust

Therefore, when individuals find themselves in a complex disorderly situation like the financial crisis, where trust is dogmatic and truths are unreliable, establishing who to trust, what to trust about them and how to play your own individual role in any trust-building process remains elusive. The truth that Setterfield refers to becomes secondary to the process of alignment and collective agreement that a story will allow and storytelling becomes a practice that builds alignment to best navigate the 'disparate elements together long enough to energize and guide action' and enable trust-building based on alignment of values and collective identity *in the present*.

Storytelling to shape the emergent future Storytelling also allows the storyteller to imagine how things could be – to create a 'fiction about a possible future' (Petrick, 2014: 354) and to move forward from past events. The practice of storytelling about the future contributed to identification-based trust-building in so far as it allowed the participants firstly to tacitly acknowledge the failings of the past by 'restorying' them (Boje, 2002) and in doing so, build trust through an imagination of how things might be in the future

The process of storytelling about an imagined version of the future highlights that identification-based trust-building relies on 'articulating claims for future identities' (Petrck, 2014: 354), not simply of how things were or who we are in the present, but of proposed identities in the future. A fiction about the future is a step away from the past, guiding action in the present into an imagined future. In times of crisis or uncertainty where there are immeasurable actors and organisations engaged in the process of trust-building, there is a need to look forward away from the 'perceived failures of the past' (Turner, 1969: 34) and to begin new page, again placing distance between the actor and the actions of the past.

Since the failure might not be directly because of the actions of the individual or the organisation, this process of storying an imagined future provides a catharsis (See Schein, 2006 for an example) as the individual is able to move to a discussion about the possibilities of the future and beyond the failures of the past for which they may feel as individuals they are not well placed to address. As Giddens (1991: 44) comments:

> *'Abstract systems depend on trust, yet they provide none of the moral rewards*
> *which can be obtained from personalised trust, or were often available in*

traditional settings from the moral frameworks within which everyday life was undertaken. Moreover, the wholesale penetration of abstract systems into daily life creates risks which the individual is not well placed to confront; high-consequence risks fall into this category. Greater interdependence, up to and including globally independent systems, means greater vulnerability when untoward events occur that affect those systems as a whole'.

The individual and their organisation often take on a risk inherent in a system over which they have no control. Individuals and their organisations take on a degree of responsibility for the 'high consequence risks' that an abstract, depersonalised system presents. Therefore, the practice of storytelling about the future presents an opportunity to move forward from a crisis for any leader of an organisation that is part of a globalised abstract system. This became of interest, particularly in the discussion of rebuilding the City of London, as a process of catharsis, to tell a story on a new page, to imagine a new emergent future and to tacitly acknowledge the lack of control they had as individuals and organisations over the abstract system of which they are a part. It provided an opportunity for 'articulating claims for future identities' (Ybema, Keenoy, Oswick, Beverungen & Ellis, 2009: 300) beyond the system in which 'they were beholden' (Ibid.) as the basis for identification-based trust-building based on a 'fiction about a possible future' (Gibson, 1992: 167).

The concept of catharsis is underexplored in the storytelling literature and provides new thinking about how trust-building takes place linking a "framing of the past" with the "imaging of an emergent future". Typically, trust-building has focused on simply looking backwards, acknowledging past mistakes (Gillespie & Dietz, 2009) or showing explicitly that reforms have been put in place for the future (Reed, 2001) or about factual details about the future such as how the individual will secure the financial health of the organisation (Williamson, 1993).

This process of cathartic storytelling about how things might be in the future through storytelling allowed the participants to acknowledge both the failings in the past, the current uncertainty and the possibility of a future system that could be which was not limited by specific details in the same way previous studies of trust-building have theorised (Dietz & Gillespie, 2009) and present a new way to think about interorganisational trust-building as imagined stories of future identities. These stories further became a form of confessional that allows the individuals to tacitly acknowledge that the system needed to change, that they don't have the power to make the change but that they imagine a better future without providing specific examples of what the future might look like in a present that is uncertain. Therefore, we can think about storytelling as a redemptive act that builds identification based trust through the tacit acknowledgment of the inabilities of the individual, the failings

of the past, that the organisation spun in an abstract system over which they have little control, but with an opportunity to imagine possibilities of what the future might look like without the need for precise details provides. Bringing these elements together as a storytelling confessional is a new way to think about how organisations and their leaders to build identification-based trust.

Storytelling about the future allows individuals to make promises about the future that are immeasurable but speak to a higher ideal and served to address the unpredictable future without committing to specific detail, rather describing through stories what the future could be. In doing so these stories place the storyteller in a position that engenders trust going into an unpredictable future without making the individuals vulnerable by making specific commitments that they may not be able to meet. Stories about the future therefore allow 'actors in organisations to make claims about who they are or who they are becoming as an organization' (Meyer & Rowan, 1977) without the need to provide precise details that the trust-building literature suggests that an organisation should present to build trust (Dietz & Gillespie, 2011; McEvily & Tortoriello, 2011). The practice of storytelling of about the future allows individuals and organisations to reflect on the past building on an alignment in the present and consider the future through the creation of an imagined identity in the emergent future removed from the failings of the past.

Figure (28): Diagram illustrating storytelling practices to build trust

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Trust-building and the practice of curating space

"I was shown into a room. A red room. Red wallpaper, red curtains, red carpet. They said it was a sitting-room, but I don't know why they'd decided to confine its purpose just to sitting. Obviously, sitting was one of the things you could do in a room this size; but you could also stage operas, hold cycling races, and have an absolutely cracking game of frisbee, all at the same time, without having to move any of the furniture. It could rain in a room this big."

Hugh Laurie, *The Gun Seller* (1996:84)

Space is more than simply a location, 'it is a combination of material form interacting with sets of meanings and values developed over time' (Gieryn, 2000: 464) and places are 'socially constructed with people arriving at places at which point they are continuously revising and reconstructing them' (Lawrence and Dover, 2015: 374). Spaces are therefore 'enduring elements in social life that have a profound effect on the thoughts, feelings and behaviour of individual and collective actors' (Lawrence and Suddaby, 2006: 216) and are central to understanding how trust-building is enacted in the interorganisational environment. I suggest in the following pages that interorganisational trust-building must be considered in the context of the spaces in which it is being built and specifically that the space itself, the relationship of the actors to the space and the curation of the space should be acknowledged as we conceptualise interorganisational trust in practice.

Lawrence and Dover (2015: 378) suggest that spaces can either 'contain or mediate … depending on characteristics of the place'. Space plays a role in the practice of interorganisational trust-building in these two ways: places of containment lend themselves more readily to trust-building through the maintenance of control over the 'patterns of interactions' (Ibid.: 379) of the actors within the space. Places of mediation can provide an opportunity for alignment of values, and can be used as opportunities for actors to curate space to build identification-based trust. In both cases 'the dynamic interactions between actors *and* between the actors and the space [my emphasis added]' (Anderson, 1987: 585) play a role in the practice of interorganisational trust-building.

Places of containment: building interorganisational trust through control

In chapter five we see the TSC room used by the Parliamentary participants to establish control in their interactions with the banking participants. The physical space of the TSC room was used by the Parliamentary participants to control the discussion ensuring that they could undertake the Committee meeting effectively and they attempt to build trust through curating a space of containment that enabled them to attempt to build trust.

The barriers described in sections four and five of chapter five demonstrated that consideration had been given by the Parliamentary participants on how they could curate the physical space of the TSC within the Parliamentary estate to place themselves in a position where they felt they could trust their interactions with the banking participants, using the space to maintain control over the discussion and the interactions that took place in the TSC room. This process of curating the physical space where the TSC meetings were held provided the Parliamentary participants with the ability to make informed decisions about the proposals laid out in the draft ICB report.

By curating the TSC environment as a place of control, the Parliamentary participants were attempting to establish a basis for trust; the Parliamentary participants ensured that questions were answered and that the responses could be officially recorded – the space facilitated a form of calculus-based trust. The physical space of the TSC gave the Parliamentary participants the ability to trust the banking participants' responses and ensured that they received answers to the questions they wanted to address – the curation of the space through the layout of the room and the barriers placed between the Parliamentary participants placed between themselves and the banking participants showed an attempt to build calculus-based trust using the physical space to control the discussion.

Ownership of a space plays an important role in the trust-building process because of the implicit control that it provides to those actors who feel an attachment to and an alignment with a place (Tuan, 1975, 1977) but also because ownership of a space allows the owner more latitude to dictate how the space is used and to choose whether to engage in any form of trust-building. Lawrence and Dover's (2015) observation of the Tri-Cities as a social enclosure (a similar space of containment) focused on the existence of pre-existing routines and resources that served to provide clear dividing lines for the "owners" of the space and the outsiders. Therefore, the

ownership that the actor feels of a space plays a role in the actors' ability to contain the visitor 'emotionally and physically within the space' (Madgin, Bradley & Hastings, 2016: 694). As we see in the example from the Tri-cities in Lawrence and Dover (2015) and the interactions of the participants in the Parliamentary estate, space that is "owned" can facilitate this containing function, that can then be curated by the "owner" of the space. However, in certain environments the control "owners" have over the space may be more limited (See Grey & Garsten, 2001 and Alvesson & Willmott, 1992) depending on the "ownership" or orientation the actor feels with a place (Tuan, 1975). Therefore, what we observe here is an example of ownership being used to control the "visitor" in a space of containment in an attempt to build calculus-based trust.

Pre-existing routines and a space where there are clear boundaries to contain activity can therefore be used by a trustee to attempt to build trust as it may enable a basis for trust-building since as actors are able to use the space to direct conversation, focus on detail and order the sequence of interactions in such a way that they are able to establish a relationship based on elements of control that minimises uncertainty in an uncertain interorganisational environment and uses the physical space to imply legal or provision in a way reminiscent of Bachmann's (2006) study of the regulatory environment or the types of institutional arrangements referred to by Kroeger (2014). The curation of physical space by the "owner" therefore plays an active role in the interorganisational trust-building process, which ensures an initial footing for the owner of the space to trust through a process of containment, and as a result allows the owner of the space to establish a basis for a trusting relationship based on calculus-based trust

We see in the TSC meetings an example of a space being used to control the discussion to build trust. This is a deliberate attempt to control the actions and influence of the "others" – in this case the banking participants - and to manage the interactions that take place. As Lawrence and Dover (2015) found in the Tri-cities the actors worked in a similar way to shift the institutionalized boundaries of solidarity— the dividing line that distinguished "us" from "others" becomes important in a space that is perceived to be owned and control can be established as a means for trust-building by limiting the actions of the visitor. We see in this study and the study of the Tri-cities a deliberate attempt to create an environment that can be trusted *as a result of* the control that the containment provided. A dividing line that formally distinguishes "us" from others: 'spaces do not happen by accident' (MacCannell, 1973: 594). Actors who are perceived to own a space choose how they "welcome" their guests into their

home and maintaining control of the conversation through the curation of space has been shown here to be a way in which organisations can begin to build trust through creating a certainty around the information that is shared.

In environments of extreme uncertainty as we have observed in the study of the interorganisational environment following the financial crisis, controlling a space provides a basis for establishing trust formally in a physical way that can be viewed as a new way to consider the literature on calculus-based trust. In the same way, an organisation may put in place legal protection (Sitkin & Roth, 1993) or implied forms of contract (Robinson, 1996) in the early stages of a calculus-based trusting relationship, the curation of space by the owner can be an effective means to establish a calculus-based basis for trust-building.

This control of space to establish calculus-based trust is demonstrated in the way that the judge in a courtroom curates the space. They not only represent the "owner" of the room, but also something beyond that which is intangible – they represent the law. Therefore, those in the courtroom behave in the way the judge defines. This brings about some basic courtroom rules: that Litigators arrive on time; be well-tempered, wear appropriate clothes and seek permission from the judge to examine a witness. The judge as the focal point curates the space to imply certain rules to create an environment where information can be trusted so that the jury can decide based on evidence they hear in an environment that uses 'architectures of enclosure, display, segregation, surveillance, and classification [that] give an impersonal and autonomous power over docile subjects' (Gieryn, 2000: 475) and contributes to the trustworthiness of not only the judge but the legal system they represent.

In an interorganisational environment where access to information is challenging and where organisations share information in ways that are unclear and shifting, the curation of space to contain and to control the discussion provides a means to trust the information that is being shared. The owners' curation of a space therefore focuses on establishing an environment where information shared between organisations can be trusted

Shared spaces: building interorganisational trust through identification

Space can also be used to mediate as well as contain and provides an opportunity for actors to share knowledge and 'an interpretive lens through which

people understand the institutions that actors are working to affect' (Bathelt, Malmberg & Maskell, 2004: 44) allowing a meeting place (Tuan, 1977), a collaborative forum (Rourke & Colema, 2009) where views can be shared, identities can be aligned and trust is built through 'interactions and patterns of behaviour' (Bachmann, 2001: 350) that brings about identification between actors.

Lawrence and Dover (2015) argue that some places have the potential to play a mediating role because they represent 'ideas with which people are familiar and comfortable'. We see in chapter six the banks are curating space to build identification-based trust. Section one of chapter six shows Canary Wharf as a space that is actively curated by the banking participants to create a common identity to build identification-based trust between the banks. In this example, the banking participants are curating the space to remind themselves that London is a home for 'finance, food fashion and film' and therefore the space is used to build alignment and identification-based trust between their organisations.

In this second example, the use of Canary Wharf as a space to create a collective identity and to build identification trust contrasts with the previous example between the banking participants and the Parliamentary participants; Canary Wharf provided a mutual space for the banks to occupy. The estate on which the banks and the shopping mall were situated was owned by three separate companies unrelated to the banks. The space was therefore neutral and provided common ground that the banks occupied in contrast to the clear ownership the Parliamentary participants felt of the TSC rooms in Parliament.

Since spaces both organise, and are subjected to the demands and routines placed on them by individual actors with a range of motivations, certain spaces may be more conducive to building identification between the individual and creates a space conducive to building trust through identification. For example, Dacin, Munir and Tracy (2010) description of Cambridge formal dining explores the process through shared spaces can bring about identification. Scholars have drawn heavily on the notion that spaces provide 'a social process by which actors, individually or in concert, display for others the meaning of their social reality' (Alexander, 2004: 529) and Dacin et al. (2010) focus on the repeated enactment of boundaries of a space to transform participants' identities. As Dacin et al., (2010) comment:

> *'We find that Cambridge dining rituals are performances that legitimate the concept of social stratification through the repeated enactment of roles and boundaries. The performance masks any conflict that may be present under the surface, giving the impression of a sophisticated social order that participants*

want to be associated with. Next, we find that college dining rituals lead to the transformation of participants' identities and senses of self, and their perceptions of their images in the eyes of others. The repeated performance of the rituals affirms these values and influences participants' perceived place, present and future, in society'.

What is significant about Dacin et al.'s, (2010) study is that they acknowledge the importance of agency in enacting the roles and boundaries of a social space. The space could be one simply of containment and control, implied by the ritualistic behaviour – but the performances required to maintain the identity of the space are instead curated by the individuals attending the formal dinner to use the space as a space for mediation, suggesting firstly that the structures and routines are 'reinforced locally' (Ibid.: 1395) and secondly suggesting 'a more fragmented and less strategic conception of institutional maintenance' (Ibid.) than is often portrayed in the literature (See for example, Lawrence, 1999) and that individuals can curate spaces to build trust even when the setting is a formal ritualistic one. The specific role of space in this study of Cambridge formal dining as a place that helps to mask 'any conflict that may be present under the surface, giving the impression of a sophisticated social order that participants want to be associated with' (Dacin et al. (2010: 1395) becomes a focal point of the activity. The space is a part of the foreground of the action, but is deliberately curated in such a way as to provide a place to mediate, to talk and to build identity, acknowledging the role of the individuals in the space and providing them with both an identity and an opportunity to identify with the other.

We see this process of identification in a mediating space taking place in Canary wharf through the branding and common sharing of space. The space provides an opportunity to build trust through shared ideals and agreement that allows the individuals and their organisations to come together in a mutual sphere through an alignment of values and identity and in doing so they are attempting to build identification-based trust. Building a collective identity had become important to the banks following the crisis and the physical space they occupied at Canary Wharf presented a way to reinforce an image of London as *home*, not just as a place where business was conducted. Therefore, in contrast to the Parliamentary estate the estate at Canary Wharf was freely accessible, a shared space that could mediate an alignment of values.

The banks therefore built an identity using the space. Their ability to build identification-based trust was also reliant on the physical space itself. However, there was a conscious practice of curating the space to create a sense of identification and alignment. For example, highlighting the importance of 'being London' and using the

physical space to reinforce the collective identity of London as more than a place to work, but a place to live and enjoy the other benefits of working in London.

What is of note once again is that the practice of curating the physical space is influenced by the space itself. The advertising space for example was limited to certain areas and was timebound (they only used the billboards for a finite amount of time). Unlike the Parliamentary estate there are less obvious formal rules about the space but the space still had implicit rules that the actors engaged with as they used the space to build a sense of identity. The open plan links between the Docklands light rail, the underground stations, the mall and the banks contrast with the barriers observed in the Parliamentary estate, but still influence the actors' behaviour. The rapidly changing landscape where new buildings are constructed or new shops opening contrast with the permanence of the Parliamentary estate, but in both case space plays an active role in the choices and trust building attempts that the actors make.

Furthermore, that the active curation of spaces by the actors engaging with the space not only leads to the idea of places as ''constructed'' (Massey, 1995) but as Gieryn (2000: 465) argued, they are 'doubly constructed' in the sense they are 'built or in some way physically carved out' and 'interpreted, narrated, perceived, felt, understood, and imagined' (Gieryn, 2000: 465) by the actors involved in the trust-building process as they curate spaces that contain or mediate. Places are therefore sites both of containment or mediation in the trust-building process depending on the both the space itself but also decisions that the actors take in how they curate the space. Depending on the ways in which the participants choose to curate the space will emphasise the role of containing or mediating that will lead to different trust outcomes.

Containing and mediating spaces in interorganisational trust-building

Firstly, containing spaces can help to build trust through control. The parliamentarians curating the TSC space to establish trust confirms what we already know from studies of interorganisational trust that legal mechanisms can be an effective means to trust-building in a relationship between organisations (Bachmann and Lane, 1996), particularly in the early stages of a relationship (Mayer et al., 1995) or in times of crisis (Gillespie and Dietz, 2009). However, what was particularly of interest, was that unlike the findings

we see in studies such as Bachmann and Lane (1996) and Möllering (2013), about the relationship between trust and control, the legalistic environment of the TSC, which provided a space for the Parliamentarians to trust in their banking colleagues' responses was enacted through practice that relied on the use of space that controlled and established opportunities for calculus-based trust. Previous studies on trust and control examine legal provision (De Man & Roijakkers, 2009), reputational risk (Kang, 2008) and financial penalties (Bloorargue, 2010) pay little attention to the role of space in influencing the ability to build calculus-based trust using space. Here we see the enactment of trust in a 'concerted scene of action' (Nicolini, 2009: 1392), which through the control of the space allowed the participants to attempt to build trust.

Secondly, mediating spaces also help to build trust where identification-based trust is important. The shared space in Canary Wharf for example is an example of a space that can be interpreted in a whole number of ways by the range of actors and organisations involved in the space. However, where the precise facts are unknowable mediating spaces allow more flexibility to curate a space to build identification-based trust. Therefore, whereas we see how space curated to build trust through controlling the conversation and the environment, we see that spaces can be curated to define collective identity in the process of identification-based trust-building. The way this takes place might be different depending on the space.

Therefore, I suggest that spaces can be shaped by the actors that inhabit them, they are shaped by the history and the past events that have taken place in the space. They also shape the actions of the actor. The interplay of actor and space, where spaces are never fixed as place, but rather play an active role in social life and therefore the ways that actors curate the spaces they inhabit influences the opportunities for and the types of trust that can take place.

Figure (29): Diagram showing places of containment and places of mediation

THE CONTAINED SPACE	THE MEDIATED SPACE
i. The space is curated by the owner of the space. ii. The type of space will influence how it might be used to control. iii. The contained space allows control over the actions of the visitor and provide potential for trust building.	i. The space is curated collectively and shared by the actors. ii. The shared space will be more likely facilitate identification-based trust. iii. The shared space will still influence behaviours of the actors and will

A glass darkly: managing and mediating knowledge flows to build trust

'One often makes a remark and only later sees how true it is' Wittgenstein observed in a journal written whilst he was a soldier in the trenches during World War One. The context of this comment, later included into *Tractatus Logico-Philosophicus* (Wittgenstein, 1922) rather sets the scene for our understanding of how knowledge flows are managed and mediated by actors in a 'total nexus of interconnected human practices' (Schatzki, 2002: 11)

Nicolini (2011: 302) comments to this end that 'although the idea of a close relationship between practice, knowing, and organising is intuitively very attractive and full of potential, conceptualising such a relationship is not straightforward'. Knowledge is more complex than 'knowing that' (Ibid.). In the study, the participants appeared to make sense of the complications of knowledge in two ways in their attempts to build trust. Firstly, we consider the stewardship of knowledge flows by individual actors as organisational knowledge carriers and secondly, we consider the process of collectively mediating knowledge flows that took place in the group's attempts to build trust to communicate and align knowledge.

The practice of managing or mediating knowledge flows is not to be confused simply with the act of sharing or withholding knowledge. Managing or mediating flows of knowledge to build trust is more than simply a process of 'knowledge gathering or information sharing' (Crossan, Lane & White, 1999: 527) but an ongoing process of knowing, which is established through active management and/or mediation of flows of knowledge as actors engage with their surroundings. Therefore, managing flows of knowledge becomes more than a matter of simply "who knew this or who know that".

Knowledge carriers and the practice of managing knowledge flows to build trust

Managing knowledge flows is an 'essential role of human action in knowing how to get things done in complex organizational work' (Orlikowski, 2002: 254); what we see in certain interactions between the participants is that they use the management of knowledge flows to get the business of trust-building in the system done. Negotiating these challenges requires more than simply the disclosure or non-disclosure of information, it requires a consideration of the ways that information is shared, which provides actors with 'the capability of operating effectively across the temporal, geographic, political, and cultural boundaries routinely encountered in

global operations' (Ibid.: 255). This process therefore will be 'purposive and reflexive, continually and routinely monitoring the ongoing flow of knowledge —their own and that of others — and the social and physical contexts in which their activities are constituted' (Pierson 1998: 132).

Withholding information about an organisation or a situation is well-established in the trust-building literature (Butler, 1995; Culnan & Armstrong, 1999). In the early part of a trust-building relationship studies have shown that this can be an effective means to build trust (Lewicki et al., 1998) as the organisations or individuals begin to establish facts about one another (Ehrmann & Stinson, 1999). We see in the TSC meetings the banking participants withholding information at certain points in the meeting but there is a subtle, but important distinction: they are not withholding knowledge but rather they are managing knowledge flows in such a way as to orientate themselves in the physical environment as organisational knowledge-carriers.

The banking participants' use of "blue suits" to manage the information showed that the knowledge flows were 'carefully arranged and constructed' (Parker, 2000: 143) by the banks in such a way that they could present certain information about the organisation which they thought would best build trust between the organisations and information was not withheld by the banking participants, rather it was shared in ways that was conducive to the establishment of trust between their respective organisations. We see in for example that the banking participants have established an informal mechanism to ensure the knowledge flows are managed by their organisation by asking to refer-back to the Committee formally in writing.

There is a tacit acknowledgement that remained unsaid in the meeting that the banking participant is representing the organisation and therefore withholding information at certain points – recognising they are organisational knowledge carriers - becomes a consideration in how the banks attempt to establish trust between the TSC and the organisation that the banking participant represents. The banking participant is managing knowledge flows to ensure that the response is the organisation's position not simply their view as the individual. It may simply not be helpful, or confusing for both organisations if the individual participant is to share information that was not 'collectively' agreed within their organisation. The banking participant as a representative of the bank therefore plays a role of intermediary – as the organisational knowledge carrier - in the TSC managing flows of knowledge between their organisation and the Members of the Committee and we see that the

banking participant can do this openly; managing the flows of information without the appearance of being deceitful or the appearance of withholding knowledge. In fact, it appears that the openness in the way the banking participants approach the management of knowledge as organisational knowledge carriers creates a relationship between their respective organisations that removes the need for the type of rules that one might expect to see in a relationship between organisations reliant on calculus-based trust that have been studied (Rousseau et al., 1998; Mayer et al., 1995; McAllister, 1995).

The practice of openly managing an organisation's knowledge as an organisational knowledge carrier is the first observation I make in how knowledge-based trust may be established in the complexities of an uncertain interorganisational environment. Previously, our understanding of withholding information on the part of the trustee was either something that remained undiscovered by the trustor (Shapiro, 1987) or an attempt to withhold the information might be discovered leading to the end of a trusting relationship (Lewicki & Wiethoff, 2006). The act of openly managing information flows – as an organisational knowledge carrier and appearing at the meeting as a functionary of the organisation gave the banking participants the opportunity to openly manage knowledge and it appeared, as a result of this practice, that the organisations, particularly the TSC in this case, became more trusting of the other as a result of this admission that knowledge flows were being openly managed by the individual being questioned.

The practice of mediating knowledge flows to build trust

Knowledge is an 'ongoing social accomplishment, constituted and reconstituted as actors engage the world in practice' (Orlikowski, 2002: 242). Knowledge is also 'a practical accomplishment' (Nicolini et al., 2003: 22) and the practice of assuming an agreed orientation of knowing is where knowledgeability manifests as a form of knowledge-based trust. Knowledge-based trust becomes enacted as a practice of mediating knowledge flows to build trust. Knowledge in this sense is 'always a way of knowing shared with others' (Gherardi 2000: 330).

The relationship between 'collective knowledge' (Larsson, Bengtsson, Henriksson & Sparks, 1998: 293) that is acquired not simply through discourse but is 'a way of knowing shared with others' (Gherardi & Nicolini, 2000: 235) where the management of knowledge flows become a vital way to manage the texts, discourses

or communication suggests we reconsider our understanding of knowledge-based trust. The collective management of knowledge produces certain chains of signs that signify an intent to build knowledge-based trust through the collective process of mediating knowledge flows to build trust through collective knowing. As we see in the banking participants discussions about the 'unfairness' of the American Regulation, informed learning of how to act as they began to articulate collective ways of sharing knowledge in order establish flows of knowledge that stabilise and build trust collectively in a system in which they were operating become a collective activity. Therefore, firstly collective knowing enables a proximity, which finds agreement through direct discourse with others (Oerlemans, Meeus & Boekema, 2001). As we see in the case of the American regulation collective activity amongst the bankers can affirm a collective understanding of an environment and establish a basis for trust-building through the decision to collectively share knowledge and connect with other actors in a collaborative drive and commitment (Boltanski & Thévenot, 2006). This shifts our understanding of knowledge-based trust from knowledge gathering to a collective social accomplishment reliant on collective mediation of knowledge flows.

Furthermore, mediating knowledge flow provides the organisation with the choice of what information to share. As Nicolini (2007: 893) observes, collective practices help to 'perform identifiable power regimes' which 'stem from the position which agents occupy within life sustaining practical activities' (Ibid.). Practices therefore perform 'unequally empowered social positions' and the relation of power between them constitutes the horizon within which 'un-reflexive reactions, actions, utterances, linguistic acts, behaviours, and routine conduct acquire meaning identity, so that the question of what people and things are depends upon the practices in which they are involved in' (Thévenot, 2001: 786).

This collective mediating of knowledge in order to assert a position of power is shown in the participants' discussion about the European legislation. In this discussion, the collective mediation knowledge flows to position the European Commission as somehow 'biased' and 'incompetent' is enacted collectively by the knowledge the participants choose to share; specific information collectively to bring collective knowing about the Commission based on the participants' mediation of knowledge flows. We see that privately the knowledge they choose not to share about the incompetence of the British efforts to lobby in Europe is withheld, since the purpose for the participants is not simply about the synthesis of information to affirm a collective position, but mediating knowledge flows to find a collective knowing that allowed participants to create a reality where 'collective knowledgeability' (Nicolini et

al. 2003) presents the group with a 'form of social expertise' (Gherardi, 2006) that allows for a collective orientation of the group as expert knowledge carriers who are able to trust one another attempt to build knowledge-based trust.

Conclusion: reflections on the usefulness of the practices observed

One should also consider how useful the practice approach is to our understanding of trust. Quoting from Möllering (2001: 343), I mention earlier in this thesis that 'it should be interesting to analyse how the new framing challenges or confirms previous findings'. How can we claim that this perspective is any more than an interesting academic exercise? What does this practice approach to trust building contribute that is different to our current understanding?

First, the practice approach allows us to consider the everyday as significant in the trust building process. We see in this study how the most mundane discussions about cycling, or crèches for example, provide opportunities for trust-building. This is a significant move away from our current approach to trust research, which looks beyond the everyday in search of grand theories to explain how trust will work in given situations.

This leads us to the second significant aspect of the practice approach: trust from a practice perspective embraces the complexity of social life. Stories for example become important because of their meaning, their histories, who is telling the story, indeed, even where the story is told all become highly relevant in the trust building approach. Therefore, we cannot distinguish a story from its context – but rather we ought to explain the significance of the story in ways that allow thick description and help to understand the ways that a practice such as storytelling might be used to advance trust (or in some cases perhaps contribute to a breakdown in trust). Therefore, the practice approach allows us to "dig a little deeper" in search of the idiosyncrasies that are contributing to the trust-building process.

The practices that were observed provide an initial starting point to consider trust from a practice perspective. There will be other practices that one might identify in other studies of trust. However, the three practices observed represent three prominent ways that trust was built amongst the group and, broadly represent calculative, cognitive and normative aspects of trust that are often referred to in the

trust literature (broadly described as calculative, knowledge and identification based trust – see Mayer et al., 1995 and Lewicki et al., 2006 for instance).

Storytelling appeared to be one practice that allowed participants to align their values and, in doing so, it appeared that this practice served to build identification-based types of trust. There are two aspects of this discovery that are of practical use to the trust researcher. First, storytelling is something tangible the researcher can observe. Often, studies of trust speak in largely hypothetical language about identification-based trust. Identification-based trust is diffuse and difficult to identify because it exists in the idiosyncrasies of the relationship between the trustee and the trustor. Second, storytelling as a practice has a rather lovely social depth to it. We are challenged to ask why the storyteller has told a story in such a way and what their context is – the very act of identifying the story requires us to engage with the wider context. In this sense we all tell each other stories all the time – stories are meaning-making, they are relational and they are practices that bring together trustee and trustor in a spirit of alignment where they can find mutual agreement even if their worlds are far apart. In this sense, we might consider storytelling to be a bridging practice that brings together trustee and trustor in a mutual alignment of values.

Curating spaces presents a second practice that allows us to think about trust in ways that really are quite new to trust research. Hitherto, trust research has largely ignored the role of space in the trust-building process. Space has largely been considered a background context – a landscape in which the trust building takes place – rather than any kind of significant part of the trust building process. This study has identified both the importance of space to the trust building process, but also that the individuals and the space interact in ways that matter to the trust building process. This is not a new idea to practice theory, but it is a very different way of thinking about trust research. The practice of curating space is integral to the trust building process but also the space itself curates the ways in which the individual actors behave.

The practice of managing and mediating knowledge also presents a new dimension to our understanding of trust. In trust research knowledge is something concrete that an individual gains about a situation or a potential trustee before they commit more fully to a trusting relationship. From this reified perspective, trust is something that exists in its own right. However, as we see in the discussion about the EU legislation for instance in this study, knowledge in the trust-building process is something that is created in the social. It is not something that is the property of or about an individual, but something that exists as a part of the process itself. Again,

this is not a new idea to practice theory. Studies of knowledge and practice such as Brown & Duguid (2001) highlight eruditely the theoretical and practical use of a practice-orientated perspective of knowledge. Therefore, the practice of mediating and managing knowledge becomes particularly relevant to the trust building process. That is to say, not the knowledge *per se,* but the ways in which the individuals manage and mediate knowledge become relevant to our understanding of trust building.

Practices of trust-building: The liminal states of organisations and individuals

Bachmann et al. (2015) consider organisational trust-building as a process that takes place 'through a series of underlying mechanisms' positing that we should consider the underlying mechanisms of trust our 'understanding of the interplay between repair mechanisms and how these mechanisms can be combined to re-establish trust' (Bachmann et al., 2015). The mechanisms present an interesting point of departure for scholars to begin thinking about trust-building, but I offer a different way to consider how we understand trust-building. This requires a departure from levels of analysis, acknowledging the 'relationality of mutual constitution' (Schatzki, 2002: 32) between the individual and the organisation.

Liminality is the second of three stages van Gennep (1960: 2) describes in a rite of passage. 'Such rites are found in all cultures and can be considered as vehicles of transition from one state or status to another. For example, childhood to maturity, virginity to marriage, childlessness to parenthood, unemployed to employed'. Turner (1969: 95) distinguished the second of these three stages when the actors fall into a limbo between two states as an ambiguous state of liminality where they 'exist betwixt and between the positions'. Liminality presents a way of thinking about trust-building that acknowledges that individuals and organisations both have the 'capability or power to be the source and originator of acts' (Ortner, 1989: 681), but where both are in a perpetual state of 'mutual constitution' never fully acting solely as the individual or as the organisation – but existing, and attempting to build trust in a recursive state of liminality between the two states.

In short, conceptualising trust-building in this way is a 'collage, heteroglossia, or even carnivalesque approach' (Nicolini, 2012: 34), acknowledging actors' relation to specific contexts over time 'is not fixed or permanent, and can be changed under unexpected situations, or over a long historical period' (Navarro 2006: 16). Using the five aspects of trust identified in chapter two, I explore examples of the individual and the organisation existing in states of liminality as they attempt to build trust. In doing so, I demonstrate that practices of trust are enacted not at a singular level but 'at once underlie subjects and objects, highlighting non-propositional knowledge, and illuminate the conditions of intelligibility' (Schatzi, 2001: 43) and suggest this provides an approach that accommodates the mess.

Table (12): Aspects of trust and relationships to liminal spaces or status

Aspect of trust considered	Key finding	Example	Observations
Ability	Navigating the agency of the individual and the organisation	The use of the social space in Strangers Bar to show the ability of the organisation and the ability of the individual	The physicality of an organisation and individual actor can be brought together to present a coherent and powerful image of the possibility of the individual operating both at once as an individual and as an organisational actor
Knowledge	Collectively knowing in the pursuit of an activity	The banking participants collectively building a consensus of knowing about the American regulation	Knowledge-based trust relies not solely on knowledge gathering, but focuses on the collective pursuit of knowing, which is a shared activity linking the individual and organisational actor
Identification	Spaces of mutual identification	Stories about the City of London as a benevolent place of to work and to live	Stories are a way to begin to bring together the individual and the organisational actors in a mutual identity, which can then serve as the basis for identification-based trust
Control	Negotiated boundaries informed by liminal spaces	The discussion between the banking participants about the boundaries and their orientation towards the European Commission	Control is not a didactic mechanism placed on an individual or an organisation, but a series of negotiated positions asserted by individual and organisational actors working together to negotiate boundaries that are mutually acceptable
Calculus	Actors in networks of evolving liminal states	The regulators approach to attempting to build trust with the banking participants in the focus group meetings	Calculus based trust is informed by the regulators orientation towards their own organisation, but also influenced by the networks in which they exist which both restrict their behaviour and encourage them to behave in certain ways – their identity is informed by the networks in which they exist

Ability-based trust: *navigating the agency of the individual and the organisation*

Ability-based trust is domain specific (Schoorman, Wood & Bruer, 2015). However, the study has shown that the individual and organisation's ability to build trust exists in a permanent state of liminality where individual and organisational actors' abilities are constantly shaped by their environment, their shared histories and the uncertain emergent future as they shift to reconstitute one another. To consider the banker and the bank, the politician and the TSC, or the regulator and the FSA as having ability in a specific domain we must consider 'a system of dispositions of the individual and the organisation that is constantly confronting and mediating new encounters' (Sahakain & Wilhite, 2015, 2015: 25) that shape, and recursively reshape the social reality of the individual and the organisation and their abilities *ad infinitum*.

Making observations of the ability-based trust-building attempts of the individuals and the organisation was therefore a highly idiosyncratic process and conceptualising trust as ability demonstrated by an individual or organisation in a certain domain would have required a constant assessment of each actor at each moment of the study. Examples of actors' abilities demonstrated in specific domains were countless. For example, the ability of the banks to operate in the United States was reliant on the ability of individuals in the American regulatory affairs departments, the ability of the individual regulators to implement regulation was instructed by their organisation's mandate and the parliamentary participants' abilities reliant on the space the TSC afforded them. However, none of these examples necessarily showed ability-based trust being built.

Clearly, the ability to achieve a specific task or deliver an agreement (Mayer et al., 1995; Schoorman et al., 2007) is an important aspect of the trust-building process if the 'business of trust' (Harris, Moriarty & Wicks, 2014: 3) is to be achieved at all. If we are to think to the extent to which an organisation or individual can build trust through showing ability however, one must still consider 'the ongoing nature of this constitutive relationship between the individual and the organisation' (Alvesson, Ashcraft & Thomas, 2008) – that their abilities are always jointly 'in the making' (Gambetta, 1988: 42) as the ability of one reasserts the ability of the other; that is, we can only accurately record as a series of ongoing ability-based trust accomplishments or failures, that may be (re)produced.

Ability-based trust therefore cannot be isolated to an individual or organisation. Ability-based trust is enacted in a web of 'endlessly incomprehensible significances' (Wittgenstein, 1969: 87) to which the individual, the organisation and the 'milieus of structural arrangements beyond the scope of the organisation' (Sandberg & Tsoukas, 2015: 188) insist that we consider both the organisation and the individual in our assessment of attempts to build ability-based trust as 'beholden to the milieus of nonhumans amid which it proceeds, and understanding specific practices always involves apprehending material configurations' (Goodwin, 2013: 9). However, the ways that the actors navigate the liminal status between organisation and individual serve to help build ability-based trust, if we are to consider the individual or organisation neither entirely as one or the other.

Navigating a liminal state to build ability-based trust. The physical space helped the Parliamentary participants to navigate the liminal state between the status of individual and organisation. Notably, the visit to Strangers Bar where the social environment provided an opportunity to show the banking and regulatory participants that their status as individuals with autonomy to act through the casual references to their individual achievements as a Member of Parliament aligned with the physical space within the organisation where the stories are being shared (the terrace on which they sat) which implicitly, through the grandeur and history of the space suggested that the organisation had ability to act. The organisation and the individual in this example remain discrete but are aligned, reasserting the ability of the other providing an opportunity for trust-building based on the abilities presented by the individual and the organisation: as the participants sat drinking on the terrace bar, they acknowledged implicitly that they were neither the sum of the organisation, nor the suggesting that their ability to act relied on the organisation but that they should be trusted because of the abilities implied by both statuses.

Knowledge-based trust: *collectively knowing in the pursuit of an activity*

Knowledge-based trust is well documented in the interpersonal trust-building literature. It implies that the individual is attempting to gather information to make an informed decision about whether to trust the individual they are engaging with (Abrams et al., 2003). In the dyadic organisational trust-building studies, knowledge-based trust-building is focused on knowledge of the organisations' structures, its functions and its culture (Holste, Scott & Fields, 2010). However, I suggest knowledge-based trust-building is not reliant on information gathering about the

individual or the organisation but is inherently tied to the ongoing pursuit of an activity that is 'constituted or renovated as actors engage with the organisational world in practice' (Orlikowski, 2002) and therefore that knowledge-based trust is better understood when the liminal state or status of the individual and the organisation are brought together in the collective pursuit of an activity.

Considering practices of knowledge-based trust-building in this way requires us to consider both knowledge of an organisation and of an individual in 'a shifted self-understanding that invites us to regard agents as carriers of routinized, over-subjective complexes of bodily movements, of forms of interpreting, knowing how and wanting and of the usage of things' (Reckwitz, 2011: 143) that regards the individual and organisational actors in 'activities or actions that contribute to collectively knowing' (Galaskiewicz, 2016: 33) rather than knowledge gathering. This perspective therefore assumes knowledge-based trust exists in an understanding of the individual and the organisation in a relationality of mutual *knowing*.

Nicolini (2002: 32) speaks of 'a web of knowledge' to describe how 'knowing, as an individual achievement, is inseparable from knowing within a community of practice' (Ibid.). To consider knowledge-based trust-building one must consider the individual and the organisation together. This collaborative process of knowing, where information is gathered about the organisation and the individual spasmodically and shared tacitly through 'actions and deeds beyond the word' (Villa, 1992: 308) goes beyond knowledge-gathering and presents a second way that we can address the liminal spaces the individual and the organisational actor inhabit considering knowledge-based trust as reliant on the status of individuals and organisations collectively knowing in the pursuit of an activity suggesting again that we can, and indeed should, consider the micro and the macro together.

This process of collective knowing requires knowing of the individual and the organisation. Knowledge-based trust is therefore 'established based on mutual knowledge and common experience' (Child, 2001: 302) between actors rather than gathering of knowledge about actors. Knowing the individual becomes incorporated into an assessment of knowing the organisation (McAllister, 1995) and therefore implies further we must consider the micro and the macro together in our understanding of knowledge based trust since it is not simply a process of knowledge gathering, but always a process of collective knowing as an activity that takes place in socially constructed environments.

Liminal states in the pursuit of an activity. The process of knowledge-based trust being enacted through the pursuit of an activity in a process of collective knowing is shown in the interactions between the banking participants as they begin to learn how to engage with the American regulation. The process of collective knowing acknowledges the individual in the process – as they share their fears of being 'caught out' individually by the American legislation as individuals. However, they are not simply operating as individuals in their discussions as they attempt to establish a basis for knowledge-based trust as they consider how to act in reference to the "unknowable" American regulatory environment they have to consider. The activity of building knowledge-based trust through collectively knowing relies on their organisation regulatory affairs teams and the sharing of information about the ways that the teams operate. There is a collective knowing taking place, which allows for the opportunity for the organisations to build knowledge-based trust in their interactions with the American regulatory system that goes beyond the individual or organisational actor and must be understood as a process of collective knowing enacted through the pursuit of an activity.

Identification-based trust: *spaces of mutual identification*

Bachmann et al. (2015) argue that 'trust is an inherently relational construct, with strong social and affective elements', suggesting that 'social norms, relative norms and the importance of identity' are important considerations for trust-building (Ibid.: 34). However, identity and the possibilities for identification-based trust are enacted in space and should be understood not as a goal achieved between individual or organisational actors as a 'mechanism' to be analysed but as a 'dynamic accomplishment' (Drescher, Korsgaard, Welpe, Picot & Wigand, 2014: 771) achieved through the interaction of individuals and organisations in spaces as they interact with 'artefacts and material objects' (Jarzabkowski, Spee & Smets, 2013) in an alignment of values and ideas, where identification-based trust is always in the making through the mutual identification of individuals, organisations and the spaces they inhabit.

I therefore suggest that since responsibility is 'open to interpretation and political influence' (Bachmann et al., 2015) spaces play an important role in identification-based trust-building process as space aligns the liminal states that the individual and the organisation inhabit. This mutual identification between organisation and individual is enacted through space and shaped by the individual

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orientation of the actors as they enact trust in spaces that develop and shift as identification-based trust-building may begin to take place.

Identification-based trust should therefore be understood as a continual process of identification or identity-shaping brought about the repeated and continual interactions of individuals in social environments through the dynamic 'interplay of words and deeds in space' (Reichertz, 2015: 317). Identification-based trust-building is therefore not a singular construct or series of constructs at the level of the organisation or individual as studies of trust-building have attempted to show to date, but it is both at once. It is an ongoing process of shaping mutual identities that is purposed by the spaces the actors inhabit. This in turn provides opportunities to establish a basis for identification-based trust-building, where the present is uncertain and the future unpredictable as we have seen in this example of a crisis involving multiple stakeholders, but importantly one must observe that spaces of mutual identification serve to help us to align the micro and macro conceptualisations of identity-based trust in a coherent way.

However, the role of space to bring together the individual and the organisation in mutual identification as they align their liminal states shifts the focus toward understanding the meanings, practical, emotional and cultural, of specific places and the roles that places play in organisational life and in identification-based trust-building. Visual, practical, acoustic, social, cultural influences of a space (Brown & Capozza, 2016) therefore serve to weave together the liminal states of the organisation and the individual. They are always socially constructed and provide emotional and practical value in asserting mutual identification between the individual and organisation and allow us to consider identification based trust not as an achievement between individuals or organisations but in bringing together the status of the individual and the organisation in coherent mutual identity, which allows us to consider identification-based trust-building not as a micro or macro concern, but rather as the accomplishment of the alignment of organisational and individuals manifested in space.

Identification-based trust: the role of space to bridge liminal states. Stories about the City of London and the use of branding campaigns in the physical space at Canary Wharf served to bring together the identities of the individual and the organisation. The branding campaign was an example of how this worked effectively to acknowledge that the organisations' identity was continually reinforced by the identity of the individual. Similarly, we see the individual participants referring to the

aspects beyond the financial services that show that their liminal state is informed by the physical identity of the organisation as a 'home'. The use of words, deeds and artefacts in a space of mutual identification which bridged the interpersonal and the organisational organised the two in such a way so that the banks and banking community could build identification-based trust that considered the micro and the macro and suggests that considering space allows us to consider levels of analysis coherently together.

Control and trust-building: *negotiated boundaries informed by liminal spaces*

In an evolving network of individuals, organisations, spaces and relationships Bachmann et al (2015: 13) highlight control as one of the 'most common and ubiquitous strategies' for building trust and it often takes place through the imposition of control mechanisms on relevant actors (Michael, 2006). Whether through internal controls (Wiebel, 1993; Wiebel, 2007) or through external regulations placed on organisations (Gillespie and Dietz, 2009). Control as a trust-building process at the organisational and interpersonal level is therefore considered broadly in terms of sanctions to control and regulate the behaviour of the individual or the organisation, so that trust can be established. However, these are currently considered to have different qualities if control is being enacted within the organisation or whether controlling mechanisms are instigated externally on the organisation.

I argue that in the richness of social life, the complicating and ever-evolving process of developing regulations and control mechanisms and the lack of any ultimate authority to ensure that punitive action or otherwise is applied, we must instead consider trust-building in the present as both an acknowledgement of the past actions but also as a step into an uncertain future – a collective leap of faith (Nikolova, Möllering & Reihlen, 2015) that the organisations *and* individuals must take together in order to reconfigure the system in which they are all a part rather than simply a singular act of control. There is no distinction between individual or organisation in the collective leap of faith and it is a practice of negotiating boundaries whether control is external or internal to the organisation.

Imposition of control in an interorganisational environment is a prevarication – the regulators control the banks, the politicians control the regulators, the banks control the politicians and the regulators. All attempt to control in different ways and all are controlled by the influences of the American and European legislation and

ultimately, they are all bound by the need to establish a stable system that they can trust. However, the same is true when we consider individual or organisational actors. They are active participants in defining boundaries that are acceptable. However, defining boundaries of what is acceptable and what is not is as much an activity that happens between a husband and wife to agree acceptable arrangements for sharing a life together as much as it plays a role in the arrangements established between the surfeit of organisations and individuals involved in rebuilding trust following the financial crisis. This negotiation of boundaries informed by a liminal state takes place at all level of analysis, whether micro or macro; control can therefore be considered – regardless of the level of analysis - as a process of negotiated boundary setting that is influenced by the way that the actors' liminal statuses are enacted.

Therefore, the enactment of rule-making and control is not a something imposed by a single organisation or individual, nor is it separately a micro or macro concern. It is an ongoing process of negotiating boundaries between organisational and individual actors, where individuals and organisations exist in liminal states, neither fully as the organisation nor fully as an individual. Considering control in this way means that control becomes a flexible and negotiated boundary rather than simply mechanism that the trusting party imposes on the trustee. Instead boundaries define the margins of what is acceptable to the other, whether between a manager and an employee or whether between an organisation and an external regulator.

Control and trust: negotiating boundaries collectively. We see firstly an example of this *not* taking place in the way that the participants from the FSA attempted to establish control over the banking participant in the focus groups which represents a more typical approach to control. The use of didactic control mechanisms ('we will send out a supervisory statement') contrasted however with the consensus that was agreed between the participants about their orientation to the European Commission. The boundaries in this second example were agreed and debated. Negotiated boundaries were agreed to provide a collective orientation toward the European Commission, where organisations and individuals liminal statuses were orientated around a negotiated boundary towards the European Commission. This negotiation of boundaries created a state amongst the group that allowed the actors to exist both as representatives of their organisations and as individuals

Calculus-based trust: *evolving networks of actors in liminal states*

There is very little work on interorganisational calculus-based trust that focuses on the role of calculus-based trust and networks. Most of the interorganisational trust-building literature that refers to calculus-based trust focuses on legal mechanisms and formal contracts that are established as the basis for initial trust and tend to suggest that calculus-based trust is an early form of trust (Huang & Nicol, 2014) in the trust-building process.

No decision is taken in isolation. As spaces take on 'different ontologies and play different roles, they connect organisations and individuals to different stabilizing mechanisms' (Lawrence & Dover, 2015: 380) and consequently affect our ability to make calculus-based trust decisions about individual or organisational actors in isolation and calculus-based trust, either in the early stage of a relationship, or located as a level of analysis, does not acknowledge the wider complexities that continue to influence our ability to make calculus-based trust assessments as individual and organisational actors statuses shift and they evolve and recreate themselves in evolving networks that define their statuses.

I argue that networks of evolving liminal states, where actors exist within a network that evolves constantly, shifting the status of the individual or the organisation, provides a way of thinking about calculus-based trust that is a departure from our current thinking of calculus-based trust as an early stage *and* either a macro or micro trust concern, suggesting instead that actors always exist in networks that change their state or status depending on when we choose to measure calculus-based trust.

Halford & Leonard (2006: 663) comment, 'the multiple nature of contexts means that outcomes will not be singular or fixed at either an organizational or individual level'. Organisations are 'constructed through competing and contested resources and in internally differentiated across organisational times and spaces' (Ibid. 667) and 'individuals move through the times and spaces of everyday life, at work and beyond' (ibid.), so the opportunities to make calculus-based assessments that are open to actors constantly change. As such, an individuals' or organisations' ability to establish trust based on calculus-based decision-making shifts as the networks that they occupy evolves. This attention to the context of the network in the calculus-based trust-building process raises important questions about how we might consider the ways in which actors might make decisions even in seemingly micro contexts since there will always be a network of actors that to a greater or

lesser degree influence the judgement the trustor can make about the trustee in the micro. Correspondingly, in a complex system with multiple forms of control and controlling dynamics between the individual and organisational actions the notion of calculus-based trust must consider the constantly evolving networks that influence the status or state of the trustee.

Calculus-based trust: evolving networks of actors in liminal states. The study showed that calculus based trust, unless confined to laboratory conditions was not replicable. The concept of calculus based trust as an early form of trust interpolated between an estimate of future expectations and the realm of unpredictability could be considered. A trustor cannot make a calculative assessment of the actions of an actor if they are able to operate within a network of evolving states, therefore after a first judgement the trustee exists in a liminal state. Calculus-based trust defined beyond the scope of the individual or organisational dyadic relationship sets the trust decision in the context of the wider environment and considering this network is important to finding a coherent understanding of the interpersonal and the organisational conceptualisations of trust. In recognising that often the individual will take on different liminal states, one can begin to consider that calculus-based judgements of their actions must be taken in consideration of the network they exist within. Take for example the interactions between the banking participant and the regulatory participants: the regulators decisions to trust – clearly based on calculus-based trust assessments were informed by the networks they existed within.

Conclusion: liminal states aligning individual and organisational actors

If we are therefore to consider that actors are both representatives of their organisations and private individuals at the same time – the conceptualisation of levels of trust, which to date has been the focus of so much interest in the trust research community suggests our thinking about the nature of trust and trust building needs to be considered not a question of levels of analysis but of trust-building practices. This will allow us to acknowledge the richness and complexity of social life and address the challenge of reconciling macro and micro conceptualisations of trust.

The individual and the organisation are therefore linked through 'concerted scenes of action' (Nicolini, 2009: 764) that take place through the stories that individuals and organisations tell and the dynamic interplay of the spaces in which the interactions take place, representing organisations and individuals, which 'serve as a sequence of external events in which symbolic structures are manifested' (Watson, 2017: 38).

The actions of the banks and the perceived trustworthiness of the bankers are linked through a sequence of events – of course, just as the actions of a business school and a scholar working for a business school are entwined, or the leader of a political party and the party itself are entwined. To consider them separately is to 'underplay the embeddedness of the actor in empirical social and cultural analysis' (Pike, Lagendijk, & Vale, 2000) and their ability to exist in a liminal state. They are at once idiosyncratic and are the product of a series of 'things, minds, knowledge, structures and language' that make up the realities of the actors in an interorganisational environment, co-creating one another through an ongoing process that is not fixed in time (Boje, 1992), but curated in space and defined by the management and mediation of knowledge flows.

Thinking about trust-building in terms of the liminal statuses that actors either chose or are imposed on them presents an opportunity to capture some of the complexities of the processes beyond levels of analysis or underlying mechanisms and allows us to consider micro and macro conceptualisations of trust in new ways. This view of trust building suggests that the interpersonal and the organisational *are* both discrete and the same in this 'process of continual enactment' (García & Leiva, 2014) – they refer to one another and cannot be fully appreciated unless we consider the individual and the organisation in concert and acknowledge the liminal states that actors can exist in. One might trust an individual, but not trust the organisation they represent, or *vice versa* but the practices that underlie the decisions provide

the basis for trust-building in the organisation and the individual are spun together in 'webs of significance' (Geertz 1973: 81) that impact the trust-building process as actors move through a state of liminality as representatives of their organisations and as individuals.

CHAPTER EIGHT: THEORETICAL AND PRACTICAL IMPLICATIONS AND FUTURE AREAS FOR RESEARCH

A better understanding of how interorganisational trust through our understanding of trust as the practices of storytelling, curating space and mediating knowledge flows changes our understanding about the significance of the physical aspects of interorganisational trust-building and begins to allow the researcher to consider the different aspects of trust described in chapter two in new ways that go beyond the mechanism or construct and consider the complexities of social life.

The discussion of liminal states also presents the individual and organisational actor as coming together as one, but still being in the process of doing so. This has significant practical implications for how we consider the role of leaders in large organisations and how we understand how employees are shaped by their organisation.

This chapter will briefly first discuss three implications of the practice approach to trust research that has been described in this thesis. Second, I will discuss three practical implications from the findings of the study and finally, third I will comment on some of the more surprising aspect of the findings. The chapter will conclude by outlining four areas for future research that would help us to develop a trust-as-practice approach.

Implications of the practice approach for trust research

The practice approach to trust research outlined in this thesis provides us with an approach that presents a departure from science like laws and foregrounds the ordinary (both in terms of the social and the material) as having explanatory power.

One consequence for trust research is that the 'unspoken background of everyday life becomes highly relevant to any study of trust research. Therefore, the challenge we face as trust researchers is that we must take into account and consider the ordinary differences which may constitute the difference between a trusting relationship and a relationship devoid of trust.

However, by doggedly embracing the task of studying the ordinary, a practice theory approach to trust provides an account that maintains coherence across levels of analysis. This is central to the usefulness of our practice approach to trust research since it addresses the challenge of levels of analysis described in chapter two. As discussed in chapter two, the orthodox language of trust research divides

phenomena up into levels. Over the past twenty years or so trust research has been entrenched between theories of interpersonal (Lewicki et al., 2006), organisation-level (Dirks & Ferrin, 2001; Mayer, Davis & Schoorman, 1995) and institutional trust (Bachmann and Inkpen, 2011). Consequently, rejecting the idea that trust comes neatly packaged at levels of analysis and choosing to focus on the ordinary (or perhaps not so ordinary) practices of individuals, practice theory helps us to begin to consider the individual and the collective together. For trust scholars, this is an important reorientation of thinking about trust, since levels of analysis have typically been considered as discrete in the organisation and management literature and its conjugates (for example, see Fulmer & Gelfrand, 2012; Bachmann et al., 2015)

A practice theory approach to trust therefore causes us to rethink our study of trust, without focusing on the level of analysis and 'this in turn requires us to reconceptualize the idea of levels' (Nicolini, 2012: 18). Therefore, we turn instead to practices such as storytelling, curating space and managing knowledge to explore how trust building is constructed in the social across multiple levels.

Second, there is a significant methodological shift required if we are to embrace a practice perspective when we undertake trust research. In the messiness of defining trust where there are multiple organisations and for the researcher, an unquantifiable number of interactions between organisational actors, we are presented with a research challenge that the current research methods used by trust scholars are ill-equipped to address (See Bachmann & Zaheer, 2006).

The key contribution of this thesis to organization studies therefore lies in its critique of the significance of the socio-material nature of trust, neither taking for granted apparently inconsequential activities such as, say storytelling, curating of space or managing flows of knowledge, whilst rejecting any particular emphasis on the actor or the structure. In this sense, my conclusions are broadly aligned with ANT. The "actor-network" is an appealing way to address some of the methodological and ontological problems set out in the trust literature.

This thesis ultimately however stops short of prescribing to anything quite as radical as a Latourian view, where one sets out to 'follow the actors' because my approach does not simply follow the actor – for trust research we need to somehow cling on to ways in which we can explore the full range of human characteristics, since 'trust is inherently between people' (Sztompka, 1999: 22) and we are able to negotiate levels of analysis by following trust as an activity rather than as a reified concept.

In my view ANT lacks the conceptual tools to understand how systems of trust are negotiated *in the social*. Trust is relational and relies on associations put in place over time and is always a turn towards relationships. This social view affirms the implications for our understanding of levels of analysis that I have described – as with ANT, trust is not vested at a certain level and we do not have to think about trust somehow existing at a level. Instead, we see trust as the social accomplishment of relationships. In this sense, rather than following the actor we are following the social practice of trust building – studying those things relevant to the practice of trust building in order to gain a holistic view of trust that does not sit neatly in one level – be it the interpersonal, the organisational or the interorganisational.

A practice theory approach to trust therefore presents a rather novel way to address the challenge of levels of analysis, which is different to much of the work in management and organisation studies that has been undertaken to date. Second, my approach also suggests that trust research might would benefit from further ethnographic and ethnographically inspired methods and finally, a practice perspective on trust, asks fundamental questions of theories such as ANT, and attempts to find a footing which acknowledges the fundamental importance of the material and social aspects of trust-building without reducing the researchers' ability to authentically describe the human domain of trusting.

Practical implications for interorganisational trust-building

There are three things that could be applied practically to the sector. They will be addressed in the first part of this chapter: (1) Addressing the relationship between the leaders and their organisations (2) Assembling a space for leaders to share stories and (3) reframing the role of the regulator as a mediator of boundaries. These three propositions present an opportunity to recalibrate how we think about the stakeholders leading large financial organisations that could offer a more sustainable environment when the UK faces a future financial crisis in the future.

1. Addressing the relationship between the leaders and organisations

We have established that individual and organisational actors play a role in the trust-building practices that contribute to interorganisational trust. This has implications for our understanding of leaders as co-creators of trust in their organisations and as organisational information carriers.

There is currently a huge amount of public scrutiny on the leadership of the banks and removing those in leadership positions when something goes wrong in their organisations rather than understanding what has accumulated within the interorganisational environment. This has resulted in certain sector-wide behaviours that have been allowed to take place, which means we can lose a good leader for bad reasons. The American regulation is an excellent example of the challenges that the banking participants faced as individual leaders.

It appeared from the discussions observed in the study that firstly culture was an extremely difficult issue to manage in the global environments that the organisations operated within and secondly that there had developed a culture of blame where, as one of the participants put it in chapter five, 'we seem to lose good CEOs on an incredibly regular basis'. This is not healthy for the sector because it does not let leaders learn effectively from their mistakes and discourages a culture of collective knowledgeability. Leaders are in the process of becoming and being a leader – they *will* make mistakes and what we have learnt from the study is that trust-building is a fluid process that takes time and that the leader is neither fully the organisation nor fully an individual actor and that there are many more parts in play that influence whether trust remains in the leader. Leaders can merely attempt to navigate the liminal states they exist in to make best use of their statuses as becoming individuals and as becoming the organisational actor.

This observation is not made in "defence of the culture of banker bashing", but because organisations need to give individuals sufficient time to practice trust-building behaviours with their colleagues from other stakeholder groups and it needs to be acknowledged that in this process leaders will make mistakes, but often, the mistake is embedded in a much wider social nexus. Importantly, for the same mistakes to be avoided and trust to be sustainable in the interorganisational system, it is vital for a culture of collective knowing to be practiced amongst leaders.

Lord Brown, Former CEO of British Petroleum, once commented that the key to being a good CEO was not making a singularly bad decision rather than consistently making good decisions. According to a study by A-CE Online Analysis, 2009 saw '277 CEOs in the financial services sector step down from their positions'. With such a large churn in the leadership of these organisations it is unlikely that interorganisational trust will develop effectively between the stakeholder groups studied if we consider the insight that trust is developed through practices such as collective knowing, and that the individual is trusted because their role as both an individual and an organisational actor. As we have seen from the study, the

individuals themselves should not be targeted singularly as the problem and removing them and replacing them with other individuals impedes attempts to build trust through the trust-building practices suggested in this thesis and just begins the cycle again.

The current CEO circuit that sees CEOs move regularly from one sector to another for short periods makes it difficult for any collective knowing to develop in meaningful ways. Therefore, we need to see leaders across Government, regulatory bodies and the banks themselves remain in posts for longer periods to practice collective knowing and learn how to mediate and manage information flows more effectively to build trust. Given that trust had been rooted in systemic financial architecture prior to the 2008 crash there a good deal of cultural change that would need to take place to come to a point where there was sufficient trust in the leaders of strategically important organisations to allow them to develop management of knowledge flows as organisational knowledge carriers.

2. Assembling a space for leaders to share stories

Storytelling is shown to be an effective way for leaders to make sense of the interorganisational environment and provides opportunities for actors to establish trust in the Interorganisational system. The City of London did to an extent provide an effective a collective story that allowed the participants to place trust in the interorganisational system.

The challenge however was that there did not appear to exist a space that allowed the participants to develop their collective identity as the City of London. Instead stories were told that were untrue to prop up the benevolence of the City of London. Collectively curating a home in the City of London brought about trust in the City of London, but this was intangible and relied heavily on the use of the physical space at Canary Wharf. It appeared that there needed to be a more tangible space for stories to be shared in order for identities to be established and possibilities for interorganisational trust-building to take place. The importance of collectively establishing trust in an idea of the City of London is an important way that participants could establish ongoing trust in the financial services. There are three reasons that this is important from a practical point of view.

First, London has acquired a cluster of strategically important financial institutions, which had brought with them ancillary and second tier services that together presented the City of London as a brand. London, it had become 'a centre

for finance, food, fashion and film. The financial services sector success is the root of the City of London's brand success, but as a result of the financial services sector's success and the ensuing infrastructure and wealth it brought with it, industries such as food, fashion and film have flourished making the financial services sector in the City of London a brand beyond the scope simply of the financial services spheres making its attraction something beyond simply the sphere of the financial services sector.

Second, Greenwich meantime had always provided an advantage that London had over its competitors, which participants did not articulate. London-based firms can trade with markets both in the East and the West simultaneously with comparative ease. All things being equal, to headquarter where the sun is rising and falling simultaneously in the East and the West of the globe is cost effective and collectively acknowledging this identity would further strengthen the idea of the City of London as benevolent and as a home.

Third, London is a gateway into Europe. It was noted by one of the participants from one of the banks in the study that London was the gateway into Europe for Middle Eastern investors as they tended to see it as a 'safe international city which make it an attractive place to do business'. As has been discussed in previous chapters this is also because of British Law and the second-tier services available to international clients to do business in an environment that is competitive and safe. Again, precisely how the organisations that played a role in managing this could collectively agree its role was intangible as there was no space to discuss it.

These factors showed that the City of London is a reliable, profitable place to do business but did not necessarily help the participants to understand the benevolence they appear to have ascribed to it. What was observed in this study throughout the threads of the discussion was the participants' beliefs that the City of London was a structure that had a benevolent influence. There was a senior group of individuals who all believed the City of London to be benevolent and a good place to do business but were not clear *where* the benevolence was coming from or *what* precisely it was founded on.

The participants saw the positive factors that made London an attractive and safe place to do business and they believed in the brand of the City of London, but there simply was not the space or opportunity to talk more openly about how to steward this interorganisational concept. This meant that individual participants were not able to explore with others what London's role meant to their organisations,

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what was meant by the benevolence of the City of London when others described it, or how they functioned and engaged with this structure that they believed facilitated business a unique way – there was no space that existed for this group that consistently allowed the types of conversations between three groups of senior stakeholders that were observed in this project to share their stories about what the City of London could be and how they should steward it in the present.

Therefore, despite a myriad of organisations that provided lobbying and networking opportunities for the financial services sector[12], there was no network focused on helping the group ascertain what precisely it was that made them collectively convinced that the City of London was a benevolent structure and importantly, how to foster the role it played using space and stories to build identity and to build trust.

The current thinking of network-orientated organisations that support the work of the financial services sector in London is currently focused on building the brand of the City of London and attaining further critical mass for the City rather concentrating on building identity between the individuals through storytelling or curating space for trust-building amongst key stakeholders. If a network-orientated organisation provided a mediated space where stories could be told to build identities, new ways of managing and mediating knowledge could be established and it may potentially provide an environment where, in time, interorganisational trust could be built in the City of London and allow senior leaders to address in more detail some of the continuing challenges they face in establishing trust between themselves and in the interorganisational system.

As the study progressed, the focus groups appeared to be an environment where the participants could effectively engage in the trust-building practices described in this thesis. The focus groups began, to a very small extent, to provide the facility that such a network-orientated organisation might provide and therefore using what we have learnt from this environment one could begin to consider what qualities a more permanent type of network-orientated organisation focused on helping the participants better collectively develop their understanding of the City of

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[12] It should be noted that there are currently three established organisations that do notably good work in support of the financial services sector: The CITY UK, The British Bankers Association (BBA) and the City of London Corporation. However, none of the organisations address the current need that was observed in the study for a mutual space to share stories and collective knowing. These organisations should be supported in the excellent work that they do, the issue is that we need a network-enabling organisation for the financial services firms, regulators and those involved in policy making that allows them to come together in a mutual environment where they can begin to develop collective knowing and collective identities.

London's role but also how they could begin to address wider concerns about the interorganisational environment.

There is an urgent need for such a space that includes not just the banking community, but provides a place of mutual meeting for stakeholders from all three groups. Currently, conversations between regulators, policy-makers and bankers tend to be adversarial. Banking is no longer simply a domestic service industry; the globalisation of the sector needs a collective identity across all three stakeholder groups about the structures that exist within in the UK and their relationship to the global environment. There are three of the ten largest banks in the world located within three miles of one another in London. Other countries would go far further than simply "levelling the playing field", therefore consideration of a network-orientated organisation that fostered trust-building practices between leaders across stakeholder groups would be of great use to the sector and go some way to the ongoing process of interorganisational trust-building and preserving the long-term interests of the sector.

3. Reframing the role of the regulator as a mediator of boundaries

The study showed that the UK domestic regulator does not have sufficient explicit or tacit power to act in the strategic interests of the UK's financial services sector and that the FSA was considered by the banking community to be an organisation that policed the individual actions of organisations rather than moderated the wider environment in a way that enabled the sector to be both sustainable and competitive. The globalised environment that the banks operated within meant that the domestic regulator was viewed primarily as a hindrance by the UK banks, stopping them from doing their business effectively. This attitude of the banking participants towards the regulator firstly made the regulator weak and secondly meant that the regulators were viewed in an adversarial way by the banking participants rather than as enablers of business and created a barrier to trust-building.

The attitudes of the bankers towards the British regulator was evident particularly in the discussions about macroprudential risk in chapter six and the interactions in the focus groups between the regulatory and banking participants in chapter five. The global market had been described as the governing force over organisations and individuals. There is currently a lack of consideration that the individual participants gave to the role of the regulator in mediating boundaries collectively with those working in the banking sector. Rather than controlling the

actions, one might consider the regulator as a mediator who helps to bring about collective knowing about macroprudential risk through discussion with those doing the business of banking. The globalisation of the banks and dislocation of the regulatory controls that govern them had left the regulator ill-equipped to deal with the macroprudential risks to the UK financial services sector posed by the modern globalised banking system.

This was firstly compounded by a lack of clarity over precisely what powers that the British regulator had. The matter of perceived weakness and behaviours of the FSA during the study was the result of the external circumstances that the regulator found itself in. The transition of the regulator into two twin peaks of regulation (The FCA and the PRA) as recommended by the ICB report was the acute factor that added to the banking participants' confusion as to the regulator's role during the period of the study. However, the chronic factor and the root of the lack of clarity was the confusion as to where responsibly lay between the British and European regulatory bodies and their responsibility for macroprudential regulation of the British financial system. The lack of effective networks between domestic and European regulators made it difficult for the banks to understand how in practice macro-prudential regulation of the UK's financial services sector functioned in a wider European regulatory environment. Since the ESRB was set up two years prior to the ICB's report and it was expected by European authorities to fulfil a similar European role as the ICB's proposed PRA in the UK there was confusion amongst the banking participants about what the proposed PRA would do in practice. The ESRB was already doing the work the proposed PRA would be mandated to do at a European level, which is why participants viewed the regulatory structure as being 'fragmented between Westminster and Brussels' and that the FSA lacked the ability to do its job of establishing trust in the macro-regulatory environment. This lack of clarity over where the power lay between the proposed PRA and the ESRB effectively demonstrated to the banking participants that trusting the ability of the FSA, or any organisation set up in its stead, was not warranted.

As a result of this lack of clarity, the British regulator was viewed therefore as a bureaucratic body that lacked the ability to support the banks in their role. This lack of ability was compounded by the way the regulator behaved and the trusting practices it focused on – The regulator was viewed and viewed itself as the "policeman" of the financial services sector and therefore behaved as such with approaches that aimed to police the behaviours of the banking participants through legalistic approaches to their interactions.

Of course, this is necessary, but providing the regulator the latitude to move beyond simply focusing on calculus-based interactions with those in the sector and encouraging the regulator to establish ways to manage and mediate knowledge flows as well as telling their own stories might well alleviate the lack of clarity over where power lay and through the a process of identification and collective knowledgeability would position the British regulator beyond the role of "policeman" and towards a "mediator of boundaries". This would in practice also require handing more explicit power to the regulator to take political decisions and would mean shifting the emphasis of the regulator's role as an organisation that performed purely a bureaucratic function to more of an adhocracy, where sufficient latitude and powers could be given to the regulator to take strategic decisions in the best interests of the banks and the UK economy as and when it would be needed.

However, in the discussions the general notion of handing more control to the regulator and destabilising the bureaucratic functionality that the regulator had been a contentious one and remains so in the public debate, largely because of the financial misconduct surrounding the 2008 crisis. However, from the observations made in this study it appears that this might be an important 'leap of faith' (Möllering, 2001) that policy makers might need to make to ensure there is more trust in the interorganisational banking system. Sufficiently empowering the regulator to take macroprudential decisions as an adhocracy, rather than a bureaucracy to address uncertainties brought about by other regulatory environments (Such as the American context observed in chapter five) would align the regulator with the needs of the banks more effectively – the 'trench warfare' described by the bankers in chapter six could be avoided if the regulator was seen as a mediator that ensured 'checks and balances' and supported the financial sector rather than primarily focused on financial misconduct. After all, the success of London as a financial centre historically was largely due to the enabling function that the SIB provided.

Giving more power to the regulator to control the macro environmental environment and allowing the regulator to play a more active role in shaping and promoting the benevolence of the external environment would change the relationship between the regulators and the banking community. The regulator would likely be viewed as an enabler of business rather than simply a policing mechanism for financial misconduct. It would also likely encourage dialogue between the regulator and the banking participants about getting the best for the sector in the long term.

The ICB's recommendations to split regulations into two twin peak functions go some way to addressing this challenge, but there needs to be more than simply separation between these two functions – the PRA will need to take a more judgement-based role in the overall strategic direction of the sector – perhaps allowing more power to organisations such as the BoE to directly challenge the Treasury on policy decisions for example. With the right leadership and collective knowledgeability this would allow the PRA to also work more effectively alongside colleagues in Government as equals and find a balance from the mistakes of the past and the needs of preserving he City of London's pre-eminence in the future.

Surprising discoveries of the study

There were some aspects of the project that were particularly surprising, which I will list briefly here. First, the ways in which the participants interacted with me as a researcher was surprising. Despite knowledge of the three groups of stakeholders prior to the project, it was not until I began to actively study their interactions that I began to realise how "everyday" their interactions were. Many of the interactions – including the trust-building practices I have identified here – were seemingly mundane. This was surprising because of the significance of many of the decisions that were being taken or the views that were being shaped and shared. It was not until I began working on the project that I noticed how frequently the participants relied on everyday – and recognisable - aspects of social life such as storytelling to engage with colleagues. Now, having completed the project, I see colleagues in many other aspects of life beyond the sphere of the financial services use tactics such as storytelling as strategies for trust building. However, in the context in which I undertook the project it was surprising to see that such discussions – and attempts between the participants to build trust between their organisations – were reliant on such everyday practices such as storytelling.

Second, I found the openness the participants had with regard to talking about the situations extremely surprising. Having heard stories from colleagues about the difficulty of gaining access and more specifically, when one was granted access, I heard stories about researchers only presented with the "party line". This was not my experience and I expect this was in part because of my own role in the organisation (And I would make the case for more Ph.D. research taking place whilst the researcher is working within an organisation because of the experience I had in this respect). However, there was perhaps a little more to the situation. As the

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project developed I came to realise that much of my own view of those operating in the strategic interests of the financial services sector had been shaped by second hand accounts that presented those who were in leadership roles as secretive – operating behind closed doors and somehow in cahoots with one another. My experience was that the individuals I engaged with were, in the most part seemingly quite normal individuals and rather open to discussions. Clearly this is simply my individual view as a researcher, but after almost two years researching and nearly seven years working alongside these individuals, I found them to be open to constructive questions and this led me to see another side to those operating in and alongside the sector, which contrasted rather starkly to the description that one might more likely see in the tabloid news.

Third, I was particularly surprised that there was such hermogeny in many of the views given by participants – particularly with regard to the European regulations and American legislation. Clearly, there were differences of opinions, but the general trends of opinion were rather similar. I was particularly surprised that there was not more conflict between the politicians and the banking participants, which I had expected to be much more akin to the relationship between the regulators and the banking participants. Furthermore, I began to hear stock phrases – for example, the comment about London being a home for 'finance, food, fashion and film'was something I heard repeated by different participants as the study progressed. This was an interesting discovery and I wonder that there might be further mileage in exploring how these phrases gained cadence amongst the participants, but failed to find a way to effectively examine this.

Forth, I found the focus on the City of London rather surprising. This made sense to me on one level for the reasons outlined in chapter six, but the lack of acknowledgement of the importance of the City of London amongst the participants from the regulatory and parliamentary stakeholder groups was particularly surprising since this meant that it was – as I touched on earlier – something specific to the banking participants. Given the public position of the politicians (and of course the public interest of the success of the City of London) I found it surprising that this was not something that more of the participants from the regulatory and parliamentary participants discussed. Given further opportunity, I would have been interested to learn if this was simply because they believed other topics to be more important to discuss in the time we had, or if it was something they either did not recognise, or that they did not wish to discuss.

Limitations of the thesis

As with all research, this thesis has limitations and there are plenty of things it does not cover or explain. I will briefly outline those that I have come to think most significant. First, is the challenge of gathering reliable information, which is discussed briefly in chapter four. There is no reliable way to guarantee the responses given by the participants are accurate. Second, and related to the first, is that the data relied on a good deal of interpretation by me as the researcher. This meant that there was likely to be some degree of researcher bias that, like all ethnographies, must be considered as we weigh up the data that is presented. Third was the limitations of time, which meant that wider contexts such as the media or public opinion could not be considered. Given the research was a pursuit of holistic interpretations, the omission of information from these wider contexts is a potential source of weakness of the data. However, one might wonder where we would stop in the pursuit of holistic interpretations and therefore the project captured as much detail as efficiently as possible in order to attempt to explore holistic interpretations. Forth, the length of the study presented a challenge. Although providing an opportunity to reflect in more detail, gathering data in two tranches made the data analysis challenging. Understanding how best to interpret data from individuals potentially up to eighteen months apart during a period when there were further developments that were likely to have influenced the responses from the participants was a limitation to the research design, but one that I believed was offset by the advantage of returning to the field with a greater level of insight into the situations of the participants I was observing.

Future areas for research

There are four areas that one might consider for future research. First, we need to better understand the liminal states that actors play and find better ways to use this insight in bringing together micro and macro conceptualisations of trust. In particular, how over time liminal states might change and what influences an actors' ability to exist in a liminal state as they interact with other actors over time. Second, there needs to be more research on practices that might serve to build trust. Here we have identified three, but given the complexity of the concept of trust there are likely to be many more practices we can identify as we shift our understanding of trust-building to a practice approach rather than based simply on reified concepts.

Third, there needs to be further work undertaken on how the concepts identified in chapter two interact with one another and can be used to explore trust at multiple levels coherently. This study has shown that the constructs are all relevant, but future research might begin to explore in more detail how they interact and relate as we consider actors in liminal states and trust-building in terms of practice. Finally, there needs to be more empirical work undertaken on interorganisational trust-building. If we are to consider trust-building from a practice perspective it is vital we build up a more coherent picture of how trust-building takes place through further empirical studies beyond the scope of the financial services sector. I will briefly discuss each an outline some potential avenues for future research.

Liminal states. Perhaps one of the most interesting findings in the study was the liminal states that the individuals occupied - where they were able to act both as individuals and as agents of their organisation. There are similarities between this perspective and Sztompka's theory of trust transference, insofar as the trust can be transmitted between individuals and organisations and *vice versa*. What is of particular interest here is that the individuals in this study did not necessarily fit into a homogeneous group. On the one hand there were actors that purposefully and – on quite deftly – shifted from the individual to the organisational role (and vice versa) in order to best handle a situation. On the other hand, some actors appeared more constrained by their organisational orientation. A better understanding of what it is specifically that either allows and/or provides individual actors with an awareness of the potentiality of using liminal states to facilitate trust building would be extremely useful as we continue to consider how we conceptualise trust across levels.

Exploring the practice approach. Second, a better understanding of the practices – and potentially identifying more practices that contribute to trust building – will help us as researchers to better identify a nexus of practices that relate to and inform trust-building. The purpose should not be to develop any grand theory or framework of practices here, but rather to recognise in the complexity that the milieu of social life presents, and that there will be numerous practices, often overlapping, interacting and contributing to trust building. In this sense, we can learn from the trajectory that strategy-as-practice has taken. The goal (Initially at least) of trust-as-practice research should be that of synthesis and assimilation of a critical mass of studies before we commit too quickly to any narrowing of our thinking. However, at this stage I offer one observation that has arisen in my study of trust research and practice theory more broadly: that is that as trust researchers we should not too readily divorce our thinking from the considerable resource of trust process

research. There are many valuable insights that we should not lose sight of in our exploration of this new practice perspective on trust. There may very well - indeed, most likely - be substantial overlap between trust process and trust practice research. This is something where we might well learn from the development of strategy as practice as a perspective distinct from strategy process research (see Whittington, 2006 for example).

Understanding aspects of trust. Further research also needs to be undertaken on the aspects of trust outlined in chapter two. Pertinent questions that still remain include, importantly, that we as a trust research community gain a better understanding of the relationship of the different aspects of trust, given the practice perspective I discuss. Lewicki et al. (2006) have undertaken important work from a process perspective to understand the relationship between calculative, knowledge and identification-based trust. However, work still needs to be undertaken to understand how these (and other aspects of trust outlined in the chapter) relate from a practice perspective. Furthermore, it seems timely for another review of the literature, building on Lewicki et al. (2006), Fulmer and Gelfrand, (2012) and Bachmann et al., (2015) to give further thought to how the current themes in trust research might develop.

Trust research methods. Forth, building on the excellent work of *The Handbook of Research Methods on Trust* by Lyon, Möllering and Saunders, (2015), I suggest that future research into a practice perspective would usefully explore in further detail what the practice perspective might mean for trust research methods. Key to this agenda would be a deeper consideration of the role of the researcher in trust research. There also appears here to be an opportunity to explore ethnographic approaches to trust research – currently, there is very little empirical research that focuses on ethnography as an approach to studying trust. Given the socially embedded, conceptually complex, subjective nature of the trust, trust research might do well to use methods such as ethnography that allow thick description and that allow the researcher to engage with trust as a cultural and social phenomenon in a reflexive, holistic way.

Conclusion

This study of interorganisational trust has shown that a practice approach to trust-building allows us to better understand trust building in a way that goes beyond the interpersonal or organisational level, but is enacted as individual and organisational actors share stories, manage and mediate knowledge flows and curate space. Actors in liminal states can better navigate the agency of individual and organisation. They can become organisational knowledge carriers or individuals separate from their organisation as the trust-building process develops. Individual and organisational actors are shaped by their space both by in the present and its representations of the past, and possible futures. Spaces surrounding the actor shift, at times controlling; or providing identity as actors engage in social life to build trust, reliant on ever-evolving networks of other organisational and individual actors, negotiating boundaries and identifying ways to make sense of how, when and whom to trust.

We therefore have a new way to think about trust that does not concede to levels of analysis or constructs, nor does it disregard them. Indeed, the aspects of trust referred to in chapter two are important ways to consider trust-building as practice. Where we once might have seen trust as an actors' ability in a specific domain for example, we now can think more broadly of how ability becomes a part of our understanding of the routines and practices that contribute to trust-building.

Thinking about interorganisational trust in this way – and specifically about the financial crisis, does two things. First, it does not try to codify or search for concepts that explains how trust was (and is continuing to be built) and acknowledges the messiness and complexity of the interorganisational interactions that took place. However, it also offers us an opportunity to consider the human aspect of the individuals addressing the crisis as they exist both representing organisations that are in the process of trust building but also making sense of and trying to understand themselves as individuals how to trust.

We see therefore, in a curious way, that considering the problem of trust-building as one confined to levels or to specific constructs does not help us understand the processes of trust-building in a case such the 2008 financial crisis – instead trust-building becomes an ongoing series of practical accomplishments that over time bring about routines and ways of thinking that provide the milieu for actors' ongoing trust-building attempts in the interorganisational environment.

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APPENDICES

Appendix I

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Appendix III: first order coding

FIRST ORDER CODES	MEMO LINK	SOURCES	REFERENCES
Trustee showing good judgement*		13	20
Referring to contracts*		21	49
Creating or referring to rules*		15	51
Consideration of the future of the financial services		12	28
Trustee or trustor depending on someone or something*		11	29
Trustee showing predictable behaviour*		19	53
Participants showing or acknowledging competence		33	47
Routines being established		15	34
Informal interactions and unplanned activities		10	15
Nonverbal communication		16	33
trying to control behaviour*		18	31
Blaming others for the crisis		4	7
References to regulation*		18	32
European Legislation		22	28
British legislation		14	44
Remuneration		4	6
Banking		27	62
Competence or values*		20	33
Loyalty to the organisation		3	5
Acknowledgement of failures*		19	26
Basing opinions on data		2	4
Referring to other organisations or individuals		20	43
Showing fairness to others*		3	3
Appearing to be reliable*		12	18
Showing goodwill towards other*		10	35
Friendly behaviour*		33	45
Working across the sector		12	37
Personal ethics and showing Accountability		14	25
References to previous TSC meetings		8	30
Showing ability (under pressure)		15	32
Network-building*		17	33

= a priori codes from literature review

Appendix IV

First order codes were categorised (See table 1). As the study progressed towards a second tranche of data gathering, I identified twelve of the thirty themes (See table 2). Second order coding was cross referenced to explore alignment across themes and three broad practices began to emerge (See tables 3 and 4)

Table 1: first order coding and categorisation after second tranche of data gathering

FIRST ORDER CODES	CATEGORIES
Trustee showing good judgement	Judgement-based trust and storytelling
Referring to contracts	Calculative-based trust and regulations
Creating or referring to rules	Calculative-based trust and regulations
Consideration of the future of the financial services	storytelling
Trustee or trustor depending on someone or something	managing knowledge flows
Trustee showing predictable behaviour	control
Participants showing or acknowledging competence	ability-based trust
Routines being established	knowledge-based trust and managing knowledge
Informal interactions and unplanned activities	curating space
Nonverbal communication	curating space
Trying to control behaviour	curating space, control and American regulation
Blaming others for the crisis	storytelling
Regulation	control
European Legislation	European legislation
British legislation	British legislation
Remuneration	
Banking	
Values	identification-based trust and meditating knowledge flows
loyalty to the organisation	
Acknowledgement of failures	storytelling
Basing opinions on data	
Referring to other organisations or individuals	ability-based trust / knowledge-based trust
Showing fairness to others	control and benevolence
Appearing to be reliable	Ability-based trust
Showing goodwill towards others	Identification-based trust
Friendly behaviour	Identification-based trust
Working across the sector	Knowledge-based trust
Personal ethics and showing accountability	Alignment of values
References to previous TSC meetings	
Showing ability	Ability-based trust
Network-building	identification between participants
	City of London**

Table 2: Coding from second tranche of data gathering

SECOND ORDER CODING	SOURCES	REFERENCES
Ability-based trust	22	28
Knowledge-based trust	19	25
Identification-based trust	17	31
Calculative-based trust	14	26
Control	14	18
American legislation	17	28
European regulation	22	26
City of London	17	28
storytelling	13	19
managing flows of information	12	22
mediating flows of information	12	16
Curating space	15	24

Table 3: Further cross referencing of codes

SECOND ORDER CODING	SOURCES	REFERENCES
Identification and storytelling	10	15
Ability and storytelling	8	13
Calculative and curating space	15	19
Control and curating space	6	22
Calculative and managing knowledge flows	15	18
Storytelling and City of London	11	14
Mediating knowledge and European legislation	13	18
managing knowledge and curating space	9	12

Table 3: Categories and practices

SECOND ORDER CODES	PRACTICE
Identification and storytelling	Storytelling
Ability and storytelling	Storytelling
Calculative and curating space	Curating space
Control and curating space	Curating space
Calculative and managing knowledge flows	Managing knowledge flows
Storytelling and City of London	Storytelling
Mediating knowledge and European legislation	Mediating knowledge
managing knowledge and curating space	Managing knowledge flows

Appendix V

Indexing of themes from Bachmann et al., (2015) and first order coding

FIRST ORDER CODES	SENSE-MAKING	RELATIONAL	REGULATIONS AND CONTROLS	ETHICAL CULTURE	TRANSPARENCY
Trustee showing good judgement		x		x	x
Referring to contracts			x		
Creating or referring to rules			x		
Consideration of the future of the financial services	x	x			
Trustee or trustor depending on someone or something		x			
Trustee showing predictable behaviour			x		
[Participants showing or acknowledging competence]					
Routines being established			x		x
Informal interactions and unplanned activities	x	x	x		
Nonverbal communication	x	x			
Trying to control behaviour			x		
Blaming others for the crisis				x	
Regulation			x		
European Legislation			x		
British legislation			x		
Remuneration				x	x
banking		x	x	x	x
Values		x		x	
loyalty to the organisation			x		x
Acknowledgement of failures				x	x
Basing opinions on data			x		
Referring to other organisations or individuals		x			
Showing fairness to others				x	
Appearing to be reliable				x	x
Showing goodwill towards others		x		x	
Friendly behaviour		x			
Working across the sector			x		
Personal ethics and showing accountability				x	x
[References to previous TSC meetings]					
Showing ability			x		
Network-building	x	x			