Trust-Control Interlink in Inter-Organizational Accounting Literature: State of the Art and Opportunities for Future Research

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Abstract

Trust-control interlink appeared as a controversial issue in inter-organizational accounting literature. While some scholars argue that control could either induce or destroy trust, others considered trust to be a fundamental condition for development of control or, sometimes, as an alternative to control. This chapter builds upon a critical review of the literature addressing this topic. We submit that the extant results are dispersed due to different assumptions on the nature of trust and control, a simplistic distinction between interpersonal and inter-organizational trust, and a lack of attention to dynamism in business relationships. This presents a challenge for understanding trust building. Using the broader literature on trust, we address this challenge and suggest an integrative framework contributing to a better dialogue between the studies.

Introduction

Over the past two decades, trust has attracted enormous interest within the social sciences (Fink, Harms and Möllering 2010; Möllering, Bachmann and Lee 2004). A general explanation of why trust is an emerging topic suggests that "old foundations for trust between people disappeared or vanished in the age of modernity" (cited in Huemer 1998, 12 with reference to Misztal 1996). At the same time, more specific observations of modern organizational reality put forward the diminished effectiveness of control and a growing importance of trust as a mechanism of governance in both intra- and inter-organizational relations (Bijlsma–Frankema and Costa 2005). In this chapter I suggest some new ways for advancing the research on trust from the per-

spective of inter-organizational management accounting and control (see e.g., Caglio and Ditillo 2008; Håkansson and Lind 2006; Meira, Kartalis, Tsamenyi and Cullen 2010 for general reviews of this field literature, and Vosselman and Meer-Kooistra 2009 for a review of contributions on trust).

In inter-organizational spaces, management accounting and control go across the company's borders. However, in the face of inter-organizational uncertainty, accounting and control tools are often of limited use. To absorb the uncertainty associated with limited access to information about internal processes, capabilities and intentions of each other, partners in business relationships have to rely on trust in addition to control based mechanisms. If one wants to understand how any relationship works, one must, therefore address the boundaries of trust within that relationship (Tomkins 2001). Apparently, both trust and control somehow constitute a business relationship. However, the question of a boundary between trust and control and their possible inter-link, an issue debated in management accounting and organizational journals since 2000s, is far from reaching consensus.

The author identified about 15 papers published in key accounting journals explicitly dealing with this issue. While some papers indicated conditions where accounting and control could either induce or destroy trust in business relationships, the other papers considered trust as a fundamental condition for development of control or, in some cases, as an alternative to control. Such dispersion of the findings presents a challenge to further understanding of business relationships through the dynamics of trust and control. Dealing with this issue, this chapter seeks to identify achievements, limitatons and controversies in the extant studies and to elaborate directions for future research.

Eleven exemplary articles highlighting most of the debate on trust and control and making reference to one another were selected for further review. Since inter-organizational management accounting is a new and still relatively small field, I had to refer to broader literature on trust and control in organizations to understand the basic concepts, assumptions and limitations of these eleven papers. Then these selected papers were reviewed in terms of their main argument on trust-control interlink, basic assumptions on trust and control, the issue of time (dynamism in relationships), the difference between interpersonal and inter-organizational levels and the type of iner-organization setting. This review work highlighted limitations within and discrepancies between the papers, both at the analytical and empirical levels.

As shown below, these discrepancies and limitations make it difficult to obtain a coherent view of the process of inter-organizational trust building. This problem of accounting and control literature has already been pointed out by Meira et al. (2010), but these authors did not suggest concrete steps to handle it. In this respect, in addition to identified blind spots, I tried to derive learning points regarding trust building from the reviewed papers and after that designed an integrative framework combining strengths of the existing

findings and borrowing some concepts from broader literature on trust. This framework is suggested as a background for new research work on inter-organizational control, accounting and trust building. It will allow for a better dialogue between the studies and, therefore, more coherent development of inter-organizational accounting and management control as a field of study.

The remainder of the chapter is structured as follows. In the second section I briefly present conceptualizations from the broader research on trust and its relationship to control. These conceptualizations are used to classify and discuss findings from the eleven selected articles in sections three and four. The integrative framework and implications for future research are presented in section five which concludes the chapter.

Trust and its relation to control

The definition of trust

On the basis of a thorough literature search, Fink, Harms and Möllering (2010) have identified 126 definitions of trust with some convergence of opinion on the definition offered by Rousseau et al. (1998, 395):

> Trust is a psychological state comprising the intention to accept vulnerability based on positive expectations of the intentions or behavior of another.... Trust is not a behavior (cooperation), or a choice (e.g., taking a risk), but an underlying psychological condition that can cause or result from such actions.

From this definition, we can see that trust has a subjective nature and therefore can hardly be addressed directly, but rather by looking into actions (behavior) to which it may be either antecedent or outcome, or by analyzing intentions articulated by the actors. In addition, trust is a relational phenomenon as it takes place in relationships between two or more parties.

Bases and objects of trust

McKnight et al. (1998) argue that trusting belief and trusting intention can be high already in new relations (when parties first meet but yet do not cooperate). This may happen due to three bases of trust: personality, institution and cognition (McKnight, Cummings and Chervany 1998, 475):

> According to *personality-based trust* researchers, trust develops during childhood as an infant seeks and receives help from his or her benevolent caregiver (Bowlby 1982, Erikson 1968), resulting in a general tendency to trust others (Rotter 1967). *Institution-based trust* researchers maintain that trust reflects the security one feels about a situation because of guarantees, safety nets, or other structures (S.P. Shapiro 1987, Zucker 1986). *Cognition-based trust* researchers purport that trust relies on rapid, cognitive cues or first impressions, as opposed to personal interactions (Brewer and Silver 1978; Lewis and Weigert 1985; Meyerson, Weick, and Kramer 1996).

This view, called "high initial trust paradox" is controversial to the two other streams of trust research – calculative-based and knowledge-based (McKnight et al. 1998, 473):

> … *economics- or calculative-based trust* researchers (Coleman, 1990; Williamson, 1993) theorize that individuals make trust choices based on rationally derived costs and benefits (Lewicki and Bunker 1995; D.L. Shapiro, Sheppard, and Cheraskin 1992)… As another example, *knowledge-based trust* theorists propose that trust develops over time as one accumulates trust-relevant knowledge through experience with the other person (Holmes, 1991; Lewicki and Bunker, 1995).

Both the calculative- and knowledge-based trust theories would predict low level of trusting behavior in new relationships because partners need time to develop the cooperation with high incentives and build knowledge about each other. Furthermore, trust can be put in different things. For example, inter-organizational accounting literature written in the rationalist tradition distinguishes good-will trust, competency-based trust, and contractual trust (e.g., Langfield-Smith and Smith 2003. 285):

> *Contractual trust* is based on the moral standard of honesty, and rests on an assumption that the other party will honour the agreement, whether the agreement is in writing or not (Sako 1992; van der Meer-Kooistra and Vosselman 2000)… *Competency trust* focuses on perceptions of ability and expertise, and is the 'expectation of technically competent role performance' (Barber 1983: 14)… In contrast, *goodwill trust* can be defined as perceptions of a partner's intention to perform in accordance with those agreements (Nooteboom, 1996; Ring and Van de Ven 1992).

Interpersonal and inter-organizational trust

When studying organizations, one should be aware of the distinction between interpersonal trust and inter-organizational trust (Tomkins 2001; Zaheer, McEvily and Perrone 1998). Zaheer et al. (1998, 142) maintain that theories of inter-firm exchange that simply view opportunism – or conversely, trust as a property of organizations without specifying the link between micro and macro levels is inaccurate as it tends to anthropomorphize the organization. These authors argue that in an actual exchange relationship, the role of individual boundary spanners, acting on behalf of their organizations, has an important influence on inter-firm exchange. They also argue that trust can be institutionalized in practices and routines for dealing with partner organization. Tomkins (2001) comes up with a similar argument to the latter: if one can talk sensibly about an organization having a culture, one can talk as if an organization has a degree of trust intensity towards different other organizations (176).

Trust and control

The idea of a conceptual relationship between trust and control has been mainly developed in recent years after many decades of scholarly focus on formal control as a mechanism for governing organizational relations (Bijlsma-Frankema and Costa 2005). As argued by Möllering (2005), most of the empirical studies of interplay between trust and control are built on the assumption of trust–control *dualism*. These studies consider trust and control as two different routes to manage inter-organizational uncertainty or risk (e.g., Das and Teng 2001). Furthermore, Möllering argues that dualism-based studies will not be able to capture the trust building process, which is about forming positive behavioral expectations. They will just add more and more new examples of how trust is related to control, in the form of either substitution complementarity. Instead of dualism, Möllering posits *duality* of trust and control, which means that trust and control are inseparable, mutually and simultaneously assume the existence of each other and refer to one another.

Möllering's (2005) perspective of trust and control as duality stems from modern social theory and duality assumption on structure and agency (Giddens 1984). He argues that as far as trust building is associated with forming positive *behavioral* expectations of other actors, whereby the trusting actors can be positively or negatively affected, it is important to decide by what social theory the behavior is determined. This means that the fundamental issue of agency versus structure (determinism versus voluntarism) has to be dealt with. As the structuration theory of Giddens goes beyond this dilemma, and Möllering does so as well, the main point is that if social interaction is possible only when actors are embedded in structure and retain their agency, then expectations of such actors by others will be based on both of these inseparable sides (Möllering 2005). Pointing to the analogy between agency-structure and trust-control dualities, Möllering (2005, 287) proposes that:

> …when an actor rests positive expectations on structural influences on the embedded other, we speak of control (Leifer and Mills 1996). When an actor rests positive expectations on an assumption of benevolent agency on the part of the other, we speak of trust (Gambetta 2000; Rousseau et al., 1998; Zand 1972).

As follows from the Möllering's (2005) integrative view, trust and control should always be considered in combination as one cannot have control without trust and vice versa.

Trust-control interlink in the inter-organizational accounting literature

The inter-organizational accounting literature dealing with trust and control can be roughly divided into rationalist and constructivist studies (Vosselman and Meer-Kooistra 2009):

> In a rationalist approach, control and trust are both instrumental in absorbing uncertainty and behavioural risks (Dekker 2004; Emsley and Kidon 2007; Langfield-Smith and Smith 2003; Tomkins 2001; van der Meer-Kooistra and Vosselman, 2000)… In a constructivist approach, control and trust are viewed as active forces in a relationship or network, where they help to mediate, shape and construct that very relationship or network (Mouritsen and Thrane 2006).

There are also some studies, contributing to the debate, that can be put somewhere in between the rationalist and the constructivist categories. They avoid a direct dichotomy between trust and control. For example Seal, Berry and Cullen (2004) and Free (2008) consider a more generalized trust in arbitrary abstract systems (like accounting), while Coad and Cullen (2006) problematize the very existence of trust in business relationships.

In my review of the findings from 11 selected papers I divided them into two groups – "instrumental" (seven papers) and "process-oriented" (four papers). The seven instrumental papers (Das and Teng 2001, Dekker 2004, Emsley and Kidon 2007, Langfield-Smith and Smith 2003, Tomkins 2001, Vélez, Sánchez and Álvarez-Dardet 2008, Vosselman and Meer-Kooistra 2009), all written in rationalist tradition, consider trust and control as instruments to manage inter-organizational uncertainty. One commonality of the four other, "process-oriented" papers (Seal et al. 2004, Mouritsen and Thrane 2006, Coad and Cullen 2006, Free 2008), is that they are associated with seeing inter-organizational relationship as an interactive social process.

The instrumental papers

Findings from the instrumental papers are presented in Table 11.1 below. A particular value of the six first papers is that they highlight the multi-dimensional character of both trust and control and bring to the surface other important variables influencing the trust-control interlink. For example, Das and Teng (2001) theorize how trust and control elements can be linked to one another depending on the perception of relational and performance risk; Emsley and Kidon (2007) relate trust and control elements to different organizational levels; Tomkins (2001) discusses the role of information; Langfield-Smith and Smith (2003) link the relationship between trust and control to characteristics of the transaction environment and the parties; Dekker (2004) shows that the combination of trust and control instruments is different in management of appropriation concerns and coordination tasks; and Vélez et al. (2008) show

how more trust can be generated in the course of introducing new controls in a mature buyer-supplier relationship where power is "gently" exercised by a key buyer it terms of "giving to receive philosophy". Most of these papers distinguish between competency-based and good-will trust and trace their links to *outcome*, *behavior* or *social* controls.

The last paper (Vosselman and Meer-Kooistra 2009) problematizes such an approach arguing that considering trust and control as two separate instruments is associated with the assumption of *dualism of trust and control* (Möllering 2005). Following Möllering, Vosselman and Meer-Kooistra stress that dualism will result in endless debate within and between the substitutive and complementary perspectives of trust and control. While the substitution perspective (e.g., van der Meer-Kooistra and Vosselman 2000) suggests that more control results in less trust, and more trust results in less control, the complementarity perspective (e.g., Tomkins 2001) perceives control and trust as mutually reinforcing (Vosselman and Meer-Kooistra 2009, 268).

Further on, adopting Möllering's (2005) duality view of trust and control, Vosselman and Meer-Kooistra (2009) argue that the absorption of inter-organizational uncertainty is achieved not by an "optimal" combination of trust and control, but as a result of interaction between the two. In the course of this interaction, trust and control each assume the existence of the other, refer to and need each other first to reduce legitimate negative expectations, and then to create positive behavioral expectations between the partners.

The process papers

These papers, based on various social theories, rather problematize the role of trust in inter-organizational relations than approach it as an object. Following Giddens (1994), Seal et al. (2004) show that in the modern era, inter-organizational trust is replaced by trust as a generalized faith in abstract systems (like accounting technology). Free (2008) describes the difficulties encountered in realizing the ideals of trust on one hand and pressures to increase profitability on the other in the context of the UK retail sector. According to Mouritsen and Thrane (2006), members of business networks rely on trust not as an instrument, but as symbolic, moralizing resource in negotiations. Coad and Cullen (2006) in turn, warn us that due to potential power asymmetries, inter-organizational relationships may be better understood in terms of truce rather than trust.

Table 11.1 Findings from the instrumental papers

Paper	Das and Teng (2001), a normative paper	Emsley and Kidon (2007), case study of a joint venture	Langfield-Smith and Smith (2003), a case study of MCS and trust in an outsourcing relationship	Tomkins (2001), analytical paper	Dekker (2004), field study of a strategic alliance	Vélez et al. (2008), longitudinal case study of MCS in vertical supply chain	Meer-Kooistra and Vosselman (2009), analytical paper
Argument on trust and control	Various types of trust and control can be combined to achieve best risk management results	Information from different parts of control helps to build/destroy different kinds of trust, and it depends on organizational level	Development of trust is compatible with the development of tighter accounting controls if the partners engage in establishing mutual interests	Trust, to be developed, needs information. Trust increases all the time; the need for control information grows in the beginning but decreases later on	Trust-based mechanisms are alternative to formal control in managing appropriation concern, but complementary in coordination tasks	Formal controls provide conditions for and build more trust in evolving buyer–supplier relationships with high initial trust	Control and trust work together, first to reduce legitimate negative expectations, and then to create positive behavioral expectations
Basic assumptions on trust/control	Dualism: trust and control are separate routes	Dualism	Dualism	Dualism	Dualism	Dualism	Duality: control and trust assume existence of each other as structure and agency
Object of trust	Good-will, competency	Good-will, competency	Good-will, competency, contractual	Combined (good-will plus capability)	Good-will, competency	Good-will, competency	Good-will

Although these four studies all question the instrumental assumption of trust and control, they do it in different ways. Seal et al. (2004) and Free (2008) use structuration theory which redirects attention from interpersonal and inter-organizational trust to trust in abstract systems. This view avoids a direct dichotomy of trust and control. Building upon actor-network theory, Mouritsen and Thrane (2006) consider management control as an active force, which is related to trust in the sense that, rather than primarily making trust a socio-psychological matter, it helps make it a matter of practice. Trust for these authors is not an object, but a quasi object – an aspiration, a norm of a setting. So the question is not how trust and control are interlinked, but whose argument is stronger. Using institutional evolutionary theory, Coad and Cullen (2006) assume that inter-organizational routines are being developed gradually over time. When the routines become institutionalized, they can hide potential conflicts of interest, and therefore, what is called a trusting relationship should not be uncritically considered as a condition for control. Instead, institutionalized routines should be included for consideration. Findings from the process papers are summarized in Table 11.2.

Table 11.2 Findings from the process papers

Paper	Seal et al. (2004), case study of new cost management practice	Coad and Cullen (2006), a longitudinal case study of cost management practice	Free (2008), a longitudinal field study of management accounting practice	Mouritsen and Thrane (2006), process oriented study of network enterprises
Problematization of trust and control	It is risky to trust in abstract systems (such as accounting) due to increased reflexivity of the supply chain actors. But it is difficult to resist it as the systems enable disembedding of production activities.	Institutionalized routines of economic exchanges rather than trust secure friction–free introduction of new controls.	Accounting contributes to institutionalization of trust in inter–organizational management practices. Under this banner, trust can work as a discursive resource camouflaging opportunistic concerns further advanced by accounting.	In networks control both challenges the ideology of trusting and supports normal business operations. When running "as normal" there is no need for trust.
Basic assumptions on trust/control	Direct dichotomy of trust and control is avoided.	Due to potential power asymmetries there is no trust but truce.	Direct dichotomy of trust and control is avoided.	Control is an active force. Trust is a quasi object, norm or aspiration of a setting.
Type and role of trust	Trust in abstract systems as a resource for action.	Institutionalized routines hiding interest conflicts instead of trust.	Trust in abstract systems; trust as a discursive resource.	Trust as a moralizing device, referring to good–will trust when it is felt absent.

Trust building

Most of the reviewed instrumental papers try to say something about development of inter-organizational trust. However they either give a rather static picture of the relationships (in terms of explaining the existing governance structure or causal links between the indicated elements of trust and control) or take ready built-in trust as a point of departure. Six of them are built upon the assumption of trust-control dualism, which according to Möllering (2005) and Vosselman and Meer-Kooistra (2009) limits the understanding of trust building as a process of forming positive behavioral expectations. The process-oriented studies in turn discuss the meaning and role of inter-organizational trust, but they do not conceptualize the trust building process as such. Rather they problematize it and sometimes highlight the development of distrust. There seems to be a controversy here. While the instrumental papers are too static to capture trust building as a social process, the process papers suggest that in modern inter-organizational practice there is no need (or place?) for trust building.

Clearly, the issue of trust building remains under-theorized and deserves more attention. But let us first have another look at the selected papers to see if there are more challenges to understanding trust building and, not least, to summarize already available learning points in a more structured way. The results are presented in Tables 11.3–11.6 which are organized as follows. Firstly, following Zaheer et al. (1998), I took into account the discrepancy between trust at inter-personal and inter-organizational levels. The selected papers address this issue differently, viewing the organization as a monolith culture (one rational actor) –Table 3, multi-level structure (for example, distinguishing between top management and operation level) –Table 4, as represented by a group or individuals (for example, leaders or boundary spanners) –Table 5, and as a setting with internal dynamics involving individuals (for example a group negotiating with other groups inside and outside the organization) –Table 6. Secondly, I assume that trust building as any process should be considered over time, preferably from the very origin and with an eye to situations where trust can be challenged. In this respect I conditionally divided an inter-organizational relationship (IOR) into three stages:

- early stage – formation of a new business relationship, formal controls are getting introduced;
- mature stage – working business relationship with established controls;
- later stage – further development of the relationship accompanied with changes (for example, outsourcing or introduction of new controls);

Then I combined this stage classification with various views of the organization to map the findings of the reviewed papers. Thus, the Tables 11.3–11.6 present the learning points on trust building within and throughout the relationship stages, taking into account various views of organization.

Table 11.3 Trust building at various stages of IOR, organization viewed as a <u>monolith culture</u>

Early stage	Mature stage	Later stage
Tomkins (2001): low need for trust and control as commitments are not yet extensive.	Tomkins (2001): growing need in control information to support trust.	Tomkins (2001): less control is needed as trust intensity established, mutual commitments are high.
Meer–Kooistra and Vosselman (2009): A governance structure embedded in its institutional environment helps to reduce legitimate negative expectations and secure "thin" trust. Accounting serves for control.	Meer–Kooistra and Vosselman (2009): Development of positive expectations (thick trust) is an issue of embedded agency supported by accounting.	N/A

Table 11.4 Trust building at various stages of IOR, organization viewed as a <u>multi-level structure</u>

Early stage	Mature stage	Later stage
N/A	Coad and Cullen (2006): Development of inter– and intra– organizational routines takes place rather than trust building.	Coad and Cullen (2006): The routines become deeply institutionalized; new boundary decisions are not problematized by the counterparts due to inertia and willingness to follow the same routines.
N/A	Emsley and Kidon (2007): Social–, outcome– and behavior control helped to build competency trust at operational level, but only social controls helped to build good–will trust at executive level.	N/A

Table 11.5 Trust building at various stages of IOR, organization is represented by a group of individuals

Early stage	Mature stage	Later stage
Langfield–Smith and Smith (2003): Gradual trust building through negotiation and contract specification, increasing control.	N/A	N/A
Dekker (2004): Historically high good–will trust led to extensive coordination controls, but less appropriation controls when the business relationship was formalized. This contributed to further building of relational trust.		N/A
N/A	Mouritsen and Thrane (2006): Trust is not built; rather it is assumed as a core idea of the setting. Some control mechanisms challenge this idea, the others create feeling that all is ok, securing "business as usual".	N/A
N/A	N/A	Vélez et al. (2008): Already built trust grows through increased perceived trustworthiness. This perception is stimulated by growing formal MCS where coordination is superior to monitoring.
N/A	Free (2008): Trust is associated with a trustworthy inter-organizational practice. Accounting helps to build this trustworthiness but at the same time can be used for profiteering and putting pressure to a partner, although masked by talk about trust. This finally led to distrust.	N/A

This brief overview suggests that most attention has been paid to mature business relationships. Such relationships have formalized governance structures which are easier to observe, but development of these structures and the role of trust and control in this process is left outside the scope of the studies. Trust

building in new relationships is addressed in general terms in four papers. Two of them deserve particular attention (Tomkins 2001; Kooistra and Vosselman 2009). They suggest that inter-organizational trust is built gradually (from initially low level), and that this process is somehow associated with implementation of governance structure (which includes accounting and control). Both studies neglect the possibility of high initial trust which is discussed in the paper of McKnight et al. (1998). In addition, Kooistra and Vosselman suggest that a "good" governance structure should match its institutional environment. While suggesting structural frames for a trust building process, these papers do not capture social mechanisms behind this process.

Table 11.6 Trust building at various stages of IOR, organization has internal group dynamics

Early stage	Mature stage	Later stage
N/A	Seal et al. (2004): Institutionalized trust in abstract systems is mobilized by a group of employees to justify actions and motivate the other groups (inside and outside the company) for cooperation. No need for inter-organizational trust building in "traditional" terms.	Seal et al. (2004): Inter-organizational trust is still not built, relationships are re-embedded by reflexive actors.

The difference between micro (personal) and macro (organizational) level trust is recognized and articulated in the instrumental papers (Emsley and Kidon 2007, Tomkins 2001), but there is no process-oriented study exploring the interlink between the levels. For example, how interpersonal trust becomes an inter-organizational one or, more generally, how interpersonal relationships are transformed in relationships between organizations? The process-oriented papers capture social and cultural processes associated with evolving and dissolving relationships (Seal et al. 2004, Free 2008) and functioning relationships (Mouritsen and Thrane 2006, Coad and Cullen 2006). But instead of directly addressing building/declining trust, they use trust as a theoretical layer to explain dynamism in the relationships.

Implications for future research

The phenomena of trust and control are addressed differently in instrumental and process-oriented papers. The instrumental papers assume these phenomena as objects of study, while the process papers use them as theoretical layers to understand inter-organizational relationship. The instrumental stream would benefit from more empirical studies built upon the duality assumption of trust and control and an open mind towards possible high initial trust. The latter means that not only rational bases for trust are to be included for consideration,

but also cognitive, institutional and dispositional trust. The process-oriented stream first of all needs to grow in volume as there are only few studies available. Furthermore, it seems reasonable to maintain a combined view focusing both on micro processes and broader institutional contexts. Institutions can link together trust and control as some elements of control available in the institutional environment can compensate for lack of formal control inside the organization making the relationships looking more trust-intensive. Both streams would benefit from focusing more on emerging relationships (before they are too complex in terms of control), turning points in relationships (where boundaries of trust can be tested), longer periods of time (to grasp trust building as a change process) and from paying more attention to the interlink between interpersonal and inter-organizational trust.

Following this line of reasoning, I suggest an integrative framework combining the strengths of the instrumental and processual approaches and using some ideas from broader literature on trust (Figure 11.1).
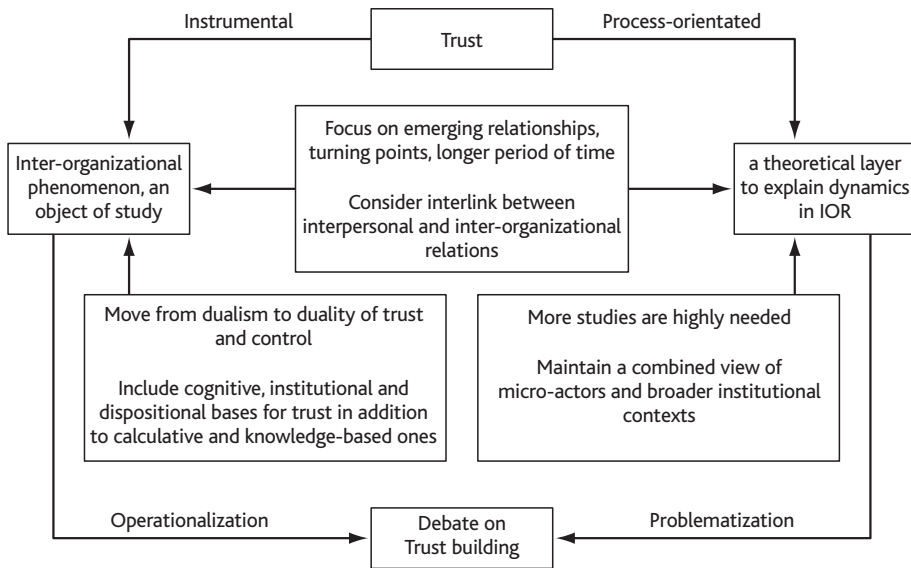

Figure 11.1 A framework integrating the instrumental and processual approaches to inter-organizational trust

In this framework the instrumental studies would contribute to further operationalization of inter-organizational trust and control, while the process-oriented studies would continue to problematize these phenomena. A mutually reinforcing debate between the streams can be organized around the issue of inter-organizational trust building.

The understanding of trust–control interlink should be enriched if proper attention is paid to the role of accounting. Accounting is normally consid-

ered as a part of control, but as suggested by Kooistra and Vosselman (2009), it can serve purposes of both control and trust building. Studies based on social theories conceptualize accounting as a resource or frame of reference used to legitimize actions (Seal et al. 2004 and Free 2008) or as an active force shaping behavior of managers and organizational performance (Mouritsen and Thrane 2006). Håkansson and Lind (2004) show that accounting information can be used as a communicative platform to search for solutions rather than as a solution to inter-organizational problems. While we already know about some roles that accounting can play, we are still not sure how these roles co-exist or substitute one another. In addition, what are the conditions making accounting work in one or other way? What are the social mechanisms of its work? Empirical studies considering accounting in combination with trust and control may shed more light on this issue. For example, it would be interesting to study how interpersonal relationships become inter-organizational ones, and what roles are played by trust, accounting and control in this process.

Finally, I would like to stress that formulation of the research questions would also depend on our understanding of specificity of inter-organizational settings. Most of the papers reviewed here define inter-organizational settings in terms of inter-organizational uncertainty, transactional environment, task specificity, power asymmetry and mutuality of inter-organizational control. While settings such as vertical supply chains, joint ventures and alliances received more attention, there is only one study of business networks (Mouritsen and Thrane 2006). Paradoxically, the study of Mouritsen and Thrane highlights how bureaucratic power is established in networks to keep them running normally, according to principles such as speed, reciprocity and trust. These principles are naturally controversial to bureacracy and formal power. This example shows that there is still more work to be done on the interplay between trust and control. Moreover, a proper definition of specificity of the setting will be crucial. Perhaps, the aforementioned duality assumption may be helpful. As argued by Möllering (2005), keeping in mind the duality of trust and control, the researchers will find trust relationships in rigid control-based hierarchies and strict control in the settings ideologically based on trust, such as networks.

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