

# Trust Research in Accounting – A Literature Review

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## Abstract

**Purpose:** The purpose of the paper is to provide a structured overview of literature in the nexus of trust and accounting. This can serve as a basis for future research, and thus provide a framework for asking more precise and focused research questions.

**Design/methodology/approach:** All papers published in prominent accounting journals during a 10-year period were scanned. Papers pertaining to the field of trust and accounting were categorized and analyzed in more detail, and qualitatively classified in accordance with selected dimensions. The review was focused on papers explicitly exploring the link between accounting and trust.

**Findings:** The greater part of the papers is in the field of management accounting. The majority of published papers in the field are based on sociological theory, but there are some economics-based papers. Sociologically-based analysis seems to provide more structure, but is also less paradigmatic in nature than economic theory. Only a minority of papers has an explicit definition of the concept of trust. Our conclusion is that the state of research is clearly non-paradigmatic in nature.

**Originality/value:** This is the only literature review that provides a comprehensive overview of research on trust and accounting. Thus, it is an aid in future research in the area.

**Keywords:** Trust, Accounting, Paradigmatic research, Trust definition, Literature review

**Paper type:** Literature review

## 1. Introduction

The concept of trust has received interest in research in a variety of fields. In the area of economics, North (1990) claims that trust in institutions, e.g. in proprietorship and the judicial system, is crucial for achieving economic growth. The importance of trust for the functioning of societies is also pointed out by Putnam (1993; 2002). He refers to social capital, a concept closely related to trust, as important for the functioning of a democratic society. Both North and Putnam discuss trust at an overall societal level. Also, in the organizational literature, the role of trust as a facilitator of effective organizational relations has been widely discussed and considerable interest has been directed towards the issue of how trust can be both created and maintained (cf. Mayer *et al.*, 1995; Noteboom, 1996). This research indicates the importance of the concept of trust in human interaction, and its applicability into various social fields.

Recent developments in practice reinforce the importance of understanding trust. The significance of trust becomes especially obvious when there is a strong decline in trust. The recent credit crisis is to a large extent a crisis of confidence and trust, evidenced by a flight from risk. In the Fall of 2008, interbank credit markets only functioned when guaranteed by governments, a clear indication of lack of trust in private financial organizations. Loss of trust in emerging markets have occurred several times in the last few decades, e.g. in Southeastern Asia (1997), Russia (1998), and Latin America (Mexico and Argentina 1995). According to Krugman (2009), the problem in those crises was in some cases not fundamental economics, but rather loss of confidence or trust from international investors. Accordingly, the response to crises by governments and international organizations – such as the International Monetary Fund – was not based on the “theoretically correct” economic remedies, but rather on restoring trust in those emerging markets.

A feature that has become apparent in the credit crisis of 2008 is the role of accounting, and its relation to trust in markets. An aspect of the crisis is the perceived lack of information about credit exposure in financial institutions. This exacerbated the loss of trust and created calls for new regulation of financial instruments accounting, both from regulators directly involved, and from politicians. FASB:s and IASB:s Financial Crisis Advisory Group (FGAC) has acknowledged that weakness in application of accounting rules and standards have reduced credibility in financial reporting (FCAG, 2009). A few years earlier, the Enron bankruptcy of 2001 led to the threat of loss of trust in the accounting system (Rockness and Rockness, 2005). The importance of restoring trust in financial reporting is indicated by the strong response of governments, especially in the US with the enactment of the Sarbanes-Oxley Act in 2002, but also in the EU with the update of the 8<sup>th</sup> Directive in 2005.

Consequently, trust in relation to accounting may be of particular importance. Accounting as codified and/or institutionalized practice can increase trust, both in systems and in organizations (van der Meer-Kooistra and Vosselman, 2000). In addition, trust in accounting is arguably

necessary for an accounting system to function properly (Jones and Dugdale, 2001). Thus, the very nature of accounting, and its role in economic and social interaction, point to the importance of understanding trust in this setting.

There is a need for further research on trust and accounting, as organizations, regulators and governments would benefit from a better understanding of what accounting choices and disclosures help increase trust, and which ones may destroy trust. Thus, research on trust and accounting helps us understand not only the role of trust in accounting processes, but also how trust can come about by means of accounting.

As early as 1972, Hopwood pointed out that accounting can be studied as an aspect of social interaction and analyzed on the organizational level. Early work in the field of trust and accounting was done by Neu (1991a; 1991b; 1991c), and he concludes that there is a need for additional research. Following Neu, there has been an increase in research in the field. Still, however, calls for additional research continue to appear in the literature. These calls are both general, and more specifically focused on particular issues. O'Connor (1995), for example, suggests longitudinal case studies to enhance the understanding of theoretical relationships. With a similar intention, Jönsson and Macintosh (1997) argue for more ethnographic studies in the field. Tomkins (2001) points to further research in a number of directions, however stressing the need for developing "*explicit theories of how trust needs to be taken into account in all the different dimensions of accounting*" (p. 185). Arguably, the study of trust in relation to accounting is of interest, as researchers continue to call for additional research. Judging from the references, there are especially calls for qualitative research in the field. The review reported in this paper also indicates that the overwhelming majority of research done to date is qualitative in its nature.

Before making another call for further research, however, it is relevant to make a systematic analysis of what has been done so far. In this paper, we report the results of a literature review,

in which we summarize and structure trust-related papers published within the accounting field. The purpose of the study is to assist researchers in the area of trust and accounting, and thus to provide a framework for asking more precise and focused research questions. This is done by providing a structured overview of what has been done to date. It shows in which areas substantial prior research exists, and also where relevant issues for future research have been identified. In addition, we attempt to point out the dimensions along which the concept of trust has been categorized in research. Finally, we study to what extent paradigms have emerged within the field of trust and accounting research. The emergence of paradigms indicates areas where researchers have focused particular attention. In paradigmatic research it may also be possible to develop more complex theories.

The focus in the paper is on the nexus between trust and accounting. We do not however, aim at providing a definition of trust, nor do we suggest a theory most suitable for this type of research. Instead the definitions used in the reviewed papers are presented together with the theoretical bases used. As noted previously, we expect trust to be an important concept in relation to accounting. Given the ongoing debate in society about the importance of trust, we assume that the topic of accounting and trust will gather further interest in the accounting research community. The literature study provided here could thus serve as a useful starting point for researchers interested in developing this important field.

The remainder of the paper is structured in four sections. We start in Section 2 by presenting the method used for the identification and analysis of papers included in the literature review. Section 3 presents our empirical data, i.e. the findings of the review including descriptive data, and results of the categorization and classification of papers. Section 4 includes a discussion and analysis of the results, including some suggestions for future research. The paper ends with a brief summary of results in Section 5.

## 2. Method

In this section, we go through the method used in the literature review. The review can be divided into several steps. Only papers published in scientific journals are included in the study. First, we have delimited the search for papers both in terms of journals included, and in terms of time period covered. Second, we needed criteria for which papers to include in the review, and third, once a number of relevant papers had been identified we needed a method for analyzing them.

### 2.1. Journals included and time period covered

Our field of interest is the interaction between trust and accounting. In order to find papers in this field, we could either look for papers in the trust literature, or in the accounting literature. Given that only a small minority of trust papers is related to accounting, and that such papers are dispersed in a large number of journals, it would be difficult to search potential journals. The trust literature does not appear in a few selected journals. Instead, we chose to focus on the accounting literature. In doing so, we believe we have identified the overwhelming majority of papers on trust and accounting, even if we might have missed some papers.

The next issue is what accounting journals to include, given that there are many potential journals. We chose to base our selection on two published rankings of the most influential journals in the field of accounting, one by Ballas and Theoharakis (2003), and the other by Zeff (1996). We selected the top ranked journals from the two studies (the journals selected are shown in Table 1). Our selection includes 20 out of the top 25 journals ranked by Ballas and Theoharakis, and 13 out of the 15 top journals suggested by Zeff.[1] These 13 were all among the top 25 journals ranked by Ballas and Theoharakis (2003).

Three top ranked journals were excluded. The first is *Issues in Accounting Education* top ranked in both studies. We also excluded *Auditing: A Journal of Practice and Theory*, and *Journal of American Taxation Association* top ranked by Ballas and Theoharakis (2003). These three journals

were considered to have a focus that differs from our primary interest as we study trust in relation to accounting practice. We focus neither on education, nor auditing or taxation issues.

After having identified the most influential journals in the field of accounting, we needed to delimit the review in time. In Section 1 above, we refer to a few important papers, such as Neu (1991a; 1991b; 1991c), O'Connor (1995), Jönsson and Macintosh (1997), and Tomkins (2001). We selected a time-period that would include published responses to these six papers. Given the inherent time lag in the publication of papers, we selected to review the years 1995 through 2004. The total number of papers in the journals selected, stratified by year of publication, are shown in Table 1.

---Insert table 1---

## **2.2. Selection of papers**

After having identified almost 6,000 potential papers in 20 journals, the next step was to search for papers that specifically relate to trust and accounting. We did this by electronically searching the full text of all papers for the word "trust".[2] We excluded papers where trust was only used in the meaning of *trust fund*, *hospital trust*, etc. We also excluded papers where the word "trust" appeared only in the reference list, footnotes, etc. This search resulted in the identification of the 350 papers included in the review.

## **2.3. Categorization of papers**

All identified papers do not have the same relevance to our research issues, however. An initial review of the papers indicated one dimension for classification; that they were qualitatively different in terms of their treatment of the relation between trust and accounting. Within this dimension we identified three categories. First, there are papers that contribute to the knowledge of the relation between trust and accounting, either empirically and/or theoretically. Those papers we

categorize as Primary 1 (P1) papers. Second, there are papers that refer to, and use, existing knowledge about trust and accounting[3], but that do not add to this knowledge. Those papers we categorize as Primary 2 (P2) papers. Third, we identified papers that are in the accounting literature, and refer to trust, but where the relation between trust and accounting is neither developed nor mentioned. Rather, in those papers trust is used in an incidental, and often everyday manner, such as “trust in financial markets” with no further analysis. Those papers we classify as Secondary (S) papers. This category also includes papers that focus on or mention trust in the accounting researcher, rather than in accounting per se.[4]

Another dimension used for classification of papers is topic covered. Some papers focus on the relation between trust and auditing, trust and accounting regulation, or trust and accounting education. Those papers do add to our understanding of the relation between trust and accounting in a broader sense, but are not specifically related to our main topic of interest, i.e. trust and accounting practice. Thus, those papers were classified into their own category, which we call Primary 3 (P3).[5]

## **2.4. Dimensions used in the paper review**

Once papers were identified and categorized, we started the actual review of the papers. In order to structure the review, different dimensions were selected for analyzing the papers. All 350 papers included in the study were reviewed, although the P1 papers were subject to a more in-depth analysis. This is because the P1 papers are the ones most relevant for our research issues. The dimensions presented below were only applied to the P1 papers.[6] For the other papers we provide descriptive statistics in Section 3.

The selection of dimensions for analysis was based on the research issues presented in Section 1, i.e. to provide an overview of what has been published in the area of trust and accounting, to identify dimensions along which the concept of trust has been categorized, and to study the



paradigmatic nature of the research field. The chosen dimensions are summarized below. Once dimensions had been selected, we developed categories for classification within each dimension. This was largely done in an iterative process, inspired by a grounded theory approach. Thus, initial reviews of the papers were used to develop categories. Then, a more in-depth review was conducted, applying the categories already developed.

**Trust in whom.** The categories in this dimension were developed from the material, i.e. no predefined categories were used. The identified categories were of different kinds. First, there is trust in a type of actor, that could be either trust in partners, peers, managers/superiors (by employees/subordinates), employees/subordinates (by managers/superiors), or trust in clients (by auditors). Second, there is trust in institutions or systems.

**Direction of relation between trust and accounting.** This dimension is directly applicable to the study, since we are specifically interested in the relation between trust and accounting. Logically, the direction could fall into one of three categories: 1) Trust affecting accounting practice, 2) Accounting practice affecting trust, and 3) A relationship working in both directions between accounting and trust.

**The role of trust in accounting practice.** During the review it became apparent that papers could be classified into a few distinct qualitative categories as regards the view taken on the role of trust in relation to accounting practice. This dimension is somewhat similar to the previous dimension, but we posit that this new dimension gives additional unique information for our study. The categories identified are: trust as an intangible asset, trust as a facilitator of business activity on an individual or organizational level, trust as important for the functioning of regulation or on a societal level, and trust as being influenced by accounting practice.

**Research approach.** We classified papers by the overall research approach taken. Three main categories were used: empirical, experimental, and theoretical. The empirical papers were then

further subdivided into categories such as archival, case studies, document studies, interviews, observation, and questionnaires. This dimension is included in the review in order to supply an overview of how research in the field is conducted. Indirectly, it gives indications of the extent to which paradigmatic research exists.

**Theoretical basis.** In the literature there are observations that accounting research tends to be based on two main theoretical bases; economic and sociological (Tomkins, 2001; Searcy and Mentzer, 2003). An initial review of the P1 papers clearly showed that this is also the case for research in the area of trust and accounting, i.e. the papers reviewed can largely be classified into these two categories. In addition, some papers exhibited a theoretical movement, i.e. they moved between the categories. We identified the following four categories:

- *Economic theory rejected.* Papers starting out from economic theory, but criticizing and rejecting it.
- *Economic theory applied.* Papers that are based on economic theory and that apply it either for an empirical study or for a theoretical development.[7]
- *Sociological theory applied.* Papers that apply one theoretical basis (like the previous category) but that are based on sociological theory and apply it either for an empirical study or for a theoretical discussion. There are also papers in this category combining a theoretical discussion with an empirical study.
- *From economic theory to sociological theory.* Papers starting out from economic theory, criticizing and rejecting it – only to make way for sociological theory

Papers in the first and last categories are similar, in that they both reject economic theory.

However, while the papers in the last category argue for a specific alternative, those in the first category argue in more general terms that some alternative theoretical basis is needed.

After having classified the papers into the four categories listed above, we noted a more detailed structure in the theoretical basis of papers. The economics-based papers fell into the following three discernible subcategories:

- i. Papers reflecting a general economic thinking although not explicitly linked to any specific economic theory or literature reference.
- ii. Papers identifying certain references in economic theory and applying these in an empirical study.
- iii. Analytical papers that contribute to theory development.

The sociology-based papers fell into four discernible subcategories:

- i. Papers contributing to a field-specific theory by an empirical study.
- ii. Papers involving an empirical study without explicitly relating to theory.
- iii. Papers relating to a field-specific theory without applying it to an empirical study.
- iv. Papers neither relating to field-specific theory nor carrying out an empirical study.

The dimension of theoretical basis of papers is used to analyze the state of research on trust and accounting. It helps us evaluate the paradigmatic nature of research in the field. It is also useful in identifying issues for future research, as such issues tend to be dependent on the theoretical base adopted.

**Central trust reference.** This dimension shows the primary reference(s) used in developing and structuring the concept of trust in each of the papers. Not all papers have a central trust reference, however. These references can be both from inside and outside the field of accounting. The dimension indicates to what extent there is a common basis for the discussion of trust in the field.

**Definition of trust.** Some papers provide a definition of trust. The definition can be based either on a reference (cf. the previous dimension), or developed in the specific paper. The dimension indicates to what extent papers in the research field are based on a common understanding of trust.

In that sense, both this and the previous dimensions give insight into the paradigmatic nature of research.

### **3. Presentation of descriptive data and results**

The presentation of data starts with descriptive statistics of the papers included in the study. As mentioned previously, all included papers containing the word trust were classified as either Primary 1 – 3, or Secondary papers. The categorization of the 350 papers included in the study shows that in the period from 1995 – 2004 there were 83 papers that made a contribution to our knowledge of trust in relation to accounting practice (P1 papers). Information on all these papers is provided in the Appendix to this paper. Almost as many, or 81 papers, made use of existing knowledge of trust related to accounting practice, however without making a new contribution to the area (P2). 56 papers cover issues related to the role of trust in relation to auditing, accounting regulation, and accounting education (P3). The remaining 130 papers are S papers.

To acquire an overview of published research, Table 2, Panel A presents statistics regarding in what journals the included papers have been published organized by classification P1 – P3 and S. This table provides us with a rough idea as regards the direction of the research since the different journals tend to specialize on specific types of e.g. topics, research methods and theoretical approaches. Two journals dominate: *Accounting Auditing & Accountability Journal* (AAAJ) and *Accounting, Organizations & Society* (AOS). Both journals can be said to largely publish papers concerned with accounting in a social context. For the most part the research is carried out by some form of case study and predominantly the papers are informed by sociology. Their dominance is especially strong for P1 and P2 papers, i.e. those papers that either contributes to new knowledge about trust and those who use existing knowledge about trust in relation to accounting practice. For P3 and S papers, i.e. papers about trust in relation to auditing, regulation, and education and papers using the word trust as an every-day concept, there is more variation in terms of journals.

---Insert table 2---

To generate an overview of what type of topics that have generated interest amongst researchers, the papers have been classified by topic area in Table 2, Panel B[8]. The table shows that MAN (Management Accounting) is clearly prevailing amongst P1 papers, and the MAN topic is also the largest amongst the P2 papers. Three additional topics have created relatively large interest, i.e., PSA (Public Sector Accounting), FRG (Financial Reporting) and CPP (Critical Perspectives). All other topic areas are small or non-existent within the P1 and P2 categories. In the P3 category, naturally the AUD (Auditing) topic is the one that dominates, since this category consists of papers related to auditing and its regulation. Regarding the S category, we see a more dispersed pattern, with the AUD topic dominating again, but this time together with the FRG topic. Other topics using trust frequently as an every-day concept are AHI (Accounting History), CPP and MAN. This indicates that there are some topics, such as MAN, CPP and AUD that more frequently than others relate to accounting and trust issues.[9]

To obtain an indirect indication of knowledge accumulation the papers have been classified based on publication year in Table 2, Panel C. As shown in the table, the number of published papers in the P1 and P2 categories has increased substantially in the last two years of the sample. We also see an increase in the S category, while the P3 category is relatively unchanged over the period. This increase in the number of published papers in the P1 and P2 categories could be seen as a sign of increased interest in trust-related research and accounting over time, even though it is not statistically significant.[10]

In Table 2 the data has been divided into the categories P1-P3 and S to create an overview of research where the concept of trust is used in different ways and settings. The primary concern of this paper, however, is to gain insights of accumulation in the knowledge about trust in relation to accounting practice, i.e. there is a focus on the P1 category papers. The remainder of the text will

thus be dedicated to the 83 papers identified within the P1 category only. In Table 3 the papers have been organized by journal and year to see if the interest for trust research in relation to accounting practice has remained stable over the period of this study or if we can see any changes. As already shown in Table 2, the two journals AAAJ and AOS dominate within the P1 category. Interestingly however, in Table 3, it can be seen that the publication frequency in AAAJ has been relatively stable over the period, while in AOS the publication frequency is high the first two years of the period. After that, it dips somewhat the following seven years but increases again in the last year. Altogether however, there are far more P1 papers published in AOS. From the table we can see that interest in trust related to accounting practice decreased somewhat from 1998 to 2000 but has steadily increased since then. Other journals, like *Management Accounting Research* (MAR), *Critical Perspectives in Accounting* (CPA), and *Contemporary Accounting Research* (CAR) where P1 papers have rarely been published, publish several papers in the last two years. The first two mentioned journals, i.e. MAR and CPA, generally publish research that shows some similarity with AAAJ and AOS regarding research topics, methodological approach and use of sociological theory. CAR however, would typically publish research of more quantitative nature with clear influences of economic theory. This indicates that the interest for trust related issues related to accounting practice has not only increased but also that the interest has broadened up as the number of journals frequently publishing this type of research has increased.[11]

**---Insert table 3---**

The next three tables relate to what is known empirically about the relation between trust and accounting. In Table 4 the data has been divided into groups based on who is the trusted part. Six groups were identified. The largest group is trust in *partners*, e.g. trust in a setting of interfirm relations. Van der Meer-Koistra and Vosselman (2000) discuss how a number of factors, e.g. organizational culture explain why a company opts for a bureaucracy or for a trust-based control pattern in its relation to other companies. Another large group is trust in *institutions/systems* where topics concerning e.g. the implementation of new public management systems are discussed (e.g.

Hood, 1995). The third largest group is trust in *management/superiors*. Lambert (2001), included in this group, argues that accounting information influences performance judgments and in turn prolongs a state of increased or decreased trust in managers.

**---Insert table 4---**

In Table 5, the papers have been categorized based on the direction of the relationship between accounting and trust – that is what is seen as having an impact on what. As an example of how trust has an impact on accounting practice, Broadbent *et al* (1996) show how high trust relations imply less need for accounting controls within the UK public sector. Studying the other direction, Llewellyn (1998) discusses how the caring sector can be constrained by costing and argues that accounting systems can destroy trust in professionals. When discussing incentive problems in the supply chain, Baiman and Rajan (2002) argue for the need for mutual trust in the buyer-supplier relation. The papers are relatively evenly divided between those studying the impact of trust on accounting, and vice versa although there is predominance towards papers that look at the impact of accounting practices on trust relations. As seen in Table 5, the majority of the papers, or 83,2% study a one-sided relation between trust and accounting or accounting and trust and only 7,2% of the papers look at both directions.

**---Insert table 5---**

To better understand the impact of trust in relation to accounting practice, the papers have been grouped by the role that has been ascribed to trust in Table 6. Two categories are most frequent. One of the categories is when trust is seen to be a facilitator of functioning of companies (e.g. Subramaniam and Mia, 2003), to smooth the auditing process and settle the areas where auditing is needed (Power, 1996) and how it can assist cooperation in arms-length relations (Seal *et al*, 2004). The other category is when accounting is seen to be influencing trust, either positively for example

by reducing corruption (Barros Kimbro, 2002) or negatively as when accounting information contributes to the creation of slack (Lau and Eggleton, 2003).

**---Insert table 6---**

The remaining tables relate to the state of research in the field of trust and accounting. First, we categorize the papers by the research approach adopted. Three categories were identified, Empirical, Experimental, and Theoretical (see Table 7). The majority of papers, or 61,5% are of an empirical nature, where the researcher has directly studied an empirical setting, e.g. how the introduction of new accounting techniques may affect the image of the accountant (Friedman and Lyne, 1997). Only 4,8% of the papers are experimental studies. Experimental studies can be said to have some similarities to empirical studies but instead of studying practitioners experimental settings are created by the researcher, usually by exposing students to hypothetical situations. This was done by, for example, Fan and Wong (2002), when they examine the effects of verification of manager's private information on efficiency. The other relatively large category, papers of a more theoretical nature, contain analyses based on prior research, or have a more theoretical focus in their research orientation. Two examples of this type of research is Elnathan *et al* (1996) who make an attempt to develop a framework for research on benchmarking by reviewing existing literature, and Jones and Dugdale (2001) who carry out a theoretical analysis based on Giddens (1990) while looking at the concept of accounting regime.

**---Insert table 7---**

Empirical studies can be done using a multitude of data-collection methods and data sources. A classification of the 51 empirical papers into six categories of research methods resulted in the distribution shown in Table 8. The methods include archival data from databases such as Barros Kimbro (2002) who looked at the correlation between trust, accounting information and corruption; interviews as when Goddard (2004) examined how accountability was perceived in



budgeting processes within the public sector; observations as done by Peters (2001) when looking at changes in the administrative practice of budgeting; and questionnaires, e.g. as done by Magner *et al* (1995) when examining the relation between trust and employee budget participation.

**---Insert table 8---**

The remainder of the analysis focuses on the theoretical bases of the papers. As seen in Table 9, sociological research is the theoretical basis for the majority of the papers. There is, however, a not insignificant minority that is based on the economic theory paradigm. The research inspired by sociological theory is much more varied making it difficult to talk about a common paradigm. Some of the sociological papers discuss and criticize economic theory, but none of the economics-based papers argue against sociological research. This can be interpreted as economics-based literature being the mainstream in research. Three papers start out from economic theory but then reject the theory. An example of this type is the paper by Pentland and Carlile (1996) where economic theory is rejected based on the complexity of real-world situations, making it difficult to capture in simple models.

**---Insert table 9---**

A further subdivision of the theoretical basis of the papers is possible. The 20 papers classified as Economic theory applied, are classified into three subcategories. 1) papers that reflect economic thinking but without an explicit link to it, 2) papers that have an explicit reference to economic theory and 3) analytical research papers with development of economic theory (see Table 10). 30% of the papers are based on economic thinking, without explicit links to any specific theory. Otley and Pierce's (1995) paper on leadership and auditing can serve as an example of this type of paper. It looks upon the relationship between the design of control-systems and dysfunctional behavior in budgeting processes and concludes that subordinates with trust in their superiors will result in a better handling of budget processes. However, most economic theory papers have explicit

references to the economics literature such as Mitchell *et al* (1995) that is based on a principal-agent framework and empirically investigates the accounting requirements venture capitalists have on companies and show how trust in investees mitigates the issue of information asymmetry. Among those few papers that develop economic theory, the paper by Luft (1997) includes theoretical modeling, concluding that factors such as fairness and ethics should be included in transaction cost models. The main argument is that trust is a factor that improves the predictive ability of transaction cost models in research (assuming that there is a link between honesty and trust). Also, Milgrom and Roberts (1995), attempt to develop economic thinking by involving game-theory modeling. Their study is based on empirical data from a case-study of a manufacturing company and concludes that unlike in traditional manufacturing, trust-based relationships are necessary in modern manufacturing.

**---Insert table 10---**

The 49 papers with a theoretical basis from sociology, classified as Sociological theory applied or Economic theory → Sociological theory, makes up close to 2/3 of the P1 papers and have been classified into four subcategories. 1) papers that contribute to field-specific theory by empirical studies, 2) papers that involve empirical studies without explicitly relating to theory, 3) papers that relate to a field-specific theory, without empirical studies, and 4) papers that neither relate to field-specific theory, nor involve empirical studies. As seen in Table 11, most of these papers contribute or relate to theory. Compared to papers based on economic theory however, these papers apply field-specific, rather than general, theory. Also, worth noticing in Table 11 is that quite a few papers neither relate to theory, nor involve an empirical study (22%).

Chua's paper from 1995 serves as an illustration of the type of papers belonging to the first subcategory, i.e. papers that contribute to field-specific theory by empirical studies. This paper is based on case-studies of three hospitals. By using the actor-network theory, change in accounting models is explained by faith, experts, rhetoric and by efforts of tying together different interests.

Trust is found to be a necessary precondition for allowing a function to perform certain tasks, such as accounting tasks. An example of the type of papers in the second category, i.e. papers that involve empirical studies without explicitly relating to theory, is the paper by Collier (2001) where the author presents a study of how intellectual capital is used and reported in the UK police. The paper concludes that failure in utilization and reporting of intellectual capital ultimately leads to reduced trust in the police. The third subcategory, papers that relate to a field-specific theory without empirical studies, can be illustrated by the paper of Covalleski *et al* (1996). In this paper, alternative approaches to mainstream management accounting research are put forward as being useful. The authors point to requirements for obtaining validity in alternative research, and to the phenomenon of trust affecting employees' action, thus negating intended effects of management accounting systems. The fourth subcategory, papers that neither relate to field-specific theory nor involve empirical studies, is illustrated by Gibson (2000). This paper is based on analysis of previous literature and discusses how the accounting language and terminology fails to include and account for social values central to the belief systems of the Aboriginal society.

**---Insert table 11---**

Our data indicates that the main body of research on trust in relation to accounting practice is based on sociological theory as the theoretical departure and framework. Papers based on economic theory represent a minority, with 24% (see Table 9) of the papers demonstrating attempts to relate the concept of trust to economic theory. To the extent that the two theoretical bases represent paradigms, one may expect that some central references are more used than others by the researchers working within the respective paradigm. This expectation is however contradicted in Table 12, that shows the wide variety of central trust references used in the 83 P1 papers analyzed here. In the table, the central trust references referred to in at least two papers are listed. Giddens' (sociological theory) and Sako's (economic theory) are the authors whose writings from the beginning of the 1990s are the most referred to. Tomkins' paper from 2001 is the most frequently used accounting paper. Among those who have been referred to more than once, we

recognize other accounting researchers such as Hopwood (1972), and Neu (1991). This indicates that trust research in accounting is still very much pre-paradigmatic, both when it comes to papers based on economic and sociological theory.

**---Insert table 12---**

The difficulty to specify paradigms – even an emerging one – in trust research in accounting is further supported by the observation concerning the definition of trust. Table 13 shows that only 16 papers (19.3 % of the P1 papers) have an explicit definition of trust, based on a reference. Five additional papers provide a structure to the concept of trust, all but one based on Sako (1992). The remaining 62 papers have no explicit definition or structure related to the concept.

**---Insert table 13---**

Table 14 contains a presentation of the explicit trust definitions used in the papers. Most papers with a definition refer to sociological research such as Zand (1972), Giddens (1990), and Rousseau *et al* (1998). A few definitions are based on economic theory. Economic modeling is a basis for definitions by Gietzman (1996) and Luft (1997). A more empirically operationalized definition is provided in Abernethy *et al* (2004).

Tomkins (2001) develops his own definition. In the accounting literature his paper is unique, in that his definition is used by two other researchers in the field (Johansson and Baldvinsdottir, 2003; Dekker, 2004). Most definitions used are developed outside the field of accounting. The definition by Hopwood (1972) is from the accounting literature, but it is only used once in our sample.

**---Insert table 14---**

## Statistical analysis

After having reviewed the papers in our study, and classified them by the dimensions selected, we decided to do some statistical testing on the papers. The results of these tests are summarized in this section. We made three types of tests. First, there are tests of significant trends over time, i.e. to what extent there is a development over time in the trust literature. Second, tests are made of significant differences in papers from various journals. Third, tests of differences in papers in various topic areas are performed. The last two types of tests provide an overview of the research that has been done to date. All three tests give insight into the paradigmatic nature of research in the field of trust and accounting.

Tests of changes over time are both quantitative and qualitative. Quantitative development is tested on the data in Table 2, Panel C. Our tests (both Mann-Whitney and t-tests) showed, however, that there is no significant increase in the number of trust papers over time. This holds for all categories of papers (P1, P2, P3 and S). Qualitative development is tested by seeing to what extent there is a significant change over time in variables such as, for example, methods used, references used, definitions of trust, and theoretical bases of papers. This test was only done for P1 papers. The results are that only the theoretical basis changes significantly over time, while all other variables do not change significantly. The change entails a significant increase over time in papers classified as Sociological theory applied and Varied (e.g. review papers), cf. Table 9.

We tested P1 papers for differences between journals, in order to see to what extent the debate and development of trust is mostly centered in certain journals. The journals were grouped into three categories, AAAJ, AOS (representing the two journals with the largest number of trust papers), and all others. A Kruskal-Wallis test was performed, where we looked for differences in terms of variables such as, for example, year, topic, method, use of reference and definition, direction of trust and theoretical basis. The only variables showing a significant difference were year and topic. AOS has significantly more papers in the early years than in later years, explaining the difference

for the year variable. Difference in topics is expected, since journals tend to specialize on certain topics. Our material gave no indication that the development of a theory of trust tends to happen in a certain journal.

The third test involved comparing management accounting (MAN) papers with non-MAN papers. A Mann-Whitney test on the P1 papers was performed, testing for significant differences in terms of variables such as, for example, journal, method, trust in whom, and use of reference and definition. There are differences in terms of journal and trust in whom. This is not surprising, since journals tend to be specialized, and management accounting mostly relate to trust in certain types of actors. A more interesting finding is that papers in management accounting are significantly more likely to have a definition of trust than papers in other areas. This could be an indication of stronger theory development of trust in management accounting than in other fields.

## **4. Discussion**

One clear finding from this review is that management accounting dominates among trust papers, both intra- and inter-organizational management accounting. This may not be surprising, given that management accounting is often related to more long-term, and more personal, relationships, when compared to financial accounting. Thus, it may render a more appropriate setting for the study of the relation between trust and accounting. The statistical testing further shows that a definition of trust is significantly more common in management accounting papers, than in other fields. In fact, some recent papers that contribute to the theoretical development of the relationship between trust and accounting are all in a setting of management accounting in interfirm relations.[12] It is likely that the long-term nature as well as the high level of interaction between transacting parties make this setting suitable for theoretical development of trust. It may be that the concept of trust is easier to model internally in organizations, than for topics such as financial reporting and financial accounting.

The relevance for future research is that it may be easier to conduct research in the area of management accounting, both because of the nature of the context studied, but also because there is more research to relate to. On the other hand, this opens an opportunity for research on financial reporting and trust, as this field is underrepresented. In addition, the relevance for financial reporting practice in relation to recent accounting scandals is strong, as discussed in Section 1.

#### **4.1. Dimensions of trust**

A different type of finding from the literature review is that when research is done on trust and accounting, the definition and operationalization of trust will vary by certain aspects. There is, for example, variation in the definition of trust, as evidenced in Table 14. Arguably, the concept of trust is context-dependent (cf. Free, 2008). Thus, it may be that different aspects of trust are relevant to focus on in different contexts, as pointed out by Llewellyn (2003). If so, it is helpful for researchers to know according to which contextual aspects trust tends to vary in research. Below we attempt to identify such aspects, thus providing a framework for asking more precise and focused research questions. The aspects discussed below could provide help in the identification of what can affect different empirical manifestations of trust. In addition, they can provide a basis for analyzing how trust takes different manifestations in different situations (cf. Free, 2008).

First we have some aspects that are related to the empirical setting studied.

- The type of accounting studied, for example management accounting and financial accounting. This aspect is based on the findings presented in Table 2, Panel B.
- The actor that is being focused. Actors could be, for example, management, accountants, auditors, and regulators. This is based on the actors noted in Table 4.

Other aspects are related to what specific situation is being studied, for example.

- Trust in a pre- versus a post-contract situation could vary. This is related to Tomkins' (2001) distinction between different stages of a trust-building process.

- Type of information studied, also based on a distinction made by Tomkins (2001). This is based on the distinction between accounting information used to build trust, and information used for “mastery of events”, i.e. a more functional usage.
- The role of trust. This aspect is based on the findings presented in Table 6.

There are also aspects related to trust per se, and to the relationship between trust and accounting that is studied.

- Personal trust versus system trust. This aspect is related to the analysis shown in Table 4, on who is the object of trust.
- The direction of the relationship between trust and accounting, based on the distinctions made in Table 5.

## **4.2. Research issues identified**

Leaving the empirical context of trust and accounting, we now focus on different theoretical bases of research. As shown in Table 9, papers can be classified as based on economics or sociology. We will point out some interesting research issues that emanate from the papers studied in the two theoretical areas. We begin with economics-based papers.

In economic models, all human activities are assumedly costly, i.e. they require consumption of scarce resources. Business relations require costly contracting, for example. Both an accounting system (including auditing and regulatory oversight) and the building of personal trust are costly activities. Based on the idea that trust and accounting are substitutes of each other, the issue arises if there is an optimal level of trust (cf. Tomkins, 2001). A possible future research strain could focus on finding this optimal level in different situations, since many existing studies implicitly assume that more trust is better than less trust (Free, 2008).[13] An optimal level of trust could exist on the economy level, i.e. a level that would maximize total economic output. That does not necessarily mean it would be optimal for each individual actor. Therefore, an additional issue for



future research could be to study the wealth effects for different parties for different levels of trust and accounting. Of course, if an optimal level of trust (for the economy or for the individual actor) could be determined, the next issue would be how to achieve this trust level. The generation of a specified level of trust is not a trivial exercise. More knowledge is needed on how this is achieved. Both Gietzmann (1996) and Luft (1997) suggest ways to model this in research. As evidenced in this paper, a number of studies empirically focus on this, i.e. they identify factors and circumstances that help enhance or destroy trust (e.g. Seal and Vincent-Jones, 1997). The importance of this issue is reinforced by recent crises and accounting scandals, cf. Section 1.

Another issue, which is related to the definition of trust, is the measurement of trust. Let us assume we can define the optimal level of trust in a specified setting. Then we must define trust, so that we can attain a measure of the level of trust. In addition, in empirical research we must be able to operationalize this measure. An issue for research is what the validity of instruments for measuring trust are. A number of instruments are available, although no comparison and evaluation of their usefulness in different research settings has been done.

This leads into another avenue for future research. If it is costly to achieve trust, it should be possible for trust to have value. Then, what is the value of trust, and is it possible to improve the precision of this measurement (cf. Tomkins, 2001, referencing Ford *et al*, 1998)? The issue of intangible assets and intellectual capital can serve as an example of this (Guthrie, 2001). Some of the papers in our review have treated trust as an intangible asset, e.g. van der Meer-Kooistra and Zijlstra (2001); Roslender and Fincham (2004). The difficulty of measuring the value of intangible assets is discussed from a theoretical perspective by Lev and Daum (2004), and was made empirically evident by the issuance of SFAS 141 and 142 in 2001, and IFRS 3 in 2004. Much of what is paid for in a business combination is the value of ongoing relationships, where trust has had time to develop. For example, brand names can be analyzed in terms of trust as they relate to trust in the product or organization carrying the name (Holland, 2001). Customers expect a positive outcome from buying the product or interacting with the organization, and are therefore

willing to accept vulnerability, i.e. their normal quality controls are disregarded. A similar reasoning could apply to customer relations as intangible assets. The role of trust as a creator of value, materialized as intangible assets, would be a fruitful area for future research.

Our statistical analysis shows that over time there is an increasing share of sociological papers in the field of trust and accounting. This could be an indication that sociology offers potential for theory development. We now continue with pointing out research issues that are based on sociological research.

All sociological analysis within the accounting field starts from studies of interaction between people. Specific attention is paid to the role of accounting in regulating human relations and several aspects of this role are in need of further research. Sociology has contributed foremost by adding aspects important for the understanding of the dynamic nature of the relationship between trust and accounting. Commitment is an aspect in of most definitions of trust, since trust is associated with positive expectations in individuals or systems (Giddens, 1990; 1991a; b). The commitment is evident through the fulfillment of expectations. In an accounting context the commitments may become visible through the habits of people as well as through the accounting routines of organizations (Johansson and Baldvinsdottir, 2003). The research done to date shows that accounting may affect peoples' expectations but we do not know how. Further, we know that references to accounting information can express other peoples' expectations but not how those who are addressed by the accounting message will be affected (e.g. Jönsson, 1998). An important area of interest is thus linked to expectations regarding e.g. performance and the role of accounting in creating those.

Based on the papers with a sociological basis it is possible to draw the conclusion that there are reasons to treat the relation between trust and accounting seriously and raise the awareness of how accounting systems and accounting information affect trust-relations. Whether the effect will be positive or negative is dependent on the control environment. The mere incidence of accounting

systems and accounting information in organizations can be interpreted as connected with a severe control environment that affects trust-relations negatively (e.g. Jacobs and Kemp, 2002). However, reduced reliance on accounting as a base for performance evaluation may actually reduce trust and increase job-related tension since accounting information often serves as a common reference for the evaluation of individuals' performance, which in turn affects the experience of the fairness in the evaluation (Lau & Buckland, 2001). More knowledge is needed to find out what kind of control environment promotes and destroys trust, respectively.

Limited research, where only a few situations have been studied, has been carried out about the qualifiers of when and how accounting affects trust. Focusing on the other direction, accounting is used in various situations and with different purposes and more research is needed about the circumstances of when trust-relations will affect the use of accounting. Related to issues regarding the control environment is the need of recognizing timing in the use of accounting information (Tomkins, 2001). The necessity to align the use of accounting information to the actual relationship and context can be taken as essential. This is an unexplored field.

As the world has become more complicated, trust in systems has many times come to replace trust between people (Porter, 1995). Accounting systems differ from other systems because of their unique possibility of reflexivity since accounting information conveys messages e.g. about competence, responsibility and trustworthiness. Another area to look into is thus to investigate how personal trust affects system trust. Many times trust in systems, such as accounting systems, is taken for granted. However, this is an unexplored field, at least empirically. We still do not know how personal and system trust interact and affect each other. If we seriously would like to know what makes people trust accounting information more research needs to be done. As pointed out in Section 1 of this paper, the importance of this issue is made obvious by the scandals and crises of the last decade.

### **4.3. An emerging paradigm?**

Paradigmatic research entails doing research that relates closely to what has been done previously. In such a research setting, it is possible to develop more complex theory, and to achieve a higher certainty in findings. On the other hand, paradigmatic research comes at a cost. As discussed above, it may be relevant to see the concept of trust as context-dependent. If so, paradigms, based on shared or standardized definitions, can conceal variation and complexity in the concept. However, whether paradigms are good or bad for research, we still consider it relevant for future researchers on trust and accounting to know to what extent paradigms do exist. Therefore, we discuss the emergence of paradigms below.

In order to evaluate to what extent a paradigm exists, it is necessary to operationalize this concept. Paradigm can be defined in different ways, as discussed by Searcy and Mentzer (2003). They define paradigms in accounting research in terms of high level ontological and epistemological starting points, as well as types of research issues most frequently focused on. We provide this type of data for the papers reviewed, and the papers are classifiable into such categories, cf. Tables 9 – 11. In this discussion, however, we will apply the concept of paradigm in a slightly different manner. We focus on the extent to which research papers appear to be building on each others' results (cf. Kuhn, 1962). This could be evidenced by cross-referencing and the use of common definitions of trust. Therefore, first we focus on the extent to which different researchers refer to each other. Second, we look at the definitions of trust in the papers, including to what extent definitions come from other accounting papers, and whether researchers tend to increasingly agree on common definitions over time. This gives an indication of the extent to which a paradigm emerges in the field of trust research in accounting.

From Table 12 it is evident that there are not many papers that use another accounting paper as a central trust reference. Rather, the typical central trust reference is from outside the field of accounting. Researchers tend to refer to trust papers from sociological or organizational theory.

There is one exception to this state of affairs. Tomkins (2001) suggests a structure for the study of the interaction between trust and accounting, and has been referenced in some other papers. Still, only four of the papers published after Tomkins paper, refer to it. This variety in frames of reference may not be considered a problem, but rather an appropriate way to conduct research.[14] It is, however, a clear indication that there is no specific paradigm emerging in the field of trust and accounting.[15] A further indication of the non-paradigmatic nature of the research field is provided by our statistical analysis. It shows that there is no significant change over time in terms of, for example, number of papers published, cross-referencing, etc.

A clear indication of an emerging paradigm in the research field would be if there was a common definition of trust, especially if the use of this definition is increasing over time. As shown in Table 13, the overwhelming majority of papers do not have any explicit definition of trust. Further, those that do, have varying definitions. Some definitions are not actual definitions of trust, but rather research operationalizations of trust (e.g. tenure on the job). Free (2008) points out that different concepts are often mixed up in research, such as trust and trusting behavior. Vosselman and van der Meer-Kooistra (2008) state that the definition of trust is still an unresolved issue. We can conclude that there is no common and conceptually stringent definition of trust in the accounting literature. In addition, our statistical analysis shows that there is no significant progression of trust definition over time.

Having concluded that there is no common paradigm in the field of trust and accounting, we can ask ourselves whether this is a problem, and what the implications for research are. Searcy and Mentzer (2003) show that the broader field of accounting research in general is characterized by paradigmatic diversity. Llewellyn (2003) claims that there may be rational reasons for this diversity, such as specific cases being more important than patterns or regularities, and that the context of accounting phenomena are important for understanding them. However, our findings indicate that researchers do not refer to each others' work, even when studies are ontologically and empirically associated. Arguably, research work could be facilitated by researchers looking at what

has already been done. In addition, if trust and accounting constitute a unique economic and empirical setting, a paradigm specific for this field would be appropriate. Thus, this research field is potentially different both from research on trust in other empirical areas, and from nontrust-related accounting research. At the very least, conceptual clarity on the concept of trust is desirable. Even though research on trust and accounting has been carried out for some time, there is still a severe lack of precision in the definition of trust. Several authors point to the need for further research in the area (Tomkins, 2001; Scapens, 2006; Free, 2008).

One reason that we do not discern a paradigm in the field of trust and accounting could be that it has emerged in the 2005-2008 period, i.e. after the studied period. In order to investigate this, we did a limited study of papers published 2005-2008[16]. We found 11 relevant research papers, of which a majority refers to Tomkins, 2001. Seven of the papers were found in one journal, *Management Accounting Research*. Although there is a variety in research issues in the papers, it is possible to discern signs of a common debate. First, the findings of all papers are possible to relate to how accounting processes (changes) affect behavior and other organizational processes (changes) and vice versa. Second, a number of papers discuss the role of trust in the specific context of management accounting and organizational change. Third, a number of papers touch upon the relationship between trust and control.

In conclusion, although Tomkins (2001) appears to be an important reference in the field, and the debate in *Management Accounting Research* shows signs of an emergent paradigm, a common theoretical basis is not visible. The contributions so far are of greater empirical significance than of theoretical interest, and a debate about important theoretical dimensions and issues is not yet in sight. This said, we should note that some recent papers in *Accounting, Organizations and Society* make theoretical contributions to the relationship of trust and accounting, such as Free (2008) and Vosselman and van der Meer-Kooistra (2008), both related to interfirm relationships. What we do not see, however, is a debate that results in the emergence of paradigmatic research. It is important

to point out that a more paradigmatic approach, and a more precise definition of trust, does not preclude variation by empirical setting or by issue of interest.

## 5. Summary

After having searched approximately 6,000 published research papers, we can conclude that there is not much research done on trust in the accounting field (cf. Free, 2008). Further, those studies that do focus on trust have imprecise or varying definitions of the concept. The reason for the dearth of research could be two-fold. It could either be that trust is not interesting, or it could be that it would be of interest, but it is difficult to study. We believe in the latter explanation.

Although a number of papers on trust and accounting have been published since 1995, the review indicates that a substantial number of questions and issues remain unresolved. Research on trust and accounting is largely non-paradigmatic. There may, however, be signs of an emerging paradigm in that Tomkins (2001) is increasingly referred to, and the recent research debate in the journal *Management Accounting Research*.

One interesting observation is that several of the papers that have contributed to a theoretical development of trust and accounting in the last decade are in the field of interfirm relations (e.g. Tomkins, 2001; Free, 2008; Vosselman and van der Meer-Kooistra, 2008). This field may be particularly appropriate for the study of trust and accounting, although we believe important contributions can also be made in other areas of accounting research.

Our analysis indicates that to date, no paradigm in research on trust and accounting has developed. It may be relevant to start linking research more, so that the field develops as a separate research strain. Another issue is to what extent such a research strain would contribute back to accounting research and trust research in general. The analysis strongly suggests that trust research would be useful for accounting research in general. This is because, arguably, trust is an essential feature of

accounting practice. To conclude that there would be a contribution to trust research in general from this new research strain is maybe less self-evident. We do, however, believe that an important contribution can be made, in that the role of information and communication in building and destroying trust can be structured and analyzed.

Both economic and sociological theory could be useful in modeling trust and accounting.

Researchers have a choice. Economic theory, with stringent assumptions appears to be more easily used to develop a research paradigm, although not much has been done to date relating to trust.

Sociology, on the other hand, allows a richer analysis with additional aspects, at the cost of making it more difficult to develop paradigmatic research.

Economic and sociological theory may be possible to combine in some way. However, the development of a rigorous theory or model for the field is beyond the scope of this paper. One contribution made in the paper is that we identify aspects along which trust and accounting can demonstrate variation. We also point out research issues that emanate from the existing literature.

Although this literature review cannot provide a rigorous theory for accounting and trust, we hope this review is helpful in identifying the islands of current research in an ocean of emerging theory.

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<sup>1</sup> Zeff's ranking is based on number of library subscriptions, i.e. top ranked journals are those that are most likely to be subscribed to by academic libraries. He notes, however, that these 15 journals also tend to rank highest in perception and citation studies (Zeff, 1996, p. 164).

<sup>2</sup> It has been acknowledged that other key-words belonging to the semantic field of trust could have been used (e.g. confidence and faith). In the first search, for 1995, these words were included. This resulted in a high number of hits, 546. This, together with the observation that many authors used the words to define other concepts than trust, made us decide to use the word trust as the only key-word.

<sup>3</sup> E.g. by making references to other papers.

<sup>4</sup> The classification was carried out by two researchers, in an iterative process. A number of papers were selected for calibration between the researchers, until the correlation was found to be high and the categories were found to be qualitatively clear.

<sup>5</sup> P3 papers are included in our literature review since e.g. auditing is a field close to accounting. More knowledge about auditing practice is thus likely to add to the knowledge of accounting practice. The P3 papers are however excluded from the P1 category as they do not directly relate to accounting.



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<sup>6</sup> The analysis of the P1 papers was made by the same two researchers that categorized all the papers, while the analysis of the P2 and P3 papers were done by a third researcher and the S papers by a fourth and fifth researcher.

<sup>7</sup> Among papers classified as economic theory applied some researchers argue for an inter-paradigmatic development in research and thus do not reject sociological research.

<sup>8</sup> The classification follows the topic areas used by the European Accounting Association in its classification of papers presented at the 2007 annual congress.

<sup>9</sup> A Mann-Whitney test (further discussed in the following section) was made to see whether there are significant differences between papers in management accounting on the one hand, and papers in all other topics, on the other. There are differences in terms of journal and trust in whom. This is not surprising, since journals tend to be specialized, and management accounting mostly relate to trust in certain types of actors. A more interesting finding is that papers in management accounting are significantly more likely to have a definition of trust than papers in other areas. This could be an indication of stronger theory development of trust in management accounting than elsewhere.

<sup>10</sup> Statistical tests were made to see whether there was a significant increase of trust papers over time (also discussed in the following section). The data was divided into two periods, 1995-1999 and 2000-2004. Mann-Whitney tests and t-tests were performed, for P1, P2, P3, S, and all papers, separately. In no case was there a significant difference in number of papers per year in the two periods. Thus, the hypothesis that the increase of trust papers over time is due to chance cannot be rejected.

<sup>11</sup> A statistical analysis was performed to test whether there is a significant difference between papers in different journals (further discussed in the following section). There were two significant differences. First, papers in AOS tended to be published in the early years. This would indicate that AOS had many trust papers in the 1990's, but that the number of papers since then has significantly decreased. Second, there is a significant difference in topics covered between journals. This is not surprising, as journals tend to specialize. No other significant differences were found.

<sup>12</sup> Tomkins (2001), for example, uses a setting of long-term alliances between companies to develop a model for trust and accounting. The long-term nature of the relationships enables the development of a step-wise model, mapping out the dynamic nature of the interaction of trust and accounting, through the use of a temporal model. Free (2008) uses long-term relations between suppliers and customers in developing a more empirically based model for trust and accounting. Vosselman & van der Meer-Kooistra (2008) discuss the relation between accounting and control in a setting of interfirm relationships.

<sup>13</sup> An optimal level of trust assumes that trust can vary along a (continuous) scale. There could be situations where trust is more correctly modeled as binary, i.e. that trust either exists or does not exist. If so, the research issue becomes whether it is optimal in a certain situation to trust, or not to trust.

<sup>14</sup> Llewellyn (2003) points out that accounting phenomena are partly case-specific, thus suggesting that non-paradigmatic research is rational within the field of accounting.

<sup>15</sup> We performed an additional test on the existence of a paradigm. Out of the authors to the 83 papers there were only three that were involved in more than one paper (Adams, van der Meer-Kooistra, and Seal). They were authors or co-authors on a total of seven papers. We tested to what extent those three cross-referenced among themselves. There was only one such cross-reference among the seven papers. This further strengthened our view of a low level of cross-referencing in the field.

<sup>16</sup> In the limited study we focused on journals with the highest number of trust references in the 1995-2004 period, i.e. Accounting, Auditing & Accountability Journal; Accounting, Organizations and Society; Critical Perspectives on Accounting; European Accounting Research; and Management Accounting Research. We searched for papers where the word "trust" was found in the abstract. 16 papers were found, and out of those 11 papers referred to relevant research on trust and accounting.

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## Appendix 1. Overview of all Primary 1 papers

Authors	Year	Journal issue (volume, number)	Paper title	Theoretical basis	Method	Trust in	Direction of trust	Role of trust	Central trust reference	Definition of trust
<i>Accounting, Auditing and Accountability Journal</i>										
Armstrong, P. & Tomes, A.,	1996	9:5	Art and accountability: the languages of design and managerial control	Sociological theory applied	Theoretical	Trust in the designer	T in A	Control systems do not work as well as trust in the designer	Humphrey, Miller & Scapens, 1993	
Chew, A. & Greer, S.	1997	10:3	Contrasting world views on Accounting, Accountability and Aboriginal Culture	Economic theory rejected	Theoretical	Aboriginal communities, by government	T → A	Financial accountability does not work well with aborigines	Laughlin, 1996	
Seal, W. & Vincent-Jones, P.	1997	10:3	Accounting and trust in the enabling of long term relations	Economic theory rejected	Case study	Trust between partners	A → T	The constitutional role of accounting may enhance trust	Lewis & Weigart, 1985; Mayer, Davis & Shoorman, 1985; Dasgupta, 1988; Gambetta, 1988; Zucker, 1986, Neu, 1991; Campbell & Harris, 1993	Defined as appearance that everything seems in proper order, based on Lewis & Weigart, 1985
Boden, R. Gummett, P, Cox, D. & Barker, K.,	1998	11:3	Men in white coats... men in grey suits. New public management and the funding of science and technology services to the UK Government	Sociological theory applied	Document study	Suppliers and policy-makers	A → T	Commercial rationalism leads to lower trust	Dunleavy & Hood, 1994	
Jones, C.S.,	1999	12:2	Hierarchies, networks and management accounting in NHS hospitals	Sociological theory applied	Interview	Trust among peers	A → T	It is necessary to give attention to management accounting, so it be used to increase trust	Williamson, 1975; Lorenz, 1988	
Fogarty, T.J. & Radcliffe, V.S.,	1999	12:5	Accountants' constructions of the industrial relations arena in the USA	Sociological theory applied	Document study	Accounting reports vs. accountants' expertise	A → T	Accountants' rhetoric is used to embed ideas, that later form the basis for accountancy (and trust in it)	Clarke, Craig & Amemic, 1990	



Gibson, K.	2000	13:3	Accounting as a tool for Aboriginal dispossession: then and now	Sociological theory applied	Theoretical	Aboriginal communities by government	T → A	Accounting control goes against trust in Aboriginal society	Chew & Greer, 1997	
Pahl, J.,	2000	13:4	Couples and their money: patterns of accounting and accountability in the domestic economy	Sociological theory applied	Interview	Financial arrangements	T → A	Financial arrangements give information about trust within couples	Singh, 1989	
Collier, P.M.	2001	14:4	Valuing Intellectual Capacity in the Police	Sociological theory applied	Observation	Police, by the public	A → T	IC failure leads to reduced trust in the police		
van der Meer-Kooistra, J. & Zijlstra, S.M.	2001	14:4	Reporting on Intellectual Capital	Sociological theory applied	Interview	Individuals, intercompany relations	T → A	Created in a process. Becomes an intangible asset, which should be reported.	Sako, 1992	
Holland, J.	2001	14:4	Financial Institutions, Intangibles, and Corporate Governance	Economic theory → Sociological theory	Interview	Management by fund manager	A → T	Trust is an important aspect of management quality		
Jacobs, K. & Kemp, J.	2002	15:2	Exploring Accounting Presence and Absence: Case Studies from Bangladesh	Sociological theory applied	Observation	General trust between people in society	Both	High trust level decreases need for accounting	Putnam, 1993	Trust is defined as social capital, through Putnam, 1993
Adams, C.A.	2002	15:2	Internal Organizational Factors Influencing Corporate Social Ethical Reporting: Beyond Current Theorizing	Varied	Interview	Companies, by stakeholders	A → T	If reporting is based on internal work, trust is increased		
Granlund, M.	2003	16:2	Management Accounting System Integration in Corporate Mergers: A Case Study	Sociological theory applied	Case study	Merging companies, both directions	T → A	A merger of management accounting systems will not work without trust		
Broadbent, J., Gill, J. & Laughlin, R.	2003	16:3	Evaluating the Private Finance Initiative in the National Health Service in the UK	Sociological theory applied	Theoretical	Contracting parties, both directions	T → A	Trust is a necessary precondition for contracting to occur	Sako, 1992	Operationalization of trust (goodwill trust, based on Sako, 1992)
Llewellyn, S.	2003	16:4	What Counts as "Theory" in Qualitative Management and Accounting Research? Introducing Five Levels of Theorizing	Economic theory → Sociological theory	Theoretical	Unclear	Unclear	Unclear	Seal & Vincent-Jones, 1997	Defined based on Seal & Vincent-Jones, 1997
Roslender, R. & Fincham, R.	2004	17:2	Intellectual Capital Accounting in the UK: A Field Study Perspective	Sociological theory applied	Interview	Company, by employees	Both	Trust is important in knowledge-based companies		
Goddard, A.	2004	17:4	Budgetary Practices and Accountability Habitus. A Grounded Theory	Sociological theory applied	Interview	Manager, by employees AND headquarters, by organizational unit	T → A	Trust affects how accountability evolves in a budgeting process		

Adams, C.A.	2004	17:5	The Ethical, Social and Environmental Social Reporting-Performance Portrayal Gap	Varied	Document study	Companies, by stakeholders	A → T	More openness in reporting leads to increased trust in company		
<i>Abacus</i>										
Lau, C.M. & Buckland, C.	2001	37:3	Budgeting – the Role of Trust and Participation: A Research Note	Sociological theory applied	Questionnaire	Superiors, by subordinates	A → T	High budget emphasis and participation leads to high trust, which explains positive outcomes	Zand, 1972	Defined as belief in the justice of superiors
<i>Accounting and Business Research</i>										
Mitchell, F., Reid, G.C. & Terry, N.G.	1995	25:99	Post Investment Demand for Accounting Information by Venture Capitalists	Economic theory applied	Interview	Investee, by venture capitalist	T → A	Trust in investee makes information asymmetry less important		
Citron, D., Robbie, K. & Wright, Mike	1997	27:4	Loan Covenants and Relationship Banking in MBOs	Economic theory applied	Questionnaire	MBO management and lender	T → A	More trust leads to less need for accounting	Welbourne, 1995; Sapienza & Korsgaard, 1996	
Lau, C.M. & Eggleton, I.R.C.,	2003	33:2	The influence of information asymmetry and budget emphasis on the relationship between participation and slack	Sociological theory applied	Questionnaire	Subordinates, by superiors	A → T	If subordinates create slack in budgets, trust will go down, and it will be negative in the long run	Pope, 1984	
<i>Accounting, Organizations and Society</i>										
Porter, T.M.	1995	20:1	Information cultures: A review essay	Sociological theory applied	Theoretical	From personal trust to system trust	A → T	Numbers increase impersonal trust. This is increasingly needed in the modern economy		
Hood, C.	1995	20:2/3	The "New Public Management" in the 1980s: Variations on a Theme	Sociological theory applied	Theoretical	Systems, professions, etc, in general	T → A	Low trust leads to a need for more accounting	Osborne & Gaebler, 1992	
Chua, W.F.	1995	20:2/3	Experts, Networks and Inscriptions in the Fabrication of Accounting Images: A Story of the Representation of Three Public Hospitals	Economic theory → Sociological theory	Case study	Central government, by hospital	T → A	Trust leads to acceptance of centralized accounting function		

O'Connor, N.G.	1995	20:5	The Influence of Organizational Culture on the Usefulness of Budget Participation by Singaporean-Chinese Managers	Economic theory applied	Questionnaire	Manager, by subordinates	A → T	Trust level is affected by manner of budgeting	Harrison, 1990; Hopwood, 1972	Defined based on Harrison, 1990, who in turn is based on Hopwood, 1972
Otley, D.T. & Pierce, B.J.	1995	20:5	The Control Problem in Public Accounting Firms: An Empirical Study of the Impact of Leadership Style	Economic theory applied	Questionnaire	Management, by audit seniors	T → A	If subordinates have trust, budget processes function better	Fleishman & Peters, 1962	
Magner, N., Welker, R.B. & Campbell, T.L.	1995	20:7/8	The Interactive Effect of Budgetary Participation and Budget Favorability on Attitudes towards Budgetary Decision Makers: A Research Note	Economic theory applied	Questionnaire	Supervisor, by employees	A → T	More participation in budgeting increases trust	Read, 1962	
Ahrens, T.	1996	21:2/3	Styles of accountability	Sociological theory applied	Interview	Divisional managers, by headquarters	T → A	If accounting controls do not work, trust is necessary instead	Roberts, 1990	
Pentland, B.T. & Carlile, P.	1996	21:2/3	Audit the Taxpayer Not the Return: Tax Auditing as an Expression Game	Economic theory rejected	Interview	Tax payer and tax auditor, both directions	T → A	Tax return from trusted individual is more useful. Trust in auditor needed for final agreement		Definition based on Tomkins, 2001
Halliday, T.C. & Carruthers, B.G.	1996	21:4	The moral regulation of markets: Professions, privatization and the English insolvency act 1986	Sociological theory applied	Document study	Markets, by the public	A → T	Regulatory action can increase trust (through professions)		
Power, M.	1996	21:2/3	Making things auditable	Sociological theory applied	Document study	Varied. In experts and numbers	A → T	Trust precedes auditing, but is also an effect of auditing		
Gietzman, M.B.	1996	21:6	Incomplete contracts and the make or buy decision: Governance design and attainable flexibility	Economic theory applied	Theoretical	Assembler and subcontractor, both directions	A → T	Accounting systems can be designed to help in building trust	Gambetta, 1988	Trust = reliability in actions. Upheld based on poor reputation if broken
Jönsson, S. & MacIntosh, N.B.	1997	22:3/4	CATS, RATS, and EARS: The case for ethnographic accounting research	Economic theory → Sociological theory	Theoretical	Employers, by employees	T → A	Trust is a prerequisite for management accounting to work		
Llewellyn, S.	1998	23:1	Boundary work: Costing and caring in the social services	Sociological theory applied	Interview	Professionals, by non-professionals	A → T	Accounting systems can destroy trust in professionals		
Jönsson, S.	1998	23:4	Relate Management Accounting Research to Managerial Work!	Sociological theory applied	Theoretical	Between managers, different directions	T → A	Trust is necessary for business to function	Garfinkel, 1963	Trust = grounded expectations

Walker, S.P.	1998	23:5/6	How to secure your husband's esteem. Accounting and private patriarchy in the British middle class household during the nineteenth century	Sociological theory applied	Document study	Household members, by head of household	A → T	Accounting is necessary for trust		
Arnold, P.J.	1998	23:7	The Limits of Postmodernism in Accounting History: The Decatur Experience	Sociological theory applied	Interview	Company, by workers	A → T	Accounting decreases trust in company management		
Witley, R.	1999	24	Firms, institutions and management control: the comparative analysis of coordination and control systems	Sociological theory applied	Interview	Workers and institutions	T → A	Control in organizations is highly related to culture, etc, and whether the system is trusting	Zucker, 1986; North, 1990; Sako, 1992; Fukuyama, 1995; Lane & Backman, 1996	
Anderson, S.W., Glenn, D. & Sedatole, K.L.,	2000	25	Sourcing parts of complex products: evidence on transactions costs, high-powered incentives and ex-post opportunism	Economic theory applied	Archival	Suppliers	T → A	Accountants should not focus only on productions costs as a basis for sourcing decisions, since they are not related to opportunism	Dyer, 1996	
Groot, T.L.C.M. & Merchant, K.A.	2000	25	Control of international joint ventures	Sociological theory applied	Theoretical	Between partners in international joint ventures	T → A	Partners in IJV focus mostly on control in areas where they can make the best contribution, not where they have control concerns, suggesting they have trust	Block & Matsumoto, 1972; Peterson & Shimada, 1978; Sullivan & Peterson, 1982	
van der Meer-Kooistra, J. & Vosselman, E.G.J.	2000	25	Management control of interfirm transactional relationships: the case of industrial renovation and maintenance	Varied	Interview	Partnerships	Both	Culture in organizations is an important factor when they enter into trust relationships	Neu, 1991; Sako, 1992	
Peters, K.	2001	26	When <i>reform</i> comes into <i>play</i> : budgeting as negotiations between administrations	Sociological theory applied	Observation	Between superior and subordinate authorities	Both	Trust is necessary, and it is accomplished through traditions, calculation, technology, etc.	Garfinkel, 1963; 1967	
Tomkins, C.	2001	26	Interdependencies, trust and information in relationships, alliances and networks	Sociological theory applied	Theoretical	Trust in partners, and in systems run by people	Both	Lean accounting (less information) is possible if balanced with trust	Luhman, 1979	Belief that the other party will not act against one's interests, in absence of detailed information
Baiman, S. & Rajan, M.V.	2002	27	Incentive issues in inter-firm relationships	Economic theory	Theoretical	Trust between buyer and supplier	Both	More detailed financial disclosure is provided	Williamson, 1975	

				applied				in order to enhance trust		
Jones, T.C. & Dugdale, D.	2002	27	The ABC bandwagon and the juggernaut of modernity	Sociological theory applied	Theoretical	Expert systems	A → T	ABC was marketed as an expert system used to solve problem, but it created new risks	Giddens, 1990	
Nørreklit, H.	2003	28	The Balanced Scorecard: what is the score? A rhetorical analysis of the Balanced Scorecard	Sociological theory applied	Theoretical	Trust in sender and in text	A → T	It might be that BSC should not be trusted	Aristotle, 1996	
Cooper, R. & Slagmulder, R.	2004	29	Interorganizational cost management and relational context	Economic theory applied	Interview	Suppliers	T → A	Incomplete contracting requires a more complex model in the analysis	Sako, 1992; Sako & Helper, 1998	Operationalization of trust
Decker, H.C.	2004	29	Control of inter-organizational relationships: evidence on appropriation concerns and coordination requirements	Economic theory → Sociological theory	Theoretical	Trust in partners	A → T	Management accounting is essential in inter-organizational relations, and can enhance trust	Gulati, 1995; Ring & Van de Ven, 1992; Tomkins, 2001	Operationalization of trust
Håkansson, H. & Lind, J.	2004	29	Accounting and network coordination	Varied	Document study	Trust in partners	A → T	If accounting is aligned with organizational structure, trust can be enhanced	Birnberg, 1998; Seal et al., 1999; Van der Meer-Kooistra & Vosselman, 2000; Tomkins, 2001	
Seal, W., Berry, A. & Cullen, J.	2004	29	Disembedding the supply chain: institutionalized reflexivity and inter-firm accounting	Sociological theory applied	Interview	Suppliers	A → T	When trust is increased through accounting, risk increases	Giddens, 1991a; 1991b	
Booth, P. & Schulz, A.K.-D.	2004	29	The impact of an ethical environment on managers' project evaluation judgments under agency problem conditions	Economic theory applied	Experiment	Trust among managers	A → T	The context of managers' decisions can mitigate the role of self-interest (and increase trust)	Johnson, 1989	

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King, R.R.	2002	77:2	An experimental investigation of self-serving biases in an auditing trust game: The effect of group affiliation	Economic theory applied	Experiment	Auditors' trust in clients	A → T	Trust appears in the interaction between auditor and client		
Gibbs, M., Merchant, K.A., Van der Stede, W.A. & Vargas, M.E.	2004	79:2	Determinants and Effects of Subjectivity in Incentives	Economic theory → Sociological theory	Questionnaire	Manager, by employees	T → A	Trust makes accounting (bonus scheme) work better		Trust is defined as tenure on the current job

Abernethy, M.A., Bouwens, J. & van Lent, L.	2004	79:3	Determinants of Control System Design in Divisionalized Firms	Economic theory applied	Questionnaire	Between head- quarters and division. Unclear direction.	T → A	More trust will lead to more decentralization		Trust = level of experience, operationalized as time on current job
Rowe, C.	2004	79:4	The effect of accounting report structure and team structure on performance in cross-functional teams	Varied	Theoretical	Between team members	A → T	When accounting and team structure are aligned they can effectively overcome the free-rider (distrust) problem	Meyerson et al., 1995; Zand, 1997; Kramer, 1999	Defined as willingness to increase vulnerability, without safeguards, based on Zand, 1972
<i>Behavioral Research in Accounting</i>										
Dickhaut, J.W. & McCabe, K.A.	1997	9	The Behavioral Foundations of Stewardship Accounting and a Proposed Program of Research: What is Accountability?	Varied	Theoretical	Trust between steward and entrustor	A → T	Stewardship accounting increases trust	Berg, Dickhaut & McCabe, 1995; Dickhaut, Hubbard & McCabe, 1996; Ijiri, 1967; 1975; Frank, 1988; Jensen & Murphy, 1990	
<i>British Accounting Review</i>										
Maltby, J.	2004	36	Hadfields Ltd: its annual general meetings 1903-1939 and their relevance for contemporary social reporting	Sociological theory applied	Experiment	Trust between shareholders, management and employees	A → T	In unregulated financial reporting environments, disclosures were made to increase trust		
<i>Contemporary Accounting Research</i>										
Schwartz, S.T. & Young, R.A.,	2002	19:2	A Laboratory Investigation of Verification and Reputation in a Repeated Joint Investment Setting	Sociological theory applied	Experiment	Trust among managers	A → T	Ex-post verification increases trust in forward-looking information	Andreoni, 1988; 1995; Berg, Dickhaut & McCabe, 1995; Cooper et al., 1996; Bolton, 1997; Palfrey & Prisbey, 1997	
<i>Critical Perspectives in Accounting</i>										
Broadbent, J., Dietrich, M. & Laughlin, R.	1996	7	The Development of Principal-Agent, Contracting and Accountability Relationships in the Public Sector: Conceptual and Cultural Problems	Economic theory → Sociological theory	Theoretical	Principal and agent, both directions	T → A	If trust is high, there is less need for accounting (control)		
Jones, T.C. & Dugdale, D.	2001	12	The Concept of an Accounting Regime	Sociological theory applied	Theoretical	Systems, by people in general	A → T	Accounting is necessary for trust in systems	Giddens, 1991	Definition based on Giddens

O'Connell, B.T.	2004	15	Enron. Con: "He that filches from me my good name...makes me poor indeed"	Sociological theory applied	Document study	Experts (accountants and auditors)	T in A	Rule-based accounting does not lead to reliable financial reporting	Giddens, 1990; 1991a, 1991b; Unerman & O'Dwyer, 2004	
Arnold, B. & de Lange, P.	2004	15	Enron: an examination of agency problems	Economic theory applied	Theoretical	Trust between shareholders and management	A → T	Enron is evidence that US GAAP and agency theory does not work	Thomas, 2002; Dye, 2002	
Unerman, J. & O'Dwyer, B.	2004	15	Enron, Worldcom, Andersen, et al.: A Challenge to Modernity	Sociological theory applied	Document study	Regulatory system	T → A	Trust is a central feature of a regulatory system	Giddens, 1990; 1991a, 1991b	
<i>European Accounting Review</i>										
Friedman, A.L. & Lyne S.R.	1997	6:1	Activity-based techniques and the death of the beancounter	Sociological theory applied	Interview	Accountants and managers. Unclear direction	A → T	Introduction of new management accounting techniques enhances trust		
<i>Journal of Accounting, Auditing and Finance</i>										
Barros Kimbro, M	2002	17:4	A cross-country empirical investigation of corruption and its relationship to economic, cultural, and monitoring institutions: An examination of the role of accounting and financial statements quality.	Varied	Archival	Government and private institutions	A → T	Transparent financial statements increase trust	Becker & Stiegler, 1974; Banfield, 1975; Rose-Ackerman, 1975; 1978; Klitgaard, 1988; 1991	
<i>Journal of Accounting and Economics</i>										
Milgrom, P. & Roberts, J.	1995	19	Complementarities and Fit: Strategy, Structure and Organizational Change in Manufacturing	Economic theory applied	Theoretical	Superiors by subordinates	A → T	Trust is necessary in modern manufacturing, unlike traditional	Milgrom & Roberts, 1988; 1990	
Lambert, R.A.	2001	32	Contracting theory and accounting	Economic theory applied	Theoretical	Managers	T → A	Accounting does not capture long-term effect of management decisions		
Fan, J.P.H. & Wong, T.J.	2002	33	Corporate ownership structure and the informativeness of accounting earnings in East Asia	Economic theory applied	Archival	Firms' reported earnings	T in A	Trust in earnings is lowered when there is a controlling owner	Teoh & Wong, 1993	

<i>Journal of Accounting and Public Policy</i>										
Kidwell, L.A. & Kidwell, R.E.	1997	16	Toward a Multilevel Framework for Studying Electronic Control Systems	Sociological theory applied	Theoretical	Employer by employee	A → T	Electronic control systems can destroy employee trust		
<i>Journal of Management Accounting Research</i>										
Elnathan, D., Lin, T.W. & Young, S.M.	1996	8	Benchmarking and Management Accounting: A Framework for Research	Economic theory applied	Theoretical	Between companies, in benchmarking activities	T → A	Trust is a necessary prerequisite for benchmarking arrangements		
Covaleski, M.A., Dirsmith, M.W. & Samuel, S.	1996	8	Managerial Accounting Research: The Contributions of Organizational and Sociological Theories	Economic theory → Sociological theory	Theoretical	Employer, by employees (unclear)	T → A	Trust affects how workers act, thus negating effects of management accounting systems		
Shields, M.D.	1997	9	Research in Management Accounting by North Americans in the 1990s.	Varied	Document study	Superiors, by workers	A → T	Budgeting process design can increase trust	Megner, Welker & Campbell, 1995	
Luft, J.L.	1997	9	Fairness, Ethics and the Effect of Management Accounting on Transaction Costs	Economic theory applied	Theoretical	Not specified, trust in general	Unclear	Trust is a factor that will improve research transaction cost models	Thaler, 1985; Bolton, 1991; Rabin, 1993	Economic modeling, where trust is a possible factor, based on Thaler, Bolton and Rabin.
Chenhall, R.H. & Langfield-Smith, K.	2003	15	Performance measurement and reward systems, trust, and strategic change	Varied	Archival	Management	A → T	Control systems increase system trust, but lowers personal trust	Luhman, 1979; Barney & Hansen, 1994; Tomkins, 2001	Defined as intention to accept vulnerability based on positive expectations, based on Rousseau et al., 1998
<i>Management Accounting Research</i>										
Seal, W., Cullen, J., Dunlop, A., Berry, T. & Ahmed, M.	1999	10	Enacting a European Supply Chain: A Case Study on the Role of Management Accounting.	Economic theory applied	Observation	Between companies, in strategic alliance	A → T	Accounting helps create trust, which in turn is necessary for strategic alliances		Operationalization of trust (three types of trust, based on Sako, 1992)
Subramaniam, N. & Mia, L.	2003	14	A note on work-related values, budget emphasis and managers' organizational commitment	Sociological theory applied	Questionnaire	Employees	A → T	More flexible performance evaluation (based on trust) is better for goal achievement		
Guiding, C.	2003	14	Hotel Owner/Operator Structures: Implications for Capital Budgeting Process	Economic theory applied	Interview	Hotel owner in operator	A → T	Operators want to maintain trust, which affect how they do		



								budgeting		
Johansson, I.-L. & Baldvinsdottir, G.	2003	14	Accounting for Trust: Some Empirical Evidence	Sociological theory applied	Interview	Evaluator, by evaluatees	T → A	Trust in the accountant (person) is necessary for trust in accounting	Tomkins, 2001	Defined based on Tomkins, 2001
Langfield-Smith, K. & Smith, D.	2003	14	Management Control Systems and Trust in Outsourcing Relationships	Economic theory → Sociological theory	Interview	Companies in outsourcing, both directions	T → A	Trust can replace other types of control	Van der Meer-Kooistra & Zijlstra, 2001	Operationalization of trust (goodwill and contractual trust)
Dekker, H.C.	2003	14	Value Chain Analysis in Interfirm Relationships: A Field Study	Varied	Interview	Between firms in interfirm relations	T → A	Trust is necessary when firms need to share information		Trust is defined based on Tomkins, 2001 and Dekker, 2003
Bourguignon, A., Malleret, V. & Nörreklit, H.	2004	15	The American balanced scorecard versus the French tableau de bord: the ideological dimension	Varied	Theoretical	Authorities and abstract systems	T → A	US accounting is based on mistrust, and may be inappropriate in global settings	Giddens, 1991	

## Tables

Journal	Year	95	96	97	98	99	00	01	02	03	04	Total
ABACUS (ABACUS)		13	13	11	16	18	20	22	23	26	23	185
Accounting, Auditing & Accountability Journal (AAAJ)		20	30	28	24	33	28	24	26	32	27	272
Accounting & Business Research (ABR)		41	46	39	30	33	26	24	23	25	33	320
Accounting Horizons (AH)		48	53	46	36	28	27	29	27	37	21	352
Accounting, Organizations and Society (AOS)		33	37	40	40	34	37	32	32	46	43	374
Behavioral Research in Accounting (BREA)		7	12	12	8	7	11	12	11	6	9	95
British Accounting Review (BAR)		15	18	22	19	23	23	26	23	25	40	234
Contemporary Accounting Research (CAR)		29	26	30	23	32	28	28	26	28	36	286
Critical Perspectives on Accounting (CPA)		54	81	96	102	64	64	58	66	71	100	756
European Accounting Review (EAR)		55	43	55	43	48	44	40	49	45	41	463
Journal of Accounting, Auditing & Finance (JAAF)		39	31	18	25	24	25	21	16	31	26	256
Journal of Accounting and Economics (JAE)		27	30	36	18	47	40	24	22	44	39	327
Journal of Accounting Literature (JAL)		5	4	4	6	4	8	3	4	4	4	46
Journal of Accounting and Public Policy (JAPP)		10	14	15	18	19	19	18	10	23	39	185
Journal of Accounting Research (JAR)		20	28	30	30	35	25	35	45	34	33	315
Journal of Business Finance & Accounting (JBFA)		72	87	80	68	55	58	58	56	56	44	634
Journal of Management Accounting Research (JMAR)		7	9	9	13	5	5	6	10	12	11	87
Management Accounting Research (MAR)		22	20	23	22	19	24	21	22	20	31	224
Review of Accounting Studies (RAS)		0	18	7	27	16	17	23	25	26	24	183
The Accounting Review (AR)		29	28	27	24	22	19	29	40	45	47	310
<b>Total</b>		<b>54</b>	<b>628</b>	<b>628</b>	<b>592</b>	<b>566</b>	<b>548</b>	<b>533</b>	<b>556</b>	<b>636</b>	<b>671</b>	<b>5904</b>

**Table 1.** Number of papers in each of journals selected, stratified by year (1995-2004).

<b>Panel A: Number of papers by journal, grouped by classification</b>					
<i>Journal</i>	<i>P1</i>	<i>P2</i>	<i>P3</i>	<i>S</i>	$\Sigma$
AAAJ	19	22	10	26	77
Abacus	1	6	0	9	16
ABR	3	2	2	5	12
AH	0	2	7	15	24
AOS	30	25	9	27	91
AR	4	0	1	4	9
BAR	1	0	0	1	2
BREA	1	7	8	7	23
CAR	1	0	0	1	2
CPA	5	2	7	12	26
EAR	1	3	6	3	13
JAAF	1	0	2	1	4
JAE	3	1	0	5	9
JAPP	1	3	4	3	11
JAR	0	3	0	2	5
JBFA	0	0	0	1	1
JMAR	5	0	0	5	10
MAR	7	5	0	2	14
RAS	0	0	0	1	1
<i>Total</i>	<i>83</i>	<i>81</i>	<i>56</i>	<i>130</i>	<i>350</i>
<b>Panel B: Number of papers by topic area, grouped by classification</b>					
<i>Topic area</i>	<i>P1</i>	<i>P2</i>	<i>P3</i>	<i>S</i>	$\Sigma$
Accounting education (AED)	0	1	2	2	5
Accounting history (AHI)	1	5	4	17	27
Accounting & information systems (AIS)	0	1	0	0	1
Accounting theory (ATH)	2	3	0	0	5
Auditing (AUD)	3	4	30	23	60
Critical perspectives (CPP)	8	5	7	16	36
Economic and analytical modelling (EAA)	1	1	0	3	5
Financial accounting (FAN)	1	1	0	7	9
Financial reporting (FRG)	8	6	3	21	38
Accounting and governance (GOV)	2	2	1	1	6
International accounting (INA)	0	0	0	3	3
Management accounting (MAN)	40	21	0	14	75
Organizational & behavioural accounting (OBA)	0	9	1	7	17
Public sector accounting (PSA)	11	8	4	7	30
Social & environmental accounting (SEA)	0	4	2	3	9
Taxation (TAX)	1	0	0	1	2
Several	3	8	2	4	17
Unclear	2	2	0	1	5
<i>Total</i>	<i>83</i>	<i>81</i>	<i>56</i>	<i>130</i>	<i>350</i>
<b>Panel C: Number of papers by year of publication, grouped by classification</b>					
<i>Year</i>	<i>P1</i>	<i>P2</i>	<i>P3</i>	<i>S</i>	$\Sigma$
1995	8	6	4	8	26
1996	9	4	11	12	36
1997	9	6	8	10	33
1998	5	11	6	13	35
1999	4	5	5	13	27
2000	5	9	1	9	24
2001	8	6	4	13	31
2002	8	6	6	10	30
2003	11	13	6	20	50
2004	16	15	5	22	58
<i>Total</i>	<i>83</i>	<i>81</i>	<i>56</i>	<i>130</i>	<i>350</i>

**Table 2.** Papers by journal, topic area, and year of publication, grouped by classification.

<i>Number of papers by journal, grouped by year</i>											
<i>Journal</i>	<i>95</i>	<i>96</i>	<i>97</i>	<i>98</i>	<i>99</i>	<i>00</i>	<i>01</i>	<i>02</i>	<i>03</i>	<i>04</i>	$\Sigma$
AAAJ	0	1	2	1	2	2	3	2	3	3	19
Abacus	0	0	0	0	0	0	1	0	0	0	1
ABR	1	0	1	0	0	0	0	0	1	0	3
AH	0	0	0	0	0	0	0	0	0	0	0
AOS	6	5	1	4	1	3	2	2	1	5	30
AR	0	0	0	0	0	0	0	1	0	3	4
BAR	0	0	0	0	0	0	0	0	0	1	1
BREA	0	0	1	0	0	0	0	0	0	0	1
CAR	0	0	0	0	0	0	0	1	0	0	1
CPA	0	1	0	0	0	0	1	0	0	3	5
EAR	0	0	1	0	0	0	0	0	0	0	1
JAAF	0	0	0	0	0	0	0	1	0	0	1
JAE	1	0	0	0	0	0	1	1	0	0	3
JAPP	0	0	1	0	0	0	0	0	0	0	1
JAR	0	0	0	0	0	0	0	0	0	0	0
JBFA	0	0	0	0	0	0	0	0	0	0	0
JMAR	0	2	2	0	0	0	0	0	1	0	5
MAR	0	0	0	0	1	0	0	0	5	1	7
RAS	0	0	0	0	0	0	0	0	0	0	0
<i>Total</i>	<i>8</i>	<i>9</i>	<i>9</i>	<i>5</i>	<i>4</i>	<i>5</i>	<i>8</i>	<i>8</i>	<i>11</i>	<i>16</i>	<i>83</i>

**Table 3.** Papers by journal and year

<i>Papers by trust in whom</i>		
<i>Trust in</i>	<i>Number</i>	<i>Percent</i>
Partners[ 17]	30	36.2
Peers	4	4.8
Management/superiors	19	22.9
Employees/subordinates	3	3.6
Clients, by auditors	2	2.4
Institutions/systems	24	28.9
Unclear	1	1.2
<i>Total</i>	83	100

**Table 4.** Papers categorized by trust in whom.

<i>Papers by direction accounting/trust</i>		
<i>Direction</i>	<i>Number</i>	<i>Percent</i>
Trust → Accounting	31	37.4
Accounting → Trust	38	45.8
Both directions	6	7.2
Unclear	8	9.6
<i>Total</i>	83	100

**Table 5.** Papers categorized by direction of accounting/trust relation.

<i>Papers by role of trust</i>		
<i>Role of trust</i>	<i>Number</i>	<i>Percent</i>
Trust is an intangible asset that has value	3	3.6
Facilitates functioning of companies, audits, cooperation between companies, etc.	33	39.8
Important on a regulatory and societal level	10	12.0
Accounting affects trust, positively or negatively	33	39.8
Other or unclear[18]	4	4.8
<i>Total</i>	<i>83</i>	<i>100</i>

**Table 6.** Papers categorized by role of trust.

<i>Papers by research approach</i>		
<i>Research approach</i>	<i>Number</i>	<i>Percent</i>
Empirical	51	61.5
Experimental	4	4.8
Theoretical	28	33.7
<i>Total</i>	83	100

**Table 7.** Papers categorized by research approach.



<i>Empirical papers by research method</i>		
<i>Research method</i>	<i>Number</i>	<i>Percent</i>
Archival	4	7.8
Case studies, mixed methods	3	5.9
Document	10	19.6
Interview	21	41.2
Observation	4	7.8
Questionnaire/survey	9	17.7
<i>Total</i>	<i>51</i>	<i>100</i>

**Table 8.** Empirical papers categorized by research method.

<i>Papers by theoretical basis</i>		
<i>Theoretical basis</i>	<i>Number</i>	<i>Percent</i>
Economic theory rejected	3	3.6
Economic theory applied	20	24.1
Sociological theory applied	40	48.2
Economic theory → Sociological theory	9	10.8
Unclear, review paper	11	13.3
<i>Total</i>	<i>83</i>	<i>100</i>

**Table 9.** Papers categorized by theoretical basis.

<i>Papers by theoretical subcategory (Economic theory applied only)</i>		
<i>Theoretical basis</i>	<i>Number</i>	<i>Percent</i>
Reflect economic thinking, but no explicit link	6	30
Explicit reference to economic theory	11	55
Analytical research, development of economic theory	3	15
<i>Total</i>	<i>20</i>	<i>100</i>

**Table 10.** Papers categorized by theoretical basis, subcategory economic theory.

<i>Papers by theoretical subcategory (Sociological theory only)</i>				
<i>Theoretical basis</i>	<i>Soc. applied</i>		<i>Econ. → Soc.</i>	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
Contribute to field-specific theory by empirical study	17	42	5	55
Involve empirical study without explicitly relating to theory	7	18	0	0
Relate to field-specific theory, without empirical study	7	18	4	45
Neither relate to field-specific theory, nor involve empirical study	9	22	0	0
<i>Total</i>	<i>40</i>	<i>100</i>	<i>9</i>	<i>100</i>

**Table 11.** Papers categorized by theoretical basis, subcategories Sociological theory applied and Economic theory → Sociological theory.

<i>Central trust reference</i>	
<i>Reference</i>	<i>Used</i>
Giddens, 1990; 1991	5
Sako, 1992	4
Tomkins, 2001	4
Berg, Dickhaut & McCabe, 1995	2
Bolton, 1991; 1997	2
Gambetta, 1988	2
Garfinkel, 1963; 1967	2
Hopwood, 1972	2
Luhmann, 1979	2
Neu, 1991	2
Williamson, 1975	2
Zand, 1972, 1997	2
Zucker, 1986	2

**Table 12.** Number of papers using each reference as a central trust-related reference.

<i>Papers by trust definition</i>		
<i>Definition</i>	<i>Number</i>	<i>Percent</i>
Explicit definition provided	16	19.3
Structure provided to the concept of trust, but no explicit definition	5	6.0
No definition provided	62	74.7
<i>Total</i>	83	100

**Table 13.** Papers categorized by the existence of trust definition

<i>Definitions of trust</i>	
<i>Paper</i>	<i>Definition of trust</i>
O'Connor, 1995	Trust = trust in superior, based on Harrison, 1990, who in turn is based on Hopwood, 1972
Gietzman, 1996	Trust = reliability in actions. Upheld based on poor reputation if broken, i.e. based on self-interest
Luft, 1997	Economic modelling, where trust is a possible factor, based on Thaler, 1985; Bolton, 1991; Rabin, 1993
Seal & Vincent-Jones, 1997	Trust involves "a degree of cognitive familiarity with the object of trust that is somewhere between total knowledge and total ignorance" (Lewis & Weigert, 1985, p. 970). System trust has "presentational" base which "is activated by the appearance that "everything seems in proper order"" (Lewis and Weigert, 1985, p. 974).
Jönsson, 1998	Trust = grounded expectations
Jones & Dugdale, 2001	Trust may be defined as confidence in the reliability of a person or a system, regarding a given set of outcomes or events, where that confidence expresses a faith in the probity or love of another, or in the correctness of abstract principles (technical knowledge) (Giddens, 1990, p 34)
Lau & Buckland, 2001	Trust is defined as "the firm belief or confidence the subordinates have in the justice of their superiors" (p. 372)
Tomkins, 2001	Trust is defined as the "adoption of a belief by one party in a relationship that the other party will not act against his or her interests, where this belief is held without undue doubt or suspicion and in the absence of detailed information about the actions of that other party." (p. 165)
Jacobs & Kemp, 2002	Trust = social capital, through Putnam, 1993
Chenhall, & Langfeld-Smith, 2003	Trust = a psychological state comprising the intention to accept vulnerability based on positive expectations of the intentions or behaviors of another (Rousseau et al., 1998, p. 395)
Llewellyn, 2003	Trust is defined based on Seal & Vincent-Jones, 1997, Trust involves "a degree of cognitive familiarity with the object of trust that is somewhere between total knowledge and total ignorance" (Lewis & Weigert, 1985, p. 970). System trust has "presentational" base which "is activated by the appearance that "everything seems in proper order"" (Lewis and Weigert, 1985, p. 974).
Johansson & Baldvinsdottir, 2003	Trust = "adoption of a belief by one party in a relationship that the other party will not act against his or her interests, where this belief is held without undue doubt or suspicion and in the absence of detailed information about the actions of that other party." (Tomkins, 2001, p. 165)
Abernethy, Bouwens, & van Lent, 2004	Trust = level of experience, operationalized as number of years on current job
Decker, 2004	Trust = "adoption of a belief by one party in a relationship that the other party will not act against his or her interests, where this belief is held without undue doubt or suspicion and in the absence of detailed information about the actions of that other party." (Tomkins, 2001, p. 165)
Gibbs, Merchant, Van der Stede, & Vargas, 2004	Trust = tenure on the job
Rowe, 2004	Trust = the conscious regulation of one's dependence on another (Zand, 1972, p. 230)

**Table 14.** Explicit definitions of trust

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<sup>17</sup> Partners represent companies having business transactions with each other. Trust in those cases may refer either to trust in the organizations, or in specific individuals within those organizations.

<sup>18</sup> Papers can be classified as unclear because they have a more theoretical discussion, i.e. they are not about the role of trust in practice.