

**This is an electronic reprint of the original article.  
This reprint *may differ* from the original in pagination and typographic detail.**

**Author(s):** Hakanen, Mila; Häkkinen, Mia

**Title:** Management possibilities for interpersonal trust in a business network. Case: health-, exercise- and wellbeing markets

**Year:** 2015

**Version:**

**Please cite the original version:**

Hakanen, M., & Häkkinen, M. (2015). Management possibilities for interpersonal trust in a business network. Case: health-, exercise- and wellbeing markets. *Nordic Journal of Business*, 64(4), 249-265. [http://njb.fi/wp-content/uploads/2016/01/Hakanen\\_Hakkinen-NJB\\_4-15.pdf](http://njb.fi/wp-content/uploads/2016/01/Hakanen_Hakkinen-NJB_4-15.pdf)

All material supplied via JYX is protected by copyright and other intellectual property rights, and duplication or sale of all or part of any of the repository collections is not permitted, except that material may be duplicated by you for your research use or educational purposes in electronic or print form. You must obtain permission for any other use. Electronic or print copies may not be offered, whether for sale or otherwise to anyone who is not an authorised user.

# Management possibilities for interpersonal trust in a business network

## Case: Health-, exercise- and wellbeing markets

Mila Hakanen and Mia Häkkinen

### Abstract:

*Trust and business networking is a wide area of research and it has gained a lot of interest among both academics and practitioners, but only a few empirical studies exist examining interpersonal trust in a business network and the possibilities for managing interpersonal trust. In this research, an interpretive understanding of building and managing trust in the early stages of networking is given.*

*This research is implemented using the case study method including companies from the field of pharmacy, health care and research. Thematic interviews were conducted in 2013.*

*Trust can be seen as one of the corner stones enabling business operations. This study highlights the meaning of different dimensions in the development and management of interpersonal trust, such as leadership skills, communication, actions and commonalities, the environment and atmosphere, but also those dimensions that are difficult to control.*

**Keywords:** *Business network; Communication; Distrust; Networking; Social capital; Trust; Interpersonal Trust, Management*

---

Mila Hakanen is a Ph.D. student at the University of Jyväskylä, Finland  
Mia Häkkinen is a Ph.D. student at the University of Jyväskylä, Finland

## Introduction

Trust at the organizational level can be divided at least into three levels: interpersonal, team and organizational (Fulmer & Gelfand 2012). This study focuses on the interpersonal level in the business network context; in other words, between individuals who work in different organizations. The main focus is on how interpersonal trust starts to develop and what the management possibilities are for interpersonal trust building in the case network.

Trust has been defined in several ways in the trust research field, and due to the multi-dimensional nature of the concept, it is a challenging research area. Lyon has defined trust as the most fascinating and fundamental social phenomenon, but he also highlighted its elusive and challenging side (Lyon et al. 2012). Trust plays a very important role in social processes and especially when building business relations. Trust formation contains the process of how trust is created, built and re-built (Savolainen 2009). In the area of trust development, interpersonal trust – the process of trusting between actors – is a critical area (Mayer et al. 1995). Earlier research in this area has not highlighted on interpersonal trust management possibilities nor the kinds of tools and processes that could be used to develop trust in a focused way. The management of trust and also the skill of trusting is not a well-researched area in Finnish organizations (Savolainen 2013). In Finland, the national development program “Elinvoimainen Suomi” highlighted that trust is one of the key areas in the maintenance of competitiveness (Nurmio & Turkki 2010). In addition, international studies have also revealed the link between trust and the economic results of organizations (McEvily et al. 2003).

Trust has an effect on the success of organizations (Lewicki et al. 2006) by increasing creativeness and innovativeness. Dirks and Ferrin’s research on trust between employees and their leaders revealed a relationship between productivity related processes and trust related processes, such as communication, problem-solving, organizational citizenship behaviour and organizational

commitment (Dirks & Ferrin 2002). Savolainen (2013) has called trust an emotional glue. Trust is very fragile and it needs, for example, communication to maintain it and it can be lost quickly. Communication should also consist of disagreeable issues. Trust is sometimes taken for granted and is often not noticed until it is lost (Savolainen 2011).

The aim of this research is to understand interpersonal trust and the possibilities for building interpersonal trust at the level of the business network examined here. The study focuses on providing tools and suggestions for building and managing interpersonal trust in the studied network, but also to contribute to the research field in general. The main themes are a) to clarify the current state of interpersonal trust in the case network and, b) to provide guidelines for the management of interpersonal trust in a business network context. The research questions are: How has interpersonal trust developed in the case network? What is the state of interpersonal trust, communication and cooperation? What are the main areas in the management of interpersonal trust building? This study focuses on the findings of interpersonal trust building and management dimensions.

In addition to the research field of interpersonal trust this study in particular contributes to practical aspects, such as how managers and leaders of networks can support the building and maintaining of trust so that the network could work fully, and concentrate the main tasks of network cooperation.

## Theoretical background

### Trust at the interpersonal level

“Interpersonal trust can be defined as a generalized expectancy held by an individual or a group that the word, promise, or verbal or written statement of another individual or group can be relied upon” (Rotter 1967: p. 657–658). Trust between individuals consists of benevolence, integrity and vulnerability, and there is a risk of disappointment

(Mayer et al. 1995). One study (Ikonen, 2013) of leaders and followers showed that the process of interpersonal trust is more complicated than earlier research had revealed. Ikonen (2013) found that there are special moments that she called episodes, when trust can rapidly strengthen or disintegrate, and leaders can, without intending to, break trust with their passive or indifferent behaviour.

### Interpersonal trust at the business network level

Networking enables the necessary resources, knowledge and skills and the basis for cooperation is in the exchange process (Harisalo & Miettinen 2010; Håkansson & Snehota 2006). Partnership should be based on mutual benefit and equal input and ownership (Christopher et al. 2008). It is a long process to create effective business relations (Holmlund & Törnroos 1997). The future of a business network depends on each actor (Håkansson & Ford 2002). The level of trust affects the operations of the business network. A high level of trust enables shared learning and knowledge creation (Ahuja 2000). The commitment of cooperation directly effects relationship profitability, where trust is a necessary factor (Blankenburg-Holm 1996).

Möller et al. (2009) have defined the necessary qualities for business networks as: 1) consists of a specific group of firms; the minimum number of firms is three, 2) the network will be developed in a target oriented manner, 3) one firm has a leading role, and 4) the network has a shared target and vision. In addition, the network members have agreed roles that consist of the agreements of earning models and risk taking. Business networks can be divided into basic business, innovative business, and business creation networks, so the partnerships vary from an operative to a strategic partnership (Möller et al. 2009). The case network in this study is creating a new business model and is a business creation network. A highly functioning business network needs, for example, team spirit, functioning communication, trust, and shared goals. It is important that the partners have the same perception about the present state but also of the future of cooperation. The partner-

ship is in continuous development (Valkokari et al. 2009).

Trust plays a crucial role in cooperation based business networking. Without it, creativity and productivity could not be sustained (Jones & George 1998). Moreover, opinions, questions and suggestions for improvement are not taken into account, which can lead to situations where the team members do not help each other (Sitkin & Roth 1993). Trust affects communication between network partners and commitment and motivation towards shared goals. In addition, it increases knowledge transfer. A poor level of trust leads to poorer results (Erdem, Ozen & Atsan 2003). In the initial stage of networking, frontstage behaviour is common, where self-protection but also manipulative modes are present. After trust starts to form, the transfer to backstage behaviour is possible and individuals can reveal their true characteristics (Goffman 1959). The study by Abrams et al. (2003) revealed that the most trusted people "walk the talk", the words and actions are in parallel. This kind of person feels that he/she cares about you and your interests.

### Barriers to trust building

Nowadays, electronic information channels are common, but the messages do not necessarily go through or they are partly or completely misunderstood (Savolainen 2013). Insufficient communication is one reason for the development of distrust. It is important to notice that misinterpretation occurs quite frequently between people from different functional, educational or cultural backgrounds. People have different meanings for words and phrases (Abrams et al. 2003). Distrust is a strong force and leads to negative expectations, which again leads to circumstances where the aims are more difficult to achieve together, because of suspicion and alienation. This results from partners not sharing knowledge and decreasing support. Without functional cooperation, the partners cannot maintain a shared course (Harisalo & Miettinen 2010). It is a long process from distrust to trust. People are willing to share information in trusted relations (Stähle & Grönroos

2000). Interaction can be measured by the quality and extent of the interaction. The study by Reagan and Zuckerman (2001) supports the connection between the frequency of communication and productivity. Frequent communication enables higher productivity. Collaboration oriented communication consists of genuine listening and plugging into the other's ideas. People do not avoid sensitive subjects.

Personal contact is important in trust building because the individual also needs face-to-face contact, for example, for deeper understanding (Ribb & Kourdi 2004; Savolainen 2008). "People who see each other often get to know each other better, and the risk of misunderstandings decreases and sharing opinions increases, and this breaks down the divisions and increases openness". Unclear responsibilities result in challenges for trust building (Laaksonen 2008). Savolainen (2008) states that two essential elements in trust building are time and interaction. If trust starts to decrease, action towards trust is necessary. Harisalo and Miettinen (2010) have described the process from distrust to trust and it contains the following six phases: 1) open communication, 2) constructive debate, 3) list of the causes of distrust, 4) solutions, 5) transfer to action, and 6) continual assessment. Genuine listening should be free from prejudice. Both parties should have the possibility to express openly how they have experienced different situations that have led to distrust. Both parties should have the ability to express the reasons for their actions. After that, the parties should list the causes of distrust together and create ideas for the solving and healing phase. Then the ideas should be put into action and progress should be continually assessed.

### Management options for interpersonal trust building

Trust is one of the key areas in leadership skills (Yukl 2010). Leadership is facing the challenges associated with globalization and multicultural dimensions. A deeper understanding of mutual communication and trust is necessary; for example, it is important to focus on an awareness

of the responsibility and effects of one's own actions. In organisations, trust building should be every individual's responsibility and duty. Often, deep-rooted beliefs and habits can result in challenges for trust building. Trust needs a multi-voice environment, and the focus should also be on informing.

Recent research differs from previous studies, which saw trust as a linear development; instead, later empirical findings have shown that trust can be seen as a process involving different episodes, sometimes more calm and stable and then phases with obstacles and other challenges (Ikonen 2013; Savolainen & Ikonen 2012). Trust creates a positive spiral, and instead distrust a negative spiral in relations (Ikonen 2013). The quality of connections is key. Both the personal (e.g. hobbies, experiences in common) and professional levels (e.g. recent work, experiences, current or future opportunities, organizational gossip) are necessary. The study by Abrams et al. revealed that, "...almost all of our interviews highlighted the importance of personal connection and learning about things in common with another person as a substantial way in which trust begins to develop in a relationship. These things in common ranged from background (e.g. education, neighbourhood, family status) to values or predispositions (e.g. the kind of work they enjoyed, management philosophies, political leanings) and helped people feel that they related well to each other on more than an instrumental basis. In many ways, non-work connections made other people seem "real" and therefore approachable and safe" (Abrams et al. 2003).

The study of 20 companies revealed the behaviour (discretion, consistency, collaboration) and practices (shared vision, transparency in decision-making, holding people accountable for trust) for interpersonal trust building (Abrams et al. 2003). Christopher et al. (2008) have defined two stages in trust building. During the first stage, the presence of network companies is necessary and they should have the opportunity to get to know the expertise of others and also gain knowledge about expectations and intentions. In the second stage, partners confirm that the words

match the actions. The one key element in trust building is the rightness that should be present at every level of cooperation; in other words, communication should be honest and resources should be shared fairly (Deutsch 1985; Bies & Moag 1986). Furthermore, shared norms support trust.

Abrams et al. (2003) have created instructions for managers on how to promote interpersonal trust. They conducted interviews in 20 companies and identified what are seen as the trustworthy sources of knowledge: (1) act with discretion; (2) be consistent between word and deed; (3) ensure frequent and rich communication; (4) engage in collaborative communication; and (5) ensure that decisions are fair and transparent. Under organizational factors, they identified two ways to promote interpersonal trust: (6) establish and ensure shared vision and language; and (7) hold people accountable for trust. Shared values and cultural similarities are enablers for building interpersonal trust, whereas disappointments are roadblocks (Lewicki et al. 2006). In addition, honest behaviour and predictability are the key elements for trust building. Trustworthy behaviour is necessary, in other words, benevolence, good intentions, honesty and sportsmanship (Savolainen 2013). Earlier research shows that participants (international entrepreneurs) have not thought their relationships as something that would need structuring or managing, but all the participants felt that it is important to build good relationships (Thor & Harris 2012).

## A trust building case in Finnish healthcare and pharmaceutical industries

### Context of the case

The focus of this case study is a Finnish business network that started its mutual business creation activities in autumn 2011; the network contains four companies from the field of pharmacy and health care, two of them are SMEs and other two large companies. The fifth partner is a project team from the University of Jyväskylä, School of

Business and Economics the work of which was funded by Tekes. Tekes is a publicly funded organisation that finances research, development and innovation projects in Finland. The vision of this case network is to create sustainable business solutions for the health, exercise and wellbeing (HEW) problems of our time, and improve and support the physical activity and healthiness of their customers. The developed service focuses on health issues (e.g. obesity) that are typical for Western industrialized countries like Finland. Some of these companies have also other shared business activities, which began before this new cooperation model.

### Methodology

In order to understand the phenomenon of interpersonal trust in the business network deeply enough, the case network was chosen as the research object and the pragmatic case study was performed in a Finnish business network. This study adopts a qualitative approach in order to improve our understanding of the dynamics presented in this particular cooperation network. The case study method is appropriate because of the objective to collect in-depth detailed data, so that tools and guidelines about initial trust building and maintenance could be provided to the studied network (Robson 1995). A case study concentrates on understanding the dynamics within single settings (Eisenhardt 1989), and in this research the focus is the meanings expressed by interviewees about these dynamics. The case network here can be seen as a bounded specific system, which is important when we are speaking about the identification of the case (Stake 1994).

As this research attempts to extend our understanding of interpersonal trust in a specific business network, the participants were selected intentionally from those who represented member companies during the project, and therefore, could answer specific interview questions. The data was collected using thematic interviews, which is a type of semi-structured interview that can be compared to a conversation, but the interview is target-oriented (Gorden 1969). In this

method, the world of the experiences of the interviewees should be analysed and known before choosing the themes, as was done in this research by examining the previous literature and the context before building a framework and developing themes. A thematic interview is a good alternative when everyday experiences are the object of the research, and it is appropriate when the interviewer is closely involved in the research process (Robson 2011). In this study, the themes were derived from earlier research and literature and developed further during the research process. The order of the themes and the questions were optional during the interviews, as long as all the themes were covered. The questions dealt with the interviewees' subjective experiences about the phenomenon and the target was to study their own experience, feelings and emotions.

The results were analysed using theme-based content analysis, thematic coding used as a realistic method reports experiences, meanings and the participants' actual situation (Robson 2011). Secondary data, such as meeting records, project plans and reports, and observation notes from the meetings were also examined and used more as background support for the primary data. Using more qualitative methods offers an opportunity to provide greater insight, for example, into networking processes (Hoang & Antonic 2003). All the data from different sources were cross-checked and tied to the research questions in an aim to increase the validity and reliability of the findings. The theme interviews were read through many times by two researchers. The most mentioned phenomena were noticed and themes were formed based on these mentions. The analysis identified five trust building dimensions.

This study is a part of a wider study, which contains two rounds of interviews implemented in 2012 and 2013. This paper focuses on the results of the second round. All the semi-structured thematic interviews were carried out at the interviewees' workplace and recorded on tape and transcribed word for word in Autumn 2013. The interviews lasted up to 60 minutes. The answers are presented anonymously and the findings

were compared to earlier research. As usual for a case study, the analysis process involved two researchers viewing the research data from diverse perspectives (Eisenhardt 1989), and during the study process the data collection and analysis also overlapped.

## Findings and discussion

The case network is developing a new business model. They started the cooperation in autumn 2011. In the first year, the focus was on testing and the first round of a pilot was executed in autumn 2013. The second and most recent round was ready by the end of 2013. The relations between the network members have changed and the turning point was in the following year, when the pilot was over and the partners have to decide whether they will implement the designed business model. The model depends on every member organization and if one partner does not want to proceed, the model will not function, so the cooperation between every network member in this content is crucial. Interpersonal trust is key when the business network is being built. The puzzle is more complicated and fragile than in the case of similar projects within single organizations. The interviews were themed under the topics cooperation, communication, interpersonal trust and trust building management, and each of those themes will be discussed next and the key findings summarized in Table 1.

## Cooperation in the business network

*Level of cooperation.* Based on the interviews, the current level of cooperation was satisfactory, has progressed over time and the atmosphere has developed to become more dynamic and target oriented. Nevertheless, the interviews revealed many challenges in interpersonal trust between the network members; for example, one interviewee felt that it was too early to talk about cooperation because s/he felt that the pilot has been the only form of cooperation in this project so far, and another interviewee thought that relations were marked by a kind of sullenness. Cooperation actions and ties were seen differently and one part-



ner even described that he/she is somewhat taken aback because of the other partners' choices and how they have expressed their views.

*Cooperation roles.* The interviews revealed that the partners adopted different approaches to participating in the project. There were separate active fighters who developed cooperation towards a shared vision and picture. However, one interviewee revealed that they had wanted to remain an observer; they wanted to see where this cooperation leads.

*Nature of the cooperation meetings.* During the network building, several different types of meetings were held. The partners felt that the first couple of meetings were formal but then the meetings became more informal. All the interviewees felt that those informal meetings were important enablers for network relations. The network members need shared experience; one partner felt that these are especially important at the beginning of networking when the members are starting to get to know each other. When speaking of shared experiences, for example, sport is a good alternative for an informal get-together. This network has also had two informal meetings where they have, for example, engaged in a kettlebell exercise and sauna. The partners felt that these meetings raise their personal knowledge, community and 'we spirit'.

Communication overall during the meetings contained out-of-the-box thinking and emotional expressions, but one interviewee also stated that it would be extremely valuable to have more out-of-the-box thinking when the network partners are creating this new business model. One partner summarized that informal meetings are important because they can enable people to genuinely meet each other, for example, without their corporate roles. More face-to-face meetings are needed to facilitate moving from formal to informal meetings. Face-to-face meetings also support and enable a deeper understanding between the partners (Ribb & Kourdi 2004; Savolainen 2008). On the other hand, one interviewee asserted that they have had an informal atmosphere from the beginning of the project.

*Cooperation development challenges.* The interviews revealed that the partners felt the network cooperation very differently. There were differences of opinion in regard to the level of cooperation; some stated that cooperation had not beyond the pilot phase, while others felt that cooperation started from the beginning of the project and also includes board meetings. The network cooperation needs leadership; for example, one interviewee highlighted that an engine for this cooperation was missing, and one revealed that the need for interpersonal trust in the business network depends on how tight the cooperation and network is. The hand in glove, the need for interpersonal trust is higher. Shared leadership is a good signal of a culture of cooperation as mentioned during the interviews. One partner thought that a key issue for the development of cooperation is that every member will participate in the discussion, every opinion should be noticed and every member should sense their own connection in the network. Based on the interviews, people need to feel appreciation and trust.

## Communication

*Communication development.* The interviews revealed some challenges in communication between the network partners. Interviewees mentioned that the progress of cooperation could have been even better if they had had more communication. The study by Reagan and Zuckermann (2001) also found a connection between the frequency of communication and productivity. But still one partner stated that the communication has become more genuine and richer; however, the interviews also revealed that the network partners felt that they have not managed to share their visions openly. Based on the interviews at the beginning of this project, communication between the network members concentrated on emphasizing their own actions and explaining why their role is important in this network, instead of focusing on the discussion of the co-creation of the business model. However, the network partners felt that the responsibilities are shared and they could have started this conversation and



questioning themselves. Earlier studies support the importance of open and active communication. The study by Abrams et al. (2003) highlights that people are more likely to trust when they are allowed to explore and brainstorm at appropriate points in a project.

*Communication forms.* Communication developed in many forms when the project went forward; for example, straight talk increased; although, one interviewee doubted whether the communication was really open or some hidden agendas still existed. Correctness characterizes cooperation at the formal level, and one partner described that of course the straight talk contains business filtering.

*"... (straight talk) not in the beginning but currently yes... sure with a business filter... If the straight talk is seen like when you can say things how they really are like at home with relatives and friends then probably in the business environment there is anyway a small filter on top of the talk... You don't want to insult anyone..."*

The network members also felt that all partners genuinely listen to each other. However, one member has a more self-absorbed view of the effect of listening but also communication generally. In addition, if the members have differences of opinion and have hidden motives, those effect communication and that leads to a lack of openness. This research also revealed that there is a desire for more target-oriented discussions in this cooperation. A high level of trust is a key enabler for shared learning processes and co-creation (Ahuja 2000).

*Community and culture.* Over time, the relations and also the communication develops and the network changes from an "I culture" into a "we culture". One interviewee highlighted that the members are still not in a "we culture" but are on the way. A "we culture" in relation to a community needs shared experience so that *the network members are not excluded* and also shared goals and vision support progress. An "I culture" needs trust so it can develop into a "we culture", whereas a "we culture" can deepen by reaching goals together and confronting and solving obstacles through

communication. Fairness is one the most important keys for the community and it should reach all members and situations; in this network it is important that the roles of the network members are shared fairly.

One partner thought that the network members know each other reasonably well on a personal level and they would know each other even better if they could have more interaction. The members thought that if they could start the project from the start again, this would be one area they would focus on more. Now they have used more virtual communication than face-to-face meetings, so they do not have the possibility to develop community and knowing each other personally so much. The quality, content and amount of connection is a key area, where both the personal (e.g. hobbies, experience in common) and professional (e.g. recent work, experiences, current or future opportunities) level is necessary to support the development of interpersonal trust (Abrams 2003). One interviewee described:

*"I only call when I have something to say... small talk or other kinds of purposeless communication is not familiar to me".*

*Knowledge sharing.* The interviewees' opinions vary concerning the creation of the business model. The partners want to open the process in different ways, some more than others. Some members have many open questions concerning the business model. One interviewee doubted whether the tacit knowledge is being shared in a fully open manner, and the reason is the lack of trust. Gillespie and Mann's (2004) research also supports the connections between interpersonal trust and knowledge sharing. The problem is whether the shared data is used to take advantage of the other businesses. All the network partners thought that there has been a lack of up-dating, so the partners have not always been aware of changes and development. The timing of information is also sometimes too late. One member criticized the fact that some information came as a notice while the member thought that the process should have included discussion and shared decision-making. This led to a slight increase in distrust.

## Interpersonal trust

*Level of interpersonal trust.* Based on the interviews, the interpersonal trust is not as good as it should be between some network members, and problems can be seen, for example, in terms of the openness of communication. However, the interviewees felt that all their network partners have kept their promises and no one has released classified information. It is important that promises are kept but also that people's words match their actions (Christopher et al. 2008). One partner also described that he/she had not thought about trust at the interpersonal level in this project, he/she had focused on trust at the institutional level, at least at this stage of the networking. Another interviewee felt that trust in this project so far only exists at the interpersonal level. This research shows that the network partners are not sure about the main elements, in other words, about the concept and vision. One interviewee felt that they should have been more informal in meetings, where they could have had the opportunity to get to know each other's organizations and their vision and mission better.

*Interpersonal trust building and responsibilities.* When we concentrated on interpersonal trust, the interviews highlighted that this should be built consciously, and that there be a clear regularity in trust building and every person can support the trust building through his or her own talk and actions. Earlier research shows how many key elements are required in trust building, such as honesty, openness, consistency and respect (Larson & LaFasto 1989). In addition, elements in people's behaviour (discretion, consistency, collaboration) and practices (shared vision, transparency in decision-making, holding people accountable for trust) are crucial. The interviewees also thought that building interpersonal trust is a slow process. One partner compared trust to the ice on a lake.

*"At the beginning of winter, the ice is very fragile and it can easily break down... It strengthens in time, this could poetically be said that it is built little by little so it can take bigger bumps or knocks... Definitely it is important in which stage the hits on (the ice) come..."*

Interpersonal trust can easily collapse at the beginning of the cooperation from a single hit, but later on the same kind of problem does not have the same kind of fatal effect on trust.

*Intuition and personal characteristics.* This research brought up the role of chemistry and personal characteristics in interpersonal trust building. How people communicate also has a role to play in trust building, and very different communication types can result in challenges if the people do not understand each other's way of communicating, co-creation and decision-making. One interviewee described that trust is based on feelings and sometimes it is difficult to explain precisely the reasons for interpersonal trust.

## Possibilities for interpersonal trust building management

*Trust building dimensions.* Based on the interviews, the managerial possibilities for interpersonal trust building are discussed under the themes: 1) leadership skills, 2) communication, 3) actions and commonalities, 4) the environment and atmosphere, and 5) dimensions difficult to control. Each of these dimensions will be discussed next.

*Leadership skills.* Most of the interviewees saw that it could be possible to manage interpersonal trust, and it should even be desirable to manage it. It was also highlighted that this area should consist of leadership and it should be one of the key elements in it. A good leader will notice this area and he or she will also confront the challenges. One partner saw that they could have added this area to the leadership roles in the beginning of the project. However, one interviewee doubted whether it is even possible to lead trust at all, or any other abstract thing, but this partner still saw the communication plan and strategy as tools for managing the process of building trust. This section of the management was also described as an unfamiliar area. The interviews revealed that interpersonal trust building can be seen as a duty for every partner, but there should always be one responsible actor.

*Communication.* Communication was highlighted when the interviews were concerned about

building and developing interpersonal trust. In particular, the quality and amount of communication played an important role, and the partners mentioned that the communication should be regular, and informing each other should be executed frequently. The interviewees also revealed that straight talk and genuine listening play the most important role in communication when trust is concerned. There should be a lot of rich interaction between the network partners.

*Actions and commonalities.* The interviews revealed that interpersonal trust starts to form through actions and it is crucial that people inside the network hold fast to what they have promised and manage their own part. Shared targets and commitment in different areas can be seen as key elements at this point. The interviews also highlighted the role of “win-win” situations among the network partners.

*Environment and atmosphere.* The important role of different kinds of environments and atmospheres were highlighted several times during the interviews. Both informal and formal meetings are

necessary, and there should be sufficient balance between them. Genuine encounters among the partners was also raised at the interviews. The interviewees also thought that it is important to know the network members outside of their work roles, behind their corporate roles, in other words, to also reach the level of knowing them privately. Atmosphere should be open enough for different kinds of dialogues because unrevealed important information might directly decrease the level of interpersonal trust.

*Components difficult to control.* The interviewees described areas that they feel affect the development of interpersonal trust the most, and, for example, chemistry, benevolence, and believing in a partner’s sincere good will were mentioned. One partner also described that where interpersonal trust is concerned it is important to first give something to the network members before asking for something back. This research also highlighted the different types of dialogue and understanding; for example, differences between genders. Intuition and different types of people were also raised.

Table 1. Key findings of the study

COOPERATION	COMMUNICATION	INTERPERSONAL TRUST		
<p><i>Level of cooperation</i></p> <ul style="list-style-type: none"> <li>• stage of satisfaction</li> <li>• progression and development of cooperation</li> <li>• influence of atmosphere</li> <li>• challenges in interpersonal trust</li> <li>• view differences of cooperation actions and ties</li> </ul> <p><i>Cooperation roles.</i></p> <ul style="list-style-type: none"> <li>• separate fighters</li> <li>• observers</li> </ul> <p><i>Nature of the cooperation meetings</i></p> <ul style="list-style-type: none"> <li>• formal vs. informal</li> <li>• importance of informalities</li> <li>• shared experiences</li> <li>• out-of-the-box thinking and emotional level expressions</li> </ul> <p><i>Cooperation development challenges</i></p> <ul style="list-style-type: none"> <li>• network needs an engine</li> <li>• shared leadership</li> <li>• member involvement and influence opportunities</li> <li>• importance of appreciation and trust</li> </ul>	<p><i>Communication development</i></p> <ul style="list-style-type: none"> <li>• communication challenges</li> <li>• amount and content</li> <li>• importance of openness</li> <li>• importance of co-creation</li> <li>• shared responsibilities</li> </ul> <p><i>Communication forms</i></p> <ul style="list-style-type: none"> <li>• straight talk</li> <li>• openness</li> <li>• correctness and formalities</li> <li>• genuine listening</li> <li>• effect of self-absorbedness and hidden motives</li> <li>• target-oriented discussions</li> </ul> <p><i>Community and culture</i></p> <ul style="list-style-type: none"> <li>• development of relations and communication</li> <li>• "I culture" vs. "we culture"</li> <li>• shared experiences</li> <li>• shared goals and vision</li> <li>• trust in culture development</li> <li>• confronting and overcoming obstacles to communication</li> <li>• fairness</li> <li>• personal knowledge</li> <li>• amount of interaction</li> <li>• communication channels</li> </ul> <p><i>Knowledge sharing</i></p> <ul style="list-style-type: none"> <li>• differences of opinions and openness</li> <li>• open questions and opportunities for progress</li> <li>• challenges in tacit knowledge sharing</li> <li>• lack of trust</li> <li>• fear of abuse of shared data</li> <li>• lack in updating</li> <li>• importance of timing</li> <li>• importance of discussion and shared decision-making</li> <li>• actions contributing to increasing distrust</li> </ul>	<p><i>Level of interpersonal trust</i></p> <ul style="list-style-type: none"> <li>• state of interpersonal trust</li> <li>• problems in openness of communication</li> <li>• keeping promises</li> <li>• keeping classified information confidential</li> <li>• interpersonal vs. institutional level</li> <li>• uncertainty about main elements</li> <li>• importance of informal meetings</li> </ul> <p><i>Interpersonal trust building process and responsibilities</i></p> <ul style="list-style-type: none"> <li>• conscious slow process</li> <li>• clear regularity</li> <li>• every member's duty</li> <li>• fragile</li> </ul> <p><i>Intuition and personal characteristics</i></p> <ul style="list-style-type: none"> <li>• role of chemistry and personal characteristics</li> <li>• different types of communication and communicators</li> <li>• based on feelings</li> <li>• reasons are sometimes inexplicable</li> </ul>		
<p><b>POSSIBILITIES FOR TRUST BUILDING MANAGEMENT</b></p> <p>Trust building dimensions</p>				
<p><i>Leadership skills</i></p> <ul style="list-style-type: none"> <li>• desirable</li> <li>• included as a one of the key elements</li> <li>• communication plan and strategy</li> <li>• unfamiliar area</li> <li>• every ones duty</li> <li>• responsible actor needed</li> </ul>	<p><i>Communication</i></p> <ul style="list-style-type: none"> <li>• regularly</li> <li>• directness</li> <li>• genuine listening</li> <li>• amount and quality of communication</li> <li>• rich interaction, amount and quality</li> <li>• frequently informing</li> </ul>	<p><i>Actions and commonalities</i></p> <ul style="list-style-type: none"> <li>• shared targets</li> <li>• commitment</li> <li>• win-win</li> <li>• keeping promises</li> <li>• starts to form through actions</li> <li>• manage own part</li> </ul>	<p><i>Environment and atmosphere</i></p> <ul style="list-style-type: none"> <li>• atmosphere in network</li> <li>• informal and formal meetings, balance</li> <li>• genuine encounters</li> <li>• openness, effects of unrevealed information</li> <li>• partners behind their corporate roles</li> <li>• level of personal knowledge</li> </ul>	<p><i>Components difficult to control</i></p> <ul style="list-style-type: none"> <li>• characteristics</li> <li>• intuition</li> <li>• chemistry</li> <li>• benevolence</li> </ul>

## Conclusions

Although the areas of trust in business networks has been studied from several viewpoints this study finds its uniqueness from holistically pulling trust building dimensions together and offering ideas for trust management in Finnish health- and wellbeing context. In light of this study, network cooperation and communication are highly linked to the development of interpersonal trust, and the results of examining the characteristics of these in the case network will be reported.

*Networking:* The cooperation and atmosphere in the business network progresses over time to become more dynamic and target-oriented. However, cooperation can be seen differently among network members, where some are satisfied with the atmosphere and the level of cooperative actions, and some members feel that the actual cooperation has not even started yet and there is some kind of sullenness. Therefore, cooperation should involve all members, as people need to feel appreciated and trusted. This study reveals that network members take on different roles during the process; there are “separate fighters” whose target is to develop the cooperation towards a shared vision and goals. There are also observers who only want to observe and also justify their own place in the network, and want to see where the cooperation leads.

When aiming to build interpersonal trust, several different types of meetings should be held so that the atmosphere of these meetings can evolve from formal to informal over time. The importance of face-to-face meetings (Ribb & Kourdi 2004; Savolainen 2008) is also supported in this study, which reveals that informal face-to-face meetings are important enablers for network relations and crucial for developing a team, a “we spirit” and a community, so network members should also spend time together outside of work and outside their corporate roles and acquire shared experiences, especially at the beginning of the cooperation. Knowing each other better and becoming closer would help them to share more. When building the network around the new business model, out-of-the-box thinking

and emotional level expressions are as valuable for cooperation as good leadership and a leading ‘engine’.

*Communication:* Communication tends to develop into a more genuine and rich mode over time, but knowledge sharing is tied to interpersonal trust between the network members as noted also by Gillespie and Mann (2004). All processes should contain discussion and shared decision-making, and the members should feel that their shared data is safe and would not be taken advantage of, otherwise it leads to situations that increase distrust. The network members might have different opinions and viewpoints about their communication. Some feel that the communication is not so open as it should be, and there may be some hidden agendas. Therefore active, open communication could lead to good sharing, which leads to trust if the other enablers, such as empathy and respect, also succeed. Straight talk and genuine listening enables a fast track to deeper interpersonal trust. In addition, fairness is one key enabler for cooperation, so the relevance of high levels of communication (Gillespie & Mann 2004) can also be seen through this study. Shared out-of-the-box thinking is an enabler for new business creation. But first, the network members should open their own vision for each other. More communication is necessary so that cooperation will increase. It is also important to notice that business relations contain “business filtering” for communication that is represented at the level of compliments.

*Trust:* Interpersonal trust needs to be built consciously – the process is slow and the builders should be patient. Interpersonal trust is fragile at the beginning of the network and should be protected by the network members; trust strengthens over time in the right circumstances and can take some hits without collapsing. The beginning state is crucial. Usually, people feel it is difficult to define why they trust someone; they can only sense the trust. This research shows that network members have to develop trust, and communication is one of the main enablers, so that they can reach a more informal state that could more support

co-creation. If communication is not open and some matters are swept under the carpet, cooperation challenges will emerge. One of the cornerstones for interpersonal trust is keeping promises and confidentiality. The level of openness between the network partners might vary and challenges in communication can cause different views concerning concept and vision. Quality, content and amount of connection are key areas, where both the personal and professional level is necessary to support the development of interpersonal trust (Abrams 2003). In addition to intuition, personal characteristics also play an important role in the formulation of interpersonal trust, and as noticed earlier, these dimensions are sometimes difficult explain or take into account.

Finally, one of the main targets of the current research was to get a deeper understanding of the key dimensions in the management of interpersonal trust building. These are particularly important for the case network examined here, and the management professionals dealing with trust issues.

*Management options:* In the light of this study, there are some options for interpersonal trust best practices and tool creation for the management and leadership. There is a clear regularity in the development of interpersonal trust over time and trust starts to form through actions; therefore, actions that strengthen trust should be supported by the leader. Every person can support interpersonal trust building with her/his own actions, but the main responsibility and the 'engine' could be the network leader, who can develop frameworks to support trust building. The responsibility for interpersonal trust should be acknowledged by each of the partners, but the project manager who leads the network relations should carry the main responsibility so interpersonal trust is the key issue for the leadership in general. Shared targets and commitment in different areas can be seen as key elements along with the role of "win-win" scenarios among the network partners.

There are some basic elements that play a crucial role when interpersonal trust is to be built: openness, honesty and communication. It is also

meaningful that people share their own viewpoint clearly and they feel appreciated and trusted. The different communication styles should be acknowledged, and straight talk, genuine listening and a communication plan all play an important role. More communication and meetings are needed. When a new business model is being built, communication should consist of target-oriented discussions. Shared decision-making is crucial role at the business network level, and dismissal will easily lead to distrust. Every network member should have the same information about the most important steps. The network should focus on developing personal relationships and a "we spirit". The network members should know each other personally and that is easiest to achieve in informal meetings and get-togethers. Chemistry and personal characteristics have an important role in trust building, but are difficult to control from the management perspective. Interpersonal trust is based on feelings that are sometimes hard to define.

This study gives a wide framework for managers what areas should be noticed from perspective of trust building. These five trust building dimensions presented in this study will give summary of the most important areas in trust building. It would be also important to follow the state of interpersonal trust. The studies of monitor tools are needed.

## Limitations and Future Research

When concluding the study, the choices during the research process can be seen logical. The choice of the topic was tied to the discovered research gap of towards more holistic interpersonal trust research in business networks and to the needs of the case network managers. Case study based research design was a clear choice in order to guarantee a high quality examination and analysis of the small network. It enables researchers to understand the behavioural conditions through the actor's perspective (Zainal 2007) and allows researchers to study the topic as a dynamic process

and from multiple perspectives (Chetty 1996). Study findings are reported with the appropriate scientific manner and finally, the study conclusions supports the earlier studies, although this study highlights especially the role of the informal dimensions of the trust building process.

In addition to previous study evaluation section, there are several research limitations that must be considered in this study, and the qualitative nature already involves certain limitations. First of all, the generalizability of these results across other business networks should be questioned; the context is limited to a single business network at the stage of creating a business model and developing a service involving healthcare companies. Second, there are some limitations due the interviews: the primary data consisted of few interviews, the interviewees revealed a great variety of views and opinions concerning the main research themes, and there is always a possibility that the interviewees did not tell the truth, or they gave the answers they thought the interviewer wanted to hear. Thirdly, the empirical findings are based to the meanings voiced by single com-

pany representatives, and therefore, cannot be regarded as entirely representative of the partner companies.

Further research in this area is needed and the current study presented here could be seen as fruitful reference for those further studies. Research could focus on how to evaluate, monitor and follow the state of interpersonal trust, providing the right tools for trust development support. The research field would benefit from more detailed observations of communication in network meetings focusing on formal versus informal differences. This research highlighted the role of leaders as network engines, versatile communication and cooperation actions as trust building tools, and therefore, there is room for research concerning the role of active trust builders. It would be fruitful to focus on interpersonal trust in business networks in different types of contexts or study how interpersonal trust evolves in more detail over time. In the search for a deeper understanding of the importance of trust, the direct effects to network performance caused by the state of interpersonal trust.

## References

- Abrams, L.C., Cross, R., Lesser, E., & Levin, D.Z. (2003). Nurturing interpersonal trust in knowledge-sharing networks. *The Academy of Management Executive* 17:4, 64–77.
- Ahuja, G. (2000). Collaboration networks, structural holes and innovation: A longitudinal study. *Administrative Science Quarterly* 45:3, 425–455.
- Barnett, M., Anderson, J., Houle, M., Higginbotham, T. & Gatling, A. (2010). The Process of Trust Building Between University Researchers and Urban School Personnel. *Urban Education* 45:5, 630–660.
- Blankenburg Holm D., Eriksson K. & Johanson, J. (1996). Business Networks and Cooperation in International Business Relationships. *Journal of International Business Studies* 27:5, 1033–1053.
- Bies, R.J. & Moag, J.S. (1986). Interactional justice: Communication criteria of fairness. In Lewicki, R.J., Sheppard, B.H. and Bazerman M.H. (Eds), *Research on negotiation in organizations*, 1, 43–55, Greenwich, CT, JAI Press.
- Chetty, S. (1996). The Case Study Method for Research in Small and Medium-sized Firms. *International Small Business Journal*, October-December, 15, No.1, 73–85.
- Christopher, S., Watts, W., McCormick, A. & Young, S. (2008). Building and Maintaining Trust in a Community-Based Participatory Research Partnership, *American Journal of Public Health* 98:8, 1398–1406.
- Deutsch, M. (1985). *Distributive justice. A social psychological perspective*. New Haven, CT, Yale University Press.



- Dirks, K.T. & Ferrin, D.L. (2002), Trust in leadership: meta-analytic findings and implications for research and practice. *Journal of Applied Psychology* 87:4, 611–28
- Eisenhardt, K- M., (1989). Building Theories from Case Study Research Authors. *The Academy of Management Review*, 14:4, 532–550.
- Erdem, F., Ozen J. & Atsan N. (2003). The relationship between trust and team performance. *Work Study* 52:7, 337–340.
- Fairholm, G. (1994). *Leadership and the Culture of Trust*, Westport, CT, Praeger.
- Fulmer, C. A. & Gelfand, M. J. (2012). At What Level (and in Whom) We Trust: Trust Across Multiple Organizational Levels. *Journal of Management* 38:4, 1167–1230.
- Gibson, C. B. & Manuel, J. A. (2003). Building Trust: Effective Multicultural Communication Processes in Virtual Teams. In Gibson, C. B. and Cohen, S. G. (Eds.) *Virtual Teams That Work: Creating Conditions for Virtual Team Effectiveness*. San Francisco, CA, Jossey-Bass.
- Gillespie, N.A. & Mann, L. (2004). Transformational leadership and shared values: the building blocks of trust. *Journal of Managerial Psychology* 19:6, 588–607.
- Goffman, E. (1959). *The presentation of self in everyday life*. New York, Garden City.
- Gorden, R.L. (1969). *Interviewing. Strategy, techniques and tactics*. Dorsey, Homewood.
- Harisalo, R. & Miettinen, E. (2010). *Luottamus – pääomien pääoma*. Tampere, Tampereen yliopistopaino.
- Hoang, H. & Antonic, B. (2003). Network-based Research in Entrepreneurship. *Journal of Business Venturing* 18:2.
- Holmlund, M. & Törnroos, J-Å (1997). What are the relationships in business networks? *Management Decision* 35:4, 304–309.
- Håkansson, H. & Ford D. (2002). How should companies interact in business networks? *Journal of Business Research* 55:2, 133–139.
- Håkansson, H. & Snehota, I. (2006). No business is an island: The network concept of business strategy, *Scandinavian Journal of Management*, 22, 256–270.
- Häkkinen, S. (2012). *Towards a Trust-Based Model of Leadership Within the Leader-Member Exchange Theory Framework*. A Qualitative Study of Leaders' Trustworthiness in the SME Context. Dissertations in Social Sciences and Business Studies No 45, Joensuu, University of Eastern Finland.
- Ikonen, M. (2013). *Trust Development and Dynamics at Dyadic Level. A Narrative Approach to Studying Processes of Interpersonal Trust in Leader-Follower Relationships*. Dissertations in Social Sciences and Business Studies No. 53, Joensuu, University of Easter Finland.
- Ilmonen, K. (2001). Sosiaalinen pääoma: käsite ja sen ongelmallisuus, kirjassa Ilmonen, K. (toim.) *Sosiaalinen pääoma ja luottamus*, Jyväskylä, Jyväskylän yliopistopaino.
- Jones, R. & George, J. (1998). The evolution of trust and cooperation: implication for teamwork and tacit knowledge, *Academy of Management Review* 23:2, 531–546.
- Katzenbach, J. & Smith, D. (1993). *The wisdom of teams: Creating the High-Performance Organization*. Cambridge, MA, Harvard Business School Press.
- Laaksonen, H. (2008). *Luottamukseen perustuvan voimistavan johtamisen prosessimalli ja työyhteisön hyvinvointi. Mallin testaus sosiaali- ja terveydenhuollon dementiayksiköissä*. Vaasa, Acta Wasaensia, 187.
- Larson, C.E. & LaFasto F.M.J. (1989). *Team Work. What must go right / What can go wrong*. London, Sage.
- Lee, J-N & Choi, B. (2011). Effects of initial and ongoing trust in IT outsourcing: A bilateral perspective, *Information & Management* 48, 96–105.
- Lewicki, R.J., Tomlinson E.C. & Gillespie N. (2006). Models of Interpersonal Trust Development: Theoretical Approaches, Empirical Evidence, and Future Directions. *Journal of Management* 32:6, 991–1022

- Lyon, F., Möllering, G. & Saunders, M.N. (2012). Introduction: the variety of methods for the multi-faceted phenomenon of trust. In: Lyon, F., Möllering, G. & Saunders, M.N. (eds.), *Handbook of Research Methods on Trust*. Cheltenham, UK: Edward Elgar, 1–15.
- Mayer, R.C., Davis, J.H. & Schoorman, F.D. (1995). An Integrative Model of Organizational Trust. *Academy of Management Review* 20:3, 709–734.
- McAllister, D.J. (1995). Affect- and cognition-based trust as foundations for interpersonal cooperation in organizations. *Academy of Management Journal* 38, 24–59.
- McEvily, B., Perrone, V. & Zaheer, A. (2003). Trust as an organizing principle. *Organization Science* 14:1, 92–103.
- Möller, K., Rajala, A. & Svahn, S. (2009). *Tulevaisuutena liiketoimintaverkot - Johtaminen ja arvonluonti*. Tampere, Teknologiateollisuus.
- Nooteboom, B. (2002). *Trust: Forms, Foundations, Functions, Failures and Figures*. Cheltenham: Edward Elgar.
- Nurmio, A. & Turkki, T. (toim.) (2010). *Raportti Elinvoimainen Suomi*. Helsinki: Suomen itsenäisyyden juhlarahasto Sitra. www.sitra.fi
- O'Reilly, C. & Roberts, K. (1976). Relationships among components of credibility and communication behavior in work units. *Journal of Applied Psychology* 61, 99–102.
- Putnam, R. (1993). *Making Democracy Work. Civic Traditions in Modern Italy*. New Jersey, Princeton University Press.
- Reagan, R. & Zuckerman E.W. (2001). Networks, Diversity, and Productivity: The Social Capital of Corporate R&D Teams. *Organization Science* 12:4, 502–517.
- Robson, C. (2011). *Real world research, A Resource for Users of Social Research Methods in Applied Settings*. 3. ed. John Wiley & Sons.
- Robson, C. (1995). *Real world research, A resource for social scientists and practioner researchers*, 5. ed. Oxford, Blackwell.
- Rotter, J. B. (1967). A new scale for the measurement of interpersonal trust. *Journal of Personality* 35, 651–665.
- Ribb, S. & Kourdi, J. (2004). *Trust Matters. For Organisational and Personal Success*. New York: Palgrave Macmillan.
- Ring, P.S. & van de Ven, A.H. (1994). Development processes of cooperative interorganizational Relationships. *The Academy of Management Review* 19:1, 90–118.
- Ruuskanen, P. (2001). Luottamus verkostotalouden laidalla. Kirjassa Ilmonen, K. (toim.). *Sosiaalinen pääoma ja luottamus*. Jyväskylä, Jyväskylän yliopistopaino.
- Savolainen, T. (2013). Luottamusjohtajuus esimiehen voimavarana, taitona ja haasteena digiajassa. Kirjassa Hokkanen, S. (toim.). *Logistiikan johtamisen tulevaisuuden haasteet*. Kangasniemi, Sho Business Development Oy.
- Savolainen, T. (2011). Luottamusjohtajuus inhimillisen pääoman uudistamisessa. Kirjassa Puusa A. & Reijonen H. (toim.) *Aineeton pääoma organisaation voimavarana*, 117–141, UNIPress.
- Savolainen, T. & Ikonen, M. (2012). *Nature and dynamics of trust development process. Findings from a qualitative study in the team*. In Proceedings of the 6th EIASM Workshop on Trust Within and Between Organizations, June 14-16. Milan, Italy.
- Savolainen, T. (2009). *Trust development in leader-follower relationships*. Conference paper, the Scientific International Conference on Economics and Management 2009, Kaunas.
- Sigfusson, T. & Harris, S. (2012). The relationship formation paths of international entrepreneurs. *Journal of International Entrepreneurship* 10:4, 325–349.

- Sitkin, J. & Roth, N. (1993). Explaining the limited effectiveness of legalistic remedies for trust distrust. *Organization Science*, 4:3, 367–392.
- Stake, R. E. (1994). Case Studies. In Denzin, N.Y. & Lincoln, Y.S. (Edit.). *Handbook of Qualitative Research*. Thousand Oaks, CA: Sage.
- Ståhle, P. & Grönroos, M. (2000). *Dynamic Intellectual Capital. Knowledge management in theory and practice*. Porvoo, Helsinki, Juva, WSOY.
- Taylor, C. (1989). *Sources of the Self. The Making of the Modern Identity*. Cambridge, Cambridge University Press.
- Tienari, J. & Piekkari, R. (2011). *Z ja epäjohtaminen*. Helsinki, Talentum.
- Tschannen-Moran, M. (2001). Collaboration and the need for trust, *Journal of Educational Administration*, 39, 308–331.
- Valkokari, K., Anttila, J-P, Hakala, T., Hyötyläinen, R., Korhonen, H., Kulmala, H. I., Lappalainen, I. & Ruohomäki, I., (2009). *Muutos on pysyvää – entä verkostot? Kolmen liiketoimintaverkoston polut*, raportteja 67, Helsinki, Tykes.
- Whetten, D., Cameron, K. & Woods, M. (1996). *Developing Management Skills. Effective empowerment & delegation*. London, Harper Collins Publishers.
- Yukl, G. (2010). *Leadership in Organizations*. 7. edition, Pearson Education
- Zainal, Z. (2007). Case study as a research method. *Jurnal Kemanusiaan* 9, 1–6.