JYVÄSKYLÄ STUDIES IN BUSINESS AND ECONOMICS
173

Mila Hakanen

# The Development and Management of Interpersonal Trust in a Business Network in Health, Exercise, and Wellbeing Markets

JYVÄSKYLÄN YLIOPISTO

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Esitetään Jyväskylän yliopiston kauppakorkeakoulun suostumuksella
julkisesti tarkastettavaksi yliopiston Agora-rakennuksen Gamma-salissa
maaliskuun 29. päivänä 2017 kello 12.

Academic dissertation to be publicly discussed, by permission of
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UNIVERSITY OF JYVÄSKYLÄ

JYVÄSKYLÄ 2017

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Editors
Tuomo Takala
Jyväskylä University School of Business and Economics
Pekka Olsbo, Ville Korkiakangas
Publishing Unit, University Library of Jyväskylä

Permanent link to this publication: http://urn.fi/URN:ISBN:978-951-39-6996-7

URN:ISBN:978-951-39-6996-7
ISBN 978-951-39-6996-7 (PDF)

ISBN 978-951-39-6995-0 (nid.)
ISSN 1457-1986



Jyväskylä University Printing House, Jyväskylä 2017

# ABSTRACT

Hakanen, Mila Susanna
The development and management of interpersonal trust in a business network in health, exercise, and wellbeing markets
Jyväskylä: University of Jyväskylä, 2017, 86 p.
(Jyväskylä Studies in Business and Economics
ISSN 1457-1986; 173)
ISBN 978-951-39-6995-0 (nid.)
ISBN 978-951-39-6996-7 (PDF)

The aim of this dissertation is to explore the development, management and measurement of interpersonal trust in the context of a business network. More specifically, the focus is building and managing trust in the early stages of networking by examining how interpersonal trust forms in business networks and anchors relationships, and in addition, how the level of interpersonal trust could be measured. The data for this study is a qualitative, and collected from the business network that operates in the health, exercise and wellbeing sector. This study consists of three main parts: an introductory essay that consists of the research task, conceptual framework and methodological choices, four articles that present different angles to the studied phenomenon, and a final part including a discussion and the conclusions.

This interdisciplinary study takes part in discussions of leadership and psychology, more precisely, the areas of interpersonal trust and business networking. The key contributions of this study are in the trust-building dimensions for the management of interpersonal trust. More holistic view is needed for the management of interpersonal trust at the business network level. Interpersonal trust building is a slow process that can also easily be discontinued as a result of blockers. Respect and fairness can be seen as important enablers for interpersonal trust, and in addition, active and open communication is needed. The enablers and blockers were found in the early formation of interpersonal trust and are divided into seven areas: earlier positive experiences, trustworthy actions, communication, personality, environment, atmosphere and trust at the network level. The findings of this study highlight 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 dimensions that are difficult to control. This study points out that it is essential to create performance metrics that concentrate on aspects of business collaboration, such as trust, and suggest the following performance metrics for trust: frequency of interaction, and quality of interaction and communication. Finally, the findings revealed a strong connection between trust and high-performing teams.

Keywords: trust, interpersonal trust, distrust, communication, networking, business networks, management of interpersonal trust, Finland, high-performing teams, social capital

**Author's address** Mila Hakanen
Puutarhakatu 43b A46
20100 Turku
Finland
mila.hakanen@jyu.fi

**Supervisors** Prof., Dr. Tuomo Takala
School of Business and Economics
University of Jyväskylä
Finland

Dr. Mari Suoranta
School of Business and Economics
University of Jyväskylä
Finland

**Reviewers** Prof., Dr. Vesa Harmaakorpi
Lappeenranta University of Technology
Finland

Adjun. Prof., Dr. Tarja Pietiläinen
University of Eastern Finland
Finland

**Opponent** Prof., Dr. Vesa Harmaakorpi
Lappeenranta University of Technology
Finland

## KIITOKSET

Kuuden vuoden polku on tullut päätökseen. Matka on ollut antoisa. Olen kiitollinen, että olen tämän matkan saanut käydä. Matka on sisältänyt monia eri vaiheita, joissa on tarvinnut myös muita tukemaan, opastamaan ja jakamaan ajatuksia. Muiden avustuksella on vuoria ylitetty, ja kiviä potkittu kulun tieltä. Olen kiitollinen työni ohjaajille, jotka ovat auttaneet minua kehittymään tutkijana näiden vuosien aikana. Näin väitöskirjaprosessin lopussa on hieno katsoa taaksepäin, ja huomata sitä oppimista ja kehitystä, mitä prosessi on tuottanut.

Kiitos ohjaajalleni Professori Tuomo Takalalle kannustuksesta ja tuesta. Kiitos myös toiselle ohjaajalleni, KTT Mari Suorannalle. Olen kiitollinen sinun aina rehellisestä palautteesta ja tsemppauksesta. Kiitos väitöskirjani tarkistajat dosentti, KTT Tarja Pietiläinen ja professori, TkT Vesa Harmaakorpi. Teidän rakentavat huomiot auttoivat väitöskirjan viimeistelyssä.

Lämmin kiitos Mia Häkkinen, Aki Soudunsaari, Mari Suoranta, Marika Heikkilä, Sam Solaimani ja Leni Kuivaniemi. Te loistavat kanssakirjoittajani. Teidän kanssa yhteistyö oli mutkatonta. Kiitos Mia, että pystyit muiden vastuidesi lisäksi ottamaan osaa artikkeleihini suurella panostuksella.

Kiitos myös Marko Sepälle väitöskirjaprosessini alkuvaiheessa. Sinä kannustit minua väitöskirjan tekemiseen, sekä löytämään omat intohimot tutkimuksen kentässä. Kiitos Tekes hankkeessa ”Globaaliksi skaalautuvat liiketoimintamallit liikunta-, terveys-, ja hyvinvointisektorilla” olleille tutkijakollegoilleni, sekä yrityskumppaneille. Kiitos kasvuyrityslaboratorio GVL:ssä olleet tutkijakollegat. GVL:n aikaiset vuodet opettivat minulle paljon, mm. siitä miten tutkimuksen ja yritysmaailman välille rakennetaan siltoja.

Osallistuin IFKAD ja EBRF konferensseihin, joissa sain erinomaisia kommentteja. Kiitos kielenhuollosta Refiner. Liikesivistysrahasto, KAUTE ja Kauppakorkeakoulun (JYU) tohtorikoulu mahdollistivat kokoaikaisen tutkimustyöhön keskittymisen. Kiitos myös Jyväskylän Yliopiston Kauppakorkeakoulun dekaani ja hallinnon väki.

Kiitos te lähimmät ystäväni, jotka olette aina kannustaneet ja tukeneet. Iso kiitos Janette, Ida, Jutta, Anna-Roosa, Asa, Tiia, Riitta, Mari, Essi, Antti, Jarkko, Hanna ja Sanni. Kiitos vanhempani, sekä Sari ja Juuso. Teihin voi aina luottaa.

Kokkolassa 18.2.2017
Mila Hakanen

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II. Hakanen, M., Kossou, L. & Takala, T. 2016. Building Interpersonal Trust in Business Networks: Enablers and Roadblocks. Journal of Business Models 4 (1), 45-62.
III. Hakanen, M., & Häkkinen, M. 2015. Management possibilities for interpersonal trust in a business network. Nordic Journal of Business 64 (4), 249-265.
IV. Hakanen, M., Häkkinen, M., & Soudunsaari, A. 2015. Trust in building high-performing teams: conceptual approach. Electronic Journal of Business Ethics and Organization Studies 20 (2), 43-53.

# 1 INTRODUCTION

## 1.1 The starting points in this study

The world has changed during the past decades. We need more successful business stories, and new enterprises and business models in Finland that could solve current societal challenges. Human and social capital are the corner stones for the wellbeing of nations, so it is crucial to support the growth of non-material capital and the full use of knowledge. (Nijkamp & Kourtit 2013; Voineagu et al. 2010.) There is a bridge for trust and the productiveness of companies, and the bridge is leadership (Dirks & Ferrin 2002; Ming-Jian & Ming-Chia 2007). The areas with the most challenges in workplaces do not usually involve knowledge issues, but cooperation; how people work together (Korb et al. 2015).

There has been growing interest in trust (Sendjaya & Pekerti, 2010). Trust can be seen as the backbone of cooperation. Trust should be noticed and fostered, so that network members can concentrate fully on the main tasks of network cooperation. Trust can be seen as one of the key areas in leadership skills (Yukl, 2010). It is important to highlight the responsibility and the effects of the actions of every network member. It is also crucial to focus on how trust is built and how it can be maintained in workplaces, when we are faced with the challenges of cooperation (Savolainen, 2013). Interpersonal trust, and also business networks, are very wide research areas, but there are still some gaps and areas that deserve deeper exploration. Gambetta (2000) has highlighted that *"We still know little, though, about how a certain level of trust is or can be achieved and promoted"* (p. 8).

Studies have shown the difficulties in building and maintaining trust (Six, 2007). Six and Sorge (2008; p. 858) summarized the problem as follows: *"Despite a wealth of research on antecedents of trust in general (such as control, contract or team characteristics), we know very little about how organizations can (and do) purposefully enhance interpersonal trust"*. In addition, *"…recent global events have undermined trust in many of society's institutions and organizations"* (Bachmann et al. 2015, p. 1123). Lewicki et al. (2006, p. 1013) highlighted that, *"although it is clear from this* *review that theorizing and empirical research on trust development has made significant strides during the past decade, there is considerable work left to be done."* Managing interpersonal trust is one of these areas, but so also its measurement. It would be useful to follow the state of trust, so that the changes could be noticed. In addition, most empirical studies have measured trust at a single point in time, which only provides a limited view of the dynamic nature of trust within interpersonal relationships. (Lewicki et al., 2006)

Partners have to be able to trust the motivation and commitment inside their network. Trust is one dimension that can improve the economic performance of a company because the standard of work will get better in an atmosphere of trust. Trust increases communication, which will help in the building of innovations. (Gambetta, 2000.)

## 1.2 Previous research on interpersonal trust in business networks

The field of trust research is wide and also fragmentary. The importance of trust in human relationships is widely recognized. The development and maintenance of trust is a crucial area in every level of relationships – interpersonal, group and organizational. Trust is highly researched in economics, sociology and psychology, and the range of research is from models of transaction costs and negotiation, to culture-based models of interpersonal interactions. Luna-Reyes et al. (2014) highlighted that the study of interpersonal trust can also contribute to the group and organizational level because interpersonal aspects, or factors of trust, are central to almost all models.

In earlier studies, the focus has been the relationships between managers and employees in the management side of trust, in other words, the focus has been vertical trust. In business networks, horizontal trust should be researched. Trust is seen as one of the most important areas in leadership, especially in the area of ethical leadership. In addition, the management side of trust is not well researched area and *"– the topic of trust is not covered consistently in management texts"* (Schraeder et al., 2015); more this theme is arised from the consulting business in the past years. Trust can be seen as a desired outcome in the development and leadership literature of the past several decades, but trust has not been a specific goal in training or development processes. The focus has been more in areas, such as communication, dealing with conflict, problem solving, teamwork and leading change. (Schraeder et al., 2015.) These areas are close to trust and also very important areas for organizations, but it is crucial that teaching and training also reach the area of trust.

## 1.3 Positioning of this study

This research can be seen as interdisciplinary in the sense that it merges business studies and psychology. The area of interpersonal trust is approached from the perspective of psychology, and networking theories from business studies. Trust has also been researched extensively in the area of business studies, but the key theories come from psychology. Social capital is the background theory for trust. Social capital consists of trust, communication and community (Putnam 1995) and it has an effect on the success of organizations and the performance of business networks (Batt, 2008). Trust can be divided into many stages and areas, such as social, institutional, organizational, dyadic and interpersonal trust (Korsgaard et al., 2015; McKnight et al., 1998; Luna-Reyes et al., 2014; De Wever et al., 2005). Networking has also been divided into many areas, such as basic, innovative and business creation networks (Möller et al., 2009), value creation networks (Parolini 1999), and smart business networks (Vervest et al., 2005, 2008). However, even though different network types have been presented, there are commonalities between the different types: the cooperation between inter-dependent organisations, specific roles and shared goals to produce added value (Vervest et al., 2005, 2008; Håkansson & Snehota, 1995; Parolini 1999). Information, resources and responsibilities are shared between business partners (Camarinha-Matos et al. 2009, Pekkola 2013b).

The links between trust and networking are strong, and they are both studied from many perspectives, but there are still some areas that are not highly noted, such as the aspects of managing and estimating interpersonal trust. Figure 1 illustrates how this study is positioned in the fields of management. The main focus is trust, and more precisely, interpersonal trust. This is approached from three different perspectives: enablers and blockers in trust building, managing interpersonal trust and the estimation of trust at the level of networks.

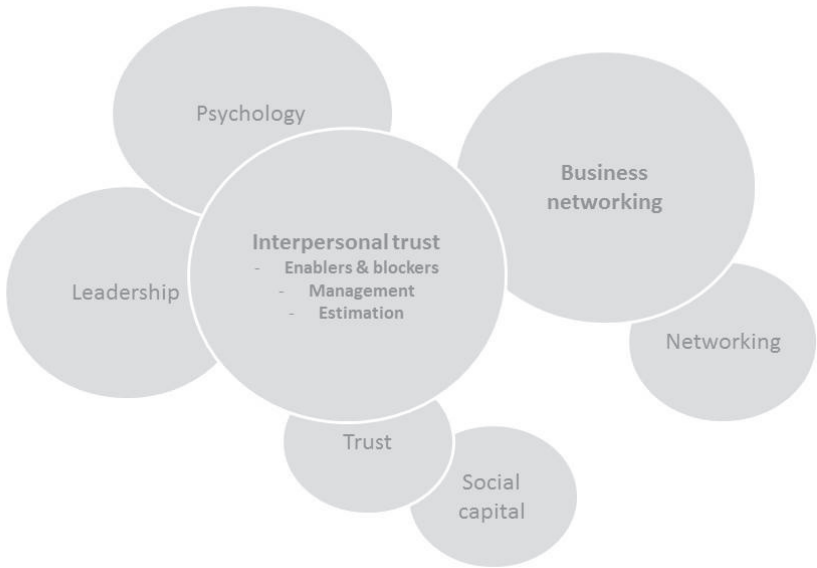


FIGURE 1 The positioning of this study

## 1.4 Research objectives and questions

Trust increases cost-effectiveness, but also competitiveness. Without trust, control is usually necessary, which increases operating costs. Control effects creativity and the development of innovations. Management has a crucial role in trust building – it can support trust building using managerial activities (Creed & Miles, 1996; Whitener, 1998; Young & Daniel, 2003). Early research shows that trust increases through common workplace ethics, support and active communication. The management of interpersonal trust has not been a well-researched area and gaps still exist. *"The management of trust and also the skill of trusting is not a well-researched area in Finnish organizations"* (Savolainen, 2013). Early research has not concentrated on building trust through proactive practices. (Lämsä & Pučėtaitė, 2006.)

The objective of this study focuses on business relations at the business network level, and interpersonal trust at the level of the whole network instead of only dyadic relations. This is a less common approach in trust research (Zaheer et al., 2010). More precisely, this research focuses on the following three areas:

1. Enablers and blockers for building interpersonal trust
2. The management possibilities of interpersonal trust
3. Trust estimation and performance metrics for interpersonal trust

This research contributes to the existing gap in the management and estimation of trust, but also provides operational models for building up and supporting trust in the studied network. It is valuable to understand how interpersonal trust can be developed and managed systematically. The main objective is to understand the phenomenon of trust estimation and management, and the second objective, to provide tools and directions for building and managing trust at the business network level. Earlier research has not highlighted the importance of trust estimation. Our study focuses on the possible performance metrics for interpersonal trust in the context of business networks. What is the level of trust inside networks, and how could it be verified. In addition, this research focuses on establishing the benefits, but also the challenges and problems, in the development of interpersonal trust. The specific objective is to support the creation and development of trusting relationships.

In summary, the objective of my study focuses on three areas of interpersonal trust: development, estimation and management, and I will answer the following research questions (order of emphasis):

- What could be the main areas in the management of interpersonal trust building? How can interpersonal trust building and development be managed at the level of the business network? (Article 3)
- What kind of performance metrics for trust could be used in the performance measurement of networked business models? (Article 1)
- How does interpersonal trust develop and grow in the business network of health, exercise and wellbeing markets? What are the enablers and blockers for building interpersonal trust at the whole network level? (Article 2)
- What is a role of trust in high-performance team building? (Article 4)

## 1.5 Business network in the health, exercise and wellbeing markets

This study is part of the multidisciplinary project "Globally scalable business models in Health Exercise and Wellbeing (HEW) markets", where professionals from business, ICT and sport and health met to solve the big challenges in the Health, Exercise and Wellbeing sector. This project was funded by Tekes, a publicly founded organization that finances research, development and innovation projects in Finland. The case network was from the health, exercise and wellbeing sector, and consists of four Finnish organizations where two of these are small and two are large companies: an occupational health care provider, pharmacy chain, pharmaceutical producer and entrepreneur specialising in sports and pharmacy consulting. There was also a fifth partner, a project team from the university, (University of Jyväskylä, School of Business and Economics) with a background in sports, information systems, entrepreneurship and growth companies. The idea for this project came from an entrepreneur from the sports and pharmacy consultancy. The entrepreneur saw the need for a new business model that could also be scalable for different markets.

Some of these companies have cooperated and shared business activities before this cooperation mode. The aim of this network was to develop service innovations that increase and improve the physical activity of their customers by delivering sustainable business solutions to contemporary health, exercise and wellbeing problems. The developed service was a physical activity prescription that focuses on preventing health issues (e.g. obesity, type 2 diabetes) that are typical in Western industrialized countries. The case network started the collaboration process in the fall of 2011 and created business models and developed growth ventures using Finnish HEW knowledge. The project ended in 2014.

The project offered a neutral ground for networking. The core process of the planned business model is: *"A medical doctor (in the Health Care Company) prescribes the patient physical exercise instead of / in addition to normal drugs. The changes in the physical wellbeing of the patient (e.g. body age index, body mass index, body fat percentage) are measured regularly at a pharmacy, and the patient is also encouraged to increase his or her physical activity level. The data from each measurement session are stored in a central database, and aggregated reports on the changes in the physical wellbeing of the patient or group of patients (for instance employees of a certain company or industry) can be produced from this database. This data are available when the patient is seeing her/his doctor again."* The developed service supports employee health, which leads to reduced ailments. The value proposition is that the patient is motivated to exercise, as they receive more holistic health services, but also verified changes in their physical wellbeing. (Heikkilä et al., 2014.)

One of the main objectives of the project was to create a scalable business model, the physical activity prescription, for the health, exercise and wellbeing sector. The planned business model was created, and also tested, before the project ended in 2014. The objective of my research was to clarify the state of network relations, especially the state of trust, inside the project. In addition, another goal was to support the network relations by creating tools and guidelines for network partners.

## 1.6 Research framework

These four articles included in this dissertation focus on the context of interpersonal trust in a Finnish business network from different viewpoints. Below, Figure 2 introduces the research framework and illustrates how these four articles merge together. Article 1 and 3 focus on the areas that are not so well researched and are very important areas to take into account: the measurement and tracking, but also the management, of interpersonal trust. How interpersonal trust can be managed and measured in the context of business networks?

Article 1 concentrates on performance estimation in the context of networking, and the level of trust. Estimation provides knowledge of the present state of trust and helps to identify possible blockers. The second article presents the enablers and blockers for interpersonal trust building, and highlights the importance of informal meetings to build up we-spirit, crazy ideas and outside-the-box thinking, that are important areas when a newly established network is starting to cooperate. Article 3 focuses on the management possibilities of interpersonal trust in the business network context, and introduces trust building dimensions based on the case study in the Finnish context: leadership skills, communication, actions and commonalities, environment and atmosphere, and in addition, components difficult to control. The last article reveals the conceptual approach to trust in building high-performing teams. The study concentrates on the dimensions of high-performing teams, where trust can be seen as one of the most important dimensions with a clear purpose/vision and communication. Many other dimensions are also needed and these are presented in the article. This conceptual study is based on more than 50 studies.

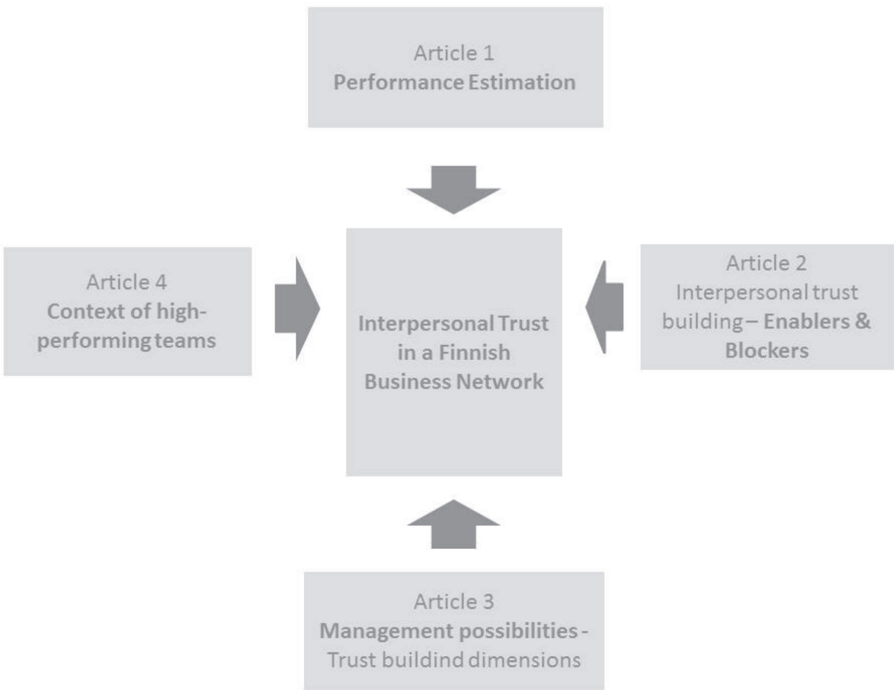


FIGURE 2 The research framework

My dissertation consists of three main parts: an introductory essay, four articles and the discussion and conclusions. First, is the introductory essay, where I justify the selected research area. This part includes the key concepts of the study and also previous research in the field of interpersonal trust and business networks. This is followed by introducing my methodological choices and the summaries of the four articles and their main contributions. These four articles present different angles to the studied phenomenon – interpersonal trust and trust management at the business network level. I chose to conduct a qualitative case study, and this chapter provides arguments to support these choices. In the final chapter, I reflect upon the contributions of the four articles and concentrate on the main results and conclusions. In addition, the credibility and validity of the study is considered and ideas for further research are given.

# 2 THEORETICAL BACKGROUND

## 2.1 Trust as a multilevel phenomenon

This study belongs among studies exploring the field of social capital. Social capital impacts the success of organizations and the performance of business networks (Batt, 2008) in many ways, such as promoting productivity (Coleman, 1988) and facilitating the development of knowledge and innovation (Productivity Commission, 2003). It is a multidimensional concept and includes trust, communication and community (Putnam, 1995; Nahapiet, 2009) and is connected to trustworthiness and reciprocity (Putnam, 2000). Coleman (1988) defined social capital *"to exist in the relations among persons"* and it is mostly seen as a resource for social action (Bourdieu, 1986; Coleman, 1988). Baker (1990) has regarded social capital as the structure of the relationship networks, whereas Vuorinen (2005) describes social capital as the glue that creates flexibility between team members. Social capital increases with use and can be lost without maintenance (Nahapiet & Ghoshal, 1998). In this research, social capital is seen as a shared capital between individuals; its building materials are trust and communication but also a sense of community. Conventional wisdom suggests that trust, an element of social capital, is an important key to success in business networks (Nonaka & Takeuchi, 1995). Continual cooperation cannot rely on and be guaranteed by contracts alone. Trust-related elements are needed (Lee & Choi, 2011, p. 96-97).

Lewicki et al. (2006, p. 996) defined trust: "*As a psychological state, trust is composed of two interrelated cognitive processes. The first entails a willingness to accept vulnerability to the actions of another party. The second is that, despite uncertainty about how the other will act, there are positive expectations regarding the other party's intentions, motivations, and behavior.*" While, Mayer et al. (1995, p. 712) defined trust as "*the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party.*" Ontological security is needed in trust towards individuals, which means a fundamental sense of safety in the world and also basic trust towards others (Giddens, 1991).

Trust has often been described as the cement that holds people together and supports individual performance (Lewicki & Tomlinson, 2003) or as emotional glue (Savolainen, 2013). Lyon et al. (2012) have described trust as the most fascinating and fundamental phenomenon, but they highlight that trust has elusive and challenging aspects. One dictionary meaning of trust says, *"a firm belief in the reliability, trust and strength of a person: a confident expectation and a reliance on the truth of a statement without examination"* (OED, 1995). Trust can be seen as a willingness to tolerate vulnerability on the assumption that others will act as expected, regardless of external monitoring or controlling (Mayer et al., 1995). Trust is based on an expectation of fairness, openness and honesty (Möllering et al., 2004). Fishbein and Ajzen (1975) divided constructs of trust into beliefs, attitudes, intentions and behaviours. Six (2007) summarized that the trustor looks for two things in the behaviour of the trustee: *"First, they check to see whether the latter's behaviour indicates that he or she is competent to perform according to expectations. Second, trustors look for signs in the behaviour of trustees that the trustee intends to maintain the relationship of trust in the future: so-called relational signals."* The predisposing beliefs of others play a crucial role and those beliefs will determine the initial attitude and will also influence actions (Six, 2007). In addition, the wider context (such as surroundings and culture) the individual operates within influences the individual's behaviour (Six & Sorge, 2008).

*"There lies the seed of trust in the culmination that trust capital explains the results of actions more than physical capital".* (Harisalo & Miettinen, 2010, p. 40-41.) Earlier research shows that trust fuels economic performance and growth. (Fukuyama, 1995.) By building trust, it is possible to create loyal relationships that do not break very easily. These relationships can be seen as a precious social and cultural pool. Nowadays, the majority of work is knowledge based where sharing and co-creation is needed, and where trust is a very important factor. (Savolainen, 2013.) Trust can be divided between different levels, such as interpersonal, team and organizational (Fulmer & Gelfand, 2012).

Trust develops slowly, but it can be lost quickly. It is a very fragile area; it usually takes a long time to build but it can be broken very easily, and reviving trust is a complicated and long process. It is not transferable and is fragile even in long-term relationships. Trust cannot be achieved through flattery (Ilmonen, 2001). Trust needs continual maintenance, and does not develop through words alone, but also requires action. Rightness is one of the most important corner stones for trust. Rightness in sharing means sharing resources in a sportsmanlike way (Deutsch, 1985); rightness in methods refers to fairness in the process and approach to decision-making (Lind & Tyler, 1988), and rightness in communication is based on respect, honesty and polite behaviour (Bies & Moag, 1986). Trusting relationships need maintenance. Trust taken-for-granted is trust-soon-forgotten. Trust should be verifiable so it should bear testing (Barnett et al., 2010). One of the key corner stones for trust is that words and actions should be in parallel (Christopher et al., 2008), and also that trust starts to build through communication and cooperation (Harisalo & Miettinen, 2010). Trusted relations take time; trust develops over a long time (Barnett et al., 2010) and shared experiences support this development.

Trust can be seen as a process, it is not seen as a solid thing, but more like an on-going process that never ends (Nooteboom, 2002); trust does not only increase as time passes, but continuous interactions are the key for maintaining and building trust (Ikonen, 2013). Trust is an enabler for reciprocity, mutual appreciation, motivation and positive emotions (for example security and confidence) (Ikonen, 2013). Through trust, people are willing and open to hearing the opinions of others and to seeing their points of view (Harisalo & Miettinen, 2010, p. 59). Trusted relations help to express constructive criticism (Barnett et al. 2010, p. 647) that could be lost without trust. Constructive criticism helps to develop network cooperation.

Trust can be divided into cognitive (rational) and affective (emotional) trust. However, there is evidence that sometimes people do not need the feeling of trust, instead they use gut reactions (Smallbone & Lyon, 2002). In addition, differences have been found in the neurological image between the genders; one study that concentrated on levels of trustworthiness found that different parts of the brain become active and more brain areas are also activated in women than in men. (Riedl et al., 2010.) Studies have revealed that too much trust can also be a problem (Jeffries and Reed, 2000) because it can lead to ignoring opportunities with less trusting partners or to rigidity (De Wever et al., 2005). De Wever et al. (2005) saw that too much trust can lead to blind trust, where actions and decisions are no longer based on rational factors.

There are many different types of trust and one of the types is dyadic trust. Recent studies have focused on examining dyadic trust from multiple perspectives (Korsgaard et al., 2015). One study by Korsgaard et al. (2015, p. 47) examined dyadic trust using different approaches: "*We define dyadic trust as an emergent property of the dyad representing the pattern of trust between two parties. -- three approaches to understanding dyadic trust: reciprocal trust, wherein one party's trust influences the other party's trust; mutual trust, wherein both parties share a given level of trust that has important consequences for the dyad; and asymmetric trust, wherein each party has a different level of trust, and this disparity has consequences for the dyad.*" Dyadic trust is very often noted in studies of interpersonal trust.

Reciprocal trust has its foundation in social exchange theory and theories based on the assumption that trust evolves over time through the interaction process. In the initial state of a relationship, individuals may not have the same level of trust but constant interaction enables them to obtain a reciprocal state of trust. Korsgaard et al. (2015, p. 53) provide an example of reciprocal trust: "*Given two individuals A and B, when A engages in cooperative or trusting behavior, party B is likely to trust A. Acting on that trust, B comes to rely on or be dependent upon A. This dependence creates an incentive for B to be trustworthy, which leads A to trust B. Acting on that trust, A comes to rely on B, completing the cycle of reciprocal trust. Because the basis of the relationship is voluntary exchange, if the exchanges are not beneficial, individuals will seek to exit the relationship. Thus, models of reciprocal trust suggest that over time, partners will develop mutual levels of high trust or the relationship* *will disband.*" (Korsgaard et al., 2015.) However, in many studies of reciprocal trust in organizational settings, there has only been a modest correlation between parties (Stoel & Muhanna, 2012; Svensson, 2005). Trust and trusting behaviour are linked, and trusting behaviour also awakes trusting behaviour in the recipient. Trusting behaviour is seen as a signal where the other will respond. (Serva et al., 2005). Another form of trust, benevolence-based trust, relies on the belief that the trustee will not damage the self-esteem or reputation, because the trustor cares about the trustee and her/his well-being and goals. Sharing tacit or experiential knowledge usually leads to the development of benevolence-based trust (Abrams et al., 2003). Meyerson, Weick and Kramer (1996) proposed swift trust that was found from newly formed teams that are highly skilled and successful, such as surgical teams, disaster rescue teams, and airline cockpit crews. They found several factors that influenced the development of swift trust: role-based interactions and behaviour, consistency of performance, shared standards and moderate levels of interdependence between team or group members.

The study by McKnight et al. (1998) focused on initial trust formation. Commonly, studies reveal that trust develops over time, but some studies have found high levels of trust already in the initial stage – *"…it will be based on an individual's disposition to trust or on institutional cues that enable one person to trust another without first-hand knowledge."* (p. 474). However, a high initial level of trust may be quite fragile and the level of trust can change over time. McKnight et al. highlighted three streams of trust, in addition to knowledge-based and calculus-based trust, that affect the formation of initial trust: 1) personality based, 2) institution based, and 3) cognition based. Personality based trust is created already in childhood and it based on the child's relationship with its caregiver (Erikson, 1968). Institution based trust is premised on the existence of an institutional framework, guarantees, laws and regulations (Luna-Reyes et al., 2014). Cognition-based trust relies on instant cognitive cues or first impressions (Meyerson et al., 1996).

Lee and Choi have developed the theory of on-going trust, which refers to trust that is dynamic and changes over time by being based on belief in a partner's reliability and integrity. However, calculus-based trust is based on an assessment of the benefits or costs in deciding whether to trust, so it is a rational choice that is not based on emotional or intuitive factors (Deutsch, 1962). This kind of trust is based on the reward/punishment model of thinking. The value of keeping promises and completing tasks is not in personal satisfaction, but the consequences of doing so. Another reason is protection of reputation. Calculus-based trust is built very slowly and it will not sustain violations of trust so well (Lewicki & Wiethoff, 2000). Generalized trust is not based on direct knowledge but rather affiliation and reputation and is linked to trustworthiness. Dyadic trust has better influence on network effectiveness than generalized trust can produce, since when partners have a direct knowledge of their partners, they are more willing to transfer and share the knowledge. (De Wever et al., 2005.) Vanneste et al. (2014) highlighted the context-dependent aspect of trust – trust can vary in different situations. Fulmer and Gelfand (2012) noted that many studies have seen trust as a static phenomenon and only from one party's (the trustor's) perspective.

Trust relations can be seen on a formal-informal scale. The informal stage is needed to build one's spirit, and encourage thinking outside-the-box and unconstrained ideas that can lead to new innovations (Barnett et al., 2010.) Trust is also defined as an initial state that indicates the assumption that trust is earned by belonging to some certain organisation, so trust is not based on the experience of the individual actions of others. Trust is generated from the group level to individual members. (Lee & Choi, 2011.)

Trust motivates us to work as well as possible but it also motives us to learn new skills. Without it, people cannot work effectively and get the best results and outcomes (Harisalo & Miettinen, 2010, p. 40-41). Trust enables and encourages idea sharing, co-creation and innovation; in other words, it can be a 'thought opener'. (Harisalo & Miettinen, 2010, p. 40-59.)

Without trust, shared creation is not possible. Trust makes it possible to solve challenges together. Trust reduces opportunistic behavior and this has the benefit of encouraging cooperation (Salgado & Bourcieu, 2002) by means of 'stabilizing zones' that enable business partners to combine their complementary resources with autonomy in decision-making (Aliouat, 1997). Trust also creates vitality and energy that makes it possible to accomplish results at both personal and organizational levels. Vitality that consists of will-, emotion-, and functional energy gives strength and the readiness to be open to see and accept different viewpoints. Vitality is seen in a person's motivation, inspiration and also the full exploitation of his/her skills and capacity. (Savolainen, 2013.) In addition, the study by Muethel et al. (2012) showed that trust is a highly necessary aspect under the conditions of geographic dispersion, computer-mediated communication, and national diversity.

### 2.1.1 Interpersonal trust

Interpersonal trust refers to 'the extent to which a person is confident in and willing to act on the basis of the words, actions, and decisions of another' (McAllister, 1995, p. 25). Abrams et al. (2003) divided interpersonal trust into two forms: trust in a person's competence and in a person's benevolence. Interpersonal trust is a dimension of trust, alongside inter-organisational and institutional trust (Zucker, 1986). There are two individuals at the interpersonal level: the trustor and the trustee. Fairholm (1994, p. 98) states that, "*… no organization can take place without interpersonal trust …*". Interpersonal trust depends on the behaviour of the trustee and the trustor (Mayer et al., 1995; Rousseau et al., 1998). Korsgaard et al. (2015, p. 49) defined interpersonal trust as follows: "*While it may be shaped by propensities of the trustor, it is not a personality trait but a state that is also influenced by context and interactions with the other party as well as individual differences.*" Lindenberg (1997, 1998, 2003) argues that two different factors affect interpersonal trust. There are other relational variables that have been studied in group research, such as cohesion, the attractiveness of a group, friendship, close pre-existing ties between individuals, familiarity, and specific knowledge about the other. These variables can correlate in many situations; however, there are potentially meaningful distinctions between these variables. There are also some constituent elements of trust, such as dependability and predictability. (Dirks, 1999.)

The trustor looks to the trustee to show a willingness to perform according to perceived shared expectations. Also, the trustee shows if they are interested in maintaining the relationship in the future. It is important that both parties want to maintain the relationship (Lindenberg, 2000). Trust between parties can be in a state of symmetry or asymmetry (Tomlinson et al., 2009), although earlier research is not explicitly focused on the consequences of trust asymmetry. There can be different directions in asymmetry; the direction can be crucial; for example, when people have unique roles, like a leader and follower relationship. Asymmetry has a negative effect on trust relations and it is especially disruptive to that partner who trusts more. (Korsgeerd et al., 2015.) Asymmetric trust can mean that individuals lose their motivation to invest in the relationship (Call & Korsgaard, 2013). In addition, "When individuals come to realize that they are trusted less than they trust, they may adjust their own behaviour and attitudes to conform to those of the other party, leading to a downward spiral." (Korsgaard et al., 2015.) A study by Shallcross and Simpson (2012) suggested that asymmetries in trusting relations can decrease over time.

Trust is needed between people, whenever there is not complete certainty about the other's actions. Risk is present in interpersonal trust, but too much risk decreases trust, and people can choose not to trust (Gibson & Manuel, 2003). Key elements for building interpersonal trust are open dialogue, knowledge sharing (Gillespie & Mann 2004) and equality (Häkkinen, 2012). Social intercourse is needed to build interpersonal trust (Ilmonen, 2001). Putnam (1993) divided reciprocal social intercourse into balanced and generalised. Generalised intercourse consists of a concurrent exchange of equal performance while balanced intercourse refers to an exchange at different times. Balanced social intercourse needs trust (Putnam, 1993, p. 172). The study by Ikonen (2013) highlighted that the process of interpersonal trust is more complicated than earlier research had revealed. Ikonen described special moments in trust and she named these episodes when trust can rapidly strengthen or disintegrate. The study emphasized that trust could be broken without intent with passive or indifferent behaviour. Interpersonal trust is a key characteristic for knowledge creation and sharing at the network level (Tsai & Ghoshal, 1998).

Trust has three different components, cognitive, affective, and intentional, as an attitude. The cognitive component is based on the trustor's beliefs about the character and intentions of the trustee. The trustor's pre-existing expectations effect the cognitive component. The trustor assesses the characteristics of the other party, the quality of the relationship itself and also other situational variables likely to influence the relationship. (Korsgaard et al., 2015.) In addition, ability, benevolence and integrity are assessed (Mayer et al., 1995), and also predictability (Mishra, 1996). The other component, affective, indicates the positive affective associations towards the trustor, the relationship itself, and the outcomes of cooperation (McAllister, 1995).

Control and power have an effect on interpersonal relationships. A study by Molm et al. (2000) found that less control and assurances led to deeper levels of trust. In addition, partners trusted each other more when the power was shared equally (Korsgaard et al., 2015). Trust can continue in different directions between parties. Many elements effect the dyadic level of trust, such as the characteristics, behaviour and perceptions of individuals (Korsgaards et al., 2015). In addition, different trust levels have been found in different cultures and between different nationalities. For example, Dyer and Chu (2000) studied the buyer-supplier relationships in three different countries: the United States, Japan and Korea. There were significant differences and trust was higher in Japan than in the other two countries. Korsgaard et al. (2015, p. 58) highlights: *"…that characteristics of the culture or institutions of these countries lead individuals to be more or less trusting or trustworthy, thereby leading dyads in some cultures to be more trusting than those in other cultures."*

### 2.1.2 Distrust from a two-dimensional approach

Shared experiences create trust; trust in turn enables deeper interaction and a deeper level of expression between team members (Mäkipeska & Niemelä, 2005). Words and actions should match. Distrust is referred to as a lack of trust based on experience or information, and one typical reason is a consequence of insufficient communication (Harisalo & Miettinen, 2010, p. 48). Ineffective communication can lead to an erosion of trust (Spangenberg, 2012). Dimoka's (2010) study of online auctions revealed that trust is more cognitive and calculative, while distrust is more emotional. Distrust has been found in weak relationships, whereas trust is discovered within strong relationships where positive third-party ties also are present (Burt, 2000). Some people have a predisposition to distrust to others in general that is usually based on events in the past, and a generalization after prior trust violations (Mayer et al., 1995; Rotter, 1967).

A study of consumer trust in banking relationships in Europe shows that low trust indicates serious problems and should be taken seriously. Low-trust relationships need a different kind of strategy than high-trust relations. (Järvinen, 2014.) Distrust is a strong force that causes suspicion and alienation. It discourages offers of support and assistance, and thereby, prevents shared aims from being achieved collaboratively (Sitkin & Roth, 1993.) Bibb and Kourdi (2004, p. 83) have defined five areas where distrust affects the working community: awareness, variety, connectability, availability and consistency. Lack of awareness can reveal a weakened understanding of the aims and vision of the enterprise. People are unwilling to share their ideas and knowledge, which limits the potential scope of their business network. People do not take the time to maintain connections between one another, and they avoid cooperating.

The connection between trust and distrust has been seen from different perspectives. Some studies have seen trust and distrust as a bipolar opposites (Rotter, 1971). This kind of perspective is a unidimensional approach (Lewicki et al., 2006) that differs from the other multidimensional perspectives that do not see so strict differences. Generally, it is highlighted that there is not full trust or distrust. The two-dimensional approach views the same components (cognition, affect, intentions) as the unidimensional viewpoint, but divides trust and distrust into separate dimensions (Lewicki et al., 1998). Trust and distrust can exist in the same time, for example, and this depends on the area of trust. For example, "*one spouse may trust another to take care of the children but not to drive a premium sports car (as past experience has revealed significant inexperience with a stick shift)!*" and also *"When asked whether one trusts or distrusts another, the proper answer is not "yes" or "no" but "to do what?"* (Lewicki et al. 2006, p. 1003.) The third psychological approach to trust development is the transformational approach that proposes that there are different types of trust, and also, that trust transforms over time. The research into this approach has focused on examining whether there is a phenomenological difference between "deep" trust and transactional trust. (Lewicki et al., 2006.)

The study by Lewicki et al. (2006, p. 1000) focused on initial distrust, and they saw that it occurs commonly as a result of three causes: (a) cultural or psychological factors that bias individuals toward initial distrust; (b) untrustworthy reputation information about an other, suggesting that distrust is appropriate; or (c) context or situational factors that warrant such an early judgment.

Distrust causes suspicion and alienation, and moreover, assistance and support decreases. This leads to situations where aims are more difficult to achieve collaboratively. Even trivial matters are difficult to take care of and solve together. Distrust leads to self-protection and self-interested thinking. (Harisalo & Miettinen, 2010.) For example, distrust towards a co-worker causes a situation where an individual is anxious when working with the untrusted partner. This will have an effect on group performance because the individual who cannot trust will lose focus in regard to achieving the group outcome, when he/she is protecting his or her own backside. (Dirks, 1999.)

Distrust can be divided into common and specific. Specific distrust concerns a certain person or circumstance. (Möller 2000, p. 29). Distrust can also be unintended because of varying degrees of appreciation and differing interpretations of events and situations (Bibb & Kourdi 2004, p. 55). Insufficient communication can lead to distrust (Harisalo & Miettinen, 2010.) However, electronic information channels are very common nowadays, and messages do not always go through, or are partly or completely misunderstood (Savolainen, 2013). Furthermore, people have different meanings for words and phrases, so interpretation varies depending on the listener (Abrams et al., 2003). Moreover, distrust can arise through avoiding responsibilities, revealing secrets or stealing others' ideas (Reina & Reina, 1999.) It is important that promises are kept. In the study by Ikonen (2013), employees reacted strongly to promises that were not kept, regardless of the reason for these actions.

The research of Harisalo and Miettinen (2010) focuses on the ideal process from distrust to trust and they divide this process into six phases: 1) open communication, 2) constructive debate, 3) listing the causes of distrust, 4) solutions, 5) transferring to action, and 6) continual assessment. One corner stone in this process is genuine listening, without prejudice. Partners should be ready for open and honest conversation, so that the situation could be changed along a better track. Honest conversation includes expressions of how partners have experienced and interpreted things. Personal viewpoints should be opened up, and reasons for actions should be explained. In this process, the key is to list and understand the causes of distrust. The partners should co-create and create ideas for resolving and strengthening their relationship. However, after such interaction, the resulting ideas should be put into action and the assessment of developments should be continual. After trust violations, in the process of moving from distrust to trust, it is also beneficial to say 'yes' to the person and 'no' to the behaviour. In addition, confronting the trouble does not necessarily need to cause distrust (Six & Sorge, 2008). Shared goals and values are important and can be seen as enablers for resolving conflicts (Lewicki & Wiethoff, 2000).

### 2.1.3 Communication as an enabled for functional cooperation

Communication is a key part in relationship and network building (Håkansson & Snehota, 1997). Trust evolves in social interaction (Mäkipeska & Niemelä, 2005) and raises our awareness of people's identities and can also reveal the reasons behind choices and viewpoints (Harisalo & Miettinen, 2010). Trust supports communication and vice versa. In addition, trust builds up through communication and its base is in knowing the team members at a personal level (Varamäki et al., 2004). When communicating, individuals reveal their personal interests and may expose their vulnerabilities. Trust arises when people do not take advantage of someone in a vulnerable position. Communication should not only be based on facts, but also needs and desires (Barnett et al., 2010). Open communication is necessary. "*Our interviews frequently revealed that people are more likely to seek out and trust others who allow exploration and brainstorming at appropriate points in a project*" (Abrams et al., 2003). The biggest barrier for communication is distrust (Harisalo & Kilpi, 2006). In addition, trust supports sharing opinions and ideas, but also, an atmosphere of trust supports the warning of potential threats (Harisalo & Miettinen, 2010, p. 38-41).

The dynamics in the interaction process vary from adversarial to collaborative: in adversarial communication, members emphasis their own competences. The resulting critical dynamic causes arguments and interruptions. Avoiding conflict subjects belongs to consensus-oriented collaboration. Finally, collaborative communication includes all three dynamics in balance, and concentrates on genuine listening and consists of shared learning and development. (Ståhle & Laento, 2000.) In summary, open dialog is the most desirable form of communication (Christopher et al., 2008), and generates new knowledge (Harisalo & Miettinen, 2010, p. 88). At the business network level, a common platform for communication is needed (Gerbasi & Latusek, 2015). The inevitable differences that exist should be acknowledged and not set aside or ignored (Cook, 2009). Meiseberg and Ehran (2013) raised the concept of 'communication capability' and its importance in shared value creation. Communication skills should be enhanced because communication capability enables better and more intense cooperation.

## 2.2 Development of trust

Trust has an important role in social processes. Forming and building trust contains different processes, such as creation, building and re-building (Savolainen, 2009). Lewicki et al. (2006) divide trust development into three specific conceptualizations within the psychological approach: 1) the unidimensional model where trust and distrust are bipolar opposites, 2) the two-dimensional model, where trust and distrust are clearly differentiable dimensions that can vary independently, and 3) the transformational model, which sees trust as a developing and emerging phenomenon. A study by Luna-Reyes et al. (2004) identified four mechanisms to trust development: institutional trust (existence of an institutional framework, including laws, regulations), calculative trust (estimation of the risks), knowledge-based trust (possibility to assess the trustworthiness of the trustee), and identification-based trust (associated with emotional bonds or the existence of shared values or objectives).

Savolainen (2009) stated that there are two important elements in trust building: time and interaction. However, the study by Vanneste et al. (2014) showed that a correlation can be seen between trust and relationship duration, but the correlation is weak and it can be also 0 or negative in some cases. They focused on mechanisms that affect the association between trust and time, and they found four areas: initial bias correction, change in relationship value, identification and trust-based selection. (Vanneste et al., 2014.)

In addition, personal contact is essential because face-to-face contact is an enabler of deeper understanding (Ribb & Kourdi, 2004; Savolainen, 2009). The relationships based on the high use of information technology do not support trust building (Korsgaard et al., 2015). The study shows that information technology creates psychological distance and will easily lead to untrusting and untrustworthy manners (Rockmann & Nortcraft, 2008). Our research highlighted personal knowing, regular face-to-face interaction, empathy and genuine listening as key areas for trust building (Hakanen & Soudunsaari, 2012). Trust is created and strengthened in social interaction – during conversations. The possibility to speak about personally important things and the discussion of difficulties from different viewpoints also strengthens trust. Shared open reflection is one of the enablers for trust building. (Piippo, 2008.) *"Trust can sprout only from the seedbed of communication and openness --."* (Savolainen, 2013). The study by Muethel et al. (2012) supports the essence of personal knowing and highlights that kick-off meetings allow people to get to know each other and share information that can be the basis of further trust development. Everyone's attention should be focused on trust-related matters, including trust violation and repair.

Lewicki and Bunker (1996, p. 119-123) defined the process of trust building in three stages. They described the first stage as calculus-based trust, when the parties start to learn about one another. At this stage, the parties behave cautiously and are alert to surprises and disappointments. Some relationships stay at this stage for several reasons. Some parties do not need a complex relationship (e.g. with the neighbourhood drycleaner); that depends on the transactions between the parties. Secondly, if the interdependence between parties is bounded and regulated, only calculus-based trust can be fair. In addition, the parties can have a strong belief that the relationship is unlikely to develop further. Trust violations also have an effect on trust development as a blocker that makes further trust development unlikely. The second stage is knowledge-based trust that relies on open communication, orderliness and sympathy. The parties know each other and can generally trust one another's behaviour. At this stage, parties can predict the other's behaviour. Trust is grounded in a knowledge of the needs and preferences of the other, and also, understanding how the other thinks and responds. Before the parties can fully trust one another, they need a consistent experience of the other's behaviour. Even if the other party is unpredictable at times, active interaction and a multifaceted relationship helps to enhance an understanding of the other party. The last stage is identification-based trust, where the participants' needs and targets align. The parties are even ready to negotiate and possibly forgo some of their individual expectations, in order to achieve their shared aims. Lewicki et al. (2006) highlight: "*The shift from KTB (knowledge-based trust) to IBT (identification-based trust) is one from simply learning about the other to a balance between strengthening common identities while maintaining one's own distinctive identity in the relationship.*" Usually, parties share common values and have an outlook based on mutual benefit. In addition, the parties develop an understanding of what the other would want in a given situation. Often, this type of trust is present in personal relationships, but it is also possible in workplace and business relationships, and there it would help to understand the expectations, goals, and needs of one another. (Lewicki & Wiethoff, 2000.)

Ford (1980) developed the concept of distance in relationships that includes five differences: social (The degree of unfamiliarity), cultural (differences in norms, values etc.), technological (differences in process-, or product technology), time (Time between a contact and the delivery) and geographical (The physical distance between companies) distance. All these areas have an effect on trust building and should be considered.

Whetten et al. (1996, p. 44-45) have divided trust into five parts: confidence for performance, equity, solicitude, openness and competency. All these are necessary in trust building. Larson and LaFasto (1989) have defined four necessary elements in trust building: honesty, openness, consistency and respect. All these dimensions are important and if one is missing, trust can fray or even break. People need to be able to rely on others performing according to shared expectations; in other words, they need to know that they can trust one another (Lindenberg, 2003). Time is a very important aspect in trust building;

the relationship can get to a deeper level, and also uncertainty between the parties can decrease (Camén et al., 2012).

A study of 20 companies noted instructions for managers for the building of interpersonal trust: 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. (Abrams et al., 2003.) Honest behaviour, predictability and also shared values are enablers for trust building (Lewicki et al., 2006). A study by Christopher et al. (2008) revealed that the formal atmosphere does not support trust building, also informal meetings are required where interpersonal dialogue is possible and the partners can see that the cooperation is not based only on self-interest. Six (2007) argued in favour of the need for more knowledge about how organizational policies and settings affect the generation and maintenance of trust.

## 2.3 Commonalities of business networks

The European Union's *Europe 2020* strategy provides a good illustration of the focus that business practitioners are now putting on networks. This strategy fosters network cooperation with the aim of increasing competitiveness in the EU region (European Commission, 2010). Business networking is based on the pursuit of economic profit, and it is usually built on target-oriented and planned processes (Ruuskanen, 2001). The network members focus on the same end, or vision. Holmlund and Törnroos (1997) have defined a business network as connected actors that perform business activities in interaction with each other. Barringer and Harrison (2000) have defined a network as constellations of organizations through the formation of social contracts and agreements instead of legally binding agreements. While Provan et al. (2007) define a network as a group of three or more organizations such that their co-operation facilitates the achievement of a common goal and its members can be linked via different types of flows: information, materials, financial resources, services and social support. Networking is based on exchange processes that link parties' activities together (Håkansson & Snehota, 2006, p. 261). Often, crossing industry or sector boundaries is necessary, and networking facilitates this cooperation (Harisalo & Miettinen, 2010, p. 129-130). Trust and commitment are at the core of networking (Hunt & Morgan, 1994), and trust and commitment can be personal or/and organizational. Trust can be built if there is adequate mutual knowledge between partners. Trust building needs frequent collaboration (Gulati, 1995), and thereby time.

Möller et al. (2009) divided networks into three categories: basic business networks, innovative business networks and business creation networks. The stream varies from operative to strategic. Organizational networks are not separated from social networks because these networks are also created by people. But in addition, there can be links at the organizational level between organizations, the strength and continuity of which do not depend on single social relations. Networks can also be built by conscious decisions, or may develop freely. Planned networks are more clearly outlined. (Hibbert et al., 2008.)

Möller et al. (2009) also defined several qualities for business networks: 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. There are some commonalities between different network types, such as networks that are built from the cooperation of inter-dependent organisations (Vervest et al., 2005, 2008), there are specific roles and also value interactions (Håkansson and Snehota, 1995) and the goal is to produce added value (Parolini, 1999). The business partners share information, resources and responsibilities, and they plan, implement but also evaluate activities so that they can achieve common goals (Camarinha-Matos et al., 2009; Pekkola, 2013b).

Johannisson (1999) divided networks according to the contents of the network ties into three forms: information networks that provide business intelligence but also access to external resources, exchange networks that offer operational resources, and influence networks which give information but also concentrate on being a barrier for potential competitors. Network ties have been divided into weak and strong ties according to how intense and diverse the relationships are inside the network. The relationships are divided according to the frequency of contact, emotional intensity, and reciprocal commitment. (Granovetter, 1995.) Strong ties produce reliable relationships that support trust but also tacit knowledge, and shared problem solving is promoted in these relationships (Uzzi, 1996; Krackhardt, 1992). However, weak ties also have benefits. They increase diversity, and can provide access to new information (Granovetter, 1995).

Business networks can benefit considerably from the combination of complementary skills and heterogeneous resources. However, creating effective business relationships is time consuming, and interaction requires effort (Holmlund and Törnroos, 1997, p. 306). Business networking consists of the sharing of resources and responsibilities, where trust is a necessary factor (Tschannen-Moran, 2001), but commitment and understanding tasks and roles at the personal level is also necessary (Tienari and Piekkari, 2011). Cooperation cannot be built based on contracts, but trust-related elements are also needed (Lee and Choi, 2011). However, contracts also have their own position; they are the cornerstones in relationship building (Camén et al., 2012). Early research reveals that relationship commitment in business networks directly affects the profitability of the relationship (Blankenburg-Holm, 1996). Commitment to the relationship needs to be underpinned by trust in order to develop and strengthen.

A study by Katzenbach and Smith (1993) reveals that sports teams have a higher level of commitment compared to other teams, such as business teams.

Sports teams have clear goals, such as the championships, whereas business teams do not usually have precise goals only wider targets and visions. More precise targets could help them achieve small wins that would support trust and commitment, and also help them achieve the larger vision (Katzenbach & Smith, 1993). Business networking consists of formal contracts, but also of psychological agreements. Realization should follow commitment. The partnership should be viewed and analysed from the various viewpoints of different partners (Ring and Van de Ven, 1994). Putnam's (1993) study reveals that horizontal networks support trust building more than vertical networks. In a vertical network, the members protect their positions and do not share information as openly as in a horizontal network, where the members are in an equal position. This equal position supports better communication and reciprocity. Team working includes task allocation, decision-making and team maintenance tasks, which all have an effect on trust (Aubert & Kelsey, 2009).

At least some trust level is needed when companies start to network relationships (Harris & Dibben, 1999). Trust can be seen as the cornerstone for networking (Erdem & Ozen, 2003), on which opportunities for business creation and innovation can be built. Interpersonal trust enables the cooperation that is necessary for business networking. *"Network effectiveness is dependent on the structural and the relational dimension of social capital"* (De Wever et al., 2005). The structural dimension consists of network ties and the overall configuration of those ties, while the relational dimension is composed of trust, trustworthiness, norms and obligations inside the network (De Wever et al., 2005.) So that interpersonal trust can be possible in work relations, behaviour cannot only be guided by rational self-interest, but the parties should also wish to enhance each other's wellbeing (Noteboom, 2002).

Provan et al. (2007) see that network relations can either be informal, based on trust, or formal, based on contracts. High closure, the extent of connections between network partners, produces higher levels of trust (Coleman, 1988). In addition, co-operation and networking necessitates that the all parties should sufficiently trust each other. There is a lack and a large blocker if only some parties are trusting. (Harris & Dibben, 1999). At the business network level, it is important that members trust the competence and expertise of others and can rely on their partners' opinions and advice (Abrams et al., 2003). The second important aspect is that partners share the same understanding about the current state of the network and its vision and targets. The network and its relations are not in the solid phase, but under on-going development (Valkokari et al., 2009).

## 2.4 Foundations for high-performing teams

*"The road to high performance is full of obstacles"* (Katzenbach &Smith, 1993). There can be many reasons for obstacles; for example, lack of commitment or crucial skills (Katzenbach & Smith, 1993). Lencioni (2002) divided the dysfunc-

tion of teams into five categories: 1) absence of trust, 2) fear of conflict, 3) lack of commitment, 4) avoidance of accountability, and 5) inattention to results. There are many examples of projects and programmes that have failed. The challenger tragedy in 1986 was a terrifying example of a failed programme with faulty communication, flawed decision-making, lack of management and basic problems in technology selection and procurement (Broad, 1986; Cooper, 1986). Partial or hidden programme failures are not so easy to recognize as disastrous ones, (Clark & Westrum, 1989) and then it is more difficult to support and lead the team to success. One important aspect for a high functioning team is to learn rapidly from mistakes.

In addition, the ideal team consists of mature, well-socialized members dedicated to high standards of ethics and performance. Flexibility and a willingness to contribute to team efforts are also required. A study by Dirks (1999, p. 18) found a strong connection between trust and motivation: "*Groups with high levels of motivation tended to work as a single unit (i.e., high coordination) in the high-trust condition but they tended to work as separate individuals (i.e., low coordination) in the low-trust condition.*" In the study by Jehn and Mannix (2001), they found a particular pattern of conflict associated with higher group performance. They created conflict profiles and the ideal conflict profile contained a pre-established value system, high levels of trust, respect and open discussion. (Jehn & Mannix, 2001.)

The intense interest in maintaining group cohesion can lead to groupthink, which can blur members thinking and decision-making (Janis, 1972). High trust relationships do not lead straight to greater team performance; other variables are also necessary (Woodman & Sherwood, 1980.) One important area in a high performing team is the decision-making process, where trust has a critical role: *"Group members could be expected to be more likely to diagnose (critique) performance of the group, express ideas for improving it, and commit to a plan if they feel that their partners are taking the group's interests into account and will be dependable. Hence, groups with low levels of trust will be likely to experience less diagnosis of performance, fewer ideas expressed, and fewer commitments to a decision."* (Dirks 1999, p. 8). Trust also has an effect on what kind of effort the members will exert at the team level. Members will estimate what effort others are exerting. (Dirks, 1999.)

High performance teams require mental traits; Clark and Westrum (1989) divided the required attitudes inside teams into 4 traits: *"1) team members are jointly responsible for outcomes, 2) they are highly competent, but can and do make occasional mistakes, 3) just as the team takes collective credit for success, it also takes collective responsibility for mistakes – making a mistake will not result in withdrawal of group support, and 4) when failure occurs, it must not be denied but investigated ..."* A study of the nature of the effect of conflict on team performance by Jehn and Mannix (2001) revealed that members of teams with an ideal conflict profile had high levels of trust and respect and open discussion norms, but that all types of conflict were also lower in high-performing groups than in low-performing groups. Conflicts can be avoided with regular interaction and constructive debate. A study by Patit and Wilemon (2005) about software development teams revealed: "*Team members will discover that as they interact and begin to put group dynamics, conflict management, and listening skills to use that they spend less time dealing with interpersonal issues at these meetings, and more time solving important technical problems.*" When dealing with obstacles, the team should go back to the basics and think again about the team's purpose and goals. Teams should also notice small wins. The team leader can add training for team members or take an external facilitator to assist the team back towards better performance. (Katzenbach, 1993.) Gobeli et al. (1998) stated two management styles for effective conflict management. First, the team should recognize disagreement, and then engage in shared problem solving. The second style is to recognize the disagreement, but then find a compromise solution. It is crucial that the whole team is involved and there are no dominate members in the process.

The company size and its corporate history plays an important role in the company's networking strategy. In addition, large companies can usually gain more strategic autonomy than smaller companies inside the network. For example, smaller companies usually have less technological capabilities so their role is smaller; these companies cannot contribute the same capability at the network level. Only relational network ties lead to more informal attachment between network members. (Roolaht, 2006.) Companies that seek rapid growth tend to network more than slow-growth companies; moreover, a growth-oriented management style supports network development initiatives (Barringer et al., 2005).

The study by Holmes (2012) identified the following ten characteristics of a high-performing team: 1) develops goals and plans, 2) enhances communication among members, 3) develops and maintains positive relationships among members, 4) solves problems and makes decisions on a timely basis, 5) successfully manages conflict, 6) facilitates productive meetings, 7) clarifies roles for team members, 8) operates in a productive manner, 9) exhibits effective team leadership, and 10) provides development opportunities for team members. Coole (2009) also defined the characteristics of a high-performing team as having a commonly shared purpose, a clearly defined vision, mutual trust and respect, clear roles and responsibilities, high levels of communication, readiness to work towards the greater good, and a supporting and challenging leader. Cheruvelil et al. (2014) defines high-performing teams as consisting of "*…diverse members who are committed to common outcomes*", and in addition, characterized high-performing teams as having a positive interdependence between team members, effective communication and individual and group accountability. Cheruvelil et al. (2014) saw that there are two main components in a high-performing team: team diversity and interpersonal skills.

Katzenbach and Smith (1993) highlighted the difference between the best teams and the failing teams as being the time invested in exploring, shaping and agreeing on the shared purpose. A study of creative teams by Chong (2007) summarized that creative teams have clear goals, co-ordinate activities, and team members who generally have a more cooperative spirit. Research also concentrates on the ideal characteristics of team members, and the study by Bovee and Thill (2013) defined them to be a clear sense of purpose, open and honest communication, creative thinking, accountability, focus, and decisions by consensus. Compared to sports teams, business teams often do not have such well-defined goals, and this leads to lower levels of individual commitment and lower results (Mach et al., 2010). However, the principles of elite performance in sport are transferable to the business context (Jones, 2002). The business world could benefit from the sporting world by studying the reasons for team development in sports and the approaches taken. The study by Clopton (2011) highlighted a significant connection between social capital and team performance. However, the study by Dirks (1999) did not support the idea that trust delivers the primary effect on group performance, but instead supported the moderating effect of trust.

## 2.5 The management side of interpersonal trust in the business network context

In many studies in psychology, sociology, management, economics and political science, interpersonal trust is seen as the backbone of business relationships (Deutsch, 1958; Blau, 1964; Oxendine et al., 2003), and the hallmark of effective relationships (Coleman, 1990; Gambetta, 1988; Kramer & Tyler, 1996). Wever et al. (2005) studied the role of trust as a relational dimension of network effectiveness, and they find two dimensions: resilience and specificity. Resilient trust is related to strong and numerous links and specificity, *"…concerns the degree to which trust may exist without much direct information and/or previous interaction, simply by associating."* The basis of resilient trust is trusting the goodwill of others. An exchange of strategic resources is a risky situation where trust is needed. The study of international entrepreneurs by Sigfusson and Harris (2012) revealed: *"Trust is the individual, personal trust between the IE (international entrepreneur) and the relationship, reflecting a calculation of the trustworthiness, knowledge of the party involved and affection between the parties – trust always – included aspects of knowledge of the other party, such as honesty, value and reliance, or affective qualities, such as closeness and family ties."*

In a culture of trust, there is a readiness for the management of the operational environment, growth and managerial systems. Trust has an impact on the flexibility to face challenges, decision-making, and supports rapid change. When there are trusting relationships, energy can be used for core processes and results, instead of games, politicizing and monitoring. (Savolainen, 2013.)

Nowadays, trust is a focal point for leadership in Finnish organizations. Trust, and also the lack of trust, is regularly discussed and apparently in different sectors. (Savolainen, 2013.) Trust is well researched in many areas; trust in the context of social capital, in leadership and many other areas that can be seen more outside of working life than inside (Piippo, 2008). Six and Sorge (2008, p. 858) argued: *"In order to create high-trust organizations, it is important to know how to stimulate interpersonal trust."* The study by Savolainen (2013) highlighted that the field of management is not well-researched in Finnish organizations, and neither are the skills of trusting. Earlier studies have offered only a little guidance for the promotion of interpersonal trust at the network level (Abrams et al. 2003). Studies have not focused on what kinds of tools and processes could be used to develop trust in a focused way. However, trust building belongs to the most crucial areas in leadership (Yukl, 2010).

Leadership is now experiencing fundamental changes globally, and also faces new challenges. Managers have a crucial role in organizations and they have an essential impact on the overall climate of the workplace (Lennox, 2013). Success in leadership is a wide field, where a complex set of skills and abilities exists (Schraeder et al., 2015). Trust is one of the most important areas of management that should be noted and fostered (Sonnenberg, 1994). Trust based leadership is one of the key skills in changing and revising leadership (Lamminluoto, 2012.) The skills and focus for the development and maintenance of cooperation are being re-evaluated. The existence of multiple voices, cultures and other forms of diversity result in challenges for cooperation; the environment of leadership is rapidly changing. Technology based leadership in particular is providing challenges for leaders in terms of the need for new skills. Therefore, the management of trust is a topical subject because the speed of change will increase in the working world. (Savolainen, 2013.) Even the national development program "Elinvoimainen Suomi" is raised trust building as one of the most crucial areas in the development of leadership (Nurmio & Turkki, 2010). Trust in managerial work focuses on the development, maintenance and repairing of trust between individuals, groups and teams, to enhance cooperation and also support the achievement of goals (Savolainen, 2013).

The level and development of interpersonal trust should be everyone's responsibility inside the network, but leaders can support the development of trust via their effect on the atmosphere, the levels of communication, and so on. Trust can create a positive spiral, whereas, distrust leads to a negative spiral (Ikonen, 2013). Leaders should have the knowledge and tools to break such negative spirals. Previous studies have usually seen trust from a linear point of view, but recent studies have found that different episodes can be seen and the process of the development of trust is not linear. The episodes vary from more calm and stable to those with obstacles and other challenges (Ikonen, 2013; Savolainen & Ikonen, 2012.)

A study by Child and Möllering (2003) focused on "active trust development" as a strategy to strengthen the basis for trust. They acknowledge the idea that trust has to rest on certain foundations, but they also highlighted: *"We are not satisfied, however, with the notion that the trustor can only draw on "given" contextual variables (including her/his own personality and cognitive capability). Rather, we wonder whether the truster can play a more (pro)active role in trust production, perhaps especially where the contextual foundations for trust are weak."* (p.71) Luhmann (1988) grounded trust in the world of the familiar and this is not possible without an active process of familiarization. Child and Möllering (2003) noticed the study by Luhmann and wanted to take this further by studying trust development as an activity rather than a consequence of given factors. They defined trust as *"a social construction: not simply "given" to trusters, but "made" by them as well"* (p. 71) and they highlighted: *"active trust development is a viable means of enhancing trust within and between organizations"* (p. 78). Many studies have revealed that the easiest way to develop trust is when the cultural background of group members is similar (Child & Möllering, 2003). Some organizations deliberately enhance interpersonal trust to become a significant organizational phenomenon, which requires explicit trust enhancement policies, such as promoting a relationship-oriented culture, facilitation of unambiguous signalling, creating opportunities for meeting informally and also the day-to-day management of competencies. Espoused values can be created at the organizational level, but these values do not have value, if they are not actually lived and experienced in practice. (Six & Sorge, 2008.)

Increasing attention is given to role of trust for effective management and the success of organizations (Schraeder et al., 2015). The study by Schraeder et al. (2015) focused on the functions of management as mechanisms for fostering interpersonal trust. In addition, they wanted to offer their insights with the intention of encouraging a more deliberate focus on trust within the functions of management. They looked at how it is possible to promote interpersonal trust from the four functions of management: planning, organizing, leading and controlling. In the area of planning, the employee involvement linked with the higher level of trust (Mahajan et al., 2012). Schraeder et al. (2015, p. 55) highlighted the area of organizing from the perspective of trust: "*Transparency is needed to help employees gain a sense of being fully aware of how the organization promulgates employment practices. Effectiveness of these practices is necessary for employees to have confidence in the utility of these activities.*" The role of leading – exceptional leadership linked to skilled communication (Blazey, 1997) – again supports trust building. In the fourth area of management, controlling, Schraeder et al. (2015) call for new strategies to enhance employee trust through activities within the controlling function of management. Control activities could focus on guiding employee development and promoting continuous improvement. "*As such, data gained through control activities would highlight employee areas that were strengths available to be leveraged by the organization for competitive advantage, while areas identified as needing improvement could be used for guidance in training and employee development programs. Used in this context, control measures may be viewed more positively by employees.*" Schareder et al. (2015, p. 58) summarized the importance of trust in management: "*…the overall performance of organizations might be improved if managers are more mindful of how their enactment of the four functions of management can be promulgated in ways that will have a positive impact on employee trust.*"

As the study by Schareder et al. (2015) endorsed, one of the key areas in the development of trust is communication, and the quality of connections. Personal knowing is needed, consisting of both the aspects of personal and professional levels (background, values etc.). The personal familiarity helps people reveal their own thoughts and ideas, when other people seem "real" and approachable (Abrams et al., 2003). The study by Christopher et al. (2008) defined two stages in trust building inside the network. First, the partners should get to know the expertise of others but also knowledge about expectations and intentions. In the next stage, partners can confirm whether the words match the actions. Lewicki et al. (1998, p. 443) highlighted the variety of encounters, transactions and experiences in the development of trust: "*Relationships mature with interaction frequency, duration, and the diversity of challenges that relationship partners encounter and face together. Each of these components is essential. If the parties interact frequently and over a long period of time but only superficially, or if they have an issue-rich and frequent exchange but do so only around a limited and bounded problem, or if they interact around many issues but do so infrequently, these conditions limit the potential for the relationship to mature. Alternatively, if these components combine, the knowledge of each relationship partner is enhanced.*"

The study by Abrams et al. (2003) concentrated on the nurturing of interpersonal trust in knowledge-sharing networks. Their study consists of data from 20 companies and they created the instructions for the promotion of interpersonal trust – for trust builders: 1) act with discretion; (2) be consistent between word and deed; (3) ensure frequent and rich communication; (4) engage in collaborative communication; (5) ensure that decisions are fair and transparent; (6) establish and ensure a shared vision and language; (7) hold people accountable for trust; (8) create personal connections; (9) give away something of value; and (10) disclose your expertise and limitations. They summarized the nurturing side to behaviours and practices – what managers should notice if they want to promote trust and support knowledge creation and sharing. Abrams et al. (2003, p. 64) highlighted, "*Yet, though conceptually appealing, trust is an elusive concept that is often difficult for managers to influence.*"

The Working Life 2020 project has set an ambitious goal to make Finnish working life the best in Europe by 2020. Trust and co-operation is one of the four main research areas. They have studied Finnish companies in the years 2009–2014. There were some clear differences in the development of trust and co-operation. Small companies take note of trust building less than large companies. In 2014, government, municipal and industrial organisations were greatly enhanced in terms of the management of trust and co-operation by the development of leadership and communication. There were also differences based on different industries. The management side of trust and co-operation was most noticed in government organizations and least in transportation and construction. This study highlighted that the most important aspect in the management of trust and co-operation is to add these areas to the strategy work of leaders and the important processes of organizations. The content of strategic welfare should be determined.

In the management of trust building, many enablers are needed, including the measurement of improvements and the sharing of roles. Face-to-face meetings and a "we-spirit" have important roles to play in trust building; the necessary events and encounters should be supported. Active communication is a critical enabler. Interpersonal skills, such as communication skills, are needed from both the trustee and the trustor. In addition, opportunities should be created, where colleagues could meet each other informally to exchange information outside formal situations. Self-confidence effects interpersonal relations, so policies that promote signalling skills should be developed. (Six & Sorge, 2008.)

The theoretical research framework for this study is introduced in Figure 3 below. The business network, and more precisely the network in health, exercise, and wellbeing markets, is the context of this study. I have studied interpersonal trust from the following four main viewpoints: enablers, blockers, estimation and management.

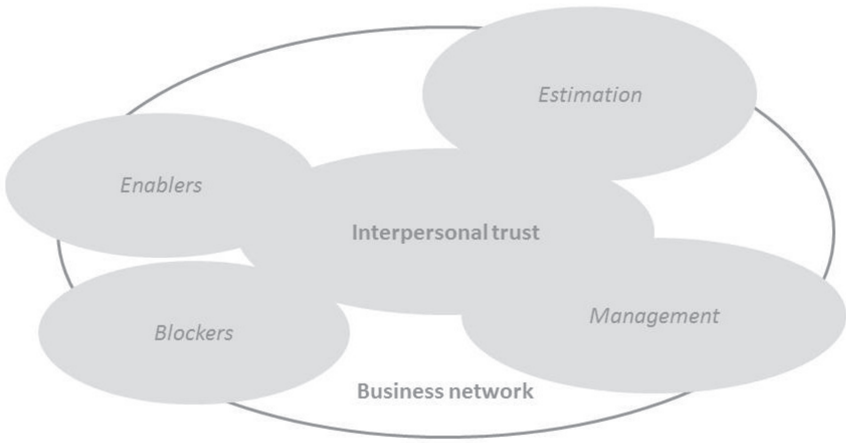


FIGURE 3 Theoretical research framework

# 3 METHODOLOGICAL DECISIONS

In the present qualitative study, the research approach is non-positivistic, and more specifically is based on social constructionism. The content of the areas researched is constructed through social processes. Positivism and realism are related paradigms for constructivism (Healy & Perry, 2000.) Social constructionism offers an alternative to the positivist approach. The studies that are based on positivism assume that findings are attained through experiments and believe that surveys can be true. This is the most definitive difference between these approaches. While the realist believes that there is a “real” world to be discovered, this is, however, not perfectly apprehensible. (Berger & Luhmann, 1966; Kontinen, 2011.) Constructionism instead denies that it is possible to know what is real. People create their own interpretation of experiments (Easton, 2010). This study concentrates on a phenomenon of social science, and involves the real-life experiences of network partners, so the constructionist approach was chosen instead of a positivistic one. The object of the study is to hear the personal views of the interviewees and find out the similarities and differences between these views. In addition, my intention was not to have causal explanations. In the following chapter, I focus on social constructionism and introduce its implementation in my study.

This study focuses on real-life instances, so a single case study was selected as the research strategy (Yin, 2014). A case study can be a fruitful reference for further studies (Eisenhardt, 1989; Eisenhardt & Graebner, 2007). In addition, a case study is an appropriate approach when the aim is to provide a rich description of a field that is not well researched. A new theoretical understanding is needed to obtain a holistic view of the management of interpersonal trust at the business network level. The case network was selected using an extreme case sampling method. This method is used when a case is unusual or special in some way (Patton, 2002). In this case, this particular network was selected because they were embarking upon network cooperation, and I was interested in the state and development of interpersonal trust between network members. The project manager also had a long-term perspective on and motivation to engage in the management side of the trust inside the network, so that the network members could cooperate fully.

## 3.1 Social constructionism

Before looking at the methodological decisions, the philosophy of science should be reflected upon, which includes questions of ontology and epistemology. This study belongs to studies in the field of social constructionism. At the core of social constructionism is a critical stance towards taken-for-granted ways of understanding the world and ourselves. Social constructionism includes the idea of being suspicious of our assumptions, and how we see the world. For example, where and when the person lived effects their view of the world. (Burr, 2015.) The second main assumption of this theoretical orientation is that the social reality develops in social interaction (Berger & Luckmann, 1966.) Therefore, language and also all kinds of social interaction, is the main focus (Burr, 2015). Created reality is not reality itself, but our conception of reality (Siltaoja, 2010). Beliefs about reality are created through social interaction. (Liebrucks, 2001.)

Social constructionism is separate from the essentialism of mainstream psychology that uses reductionism; a complex phenomenon is simplified and described in terms of more fundamental elements and this description is seen as a sufficient explanation of the phenomenon. The essence in social constructionism is that our knowledge is not a direct perception of reality. People construct their own version of reality through social interaction. From this viewpoint, objective facts do not exist. "All knowledge is derived from looking at the world from some perspective or another, and is in the service of some interests rather than others. (Burr, 2015.)

Language is seen as a pre-condition for thought. We understand the world through social interaction, which includes past and present encounters. People will be born into some culture, where some conceptual frameworks and categories already exist. The world is constructed by talk. Language can be seen as a form of action. Instead, mainstream psychology looks at language as a passive vehicle for internal states, and sees the explanations of social phenomenon from the individual perspective, inside the person. (Burr, 2015.) Berger and Luckmann (1966) sees the world as structured by social practices, but the world can be seen and felt as pre-given.

The field of social constructionism is wide and it is not seen as a coherent paradigm. There are also some critical views, but the basic view is that language is not the only reality, but it is the corner stone for interpreting and understanding (Edlay, 2001). Words have their own value. Also taken-for-granted assumptions about the mind is well adduced, when the ontology of the mind in contemporary Western culture and tribal cultures is considered. (Gergen, 1985.) Language and knowledge is not a mirror of an objectively knowable reality but instead reality is a socially constructed, subjective reflection (Rorty, 1979). "*All* *social practices reproduce certain taken-for-granted assumptions about what exists; this is the question of ontology. So, for example, practitioners of the human sciences construct people (with personal characteristics such as motives, and cognitive maps), organisations (with structures, and a mission) and environments (complex, turbulent...). Such constructions of existence go together with notions of what can be known of these things (epistemology), and how such knowledge might be produced (methodology)."* (Hosking, 1999)

## 3.2 The case study method

This research is implemented using the case study method and an interpretivist approach; in other words, the view of humanity and knowledge is that the knowledge is socially constructed and is "a product of the human mind". Objective observation is seen as meaningless, and forms of authoritative knowledge are also denied. The ambition is not to pursue objective facts, but rather to *"develop an understanding of the phenomenon investigated, by appreciating its uniqueness, complexity, and interaction with its context."* (Leppäaho et al., 2015.) In the process of the case study research, the first stage is defining the research question that will focus the research on a specific area. However, the research question may shift during the research process (Eisenhardt, 1989; Mintzberg, 1979). There are a few approaches to case selection. *"The cases may be chosen to replicate previous cases or extend emergent theory, or they may be chosen to fill theoretical categories and provide examples of polar types".*

In many case studies, multiple investigators are used, as also in this study. The benefit of several researchers is that it enhances the creative potential of the case study, and also the complementary insights that create rich data. (Eisenhardt, 1989.) In this research, the other researcher went through the data and participated in analysing and writing process.

A case study seeks detailed data from one case or from one small group. Typically, a case study focuses on an in-depth description of the phenomenon. (Robson, 1995, p. 40). A case can be a group, organization or country – defined by the unit of analysis (Tellis, 1997). In this research, the unit of analysis is the network in health, exercise and wellbeing markets. This method makes studying the phenomenon on a deeper level possible, and provides detailed information about the case network. The case is studied to analyse the present state of trust and to solve challenges related to trust building and management. Best practices for trust management are also established. In the first phase, data was collected using interviews from Finland during 2012. The second phase was during 2013. When I entered the field, I also took field notes, where I wrote down my impressions, and what occurred to me. I had the possibility to participate in project board meetings.

A case study usually concentrates on a systematic, truthful and accurate description of the case (Hirsjärvi ym., 2004). Case studies can be compartmentalized into three areas: exploratory, explanatory, and descriptive case studies (Yin, 1993). This study is an example of explanatory research, where the focus is also on understanding the reasons behind actions. The case was researched mainly through how and why types of questions (Yin, 1994).

In this study, the case was selected using purposive sampling. A Finnish network was chosen as the case. Purposive sampling is a subjective sampling technique where the sample is usually small compared to when probability sampling techniques are used. The goal is to find particular individuals/a group/etc. of the population that can answer composed research questions. Purposive sampling includes different techniques, and in this research, typical case sampling is used. Typical case sampling is not suitable for making generalizations, but this sample could be illustrative for other similar types of samples. (Tongco, 2007.)

The case network operates in the health, exercise and wellbeing sector. Personnel numbers vary from 2 to 6 800, and establishment of the case organizations varies between 1973 and 2014 (detailed information below). Two interview rounds enabled to assess the state of interpersonal trust at two different points in time that helped to reach wider knowledge about the dynamic nature of interpersonal trust. There was one year between the interview rounds.

TABLE 1 Information about the case firms

| | **Number of employees / (Place of business)** | **Year of establishment** | **Industry segment** |
|---|---|---|---|
| Firm A | 6 800 | 2001 | Health services |
| Firm B | > 1 200 | 2010 | Pharmaceutical services |
| Firm C | 80 | 1973 | Pharmaceutical company |
| Firm D | > 5 | 2007 | Other health services (Exercise and well-being) |

## 3.3 Data collection through thematic interview /Thematic interview as a prior method of data collection

Data triangulation is important in case studies (Dubois & Gibbert, 2010) and in this study, thematic interviews and informal observation were used as data collection methods. Primary data was collected via nine semi-structured interviews that consisted of two rounds during 2012 and 2013 (see Table 2, p. 44). All face-to-face interviews took approximately one hour and followed the same interview method. The data was collected from knowledgeable company members – those who practically took part in network events (Eisenhardt & Graebner, 2007). In other words, the informants were chosen based on their role in network cooperation, and knowledge about the studied phenomenon (Tongco, 2007). Discretionary sampling was used, and every active network member was interviewed, so that as wide a data as possible could be gathered. The interviewees were chosen using an elite sampling method by choosing people who could know the most about the studied phenomenon. The interviews consisted of predetermined themes. Secondary data was collected using informal observation (i.e. at project meetings).

Interviewing is a data gathering technique that is similar to a conversation, but is more orderly and targeted (Gorden, 1969.) The interview has a predetermined purpose, namely, to collect data. The role of the interviewer is to manage the interaction (Hirsjärvi & Hurme, 1995, p. 25). This method is flexible. The interviewees are seen as active, meaning creators. Using this method, the interviewees were given the opportunity to express their feelings and thoughts freely. Individual interviews were chosen to access the direct experiences, feelings and emotions of the interviewees, and to hear how initial trust started to form without the influence of the opinions of other members. The interviews were guided by a list of topics that included main themes and those described below.

The interview technique allows researchers to ask interviewees to explain their opinions. (Robson, 2011.) In addition, it is possible to contact the interviewees later on if necessary. The challenge in this method is that the interviewees occasionally give answers they feel are socially desirable. (Hirsjärvi et al., 2004, p. 193–201.) The interviews were conducted in Finnish in a quiet conference room to avoid distractions, and were digitally recorded and transcribed verbatim. The questions were open-ended, so the interviewees could choose how they answered.

Thematic interviews were selected to achieve an in-depth understanding of the researched themes, and a fully formed interview was rejected. The study tried to reach the interviewees' world of experience. (Hirsjärvi & Hurme, 1995.) The number of interviews was small, so the thematic interview was a possible choice. Due to the specific areas or themes I wanted to cover, an open interview would not have been an appropriate alternative. This method supports collecting the interviewees' own experiences, feelings and emotions. Thematic interviews require trust between the interviewee and interviewer. The interview is an interactive situation.

A thematic interview focuses on a few selected themes, and deals with the individual's subjective experiences. Thematic interviews are convenient when the research subject is sensitive (Hirsjärvi, 1981; Metsämuuronen, 2005, p. 226). Well designed and implemented thematic interviews can produce data that is not handled in day to day life, such as causes and intentions (Hirsjärvi & Hurme, 1995; Hirsjärvi et al., 2004). In this research, individual interviews were chosen because of the need to gather data that was as rich as possible, and the need to hear every interviewee's own voice in response to each theme and question.

Merton, Fiske and Kendall (1956, p. 3-4) have defined that the interviewees have experienced certain, experimentally produced situations. The interviewer has to explore the research area and its process tentatively before the interview; in other words, the interviewer has to analyse the interviewees' experiences before producing the framework of the interview.

The researched phenomenon and basic concepts were defined before the interviews. (Hirsjärvi & Hurme, 1995, p. 36-47; Eskola & Vastamäki, 2001, p. 33.) The themes were selected, but the order of the themes and the questions were optional. In this research, the themes are taken from theory and literature. The interview framework included the following themes concerning interpersonal trust in the studied network:

- present state of network relations (level of relations, project board meetings, informal meetings)
- interpersonal trust (level of trust, atmosphere, communication, challenges, blockers)
- the development and management of interpersonal trust (enablers, possibilities, dimensions)

TABLE 2 The interviewees

| Title | Case Company / JYU | Number of interviewees |
|---|---|---|
| The CEO | Case Company 1 | 2 |
| Head of Sales and Marketing | Case Company 2 | 2 |
| Director | Case Company 3 | 1 |
| Director | Case Company 3 | 1 |
| The CEO | Case Company 4 | 2 |
| Project manager | JYU | 1 |

## 3.4 Data collection through conceptual research

In my fourth article, I used the conceptual approach with my co-writers. This approach can be divided into the concept analysis and interpretive study of concepts based on background assumptions and the meaning of the study (Takala & Lämsä, 2001). This study uses an interpretive perspective that differs from a traditional concept analysis. The main aim of the research was to understand the meanings and characteristics of the key concepts (trust, sports teams and high-performing teams), but also to clarify the relationship with these associated concepts. These three concepts are highly researched from many perspectives, but the conceptual framework was missing between the concepts. Concept research is a tool for constructing and developing a conceptual framework. Previous related studies were categorized and organized before creating a framework where the dimensions of high-performing teams were introduced.

The search for literature sources included 500 research articles from several sources (Google Scholar, EBSCOhost and Emerald Insight) using the following keywords: high-performing teams, high-performing teams + development, high-performing teams + sports, high-performing teams + trust and trust + team building. After the first stage, 100 hits were selected according to relevance. All the papers were scanned and the relevant papers were chosen for analysis. The quality of the papers was also taken into account. The wide ranging first-stage search (500 articles) and three databases secured variety in the sources. Fifty sources were selected for explicit analysis. First, the articles were roughly categorized under the three main themes (trust, high-performing teams, sports teams) for sub-thematic analysis. Within the analysis, literature sources were cross-checked several times to ensure the validity and reliability of the findings. Finally, the findings were categorized under the main concepts, and the framework was created based on the dimensions mentioned most.

## 3.5 Method of analysis

This research is implemented based on a content analysis. The data was appropriately stored and transcribed, and also reviewed several times before the analysis. I read the empirical data and the earlier theories in turn, and concentrated on understanding the studied phenomenon from different perspectives. The interpretation was carried out following a three-stage thematization process: data condensation, data display and drawing conclusions (Miles et al., 2013). Much qualitative research based on content analysis – the analysis of written, spoken or observed content (Tuomi & Sajavaara, 2002). This study attributes most emphasis on the spoken content. The analysis focuses on introducing a general view, analytical hubs and single exceptions, so that the resulting view is as multidimensional as possible (Ruusuvuori et al., 2010). The challenge in content analysis is how the data can be reduced and summarized so that it represents the studied phenomenon as widely as possible. The analysis changes the data from interview material into a theoretical description of the studied phenomenon (Kylmä & Juvakka, 2007).

The basis for the analysis is the description of the data (Hirsjärvi & Hurme, 2000). Before the data can be interpreted, it has to be categorized. Texts can be analysed and coded focusing on words, symbols, sentences or themes (Hirsjärvi & Hurme, 1995). Typically, the thematic interviews will be analysed by theme or variety. Theme-based analysis is used in this research and the analysis is based on reducing. (Eskola & Vastamäki, 2001: 41.) In addition, abductive reasoning is used instead of deductive or inductive reasoning. The aim was to find the most likely explanations. Against mainstream positivist research, systematic combining grounded in abductive logic focuses on single case research instead of replication logic. The aim is not theory building but instead, theory development. When combining systematically, reality, available theories, the case itself as it gradually evolves and the analytic framework all combine. (Dubois & Gadde, 2002, 2014.)

The thematic interviews were read through several times. The most mentioned phenomena were noted and the phenomena were formed into themes. All results were reported anonymously and were compared to earlier studies. Observations, project plans and reports functioned as secondary data – background support for the primary data. The analysis consisted of categorizing and integrating. (Eisenhardt, 1989.) I read the interviews several times to refresh my memory and become familiar with the research material. After that, I started to analyse the data by thematizing the material phase by phase. Every article contained a different angle to the researched area, so there were four different analyses. In the third article, I conducted the analysis with my co-writer by analysing the data from the second interview phase. In the fourth article, I also conducted an analysis with my co-writer Mia Häkkinen, but the analysis was based on earlier studies in the field.

# 4 OVERVIEW OF THE ARTICLES

Each of these articles has its own research task to cover. Every article increased my knowledge and understanding about the studied topic. I wanted to create a solid entity, so I searched the topic from four different perspectives: performance estimation, trust building (enablers and blockers), management possibilities and one more specific context, high-performing teams. All these areas where studied in terms of the perspective of business networking. The data were collected using thematic interviews in two phases.

Three of the studies are empirical, while article four is conceptual. I was the primary author in articles two, three and four, and co-author in article one. We divided the writing in article one on the basis of expertise, so I concentrated on the area of trust in estimating performance in networked business models. In the other three articles, I had the lead role and main responsibility. In article two, the role of my co-authors was mainly to counsel and in articles three and four, data analysis, but also writing (the discussion and conclusions). Data analysis and interpretation were implemented in several phases, and separated in each article.

## 4.1 Article 1: "Performance estimation of networked business models: case study on a Finnish eHealth Service Project"

Authors: Marikka Heikkilä, Sam Solaimani, Aki Soudunsaari, Mila Hakanen, Leni Kuivaniemi and Mari Suoranta
Publication: *Journal of Business Models*, 2014, 2 (1), p. 71–88.

Research setting

My first article concentrates on how trust should be seen as one of the main components, together with business model blueprints, in measuring performance in networked business models. We examined what kinds of performance metrics for trust could be used in the measurement of performance in networked business models. The research material consisted of four thematic interviews and data from observations. A performance measurement system at the network level supports the coordination of the business network (Cohen & Lee, 1988; Kulmala & Lönnqvist, 2006; Kaplan et al., 2010; Yin et al., 2011; Bititci et al., 2012), but also provides focus at the operational, communication and trust levels (Pekkola, 2013a). Business modelling is a well-researched area, but not from the perspective of performance estimation in collaborative business models (Busi & Bititci, 2006; Voelpel et al., 2006; Ferreira et al., 2012). Earlier studies have usually focused on single settings (Iqbal et al., 2012), used financial metrics, (Lambert & Davidson, 2013) and been based on a certain system or tool, such as the Balanced Score Card (Kaplan & Norton, 1992) or the Value Prism (Neely et al. 2002). The Balanced Scorecard has been criticized as a performance measurement tool that is not suitable at the level of business networks, and a more dynamic system is needed (Voelpel et al., 2006). The networked nature of business is taken into account to some extent in the newest studies of business models and business model innovation (Zott et al., 2011). Solaimani and Bouwman (2012) focused on identifying knowledge exchange, process alignment and value exchange in core areas of inter-organizational interaction in the context of business model innovation. This study focuses on giving a more holistic view where trust and fairness are also noted.

Results

This study combines business modelling with performance evaluation and highlights that evaluation should not only concentrate on business model blueprints, but also aspects of business collaboration. This article presents eight perspectives to business modelling. Three of these perspectives are network-oriented, including shared processes, fairness, knowledge and trust. The performance indicators should be assigned to all perspectives (Heikkilä et al., 2010), so that the business model blueprints can be evaluated and improved. Usually, metrics are introduced in the operating stage, but we see that it is beneficial when metrics have already been defined in the conceptual testing, piloting and/or prototyping phase of the innovation process.

This study divides the main focuses of business modelling in business networks into three areas: formal coordination mechanisms (agreement and adjustment of processes, rules), feasibility and fairness (assessment of risk, rewards and required changes) and trust (knowledge sharing and learning). Trust is one of the key elements in collaboration because collaboration cannot only be based on contracts, (Lee & Choi, 2011) but communication and knowledge sharing is needed, where trust is a corner stone (Gillespie & Mann, 2004; Allee, 1999). This study highlights that it is important to focus on trust and communication already in the beginning of the cooperation; open communication, personal knowing and a ‘we spirit’ are needed in shared knowledge creation. It is important to measure business collaboration aspects, such as information, learning and trust to ensure and support knowledge availability and level of trust. This study proposes the following performance metrics:

- frequency of interaction
- quality of interaction/stage of openness (feelings, emotions, outside-the-box ideas) and genuine listening
- quality of information (critical information, shared targets and knowledge sharing)

## 4.2 Article 2: "Building interpersonal trust in business networks: enablers and blockers"

Authors: Mila Hakanen, Leila Kossou and Tuomo Takala
Publication: *Journal of Business Models*, 2016, in print

Research Setting

My second article concentrates on how interpersonal trust starts to develop at the business network level and how it can be supported. The link between trust and business networks or the initial formation of interpersonal trust in such contexts is not a well-researched area (Malhotra & Murnighan, 2002), instead research has focused on the initiation of inter-organizational trust (Akgün et al., 2005; Whitener et al., 2006) and interpersonal trust within organizations (Abrahams et al., 2003). The focus is on dyadic relations, where the whole network level is not noted. This study focused on the following areas: "How does interpersonal trust develop and grow in the business network of health, exercise, and wellbeing markets?, and secondly, "What are the enablers and blockers for building interpersonal trust at the network level?" The research material consists of four thematic interviews and data from observation.

Trust is a necessary factor for business networks, but there can be noted many blockers for trust building; for example, the fear of sharing information in a context of potential conflict between individual and collective interests (Dussauge & Garette, 2009). This study focuses on enablers and blockers for trust building at the network level. Interviews were chosen as a data collection method, so that the representatives' own experience, feelings and emotions could be accessed.

Results

One of the main targets of this study was to provide practical guidance and recommendations for business networks about the nature of interpersonal trust formation. This study emphasizes three key characteristics of interpersonal trust building: (1) It is a slow process that can be easily discontinued by definite blockers. (2) It requires that the parties have knowledge of one another and a rapport; that they show respect and fairness, keep their promises, and most importantly, communicate effectively. (3) It should be based on shared responsibilities among network members. This study highlights the importance of environment, atmosphere and informal meetings in relations between network partners, which are not highly noted in the earlier studies. All these aspects have an effect on the building of a 'we-spirit' and the crazy ideas that are needed in the creation of new business models and innovations.

This study raises some blockers in the studied network. The members of the case network felt that the network could be tighter and more productive. The atmosphere is not free enough; a more informal atmosphere could support the building of a 'we-spirit' and more active conversation. Casual interaction helps to foster interpersonal trust (Barnett et al., 2010). The interviews raised the thought that trust starts to build when partners share information that is not usually available to the others. The interviewees felt that one of the network meetings had been better because the representatives were out of their usual working places, and without title tags in an environment of equality. The other meetings were seen to be too formal, and on this one day, the representatives felt that the co-creation was the highest. When communication was not so active, this resulted in the network members not fully understanding the whole business model, and, for example, the learning process and the roles of each of the network partners.

This study also supports many enablers for trust building. Many areas have an impact on the development of interpersonal trust, such as actions, communication, personalities and also the environment and atmosphere. This study sees the six main elements for interpersonal trust building in business networks as: earlier positive experience, trustworthy actions, communication, personality, environment and atmosphere, and also trust at the network level. Possible earlier experience affects the development of trust and can be seen as a basis for new network cooperation. Promise-keeping is seen one of the most important enablers of trust. If actions do not match words, trust is destabilized or decreased. Communication should consist of straight talk, an active level of communication, small talk, genuine listening and an informal atmosphere. Personal knowledge about each other and rapport support the development of interpersonal trust. This study also highlights the importance of environment and atmosphere. Personal acquaintance, a good level of team spirit and informal meetings are the corner stones of trust. It would be crucial to ensure that the decision-making process is fair for every partner and different viewpoints are considered. Shared successful steps help support trust building.

## 4.3 Article 3: "Management possibilities for interpersonal trust in a business network – Case: Health, exercise and wellbeing markets"

Authors: Mila Hakanen and Mia Häkkinen
Publication: *Nordic Journal of Business*, 2015, 64 (4), p. 246-262

Research Setting

Leadership has faced many challenges in the globalized world that has even highlighted the importance of mutual trust. It is important to focus on an awareness of the responsibility and effects of one's own actions. Earlier research has not focus on the managing side of interpersonal trust.  Trust has an elusive and challenging side (Lyon et al., 2012) and it is not easy to manage as an abstract phenomenon. The management of trust, but also the skill of trusting, is not a well-researched area in the Finnish context (Savolainen, 2013). In addition, studies of trust have usually been quantitative, so there is room for qualitative research that can provide a different perspective. This research focuses on the possibilities for managing interpersonal trust in the context of a Finnish case network; the target is to provide an interpretive understanding of building and managing trust in the early stages of networking, but also to offer the tools and processes that could develop trust in a focused way. The research question is: "What could be the main areas in the management of interpersonal trust building?" The research material consists of nine thematic interviews and data from observation.

This study offers a suggestion for the management dimension of maintaining and developing trust. The role of trust in the context of networks is the corner stone; networks can work fully and concentrate the main tasks of network cooperation when relations between networks members are working well. Trust is an enabler for many phenomena, such as mutual appreciation, motivation, reciprocity and positive emotions (Ikonen 2013), so it can be seen as important to support trust and develop it systematically.

The viewpoints for this study were cooperation, communication and interpersonal trust in the studied network. This study focused on revealing the level of cooperation, cooperation roles, the nature of meetings for cooperation and the challenges in developing cooperation. In addition, communication development and forms, community and culture, and knowledge sharing were the key aspects of the state of communication that were studied. Interpersonal trust was approached from the process and responsibility side, and also from the individual's viewpoint, including intuition and personal characteristics.

Results

This study highlights five dimensions in the development and management of interpersonal trust: leadership skills, communication, actions and commonalities, the environment and atmosphere, and phenomena that are difficult to control. Trust building and maintenance should be included as one of the key elements of leadership. In addition, the interviewees felt that trust should be built consciously and every person can support this process by his/her own talk and actions. Every individual in the network should be responsible for building and maintaining trust, but there should also be one actor that is ultimately responsible. The interviewees felt that the quality and amount of communication was at a high level; communication should be regular and informing should be timely. A communication plan and strategy could be created. Communication needs regularity, directness, genuine listening and rich interaction to support interpersonal trust between network members. The amount and quality of communication and also the frequency of informing should be noticed.

Shared targets and commitment in every area are the corner stones for networking. Moreover, the working atmosphere should be sufficiently open that it enables different kinds of dialogues, where unrevealed important information can be shared. This can directly support the level of trust. The interviewees were also asked to describe the areas they felt had an important effect on the development of interpersonal trust. Chemistry, benevolence and believing in a partner's sincere goodwill were mentioned. Intuition has an important role; what is the feeling about the network partner. These are areas that are difficult for the leadership to control. In the beginning of the cooperation, trust is even more fragile and breaks even as a result of a single setback. Later, when some trust level has already been achieved, there are not usually such devastating effects on trust.

The interviews revealed different views of trust and network cooperation in the case network. For example, the other interviewees felt that a more informal atmosphere is needed, but one interviewee felt that they have had an informal atmosphere already from the beginning of the project. In addition, there were differences in views when the cooperation started. Why do experiences differ? This research suggests that one of the main reasons is the differences between network members. One possibility is also that the interviews did not reveal their true opinion about the level of trust and cooperation. There can be some regularities in the development of interpersonal trust over time. Trust starts to form through talk and actions, so it is important to give attention to actions that support trust, and leaders can support this process.

## 4.4. Article 4: "Trust in building high-performing teams: conceptual approach"

Authors: Mila Hakanen, Mia Häkkinen and Aki Soudunsaari
Publication: *Electronic Journal of Business Ethics and Organization Studies*, 2015, 20 (2), p. 43-53

### Research Setting

This conceptual approach was chosen because of the lack of prior holistic research into high-performing teams, including perspectives on trust and sporting teams. The focus of this study is to summarize the key dimensions of the phenomenon. Trust can be seen as one of the essential building blocks, and top-level sports teams as instructive examples. Trust supports, for example, cooperative behaviour and cohesiveness, which are crucial enablers for high-level performance. The role of trust in high-performing teams is acknowledged, but the essence of the relationship between these two concepts has been overlooked in empirical research. This study seeks the answer to the following research question: What is a role of trust in high-performance team building?

In addition, even though high-performing teams have gained great interest in business studies; there is a lack of a comprehensive conceptual definition. This study discloses the meaning and characteristics of the key concepts, clarifies the relationship of the associated concept, and also proposes a framework for the dimensions of high-performing teams, which could be tested in an empirical study. In this research, trust is seen as the background to every team-building dimension.

### Results

Many studies have revealed the strong connection between high-performance and trust. Trust also has a strong connection to teamwork satisfaction (Tseng & Ku, 2011). High-performance at team level needs the necessary skills and knowledge, but also the shared understanding about goals and vision (Jones, 2002; Cheruvelil et al., 2014; Bovee & Thill, 2013; Sharp et al., 2000; Katzenbach & Smith, 1993; Michaelsen et al., 1993; Tienari & Piekkari, 2011). The members of high-performing teams are motivated towards a shared vision (Jones, 2002; Cheruvelil et al., 2014; Katzenbach, 1993). A demanding challenge and clear goal setting are among the corner stones for a high-performing team.

Article 4 focuses on the context of high-performing teams, and summarizes the dimensions of this area based on more than 50 studies. Trust was seen as one of the most important dimensions together with clear purpose/vision and communication. These three areas were the most mentioned in the 50 studies of high-performing teams. Communication should be open, active and clear. Without a clear vision, the team cannot seek goals. It is important to know what path the team should follow. The other most mentioned areas were: 1) clear roles, 2) clear standards, 3) common goals, 4) a shared understanding of the desired purpose, 3) motivation, 4) responsibility, 5) creativity, 6) specific knowledge and skills, 7) monitoring, 8) decisions-making and problem solving, 9) productive meetings, 10) help and support, 11) access to the necessary data, 12) respect, 13) positive relations/cohesiveness. Clarity of roles, standards and goals is important and cooperation needs help and support, respect, cohesiveness and productive meetings so that the team can achieve high performance.

High performance requires high motivation, creativity and specific knowledge and skills. Progress at the individual and also at the team level should be measured so that blockers are noticed as soon as possible. Team members should have direct access to the necessary data for the support of decisions, decision-making should be transparent and moreover, the team should have the necessary tools for problem solving.

Our framework highlights the following dimensions: clear vision, trust and communication, which were the most raised dimensions in articles about building high-performance teams. The next most addressed dimensions were team members' skills, leadership, motivation, responsibility, respect and support. Leadership included clear roles, standards and goal setting. Positive relations between team members, but also with managers, were highlighted in many studies as also were clear roles between team members (Holmes, 2012; Hakanen & Soudunsaari, 2012; Bovee & Thill, 2013; Mumford et al., 1999; Coole, 2009; Sharp et al., 2000; Michaelsen et al., 1993; Dietrich and al., 2010). Positive relations need respect, cohesiveness and personal familiarity as building material (Mumford et al., 1999; Clark & Westrum, 1989; Michaelsen et al., 1993; Dietrich and al., 2010). High-performance teams share responsibility and they are committed to the main purpose (Katzenbach, 1993; Katzenbach & Smith, 1993; Jones, 2002; Cheruvelil et al., 2014). Also, clear standards, functioning decision-making and shared problem solving were seen as among the most important factors for high-performance. It is crucial also to monitor team-work, so that changes could be made as soon as possible after blockers have been identified. This framework provides the basis for subsequent empirical studies, which could provide evidence for these findings.

# 5 DISCUSSION AND CONCLUSIONS

This final chapter focuses on answering the stated research questions and also presenting the main findings of the study. I compare these findings to earlier research in the field. In this research, the core consists of the areas of interpersonal trust and the context is business networking. The aim of this dissertation was to contribute to a field that is not so well studied, the management and measurement of interpersonal trust at the business network level. I focus on my final conclusions to summarize the main research findings from theoretical and practical angles. I offer some practical implications to managers, leaders and business consultants. This chapter also includes an examination of the credibility of my research, and also the limitations concerning this case study method. I also identify directions for future research. The research questions are stated in the chapter 1.1 but repeated below:

- What could be the main areas in the management of interpersonal trust building? How can interpersonal trust building and development be managed at the level of the business network? (Article 3)
- What kind of performance metrics for trust could be used in the performance measurement of networked business models? (Article 1)
- How does interpersonal trust develop and grow in the business net-work of health, exercise and wellbeing markets? What are the enablers and blockers for building interpersonal trust at the whole network level? (Article 2)
- What is a role of trust in high-performance team building? (Article 4)

## 5.1 Theoretical contributions

The majority of work nowadays is knowledge based; that is, based on sharing and co-creation where trust is necessary factor (Savolainen, 2013). Trust should be seen as one of the critical areas in leadership (Yukl, 2010). However, the topic of trust is not covered in management texts to any great extent (Schraeder et al., 2015). The area of interpersonal trust has been highly researched in recent decades, but the management of trust has been passed over in Finnish organizations (Savolainen, 2013). Trust is not considered through proactive practices (Lämsä & Pucetaite 2006). Trust building can be supported by managerial activities (Creed & Miles 1996; Whitener 1998; Young & Daniel, 2003). The study by Fulmer and Gelfand (2012) also highlighted that many studies have viewed trust as a static phenomenon, and in addition, only from one party's (the trustor) perspective. Moreover, earlier research has focused on interpersonal trust at a single point in time, providing only a limited view of the phenomenon (Lewicki et al., 2006). However, the practical side of business; for example, consultants, have raised the issue of interpersonal trust in recent years.

Also this study highlights that more research is needed in the area of management and interpersonal trust building. This study focused on a broader perspective, where both perspectives (the trustor and the trustee) are noted. Trust nowadays is a very topical subject in Finnish organizations (Savolainen, 2013), which is also the context of this study. The Working Life 2020 project has been focusing on Finnish organizations and collected extensive data in the years 2009–2014. They chose trust and co-operation as one of the four main research areas. The vision of this project is to make Finnish working life the best in Europe by the year 2020, and highlighted the management of trust and co-operation in the strategic work of leaders and the important processes of organizations.

The study by Yukl (2010) also highlighted the essence of building and maintaining trust in leadership. In addition, the difficulties in building and maintaining trust have been identified (Six, 2007). The active role in trust production is noted; in other words, it is possible to proactively enhance the development of trust (Child & Möllering, 2003). Trust in general is well researched (e.g. through control, contracts, team characteristics), but earlier research has concentrated very little on how organizations can purposefully enhance interpersonal trust. Six and Sorge (2008) concentrated on organizations that deliberately enhanced interpersonal trust to help make trust a significant organizational phenomenon. Their study also supports focusing on policies that promote signalling skills. Abrams et al. (2003) built ten trust builders in their study of interpersonal trust in knowledge-sharing networks. They saw that trust is conceptually appealing, but trust is elusive as a concept, so it is not easy for managers to influence.

The main contribution of my study to earlier research is in the measurement and management side of interpersonal trust. These areas were especially covered in articles I and III. The importance of measurement and monitoring is in the potential for the early identification of blockers and challenges that derogate or decrease trust. After that, trust development could be supported using different dimensions that are introduced in article III. In the first article, the focus was on business modelling and performance estimation in cooperative business models. The aim of the paper was to propose a framework that integrates business modelling and performance measurement. Studies on business model implementation and measurement have been limited. There was a noticeable gap in the performance measurement of collaborative business models (Ferreira et al., 2012). Earlier studies have focused on single companies (Iqbal et al., 2012), financial metrics (Lambert & Davidson, 2013) or on a certain system or tool (Kaplan et al., 1992; Neely et al., 2002). Performance measurement can help to coordinate networked business; for example, by increasing the alignment of operations, communication, trust and commitment (Pekkola, 2013). This study highlighted the importance of measuring all the main components of the business model, but also the view of trust, contracts and fairness held by partners in the business network. It is essential to evaluate both business model blueprints and business collaboration using suitable metrics, so that improvements can be made. Business modelling is based on cooperative actions that need knowledge sharing. Knowledge sharing is not possible without communication, and a 'we-spirit' and personal familiarity also supports this process, where trust is at the core.

Information, learning and trust are proposed as performance metric perspectives. Seven more perspectives include: 1) customer, 2) service, 3) organization, 4) finance, 5) technology, 6) fairness and value, and 7) processes and formal mechanisms. Three of these perspectives focus on inter-organizational relationships and interdependencies (Heikkilä, 2010; Solaimani & Bouwman, 2012; Solaimani et al., 2014). Using performance metrics, potential challenges and necessary changes in the business modelling and business network arrangement can be noticed. In this case study, the measurement data was collected in the piloting stage to define the areas that need improvement. Furthermore, the aim was to clarify the potential of the intended business model.

The second article presented the view of the importance of recognising enablers and blockers in trust building, and the aim was to study how interpersonal trust starts to develop at the business network level and how it can be supported. The focus was the early stages of networking and the role of trust formation at this stage. Earlier research has described trust as an enabler for idea sharing, co-creation and innovation (Harisalo & Miettinen, 2010; Tsai & Ghoshal, 1998). This study emphasizes three key characteristics of interpersonal trust building: 1) It is a slow process that can be easily discontinued by definite blockers. (2) It requires that the parties have knowledge about one another and a rapport; that they show respect and fairness, keep their promises, and most importantly, communicate effectively. (3) It should be based on shared responsibilities among the network members. The core of trust includes good, active communication, promise keeping, respect and fairness. Time is an important element in trust building and the other is interaction. The study by Savolainen (2009) also supports this conclusion. Barnett et al. (2010) also highlighted the time aspect of trusted relations. However, Vanneste et al. (2014) noted that the correlation between trust and relationship duration is weak and sometimes even zero or negative. Personal familiarity requires interaction and shared experiences to grow. Shared experiences support trust building. In trusted relations, interaction and expressions are at a deeper level. (Mäkipeska & Niemelä, 2005.)

This study combined five main elements of interpersonal trust building in business networking: earlier positive experience, trustworthy actions, communication, personality and trust at the network level. Whitener et al. (1996) also divided trust building into five parts: confidence for performance, equity, solicitude, openness and competence. Larson and LaFasto (1989) raised four necessary elements in trust building: honesty, openness, consistency and respect. Earlier successful operations have a positive effect on trust that is a good starting point for networking. This kind of initial trust is earned by belonging to some certain organization, and trust is not based on the experience of the individual actions of others. (Lee & Choi, 2011.) Actions should match words, and promises should be kept; these are the basic trustworthy actions. In summary, interpersonal trust requires the following factors: personal acquaintance and chemistry, respect, fairness, keeping of promises, communication, and words matched by action. At the network level, sharing successful steps supports trust between network members. So that these successes could be reached, the decision-making processes should be fair and all different viewpoints should be heard and considered. Challenges in cooperation can decrease trust if obstacles are not processed together. Ikonen (2013) described how the process of interpersonal trust is more complicated than earlier studies revealed. Trust development includes "special moments" when trust can rapidly strengthen or disintegrate. In the case used as the basis of this study, such a special episode was noted once.

Active communication supports trust formation and the following elements are necessary: genuine listening, straight talk, knowledge sharing, facts, needs, desires, feelings and emotions. The study by Barnett et al. (2010) also highlighted how communication should not only be based on facts so that the basis for trust could be created. People are unwilling to share their opinions and knowledge in a context of distrust. This has a direct effect on the potential for network cooperation. (Bibb &Kourdi, 2004.) Typically, insufficient communication can lead to an erosion of trust or distrust (Spangenberg, 2010; Harisalo & Miettinen, 2010). This study also supports this finding. Communication should be active and at the level of the network, every network member should get the most critical information in time. Nowadays, information channels create challenges for cooperation. Sometimes messages do not go through or the messages are partly or completely misunderstood (Savolainen, 2013). Savolainen (2013) noted that communication and openness is the seedbed of trust. In the interaction process, listening is also as important as speaking. Meiseberg and Ehran (2013) also took into account this area and they created the concept of 'communication capability'. Communication enables better and more intense cooperation so communication skills should be enhanced. Communication and cooperation are the most important corner stones of trust (Harisalo & Miettinen, 2010).

This study also highlighted some areas that are not so highly noted in the development of trust: environment and atmosphere, but also informal meetings in the context of business networks. An overly formal atmosphere does not support trust building so well; informal meetings have an important place in trust building where interpersonal dialogue is possible and partners can ensure that cooperation is not only based on issues of self-interest (Christopher et al., 2008). There are many matters that effect trust, including personal characteristics, behaviour and personal perceptions (Korsgaards et al., 2015). In addition, a more informal atmosphere and environment can support the 'we-spirit' and crazy ideas that are important areas when a new business network is being built. Barnett et al. (2010) also noted the importance of the informal stage, where unconstrained ideas can be revealed that can lead to new innovations. Personal knowledge is also needed in business relations so that trust could grow. Muethel et al. (2012) also supported the essence of personal familiarity. They saw that already from the kickoff meetings, this should be supported.

Earlier research has not focused on the possibilities for managing interpersonal trust, which my third article concentrates on. Trust can be seen as one of the most important areas of leadership and needs attention and fostering (Sonnenberg, 1994). The skill of trusting has not been studied in the Finnish context (Savolainen, 2013.); however, the importance of this area has been noted: "The management of relationships is an important issue that actors need to consider" (de Lurdes Veludo et al., 2006), but earlier studies have not offered enough guidance for interpersonal trust building at network level (Abrams et al., 2003). Nowadays attention is increasingly directed towards the role of trust for effective management and the success of organizations (Schraeder et al., 2015). In addition, the study by Savolainen (2013) noted that issues of trust have been under discussion regularly and apparently in different sectors. In order to achieve a high level of trust in organizations, it is crucial to know how to stimulate interpersonal trust (Six & Sorge, 2008).

The study by Schraeder et al. (2015) focused on fostering interpersonal trust using four functions of management. Their study highlighted that communication and the quality of connections are the most critical areas in the development of trust. The study by Child and Möllering (2003) concentrated on "active trust development". They saw this development strategy as an enhancement of trust within and between organizations via (pro)activities. They, for example, focused on whether the trustor can play a more (pro)active role, especially when the foundation of trust is weak. Some organizations have already started to enhance interpersonal trust to become a significant organizational phenomenon using explicit trust enhancement policies, including the promotion of a relationship-oriented culture, creating opportunities for informal meetings and the day-to-day management of competencies (Six & Sorge, 2008). The study by Abrams et al. (2003) consists of data from 20 companies, and they concentrated on the nurturing of interpersonal trust in knowledge-sharing networks. They created "the trust builders", instructions for the promotion of interpersonal trust: 1) act with discretion; (2) be consistent between word and deed; (3) ensure frequent and rich communication; (4) engage in collaborative communication; (5) ensure that decisions are fair and transparent, (6) establish and ensure a shared vision and language; (7) hold people accountable for trust; (8) create personal connections; (9) give away something of value; and (10) disclose your expertise and limitations. Their study highlighted the supporting role of managers in trust enhancement and development, and also the nurturing aspect of the behaviour and practices of members.

This study pulls trust building dimensions together and offers ideas for trust management in the Finnish health and wellbeing context. The focus is on an interpretive understanding of building and managing trust in the early stages of networking; what are the management possibilities for interpersonal trust building in the case network? What kinds of tools and processes could be used to develop trust in a focused way? The aim was to identify key dimensions for the management of interpersonal trust and offer a broad framework. This study identified five management dimensions for developing and maintaining trust: leadership skills, communication, actions and commonalities, environment and atmosphere, and also those components that are difficult to control. Next, all these dimensions are addressed one by one with the key findings. There are some options for best practices and tool creation for management and leadership in relation to interpersonal trust. These five dimensions offer a broad framework for the areas that could be noticed when consciously building and managing trust. These areas can be seen as the most important areas in trust building based on this case study. Interpersonal trust starts from actions, so leaders can support these processes through actions that strengthen trust, for example, impacting upon atmosphere and the stage of communication. However, the stage and development of interpersonal trust should be everyone's responsibility.

- Leadership skills: Trust should be included in the key areas of leadership. Interpersonal trust building should be the duty of every member, but one responsible actor is needed. The area of trust should be noticed already at the beginning of the cooperation.
- Communication: The quality and amount of communication play a crucial role in trust development. Regular and rich communication between network partners supports trust maintenance. It is important that partners inform each other frequently. This study highlights the importance of straight talk and genuine listening. A communication plan and strategy could be established as a support element.
- Actions and commonalities: It is crucial that members hold fast to what they have promised, and that they manage their own responsibilities in agreements. Perceptible commitment and shared targets support trust. In addition, "win-win" situations should be aspired to.
- Environment and atmosphere: This study revealed the importance of environment and atmosphere in trust building. Both informal and formal meetings have a role in networked business and there should be a balance of these different kinds of meetings. The atmosphere should be suf-

ficiently open that it enables the kind of dialogue, where all kinds of important information can be revealed.

- Components difficult to control: Some areas in trust are not easy to control, but are important dimensions, such as chemistry, benevolence, and believing in a partner's sincere good. The interviewees described that these areas have an extensive affect on the development of interpersonal trust. People usually trust each other intuitively, and therefore, cannot describe the precise reasons behind trust. Networking brings together different types of personalities/characteristics that can cause challenges. People have different backgrounds and viewpoints. Communication helps to raise these issues. In addition, different communication styles should be acknowledged.

My last article focused on the links between interpersonal trust, sports teams and high-performance teams. Empirical research has been lacking holistic research into high-performing teams including perspectives on trust and sporting teams, so a conceptual approach was adopted. This study suggests a theoretical framework based on the analysis of key characteristics and definitions of high-performing teams and related concepts. A clear purpose/vision, communication and trust were seen as the most important dimensions for high performance at team level (Katzenbach, 1993; Katzenbach & Smith, 1993; Erdem & Ozen, 2003; Cheruvelil et al., 2014; Holmes, 2012; Coole, 2009; Sharp et al., 2000; Nemiro et al., 2008; Hakanen & Soudunsaari, 2012; Bovee & Thill, 2013), based on a literature review involving 50 articles. This study offers the basis for subsequent empirical research.

However, many other dimensions are needed before a team starts to perform at a high level. One of the most important dimensions is talented people, who are committed and motivated to the team (Jones, 2002; Cheruvelil et al., 2014). Cheruvelil et al. (2014) summarized the main components of a high-performing team as team diversity and interpersonal skills. Positive interdependence between team members, effective communication, and individual and group accountability is needed. Team members need the necessary skills and knowledge, and also, a shared vision and goals (Jones, 2002; Cheruvelil et al., 2014; Bovee & Thill, 2013; Tienari & Piekkari, 2011). Team members should have the ability to develop their skills continuously, and progress and development should also be monitored. Clear roles and standards are important aspects, and the shared vision should be clear to everyone. Team leaders have a key role in high-performing teams and their attitudes and beliefs have a high impact on the team-work (Katzenbach, 1993). The level of trust towards the coach effects performance in sporting teams (March et al., 2010). Team leaders should ensure that team meetings are productive and communication is active and open between every member of the team. Cohesiveness and positive relations are an important factor in high-performance teams. Respect and support are the key areas for high level teamwork.

The role of trust is seen differently by different studies. Many studies have highlighted the moderating role of trust, but not the main effect on group performance (Dork, 1999; Aubert & Kelsey, 2009). Instead, Clopton (2011) highlighted the strong connection between social capital and team performance. In addition, our study also supported this finding; trust is one of the most important enablers for high-performs in team level (Hakanen & Soudunsaari, 2012). Some studies have researched the main characteristics of high-performing teams. Trust has a direct or indirect effect on many noted areas in high-performing teams. Mutual trust and respect are one of the main characteristics along with a commonly shared purpose, a clearly defined vision, clear roles and responsibilities, high levels of communication, readiness to work towards the greater good, and a supporting and challenging leader (Coole, 2009). Cheruvelil et al. (2014) defined two main components for high-performing teams: team diversity and interpersonal skills. In many studies, clearly defined goals, positive relations, high levels of communication, operational decision-making and good problem solving are noted to be the most important characteristics (Holmes, 2012; Coole, 2009). For example, clearly defined goals and visions are impossible to create without communication, which needs trust. Positive relations also need trust, and communication, as corner stones. Decision-making and problem solving also become easier in an atmosphere of trust.

My main conclusion is that trust is a challenging area because many areas have an effect on this important factor of the feeling between people; for example, earlier knowledge about the other person, intuition, communication etc. Trust can be very fragile, especially at the beginning of relations and the other challenging aspect concerns differences in time – different episodes. These different periods vary from more calm and stable to obstacles and other challenges (Ikonen, 2013; Savolainen & Ikonen, 2012). Interpersonal trust can be discontinued by blockers. It is possible to support the development of trust by paying attention to dimensions that give support to trust: active communication (genuine listening, straight talk, knowledge sharing, facts, needs, desires, feelings, emotions), personal knowing/knowledge about one another, positive shared experiences, respect, fairness, promise keeping, actions that match words, and the environment and atmosphere. The management side of interpersonal trust is a challenging area, and should be noted carefully. The focus should be to enhance interpersonal trust proactively (e.g. using leadership skills, communication, actions and commonalities, environment and atmosphere, and also, components difficult to control). In addition, the measurement of interpersonal trust would help to identify the blockers and challenges in network relations.

## 5.2 Practical contributions

The main practical objective was to provide tools for practitioners. In addition, one of the main objectives was to clarify the current state of interpersonal trust inside the business network, but also, to create guidelines for the studied network in the building and managing of interpersonal trust. Furthermore, the practical implications are aimed towards other organizational actors. Luna-Reyes et al. highlighted that the study of interpersonal trust can also contribute to the group and organizational levels, because the interpersonal aspects or factors of trust are central to almost all models. (Luna-Reyes et al., 2004.) This study proposes trust-building dimensions for trust building and management in Article 3. In addition, Article 1 introduces preliminary research for establishing performance metrics for trust.

According to my view, the state of trust could be measured, so that potential blockers could be identified. This study proposes the following performance metrics for the evaluation of information, learning and trust: frequency of interaction, quality of interaction (including openness and genuine listening) and also quality of information (shared targets, critical information). Timing is important in evaluation; the evaluation process should start already in the initial phase of cooperation, when the conceptual testing and piloting is in progress. My second article focused on the enablers and blockers of interpersonal trust – the nature of interpersonal trust formation, and highlights the importance of atmosphere and environment in the maintenance and building of interpersonal trust. These areas are not highly noted in the earlier studies. Informal meetings enable people to become acquainted with each other so they can engage in free communication, where personal opinions and outside-the-box thinking can more easily thrive.

The gap in the management side of interpersonal trust and also in the skill of trust has been noted in the Finnish context (Savolainen, 2013). This was the area where my 3rd article especially focused. The aim of my study was to give an interpretive understanding of building and managing trust in the early stages of networking, but also, to provide guidelines for how to develop trust in a focused way. The trust building dimensions provide a practical tool for the management side of trust. This study reveals five main dimensions that would be good for every network member to acknowledge, but network managers should especially be responsible for these. The five dimensions are: leadership skills, communication, actions and commonalities, environment and atmosphere and components difficult to control.

My last article viewed trust as an essential building block in cooperation, and looks at top-level sporting teams as an instructive example. Interpersonal trust, for example, affects cooperative behaviour and cohesiveness, which are critical areas and corner stones for high-performance teams. This theoretical research found the following to be the three most important dimensions for teams: clear purpose/vision, communication and trust.

This study also supports the following common findings: Keeping promises and behaving as promised are important areas for trust building. Moreover, a free atmosphere enables more active conversation. Informal meetings are also necessary, where an equal environment is offered it removes the title tags. "*The Vierumäki day was good because we were out of our usual working places. The environment was neutral, and the normal "working me" was not there. It seemed like eve-*

*ryone felt like being on duty and clear minded. That was the best atmosphere so far. The atmosphere of other meetings was too formal. The conventional meetings contained only the root of previous events. Vierumäki day also consisted of co-creation*." The interviewees felt that informal meetings could support the building of a 'we-spirit' and crazy ideas.

The process of decision-making should be fair for every partner (Lind & Tyler, 1988). The network members in the case study did not share their interests and visions freely, and there was not active communication between them. Without trust, communication is limited, but also open communication that includes facts as well as participant feelings, needs and desires can support the trust-building process (Barnett et al., 2010). The network members should pursue a more informal atmosphere that really needs trust. With trust and communication, the network members can co-create and develop new business opportunities. Certainly many other aspects, such as knowledge and competence, are needed in this process, but trust is invariably an essential component.

Trust can be personal or exist at the company level: *"I do not personify trust to persons who are chosen to be representatives in this network, but to companies. - - I can only hope that the representatives are the best ones.'* One partner also noted: *'It is difficult to speculate about the state of network relations, you become crazy if you start to speculate what other people think. The telephone works both ways, if you have something to share."* However, trust should also be pursued at the personal level.

Moreover, this study identifies that a lack of trust may lead to a situation where the team members are not willing to help each other (Sitkin & Roth, 1993). One interviewee noted *"we should maintain the communication, keep in touch, and inform every time when there are some matters to share."* This study highlighted that trust building is a slow process, but that trust can be lost quickly. One person should be responsible for trust and trust building in the organization and at the network level, but that does not take away the individual responsibility for building trust and maintaining it. The primary role of the responsible person is to support and enable trust building between every partner, and secondly, to coordinate cooperation. Trust issues should be everyone's responsibility, but in organizations and networks, it is beneficial to have one person that is ultimately responsible for this area. Trust building and maintenance requires the removal of detected obstacles, and therefore, cooperation needs measurement. However, even if there is a person responsible for coordination, the decision process should include every network member. If one or some partners are excluded from this process, it can have an effect on trust.

On-going research has emphasized the importance of trust in business networking and creation. This study supports these findings and also sees trust as an important enabler for networking, which means that trust is a necessary element for relationships, but alone this is not sufficient (Erdem & Ozen, 2003.) It enables open communication where team members can display their feelings, opinions and improvement ideas, but it also shows their willingness to help others (Jones & George, 1998).

## 5.3 The main findings of the present study

Figure 4 below illustrates and summarises the main contribution of my four articles. The first article concentrated on performance estimation from different perspectives – trust as one of these perspectives – and we suggested performance metrics for trust: frequency of interaction, and quality of interaction and communication. In my second article, the focus was on the early formation of interpersonal trust in the context of business networks; what are the enablers and blockers of trust? My study highlighted the following seven areas: earlier positive experiences, trustworthy actions, communication, personality, environment, atmosphere and trust at the network level. The third article focused on the management possibilities for interpersonal trust in a business network, and we highlighted the following dimensions in the development and management of interpersonal trust: leadership skills, communication, actions and commonalities, environment and atmosphere, and also components that are difficult to control. The last article highlighted the key elements of building high-performing teams, and proposes a theoretical framework by analysing key characteristics and defining high-performing teams and related concepts. The most mentioned dimensions in the earlier studies were clear vision, trust and communication.

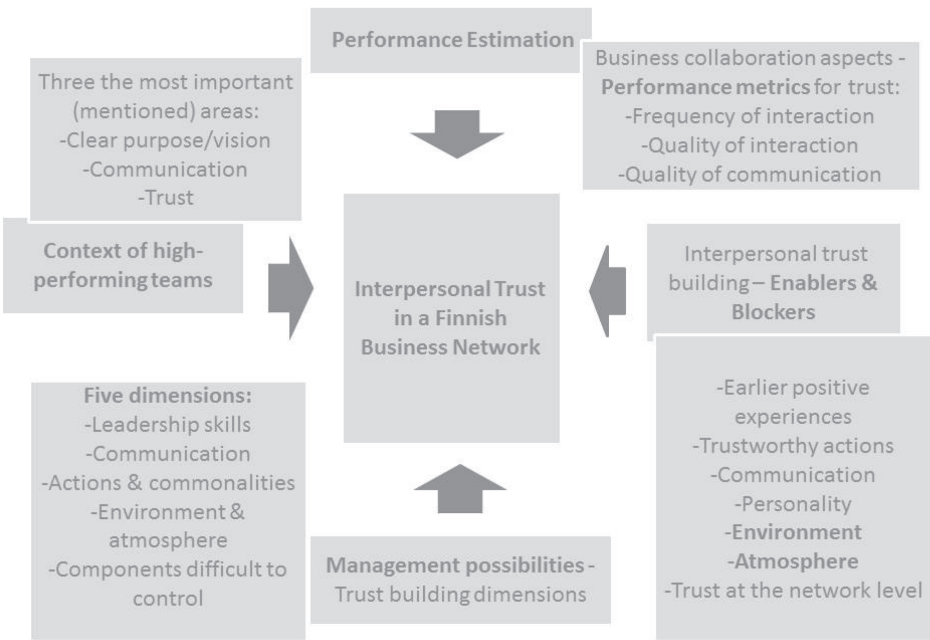


FIGURE 4 The main contribution of the dissertation

## 5.4 The credibility of the research and its limitations

The reliability of the qualitative research can be estimated on the basis of the systematic analysis and the interpretation. The validity of the research can be supported by opening the details of the analysis, using the analysis program, preparing and visualizing the compilation of the research material and presenting exceptional cases. (Ruusuvuori et al., 2010, p. 27.)

The coding of the data emerged from the research questions. The analysis consisted of the following overlapping phases: exploring the collected data and organizing, categorising, comparing the phenomena, interpreting and the theoretical dialogue. (Ruusuvuori et al., 2010.) The quality of the study rests on listening to and reading the transcribed data many times, and also using secondary information (informal observation) to reach a holistic view of the phenomenon and support the triangulation of the results by comparing the interview data and the data from the observations (Bonoma, 1985).

A constructionist study separates from methodological viewpoints, so it is not applicable to use validity and reliability in this study (Phillips & Hardy, 2002). A constructionist epistomology does not support the straightforward transference of criteria, such as objectivity and reliability (Madill et al., 2000). A positivist paradigm cannot offer ideal alternatives concerning the evaluation of qualitative research. The interpretive viewpoint sees the difference between the natural and the social sciences (Leppäaho et al., 2015). Other criteria are more suitable, for example, reflexivity focused on the researcher's own knowledge and seeing knowledge as socially and culturally constructed. (Siltaoja, 2010.) The key areas in reflexivity is to redefine the relations between authority and the interviewees from the point of view of authority, and in addition, to be careful not to put oneself as a sovereign authority that has direct access to truth (Phillips & Jörgensen, 2004). I also focus on the credibility of this case research and especially the research findings – are the findings plausible. Plausibility focuses on the relations between the interpretation and the data (Eriksson & Kovalainen, 2008), and also whether the interpretation is easily recognized and understood (Siltaoja, 2010). A constructionist study also desires to find some grounding for the results (Madill et al., 2000). These findings should be based on the participants' actual descriptions (Tindall, 1994).

There are some limitations that should be noticed. First, the limitation that concerns the context of this study – this study focuses on a single business network, and this should be considered when utilising the results in another context. Secondly, the local and situational context should be reflected. The knowledge is local and situationally dependent (Jaeger & Rosnow, 1988). In addition, I could have more explicitly described the process of the interviews in the articles. Moreover, it is also challenging to be loyal to one method, in this research to social constructionism, throughout the whole research process. My own knowledge, including the methodological side of this research, developed through the whole process. I have tried to focus on the opening of my study, and the process of the interviews in the articles. I tried to describe these areas as transparently as possible. Moreover, I have used summaries and charts to summarize and clarify the research findings for the readers. The one aim through these charts is to help the readers understand the broader perspective of the results.

It should also be noted that the case network was at the beginning stage of cooperation – the stage of creating a business model. Second, the method for collecting the data is also a limitation – the primary data is produced from thematic interviews. There is always the possibility that the interviewees did not reveal all aspects, they did not tell the truth, or they gave the answers they thought would be desirable or preferred in some way. In addition, the answers are only voiced by single company representatives and cannot be generalized to represent entire partner companies. However, the interviewees were the only active members from partner companies inside the created business network.

In the end, it is important to notice that especially in the qualitative research, the researcher has an active role through the whole research process. Personal motivation guides the choice of the studied research area. After that, the interviews include many subjective choices. What is the order of questions, the atmosphere of the interviews and so on. Another researcher could have made other choices, and interpreted the results from a different perspective. I see that it is good to have several researchers go through the research data and then together, the results can be produced. This does not directly increase the objectivity of the research, but increases the number of perspectives. I had one to five co-researchers in my studies that facilitated viewing the data from different subject perspectives. In my first article, I was a co-author and had a precise task in the writing. In the other three articles, I was the main author and I had one co-author in two articles, and two co-authors in one article. The goal of triangulation is completeness, not convergence in the constructionist sense (Madill et al., 2000). The aim of this study was not to reveal universal truths, but instead, focus on revealing key findings on the development, measurement and management of interpersonal trust in the studied network.

## 5.5 Suggestions for further study

Further research is needed in this area. Future research could focus on how to evaluate, monitor and follow the state of interpersonal trust and also to provide the right tools for building trust. The data on interpersonal trust or distrust could be measured on the basis of behaviour, but also other, more exceptional methods could be used, such as neurological data. There are differences in the brain activity in the context of trust and distrust, (Dimoka, 2010) and this data could support the qualitative data.

The measurement side of interpersonal trust should be researched and developed. In Article 1, we defined the performance metrics for a potential networked business model. The study by Caughlin and Basinger (2015) concentrated on the measurement of interpersonal communication and highlighted the complex nature of this phenomenon, and they also focused on the advantages and disadvantages of the most common techniques for measuring, such as observational assessments, self-reporting, diaries and logs, and physiological assessments. In addition, Lewicki et al. (2006) highlighted the importance of the measurement of trust development and the use of triangulated research data. Quantitative data, such as data gathered using a Likert-type scale that is commonly used in psychology, cannot capture a sufficiently wide and deep view of this complex area; changes and dynamics in trust over time. Qualitative methods can achieve such insights into how trust is socially and subjectively constructed.

There are also other suggestions for further studies aroused during this research process; for example, it would be fruitful to study the performance metrics in different stages of networked business. In addition, it would be beneficial to have more detailed data about communication in network meetings focusing on formal versus informal differences. This study presented a framework of the dimensions of high-performing teams in a theoretical form, and this framework should also be empirically tested.

# YHTEENVETO (FINNISH SUMMARY)

Tämän väitöskirjan tutkimustehtävänä on tarkastella suomalaisen liikunta-, terveys-, ja hyvinvointisektorilla olevan liiketoimintaverkoston ihmisten välisiä luottamussuhteita. Erityisesti tässä tapaustutkimuksessa keskitytään luottamuksen määrätietoiseen kehittämiseen ja johtamiseen, sekä mittaamiseen. Luottamusta on tutkittu hyvin monesta näkökulmasta, mutta luottamuksen määrätietoinen kehittäminen ja johtaminen ovat vasta nouseva tutkimusalue. Luottamuksen kriittinen rooli ulottuu kaikkiin organisaatioihin ja verkostoihin, joissa ihmiset ovat yhteistyössä keskenään. Väitöskirja koostuu johdantoesseestä, ja neljästä tutkimusartikkelista. Jokainen artikkeli lähestyy tutkittavaa aluetta eri näkökulmasta. Tutkimukseni aineisto koostuu kahden haastattelukierroksen kautta saadusta aineistosta, sekä havainnoinnista.

Tutkimus nosti esiin luottamuksen kehittymiseen liittyviä mahdollistajia, sekä esteitä. Tutkimuksen tulosten mukaan kunnioitus, reiluus ja avoin vuorovaikutus kuuluvat tärkeimpien mahdollistajien joukkoon. Lisäksi tutkimuksessa nousi esiin ympäristön ja ilmapiirin vaikutus luottamuksen kehittymiselle. Epäviralliset tapaamiset tukevat virallisia tapaamisia paremmin me-hengen muodostumista, sekä henkilökohtaista tuntemista. Luottamuksen rakentaminen on hidas ja jatkuva prosessi, joka on varsinkin henkilöiden välisten suhteiden alkuvaiheessa hyvin hauras. Ihmisten välisen luottamuksen mahdollistajat jaettiin seitsemään alueeseen: aiemmat positiiviset kokemukset, luottamuksellinen toiminta, vuorovaikutus, persoonatekijät, ympäristö, ilmapiiri ja luottamus verkostotasolla.

Tutkimuksessa tarkasteltiin luottamuksen määrätietoista kehittämistä ja johtamista, joka on jäänyt vähemmälle tarkastelulle tutkimuskentässä. Tutkimuksessa nousi esiin osa-alueet jotka vaikuttavat eniten luottamuksen kehittämiseen ja johtamiseen: johtajuustaidot, vuorovaikutus, toiminta ja yhteneväisyydet, ympäristö ja ilmapiiri, sekä vaikeasti johdettavissa olevat osa-alueet (sis. intuitio, persoonallisuudet, kemia ja hyväntahtoisuus).

Henkilöiden väliset luottamussuhteet eivät ole stabiileja, vaan jatkuvassa prosessissa. Luottamussuhteita olisi hyvä seurata heti yhteistyön alusta saakka. Luottamussuhteiden seurantaan ja mittaamiseen sopivat mm. seuraavat mittarit: vuorovaikutuksen määrä ja laatu sekä jaettavan tiedon laatu. Pelkästään faktoihin perustuva vuorovaikutus ei tue henkilöiden välisen luottamuksen rakentumista. Luottamuksen tason ja kehityksen mittaaminen auttaa tunnistamaan muutokset ja haasteet.

Lisäksi yksi osatutkimus tarkasteli luottamuksen ja huipputiimien rakentamisen välistä yhteyttä. Luottamus on yksi tärkeimmistä alueista selkeän vision ja vuorovaikutuksen lisäksi huipputiimejä rakennettaessa.

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# ORIGINAL ARTICLES

# I

## PERFORMANCE ESTIMATION OF NETWORKED BUSINESS MODELS: CASE STUDY ON A FINNISH E-HEALTH SERVICE PROJECT

by

Heikkilä, Marika
Solaimani, Sam
Soudunsaari, Aki
Hakanen, Mila
Kuivaniemi, Leni

2014

Journal of Business Models
Vol 2, No. 1, pp. 71-88

Journal of Business Models (2014), Vol. 2, No. 1 pp. 71-88

JOBM
Journal of Business Models

# Performance Estimation of Networked Business Models: Case Study on a Finnish eHealth Service Project

Marikka Heikkilä[1], Sam Solaimani[2] , Aki Soudunsaari[3], Mila Hakanen[3], Leni Kuivaniemi[3] & Mari Suoranta[3]

## Abstract

**Purpose:** The objective of this paper is to propose and demonstrate a framework for estimating performance of a networked business model.

**Design/methodology/approach:** Our approach is design science, utilising action research in studying a case of four independent firms in Health & Wellbeing sector aiming to jointly provide a new service for business and private customers. The duration of the research study is 3 years.

**Findings:** We propose that a balanced set of performance indicators can be defined by paying attention to all main components of the business model, enriched with measures of network collaboration. The results highlight the importance of measuring all main components of the business model and also the business network partners' view on trust, contracts and fairness.

**Research implications:** This article contributes to the business model literature by combining business modelling with performance evaluation. The article points out that it is essential to create metrics that can be applied to evaluate and improve the business model blueprints, but it is also important to measure business collaboration aspects.

**Practical implications:** Companies have already adopted Business model canvas or similar business model frameworks and tools to innovate new business models. We suggest that companies continue their business model innovation work by agreeing on a set of performance metrics, building on the business model frameworks enriched with social measures of network collaboration.

**Originality/value:** This article contributes to the business model literature and praxis by combining business modelling with performance evaluation.

Keywords: Business Model, Business model innovation, Performance Metrics, Performance indicators, Business network, collaborative network
1: University of Turku & University of Jyväskylä, marikka.heikkila@jyu.fi
2: Nyenrode Business Universiteit, the Netherlands
3: University of Jyväskylä
Acknowledgement: This study was funded by Tekes, the Finnish Funding Agency for Technology and Innovation

Please cite this paper as: Heikkilä, M., Solaimani, S., Soudunsaari, A., Hakanen, M., Kuivaniemi, L., Suoranta, M. 2014. "Performance Estimation of Networked Business Models: Case Study on a Finnish eHealth Service Project", Journal of Business Models, Vol. 2, No. 1, pp. 71-88.

## Introduction

Business modelling is a widely adopted method in companies to generate new innovative business ideas. The purpose of a business model (BM) is to describe the general logic of business, including business value; the customer segment, service, organisation, technology and financing (Bouwman et al., 2008). In other words, a BM can be seen as a representation of the corporate or network strategy, and as the starting point for planning operative business processes (eFactors, 2002). A core virtue of a BM is its high-level and comprehensive view on business, which makes it an attractive tool for designing and representing new ideas. However, the literature on BM implementation and the measure of its performance is limited. Traditionally rooted in accounting literature, performance metrics (PM) can be defined as variables or indicators that express the effectiveness and/or efficiency of (a part of) a system or activity (Lohman et. al., 2004). PM have been advocated as a promising instrument to evaluate and measure factors that are crucial to companies' performance. Most studies focus on a single company (Iqbal et al, 2012), use financial metrics (Lambert and Davidson, 2013), and are based on a certain system or tool, such as Balanced Score Card (Kaplan *et al*, 1992) or the Value Prism (Neely *et al*, 2002). As highlighted by Busi and Bititci (2006), Voelpel et al. (2006), and Ferreira et al. (2012), there is a gap in the literature relating to performance measurement of collaborative business models.

This paper aims to contribute to both BM and performance measurement literature by proposing a framework that integrates both streams. The framework enables performance estimation in the context of business models, particularly within networked settings. The case selected for this study illustrates how performance metrics are incorporated into the innovation process of the networked BM.

This paper is structured as follows: in the subsequent chapters we discuss business networks, BMs and performance metrics literature and conceptualize a framework. Next, we will describe our research method and demonstrate the practical usability of a performance indicator framework thru one empirical case of a networked business model and its metrics. Finally, we will draw conclusions and will outline opportunities for future research.

## Business Networks and Business Models

There are several streams of literature on networked business, such as value creating nets (Parolini, 1999), Smart Business Networks (Vervest et. al., 2005, 2008), Industrial management & processing (Håkansson and Snehota, 1995), and economic sociology (e.g. Powell, 1990). Möller et al. (2009) have divided business networks to a basic, innovative, and a business creation network, where the partnership varies from operative to strategic. Even though in literature there are some differences in emphasis, the characterizations of business networks share many commonalities: the business networks are described as being formed by interdependent organizations (Vervest et. al., 2005, 2008) that are co-operating with each other, and consisting of specific roles and value interactions (Håkansson and Snehota, 1995) oriented toward the achievement of a particular task or outcome (Allee, 2008) in order to produce value add (Parolini, 1999). This paper focuses on collaborative networks having joint processes, where the partners share information, resources, and responsibilities to plan, implement, and evaluate activities to achieve a common goal (Camarinha-Matos et al., 2009, Pekkola 2013b). Overall, a collaborative network aims at mutual benefits for the stakeholders involved (Christopher et al. 2008). Also, trust is a required factor and enabler for co-creation, because the cooperation cannot be built purely on contracts (Lee and Choi, 2011). Without trust, the partners are not willing to share their knowledge and ideas, which is a crucial part in business creation. Trust can be reached through open communication and knowledge sharing (Gillespie and Mann, 2004; Allee, 1999), but also honesty, consistency and respect are needed elements (Larson and LaFasto, 1989).

Current studies on BM and BM innovation have mainly focused on definitions, taxonomies, and change methodologies for business models of individual organisations (e.g. Timmers, 1998; Amit and Zott, 2001; eFactors, 2002; Magretta, 2002; Hedman and Kalling, 2003; Faber et al., 2003; Lambert, 2008; El Sawy and Pereira, 2013). However, the networked nature of business is to some extent taken into account in BM and BM innovation literature (Zott et. al., 2011). For instance, BM Canvas (Osterwalder and Pigneur; 2010) and STOF (Bouwman et al, 2008) consider partners as a key component of a BM. Also the BM innovation literature underlines the importance of a networked approach in the concepts of open BM innovation (Doz and Kosonen, 2010; Chesbrough, 2006), co-creation (Schrage, 1995; Prahalad and Ramaswamy, 2000), value networks (Allee, 2008), and resources and capabilities within and across organizational boundaries (Bouwman et. al., 2008).

Author (2013) depicted networked BM innovation as a two-stream process, where 1) the BM is created and analysed by using the available BM ontologies and tools and 2) the change management concerns the selection and facilitation of learning between networked partners, alignment of strategies and processes, and feasibility assessments. Solaimani and Bouwman (2012) proposed a framework that identifies knowledge exchange, process alignment, and value exchange as core areas when analysing the inter-organizational interaction in the context of business model innovation. Figure 1 summarises our understanding over the triple role of a network's business modelling process in business networks: The BM for a collaborative network should also pay explicit attention to advancing (Heikkilä, 2010)

1. learning, knowledge sharing and trust between the parties, i.e. using BM as a boundary object (Star and Griesemer, 1989; Brown and Duguid,1991; Boland and Tenkasi, 1995).
2. agreement over processes and rules, which can be operationalised into formal coordination mechanisms, such as norms and contracts.
3. assessment of the risks, rewards, and fairness of the deal.

## Performance metrics for networked business models

According to the literature, From a governance perspective, a network level performance measurement system helps to coordinate the network business and to steer the network actors to pursue the common targets (Cohen and Lee, 1988; Kulmala and Lönnqvist, 2006; Kaplan et al., 2010; Yin et al., 2011; Bititci et al., 2012), and increases the alignment of operations, communication, trust, and commitment in the whole network (Pekkola, 2013). Kulmala and Lönnqvist (2006) suggest that the network's performance measures should reflect the end users' perspective with both financial and non-financial factors. More generally, equity between networked actors has been emphasized by Leseure et al. (2001). Yet, so far there are limited stud-

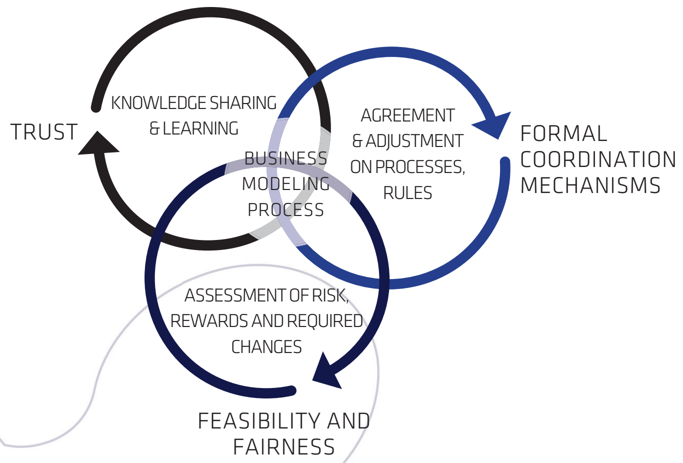


**Figure 1 Three focuses of business modelling in business networks.**

ies that focus on measurability of BM and BM innovation (Solaimani, 2014. Ferreira et al. (2012) suggest that collaborative performance measures should be defined to evaluate the BM. Voelpel et al. (2006) criticise the Balanced Score Card (Kaplan and Norton, 2001) and call for performance measurement frameworks that are suitable for networked business and are more dynamic. Furthermore, it is more common that the metrics are introduced only after the business is operating, even though we see that it would be beneficial to have a set of metrics already earlier, in the conceptual testing, piloting and/or prototyping phase of the innovation process. The metrics can then be utilized more dynamically to steer the development of the business idea, since the required changes and obstacles can be identified more easily.

Heikkilä et al. (2010) propose that performance indicators should be assigned for all main components of the BM. In the same vein we suggest that performance measurement starts with drafting a BM – using frameworks such as CANVAS (Osterwalder and Pigneur; 2010), STOF (Bouwman et al, 2008), VISOR (El Sawy and Pereira, 2013) or CSOFT (Heikkilä et. al., 2010) – to represent the business idea. As already mentioned, a BM acts as a dynamic boundary object (Star and Griesemer, 1989) helping the parties to communicate and share the business logic, understand each other's motives and goals, and to agree on joint goals and metrics for the cooperation.

Consistent with the commonly accepted BM building blocks, we propose the next five PM perspectives:

1. *Customers*: The aim is to understand the need of the customer, what kind of a customer relationship is established (Osterwalder and Pigneur 2010), and recognising differing customer segments.

2. *Service*: describes the intended and perceived value of the service, as well as how it is provided to the customer (Amit and Zott, 2001; Bouwman et al. 2008; Osterwalder and Pigneur 2002).

3. *Organisation*: describes the core tangible and intangible resources, roles and responsibilities within one or a network of organizations (Osterwalder and Pigneur, 2010; Bouwman et al 2008)

4. *Finance:* traditionally, financial performance has been the focus of PM studies. This perspective focuses on costs and revenues caused or shared between partners (Daas et al, 2013).

5. *Technology:* refers to information and communication technology (ICT), which enables the service, or supports the operations and collaboration. Some BM frameworks consider technology as a key element of a BM (Bouwman et al 2008), while others consider technology as a part of the firm's organizational arrangement (Osterwalder and Pigneur, 2010).

In addition, there are three network-oriented perspectives that have a specific focus on inter-organizational relationships and interdependencies (Heikkilä, 2010; Solaimani and Bouwman, 2012; Solaimani et. al., 2014). The network perspectives describe the constituent parts of a collaborative network, including shared processes, fairness, knowledge sharing and trust:

1. *Fairness and Value:* Ring and van de Ven (1994) and Leseure et al. (2001) point out the importance of equity in addition to traditional efficiency as criteria for assessing cooperative networks. Equity means 'fair deal', where inputs or outcomes are not always divided equally between the parties. We find this principle of fairness to be a distinctive character of collaborative networks. The partners are allowed to question the fairness of the deal from their point of view and either continue in the network or, if not satisfied, step out or renegotiate the terms of the co-operation.

2. *Information, learning and Trust:* The business model creation, negotiation and sense making give opportunities for mutual learning and knowledge sharing between the parties. During this interaction trust between the parties builds up (Ring and van de Ven, 1994). Trust is claimed to be the generic coordination mechanism in networks (Adler, 2001; Powell, 1990; Lorenzoni and Baden-Fuller, 1995).

3. *Processes and Formal Mechanisms:* Successful co-operation requires that the parties are willing to align their internal strategies and processes to better fit with the networked business model. This

includes alignment of processes both within each company and between the partners (Solaimani and Bouwman, 2012). The rules and practices have to be agreed on between the parties either thru social norms or written contracts.

To be able to improve the BM and to help turning the business profitable and sustainable, measures of the business from different perspectives are needed. We propose that multiple perspectives can be achieved by assigning metrics to each of the BM components described above.

## Design Science Research

Following a design science approach, this article aims at developing a framework to be used in evaluating the performance of networked business models. Design science research focuses on systems or constructs that do not yet exist. Although any type of research method can be applied in design science research, typically studies are case-based, collaborative and interventionist (Van Aken and Romme, 2009). Our study is an action research case study (Baskeville and Wood-Harper, 1996) with a focus *"on research and learning through intervening and observing the process of change"* (Cunningham, 1997, p. 406). The interventionist approach means that researchers are collaborating with the organisation in developing actual solutions to problems, and contributing both to theory and practice (Dumay, 2010; Lukka and Suomala, 2014).

The case for this study was selected based on pragmatic considerations, such as availability and commitment of the actors, but we also find the industry it represents, the Health and wellbeing industry, a very interesting context; the industry is highly fragmented with several actors, such as hospitals, nursing care and wellness providers, and pharmacies as well as an increasing number of information and communication technology companies. E-healthcare solutions are likely to increase in the near future, thanks to emerging sensor and mobile technologies and big data analytics that allow new ways of collecting healthcare-relevant data. This, however, calls for novel collaborative business models and performance indicators. In our case study, the focus of the collaborating practitioners and scholars was to develop a common business model and related performance indicators in parallel. The authors actively participated in the process of identification of metrics (Baskerville and Myers, 2004; Heikkilä and Kuivaniemi, 2012; Heikkilä et al., 2013). Both the researchers and the practitioners aimed at increasing the understanding of performance measurement in the context of networked business models.

### Data collection and analysis

The data for this article was gathered in a research project, which started in June 2011 and is running until May 2014. The project is funded by one of the largest Finnish governmental innovation and research funds (Tekes) and the participating companies (Occupational health care provider, Pharmacy chain, Pharmaceutical producer, and an entrepreneur specialised in sports and pharmacy consultancy). The researchers are from a Business and Economics School, and have complementing backgrounds in sports, information systems, entrepreneurship and growth companies both from academy and business side.

In literature (Bourne et al., 2003), the PM work is described either as a facilitator-led process or as an expert-led process. In the former, the PM work is the responsibility of the management team, and consultants or other external persons are utilized as facilitators in workshops. In the latter, the indicators are defined by a group of individuals, typically experts, that more or less undertakes its work isolated from the management team. The approach is typified by a small number of workshops, where the work is reviewed with the management team. In our case example, the work method resembled more of the latter, since the management team consisted of persons from all participating companies and did not have meetings frequently enough to take the lead in defining the indicators in detail.

Table 1 shows the process, tasks and data produced/collected in the project. The process consists of five steps adapted from Verschuren and Hartogh (2005) presented in Table 2.

The empirical data are mainly collected based on 15 semi-structured interviews (Table 2). However, we utilised all our knowledge and insight gathered during the project (Table 1).

**Table 1** The sources of data throughout different phases of the project

| Phasing | Task | Data |
|---|---|---|
| Idea | • Discussing the initial idea and earlier solution proposal: discussing the ethical and financial value of the service on societal, network, company and customer levels.<br>• Contacting and agreeing with the partners to take part in the BM innovation process.<br>• Launching a multidisciplinary research project. | • Videos, photos of the session and documentation of the concluding CANVAS.<br>• Project plan |
| Requirements and assumptions | • Research on markets,<br>• Open seminars on health and wellbeing<br>• Selecting several Business Model tools. Workshops with the BM tool experts. Testing alternative BM tools (CANVAS, STOF, CSOFT).<br>• Discussion of alternative IT solutions. | • Marketing studies (3),<br>• Memos from workshops (3)<br>• IT requirements specification draft |
| Identifying the solution | • Creating business model descriptions for the network and for each individual partner.<br>• Connecting the business idea with changes required in current processes.<br>• **Recognising challenges and performance indicators for a network business model**<br>• **Analysing relations and trust between partners** | • Memos from brainstorming the networked business model with the partners (8),<br>• Memos and BM canvas from the business modelling session with the partners (4),<br>• **Interviews of partners about the viability of the intended networked business model (4)**<br>• **Interviews of network relationships (8)** |
| Service process prototype | • Minimum viable product pilot of the service without IS support.<br>• **The analysis of the viability of service processes** | • Observations.<br>• Questionnaire on customers' attitudes toward the intended service (2 rounds)<br>• **Interviews on service process (3)** |
| Implementation | • Not yet defined | |

**Table 2** The interviewees

| | Company | Number of interviews |
|---|---|---|
| Interview | | |
| The CEO | SME | 3 |
| Service development directors | Occupational Healthcare provider | 4 |
| ICT Developer Mng. | Occupational Healthcare provider | 1 |
| Pharmacist | Pharmacy | 1 |
| Sales and Marketing Pharmacy | Pharmacy | 2 |
| Marketing manager | Pharmaceutical producer | 2 |
| Doctors | Occupational Healthcare provider | 2 |
| **Total** | | **15** |

The interviews varied from one to one and half hours and were recorded. During the interviews, the interviewer made memos regarding meta-information, including the emphasis, reactions and expressions of the interviewees, and key concepts being discussed. After each interview, a short report was written about the essential topics that were discussed during the interview. Prior to the interviews, a case study protocol was developed to guarantee research reliability (Yin, 2004). As suggested by Yin (2004), the protocol consisted of five sections: the purpose of the study, data collection, report outline, question outline and evaluation.

The interview data is triangulated with other data sources (Yin, 2004), such as brainstorming and modelling sessions, company websites and project management meetings notes. Based on the data, the authors in a systematic way indicated an actual or potential issue that perhaps should be measured and evaluated. The issues were discussed in management meetings of the project with the partners. Then, the metrics (Table 3) were derived jointly by the researchers and the entrepreneur. In the last phase, the performance data was collected, analysed and presented to the network partners.

## Case Study: Physical Activity Prescriptions

This study analyses an innovative pharmaceutical case, in which a number of companies aim to collaboratively develop services that increase and improve the physical activity of their customers.

The service focuses on preventing health issues (e.g. obesity, type 2 diabetes) that are typical of Western industrialized countries. The core process in the intended business model goes as follows: A medical doctor (in the Health Care Company) prescribes the patient physical exercise instead of / in addition to normal drugs. The changes in the physical wellbeing of the patient (e.g. body age index, body mass index, body fat percentage) are measured regularly at a pharmacy, and the patient is also encouraged to increase his or her physical activity level. The data from each measurement session is stored to a central database, and aggregated reports on the changes in the physical wellbeing of the patient or a group of patients (for instance employees of a certain company or industry) can be produced from this database. This data is available when the patient is seeing her/his doctor again.

The BM for the service is presented in Figure 2 using Canvas by Osterwalder and Pigneur (2010), which was already familiar to all, and adopted as a BM innovation tool in the internal processes of one of the partner organisations. The networked BM Canvas was jointly created in workshops facilitated by the researchers. It recognises two customer segments, the first being the patients and the other segment consisting of employers, i.e. companies that have a contract with a Health Care Provider for occupational healthcare[1]. The value proposition to the patients is that they will be more motivated to exercise as they get more holistic health services and also verified changes in their physical wellbeing. From the employers' perspective, the intended service helps to keep the employees more fit, leading to less absence from work.

1 In Finland it is obligatory for the companies to arrange occupational healthcare for their employees and most companies buy it from Health Care Companies.

The next step was to define the metrics related to the eight perspectives of the framework proposed earlier. Based on the research data, the researchers proposed to the practitioners the objectives or critical factors that should be measured from each perspective. For instance, customer retention was one of the main concerns of the companies, which has led them to include 'drop out rate' as one of the service-driven metrics. In addition, the companies involved suggested other issues, such as user experience, process quality and willingness to share knowledge, to be subjected to measurement. Collaboratively, the authors and the entrepreneur constructed a set of performance metrics for all these issues. For instance a modified servqual metrics (Parasuraman et al., 1988) was selected to measure user experience, and the number of errors/reclamations and time spent in handling reclamations provides a measure of process quality. The indicators are presented in Table 3.


**Figure 2: Business Model of the empirical case**

**Table 3** Performance metrics for the empirical case (the metrics that we analysed in the pilot are in italics).

| Perspectives | Objective | Performance metrics |
|---|---|---|
| **Customer** | Potential customer base, market visibility | *Number of potential customers in different segments*<br>Number of national mainstream media articles |
| **Service** | User experience, Value | *The dropout rate from each of the service steps/ The second purchase rate*<br>*Servqual (Parasuraman et al., 1988)*<br>*Willingness of customers to recommend the service to their friends* |
| **Technology** | Applications, Architecture, Hardware, Data | Service providers' data base visits -%<br>Availability (24–7) & response time<br>Extensibility of new functions<br>Quality, integrity |
| **Organisation** | Organization network, complexity, density and structure | *The reach of service providers related to the geographical dispersion of the customers ("we reach 82% of Finns")* |
| **Finance** | Profitability, cost/risk | Net profit %<br>ROI<br>Revenue growth % |
| **Fairness & Value** | Fairness, sharing of risks and costs | Fairness of value distribution: *How does value creation occur to every network partner?*<br>Intention of partners to continue in the network |
| **Information, Learning & Trust** | Knowledge availability;<br>Level of trust | *Frequency of interaction*<br>*Quality of interaction: openness (feelings, emotions, out-of-the-box ideas,), genuine listening*<br>*Quality of and: critical and, shared targets, knowledge sharing*<br>Losada line (Losada and Heaphy, 2004)<br>Interparty Trust: "The partner firms in the alliance can be trusted to make sensible alliance decisions",<br>"The counterparts in each company provide required information" (Luo, 2008) |
| **Processes & Formal Mechanisms** | Process intensity<br>Process quality<br>Process flow<br>Diversity of processes | Number of active participants in each network organization<br>Evaluation of processes: Number of errors/reclamations & Handling of reclamations (time, number of contacts) |

## Performance measurement results

Before further investments, the partners decided to develop a proof-of-concept. Accordingly, they aimed for testing a minimum viable product (Ries, 2011). In the management meeting all agreed that the first initial performance estimates could be done during the pilot study. In the pilot, four medical doctors in the occupational health care company prescribed physical exercises to their patients. The physical wellbeing of these patients was tested in a local pharmacy two times: immediately after getting the prescription, and again 3 months later.

The researchers collected measures about customers, service, organisation, fairness and value, knowledge exchange and trust. The pilot study focused on testing one part of the process, as well as customer satisfaction and value add. Therefore, the metrics regarding the IT and database solutions and the financial arrangements were not included. The performance metrics data was collected via a questionnaire filled by the patients during their visits to the Pharmacy for check up of their physical fitness, by interviewing the company representatives and also the doctors taking part in the pilot, and by market analysis (Table 1). The results of the measurement are:

**Customers**: As basic service can be operationalised without extra investments on health and wellbeing technology by the employees or employers, at its best, this mass-market service concept can reach the whole population. However, the service is designed to take into account the everyday practices of people with medical conditions requiring regular appointments with the doctor and visits to pharmacies to collect the medicine. These are considered to be the group that would benefit most from improved physical wellbeing, because it helps them to cope with the underlying medical condition. Therefore, based on statistics[2], we estimated that the potential size of the customer segment is 40% of Finnish citizens.

**Service:** In the pilot 66% of the patients returned to the second physical fitness test after 3 months of the first measurement (drop out rate 33%). This percentage was found by the partners (i.e., occupational health care provider, MD's and pharmacies) to be on a satisfactory or even good level. Therefore one of the greatest uncertainties related to the success of the service, the commitment of the patients in the service, was found not so worrisome after all. The servqual questionnaire results showed high measures on all aspects of service quality. Furthermore, a clear majority of the patients were willing to recommend the service also to their friends (97% in the first round, 83% in the second round).

**Organisation:** The health care provider company currently has 16 000 corporate customers and 500 000 occupational healthcare customers, covering 20% of the Finnish workforce. The pharmacy chain, in turn, has 73 pharmacies located all over Finland. However, as such the current network of pharmacies cannot reach the whole potential customer segment or the volumes of the health care company. Some of the interviewees raised this as an issue restricting the number and locations of customers that can be offered this service.
Whereas the performance measures on customer segment and service value show that there is potential in the planned BM, the results from the business network aspects pointed out some weak spots in the plan.

**Fairness & Value:** All the partners saw the financial potential of the BM, but the values and aspirations of different actors aroused questions, such as *"We have several stakeholders in this complicated network, we have the pharmacy side, medical doctors, service providers who evaluate whether prescriptions are used, and us... it is not clear which value propositions all these actors, individually and collectively, are focussing on now, and if these values will be different in future"*. Also the sharing of costs and benefits was still unclear: *"...we have all the lego bricks, we can actually build the process, but are we all going to have our shares?"*

**Communication, Learning & Trust:** To support open knowledge sharing a more open and personal communication should be reached (Barnett et al. 2010). One partner commented: *"Still I see that the meetings are still more formal than they should be, thinking about trust building and conduct, communication could be more open"*. Also another partner required openness:

2 http://www.terveyskirjasto.fi/terveyskirjasto/tk.koti?p_artikkeli=suo00060#s1

*"I long for straight talk; that all could say straight what they want and expect"*. A more frequent interaction was hoped for and the trust among the partners had not developed at the expected pace, which is put into words trust building and conduct, communication could be more open. Also another partner required openness: *"I long for straight talk; that all could say straight what they want and expect"*. A more frequent interaction was hoped for and the trust among the partners had not developed at the expected pace, which is put into words by one interviewee: *"It (trust) would be developed more if we had more discussions and moments for communication."* Another interviewee highlighted that the level of trust and community will regress when the shared experiences and doing decrease.

## Discussion

*Models and frameworks are helpful for clarifying abstract concepts and constructs. But to be useful in practise, a framework must be applicable to the conditions in which it is to be utilised. The proposal presented in this paper is designed to take into account the prevailing practices and processes of practitioners and just enhance them with performance measurement. The process of developing the performance metrics in our case study followed steps that are commonly identified in literature (Krause and Mertins, 1999; Bourne et al., 2003)*:

1. **Develop a model of the object of study**. When organisations are innovating collaborative business models together, they typically use some BM ontology (such as CANVAS or STOF) to design their business model. This ontology then serves as a boundary object between the partners, facilitating learning and exchange of knowledge between different parties. We suggested the companies to use business model ontology as a starting point also for performance measurement work and supplementing it with specific perspectives concerning networked environment.

2. **Identify the critical factors**. We used the eight differing perspectives on the collaborative business model to identify the important factors.

3. **Define the performance indicators**. The indicators were selected first based on discussions with the management board and complemented with the suggestions from relevant literature. Each of the 8 perspectives was associated with at least two indicators. In our case, 22 indicators in total were defined.

4. **Gather and verify the data.** The first data was collected in a pilot study covering 5 out of 8 perspectives. We utilised questionnaires, interviews and market surveys.

5. **Evaluate the performance indicators**. The data was analysed and performance measures presented. The performance measures resulted in some changes in the networked BM discussed below.

6. **Implement a continuous process.** To be done

**Implications to the networked BM:** The findings from Performance estimation caused some changes and improvements to the BM. For instance, to hinder the drop out of customers from the service, the variety of channels for contacting the customers was increased with email, SMS notifications and phone calls. A more profound change was done to improve the business network's coverage of a potential customer segment by introducing alternative means to take the physical wellbeing measures; in addition to pharmacy, the Health Care Provider Company may take the measures or the patient may buy measurement devices and take the measures independently at home. These alternatives would allow the service to reach a considerably higher number of customers. As concerns the fairness and value doubts between the partners, the next major effort was to evaluate how the service would be linked and combined to the other service processes of the partners, and how much synergy effects could be achieved there.

Finally, the results show that the partners in our case network consider it important to focus on trust and communication already from the beginning of the cooperation. They see that knowing the others personally, open communication, and the "we spirit" are valuable when knowledge is to be shared over company boundaries. This openness would facilitate out-of-the-box thinking and provide room for innovation.

## Conclusions

In this paper, we study the concept of performance measurement within the context of networked business models. We propose an integrative framework and a set of corresponding performance indicators, all of which help to estimate the performance of the business model. The proposed framework underlines the importance of eight perspectives, i.e., 1. customer, 2. service, 3. technology, 4. organization, 5. finance, 6. fairness & value, 7. information, learning & trust, and 8. processes & formal mechanisms. When metrics are defined for each of these perspectives, it is possible to evaluate the performance of the BM including the inter-organizational relationships and interdependencies within the business network. A set of metrics taking differing perspectives on the business model may also spot potential challenges and changes needed in the business model and business network arrangement.

In line with action research principles, the framework was used throughout the process of the creation of a BM in the network of several companies within the Health and Wellbeing sector. In this regard, multiple performance metrics were defined to evaluate the business model from the eight perspectives. Next, measurement data was collected in a pilot study to show the potential of the intended business model, while metrics pointing out the areas in need of improvements. Our analysis indicates that in case of collaborative BM innovation, it is important to formulate metrics to evaluate the BM, which, in turn, help identifying problematic issues at an early stage.

This article contributes to the business model literature by combining business modelling with performance evaluation. The article points out that in collaborative business model innovation it is important to create metrics that can be applied to evaluate and improve the business model blueprints. As evidenced in our case example, by collecting metrics the problematic issues can be found early, and the BM can perhaps be adjusted to overcome the problems.

Last, we can draw some suggestions on the procedure of BM performance evaluation. The companies first utilize the BM as a boundary object (Star and Griesemer, 1989), helping the partners to reach an understanding, and then continue the business modelling process by agreeing on a set of performance. Compared e.g. to switching to use the balanced score card, this is an easier way for evaluating the BM, because the partners can continue using the already-in-use BM tool as the framework for defining the metrics.

There are still many ways in which we can further our understanding on this topic. Here we defined the performance metrics for a potential networked business model. It would be fascinating to study the performance metrics as the networked business evolves from the early phases to maturity, and to closing stages. This would provide a dynamic view on how the set of metrics and their relative importance changes in time.

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## About the authors

**Dr. Marikka Heikkilä** is a Senior Research Fellow at the University of Turku, Finland. She is an economist with interest on information systems, business models and business model innovation, collaboration and coordination in business networks, especially with regard to services.

Marikka has obtained MSc. and Licentiate of Science on Economics and information Systems at the Helsinki School of Economics. She received her PhD from the faculty of Information Technology at the University of Jyväskylä.

She has participated in numerous interdisciplinary and international research projects as a coordinator, project leader and researcher. Current projects focus on health & wellbeing services and business modeling. She has authored numerous scientific articles, of which 33 are published in refereed journals or books. The most recent ones are appearing in Technology Innovation Management Review (TIM Review), the Journal of Theoretical and Applied Electronic Commerce Research (JTAER) and Technological Forecasting and Social Change.
Public profile available at: fi.linkedin.com/in/marikkaheikkila/

**Dr. Sam Solaimani** is Assistant Professor at Nyenrode Business School, The Netherlands. He is also affiliated with the center for open innovation at Haas School of Business, Berkeley, USA. Sam holds a PhD from Delft University of Technology, with focus on Business Model innovation, analysis and implementation within complex networked enterprise environments. He has obtained a MSc. (With Honors) on Business Information Systems from University of Amsterdam and a BSc. on Information Science from Utrecht University, the Netherlands. Currently, within a consortium of ABN AMRO, Achmea and McKinsey & Company (Lean Education and Research Network) he investigates the concepts of Innovation Management, Lean philosophy and SMEs competitiveness and performance. He has authored several peer-reviewed publications, some of which have recently appeared in the Business Process Management Journal (BMPJ), Electronic Markets (EM), and Information Systems Frontiers (ISF). Public profile available at: nl.linkedin.com/in/samsolaimani

**Mr. Aki Soudunsaari** has Master's Degrees in Sport and Health Sciences as well as in Economics at the University of Jyväskylä. He is doing his PhD in the School of Business and Economics from the area of growth venturing. He is studying how to build winning venture teams , and how to create a winning corporate culture.

He is also a partner in two health related companies operating in Finland, Russia and Scandinavia that are growing at a fast pace. He has been a Visiting Scholar at the San Jose State University, in Silicon Valley Center for Entrepreneurship, California, USA. He has been nominated as a Young Academic Entrepreneur of the Year in Finland.

**Ms. Mila Hakanen (MSc Econ)** is a researcher and PhD candidate at the Jyväskylä University School of Business and Economics, Finland. She has worked as a project researcher in several Finnish interdisciplinary projects. Her longest work is in the project called "Globally scalable business models in health, exercise and wellbeing markets". Her research is focused on the areas of interpersonal trust, communication and trust building, trust management, and business networking.

**Dr. Leni Kuivaniemi** studied business sciences at Jyväskylä School of Business and Economics, where she received her PhD in 2010. Her research interests cover e.g. growth venturing and entrepreneurship. Before attending business studies she graduated as a lawyer from the University of Helsinki.

She has worked at JSBE as an assistant professor in service business as well as project manager and teacher/lecturer of contract and family law. In addition to research, she currently works as a CEO in her own company, which operates in education. She is also a partner in Global Enabler, the new global player in business creation.

**Dr. Mari Suoranta** is an assistant professor in marketing at the University of Jyväskylä, Finland. Her current research interests include entrepreneurial start-up marketing, firm growth, and management and entrepreneurship education. 2008 and 2010–2011 Mari was a Senior Fulbright Scholar at the Center for Entrepreneurship and Technology, and the Fung Institute for Engineering Leadership at the University of California, Berkeley, USA.

# II

# BUILDING INTERPERSONAL TRUST IN BUSINESS NETWORKS: ENABLERS AND ROADBLOCKS

by

Hakanen, Mila
Kossou, Leila
Takala, Tuomo

2016

Journal of Business Models
Vol 4, No. 1, pp. 45-62

Journal of Business Models (2016), Vol. 4, No. 1, pp. 45-62

JOBM
Journal of Business Models

# Building Interpersonal Trust in Business Networks: Enablers and Roadblocks

Mila Hakanen [1], Leïla Kossou [2] and Tuomo Takala [3]

## Abstract

**Purpose:** This study examines how interpersonal trust forms in business networks and anchors relationships. Trust can be seen as a required factor and enabler for co-creation that is needed when business models are created. This study draws on empirical data from a case study of a Finnish business network in the healthcare and pharmaceutical industries. It seeks to answer the research question: How does interpersonal trust start to develop at the business network level and how it can be supported?

**Design:** This article draws on a case study of a Finnish business network which was developed through theme interviews and observation conducted in 2012.

**Findings:** The findings support existing research on interpersonal trust, and emphasize three key characteristics of interpersonal trust building: (1) It is a slow process that can be easily discontinued by definite roadblocks. (2) It requires that the parties have knowledge about one another and a rapport; that they show respect and fairness, keep their promises, and most importantly, communicate effectively. (3) It should be based on shared responsibilities among the network members. The key finding is the importance of informal meetings that is not highly noticed in the research field. Informal meetings support more the building of we-spirit and crazy ideas that are important when new business models and innovations are built.

**Research limitations / Implictions:** This case study considers one business network in Finland. Further research would be required in order to generalise the findings on a larger scale or to other contexts.

**Originality / Value:** Despite the significant attention given to interpersonal trust in management literature, less research has focused on understanding how it forms in inter-organisational settings.  Moreover, the focus is usually in dyadic relations in network studies but this study focus on the level of whole network.

Keywords: Business networks; Business Modelling; Communication; Distrust; Networking; Social Capital; Trust

Please cite this paper as: Hakanen *et al*. (2016), Building Interpersonal Trust in Business Networks: Enablers and Roadblocks, *Journal of Business Models*, Vol. 4, No. 1, pp. 45-62

1 School of Business and Economics, University of Jyväskylä, Finland; mila.hakanen@jyu.fi

2 Market Intelligence Manager and an independent Academic Researcher

3 School of Business and Economics, University of Jyväskylä, Finland.

## Introduction

The increasing relevance of business networks has led to burgeoning theoretical and empirical research over the past couple of decades (Miles & Snow, 1986; Nohria, 1992; Sydow, 1992; Klein, Palmer & Conn, 2000; Lorino & Mourey, 2013). Growing interested is towards intra- and also inter-organizational network dynamics (Van de Bunt & Groenewegen 2007). Business modelling is important area in networking. The business modelling includes business model tools, such as Balanced Score Card or the Value Prims that concentrates on offered service, customer segments etc., in addition, the concentration should also be on business collaboration aspects, such as trust (Heikkilä et al. 2014).

Interpersonal trust has long been regarded as the backbone of business partnerships (Deutsch, 1958; Blau, 1964; Oxendine, Borgida, Sullivan & Jackson, 2003). According to this literature, interpersonal trust can be seen as the legitimate anchor of trust more generally (Lewicki & Bunker, 1996; Williams, 2001; cited by Simon, 2007). Initiating interpersonal trust appears to be a challenge in many business networks. The elusory nature of trust (Abrahams, Cross, Lesser & Levin, 2003) and the fear of sharing information in a context of potential conflict between individual and collective interests, (Dussauge & Garette, 2009; Le Roy, Yami & Dagnino, 2010) may impede the success of business networks, including the process of business modelling. Newly established business networks require initial interpersonal trust. It is therefore crucial to understand how interpersonal trust forms in business networks, before tackling the issue of how to maintain it.

A few researchers have demonstrated the strong correlation of interpersonal trust with variables such as cooperation and communication (Whitener, Brodt, Korsgaard & Werner, 2006). However there has been very little research on the links between interpersonal trust and business networks (Malhotra & Murnighan, 2002) or on the initial formation of interpersonal trust in such settings. The literature has instead focused on the initiation of inter-organisational trust (Akgün, Byrne, Keskin, Lynn & Imamoglu, 2005; McKnight, Cummings & Chervany, 2006; Whitener, Brodt, Korsgaard & Werner, 2006) and interpersonal trust within organisations (Abrahams, Cross, Lesser & Levin, 2003).

This study is intended to advance understanding on how interpersonal trust starts forming within business networks, in the level of whole network that is not so well researched area. Usually the main attention in trust building research is in dyadic relations. Human and Provan's (2000) study founded that it is important to focus on internal and external legitimacy and support in the early stages of evolution of networking and they argued "*At present, network researchers in business, public management, and health care services have only a marginal understanding of whole networks, despite their importance as a macro-level social issue*."

This study draws on a qualitative case study of a Finnish business network in the health and pharmaceutical industries. The discussion provides theoretical and managerial insights on interpersonal trust formation, which found that it is a slow and fragile process, requiring definite interpersonal elements, and involving responsibility. This study highlights the importance of informal meetings and personal chemistry. This article also provides practical guidance and recommendations to business networks about the nature of interpersonal trust formation.

## Theoretical Background

### Trust, enabler of cooperation and networking

Trust has been identified as a major area of social capital, if not its most essential element within business network processes (Putnam, 1993; Ilmonen, 2001; Erdem, Ozen & Atsan, 2003). Social capital exists in connections among individuals with trustworthiness and reciprocity (Putnam 2000), and affects the performance of business networks (Batt, 2008) by promoting productivity (Coleman, 1988) but also by facilitating the development of knowledge and innovation (Productivity Commission, 2003) that are two important area in the networked business models (Solaimani & Bouwman 2012). Social capital can be seen including the levels of trust, the density of network relations, knowledge of the relationships and obligations and expectations inside the network (Pennington & Rydin 2000).

Trust is defined in a dictionary as a firm belief in the reliability, trust and strength of a person: a confident expectation and a reliance on the truth of a statement without examination (OED. 1996). Like social capital, trust is also a wide concept. It can be examined from many perspectives and at several levels: individual, organisational, network and societal (Batt, 2008). Trust starts to build through communication and cooperation (Harisalo & Miettinen, 2010: 23-29) and typically develops over a long time (Barnett et al., 2010: 647). Sigfusson & Harris (2012) study dialed with the international entrepreneurs and they defined that: "*Trust is the individual, personal trust between the IE (international entrepreneur) and the relationship, reflecting a calculation of the trustworthiness, knowledge of the party involved and affection between the parties - trust always - included aspects of knowledge of the other party, such as honesty, value and reliance, or affective qualities, such as closeness and family ties.*" Lee and Choi (2011: 97) developed a theory of trust as having initial and on-going forms. Initial trust is based on an assumption that '*being a member of the organisation is enough to assess the trustworthiness of an individual*'. It does not relate to experience of the individual actions of others, as trust towards the group generates trust towards its individual members. On-going trust is dynamic and changes over time, based on a belief about the partner´s reliability and integrity. Calculus-based trust focuses on assessments of the benefits or costs involved in deciding whether to trust and cooperate, and is not based on emotional or intuitive factors (Deutsch, 1962). Generalized trust concerns of affiliation or reputation instead of direct knowledge. This kind of trust can be referring to trustworthiness. De Wever at al. (2005) have divided trust into fragile (calculated) trust and resilient trust and they stated that the resilient trust is more positively related to network effectiveness than fragile trust – for example, less strategic resources are gained. They also divided trust into another category: to dyadic and generalized trust and they argued that dyadic trust have better influence to network effectiveness than generalized trust. When partners have a direct knowledge about each other, they are more willing to share and transfer knowledge and resources. (De Wever et al. 2005.)

Figure 1 (below) integrates the areas of social capital and trust. Trust is one dimension of social capital with communication and community. Trust can be divided into levels of individual, network, organisational and societal. This study only concentrates to individual and network level. Individual trust includes initial, on-going, calculus-based, generalized, fragile and resilient trust.

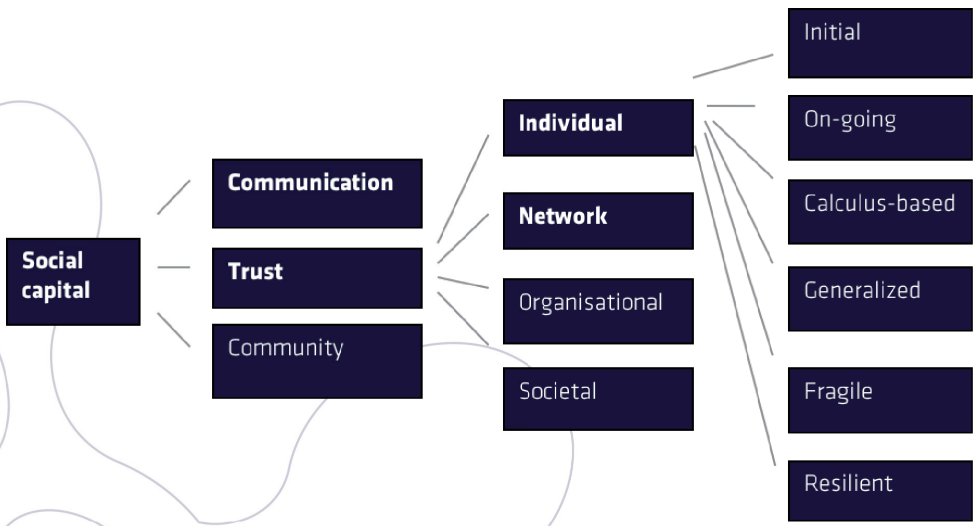


**Figure 1: From social capital into the dimensions of trust**

There are many definitions for networking because it is very broadly research area in many disciplines, for example in strategic management, organizational theory and business studies. "*Research has shown that business relationships and their subsequent networks are as diverse and complex as the individuals who participate in them*" (de Lurdes Veludo et al. 2006). Trust is a needed factor when companies decide to join business network and create a new business model. Trust is an enabler for transferring and receiving resources (De Wever et al. 2005.)

Trust and openness provide the basis for developing a strategic partnership and the strategic network needs constant communication between its members to work effectively. It is important that the partners have the same understanding about the current state of the network as well as its vision and targets that are among the most important areas in business modelling. The network will be under on-going development (Valkokari et al., 2009).

## Interpersonal trust at business network level

### Initial formation of interpersonal trust

Trust is a broad concept, so this study focuses particularly on interpersonal trust, which is seen as a central characteristic of knowledge creation and sharing needed in business development (Abrams et al., 2003). Interpersonal trust needs behaviour that is not only guided by self-interest, but also by their partner's wellbeing, which needs to be acknowledged (Lindenberg, 2000; Nooteboom, 2002). In much of the literature, interpersonal trust is defined as the willingness of a party to be vulnerable. Benevolence is one of the most important dimensions in interpersonal trust and is based on caring for others and being interested in their wellbeing and goals. Time is an important aspect in trust building: "*As time goes by the relationships tends to become deeper and the uncertainty between the parties decreases.*" (Camén et al. 2012).

### Enablers and roadblocks of interpersonal trust

"*The management of relationships is an important issue that actors need to consider.*" (de Lurdes Veludo et al. 2006). The study reveals how trust building can be supported in network where organisations differ in generalised trust: 1) frequent communication between network members that can be enabler for knowledge-based trust, 2) common platform for communication and 3) presence of intermediares that understand the both cultures if the organisations are from different cultures (Gerbasi & Latusek 2015). Also 'rightness' is a key element of trust building that can be seen in the manner the partners share, their methods and processes, and their communication style. Trust is very high linked with commitment. When parties are committed, they invest to cooperation which improves trust. The risk of opportunism reduces. Some trust level supports that the commitment will be made in the first place but it can be decided also without trust.(Wuyts & Geyskens 2005). In trusted relationships, it is easier to express constructive criticism (Barnett et al., 2010: 647). Evidence of commitment to a long-term relationship encourages trust building. Reciprocal relationships require both cognitive and affective aspects of trust (Barnett et al., 2010).

With the presence of trust, the partners are willing to take a risk and transfer available strategic resources (De Wever 2005) and focus on the general logic of business, including the areas: business value, the customer segment, service, organisation, technology and financing (Bouwman et al. 2008).

### Communication as an enabler for trust

In an atmosphere of trust, people share their opinions and ideas more freely but also warn about potential threats (Harisalo & Miettinen, 2010: 38-41.) Distrust is the biggest barrier to effective communication (Harisalo & Kilpi, 2006). Communication raises awareness of people's identities and can also explain the reasons underlying their choices and viewpoints (Harisalo & Miettinen, 2010: 61). Dialogue is the most advanced form of communication that requires trust. It contains open communication and idea sharing that generates new knowledge (Harisalo & Miettinen, 2010: 88) that is needed element in business modelling (Heikkilä et al. 2010). It is important that individuals can share not only the facts but also their feelings, needs and desires (Barnett et al., 2010: 652). However De Wever at al. (2005) argued that in the certain point of frequency of interaction, the interaction can become distracting when partners focus too much to development and maintaining of interaction so that the focus is not more in strategic resources.

### Distrust

Distrust means a lack of trust that is based on experience or information. It can grow as a consequence of insufficient communication (Harisalo & Miettinen, 2010: 48). Unjustified criticism about others can lead to distrust. Moreover, avoiding one's responsibilities, stealing others' ideas and revealing their secrets encourage distrust to grow (Reina & Reina, 1999: 144).

In business networks, distrust has strong negative effects on results. It grows when actions are inconsistent with words and promises, as partners cannot trust one another's words or assume reliability. Unintended distrust can arise when the parties have a different understanding of the aims and vision of the enterprise. As the process goes forward, distrust starts to solidify among the parties and people begin to avoid the distrusted persons, causing members to grow apart. Even trivial matters can be difficult to resolve (Harisalo & Miettinen, 2010). Distrust increases the frequency of unforeseen events because consistency deteriorates and this reduces the likelihood of innovation and productivity (Harisalo & Miettinen, 2010: 52-53).

Harisalo and Miettinen (2010: 53-55) outline the ideal process from distrust to trust as comprising six phases: 1) open communication, 2) constructive debate, 3) listing the causes of distrust, 4) solutions, 5) transferring to action, and 6) continual assessment. At the outset, the parties should be honest and ready to genuinely listen without prejudice. They should be willing and able to express how they have experienced and interpreted things, then they can express their viewpoint on given situations and explain the reasons for their actions. The third phase implies listing together the causes for distrust. The next phase is about co-creating ideas for resolving and strengthening the relationship. Thereafter, the ideas have to be put into action. The last phase includes a continual assessment of the relationship.

# Building Trust in a Business Network in the Finnish Healthcare and Pharmaceutical Industries: A Case Story

## Context of the case

This study draws on a Finnish government-funded research project that started in June 2011 and ended in May 2014. It focuses on a Finnish business network involving companies in the pharmaceutical and health care industries. The network started the business creation process in the fall of 2011, aiming to deliver sustainable business solutions for contemporary health, exercise and wellbeing (HEW) problems, in Western industrialised countries. Two of the case companies are small size and other two large size. Some of these companies have also other shared business activities that are begun before this new cooperation model.

This network is mainly concerned with preventing health problems (such as obesity and type 2 diabetes) by developing products and service innovations, such as "exercise prescription". The network examined is creating business models and developing growth ventures with Finnish HEW expertise.

## Methodology

Typically, a case study produces in-depth description of one phenomenon (Robson, 2011:40) and concentrates on the dynamics within single settings (Eisenhardt 1989). In this study, the dynamics were studied by concentrating on the meanings expressed by interviewees about these dynamics so the main focus was in the actor's own perspective. The main aim of this study was to find out how network partners felt about the initial phase of networking, and more precisely, their views about interpersonal trust at this stage. The case network was chosen to research object and this pragmatic case study was implemented in a Finnish business network to provide tools and guidelines about interpersonal trust building for the studied network. This study followed a case study protocol that comprises five sections: the purpose of the study, data collection, report outline, question outline and evaluation (Yin 2014). Because the object was to understand the interpersonal trust in a specific business network, the interviewees were chosen by this project were the network was in the early-stage. One of the interviewees was the project manager from the university team and the others were from the management level of network partners. The results could be utilized in practical management by taking into account the enablers and roadblock of initial trust building in network level when the company is starting a new network-level cooperation.

The main research data was collected through interviews with representatives of the companies in the network and the secondary data was collected by non-structural observation. Thematic interviews are usually relevant when research aims to study and describe the interviewee´s own experiences, feelings and emotions. These interviews covered a few selected themes in a semi-structured style (Merton, Fiske et Kendal, 1990; Hirsjärvi & Hurme, 1995). Themes were chosen by analysing the experiences of the interviewees and examining the earlier studies. The interviews were held in the fall of 2012. They were semi-structured, face-to-face interviews which lasted one hour on average. Four depth-interviews were conducted consisting of three main themes: the current state of interpersonal trust, enablers of trust building, and inhibitors and roadblocks.

The data was analysed by theme-based content analysis. Thematic coding can be used as a realistic or constructive method. In this study, a realistic method was chosen to report the interviewees' meanings and experience about the phenomenon. (Robson 2011.) The data collection and analysis overlapped in the research process.

# Findings and Discussion

## The current state of interpersonal trust

Some of the network partners spoke about positive experiences they have had with their partner organisations where they have reached win-win situations together: 'The building of trust is based on shared success and also actions matching with words.' Trust is developed through shared successful operations and promise-keeping. 'We have kept our promises.' This study revealed that where initial trust was not based on shared experience with individual representatives from partner companies, it was derived from a perceived sense of trust towards the other organisations. The others appear trustworthy because they are members of a trustworthy organisation (Lee & Choi, 2011).

### Small talk and informal atmosphere

One interviewee did not like small talk, and preferred to focus on topics that were suited to a fact telling approach. However, small talk helped when building trust as individuals share their lives and opinions and in doing so reveal some of their personality and character. In the case study network, the partner relationships were quite new and developing, but interactions were still in a very formal state. One interviewee highlighted that this formal atmosphere does not really help to build interpersonal trust: 'Still I see that that the meetings are far more formal than they should be, thinking about trust building and conduct, and that communication could be more open.' "Now job titles increase the gaps", said the one interviewee. Such gaps need to be actively minimised by encouraging more personal interaction. Network partners need to meet in a more informal atmosphere to encourage more casual interaction which helps to foster interpersonal trust (Barnett el al. 2010).

### Communication

In general, the interviewees felt that the communication has not been active at the network level but those infrequent discussions have been good. One interviewee felt that this may be because either in the early state of networking, the partners want to listen and observe others before making a move, or the organisations' representatives did not have a mandate to proceed. Business networks could be tighter and more productive. One interviewee thought that trust starts to build when the partners share information that is not usually available to the others.

## Interpersonal trust building in the initial phase of business networking – enablers and roadblocks

People should act as they have promised, in other words, they should 'walk the talk', as trust can be lost if promises are not kept. The words and actions should be parallel (Christopher et al., 2008).

One interviewee revealed that straight talk was needed. "I long for straight talk where everyone could say exactly what they want and expect." Network members should be able to communicate their interests freely, however the meetings were overly formal and focused on the past. Active communication would better support trust building and encourage a future focus (Barnett et al., 2010). The network members did not fully understand the pieces of the puzzle, that is, they could not see the whole business model or the particular roles of each of the network partners. The benefits of synergy were not yet fully assimilated within the network.

Another interviewee commented on the importance of informal meetings and how the environment can help to create a more casual setting which encourages making personal acquaintances and building team spirit. Informal meetings eliminate the competitive position (Christopher et al., 2008) and foster outside-the-box thinking and even unconstrained ideas that can lead to new innovations. One interviewee felt that at informal events it was easier to get more information about the feelings and opinions of network partners. Also network members could disclose more clearly the reasons why they chose to take part in the network. One interviewee highlighted the importance of environment and atmosphere in trust building, noting that one of the network meetings in particular was better than the others. This meeting was held in a different and neutral environment in Vierumäki, Finland. This environment did not contain any distractions, whereas all other meetings were held in the head offices of the network companies. However one network partner felt that formal meetings could also be reframed so that the atmosphere was more casual and better able to support trust building.

This network member also reflected on how trust can be lost or damaged through being too self-interested. Furthermore, an overly positive image of circumstances can break trust. Distrust reduces communication and information exchange, and this prevents progress (Harisalo & Miettinen, 2010).

This study also supports earlier research findings that it takes time to create trusted relationships between network members. After a while, members should shift from addressing one another on last name terms to using first names. One interviewee noted that the important aspects of trust building are genuine listening, objectivity and adding value. Personal rapport is also needed. Tense and short interactions do not engender trust building and cooperation. Another interviewee claimed that 'if you think about the most trustworthy persons in your life, they are those whom you are dealing with the most'. The network members should have an in-depth understanding of the business of the other network members.  Without this understanding, it is not possible to create business model that is based on value creation (Zott & Amit 2008). Also, network members should focus on collective decision-making processes. Partners possess different viewpoints, and these need to be negotiated. But before they are fully ready for the stage of negotiation, they need better level of trust, in another words, they need more consistent experience of the behaviour towards each other. (Lewicki & Bunker 1996.)

A major challenge in business creation is time. An interviewee pondered how much time the representatives have to invest in business creation, as they have other daily duties. In the case study network, this business creation goal can be seen changing from a planning mode into action. Definite, successful steps will, in turn, build trust amongst network partners, supporting the network's operations and reinforcing their shared vision.

Figure 2 combines the enablers for interpersonal trust building in business networks that are collected from this study. The five main elements are: earlier positive experience, trustworthy actions, communication, personality and trust at the network level. Earlier successful operations build positive experiences which is a good starting point for trust at the network level. Trustworthy actions are needed, so trust is tested by how actions match words and how promises are kept. Communication should be active. Straight talk and genuine listening is needed. Small talk helps to get to know each other at the personal level and an informal atmosphere helps to build trust between people. Trust needs personal knowledge and rapport to grow. In addition, the environment and atmosphere play a role in trust building. Informal meetings can help in developing team spirit and personal acquaintances. In cooperation between network members, decision-making processes should be fair and negotiation is needed so that the different viewpoints are heard. Trust starts to build at the network level after concrete, successful steps have been achieved.

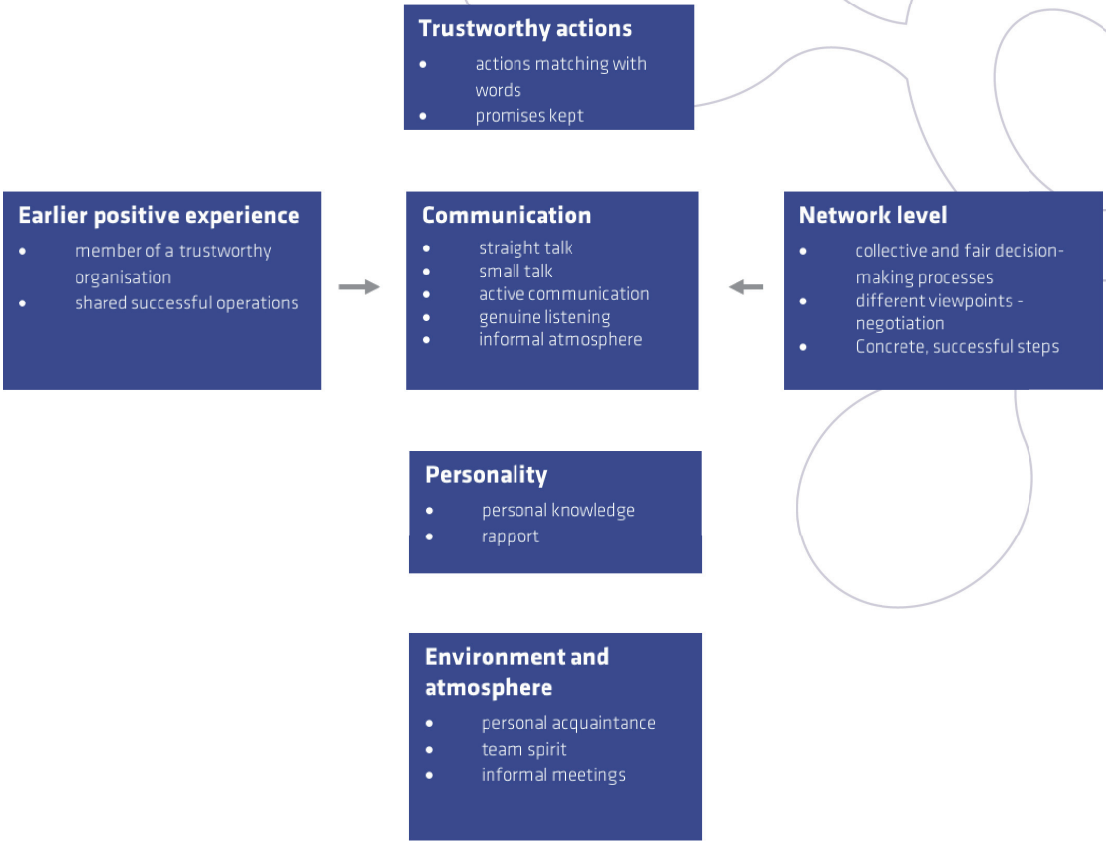


**Figure 2: Enablers for interpersonal trust in business networks**

## Conclusion and Future Research

This research revealed that interpersonal trust building, based on emotions and a belief that the others are trustworthy, is essential when business networks are being established. This study supports earlier research findings that effective networking is not possible without trust (Holmlund & Törnroos 1997) because people cannot (or will not) share the ideas that can lead to new business models or innovations (Harisalo & Miettinen, 2010). Direct knowledge of partner creates willingness to share and transfer resources (De Wever et al. 2005). Shared interests support trust-building at the network level. Trust appears through the willingness of partners to propel their shared interests through developing the network. The case study provides an example of a value creation network is creating a new business model. This network is still in the development phase where the members are getting to know one another. The interviews highlighted that participants in this phase are cautious in their interactions. The formal atmosphere does not support trust building, whereas informal meetings would be more likely to invite interpersonal dialogue and foster a belief that cooperation is not based only on self-interest (Christopher et al. 2008). The key findings in this research is the importance of informal meetings that offers more casual surroundings that support more the development of we-spirit and active, free discussion that could contain also crazy ideas. The crazy ideas are important when the partners are developing the new business. Equal surroundings and atmosphere support to reach the personal level in discussions.

This study focused on finding the guidance and suggestions for interpersonal trust building in the initial phase, noting that the trust-building process is slow and complex. The process follows Goffman's (1959) model of frontstage behaviour to backstage behaviour, where trust is needed so that people can take their mask off and reveal their true personality. This study also supports that the atmosphere and environment of interactions affects the trust-building process, and that it is not irrelevant where network members meet. Common platform for communication is needed in business network level and it is missing also in the case network (Gerbasi & Latusek 2015).

In a business network, the responsibility of trust building must be shared. Trust builds through shared experiences, active communication, openness, and mutual respect. Moreover, face-to-face interaction and personal knowledge are needed. Trustworthy relationships enable communication where personal ideas and critical information can be revealed. Also, without trust, opinions, questions and improvement ideas are not always taken into account by network members. Interpersonal trust requires the following factors:

- personal acquaintance and chemistry;
- respect;
- fairness;
- keeping of promises;
- communication; and
- words matched by action.

Communication can be seen as one of the most essential areas and it is enhanced by trust. To be successful, full and open communication is essential when building a business network. Communication should include the following elements:

- genuine listening;
- straight talk;
- knowledge sharing;
- facts;
- needs;
- desires;
- feelings and emotions.

A climate of cooperation is required, where differing opinions can be voiced and acknowledged. It is important that the inevitable differences are not set aside or ignored (Cook, 2009).

This study also supports the view that trust is needed to encourage business partners to fully commit to the development of business networks. This business development consists of co-creation on many levels. For example, in business modelling, trust is a crucial factor for members to be willing to share their personal ideas and critical information. The shared vision and desired targets should be internalised by each and every network member and they should all take part in the discussions and be open to hearing others' opinions. In a business network, everyone is responsible for building trust.

This study is practical oriented and to main focus was to give guidance and support for the early stages of networking how trust starts to form. The guidance is for network partners and - creators but also for business consultants. We suggest that trust formation should be supported and the responsibility should be shared among network members. It is crucial to recognise the enablers and roadblock for trust building. The main enablers, such as, effective communication, promise keeping, fairness, respect and personal knowing can be seen as a corner stones for trust

This research focuses on one business network embedded in the Finnish context. Additional research would be needed to determine if the findings can be generalised on a larger scale, or to other contexts. This study has concentrated on the development of interpersonal trust in business. Further in-depth research could be conducted focusing on the design of tools and operational models that aim to support the building and maintenance of trust in business networks. Also the research could be focused to, is it possible to manage trust. There are not enough studies in this area.

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## About the Authors

**Mila Hakanen** is a researcher and PhD candidate at the Jyväskylä University School of Business and Economics, Finland. Her research focuses on the areas of interpersonal trust, communication and trust building, trust management and business networking.

**Leïla Kossou** is a seasoned Market Intelligence Manager and an independent Academic Researcher. Leïla's versatile background has led her to convey her strategic management expertise in international colloquia, books andpapers, with a focus on strategic intelligence, clusters and cooperation.

**Tuomo Takala** is a Head of Management and Leadership at the Jyväskylä University School of Business and Economics, Finland. His research areas are: responsible business & management, leadership & narratives and charismatic leadership.

# III

# MANAGEMENT POSSIBILITIES FOR INTERPERSONAL TRUST IN A BUSINESS NETWORK
# CASE: HEALTH-, EXERCISE- AND WELLBEING MARKETS

by

Hakanen, Mila
Häkkinen, Mia

2015

Nordic Journal of Business
Vol 64, No. 4, pp. 246-262

# 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 partnership 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 misunderstand (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 (Ståhle & 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 been 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 phenomenons 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 partner 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 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 |
|---|---|---|
| *Level of cooperation*<br>• stage of satisfaction<br>• progression and development of cooperation<br>• influence of atmosphere<br>• challenges in interpersonal trust<br>• view differences of cooperation actions and ties<br><br>*Cooperation roles.*<br>• separate fighters<br>• observers<br><br>*Nature of the cooperation meetings*<br>• formal vs. informal<br>• importance of informalities<br>• shared experiences<br>• out-of-the-box thinking and emotional level expressions<br>•<br>*Cooperation development challenges*<br>• network needs an engine<br>• shared leadership<br>• member involvement and influence opportunities<br>• importance of appreciation and trust | *Communication development*<br>• communication challenges<br>• amount and content<br>• importance of openness<br>• importance of co-creation<br>• shared responsibilities<br><br>*Communication forms*<br>• straight talk<br>• openness<br>• correctness and formalities<br>• genuine listening<br>• effect of self-absorbedness and hidden motives<br>• target-oriented discussions<br><br>*Community and culture*<br>• development of relations and communication<br>• “I culture” vs. “we culture”<br>• shared experiences<br>• shared goals and vision<br>• trust in culture development<br>• confronting and overcoming obstacles to communication<br>• fairness<br>• personal knowledge<br>• amount of interaction<br>• communication channels<br><br>*Knowledge sharing*<br>• differences of opinions and openness<br>• open questions and opportunities for progress<br>• challenges in tacit knowledge sharing<br>• lack of trust<br>• fear of abuse of shared data<br>• lack in updating<br>• importance of timing<br>• importance of discussion and shared decision-making<br>• actions contributing to increasing distrust | *Level of interpersonal trust*<br>• state of interpersonal trust<br>• problems in openness of communication<br>• keeping promises<br>• keeping classified information confidential<br>• interpersonal vs. institutional level<br>• uncertainty about main elements<br>• importance of informal meetings<br><br>*Interpersonal trust building process and responsibilities*<br>• conscious slow process<br>• clear regularity<br>• every member’s duty<br>• fragile<br><br>*Intuition and personal characteristics*<br>• role of chemistry and personal characteristics<br>• different types of communication and communicators<br>• based on feelings<br>• reasons are sometimes inexplicable |

**POSSIBILITIES FOR TRUST BUILDING MANAGEMENT**

**Trust building dimensions**

| *Leadership skills* | *Communication* | *Actions and commonalities* | *Environment and atmosphere* | *Components difficult to control* |
|---|---|---|---|---|
| • desirable<br>• included as a one of the key elements<br>• communication plan and strategy<br>• unfamiliar area<br>• every ones duty<br>• responsible actor needed | • regularly<br>• directness<br>• genuine listening<br>• amount and quality of communication<br>• rich interaction, amount and quality<br>• frequently informing | • shared targets<br>• commitment<br>• win-win<br>• keeping promises<br>• starts to form through actions<br>• manage own part | • atmosphere in network<br>• informal and formal meetings, balance<br>• genuine encounters<br>• openness, effects of unrevealed information<br>• partners behind their corporate roles<br>• level of personal knowledge | • characteristics<br>• intuition<br>• chemistry<br>• benevolence |

## 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 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 as 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 corner stones 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 unformal 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 company 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.

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# IV

## TRUST IN BUILDING HIGH-PERFORMING TEAMS – CONCEPTUAL APPROACH

by

Hakanen, Mila
Häkkinen, Mia
Soudunsaari, Aki

2015

EJBO Electronic Journal of Business Ethics and Organization Studies
Vol 20, No. 2, pp. 43-53

# Trust in building high-performing teams – conceptual approach

**Mila Hakanen**
**Mia Häkkinen**
**Aki Soudunsaari**

## Abstract

Team building is one of the key factors of success in business. This study highlights the key elements of building winning teams, where trust is one essential building block and top-level sports teams serve as instructive examples. This study highlights earlier findings that revealed a strong connection between trust and high-performing teams. High-performing teams need talented people but also constant trust-based cooperation. Trust supports cooperative behaviour. Studies of top-level sports teams also emphasize the role of trust when building high-performing teams. This study is implemented using conceptual research in order to organize information related to the complex phenomenon of high-performing teams. The conceptual approach was chosen instead of empirical research due the lack of prior holistic research into high-performing teams including perspectives on trust and sports teams. A theoretical framework is proposed by analysing key characteristics and defining high-performing teams and related concepts. The framework highlights dimensions such as clear vision, trust and communication. Team member skill, motivation and responsibilities were highlighted, and respect and support were also addressed. Leadership is a critical dimension that includes clear roles, standards and goals. The proposed framework for building high-performing teams offers the basis for subsequent empirical research.

**Key Words:** teams, high-performing teams, trust, sport

## Introduction

*Coming together is a beginning. Keeping together is progress. Working together is success. (Henry Ford)*

The growing need for efficiency, the pressure of competition and also the complexity and speed of change has led organizations to change their organizational structure into a team-based model to achieve a high-performing state (Sharp et al. 2000). "In a global business, conscious team building is one of the key factors to success. It is better to have a first-rate team with a second-rate plan, than to have a second-rate team with a first-rate plan. The goal of teamwork is to maximise synergy between different parts of the organization. Teams cannot perform without strong social interaction (Erdem & Ozen 2003). Social interaction needs trust. "When building high-performing teams, one of the most essential aspects is trust." (Hakanen & Soudunsaari 2012, 1)

There have been major changes in the structure of organisations – "…changes in the way of thinking and functioning of organisations during the last two decades of the millennium" (Costa 2003). A new strategy and high-performing teams arose in the 1980s. "…a strategy of total stakeholder involvement was combined with a complete redesign of all aspects of the work being performed, questioning assumptions that had been barriers to improvement." Companies saw the need for improvements in many areas, such as profitability, productivity, customer service and employee morale (Hanlan 2004). Organizations have become team-based organizations in the private and also the public sector. Team-based structures offer many potential benefits, such as increased involvement, empowerment of employees, improved problem solving, and increased creativity, work processes and performance (Holmes 2012). Flatter and more team centred organizations emphasize coordination, sharing responsibilities and shared decision-making (Keen 1990). However, there is lack of knowledge about the transition process to high-performing teams, including personal connections, extensive intervention skills and a solid understanding of the business needs of the organization (Hanlan 2004). Hanlan (2004) has found that a combination of education, training, experience and intuition can provide the most effective preparation for high-performing teams.

This conceptual approach to high-performing teams concentrates on finding the key dimensions of the phenomenon when trust and sports teams are included in the study review. The main research questions are:
- How have high-performing teams been studied and defined in previous literature?
- What is the role of trust when building and maintaining high-performing teams?
- What can be learned from top-level sports teams when building high-performing teams?
- What are the key dimensions of high-performing teams when literature on trust and sports team is included?

Conceptual research was chosen as a method for approaching a complex phenomenon with the aim of organizing information on high-performing teams. Before the phenomenon can be empirically examined, relevant analysis and definitions are required. In this study, the conceptual research aims to provide a theoretical framework by analysing key characteristics and defining high-performing teams and related concepts. This study will focus on finding the dimensions of high-performing teams. Trust is one of the key areas in the function of teams, and therefore, it was chosen for closer analysis. High-performing teams are a well-researched area in the world of sport, which emphasizes the importance of teamwork, and many of the examples of high-performing teams mentioned in the literature are from the sporting world. However, despite the mentioned importance of trust and sports teams in the high-performing team context, the essence of the relationship between these concepts is highly overlooked in empirical research. The proposed framework presented here aims to tackle the problem by offering a basis for further research. The conceptual research here is appropriate because of the lack of prior holistic research into high-performing teams including the perspectives of trust and sports teams.

This article contains four sections. First, the conceptual research is introduced in the methodology section. The second section presents the concepts: high-performing teams, trust and sports teams. This is followed by the findings and discussion, and the article concludes with a summary of findings and suggestions for future research.

## Methodology

Concept analysis is an important part of every research but it can be also an independent approach to research in its own right, as in this paper, which is based on the conceptual approach (Näsi 1980). Conceptual research can be divided into the concept analysis and interpretative study of concepts depending on background assumptions and the meaning of the study (Takala & Lämsä 2001). This study is implemented using concept research, where the method used is more interpretative in nature than traditional concept analysis. Trust, sports teams and high-performing teams as broad research areas are examined from several perspectives and with several methods in the pursuit of abstract concepts. The aim of the research was to understand the meanings and characteristics of the key concepts and to clarify the order and relationship to associated concepts. Concept research was chosen due to its nature as a research method that aims to construct and develop conceptual frameworks, which is the purpose of this paper. Concept research and the resulting framework are necessary to describe the phenomenon and categorize and organize previous related studies.

The search for literature sources for the concept research included a total of 500 research articles and other literature sources tracked from the Google Scholar, EBSCOhost and Emerald Insight databases. Google Scholar was the main search database and the others were checked in case there was any additional material for analysis. The keywords for the search were: high-performing teams, high-performing teams + development, high-performing teams + sports, high-performing teams + trust and trust + team building. The first 100 hits by relevancy were selected from five keyword searches. The first stage search with 500 sources and three databases secured enough variety in the literature sources. During the first round of literature collection, all the papers and related sources were scanned, relevant papers for analysis were chosen discretely and great attention was paid to the quality of the papers. Those literature sources which concentrated on subjects other than the keywords were excluded from the analysis. Finally, a total of 50 sources were selected for primary analysis. The articles were first roughly categorized under the themes trust, high-performing team and sports team for further subtheme analysis. The research process involved continuous dialogue between the researchers. This enriched both the literature collection process by securing the right source material and the analysis process by concentrating on the key dimensions presented in previous studies in order to ensure analytical and objective presentation. Literature sources were cross-checked several times during the research process in order to increase the validity and reliability of the findings and conclusions. The findings were categorized under the main concepts, and the framework was built based on the dimension mentioned most.

## Background and defining concepts

Teams are a large part of our culture. "Due to the complexity and speed of change, organisations cannot become agile high performers without transforming to team-based structures (Sharp et al. 2000, 1). However, high-performance teams are not so common (Katzenbach 1993). From The Three Musketeers, Doctor House's invincible medical team, SWAT teams all the way through to astronauts, we have read about and watched stories of famous teams accomplishing the improbable. Many of the teams we follow are sports teams. Occasionally, teams arise that deliver a performance well in excess of similar teams, and far greater than could reasonably be expected. In the sports world this happens all the time. Even if you have the best individuals, more resources, extraordinary coaches and high-end facilities, it is not said that you will win the championship title.

### Team – working group – effective team – High-performing team

A team is a basic unit of performance, which combines the skills, experiences and insights of team members. Teamwork offers real organizational benefits by improving productivity, enhancing employee satisfaction and reducing absenteeism (Smith 2001). A team can be defined as "a group composed of a small number of people, with complementary skills who are committed to a common purpose, set of performance goals and approach for which they hold themselves mutually accountable" (Katzenbach & Smith 1999, 45). Team working generates positive synergy through the coordination of effort (Robbins & Judge 2011). The concept of people working collectively to accomplish mutual goals is old and the earliest examples of teamwork can be seen in the Great Pyramid of Giza from 2650 BC. There 100 000 workers built the Great Pyramid over 20 years. Also "early hunters, clans and tribes worked cooperatively as teams for food, safety and the protection of their young." (Galbraith & Webb 2013.) A high level of experience and job-related skill are important predictors of team performance but other predictors are also important; for example, role composition issues (Humphrey et al. 2009).

Sometimes teams are confused with working groups where the focus is always on individual goals instead of team goals and the responsibility is only for their own results (Katzenbach & Smith 1993.) Hackman (1990, 493) stated: "A mixed model, in which people are told they are a team but are treated as individual performers with their own specific jobs to do, sending mixed signals to members is likely to confuse everyone, and in the long run, probably is untenable…" A team needs performance challenges to really come together as a team with a clear, specific purpose. "When members care about the group's success, the group is becoming a team." Teams go through a natural life cycle; first there are separate individuals, after that a coalition and finally a state of high performance that includes caring about one another's growth and success. Team building and forming needs time. To achieve a high level of performance, enthusiasm is needed and clear and frequent communication. Teams can achieve the best results when they can depend on their leaders to set clear standards (Katzenbach 1993). The manager's task should be to insist that the team monitor their own progress and also ensure that they have access to data that enables the process (Michaelsen et al. 1993). Trimble's research (1997) focused on effective teams. Effective teams linked purpose and performance and accomplished their tasks in a superior fashion. Trimble described "Members of effective teams exhibit group-orientated behaviours, resulting in cooperation, commitment, and participation of team members."

### The core elements of trust

Trust is difficult to define theoretically. Coleman (1990) defines trust as a commitment to cooperation without certainty about the actions of trusted people. Fukuyama (1996) describes trust as the expectations of honest behaviour. Trust includes the kind of risk that is based on expected behaviour. Trust can be perceived in behaviour towards others (Costa 2003); it can also be based on probability calculus, where the advantages and losses of interaction are measured (Tyler & Degoey 1996). Harisalo and Miettinen's (2010) research reveals that the results of actions is at least dependent on trust capital rather than physical capital. Trust is the foundation that enables people to work together, and it is an enabler for social interactions. Trust can be seen as a driver of performance and business results (Nemiro et al. 2008). Trust building is a long process, but it can be broken fast. Trust is dynamic and needs to be consciously monitored (Hay 2002). The key areas for trust building are personal knowledge, regular face-to-face interaction, empathy, respect and genuine listening (Hakanen & Soudunsaari 2012). Past experiences affect trust, and shared trust can decrease through negative experiences. Trustworthy relationships need maintenance. Trust makes it possible to share even negative aspects and criticism more openly (Barnett el al. 2010).

Larson and LaFasto (1989) describe the four elements required in trust building: honesty, openness, consistency and respect. Trust can fray if one of these dimensions is missing. Openness builds trust and trust increases communication. Ståhle and Laento (2000) have also defined the building materials of trust: empathy, respect, interest towards the others' life and genuine listening. Ruuskanen (2003) believes that trust building requires openness, informing, honesty and arguments. The development of trust progresses from feelings and images to experiences and facts. Trust building also sets demands for communication: the information should contain not only facts but also feelings and emotions. Shared norms and morals help in increasing trust (Ståhle & Laento 2000). In addition, rightness is one of the key elements in trust building. Rightness should be present at every level of cooperation and team work. Resources should be shared fairly (Deutsch 1985). Communication should be honest and respectful and should be based on open dialogue (Bies & Moag 1986).

### Sports team as an important manifestation and learning example

Sports teams are highly relevant subjects when trying to understand the role of trust in high-performing teams. In this study, sports teams are seen as coach organized teams with high-performing team characteristics, a high level of commitment, and usually, clear goals (e.g. Mach et al. 2010).

Figure 1 below highlights the relations between the concepts presented in this paper. The literature and viewpoints in this study are anchored in discussions of leadership and especially the team-building context. Here, trust is seen as the background to every team-building dimension, and sports teams as important manifestations and learning examples of trust in successful high-performing teams.

## Building high-performing teams

Every team is not a high-performing team. Holmes (2012) defines the ten characteristics of a high-performing team: 1) develop goals and plans, 2) enhance communication among members, 3) develop and maintain positive relationships among members, 4) solve problems and make decisions on a timely basis, 5) successfully manage conflict, 6) facilitate productive meetings, 7) clarify roles for team members, 8) operate in a productive manner, 9) exhibit effective team leadership, and 10) provide development opportunities for team members. The study by Jones (2002) also highlighted that high-performing teams mean variables other than individual talent and ability, and include motivation, respect, responsibility and communication. Communication and trust are essential for the building of high-performing teams but other building materials are also needed, such as a shared vision, clear roles and responsibilities, willingness for cooperation and supporting and encouraging leadership (Hakanen & Soudunsaari 2012). Jones (2002: 8) has defined high-performing team as having "members whose talents and abilities are complementary, and whose effectiveness is underpinned by continuous team building that facilitates high-quality teamwork." Cheruvelil et al. (2014) instead defines high-performing teams as consisting "…of diverse members who are committed to common outcomes", and characterized high-performing teams as having positive interdependence of team members, effective communication and individual and group accountability.

The building of high-performing teams is dependent on a great variety of factors, which include the contribution made by individual members, leadership, communications and internal power relationships (Smith 2001). Task specific team-efficacy and generalized group potency have also been theorized as two important determinants of team performance. Group potency indicates beliefs about the capabilities of the team across tasks and context. Gully et al. (2002) offers an example of how ef-

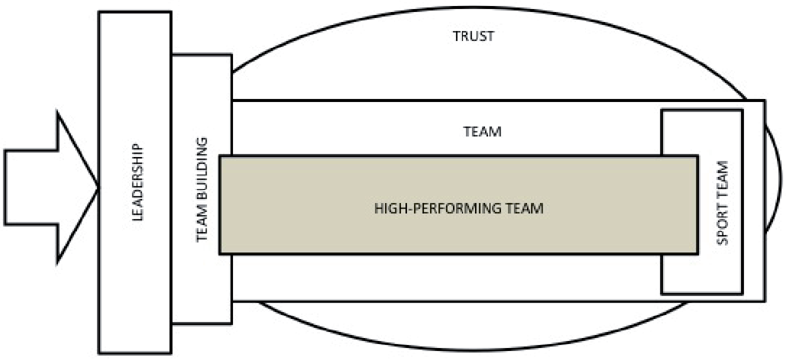


Figure 1. The conceptual map of the study

ficacy and potency work in the team context: "members of an engineering team might believe that they can design a specific new product (high team-efficacy) but might not believe that they can effectively produce, market, and sell the product (low potency)." The study by Myers et al. (2004) highlights the connection between self-efficacy but also collective, team-based, efficacy and performance. Trust and commitment are the two critical aspects for effective teams (Katzenbach & Smith 1993). Katzenbach and Smith's (1993) research revealed that all effective teams have 2–25 members. Groups become teams through disciplined action. They shape a common purpose, agree on performance goals, define a common working approach, develop a high level of complementary skills, and hold themselves mutually accountable for the results. A team needs goals to keep track of progress but also a broader purpose that provides meaning for the teamwork and emotional energy. Teamwork should represent a set of values: listening and responding constructively to the views of others, giving the benefit of the doubt, providing support and recognition for the interests and achievements of team members. The best teams invest time in exploring, shaping and agreeing on the shared purpose that separates them from failing teams, which do not usually develop a common purpose (Katzenbach & Smith 1993).

### The characteristics of high-performing team members

Bovee and Thill (2013) determined the ideal characteristics of team members: clear sense of purpose, open and honest communication, creative thinking, accountability, focus and decision by consensus. It takes time, at least several months, for a set of individuals to transform into a high-performing team (Michaelsen et al. 1993). Team working requires that members can work effectively together and that again requires interpersonally oriented skills, such as effective communication, listening and influencing others (Cohen 1995). Social skills are a very important aspect that contains social perspectives, coordination, persuasion, negotiation, instructing and helping others (Mumford et al. 1999).

Coole (2009) has defined the characteristics of a high-performance team: a commonly shared purpose, a clearly defined vision, mutual trust and respect, clear roles and responsibilities, high levels of communication, readiness to work towards the greater good, and a supporting and challenging leader. Sharp et al. (2000) have also defined the characteristics as: 1) common goals, 2) explicit and shared values, 3) members know their individual roles, 4) pride and respect in the individual, 5) openness, trust, honest, motivation and enthusiasm, 6) atmosphere is informal (a buzz), 7) everyone is included in discussion, 8) conflict is not avoided, 9) pride in the team and team performance, 10) team information is public to all team members, 11) achieving high performance. On-going feedback is important for two reasons: The team has to know when they are making progress, and secondly, reliable feedback also aids team development (Michaelsen et al. 1993). An atmosphere of cooperation and the ability to manage the perceived conflict are also needed, and the inevitable differences will be solved together. The earlier of the two studies also supports a positive correlation between team performance and creativity, coordination and cooperation. In the study by Chong (2007), the teams that had clear goals, co-ordinated activities and where members were generally more cooperative, achieved better results and high performance and the team members themselves also characterized high-performing teams in terms of trust, good communication, high commitment and good time management.

Katzenbach (1993) noticed that high-performing teams have a high degree of commitment to the team members. They evolve a genuine, mutual concern for each other's personal wellbeing that often transcends the life of the team. The assimilation of vision and desired targets is crucial in a high-performing team. Team members should take part in team discussions and also be open to the opinions of others (Larson & LaFasto 1989). Respect for each other is an important aspect for high team performance and it requires personal knowing (Clark & Westrum 1989). It is also important to note that some people feel uncomfortable in a team, for example, they could feel betrayed if the others fail them. These individuals are better working alone (Katzenbach 1993). Humphrey et al. (2009) highlighted the importance of recognizing specific team roles and making core role allocation a strategic decision.

Michaelsen et al. (1993) defined three main factors for achieving goals and team performance: the knowledge and skills of group members, the resources available to the group and the cohesiveness of the group. Cohesiveness depends on the willingness of members to invest their energy and intellectual and material resources in the teamwork. Nemiro et al. (2008) studied high-performing virtual teams and appointed three critical success factors for effective virtual collaboration: shared understanding, trust and effective communication. Sharp et al. (2000: 1) defined "…the key elements of having a shared vision, trust and openness whilst striving to achieve higher levels of performance". The study by Dietrich et al. (2010) introduced the term collaboration quality and proposed five areas for performance: communication, coordination, mutual support, aligned efforts and cohesion. Communication and collaboration were highlighted as key characteristics for successful team working in a virtual environment in the study by Egea (2006). Egea's (2006) study also introduced a reflective approach to the work of the team to understand dynamics in conversation, awareness and coordination so that the team can develop their cooperation.

### High-performing team management

Tuckman and Jensen (1977) divided the dimensions of team building into four areas: goals, roles, management processes and interpersonal relationships. Galbraith and Webb (2013) highlighted the benefits of teams: collaborative learning, diversity, synergy and experience. Especially in the early stages of team creation, the team members need to spend lots of time together to ensure a shared understanding. The team leader's role is to build and support commitment and confidence inside the team and also make clear to the team members that they will succeed or fail as a team, not as individuals (Katzenbach 1993). Leaders should take into consideration what they should say and do but also what they should not say and do. And also "…leaders should envisage the future before dealing with the present" (Harkins 2006, 1). The study by Westre and Maureen (1991) about the relationship between perceived coaching behaviours and group cohesion revealed that "…coaches who were perceived as engaging in higher levels of social support, training and instruction, positive feedback and a democratic style were associated with higher levels of task cohesion within their teams." Teams need a commitment-building process that usually takes time to resolve who best suites each task. People vary in terms of their background, talents, personalities and prejudices (Katzenbach & Smith 1993).

Clark and Westrum (1989) saw that there are two important areas in the function of high-performance teams: the management of information and the management of emotions. The study by Jones (2002) highlighted that organizational issues probably have the biggest impact on performance both in the sporting and the business world. Some personal characteristics have a positive correlation to contextual performance – conscientiousness, extraversion, agreeableness and emotional stability have a relationship to performance (Hogan & Holland 2003; Morgeson et al. 2005). Clark and Westrum (1989) studied high-performance teams in wildlife conservation and found out that rapid decision-making is one of the key cognitive characteristics for high performance of teams that includes the willingness to examine any and all alternatives for problem solving. Communication should facilitate high creativity and contain emotional supportiveness and brainstorming (Prince 1972, Stein 1975).

### Learning from top-level sports teams

High-performing sports teams rise to perform "the impossible": winning the championship, more often than not as an underdog with inferior players, lower resources and inexperienced coaching teams. Due to the fact that interactive sports require a high level of task interdependence, highly cohesive teams show a significant relationship with performance. A meta-analysis of team settings found that the relationship between cohesion and performance in sports teams is significant and stronger than in other working teams. It seems that highly cohesive teams tend to be more successful than teams with no cohesion (Carron et al. 2002). Moreover, sports teams have higher levels of commitment compared to business teams: they usually have clear goals like the championship title or getting to the playoffs. The goals are precise, demanding and held in common. Business teams often have not so well defined goals, which leads to lower levels of individual commitment and poorer results (Mach et al. 2010).

Jones (2010) found in his research that the principles of elite performance in sport are easily transferable to the business context. To maximise the performance of different teams, sports teams often identify and implement an action plan to maximise support and minimize constraints, in other words focus on the social capital. This is especially helpful for teams that have lost sight of how to move their performance forward and that are focusing on the obstacles and a perceived lack of control. Sports organizations have also been found to be relatively close to this approach: their focus has been not just on the individual performers themselves, but also on the performance environment within which they operate.

Dirks (2000) has researched high-level basketball teams. His research reveals that the team that had the lowest level of trust in its coach won only about 10 per cent of the games. However, research indicates that trust between team members does not have significant meaning and does not have an effect on the team's performance. One basketball player explained his point of view about the role of trust: "Once we developed trust in our coach, the progress we made increased tremendously, because we were no longer asking questions or being apprehensive. Instead, we were buying in and believing that if we worked our hardest, we were going to get there." Clearly, team leaders have an important role, and a wide variety of people and personalities can lead teams effectively. However, effective team leaders are characterized mostly by attitude and belief, especially in the sports world. They should believe in the team's purpose and know that the team cannot achieve their goals with individual contributions and accountability alone. The team must succeed or fail together (Katzenbach 1993).

In sports teams, trust can be measured between team members but also between team members and their coach and the management. Zhu's (2004) study reveals the mediation connection between trust in the coach and the athletes' performance. Furthermore, Mach et al. (2010) highlight the effect of trusting relationships on team performance in sport. Trust among team mates mediates the trust in the coach but also team cohesion, which is a key enabler for team performance. In addition, competence and trust in yourself is needed. Pep Guardiola, the former coach of the winning, high-performing team FC Barcelona describes his team: "…they are the team! And most important, they trust very much in what they are going to do" (Millward, 2009). Healthy rivalry goes with the territory in high-performance team building and it enables the team's performance, but it needs robust trust as a bedrock (Tienari & Piekkari 2011).

One of the most important tasks of the team leader is to build trusting relationships between players, coaches, support groups, sponsors and team owners. From the team leader's point of view, trust can be enhanced by sending reliable messages, taking every member's interest into account and developing team trustworthiness (Tzafrir & Dolan 2004). Larson and LaFasto (1989) have defined the most important characteristics for team leaders: sharing the vision successfully, creating the needed changes and motivating the team members to their best actions by supporting a healthy climate and high energy.

## The role of trust in high-performance team building

The study by Hay (2002, 46) found that "…trust between team members was fundamental to the functioning of the team and saliently promoted cooperative behavior." However some research has found that effective team performance is independent of the formation of trust, but information symmetry and good communication divides high-performance from low performance teams (Aubert & Kelsey 2009). "Trust and openness refers to the degree of emotional safety in relationships. When there is a high degree of trust, team members trust one another and feel 'safe' enough to be open and honest with their colleagues. Where trust is missing, team members are suspicious of each other. In these situations team members find it extremely difficult to openly communicate with each other and function as a team" (Isaksen & Lauer 2002).

Trust building is a long process compared to fast paced business processes. Trust building can be sped up via open interaction and good communication skills (Ståhle & Laento 2000). Reagan and Zuckerman (2001) have revealed the connection between communication frequency and productivity: frequent communication creates higher productivity. They also found that homogeneous teams have a lower productivity level than heterogeneous teams. Research by Chong (2007) revealed that teams that are creative have clear goals, co-ordinate activities, and team members who are generally more cooperative can achieve better results. Furthermore, the study by Cheruvelil et al. (2014) highlights two important components in the building and maintaining of a high-performing team: team diversity and interpersonal skills.

Trust on the team level is a complicated but necessary aspect. "In order to help a team to break the ice and form productive working relationships, trust serves as the glue that maintains the cohesiveness of a team" (Tseng & Ku 2011, 4). Motivation for shared vision helps to build trust (Meyerson, Weick & Kramer 1996.) Trust has a direct effect on communication, commitment and loyalty. Trust helps open idea sharing, which is important, for example, when creating new solutions or when the team is suffering from major setbacks and has a role in co creation and innovation. Moreover, trust improves the quality and extent of interaction. Trust supports people's willingness to enter open discussion, but also trust supports seeing the other's point of view (Harisalo & Miettinen 2010). Varamäki et al. (2004; 2006) define the optimum interaction, which contains dialogue that includes an open and responsive atmosphere.

Trust has a critical role in high-performance team building. Clopton (2011) highlighted in his study: "Results show a significant connection between social capital and team performance". Social capital includes trust but also communication and community, in another words, a team spirit. The study by Tseng and Ku (2011) found that the level of trust has a strong positive relationship with team performance and also the level of trust has a strong positive relationship with teamwork satisfaction. Furthermore, Costa's (2003) study supports these connections: "Trust was also positively related with perceived task performance and with team satisfaction". Xiao et al. (2010) studied both individual and team trust and found: "The results show that both the team trust and the individual trust are positively correlated with cooperative performance". Trust can strengthen knowledge sharing but also transactional memory systems, which can positively impact job satisfaction and team performance (Robertson et al. 2013). The data from Dirks (1999) supported the moderating role of trust – "trust seems to influence how motivation is converted into work group processes and performance." Dirks defined trust as a construct, which indirectly influences group performance. The study by Moldjord and Iversen (2015) states: "Trust has emerged as a fundamental factor for collaboration and team performance". The study by Erdem et al. (2003) found a strong relationship between trust and performance in two of the organizations in their study, but only a limited correlation in the other two. An empirical study by Erdem and Ozen (2003) of 50 work-based teams revealed that teams with high levels of cognitive and affective trust perform better and stated that trust "…causes the development and protection of the team spirit by providing cooperation and solidarity among team members. Trust also affects the outputs of the team and consequently the outputs of the organisation, both directly and indirectly."

However, trust building is not easy for highly competitive people. Trust needs a willingness to become familiarized with the interests of others. Team members need to know personally their team members. Increased familiarity and personal knowing increases information sharing, improves conflict resolution and task performance (Gruenfeld et al. 1996, Jehn & Shah 1997). Meyerson et al. (1996) defined that forceful actions lead to a greater willingness to trust and also trust starts to develop more rapidly. Trust needs many areas to build: openness, honesty, active listening, communication, consistency, competence, fairness and mutual respect (Solomon & Flores 2003). Earlier research supports the idea that trust is an important factor in the efficiency of any complex system that needs coordination (Granovetter 1985; McAllister 1995). However, some studies do not support a strong connection between the level of trust and its effect on team performance (e.g. Aubert & Kelsey 2009), in turn some other studies support a significant connection (e.g. Jarvenpaa et al. 1998, Jehn & Mannix 2001). Aubert and Kelsey's (2009) study did not find that trust would directly influence team performance, but they did find many elements where overall effort is lower in teams who also trusted their teammates. The study by Chong (2007) characterized high performance with trust, good communication, high commitment and good time management amongst team members, whereas low performing teams were associated with mistrust, a lack of commitment and poor leadership.

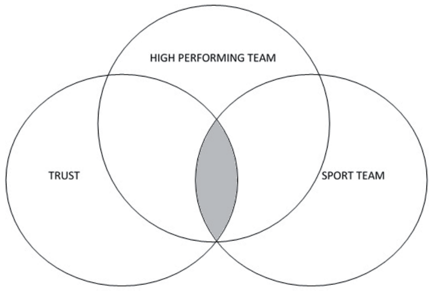


Figure 2. Conceptual overlap for framework building

## Findings and Discussion

In this study three different concepts are included in the analysis in order to find the overlap between trust, high-performing team and sports team. That is the basis for building the framework. The overlap of these concepts is illustrated in Figure 2.

### Trust – one of the key characteristics

Trust is seen as a key characteristic of high-performing teams in many studies, for example, in the study by Katzenbach and Smith (1993). The study by Hay (2002) and also Moldjord and Iversen (2015) highlighted that trust between team members is fundamental to the functioning of the teams. Cheruvelil et al. (2014) noted that team diversity and interpersonal skills are two of the most important components in the building and maintaining of a high-performing team. Tseng and Ku (2011) experienced trust as the glue that effects the cohesiveness of a team and trust is needed so that a team can break the ice and form productive working relationships. The study by Clopton (2011) found a significant connection between social capital and team performance. A strong positive connection between trust and team performance has also been found (Xiao et al. 2010), but also with trust and teamwork satisfaction (Tseng & Ku 2011; Costa 2003). Robertson et al. (2013) noted that trust strengthens knowledge sharing and transactional memory systems, and these dimensions have an effect on job satisfaction and team performance. However, some studies have found that effective team performance is independent of the formation of trust but instead, for example, information symmetry and good communication separates low and high-performing teams (Aubert & Kelsey 2009). Some studies have seen that trust has no direct but rather an indirect effect especially on communication between team members. The study by Aubert and Kelsey (2009) also did not find a direct influence of trust on team performance but found instead indirect elements. In the study by Erdem et al. (2003), a strong relationship was found between trust and performance in two of the organizations studied, but only a limited correlation between the other two. Trust has been seen as an important factor in the efficiency of any complex system that needs coordination (Granovetter 1985; McAllister 1995).

The indirect role of trust in team performance is noted in many studies. The study by Dirks (1999) revealed how trust influences motivation concerning work group processes and performance. Ståhle and Laento (2000) highlighted that trust increases openness, which is an important factor in shared value creation. A strong connection between trust and communication has been discovered, where frequent communication creates higher productivity (Reagan & Zuckerman 2011). The study by Chong (2007) noted that creativity, clear goals and cooperative actions generate better results. Trust has a direct effect on communication, commitment and loyalty. In addition, trust can be seen as an important enabler in open idea sharing (Harisalo & Miettinen 2010). Trust develops and also protects team spirit, and the broad study by Erdem and Ozen (2003) revealed that a high level of cognitive and affective trust supports better performance. In an atmosphere of trust, information sharing and conflict resolution is easier (Gruenfeld et al. 1996; Jehn & Shah 1997). Trust can be seen as one of the most important dimensions in team performance, but so also are good communication, high commitment and good leadership important (Chong 2007).

Sharing personal opinions, information and feelings helps to increase trust in teams. People express their feelings and give feedback and recognition to each other more freely in high-trust teams. In high-trust teams, interaction and discussion is more open and it helps to solve inevitable disagreements. Trust is an enabler in the creation and growth of team spirit – "the us factor". This is very important because highly cohesive teams tend to be more successful than teams with no cohesion (Carron et al. 2002). The team's cohesion and integrity can be increased through team-building exercises and spending time together and sharing experiences (Järvenpää et al. 1998).

As said earlier, trust is needed when high-performing teams are built. Existing research supports the relevance of trust and team building. Without trust, problems in communication, empowerment and quality will be inevitable (Owen 1996). Furthermore, without trust, opinions, questions and improvement ideas are not always taken into account; moreover, this may lead to a situation where the team members are not willing to help each other (Sitkin & Roth 1993). Modern organizations without formal policies and rigid rules need trust even more. Erdem et al. (2003) have defined trust as a "hygiene factor" for team performance. Trust supports cooperative behaviour, which increases knowledge transfer. Lower levels of trust between team members lead to poorer results. In contrast, a high degree of cohesion and harmony, which are built on trust, can improve team performance. Clarity, reliability, concern for others and openness are the cornerstones of trust (Mach et al. 2010).

### Sports teams – highly researched area

Sport teams are highly researched in the area of high-performing teams. The study by Carron et al. (2002) found that the relationship between cohesion and performance is stronger in sports teams than other working teams, and moreover, highly cohesive teams are more successful. Sports teams tend to have higher levels of commitment compared to business teams. Sports teams usually have more precise goals, which support better results (Mach et al. 2010). The study by Jones (2010) highlighted that the principles of elite performance in sport can also easily transfer to the business context. Jones' study found that high-performing sports teams do not only focus on individual performers but also the performance environment. The role of team leader in high performance is crucial; especially the attitude and belief of the leader are important characteristics (Katzenbach 1993). Moreover, the trust between team members and trust towards the coach effects team performance in sport (March et al. 2010). Trust towards one's own and the team's knowledge and skills is also an important aspect in the sporting world (Millward 2009).

High-performing teams can start with a mediocre idea and deliver something great. If you give a mediocre idea to a mediocre team they will fail. High-performing teams will either fix it or throw it away and come up with something that works (Catmull 2008). Overcoming barriers to performance is how groups become teams: in other words, experiencing small wins in their shared journey. The building of a high-performing team requires more than just the best, brightest and skilled individuals.

Clear and specific purpose, communication and trust were the three components raised the most in the studies of high-performing teams (Katzenbach 1993; Katzenbach & Smith 1993; Erdem & Ozen 2003; Cheruvelil et al. 2014; Holmes 2012; Coole 2009; Sharp et al. 2000; Nemiro et al. 2008; Sharp et al. 2000; Hakanen & Soudunsaari 2012; Bovee & Thill 2013). Many other areas where also included. The members of high-performing teams have the necessary skills and knowledge and they share the same understanding of the vision and goals (Jones 2002; Cheruvelil et al. 2014; Bovee & Thill 2013; Sharp et al. 2000; Katzenbach & Smith 1993; Michaelsen et al. 1993; Tienari & Piekkari 2011). They are also highly motivated towards the shared vision (Jones 2002; Cheruvelil et al. 2014; Katzenbach 1993). The studies also highlighted the importance of positive relations between team members but also with managers, and clear roles and good leadership (Holmes 2012; Hakanen & Soudunsaari 2012; Bovee & Thill 2013; Mumford et al. 1999; Coole 2009; Sharp et al. 2000; Michaelsen et al. 1993; Dietrich and al. 2010). Positive relations need respect, cohesiveness and personal knowledge (Mumford et al. 1999; Clark & Westrum 1989; Michaelsen et al. 1993; Dietrich and al. 2010). The members of high-performing teams share responsibility for and commitment to the main purpose (Katzenbach 1993; Katzenbach & Smith 1993; Jones 2002; Cheruvelil et al. 2014). Clear standards and functioning decision-making and problem solving were also seen as important factors for the performance of the team (Katzenbach 1993; Holmes 2012; Sharp et al. 2000). Monitoring growth and development was also noted for identifying growth areas (Michaelsen et al. 1993).

Many researchers saw communication as one of the key elements in the building and maintenance of high-performing teams. Strong social interaction was demanded (Erdem & Ozen 2003) and sharing information, good access to the necessary data and productive meetings were all highlighted (Katzenbach 1993; Michaelsen et al. 1993; Holmes 2012; Coole 2009). The studies of Hogan and Holland (2003) and Morgeson et al. (2005) emphasized the role of personal characteristics in relationships. Conscientiousness, extraversion, agreeableness and emotional stability are characteristics that relate positively to performance. In high-performing teams, members are not interested in their own goals and success, but care and help their team members so they could reach goals together as a team (Katzenbach 1993; Bovee & Thill 2013; Hakanen & Soudunsaari 2012).

A demanding challenge and clear goal setting tend to develop a group of people into an A team. Teams cannot succeed without a shared purpose for why the team exists. They rarely work without common goals; yet more teams than not remain unclear about what they want to accomplish as a team and why. Maybe this is why sports teams have higher levels of commitment compared, for example, to business teams – they usually have clear goals like the championship title or getting to the playoffs. The goals are precise, demanding and held in common. Sure, business teams, such as start-ups or executive boards, have goals but often those are not so well defined. For example, ten per cent market share is a goal, but team-wise it is not as concrete as getting to the finals. Specific goals allow the team to achieve small wins as it pursues its purpose. Small wins are invaluable to building member commitment and overcoming inevitable obstacles that get in the way of achieving a meaningful long-term purpose (Katzenbach 1993).

### Framework for building high-performing teams

This conceptual study concentrated on the dimensions of high-performing teams as illustrated in Figure 3. Based on more than 50 studies, trust can be seen as one of the most important dimensions; others include clear purpose/vision and communication. However, many other dimensions are important in the functioning of teams. Teams need clear roles, standards and goals and also a shared understanding of the desired purpose. Team members should have motivation, responsibility and creativity for high performance. Specific knowledge and skills are needed. Team members should be able to develop their skills and it is important to monitor progress at the individual and also the team level. Team meetings should be productive and decision-making and problem solving are a critical aspect for teamworking. Team members need access to the necessary data so that they can make the right decisions. Communication should be open and clear and teamwork should be based on positive relations and cohesiveness. The key for teamwork is help and support where respect is needed between the team members.

## Conclusions

High-performance teams have attracted great interest as a phenomenon in business studies, although a comprehensive conceptual definition is lacking. Research reveals a connection between trust and high-performing teams. Trust builds through shared experiences, active communication, openness and mutual respect. Personal ideas and critical information can be revealed in trusting relationships. The challenge is to improve team performance to a high-performing level and for that, trust is a key enabler. Commitment at the team level requires trust at the personal but also conceptual level. The intensification of trust requires regular, diverse interaction. Interaction that is only based around facts does not support trust building.

In response to the lack of a comprehensive conceptual definition, this study proposes a framework of the dimensions of high-performing teams. Further empirical study could offer evidence to support these findings. Many dimensions effect the functioning of high-performing teams, but clear vision, trust and communication were the most highlighted dimensions in the 50+ articles reviewed. Team members should be skilled, motivated and responsible team players. Respect and support between team members are important characteristics. There are also critical aspects in terms of leadership. Roles, standards and goals should be made clear. Team members need support from the management so they can develop their skills. After all it is noteworthy that the team dynamics as an important area of high performing team building was not highlighted in this research. Also the critical angle questioning team performance superiority was not stressed based on the reviewed literature.

This research is especially addressed to business researchers interested in high-performing teams and related concepts. The comprehensive literature review, conceptual analysis and proposed framework helps other researchers to understand the context of high-performing teams from the perspective of trust and sports teams. The study benefit firms as well. For the business oriented practitioners it offers tools for understanding the phenomenon in unstable environment. For example, the framework helps to solving challenges in management team building by addressing the high performing team characteristics and the key dimensions related to the successful team building.

### Limitations and further research

The findings of this study are limited as they are based on conceptual analysis tracked from literature sources collected during the research process, and the researcher's interpretations of previous studies. The challenges of conceptual research, such as narrow source literature or incorrect emphasis due the variety of sources of information, were addressed and great care was taken to eliminate incorrect information during the study process.

Based on the source literature, high-performing teams have been thoroughly studied in the past two decades, starting with initial intense interest in the 1990s, although there have not


Figure 3. Framework – dimensions of high-performing teams based on this study

been so many studies concentrating on the history of the concept of high-performing teams. In business research, it is important to know how this concept has developed and how it is used today both in everyday language and academic discourse. More conceptual research is needed around the concept of high-performing teams. High-performance team building is quite a well-researched area in the context of virtual teams, but more research in other contexts is still needed. Trust as a phenomenon and a concept has also attracted interest in business studies, especially in the discussion of leadership. However, there is also a need for more research into trust, to offer new viewpoints or uncommon research methodologies.

Overall, future research options in the field of high-performing teams are varied. In the future it would be interesting to study how winning teams are built and what role team culture plays when strengthening trust in teams. There is also a lack of research of the different roles that members have in high-performing teams, which might offer great tools for management, especially in the first stages of the team-building process. Trust plays a crucial role in a high-performing team, and there is a need for research about which tools and functional models can be developed to support trust building. This kind of research can offer direct implications for the management of high-performing teams. In addition to trust, attitudinal dimensions are also important in the context of high-performing teams. The literature overview revealed that the research on how attitudes toward knowledge and know-how among team members as individuals and as team members directly affects team performance in rather narrow.

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## Authors

**Mila Hakanen** (MSc Econ) is a researcher and PhD candidate at the Jyväskylä University School of Business and Economics, Finland. She has worked on the project called 'Globally scalable business models in health, exercise and wellbeing markets'. Her research focuses on the areas of interpersonal trust, communication and trust building, trust management and business networking.
Email: mila.hakanen@jyu.fi

**Mia Häkkinen** (MSc Econ) is PhD candidate at the Jyväskylä University School of Business and Economics, Finland. She has worked on several research projects concentrating especially in new business creation and growth venturing. Her research interests lie in the areas of marketing especially on the role of branding in business creation, trust building and business networking.
Email: mia.hakkinen@outlook.com

**Aki Soudunsaari** has Master's Degrees in Sport and Health Sciences as well as in Economics at the University of Jyväskylä. He is doing his PhD in the School of Business and Economics from the area of growth venturing. He is studying how to build winning venture teams , and how to create a winning corporate culture.
Email: aki.soudunsaari@jyu.fi