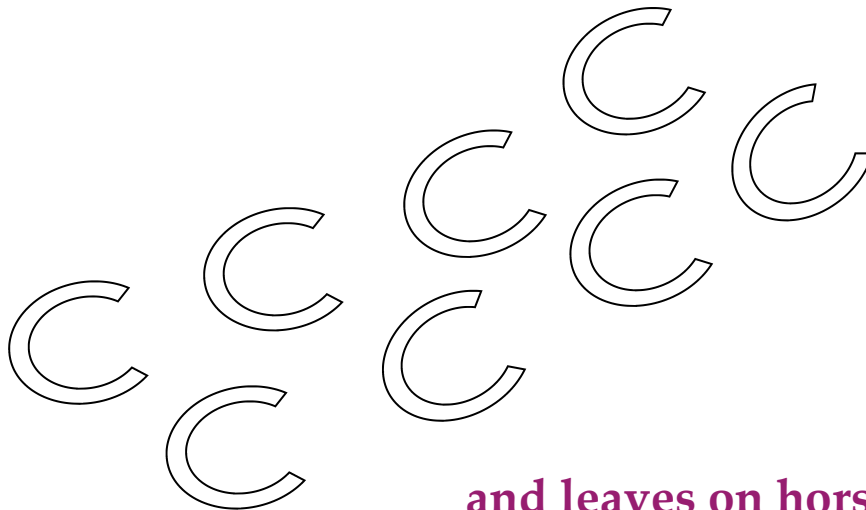


Trust is the Key

*Interventions on Trust Issues in Interorganizational
Collaboration*



Trust comes on foot, ...



**and leaves on horseback
(Thorbecke)**

Chantal M. Kuster



Trust is the Key

*Interventions on Trust Issues in Interorganizational
Collaboration*

Master Thesis

December 10th, 2008

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Management Summary

Introduction

Trust plays a significant role in everyday life and it is hard to think that without trust the world would be where it is today. Issues and conflicts are also part of everyday life and can damage the level of trust extremely, in both personal and business relationships. Much can be gained by identifying the problems and restoring the trust level, but unfortunately, not everyone seems to recognize this opportunity. How to deal with issues and how to choose appropriate interventions are key topics in this Master Thesis. The research objective is to develop a model that identifies interventions to solve trust issues in interorganizational relationships. The focus is solely on trust between organizations and the personal factor is not taken into account.

Research approach

Based on the research objective a research model is designed to obtain the necessary data to develop a model. First, an extensive literature study is conducted resulting in answering the research questions and developing a first concept of the model. After that, a first round of interviews with seven consultants took place, followed by a focus group with six consultants and a second round of interviews with two key experts. All consultants and experts are part of Twynstra Gudde. These approaches resulted each time in a new or adjusted conceptual model.

Main conclusions

Trust develops over three levels; competence-based, experience-based and identification-based trust. These levels form the basis for the model. Issues can be linked to these three levels and categories of interventions can be used to solve these issues. The model is used to identify the issues at stake and to guide the user in choosing the appropriate interventions.

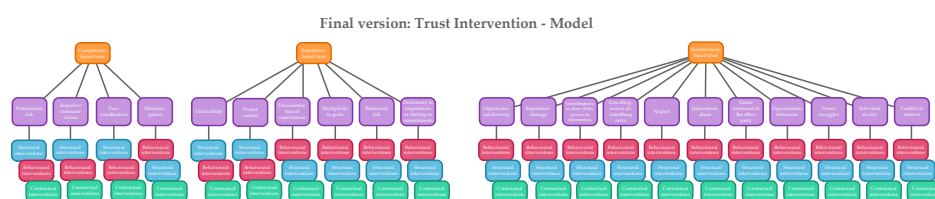


Figure 1 - Snapshot of the final model: Trust Intervention Model

The developed model, The Trust Intervention Model, is the main product of this Master Thesis, but other conclusions can be drawn as well. One major conclusion, opposite to the literature, is that trust can start at every level of trust and not necessarily at the lowest level, namely competence-based trust. A second important conclusion is that trust is needed in all types of relationships, also in the most simple customer-supplier relationships. Finally, the last major conclusion is that the best result in intervening in trust issues is achieved by choosing a mix of interventions.

Discussion

In future research it would be interesting to test the model in case studies, to see how it works and where it needs adjustments. A focus can also lie on the list of issues or on successful mixes of interventions. Testing the trust measurement questionnaire can also be of great value and extending it to make it useful in identifying specific issues. A final interesting point for future research is the focus on personal-based trust. This point is not taken into account in this research, but it is a fourth level of trust and it can play a major role in relationships between organizations. In the discussion three extensions to the research are given. The most important extension is a model for the consultancy, based on conflict-types instead of trust levels.

Case

As an application of the model a small case study, with a major trust problem, was conducted and assessed following the model. The major trust issues lie in the field of performance risk, poor coordination, imperfect communication, misanticipation and low project control. Some interventions already took place to solve the trust issues; face-to-face evaluation and assigning responsibilities in an agreement. These interventions did not have the desired effect, resulting in recommendations on additional interventions. Important proposed interventions are: making a list of terms, possibly resulting in a new selection process for a service provider; face-to-face discussion with key users; and dealing with bureaucracy by using clear communication and reporting structures and making the process of problem handling more transparent. When at the first finding of the trust issue the model could have been used, the most effective mix of interventions could have been selected as to adequately restore trust.

Preface

“Trust is like a flower: if you treat it right it will grow and flourish, if you treat it wrong it will deteriorate or even die. But if you act quickly and take appropriate action the process can be stopped and even turned”

At one of those moments of over thinking the Master Thesis, its hurdles and its outcomes, this visualisation came to my mind. I saw parallels with trust and the trust building process, but also with life and the Master Thesis project. In every situation, in everyday life or in work, it is important to take decisions carefully and with the right amount of attention. With a flower it works just the same way. Not giving enough attention or taking the right care-decisions results in a wilted flower.

During my Master Thesis project I realized that trust is a concept that is difficult to capture in a simple explanation or description. It includes an extensive process involving many important factors. It is also an aspect that is necessary in all relationships a person or organization enacts in. Without trust, there will be no friendship, no respect for each other, no charity, no peace and most of all, no love.

Besides the fact that trust is a difficult thing, it is a very nice and intriguing subject to study. The field of trust is very wide, which leaves lots of opportunities to pick an interesting subject. The choice for trust in interorganizational cooperation resulted from my own interest in interorganizational relations and the fact that trust is a hot topic in academic research.

In conducting my research many people played a role and I would like to thank every single one of them for their support, feedback and time. First of all, I would like to thank my supervisor, Esther Klaster, for her enthusiasm, feedback and support. She not only gave feedback on the pieces I handed in, but actively thought along in conducting my Master Thesis. I really appreciated this support and always came back from a meeting with a positive feeling and full of new thoughts. My second supervisor, Celeste Wilderom, was the initiator of the focus on trust, since she was initially the first supervisor. I would like to thank her for the input in the first phase of my thesis and for her feedback in the following phases.

Frank Willems was the supervisor from Twynstra Gudde. I did not always make it easy on him, but nevertheless he always kept supporting me in every turn and step I made. My thanks for his time, feedback, support and the games of table football.

This research would not have been possible without the persons who were interviewed or took part in the focus group. I would like to thank Edwin Kaats, Wilfrid Opheij, Albert van Duijn, Simon Noorman, Dirk Dekker, Harold Geerts, George Maas and Leon de Caluwé for their input during the interviews. For taking part in the focus group, I would like to thank Anne Marie Ootjers, Niels Wiarda, Gerben Woelders, Martijn Heemskerk and Harald Rossing. Without your time and input this Master Thesis would not have been what it is now. Thanks to every single one of you. Finally, I want to thank the persons from the organizations in the case for taking part in the interviews.

Special thanks go out to my parents, Louis and Diny, who made it possible for me to study, who supported me through the years and made me who I am today. I also would like to thank my brother, Mickel, who has been a sparring partner throughout our studies.

Last but definitely not least, I would like to thank my boyfriend, Maarten, for supporting and motivating me and just being there when I needed him. My true blue in all times!

Chantal Kuster

Amersfoort, December 2008

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1 Introduction

The introduction contains the problem indication and an elaboration on the main constructs in this research. The relevance of this research, both scientific and social, is discussed and a reading guide for this Master Thesis is given.

1.1 Problem indication

In a continuously changing environment, in for instance technological possibilities, the competitive environment and business strategies, companies are increasingly looking for collaboration to deal with these changes (Ring & Van De Ven, 1992; Lewicki & Bunker, 1996; Doney & Cannon, 1997). Collaboration is used by firms to return to their core business, become more efficient or reduce costs (Lewicki & Bunker, 1996; Doney & Cannon, 1997; Costa et al., 2001; Silvius, 2005; Kaats et al., 2006; Van Weele, 2007). Collaboration can take on several forms. Pure customer organization- service provider relations, in which the focus is on buying an activity or service, but also a joint venture, merger, alliance, outsourcing or shared service centre are part of the options available (Veehof & van Overvest, 2007).

Despite the many forms of collaboration, there are common characteristics; collaboration involves two or more parties; each collaboration has some form of structure, based on social control and/or on formal, contractual control; coordination is also a main characteristic of collaboration forms; collaboration evolves over time; and trust is a fundamental aspect of collaboration (Smith et al., 1995).

Many authors state that trust plays a significant part in collaboration and its success (Mohr & Spekman, 1994; Willcocks & Choi, 1995; Blomqvist, 1997; Sabherwal, 1999; Kaats et al., 2006). In marketing literature, evidence is found that trust leads directly to cooperative behaviour that is essential for long-term relationships (Morgan & Hunt, 1994). Others state that it is a necessity, but not a sufficient item to make partnership work. More items are needed for success (Mohr & Spekman, 1994). Despite the overall consensus that trust is good for a relationship and for collaboration, Mayer et al. (1995) state that trust is *'not a necessary condition for cooperation to occur, because cooperation does not necessarily put a party at risk'* (p. 712). In their view cooperation can take place without trusting someone by using external

control mechanisms, like contracts with clauses about punishment. Klein Woolthuis et al. (2005) do not agree with Mayer et al. (1995) since they conclude that a contract is not necessary to develop trust, but trust is needed to be able to discuss a contract and sensitive issues.

Trust in collaboration is usefull for several reasons. First of all, it can reduce uncertainty about the future, since partners can, up untill a certain level, predict the behaviour of the other parties. It also increases mutual acceptance, leading to a reduction in conflict and the possibility of opportunistic behaviour among parties. Openness and willingness to share information are also results from trust, leading to less friction and a minimum need for structures and controls (Mayer et al., 1995; Lewicki & Bunker, 1996; Zaheer et al., 1998; McKnight & Chervany, 2001; Klein Woolthuis, 2005; Ratnasingam, 2005; Fang, 2008).

Trust develops gradually and almost always starts at the first level of trust, namely calculus-based trust and then develops into knowledge-based trust and finally into indentification-based trust. Mechanisms can be used to enhance or repair trust (Lewicki & Bunker, 1996; Edelenbos & Klijn, 2007). In some cases, when organizations have had prior relations, trust may be existent. However, this does not mean that these collaborations are more successful than collaborations that have to start from scratch. Nevertheless, prior relationships enhance the chance of success within a cooperation. In every relationship issues can arise and harm the relationship and especially trust. Partners have to deal with these issues in an appropriate way and that is where the focus of this research lies. As stated, trust is important in relationships, in making collaboration work, but what happens when trust is lacking or not high enough? Research on how trust can be developed or strengthened has not been conducted very often, let alone with a focus on interventions in a relationship. In this research the focus will be on interventions necessary to optimize trust within interorganizational relationships.

1.2 Definitions

The constructs collaboration, trust and interventions play a central role in this Master Thesis. This paragraph contains definitions of these constructs to prevent discussion on them.

A **relation** exists between two parties that exchange goods and/or services, either based on informal contact or a contract for both short and long term periods. The two parties in the relationship can be linked to each other in different ways; the first being a hierarchical relation in which a customer organization and a service provider can be found, the second being an equal relationship in which no party is more important than the other and no sponsor can be identified. In both situations is **collaboration** present that can be defined as *'similar or complementary coordinated actions taken by firms in interdependent relationships to achieve mutual outcomes or singular outcomes with expected reciprocation over time'* (Anderson & Narus, 1990: 45)

Trust can be characterized 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'* (Mayer et al., 1995: 712). This definition also suggests that trust is related to risk, since the willingness to be vulnerable means a willingness to take risks. The definition of trust by Mayer et al. (1995) shows that trust is not only about the belief in the ability of the other organization, but also about the positive intentions and integrity of the other party (Vlaar et al., 2006). Paragraph 2.2.1 contains an extensive elaboration on trust definitions.

Interventions focus on repairing or building trust by developing mutual understanding, structures and controls. When an intervention has to be used three steps can be identified, firstly the indication of the current situation, after that the defining of the desired situation and lastly the actions needed to reach the desired situation.

1.3 Research questions

This paragraph contains the research questions that are addressed in this Master Thesis.

1.3.1 *Main research objective*

The objective of this research is to design a model that identifies interventions to solve trust issues in interorganizational relationships.

1.3.2 *Research questions*

- 1) What is meant by interorganizational collaboration?
 - Which forms of interorganizational collaboration exist?
 - What are the reasons for interorganizational collaboration?
 - What are the success factors for interorganizational collaboration?
- 2) What is meant by trust?
 - What role does trust play in interorganizational collaborations?
 - How can trust be measured?
 - What trust issues are at stake in interorganizational relationships?
 - How can be determined what form of trust is appropriate?
- 3) What interventions exist to repair trust or save the relationship?

1.3.3 *Approach to answer the research questions*

All research questions are first answered based on a literature study. After that, a model is designed that is discussed with consultants of Twynstra Gudde. They were also asked to discuss some cases relevant to the research topic. These cases are used as expert cases and provided additions to the model. They were not assessed based on the model. These new insights were discussed in a focus group, after which a second round of interviews took place. This approach resulted in the main conclusions presented in Chapter 5.

1.4 Relevance

The Master Thesis has both a scientific and a social relevance. First, the scientific relevance is discussed, followed by the social relevance.

1.4.1 *Scientific relevance*

Scientific relevance indicates the usefulness of the results of the research. It refers to new insights, statements or clarifications of theories, methods or facts (Geurts, 1999).

In this research an overview of literature on collaboration and trust is given and a link between those two constructs is made. The goal of this study is to develop new insights about collaboration and trust. Also a model to create trust is presented.

1.4.2 *Social relevance*

Social relevance is also about the usefulness of research, but specifically for the client and the society in general (Geurts, 1999).

Twynstra Gudde wants to provide its clients with better advice. By understanding the issues of trust in relationships and by knowing a way to increase trust Twynstra Gudde can offer her clients better solutions to relationship questions and can increase the success of a project.

Based on this research a model is developed that gives insight on the interventions needed to increase trust within relationships. In addition, a measure of trust is developed, to determine what the level of trust within a relationship is. Based on the current and desired situation and by using the model an indication on how trust can be improved can be given.

Besides the benefits for Twynstra Gudde, the research will also be useful for society in general. By having more understanding on trust within interorganizational relationships and the way this could be improved, the chance of success of projects can be increased. This can result in the achievement of intended efficiency improvements and cost reductions. Businesses and the economy at large gain from this result.

1.4.3 *Application of the model*

Chapter 7 contains a first application of the model. It includes a case description and an assessment of the case based on the developed model that can be seen as an example for future case studies on this subject and as an example of using the model in practice. This has both a scientific and social relevance, since on the one hand a lead for future research is provided and on the other hand a first step in the practical use of the model is made. Nevertheless, the presented case is not part of the methodology of this Master Thesis and no conclusions are drawn from it.

1.5 Twynstra Gudde

Twynstra Gudde is an independent Dutch consultancy firm, with core competences in project- and program management, change management and organizational management. The organization is founded in 1964 in Deventer and throughout the years it developed to an

organization with over more than 450 employees. Twynstra Gudde finds it highly important to use research to support findings in practical situations. This means that employees are given a lot of space to develop themselves and conduct research on relevant topics.

Since this year, Twynstra Gudde is also participating in an international network of consultancy firms in order to serve their customers even better in the ever more international market. The network offers knowledge on certain highly specific topics and on markets and trends. This offers Twynstra Gudde opportunities to anticipate better on international questions from customers and on the development of new markets or products.

1.6 Reading guide

This Master Thesis is build around seven chapters, each containing subjects that are relevant to obtain information and data to be able to answers the research questions. The second chapter elaborates on literature relevant for the research topic. It contains relevant and recent literature on collaboration, trust, issues and interventions. The first draft of the model is based on the literature overview. Chapter 3 discusses the research methodology, and shows how answers on the research questions provided in Chapter 1 are obtained. The methodology is explained and the distinct methods in this research are discussed. Chapter 4 contains the results of the empirical research obtained from the two distinct rounds of interviews and the focus group. The adjustments to the model are presented in this chapter as well. Chapter 5 contains the main conclusions of this research. In Chapter 6 the research and the methods used are discussed. Validity issues are presented and advice on future research is given. Next to that, a recommendation for the consultancy world in the form of a model is presented and also two extensions. Finally, in Chapter 7 a first application of the model is presented that can be seen as a first step into future research and in the practical use of the model.

2 Theoretical research

This chapter contains the theoretical research of this Master Thesis. Literature on collaboration, trust, issues and interventions are discussed. The first draft version of the model is presented at the end of this chapter, based on the literature review.

2.1 Collaboration

This paragraph gives insight into the concept of collaboration by stressing some definitions and reasons for collaboration. It also discusses forms of collaboration or relationships and success factors for collaboration.

2.1.1 *Definition of collaboration*

Collaborations or partnerships can be describes as *'purposive strategic relationships between independent firms who share compatible goals, strive for mutual benefit, and acknowledge a high level of mutual interdependence'* (Mohr & Spekman, 1994: 135). A slightly different definition is given by Anderson & Narus (1990) who see cooperation as *'similar or complementary coordinated actions taken by firms in interdependent relationships to achieve mutual outcomes or singular outcomes with expected reciprocation over time'* (p. 45). Both definitions focus on the interorganizational relationship. In this research the second definition is used, since the focus is not solely on joint outcomes, but also on singular outcomes as is the case in an outsourcing relationship.

In collaboration the focus is on organizing speed and flexibility to reach added value instead of obtaining a certain form or amount of power over the other party. Collaboration among organizations should lead to sustainable agreements with a long term focus (Kaats et al., 2006). Organizations can have various reasons to start cooperation, but generally three categories can be distinguished; reaching economies of scale, co-specialisation and learning. Reaching economies of scale can lead to more efficiency, cost reductions or better customer offerings. It can also be seen as a way of sharing or reducing risks. Co-specialisation can offer access to new markets, knowledge and expertise. It can also lead to more innovation, and to securing the access to resources. Learning from partners may result in new competencies by exchanging knowledge and experiences. Two last reasons to start cooperation are increasing power and eliminating investment problems. In case of the first reason, by cooperation the

organizations increase their importance in the market and with that can increase their power. This can result in a better position with regard to competitors. The second reason, eliminating investment problems, might be tackled, because the other party gives access to other funding sources (Johnson et al., 2006; Kaats & Opheij, 2008).

2.1.2 *Types of interorganizational collaboration*

This subparagraph elaborates on different typologies of interorganizational relationships. At the end, one integrated typology is presented.

Intention and nature

Kaats, Van Klaveren and Opheij (2006) have designed a model for characterizing collaboration based on several years of experience in designing relationships. They have identified two focal points that are relevant to determine the purpose of collaboration: the intention of collaboration – either improve or innovate, and the nature of the collaboration – either sharing or exchanging. Based on several constructs the intention and the nature of collaboration can be determined, leading to a matrix of four types of collaboration (see Figure 2).

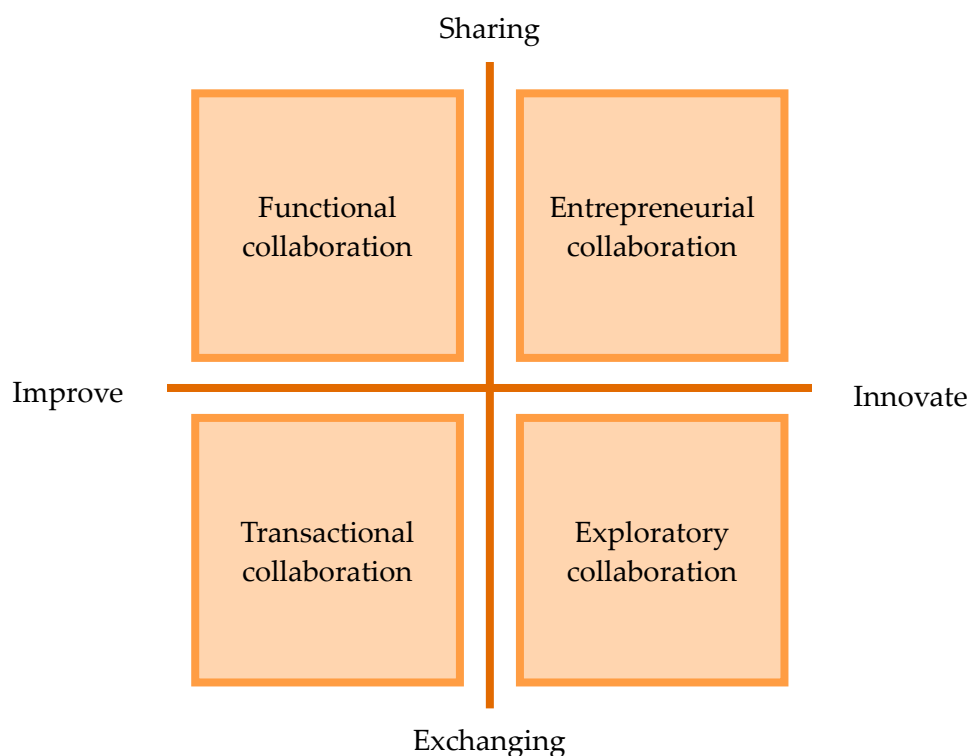


Figure 2 - Collaboration types (Kaats et al., 2006)

The intention of collaboration can focus on improving current business activities by placing that business activity out of the organization and at a specialized partner. The focus is on results, stability and continuity. Innovation, the other focus, creates new opportunities by working together with a partner. The focus is on the long-term, creativity and ambition. A very important distinction between improving and innovating is the power balance in the relation. In case of improving a clear sponsor-contractor relationships exists, whereas in case of innovating an equivalent relationship is present (Kaats et al., 2006).

The nature of collaboration can focus on sharing or exchanging. In the first case, sharing, organizations try to match and fit each other's work processes and strategies. The focus is on exclusiveness, primary importance and mutual dependence. In the latter, exchanging, partners focus on exchanging products, services, knowledge or data without making adaptations to match the other party. It is about coexistence, not assimilation. The mutual interdependence is very low, resulting in a possibility to switch easily to a new partner. The focus is on independence, convertibility and consent. The main distinction between exchanging and sharing is the nature of the partner, either being a matching partner or a unique partner (Kaats et al., 2006).

Transactional collaboration focuses on improving and exchanging. A market-based transaction with a delivering and receiving party is the main characteristic. Interdependence is low and a hierarchical structure exists, resulting in the possibility to switch partners easily (Kaats et al., 2006).

The second type is functional collaboration where the focus is on improving and sharing. A part of a business activity, not belonging to the core activities, is transferred to a partner organization, for which the activity is core business. The mutual dependence is high and it is important that the partners share information on business processes. Outsourcing relationships are common forms in this category of collaboration (Kaats et al., 2006).

Innovation and exchange are the main issues in exploratory collaboration. It creates an atmosphere in which organizations can learn from one another and in which the possibility

is created that organizations develop standards on for instance environmental issues. In these forms of collaboration the parties involved are equal partners. Knowledge consortia are relational forms that are characteristic for this form of collaboration (Kaats et al., 2006).

In an entrepreneurial collaboration the main focus is on innovation and sharing. Strategic information and knowledge are shared to create opportunities for new product or process development or the entering into a new market. High commitment is necessary in these forms of collaboration, since the shared information and knowledge are part of the competitive advantage of the organizations. Alliances can be found in this quadrant (Kaats et al., 2006).

Risk and trust

Ring and Van de Ven (1992) come up with a matrix for identifying types of collaboration based on the risk involved in the collaboration and the reliance on trust among the partners (see Figure 3).

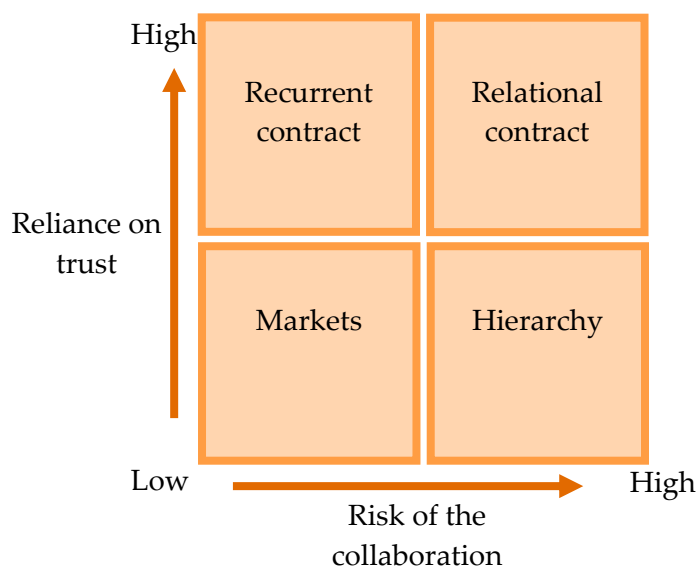


Figure 3 – Typology of collaboration forms
(Ring & Van de Ven, 1992)

A market-based relationship is based on clear conditions, and a complete and monetized agreement. The two parties are highly autonomous and the relationship is characterized as being short-term and the product or service is non-specific. A relationship based on hierarchy is most suitable for unique products, services or investments in uncertain situations. Based on the hierarchical relationship conflict can be resolved. The difference

between a market-based relationship and a hierarchy-based relationship is that the first mainly occurs when a one-time transaction takes place, whereas the latter takes place when regular transactions are involved (Ring & Van de Ven, 1992).

A relationship based on a recurrent contract involves repeated exchanges of low transaction specificity. The focus is on the short-term and the parties are equal. A relationship based on a relational contract is for the long-term, and involves highly specific products, services or investments. A relational contract evolves from a recurrent contract. Equivalence is also a characteristic here. Conflicts can be more dangerous than in market- or hierarchy-based relations, since sharing of sensitive corporate information is more likely to occur (Ring & Van de Ven, 1992).

Complexity and importance

The type of relationship can also be identified based on the use of Kraljic's matrix (see Figure 4) for identifying the most suitable purchase strategy. The matrix is based on the customer organization's vision and contains two factors, the complexity of the supplier market and the strategic importance of the product. Kraljic also developed a matrix seen from the view of the service provider.

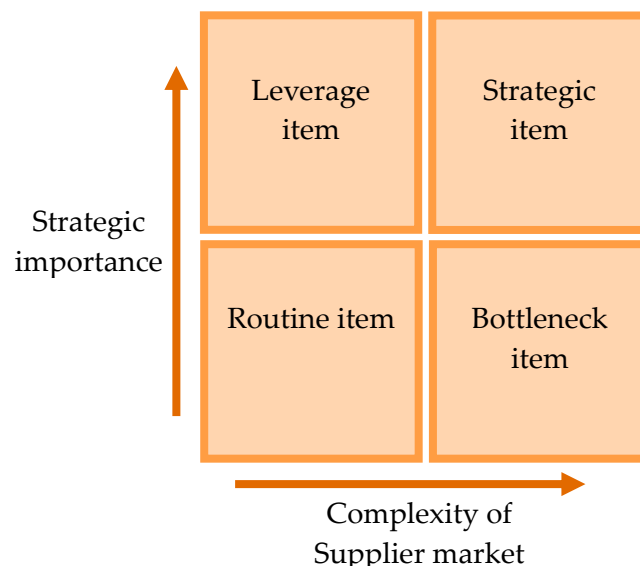


Figure 4 - Kraljic matrix: Purchasing Portfolio Management (Kraljic, 1983)

The complexity of the supplier market can be measured by the number of service providers available and the power they have within the market. The strategic importance of a product can be measured according to its influence on the profit of a company. (Behr, 2004; Kraljic, 1983).

Routine items are standardized products or services that are offered by many service providers. These are products or services that are not of strategic importance to the organization, and will in most situations not be part of the core business. Leverage items are of strategic importance, but because of the many service providers that offer the product or service the client organization can set additional requirements to make selection possible. Bottleneck activities are of low strategic importance, but have the trouble that there are only few service providers in the market. It is relatively difficult to obtain the product or service. Strategic items are of high strategic importance and are not offered by many service providers. These items are often part of the core business of an organization and need to be adapted to the special needs of the client organization.

Service provider relations

Although Van Weele (2007) describes service provider relations for sourcing projects, these relations can also be used in a more generic way. Van Weele distinguishes four types of relationships, shown in Table 1. The diversification of the relationships is mainly based the level of the relation and the time horizon. These relations differ in relational perspective, in case of the service provider (1st column) a simple customer organization – service provider relationship will be enough to structure the relation, but in case of a development partner (4th column) a strong partnership might be more suitable, since knowledge on core businesses is shared, making partners aware of each other's business, but also more vulnerable.

Table 1 - Service provider relations (Van Weele, 2007)

	Service provider	Preference service provider	Subcontracting partner	Development partner
Level relation	<ul style="list-style-type: none"> Operational 	<ul style="list-style-type: none"> Operational 	<ul style="list-style-type: none"> Tactical 	<ul style="list-style-type: none"> Strategic
Time horizon	<ul style="list-style-type: none"> Short term 	<ul style="list-style-type: none"> One year 	<ul style="list-style-type: none"> Medium term 	<ul style="list-style-type: none"> Long term
Quality	<ul style="list-style-type: none"> In accordance with requirements customer organization Quality-control at customer organization 	<ul style="list-style-type: none"> In accordance with requirements customer organization Quality-control at customer organization and service provider 	<ul style="list-style-type: none"> Alignment + check Quality-assurance at service provider (process-quality) 	<ul style="list-style-type: none"> Alignment and agreement Quality-assurance at service provider (design-quality)
Logistics	<ul style="list-style-type: none"> Orders 	<ul style="list-style-type: none"> Framework contract & call orders 	<ul style="list-style-type: none"> Harmonic logistical systems 	<ul style="list-style-type: none"> Linked systems EDI (electronic data interchange)
Contract form	<ul style="list-style-type: none"> Order to order 	<ul style="list-style-type: none"> Framework contract (one year) 	<ul style="list-style-type: none"> Framework contract (multi-annual) 	<ul style="list-style-type: none"> Development contracts 'Life of type'-responsibility
Price/cost	<ul style="list-style-type: none"> Price 	<ul style="list-style-type: none"> Price + discount 	<ul style="list-style-type: none"> Price + cost-reduction-program 	<ul style="list-style-type: none"> Open cost-calculation

Relationship typology

The typology by Kaats et al. (2006) contains all possible relationships, meaning that this typology is more complete than others. When trying to incorporate the other typologies into the typology of Kaats et al. (2006) it also visualizes this generic applicability (see Table 2).

Table 2 - Interrelation between several typologies on collaboration

	Kaats et al. (2006)	Ring & Van de Ven (1992)	Kraljic (1983)	Van Weele (2007)
Type 1	Transactional collaboration	Market-based Hierarchy	Routine Leverage Bottleneck	Service provider
Type 2	Functional collaboration	Hierarchy	Routine Leverage Bottleneck Strategic	Preference service provider Subcontracting partner
Type 3	Exploratory collaboration	Recurrent Relational	Leverage Bottleneck Strategic	Preference service provider Subcontracting partner Development partner
Type 4	Entrepreneurial collaboration	Recurrent Relational	Leverage Bottleneck Strategic	Preference service provider Subcontracting partner Development partner

The first two lines of the table show the asymmetric relationships (type 1 & 2) in which a sponsor and a contractor are clearly present. This kind of relationship can occur in all categories of Kraljic (1983), since each item can be obtained based on a exchange contract, only the importance and specificity of the contract will vary across the categories. When looking at the categories of Van Weele (2007) a development partner is an equal participant in the relationship, meaning this type of relationship cannot be asymmetric. The other types can occur in an asymmetrical situation.

In case of type 1 a transactional collaboration and a pure market-based contract will be present. The exchange will probably only take place once or for a small amount of times and a clear hierarchy structure based on the asymmetrical relation will be present. This corresponds to the service provider of Van Weele (2007). When looking at Kraljic (1983) a strategic item will not be exchanged in such short intervals, whereas in the other categories of Kraljic (1983) it can be the case.

Type 2 is a functional collaboration, mutual dependence is high and sharing of information and knowledge takes place. A hierarchy based contract is in place, since dependence is high, resulting in a high risk. All categories of Kraljic (1983) can be present in this type, but some types can better be placed in type 1, because of the difference in effort. Because of the higher risk, relationships will not be based on a one time exchange but on a specific period of time, leading to either preference service provider or subcontracting partner as options.

Type 3 is a symmetric relationship, meaning that both parties are equal and the power is balanced. Both recurrent and relational contracts can be present, since relational contracts evolve from recurrent ones. Routine items will not be found in this type, since the effort to put in a relationship in this quadrant is too high. The other types of Kraljic (1983) can be present. The service provider relationship will, because of the same reason as a routine item, not be present here. The other relationship categories of Van Weele (2007) are options. The focus in this type is more on learning from one another and developing industry standards.

Type 4 is similar to type 3, except for the focus of the relationship. This is on sharing sensitive information on, for instance, core businesses and developing new products, services or entering new markets together.

2.1.3 *Successful collaboration*

For a partnership or collaboration to be successful certain criteria have to be met and certain conditions have to be in place. Mohr and Spekman (1994) list a number of these factors categorized in three groups namely attributes of partnership, communication behaviour and conflict resolution techniques. Trust is mentioned in the category 'attributes of partnership', along with commitment and coordination (Mohr & Spekman, 1994).

According to Willcocks and Choi (1995) a distinction in environmental and organizational success factors can be made. In the environment, a sense of commitment, mutual benefit and predestination has to be present. In the organization of the partnership mutual dependence, shared knowledge and organizational linkage are important factors (Willcocks & Choi, 1995). Trust is not mentioned explicitly, but can be found in the need for mutual benefits and dependence, the need for commitment and the sharing of knowledge. If trust is not present, these factors will be less likely to take place.

Johnson et al. (2006) also list four success ingredients for partnerships; a clear strategic purpose, compatibility, performance expectations and trust. About this last success factor Johnson et al. (2006) state that it is *'probably the most important ingredient of success and a major reason for failure if it is absent'* (p. 357).

2.2 Trust: a divers concept

Trust is considered to be of great importance to the success of relationships and cooperation (Blomqvist, 1997; Sabherwal, 1999), but it is not easy to establish, whereas diminishing it can happen within seconds. Trust building is a long-term process, where the outcome cannot be predicted beforehand. Nevertheless, it is essential that organizations recognize this factor and its importance. Trust can develop when expected future benefits and competence are present (Edelenbos & Klijn, 2007). In this section a definition on trust is given, along with linkages to other concepts. Furthermore, a model for trust is presented as well as a measurement tool. After that, elaboration on the linkages found takes place.

Trust is a key factor within relationships (Blomqvist, 1997; Sabherwal, 1999), independent of the form of the relationship. Two forms of trust can be identified in a simple buyer-seller relationship (see Figure 5). The first being interorganizational trust, in which the trust in the partner organization is the central issue. The second form is interpersonal trust, in which the focus is on the sales person of the partner organization and the trust in this person (Zaheer et al., 1998; Ganesan et al., 1997)). The unit of analysis in both forms is different, respectively the organization and the individual. Despite the fact that two units of analysis can be identified, members of an organization can be seen as similar, meaning that all members

together can be seen as a whole. The framework of Schneider (1987) of Attraction-Selection-Attrition can be used here, in which is said that people who 'fit' the organization will stay and people who do not 'fit' the organization will leave the organization (Zeng & Chen, 2003). In this Master Thesis, the main focus is on the interorganizational level of trust.

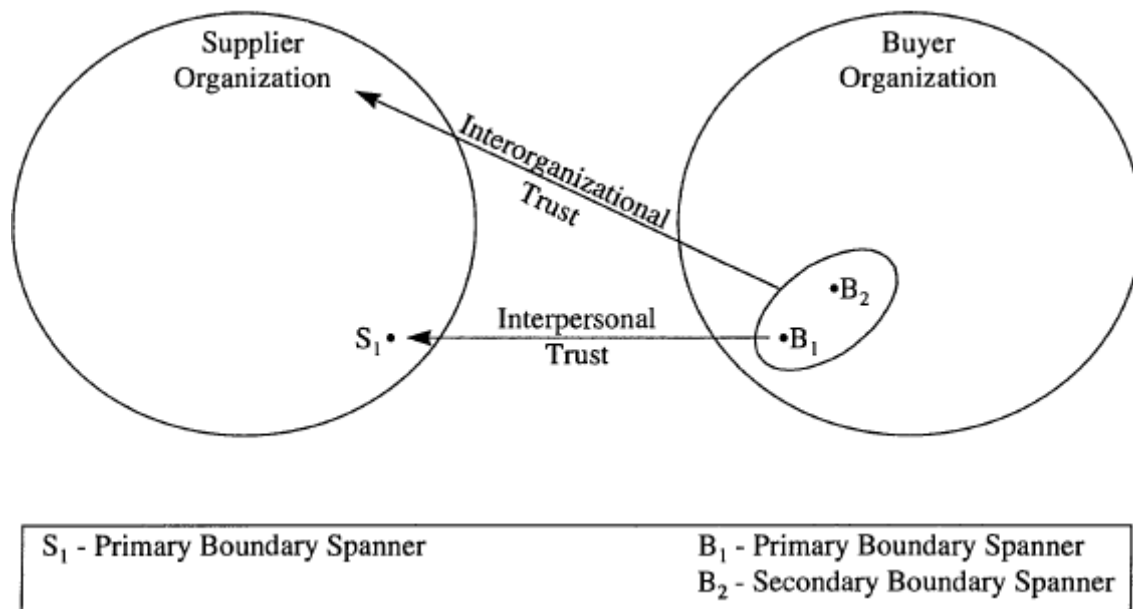


Figure 5 - Interorganizational and interpersonal trust (Zaheer et al., 1998: 142)

2.2.1 Views on trust: several definitions

In literature, many definitions on trust have been given, some focusing more on the reliability of the other party and others more on the willingness to take risks. Also the discipline of the researcher or author of an article is of great influence on the definition used (Lewicki & Bunker, 1996). Because of these many different definitions one common way of thinking about trust does not exist, which makes comparison of research on trust not an easy task.

Many definitions contain a reference to the willingness to take risks, to be vulnerable or to the expectations of the other party. Also dependability is a characteristic often used. Mayer, Davis and Schoorman (1995) give the most complete definition: *'Trust is the willingness of a party to be vulnerable to the actions of another party based on the expectations that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party'* (p. 712).

Table 3 - Some definitions on trust

Author(s)	Definition
McKnight et al., 1998: 474	<i>Trust is that one believes in, and is willing to depend on, another party</i>
Schoorman et al., 2007: 346	<i>Trust is the willingness to take risk</i>
Blomqvist, 1997: 282	<i>An actor's expectation of the other party's competence and goodwill</i>
Sheppard & Sherman, 1998: 422	<i>Trust is accepting the risks associated with the type and depth of the interdependence inherent in a given relationship</i>

2.2.2 Importance of trust

Trust is important for interorganizational success for several reasons. First, trust can be seen as a necessity in situations with high uncertainty and high complexity, since it offers some kind of guidance (Nooteboom, 1996; Blois, 1999). Second, it gives a sense of security about the other party and its competences, for instance based on past experiences with this party. This also reduces the possibility of opportunistic actions (McAllister, 1995). Trust can also play a major role in risk-taking decisions. With trust one is more confident about the ability to deal with certain risks (Ring & Van De Ven, 1992). Trust can influence cooperation in a positive way, because it enlarges openness and the willingness to share information, resulting in the ability to be more creative and innovative, both in problem solving as in developing new products or services. Within a cooperation it can increase mutual acceptance and reduce conflict or at least pave the way for conflict resolution and problem solving (Mayer et al., 1995; Zaheer et al., 1998; Fang, 2008; Klein Woolthuis, 2005; Ratnasingam, 2005). Besides this, trust can also reduce the need for a detailed contract and safeguarding devices, since the other party is not expected to behave in such a way that it is negative for the collaborating party (Zaheer et al, 1998; Blois, 1999; Sabherwal, 1999). Finally, trust leads to a *'robustness in interorganizational cooperation'* (Edelenbos & Klijn, 2007: 31), since it promotes ongoing interaction and encourages firms to invest in the cooperation (Buitendijk et al., 2008; Edelenbos & Klijn, 2007; McAllister, 1995; Ring & Van de Ven, 1992).

2.2.3 *Trust unraveled: antecedents & phases*

According to Mayer et al. (1995) trust can be split in three behaviours, namely ability, benevolence and integrity. These behaviours predict the trustworthiness of an actor. Ability can be seen as *'that group of skills, competencies, and characteristics that enable a party to have influence within some specific domain'* (Mayer et al., 1995: 717). Benevolence is *'the extent to which a trustee is believed to want to do good to the trustor, aside from an egocentric profit motive'* (Mayer et al., 1995: 718). Integrity refers to *'the trustor's perception that the trustee adheres to a set of principles that the trustor finds acceptable'* (Mayer et al., 1995: 719). Whether a trustee is identified as trustworthy depends on the scoring on each single factor. If all three factors are considered to be high, then the trustee has a high trustworthiness, but if one of the factors is considered very low trustworthiness can decrease significantly. Trustworthiness should be seen as a continuum, shifting left (low) or right (high) based on the scoring on the individual factors.

McKnight et al. (1998) suggest a split in the trust construct into two constructs, the first being trusting intention – the willingness to depend on another party in a certain situation, and the second being trusting belief – the belief that the other party is benevolent, competent and honest. They also identify five streams of trust research: knowledge-based, calculative-based, personality based, institutional based and cognition based. Knowledge-based trust focuses on the assumption that the two cooperating parties have firsthand information of each other, obtained during past interactions. Calculative-based trust focuses on the trusting stance of both parties, whereas personality based trust relies on the faith in humanity in general. Institutional based trust focuses on the belief in the institutions within society and cognitive based trust relies on the categorization of processes and illusions of control devices (McKnight et al., 1998).

Klein Woolthuis et al. (2005) use a two construct categorisation for trust, namely competence trust and intentional trust. Competence trust refers to ones competences in the technical, organizational, cognitive and communicative field. Intentional trust is the trust *'one has in the intentions of a partner towards the relationship, particularly in refraining from opportunism'* (Klein Woolthuis et al., 2005: 814).

Blomqvist (1997) makes a distinction between competence and goodwill as constructs of trust, respectively focusing on the technical competences, skills and know-how and on the moral responsibility and good intentions towards the partner.

Ratnasingam (2005) identifies three forms of trust, namely competence, predictability and goodwill. Competence focuses on the technical, organizational and communicative skills towards the partner. Predictability is the ability of a party to forecast and predict the behaviour of the other party, based on past experiences. Goodwill is about the interpretation of the partner's behaviour and words based on the intentions and motives of the partner.

According to Lewicki and Bunker (1996) trust develops in stages (see Figure 6). The first stage being calculus-based trust, which focuses both on rewarding trustful behaviour as on

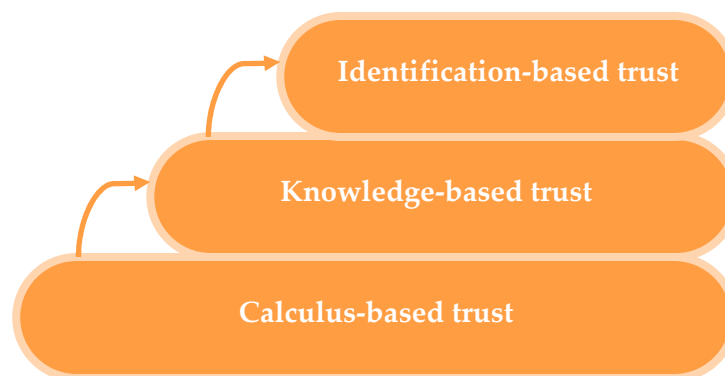


Figure 6 - Trust levels (Lewicki & Bunker, 1996)

punishing distrustful behaviour. Knowledge-based trust is concerned with the predictability of the other party, based on the knowledge one has over the other. The last stage is identification-based trust, where the focus is on the understanding of the desires and intentions of the other party (Lewicki & Bunker, 1996). Over time, trust can develop into a higher stage, but based on distrustful behaviour backfall to a lower stage is also possible. When trust is enhanced to a higher level, the lower level is still relevant since this is the basis

on which trust is build. The development of trust is, according to Lewicki & Bunker (1996), independent from the type of relationship one has, but within the stages different dynamics are necessary to develop trust. In case of calculus-based trust, the benefits of being trusted and the costs of violating trust lead to development of trust at this stage. Knowledge-based trust grows by a history of interaction, leading to the possibility of predicting the other one's behaviour. Regular communication is a key need in this process. Identification-based trust grows based on the dynamics mentioned at the other two stages, but collective identity, colocation, creating joint products or goals and having shared values also help the process of trust development.

Barney & Hansen (1994) divide trust into three types: weak form trust, semi-strong form trust and strong form trust. Weak form trust is based on the assumption that exchange partners do not have any vulnerabilities towards each other. No contract or other control device is in place, since no possibility for opportunistic behaviour is present. Semi-strong form trust focuses on the mutual confidence that parties will not abuse any vulnerabilities of the other party for individual gain. Contracts and other controle devices are present to reduce vulnerability. Violation of these control mechanisms will result in certain costs for the violating party, like reputation damage. Strong form trust is based on a set of principles and standards that guide behaviour of the exchange partners in situations with high vulnerability. The existence of control mechanisms is in this trust form not relevant, since both parties 'live' according to the principles and standards of behaviour (Barney & Hansen, 1994).

Based on Table 4 the following main antecedents of trust can be identified: competence, benevolence, predictability and integrity. These four antecedents are chosen, because they cover all three levels of trust described by Lewicki and Bunker (1996). Competence focuses on the abilities of a partner, its skills and competencies in the field relevant to the relationship. Predictability is the ability to forecast and predict the behaviour of the partner based on experiences with and knowledge of this partner. Benevolence is about the willingness to do good to the other party and go a little bit further than the contract states. Integrity is just a step further than benevolence and focuses on the adherence of the other

party to a certain set of principles. Since integrity and benevolence are not quite the same constructs, but very important in measuring trust, both constructs will be taken into account in the measurement of trust that will be presented in paragraph 2.2.6.

Table 4 - Trust antecedents & phases

Author(s)			
Lewicki & Bunker	Calculus-based	Knowledge-based	Identification-based
McKnight et al. (1998)	Cognitive-based & Calculative-based	Knowledge-based & Personality-based	Institution based
Mayer et al. (1995); Klein Woolthuis (2005); Blomqvist (1997)	Ability; Competence		Benevolence & Integrity; Intentional; Goodwill
Ratnasingam (2005)	Competence	Predictability	Goodwill
Barney & Hansen	Weak trust	Semi-strong trust	Strong trust

2.2.4 The role of contracts

Within interorganizational relationship literature, contracts play, next to trust, an important role. Most of the time a psychological and a formal contract are in place, and managing the relationship will require a focus on both types (Sabherwal, 1999). A formal contract is a written agreement between two or more parties that is legally binding (Klein Woolthuis et al., 2005). A psychological contract is not written down and is mostly implicit. Unspoken expectations are mainly the subject of psychological contracts. These contracts are mostly based on trust, whereas formal contracts are based on control mechanisms (Sabherwal, 1999).

The link between trust and contract is described in literature in three different ways; the first being that a contract is necessary to develop trust, because it restrains opportunistic behaviour. A different view is that a contract is a sign of distrust, which means it prevents trust from being developed. The last perspective is that trust reduces the need for a contract (Klein Woolthuis et al., 2005). Klein Woolthuis et al. (2005) conclude that trust and contract are '*both substitutes and complements*' (p. 833), but they also find that a contract is not

necessary to develop trust, but trust is needed to be able to negotiate and draw up a contract and discuss sensitive issues.

Sheppard and Sherman (1999) distinguish between two types of contracts, namely transactional contracts and relational contracts. The first has a specific time period and is drawn up between parties based on monetizable exchanges, the latter has no specific time period and holds both monetizable as nonmonetizable exchanges.

Ring and Van de Ven (1992) use a different typology for contracts and also link trust and risk to particular governance structures. They identify recurrent and relational contract, whereas the latter can be seen as somewhat similar to the relational contract of Sheppard and Sherman, but with the addition that relational contracts evolve from recurrent contracts. A recurrent contract is based on *'repeated exchanges of assets that have moderate degrees of transaction specificity'* (Ring & Van de Ven, 1992: 487). Both types of contracts mentioned here occur when trust is high. The distinction can be found in the level of risk, when this is low a recurrent contract is suitable and when risk is high a relational contract. When trust is low and risk is low transactions can be characterized as market-based transactions and a standard contract is used, which is a monetized agreement based on the fact that many potential partners are available. When trust is low and risk is high an asymmetrical relationship will arise between partners and a hierarchical situation with one partner being the superior and the other the subordinate will occur. A contract will specify the hierarchical relationship and will deal with ownership issues like property rights (Ring & Van de Ven, 1992).

2.2.5 *Models of trust building and development*

Trust is not simply present when it is needed. It takes time to be build and to develop. Different factors, like risk and trust propensity, play a role during these processes. In this subparagraph several models of trust building and trust development are discussed. The visualisation of the models can be found in Appendix I: Trust building models.

The model presented by McKnight et al. (1998) shows trust formation between persons that have not met before (see Figure 15). They see trust as consisting of two constructs; trusting intentions and trusting beliefs. The first is the willingness to depend on the other party and the latter is the believe in the benevolence, competence, integrity and predictability of the other party (McKnight et al. 1998). Trust is influenced by three processes, the disposition of trust, cognitive processes and institution-based trust. The first focuses on the faith in humanity and the general stance towards trust and forms the trust propensity of a person or party. Cognitive processes focus on the categorization options of the party to be trusted. Catogories which can be identified are for instance reputation or unit grouping, in which both actors share the same goals. The last influence on trust is institution-based trust. This influence depends on contracts, regulations and promises to determine the success of a relationship and also looks to the normality of a situation; the more normal a situation the more likely is a success. The three influences affect both trusting beliefs and trusting intentions. Trusting beliefs also influence trusting intentions (McKnight et al., 1998).

In a later version of the model of McKnight et al. (1998) McKnight and Chervany (2001) add a last step 'trust-related behaviour' (see Figure 16), which means that '*a person voluntarily depends on another person with a feeling of relative security, even though negative consequences are possible*' (p. 34-35). The following constructs represent trust-related behaviour: cooperation, information sharing, informal agreements, decreasing controls, accepting influences granting autonomy and transacting business (McKnight & Chervany, 2001).

The model presented by Mayer et al. (1995) (see Figure 17) focuses on two steps corresponding to the last two steps of the model of McKnight et al. (1998), trusting beliefs and trusting intentions. Next to that, they also have a factor trustor's propensity, which is the

same as the disposition of trust of McKnight et al. (1998). Mayer et al. (1995) add perceived risk, risk taking in relationships and outcomes to the model. Perceived risk is the risk that is experienced from the context and that necessitates trust. Risk taking in relationships only exists in specific, identifiable relationships with a second party and is not concerned with general risk-taking behaviours common in all situations. The outcomes refer to the success of the relationship based on the constructs presented in the model. Outcomes give feedback on the performance and adjustments can be made by running the model again. Nevertheless, this perception is quite limited since more factors influence success than solely trust and risk.

Combining the models of McKnight et al. (1998 & 2001) and Mayer et al. (1995) results in the model presented below (see Figure 7). A person's trust propensity influences the way a person deals with trust, resulting in a certain perception on trusting beliefs and trusting intentions. Also the institutional factors, like contracts and regulations, have an influence on the trust a person has in a given situation. Trust is composed of trusting beliefs and trusting intentions, where the first is based on four constructs, competence, benevolence, integrity and predictability. Before taking risk in relationships, the situation is judged based on the perception on the amount of trust and the perceived risk from situational factors. This results in a willingness to take a certain amount of risk in a particular relationship. Based on the outcome of the risk taking in relationships the prior steps can be adjusted and the model can be run for a second time. The trust model should be viewed at as a cyclically process.

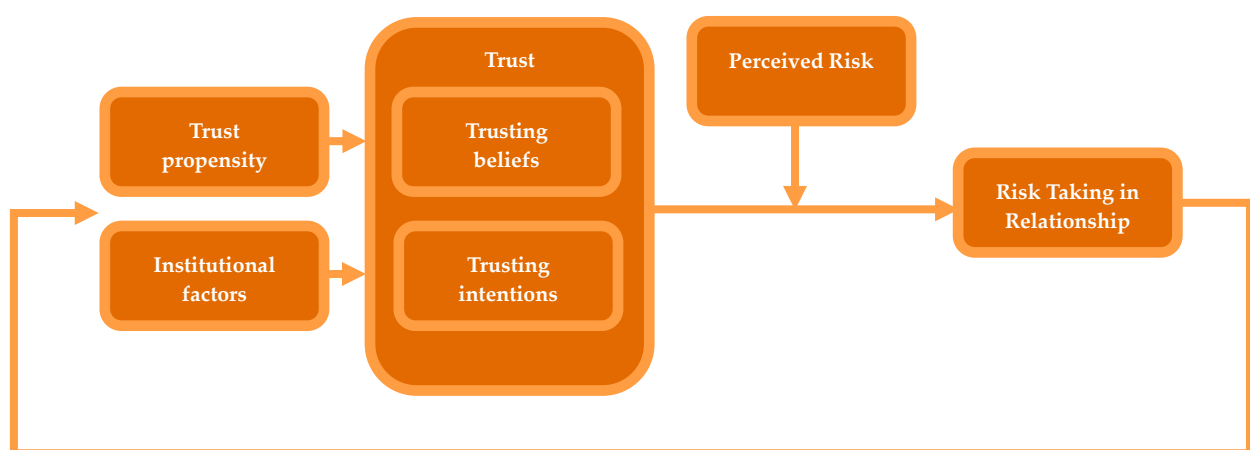


Figure 7 - Trust model

2.2.6 *Making trust measurable*

Following several authors in their measurement of trust (Cummings & Bromiley, 1996; Ganesan & Hess, 1997; Zaheer et al., 1998; Ratnasingam, 2005) one combined measurement tool for trust is presented here, based on the antecedents identified; competence, benevolence, integrity and predictability. The format follows that of the Organizational Trust Inventory (OTI) by Cummings & Bromiley (1996) and some items are added. The 7-item scale in the Organizational Trust Inventory ranges from 'strongly disagree' to 'strongly agree' (Cummings & Bromiley, 1996).

In Appendix II: Trust measurement constructs by several authors an overview of the items of the authors mentioned above can be found. Based on these items a selection is made that results in the questionnaire presented below. The questionnaire uses the 7-item scale of the OTI by Cummings & Bromiley (1996) and can be used to measure interorganizational as well as interpersonal trust. The score of 1 means strongly disagree and the score of 7 strongly agree.

The questionnaire consists of four categories corresponding to the four antecedents of trust. Each category consists of five questions with a 7-item scale answering possibility. Scoring on these items determines the level of trust. Eight questions are negatively formulated (questions 4, 9, 10, 12, 13, 16, 17 & 20), resulting in a reverse scoring. This means that answers on these items have to be corrected for. A score of 6 leads to a corrected score of 2, and a score of 7 to a 1. This results in the following categories to determine the level of trust. When the score ranges from 20 to 40 the level of trust is low, in the range from 41 to 100 the level of trust is average and when scoring is between 101 and 140 the level of trust is high. For each subcategory of trust a similar division in levels can be made. When in a subcategory scoring is between 5 and 10 trust is low, between 11 and 25 trust is medium, and between 26 and 35 trust is high. Subcategorization is necessary to determine the level of trust based on the division in calculus-based, knowledge-based and identification-based trust.

Trust measurement questionnaire								
Competence								
1.	The customer organization can depend on the service provider to move their joint project forward	1	2	3	4	5	6	7
2.	The service provider fairly represents its capabilities	1	2	3	4	5	6	7
3.	The service provider is dependable	1	2	3	4	5	6	7
4.	The customer organization intends to check on the service provider's progress with their project	1	2	3	4	5	6	7
5.	The service provider is open in describing its strengths and weaknesses in negotiating joint projects	1	2	3	4	5	6	7
Predictability								
6.	The service provider is reliable in keeping promises	1	2	3	4	5	6	7
7.	The service provider is truthfull in negotiations	1	2	3	4	5	6	7
8.	The service provider does not mislead us	1	2	3	4	5	6	7
9.	The service provider tries to get out of its commitments	1	2	3	4	5	6	7
10.	The service provider misrepresents its demands during negotiations	1	2	3	4	5	6	7
Benevolence								
11.	The service provider demonstrates care and concern in important decisions	1	2	3	4	5	6	7
12.	The service provider tries to take advantage of our problems	1	2	3	4	5	6	7
13.	The customer organization feels uncomfortable about the service provider's willingness to stick to the schedule	1	2	3	4	5	6	7
14.	The service provider looks out for our interests even when it is costly to do so	1	2	3	4	5	6	7
15.	The customer organization is willing to speak openly in the negotiations with the service provider	1	2	3	4	5	6	7
Integrity								
16.	The service provider may use opportunities that arise to profit at our expense	1	2	3	4	5	6	7
17.	The customer organization intends to negotiate cautiously with the service provider	1	2	3	4	5	6	7
18.	The service provider is straight with us	1	2	3	4	5	6	7
19.	The service provider negotiates with us honestly	1	2	3	4	5	6	7
20.	The service provider takes advantage of the weaknesses of the customer organization	1	2	3	4	5	6	7

2.3 Issues at stake

In a relationship, issues concerning trust can harm the relationship, reduce performance and even result in conflict between the two parties. By identifying these issues, also called non-cooperative behaviour, bottlenecks in interorganizational relationships can be found and appropriate interventions can be determined. This paragraph sheds a light on the trust building process, issues concerning trust and risks involved in a trust relationship.

2.3.1 *The sense of trust and the arising of issues*

Sense-making, the theory constructed by Weick (1995), is about consciously or unconsciously exchanging meanings and understanding the connections, the organization and the environment in order to make decisions. Trust building can be seen as a sense-making mechanism. Sense-making happens based on the actions, perceptions and conclusions of the parties involved in a relationship. Actions lead to a certain perception of the other party, who is then going to act accordingly. Again this is going to lead to a perception of the first party and a related conclusion and action. This process of sense-making is visualized in Figure 8.

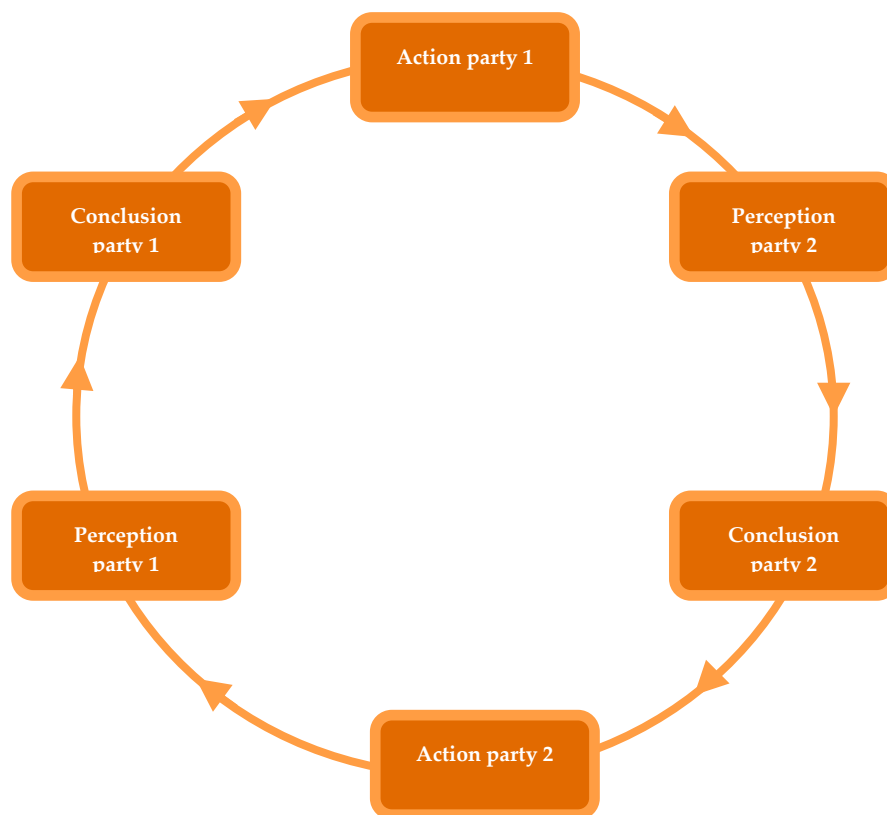


Figure 8 – Sense-making

This can also be compared to the Social Auditor Model of Kramer (2001), in which people deal with trust dilemmas based on interpretation rules constructed from their social representation of the world, their self interpretation and the situation they are in at that moment. These interpretations lead to certain choices, the action rules.

The trust building process is similar to the sense-making process and the involved steps can easily lead to issues. Trust is build based on the perceptions, actions and conclusions of the parties involved. When an action is not correctly seen, the perception of the receiving party will not correspond to the intentions of the acting party, resulting in a misperception and accordingly a misanticipation, as the action the receiving party will undertake will not be as expected by the first party. An issue can arise and trust can be violated. If the process is working as the parties want to then trust is build.

2.3.2 Different types of issues

Distrust can be a problem in interorganizational relationships, but it does not necessarily violate the trust level. Distrust and trust are not opposites of one continuum, but independent constructs both with its own factors that can influence the growth and decline of each construct. This means that both trust and distrust can exist simultaneously in a relationship (Lewicki et al, 1998). When relating trust and distrust to each other a 2-by-2

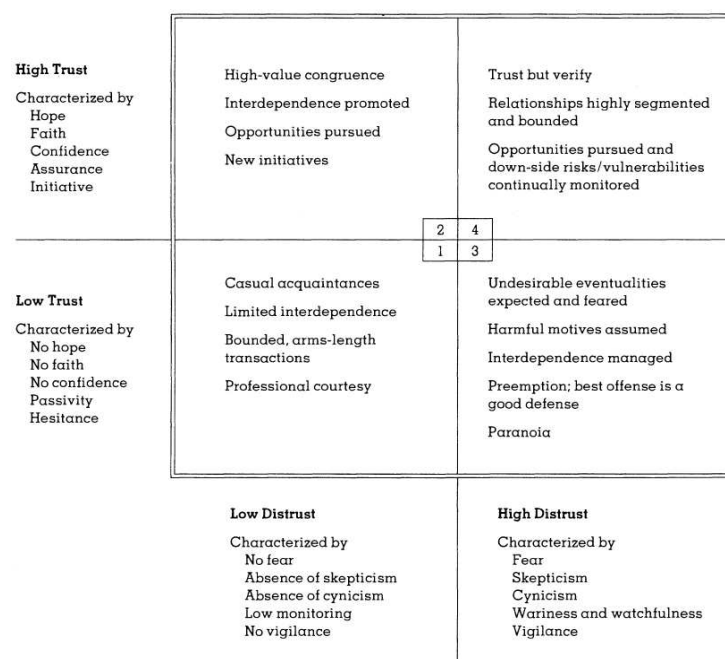


Figure 9 - Integrating Trust and Distrust (Lewicki et al.,

matrix is created (See Figure 9). This matrix shows the items that characterize trust and distrust, and confirms that trust and distrust are independent constructs.

Issues that often occur are disconfirmation of expectations, multiplicity in goals and opportunistic behaviour by the partner. Disconfirmation of expectations may occur when partners do not discuss the expectations extensively enough, resulting in not being able to reach clarity, or if one of the partners has not been honest about its expectations in the negotiations, resulting in a different view on the goals that have to be met (Kramer, 1996; Sabherwal, 1999, Vangen & Huxham, 2003). Multiplicity in goals makes negotiations and agreement on aims difficult. When partners are not willing to give in on goals or act as if they are giving in, but actually are not, a situation can arise in which negotiations are stuck (Vangen & Huxham, 2003). Opportunistic behaviour exists when one of the partners is not handling in the best interest of the relationship, but only in its own interest. The partner takes advantage of the other party, resulting in a lopsided relationship (Kramer, 1996; Sabherwal, 1999). This issue can arise because of a social dilemma, in which every party has to decide either to handle in their own interest or in the group's interest (McCarter & Northcraft, 2007; Zeng & Chen, 2003). Two types of dilemma's can be identified, either the Prisoner Dilemma, in which not handling in the group's interest can result in the best outcome for that particular party or the Assurance Dilemma, in which handling in the best interest of the group results in the best outcome for everyone (McCarter & Northcraft, 2007).

Other issues are focused on communication and the willingness to share information, skills and processes. Communication can be imperfect or not interpreted in the right way, resulting in wrong anticipation on the information given. The second point is misalignment in information, processes and skills by not giving access or insignificant access, leading to a situation where the other party cannot perform at its best (Zaheer et al., 1998; Doney & Cannon, 1997; McCarter & Northcraft, 2007).

High interorganizational diversity can also be a reason why trust can decline, since manners on for instance meetings, deadlines and openness can be different. Project control can also lead to a decline in trust, both when project control is high and when it is low. In the event of the first, high project control can send a (unintended) message to the other party that he is not trusted. When project control is low, opportunistic behaviour or not working according to the agreement can occur easier, resulting in a decrease in trust (Sabherwal, 1999). Power struggles can also be the basis of issues in relationships. Parties do not agree on the distribution of power or one party is dominant in the relationship (Vangen & Huxham, 2003).

Inter-firm rivalry or conflicting interests when being part of multiple groups can also play a role in issue-creation in a relationship. When inter-firm rivalry occurs, parties are not cooperating, but competing in a relationship and will not be open to each other. Conflict of interests can arise when a party is part of multiple cooperations and has to decide how to distribute resources, time and information to the different partners. These issues are also related to the fear of exploitative behaviour by the other party, resulting in underinvestment in information and resources to decrease possible damage (McCarter & Northcraft, 2007).

Other forms of non-cooperative behaviour are unwillingness to do something extra besides the terms in the contract, unfair treatment of the other party or dishonesty in negotiations or sticking to commitments. Unwillingness to do something extra can send a message that the party does not find the relationship very important and is not willing to invest. Unfair treatment of the other party is expressed in unfairly claiming ownership or taking credit for joint efforts, free riding, hold-up – claim an unfair share of the value - or leakages – use resources to create value outside the relationship – (McCarter & Northcraft, 2007). Dishonesty in negotiations or sticking to commitments can occur when a party does not see the relationship as the best option and thinks the win-win situation is not equal.

Factors from outside the relationship can also have an influence on the trust within that relationship. Due to a public issue, damage to the reputation of one of the partners can occur, that might harm the trust within the relation. Public issue damage can be based on true stories, but also on wrong accusations (Bies & Tripp, in: Kramer & Tyler, 1996).

2.3.3 Risk factors

Risk is an important factor in the role trust plays in relationships. Risk can be defined as *'a condition in which the consequences of a decision and the probabilities associated with the consequences are known entities'* (Das & Teng, 2004: 87). Trust can be seen as the willingness to assume this risk within a relationship. The level of trust can be *'an indication of the amount of risk that one is willing to take'* (Schoorman et al., 2007: 346). Risk can become an issue in a relationship and violate trust when it is not dealt with in an appropriate way. Risk has to be seen as something that does not exist on purpose and is not initiated by one of the parties.

Sheppard and Sherman (1998) have linked risk to the form of dependence and the depth of a relationship. Form of dependence refers to how dependent one party in a relationship is on the other. In case of dependence one of the two partners is dependent on the other for a successful completion of a project or for a successful relationship. One of the partner is dominant in the relationship. Interdependence means that both parties are mutually dependent, resulting in a balance in the relationship. Relational depth refers to the importance of the relationship and the effort that has been put in the relationship. When linking these two constructs a matrix of four forms arises. Key risks for these four forms can be identified and are summed in Table 5.

Table 5 - Risk: function of form of dependence and relational depth (Sheppard & Sherman, 1998: 426)

Form of Dependence	Relational Depth	
	Shallow	Deep
Dependence	Indiscretion Unreliability	Cheating Abuse Neglect Self-esteem
Interdependence	Poor coordination	Misanticipation

Shallow dependence means that the trustor is dependent on the actions of the trustee for a particular desired outcome. The two risks involved are unreliability, which means that

expectations on the behaviour of the trustee are not correct, and indiscretion, which means that sensitive information is shared by the trustee without consent of the trustor. Shallow interdependence occurs when both parties have to rely on each other to reach the goals set. Risks that can arise are the same risks as with shallow dependence with the addition of poor coordination. When shallow interdependence occurs good coordination and communication are necessities to accomplish any goal. In deep dependence the trustor cannot judge the behaviour of the trustee, since this occurs outside the trustor's sight. Risks involved are cheating, neglect, abuse and self-esteem. The first exists mainly because of an asymmetry in information, which makes it easy and possible not to act in the interest of the trustor. With neglect not enough attention is paid to the interests of the trustor and with abuse the control of the trustee over the trustor is large enough to make the trustor do things it does not want to do. Finally, self-esteem can be harmed based on the feedback received or the lack of success within a relationship. In deep interdependence aspects as sameness and connection play a central role. The main risk that can exist is misanticipation, because parties are not capable or able to anticipate correctly and timely on the needs of each other (Sheppard & Sherman, 1998).

According to Das & Teng two types of risk exist in interorganizational relationships; relational and performance risk. The first means the risk involved with the probability and consequences that the trustee does not fulfill the expectations and does not conform to the image the trustor had of the relationship. Performance risk is the risk involved with the probability and consequences that the goals in the relationship are not reached, despite the efforts of the trustee. Whereas the first refers to a wilful action to hazard the relationship, in the latter the trustee is, not wilfully, unable to meet expectations. Linkages to certain types of trust can be identified. Relational risk can be linked to goodwill trust, since the trust is based on the assumption that the trustee will not act in an opportunistic way as happens in relational risk. Performance risk and competence trust can also be linked. In competence trust the trustor assumes that the trustee is able to meet the expectations the trustor has and reach the goals set. In performance risk the ability of the trustee is the problem that dangers the relationship (Das & Teng, 2004).

2.4 Interventions: the way back to trust

Interventions can be used to repair violations of trust, build trust or enlarge trust. In relationships in which the bond between the partners is harmed, it is necessary to take action to prevent the relationship from failing. In the previous paragraph issues concerning trust are discussed. This paragraph elaborates on possible interventions on the issues mentioned.

Lewicki et al. (1998) present solutions to increase trust and to decrease distrust. Increasing trust can be reached by mutual dependence and goals, by creating new joint initiatives and by loosening-up contracts. Other ways are openness and communication and showing a cooperative attitude. Decreasing distrust can be established by creating confidence by loosening contracts, by increasing interdependence, by low control mechanisms and by taking away undesirable situations and assumptions on harmful motives. Sabherwal (1999) states that openness and communication, as well as a change in project manager, can prevent poor coordination from occurring.

Sabherwal (1999) focuses on structure, like contract and control, when identifying trust building tactics. There needs to be a balance between trust and structure to make sure both parties do not feel uncomfortable in a relation. To minimize opportunistic behaviour Sabherwal (1999) suggests to use structural controls and penalty clauses, and to increase confidence on the project's outcome structures on reporting and client-involvement are mentioned. Klein Woolthuis et al. (2005) also suggest contracts, legal enforcement, hierarchy and managerial fiat as opportunity controls. To prevent cheating, neglect, abuse, indiscretion and unreliability from happening Sheppard & Sherman (1998) mention the use of penalties, rules, regulations and assigning responsibility. Accountability is also an intervention that can be named in this context. Reputational accountability can be used to make a partner more committed to the relationship, because a bad functioning relationship will lead to reputational damage, but a good functioning relationship to positive reputational effects (Benner et al, 2004). Buitendijk et al. (2008) also state that structural interventions can be effective when no clarity on performance, responsibilities and roles is present. Interventions that can be used are structural adjustment, improvement of quality of processes and information provision.

Getting to know each other before starting a project can be a useful intervention. To increase mutual understanding and respect identification with each other's goals is necessary. This can be reached by team-building efforts. A sense of bonding can be established by celebrating key interim deliverables. Periodic demos and pilots can be used to increase predictability on performance and project outcome. To increase benevolence Klein Woolthuis et al. (2005) suggest, like Sabherwal (1999), identification and bonds of kinship. They also mention shared values and social norms and the sense of moral obligation and duty. Grandori & Soda (1995) also state group norms as a social control, but also mention in this context peer control and reputation. Friendship is also stated as a way to increase benevolence, but cannot be used as an intervention, since friendship cannot be created. The other interventions mentioned are also suitable to prevent misanticipation from occurring.

Frequent and open communication between partners is important to build trust, increase predictability, determine one's benevolence and integrity, and increase group identity. Face-to-face communication is more effective than technology-mediated communication, because it increases predictability of the partners behaviour (Klein Woolthuis et al. 2005; Grandori & Soda, 1995; Edelenbos & Klijn, 2007; McCarter & Northcraft, 2007; Grandori, 1997). The relation between dependence and autonomy should be balanced, meaning no party is dominant and both parties are mutually dependent. This results in a certain importance of the relationship, leading to a higher willingness to invest in the relationship (Sydow, 1998; Vangen & Huxham, 2003). Open-endedness of a relation can also contribute to higher trust. When partners interact for more than one reason and on more than one project the importance of a good relationship increases and trust will be easier to build and maintain (Sydow, 1998; McCarter & Northcraft, 2007; Zeng & Chen, 2003). To create dependence or shift the balance of dependence a partner can make itself unique resulting in high switching costs. Also the possibility of taken a hostage, for instance, important information on a company's core business, can result in a shift in dependence (Klein Woolthuis et al., 2005).

The sharing of property rights can be used when interests and objectives are not identical. This can also be used when activities are difficult to observe or evaluate, resulting in an inability to monitor performance. Alignment of objectives, by social or economic interventions, can be an outcome (Grandori, 1997). Also the joint creation of a reward and punishment system can help prevent opportunistic behaviour and align objectives (McCarter & Northcraft, 2007). Other interventions to prevent opportunistic behaviour from occurring are structural interventions, like a change in the payoff system or a change in allocation rules. Motivational interventions focus on changing perceptions by face-to-face discussion, establishing long-term goals and inform partners about the negative consequences of opportunistic behaviour. Face-to-face discussion can lead to a better understanding of the issue and each others goals, group identity and an insight in the perceived impact of one's contribution to the cooperation (Zeng & Chen, 2003).

Narratives can be used to identify issues between parties and to provide openness in talking about issues. Stakeholders tell stories about the issues that are present, in these stories sensemaking on the issues takes place, based on the own perception, but also on things others tell you. It can create a sense of mutual understanding and result in greater anticipation from the service provider on the expectations and needs of the customer organization (Abma, 2006). A form of narratives is storytelling, an intervention method used to create projectif identification and association or dissociation. It leads to insight into the functioning of the other party and in the standards and values they adhere. Storytelling can be used in several situations like a collective event in the context of an organizational change as it can help to deal with difficult situations in which resistance exists, and as a way to bring people together and stimulate learning processes (Breuer, 2006). Based on writing down the history of a problematic situation, in words of context, issues, actors and feelings, a learning effect can occur from the present situation and sensemaking can take place. This proces is called 'learning history' and can be used to provide feedback and insight in issues in a relationship based on the perspectives of all actors involved. These insights can be used in present situations to guide a project in a more successful way (Smid, 2006). It leads to learning from and with each other, and can create an understanding of each other's expectations and goals (Van Driel, 2006).

Future Search is a relatively new intervention method that is based on reaching a shared vision for a project. This shared vision is reached by talking together with all actors involved about the desired future and everyone's personal vision and expectations. The end results are a shared vision on the future of the project and its outcome, and an action plan to reach this point. It is important that all actors involved in and affected by the project are present at the Future Search meeting to make sure all actors share the same understanding of the project and reach a shared vision together. This process is important to create a sense of togetherness (Van der Ploeg & Stoppelenburg, 2006). An Open Space creates a setting in which every important player in the collaboration can state his or her feelings, intentions and ambitions concerning that collaboration. It makes it possible to start a dialogue on a particular topic under the condition that everyone is heard and in choosing a solution everyone's interest is weighted. Open Space can be seen as a large group intervention, in that the method is useful in groups of ten, hundred or even thousand people (Vliex, 2006).

Fourth generation evaluation concerns the discovery of shared structures between stakeholders, after which remaining points of discrepancy can be discussed. The main goal is to determine these discrepancies and the underlying reasons. By discussing these points, insight into each others positions can be created and parties can become closer to one another. Four steps have to be followed to complete the evaluation process successfully. In the first step, stakeholders are identified and their concerns and issues are made clear. In the second fase, the identified concerns and issues (for instance, from the customer organization) are presented to a different group of stakeholders (for instance, the service provider) and feedback is asked. This can lead to adjustments by the first group or identification with the presented concerns and issues, after which they are considered to be handled. The third step focuses on the concerns and issues that are not handled. More information on these topics is gathered, after which an agenda for negotiation between the groups of stakeholders is made. In the fourth and final step, this agenda for negotiation is dealt with and the groups try to reach agreement on as much concerns and issues as possible. Remaining topics can be used for a new evaluation round (Van de Graaf, 2006).

An independent third party can be effective in case of a conflict, disagreements or conflicting interests. Because of the independability this third party can present possible solutions that the involved parties could not. The use of social activities, like drinks, dinners or trips, can stimulate respect for one's position and can increase mutual understanding on each other's organization, goals and expectations. Teambuilding can be used when there are problems concerning communication or interaction, or when a team has to be formed. The focus is on learning from each other, but also on learning as a team. (De Caluwé & Vermaak, 2006).

There are also other responses possible against violations of trust, responses that can have a great negative impact on a relationship and can be named revenge instead of interventions. Examples are withholding help or support, work less, bad word of mouth, public embarrassment and whistle-blowing (Bies & Tripp, 1996). These responses have to be avoided from happening, because they can bring great damage to a relationship and to trust, making restoration virtually impossible.

2.5 First conceptual model

The previous paragraphs have given insight in the subjects on collaboration, trust, trust issues and trust interventions. This paragraph brings the subjects together and presents the first draft version of the intervention model. First of all, the general outline of the model is presented, after which the several typologies on collaboration, trust and contract are linked that serve as the basis for the model. After that, the link between trust levels, issues and interventions is made. Finally, a snapshot of the model is shown to give an indication of its design.

2.5.1 *Outline of conceptual model*

The first draft version of the intervention model is based on the literature study conducted in this research. The intervention model can be either used as a diagnostic tool to identify pitfalls in certain types of relationships resulting in the right choice for a certain type of relationship, or it can be used as a problem solving tool to choose the right intervention for a certain type of issue in a particular relationship.

The model is based on five levels. The first level is a choice between an asymmetric and a symmetric relationship. In case of an asymmetric relationship one party is dominant in the relationship. Relationships that can be found here are the transactional and functional relationship. In case of a symmetric relationship both parties are equal. The exploratory and entrepreneurial relationship can be found here. These relationships are the second level in the model. The third level focuses on the trust levels and the type of contracts. In the fourth level, issues are linked to the appropriate trust levels and in the last level, interventions for these issues are given.

2.5.2 *Link between trust antecedents and trust levels*

Lewicki & Bunker (1996)	Trust antecedents
Calculus-based	Competence
Knowledge-based	Predictability
Identification-based	Benevolence
Identification-based	Integrity

Calculus-based trust is mainly focused on the abilities, skills and competences of the other party, which corresponds to the trust antecedent competence. This trust level is an important source of trust (Edelenbos & Klijn, 2007). On the knowledge-based trust level predictability plays a key role. Based on the information from earlier experiences with the other party and from the external environment predictions on the behaviour and trustworthiness of the other party are made. This corresponds directly to the trust antecedent predictability. As Vangen & Huxham (2003) indicate, trust is rooted in the anticipation that something is forthcoming, or on past satisfactory experiences. The last level, identification-based trust is about the expectations of the other party, its values and norms and the match between the two organizations. It is the highest level of trust. It focuses both on benevolence – the willingness to do something extra – and on integrity – the match with common values, norms and principles, the two remaining trust antecedents.

2.5.3 *Link between trust levels and contract type*

Contract type	Trust level
Transactional contract	Calculus-based
Relational contract	Calculus/Knowledge/Identification-based

In transactional contracts trust is not of high importance, but trust in the competences of the service provider is necessary to select a party. In relational contracts trust plays a bigger role, but dependent on the age of the relationship and issues that might have been present, the level of trust can vary across relational contracts.

2.5.4 *Link between relationship type and trust level*

Relationship type	Trust level	Contract level
Transactional relationship	Calculus-based	Transactional contract
Functional relationship	Calculus-based Knowledge-based	Relational contract
Exploratory relationship	Calculus-based Knowledge-based	Transactional or relational contract
Entrepreneurial relationship	Calculus-based Knowledge-based Identification-based	Relational contract

In a transactional relationship the focus is on the short-term, on the exchange of goods or services. Not more than information on the competences of the service provider is necessary to determine which service provider fits to the expectations. A transactional contract is present to legally enforce the relationship.

In a functional relationship the focus is on the long-term and on sharing information and knowledge. Risks are high and a clear hierarchical structure is present. Information on competences and the ability to make predictions on the other party are necessary to establish a relationship in which sharing can take place. A contract is in place to reduce the risks involved; this contract is relational, because of the long-term focus of the relationship.

In an exploratory relationship the focus can be either on the short-term or on the long-term, resulting in the possibility for both a transactional and relational contract. The levels of trust

necessary to establish a relationship are calculus-based and knowledge-based trust. Partners are equivalent, but because of the low strategic importance and the pure exchanging character the highest level of trust, identification-based trust, is not necessary to develop a relationship.

In an entrepreneurial relationship all levels of trust can occur. The highest level of trust is necessary to develop a long-term relationship in which partners can identify themselves in the norms, values and standards of the other party. This is necessary because of the high strategic importance of the relationship and the strong involvement in core business processes of the other party. The focus is on sharing highly sensitive information that can only be reached if both parties trust one another as much as they trust themselves. In this type of relationship only a relational contract can exist.

2.5.5 Link between trust levels, issues and interventions

Calculus-based trust is about the competences, skills and abilities to deal with the question of the customer organization. Issues concerning this level of trust lie in this field. Performance risk is the possibility that the service provider is not able to fulfil the desires of the customer organization, in other words, the service provider does not have the competences, skills or abilities. Imperfect communication can also be placed under calculus-based trust, since communication is also a competence an organization has or has not. Also the issue of poor coordination is a question of skills and competences.

Knowledge-based trust focuses on the predictability of the other party based on information from the environment or previous experiences, but also based on the expectations that were made explicit in the negotiations. Issues lie in the area of expectations, unreliability and unpredictability. Disconfirmation of expectations is a result of not being able to reach clarity on the goals, which means that both organization cannot predict the actions or real goals of each other. Also multiplicity in goals can be seen in this light as also high interorganizational diversity. This misalignment leads to an inability to predict behaviour. Proven unreliability also makes it difficult to predict behaviour, since in the past the shown behaviour was not as expected. Misanticipation and project control can also make prediction difficult, because in case of the first the service provider is not able to serve the customer organization according

to the expectations and in case of the second, project control, either high or low control can send the wrong message to the other party, leading to a possible different view of expected behaviour. The last issue related to knowledge-based trust is reputation damage. This can happen, based on actions in the past and information from the environment, influencing the image of the company.

Identification-based trust is based on two trust antecedents, benevolence and integrity. The first focuses on doing good to the other party and the latter on the match between principles, norms, values and culture. Issues concerning the benevolence focus on the unwillingness to share information, skills and processes or the unwillingness to do something extra. These two issues are not representing an attitude in which the party is doing what is good for the other party, as also is the case with neglect and relational risk. When looking at issues concerning integrity the focus lies on value judgments and general norms and principles. Issues that arise lie in the field of opportunistic or exploitative behaviour, unfair treatment, dishonesty indiscretion, cheating and abuse. Also the wilful damaging of the self-esteem of the other party by, for instance, giving negative feedback can be seen as an issue against integrity. The last issues fall into the range of the interrelation of the firms to each other or to other networks. In case of issues concerning interrelation of the two partners, power struggles and inter-firm rivalry can be mentioned. These issues mean that firms are not cooperating but competing, and one firm is dominant in the relationship. Conflict of interest can occur when a party is part of more than one network, resulting in choosing how to distribute resources and man power over all networks.

To deal with all the issues mentioned the use of interventions is unavoidable. In general, a split can be made between issues that can be measured and proven and issues that cannot. In case of measurable, proven problems interventions can be seen in the light of penalties or legal action. These issues are mostly found on the level of calculus-based trust. Issues that cannot be measured or proven are mostly found in the other levels of trust. Nevertheless, some of these issues can be explicitly dealt with in the contract in penalty clauses, like opportunistic behaviour, neglect, cheating, abuse, indiscretion or dishonesty. Other issues need a softer approach and are mainly the result of a fear to be open or the fear of disclosure

of sensitive business information. Interventions that can resolve these issues are focused on getting to know one another better and cultivating respect for each other.

A table of the link between the trust levels, issues and interventions can be found in Appendix III: Trust levels, issues & interventions – list based on the literature study.

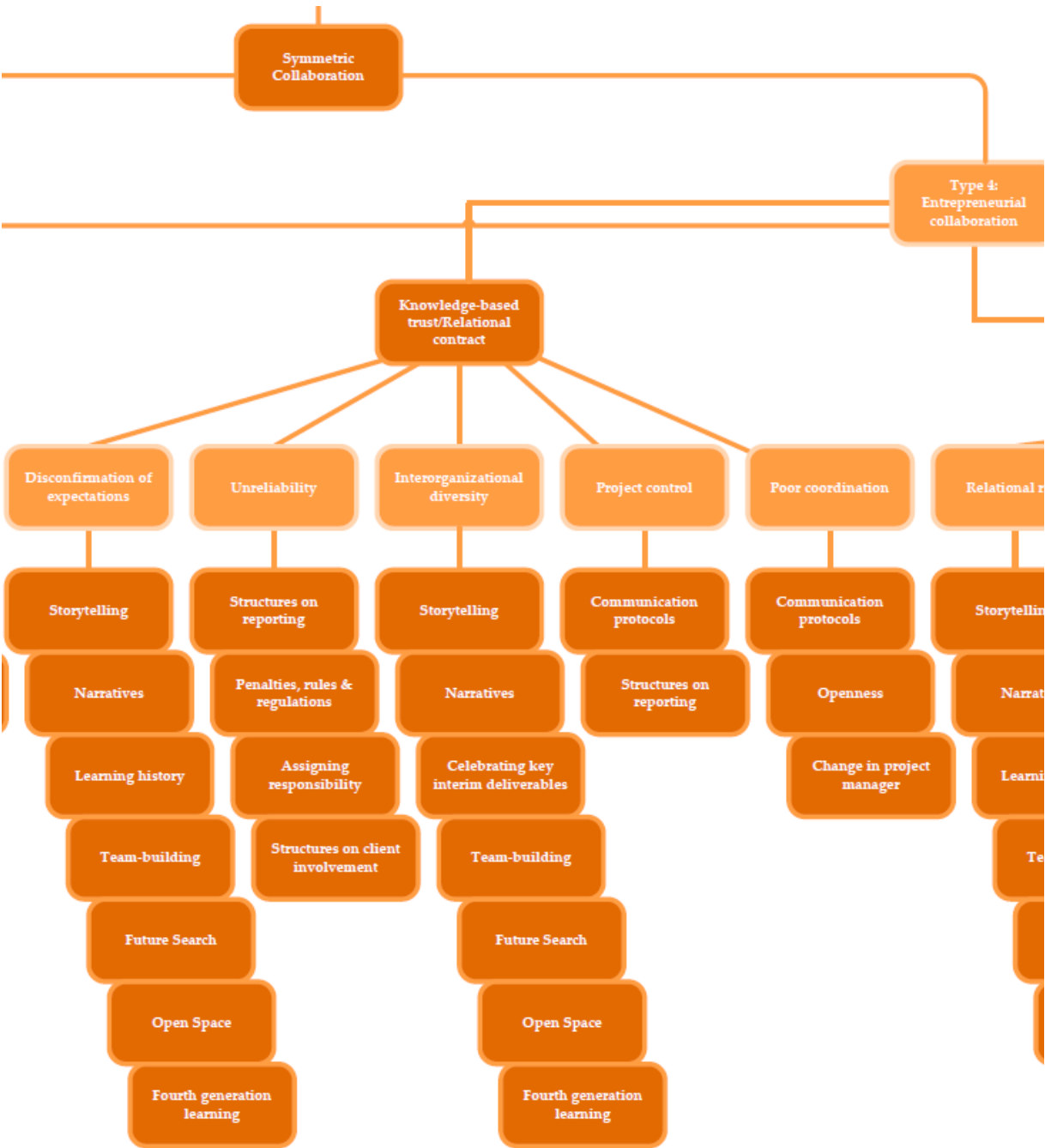


Figure 10 - Part of the first conceptual model

2.5.6 *Examples of interorganizational collaboration following the model*

This section describes some fictitious relationships based on the various relationship forms and trust levels discussed in this research.

A transactional relationship with calculus-based trust – a supplier network

An organization in the automotive branch needs parts to complete the products, cars, it makes. To make this work as efficient as possible, suppliers need insight in the stocks of the organization, since the company does not want to have much stock.

In the last half year, some troubles with the delivery of the paint for the cars occurred, resulting in waiting time in the production process. The supplier of the paint was not able to match its supply management with the stock management of the customer organization.

A functional relationship with calculus-based and knowledge-based trust – an outsourcing relationship

An outsourcing relationship can be identified as a relationship between three actors; a service provider, a customer organization and the end-users.

The customer organization wants to outsource its database and all standard office applications, like e-mail, software and PC's. In the selection of a suitable service provider selection criteria were not only focused on competences of the service provider, but also on reputation in the market.

After two years, the service provider was not able to meet the requirements of the contract, due to a change in focus within the customer organization. This focus change resulted in the need for different software and more database capacity. Based on the reputation of the service provider the customer organization expected a flexible anticipation on the new needs.

An exploratory relationship with calculus-based and knowledge-based trust – a knowledge consortium

A knowledge consortium is a group of organizations that exchange knowledge on a particular topic to develop new insights, new markets or products.

Four organizations in the FMCG-market are exchanging knowledge on packaging to be able to anticipate on environmental issues. In this consortium current ways of packaging are evaluated and new options are discussed.

After a couple of months of discussing new ideas on packaging, one organization presents a new package for meat. This new package was not discussed in the consortium and some parties were not amused.

An entrepreneurial relationship with calculus-based, knowledge-based and identification-based trust – an alliance

An alliance is a cooperation between two or more organization in a specific business activity, in which each organization is needed to benefit from the strengths of the combination of organizations, and gains competitive advantage.

Two organizations decide to work together to introduce a new concept in the market. Both organizations have a very good reputation within their own field of expertise and are important players in those fields. Next to that, based on previous cooperations with each other, the organizations know that a match also exists.

To be successful, the concept needs the knowledge, distribution channels and network of both organizations. This would result in a concept that would keep both organizations at first place or close to that within their core business markets for the next decade. To make the development of the concept possible, organizations needed insight in the core business of each other. This sensitive business information could easily be used for individual gain, but the gains reached by the concept highly surpassed the individual gain. Both organizations kept their word and after two years a new vacuum cleaner with special vacuum cleaner bags came on the market.

3 Research methodology

This chapter elaborates on the followed research methodology; two distinct rounds of interviews and a focus group.

3.1 Research outline

3.1.1 *Research type*

Grix (2004) describes three types of researches, namely descriptive, exploratory and explanatory. Geurts (1999) adds an extra dimension to it, namely testing. Descriptive research mainly focuses on the mapping of concepts and its measurement, exploratory research develops new concepts, explanatory research looks into the causes of a phenomenon and testing focuses on testing theory in practice (Grix, 2004; Geurts, 1999).

This research can be characterized as descriptive, since concepts are defined and mapped, and as exploratory, because a new model is created using literature, in-dept interviews and focus groups. Cases in the interviews have led to adaptations of the model.

3.1.2 *Methodology*

Each research method has certain characteristics that make it more or less suitable to be used for a research. Three conditions determine this, namely the type of research, control of the researcher on behaviour, and the focus on current or historical events (Yin, 2003).

In this study the main research objective can be formed to a What-question 'What interventions should be applied to solve trust issues in interorganizational collaboration?' In this case it is a descriptive and exploratory question, which makes literature, focus groups and interviews appropriate methods to conduct research.

3.2 First round of interviews

Literature review cannot be the only basis for the conceptual model; practical experience should also be included in the final version. For the first round of interviews seven consultants from Twynstra Gudde were selected. The selection was based on their expertise in cooperation. A mix of fields, including HRM, IT and facility management, was established

to make the research more widely applicable. Each consultant received information about the research, the topic and the agenda of the interview beforehand. A management summary of the research was included, because the conceptual Master Thesis was too voluminous to expect the consultants to read it (See Appendix IV: Summary for interview respondents).

The interviews were conducted based on the Critical Incident Technique; a way to understand an incident perceived by an individual. The method, in the form of a qualitative interview, looks at significant events and their effects identified by an individual (Chell, 1998, in: Gremler, 2004). A critical incident is an activity that can be observed, is complete enough to make predictions about and makes a significant contribution in either a positive or a negative way to the activity (Gremler, 2004).

The critical incident technique is used to have some guidance in the interviews and to have a recurring format that will make comparison of interviews easier. Another reason to use the critical incident technique is that literature probably gives no information on the extreme situations, but only on common problems and solutions, and the critical incidence technique can give insight into extreme situations.

Data collection

An interview protocol was set up to structure the interviews; this protocol can be found in Appendix V: Interview format. This format is in Dutch since the interviews were conducted in Dutch. Each respondent was beforehand asked to think of at least one, but preferably two, cases, in which trust was damaged and affected the relationship. Questions on the context, the involved parties, the exact situation and the solution for the problem were included in the interview format. Based on these interviews data on extreme situations were gathered that resulted in adjustments to the model. For each interview one hour was reserved in the agenda's of the consultants. The cases are seen as expert cases. Therefore, they are used to refine the model, rather than to judge or assess the cases based on the model.

During the interviews the draft model of the intervention model was discussed with the respondents to obtain feedback and additions. This resulted in a more complete and correct

model based on theory and practice.

In event that a respondent would not have a case available, a fictitious case about an outsourcing relationship was provided. The respondent was asked to give an insight in how to handle in the given situation. See Appendix VI: Fictitious interview-case: An Outsourcing Relationship for the example case that is written in Dutch. The fictitious case has been used in one interview, but because of the limited experience of the consultant the results from that case were not useful.

One interview was not of much value for the research, since it was conducted well beyond the other interviews. Next to that, the scope of the interview was not in line with the interview protocol, since the consultant did not have the time to prepare. This resulted in a different interview protocol. The respondent also did not answer the questions; trust was not repairable in his view. In two cases the consultants had not prepared example cases or looked at the model. Both consultants were also quite late for the interviews, resulting in only 15 to 20 minutes time to conduct the interview. In both situations I choose to focus on the example cases, because these could be thought of on the spot by the consultants. Giving constructive feedback on the model could only be reached by preparations and by studying the model. This resulted in six interviews being useful for the research. Nevertheless, the amount of data needed was not influenced, since several consultants presented more than one case.

Data analysis

To analyse the example cases the general characteristics were identified, namely the actors, the relationship and the context. The second step was to identify the problems and finally to name the intervention used. In this analysis an encoding scheme was used, identifying issues (IS), Interventions (IV) and context (C). The first analysis, including the application of the encoding scheme, took place right after transcribing the interview and a second analysis took place after all interviews were conducted, to see what linkages between the interviews existed. After each case description following the above described steps an analysis of the case following the model was made. In almost all cases, the model could be followed. In the cases that this was not possible adjustments to the model were identified. These were

additions to the interventions. Each case was made anonymous, since the cases discussed are clients from Twynstra Gudde and the information given is quite sensitive.

The feedback to the model was analysed by looking at new issues, new interventions, general comments about the structure, visibility and usability, and adjustments of the content. An encoding scheme was used here as well, using the following codes: IS for issues, IV for interventions, G for general comments and AD for adjustments to the model. The items found were first grouped per consultant and after all interviews were conducted the items were grouped per category. The comments were evaluated and adjustments to the model were made. The additions based on the example cases were also added to the model.

3.3 Focus group

To validate the model a focus group interview was held with consultants of Twynstra Gudde from the IT, Human Resources and Facility Management department. Three departments were selected to make the data richer and enlarge the amount of feedback received. Based on this focus group interview the model was adjusted for a second time.

For the focus group a selection of eleven consultants was made out of the population of the IT, HR and FM sections. The consultants participating in the interviews were left out of the population. Of the eleven consultants eight accepted the invitation. On the day of the focus group only five participants could be present, because the others had appointments with clients. The group of five participants was still distributed over the three sections. Six days prior to the focus group each consultant received the presentation that would be used during the focus group. This presentation contained general information on the research, some theoretical highlights necessary for the focus group and the hypotheses that would be discussed.

Data collection

For the focus group eight hypotheses and three reserve hypotheses were made, based on the literature and the interviews. Some hypotheses were focused on finding confirmation on some topics and others were focused on the content of the model. The hypotheses can be found in Appendix VII: Presentation Focus Group.

During the focus group a presentation was given on the research, the goal of the meeting and a part of the theoretical framework. After that, the facilitator was asked to lead the discussion on the hypotheses. In advance, a guide was made to introduce each hypothesis and place it in its context. In some discussions it was necessary to help guide the process.

Data analysis

The analysis of the data obtained was to subtract general conclusions for each hypothesis. These general conclusions are presented in Paragraph 4.2.2. The analysis of the data resulted in some confirmations of conclusions based on the interviews and some additions and adjustments to the model.

Analysis took place by structuring the argumentation in favour (F) of and against (A) the hypotheses. This analysis can be found in Appendix VIII: Overview of argumentation on hypotheses of the focus group.

3.4 Second round of interviews

To receive more information and check the applicability of the model after the adjustments had been made based on the first round of interviews and the focus group, a second round of interviews was held with experts in the field. Two interviews were conducted, one with a respondent who also participated in the first round of interviews. The second respondent was new. The focus of the interviews was on the structure of the model, the issues listed and the order of interventions. To structure the interview, a new interview protocol was made. The respondents received five days prior to the interview information on the subject, the conceptual model and the issues. Both respondents also received the concept thesis. The interview agenda was also outlined extensively in the mailing to make preparation easier.

Data collection

For the interviews an interview protocol was used, but the setting was more informal to create an environment that stimulated the respondents to come up with new, unbiased ideas. During the interviews the model was discussed and some main topics related to the model were addressed, for instance the categorization of issues and interventions.

Data analysis

Both interviews were transcribed fully. New insights and ideas were marked (IS for new issues and IV for new interventions), next to the remarks about the model (AD (adjustments)). After that, the marked items in the interviews were combined to see where they corresponded. This resulted in some confirmations and disconfirmations of earlier findings, some additions to the model and remarks with regard to the applicability of the model. These findings are presented in Paragraph 4.3.

Figure 11 presents the steps followed in this research.

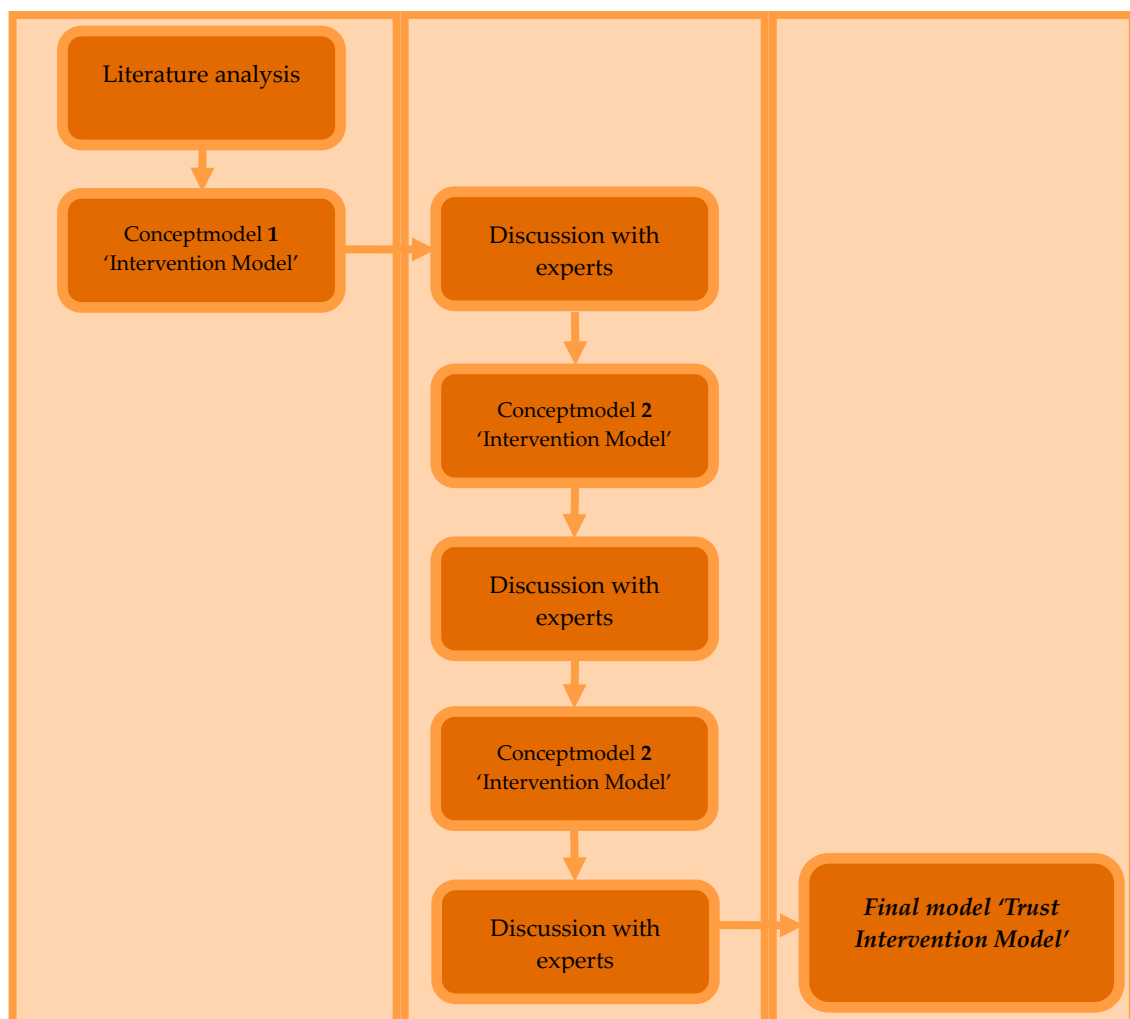


Figure 11 - Research model

4 Results: Trust from a practical view

4.1 Results from 1st round interviews

This paragraph contains the outcomes of the interviews held with consultants of Twynstra Gudde. During these interviews, cases were discussed and the characteristics of these cases are presented here. The consultants also gave feedback on the intervention model and these contributions were used to adjust the model. The interviews were conducted following the Critical Incident Technique, in which each consultant was asked to think of one or more cases in which the trust relation was damaged. These cases are seen as input for the model, not as a test of the model or an assessment of the cases based on the model.

The results from the cases are presented below. First, a brief description of the situation of the relationship is given, after which an overview of the issues and the interventions is presented. These points are presented in the orange box. After the case, a short analysis following the model is presented and possible adjustments or additions are named.

4.1.1 *Trust issue cases*

Alliance between four public organizations

The case is about four public organizations that wanted to start an alliance, which is an entrepreneurial collaboration and in which trust has to be on the highest level, namely on identification-based trust. The parties had never cooperated before, but contact on board level was present.

Issues

The goal of the collaboration was to bundle the resources, but because of a discrepancy in necessity, or in perceived necessity, not all parties enter the collaboration with the same expectations. There was a clear asymmetry in how they judged each others capabilities, which resulted in a difference in commitment. In the end, this led to the absence of one of the four parties (the largest) during important meetings.

Interventions

To re-establish commitment and involvement of the largest party expectations on the collaboration were made explicit. Consultants were asked to guide the process and they made the parties think and talk together about the goal and usefulness of the collaboration and about how to organize it. To enlarge the commitment of the largest party even more and assign responsibility, the role of chair man of the team was given to them. This would also force them to be present during meetings.

Analysis

In an entrepreneurial collaboration the focus is on identification-based trust, which means interventions linked to this type of trust will be most effective. The main issues in this case were low commitment, misanticipation and not sharing all information. The interventions used are Future Search, to establish a shared vision and goal and align expectations, and assigning responsibility. This last intervention is a structural intervention and was necessary to force the largest party to commit to the collaboration

An outsourcing relationship

A sub-division of a public organization is outsourcing its IT to a small company. The contract was not very well designed. The small company was transferred to a large private company. This meant that the whole contract and relation needed to be re-designed to start the new relationship without the problems of the old relationship.

Issues

The process of re-designing the contract was problematic, because of the history of the two involved parties. It was not possible to negotiate objectively and without emotions. The other problem was that the available knowledge and competencies were not managed in a proper way.

Interventions

To bring objectivity in the negotiations, two external advisors were deployed. They also established a kind of identification-based trust that made it easier to reach compromises and facilitated a process in which expectations were made explicit on a constant basis. To solve the problem of the poor management of knowledge and competencies the sub-division of the public organization chose to move to the new organization.

Analysis

This relationship, a functional one, had only a calculus-based trust level, because trust in the available knowledge and competencies was present. The problem lies in the poor management and the experiences both companies have with each other. This means knowledge-based trust is heavily damaged. In order to solve the problem of subjectivity and bad feelings intermediaries were used to guide the process of new contract and relationship-development. Another intervention used was learning history to prevent things that went wrong in the old relationship to happen in the new one.

An outsourcing relationship

In this case two parties are involved, a privately held organization (service provider) and a semi-public organization (customer organization). All facility services were part of the outsourcing. The goal was to have one party who would do the complete outsourcing. Eventually the choice was made for the service provider who also did all cleaning activities. The experiences with the service provider were good and a match between the two corporate cultures was also present, but the selection was mainly based on the will of one person from the Board of Directors.

Issues

During the actual transition came out that the expectations could not be met, leading to a disappointment for the customer organization. The problems got so bad that threats of canceling the contract were made. The problem was that the customer organization had set very high requirements and the service provider wanted the contract so much, despite the fact that they could not reach the requirements.

Another point is the poor project management. The customer organization wanted to manage the project by themselves, without having the proper experience.

Interventions

The interventions that were used to change the level of expectations was discussing the expectations and making clear agreements, on which performance measurement could be based. They also visualized a long term collaboration, which can be seen as committing to the project. Lastly, the consultants made a project plan to help improve the project management.

Analysis

In a functional collaboration, like an outsourcing relationship, the main level of trust is knowledge-based trust. In this case knowledge-based trust is present, based on the previous experiences with the service provider. The step towards identification-based trust is close by, which is shown in the perceived culture match. The main issue in this case is disconfirmation of expectations, a typical issue on the knowledge-based trust level. As intervention future search was used to solve the problem. The next step was a contractual intervention in that the expectations were made explicit in an agreement.

An outsourcing relationship

A public organization is outsourcing its IT to a privately held company. There was no previous relation with the service provider, who was chosen based on a well designed selection process.

Issues

Both parties had difficulty to realize expectations, resulting in a troubled relationship and an atmosphere which was not open.

Interventions

The parties are not yet that far, that interventions are being used to solve the problems, the issue is playing at this moment. Nevertheless, some possible interventions are given. In the first place, a mediator can be used to make expectations explicit in a safe environment, without having to discuss it with the other party. The second step can be that the problem is debated in the team. Finally, when both other options do not work, the choice can be made for escalation. This means that for both organizations the highest management functions will talk about the problem and the team is actually put aside.

Analysis

In this case a functional relationship is the goal, but this is not yet established. Neither are the correct levels of trust in place, since both parties do not know each other and do not have any previous experiences. This means that trust has to be build from zero, from calculus-based trust and finally to knowledge-based trust. As is very common in relationships that have just started, both parties are not very open to one another, resulting in misanticipation and the inability to realize the expectations. The suggested interventions are ranked from soft to hard; two of them are present in the original model (mediator and group discussion), the third intervention, escalation, will be added to the model.

A first step towards outsourcing

A privately held organization, previously public, is looking for a good candidate to take over the complete facility management part of the organization, because it was not part of the core business of the organization. The focus in this case lies on the technical management of the central telephone exchanges.

Issues

During the process of selecting service providers doubts about the technical skills of these candidates arose. The professionals within the technical management had the feeling that they had to keep this essential and crucial part in-house. The other parts of facility management could be outsourced, because risks were not very high. When failing in the technical management of the central telephone exchanges occurred, this could result in large parts of the country being unreachable.

Interventions

The role of the advisors was to deliver business cases of potential options or scenarios for the outsourcing activities. This resulted also in insight in the feelings of the personnel about the technical management. The advisors tried to take these feelings away, based on their experiences in other outsourcing projects. Next to that, they presented a business case in which the technical management would stay in-house, but would be transferred to a different business unit.

Analysis

Although a relationship is not established yet, since the selection of a suitable service provider has not yet taken place and the outsourcing project has been put on hold due to a take-over, the potential relationship should be seen as a functional one. This means trust has to be established on calculus-based and knowledge-based level. The problem in this case already occurs at the lowest level of trust, since no confidence in the competencies of the candidates for a part of the outsourcing activities is present. The intervention made was to split the outsourcing activities and keep the part in which trust in the candidates was not present in-house. The other intervention was to talk about the new situation and form expectations, which can be seen as a form of future search.

An insourcing relationship

A lower level public organization was approached by a semi-public organization to insource a geographical service. The public organization did not provide this service externally yet.

Issues

Both parties were exploring the possibility for collaboration, but the attitude of the semi-public organization was very hesitant, while the public organization wanted to start negotiations on the expectations. This resulted in a lot of miscommunication. A second issue in this case was the attitude of the manager of the geographical service, who tried to put pressure on the other party.

Interventions

To solve this problem the advisor arranged meetings with both parties simultaneously to talk about the expectations and goals of a possible collaboration. The advisor also tried to neutralize for the difficult attitude of the involved manager.

Analysis

The relationship is not yet established, which means that an accurate identification of the type of relationship is difficult. Based on the proposed characteristics a reasonable guess can be made that the intention is to develop a functional relationship. The focus is on the long term, but not to jointly undertake activities. This means trust has to be calculus-based in the beginning and knowledge-based in the future. The problem that arose in this case was that communication did not go well and both parties were not open to each other about the expectations. The interventions used, were to make expectations explicit in clear agreements and design a contract in the form of a Service Level Agreement (SLA). These are both structural and contractual interventions.

A global consultancy network

This case focuses on a network of consultancy firms in the United States of America, the United Kingdom, Germany, the Netherlands, Italy and France. The network is used to be able to provide better service to international clients and to share knowledge and experiences.

Issues

Issues did not occur in this case, but mechanisms were used to prevent issues from happening. There is almost complete openness in the network, because of the clear win-win situation between the partners.

The problem in this case can be identified in one of the partner organizations in dealing with their role in the network. The culture between the network and the organization is different, which means a shift has to be made.

Interventions

Within the network contracts are used to deal with legal issues like intellectual property and pay outs for delivered services. Social activities are used to strengthen the peer relationships.

The intervention used within the organization is clearly stating the commitment to the network internally, with the result that everyone knows that the network is important.

Analysis

Since no problems did arise in the relationship, this case does not match with the other cases discussed. Nevertheless, the process that is followed to deal with and commit to the network is important and interesting. It can be identified as a success story of high trust in interorganizational collaboration.

The network can be seen as an entrepreneurial relationship, in which taking on projects together is not an exception. Also the sharing of knowledge and experiences is not an uncommon activity. The strengthening of the social bond between the partners is a key mechanism to feel committed to the network. Nevertheless, some contractual mechanisms had to be put in place as well, but for the development of trust this does not necessarily is a negative point. Internally, the problem with the culture mismatch was solved by showing the importance of the network and making commitment to it clear to everyone.

4.1.2 *Additions to model*

During the interviews, respondents also gave input on the model developed after the literature study. The findings are presented in this section.

During the interviews an often made remark was the conviction that all levels of trust can be present in all relationships, whereas literature states that this is not the case (Lewicki & Bunker, 1996). In practice, even in the simplest relationship, the highest level of trust, identification-based trust, can be present. It is nevertheless not a necessity, but it will make cooperating more easy and efficient, since parties understand each other and each other's expectations better, leading to a better result in the cooperation. The link to all relationships can be shown by using a circle diagram. Nevertheless, to start a relationship trust in the lowest level of trust has to be present.

A second remark often made was the use of a categorization for the interventions. In the first concept model the interventions are individually listed below each issue, leading to a rather complex model, and even more, a very large model. To deal with the complexity and the size, the idea for categorization came up. The categorization can be based on the characteristics of the several interventions. A lot of interventions focus on behaviour, others on the structure of the relationship and a third group on the content of the contract. This leads to a categorization in behavioural, structural and contractual interventions. This categorization can also be scaled from soft to hard interventions, respectively focusing on behaviour or on contract.

Besides the categorization for the interventions, remarks were made on the names of the trust levels. The names used, were not seen as logic and led to confusion. Especially the correctness of the names of the first two levels, calculus-based and knowledge-based trust, were questioned. This resulted in a new categorization, namely competence-based, experience-based and identification-based trust.

Finally, some remarks were made on the cooperation types and the contracts. In case of the cooperation types, there may be differences of nuance, resulting in one situation in which

certain trust levels are present and in the other not being present. With regard to the contracts, the statement was made that a transactional and relational contract can be combined in a relationship. For instance, when computers are bought (transactional contract) a service agreement (relational contract) can be part of the deal. This means that aspects of the relationship can be characterized as transactional and others as relational. In line with this remark, the comment was made that in business to business relationships transactional contracts are not common, whereas relational are.

4.1.3 *Conclusions – first round of interviews*

After analyzing the interviews, both the case-part and the feedback part, conclusions on the use of the conceptual model based on the literature study can be made as well as conclusions on adjustments to the model.

The conceptual model has proven to be useful in analyzing problematic relationships. The case descriptions of the respondents are analyzed following the order of the model, starting at the typology of the relationship, leading to certain issues and accordingly to appropriate interventions. All six ‘problem’ cases could be evaluated following this method. In three cases additional interventions were mentioned, these are added to the model.

The feedback from the interviews contained some comments on the conceptual model. One of these comments is essential for the form of the model, namely the applicability of all trust levels to all relationships. In this context the remark was made that the lowest level of trust, competence-based trust, is necessary to be able to start a relationship. To let this be visible in the model, the highest level in the model, the level of relationships, is deleted. This results in a simplification of the model and a better applicability to practice. To make the applicability of trust levels to all relationships visible one respondent advised to make a circle diagram that shows the distribution of the relationships over one level of trust. This option has been taken into consideration, but after careful thought no numerical substantiation could be given for such a kind of representation. Nevertheless, some kind of distribution should be given. This is now shown in a table, in which via a 5-item scale (almost always (++), often (+), moderate (0), few (-), sporadic (--)) a distribution of the relationships over the trust levels is made (See Appendix IX: Relationship distribution over trust levels).

The contractual factor is taken out of the model, since the empirical research showed that the form of the contract did not have any influence on the trust levels. The main reason was that in interorganizational relationships, relational contracts were always present. Transactional contracts could be present, but were always accompanied by relational ones.

The second major comment was a categorization of the interventions, both to make the model more manageable as to make the model simpler. The proposed categorization, behavioural, structural and contractual, seems to fit the interventions listed in the original model. With regard to this classification, each intervention can be used on each issue, but the order of the interventions is different. The categorization can be listed from hard interventions to soft interventions, respectively contractual interventions, structural interventions and behavioural interventions. The soft interventions should be used before the hard interventions, because after using hard interventions soft interventions will not have much impact anymore. The contractual interventions, the hardest interventions available, are, in all cases, used as a last solution to problems, since these interventions are mainly focused on punishment. The choice for the type of intervention also depends on the type of trust present in the relationship. In case of only competence-based trust being present, structural interventions will be more effective than behavioural interventions. The reason is that competence-based trust is measurable, resulting in hard evidence of a failure or problem. Structural interventions or contractual interventions can influence these measurable aspects, like performance results or complaints handling. In case of experience-based trust or identification-based trust, the option to measure problems or failure quantitatively is not present, resulting in influencing the behaviour of the other partner. This is also supported by literature, as Vangen & Huxham (2003) state that *'in socially oriented collaborations, setting up a contractual relationship is not generally an option that is considered feasible. Participants therefore are forced to focus on softer control mechanisms to manage the power relationships'* (p. 14) and as Grandori and Soda (1995) state *'social control among firms may be able to regulate exchanges in which the contribution and performance of each partner, and even that of the whole network, is very ambiguous and difficult to measure so that both contractual and bureaucratic mechanisms are likely to fail'* (p. 199). Next to these statements, supportive argumentation for choosing soft interventions over hard interventions is also given. Zeng &

Chen (2003) state that motivation-based interventions are more cost-effective than structural interventions.

To make the model even more manageable and less open to misinterpretation, per level in the model a main question is given on the left side of the model. These questions lead the user to give the right answers and also lead the user in his thinking.

The interventions that have to be added to the model are escalation, in which the highest management functions from both parties get involved and discuss the problem, and splitting activities, in which the activity people feel not comfortable on including in the relationship, stays within the organization.

On the next page, a small piece of the new model is shown (See Figure 12). The model is based on three levels, the first level being the level of trust that can be measured using the trust questionnaire. The second level shows the issues that can arise in the three trust levels, and finally the third level shows the categorization of the interventions. The first category mentioned, is the category that should be used first to fix the issue. When that does not work the second category can be used and after that the third category. The use of the interventions will eventually lead to either the continuation of the cooperation or the determination. Next to this model, the distribution of the relationships over the trust levels, the trust questionnaire and the intervention list are included, as these are supplements to the model.

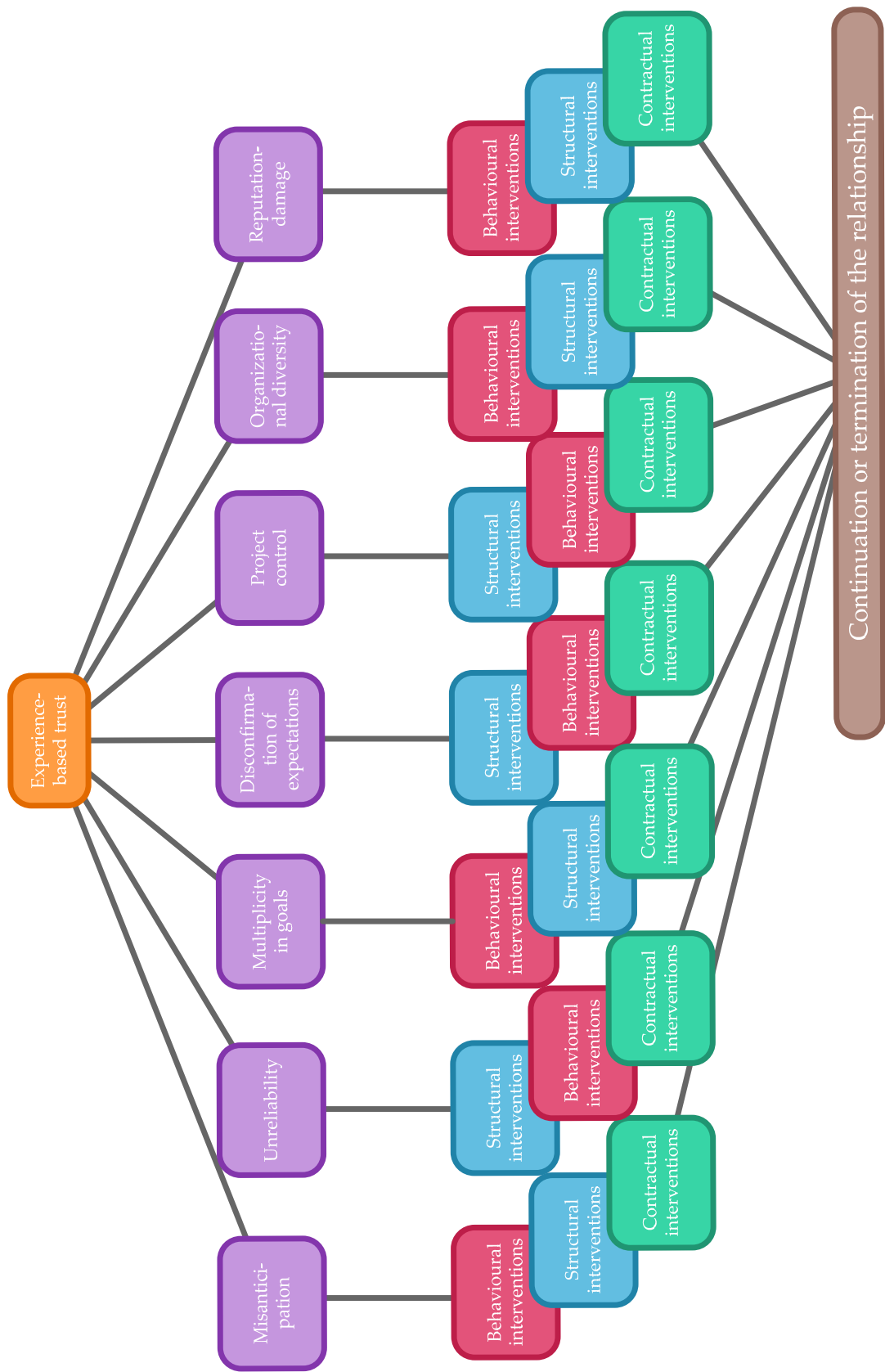


Figure 12 - Part of the conceptual model after interviews

4.2 Results from focus group

This paragraph contains the conclusions from the focus group. Each hypothesis is discussed individually; an introduction on the hypothesis is given, after which the conclusion is presented. The end of this paragraph discusses the adjustments to the model. The presentation used during the focus group can be found in Appendix VII: Presentation Focus Group.

In Appendix VIII: Overview of argumentation on hypotheses of the focus group, an overview of the hypotheses, the argumentation in favour of and against, and the main conclusions are presented.

4.2.1 *Hypotheses*

First hypothesis

The first hypothesis is based on literature, in which trust in a new relationship has to be built from zero. This means trust has to be built from competence-based through experience-based to identification-based trust. It does not make a difference if the organization is aware of any information from the environment about the potential partner.

To deepen the first hypothesis a sub hypothesis is formulated, which focuses on entrepreneurial relationships. Since these relationships are very tight and can often be seen as an alliance, both parties need to feel highly confident about each other. There is for instance a match between cultures.

Hypothesis 1. Trust building always evolves according to the same pattern and will therefore always be built from the lowest level (competence-based trust).

Hypothesis 1a. In an entrepreneurial relationship trust grows from identification-based trust through competence-based trust to experience-based trust.

Trust does not have to evolve from the lowest level (competence-based trust), since potential partners can be recommended (experience-based trust) by others or because there is a match between culture, norms and values (identification-based trust). Nevertheless, in every

relationship the level of competence-based trust needs to be met to make sure competences are present to fulfil expectations. References can also serve as a way of establishing competence-based trust, because these references underline the presence of certain competences. Identification-based trust can also be present when board members or directors know each other. The lowest level of trust must be seen as an assumption, whereas the higher levels need more search work and research to be established. As a side step, the development of trust does not go at the same pace. In new relationships, time is needed to determine the presence of competences, whereas in other relationships this step can be taken faster.

In literature some references to the remark that trust can start at every level can be found. Edelenbos & Klijn (2007) see competence as a source of trust, which means that competences to fulfil the expectations of the other party have to be present to let trust be able to develop. Vangen & Huxham (2003) mention that trust is found in anticipation that something is forthcoming (a certain goal) or in past satisfactory experiences.

The conclusion is that trust can start at all levels, but a certain secure feeling on the competences has to exist before considering starting a relationship.

Second hypothesis

The second hypothesis focuses on the objective of the relationship. This objective is more important than maintaining the relationship and must be achieved at all costs.

Hypothesis 2. The focus in an interorganizational relationship is purely on the achievement of the objective the relationship is started for and maintaining the relationship is not a goal per se.

The relationship is generally subordinate to the objective, but it depends on the strategic importance of the relationship. If this importance is not that big, a relationship will be subordinate. If the importance is big, the relationship is not subordinate and maybe the objective is. It can even mean that the objective has to be adjusted to maintain the relationship. Nevertheless, in business the objective will be more saintly than the

cooperation, because of the business aspect, while in politics it is likely that the relationship is more important than the objective. A remark that has to be made is that, if you focus on the objective and exclude the relationship, the relationship will most certainly be over after achieving the objective.

The conclusion is that attention has to be given to both the objective and the relationship, but the balance between the two depends on the strategic importance of the relationship.

Third hypothesis

The third hypothesis states that a functional relationship can only be based on either a previous relationship or detailed information from the environment.

Hypothesis 3. A functional cooperation is based on experiences with the other party or its reputation (experience-based trust).

Previous experiences with or the reputation of the potential partner are definitely of importance for a functional cooperation, but not solely. The vision on how to conduct the new project is of major importance. A match between the customer organization and the service provider is vital. This match is better with one company than with the other, regardless of the previous experiences or the reputation. It also depends on the form of cooperation, either just trust in competences is necessary to make a cooperation work or the match needs to be bigger. Nevertheless, in selecting a service provider reputation and previous experiences do play a role. When a name of a company is familiar, trust in this organization will be easier and faster established than when a company is unknown.

The conclusion is that reputation and experiences are important in selecting a partner for a functional cooperation, but not solely. A match in vision and a match with the form of cooperation are also important.

Fourth hypothesis

In transactional relationships trust does not get the opportunity to evolve to a higher level of trust than competence-based trust. It is also not a necessity, since the relationship has a short-term focus.

Hypothesis 4. In a transactional cooperation only competence-based trust is present.

Only competences are not enough. In this form of cooperation, the transactional relationship, the competence-based trust level will play, with regard to the other cooperation forms, the most important role. In some cases, only competence-based trust can be enough, for instance, in just delivering capacity, but in others trust can evolve over all levels.

The conclusion is that competence-based trust will play the most important role in a transactional cooperation, but the other levels of trust are also relevant.

Fifth hypothesis

Without all levels of trust an exploratory relationship cannot be successful, since parties are not open and willing to exchange information. This does not result in new, innovate ideas.

Hypothesis 5. In an exploratory cooperation all levels of trust are necessary.

In cooperations, in which knowledge and information have to be exchanged or shared, trust has to be present on all levels of trust. The risk of opportunistic behaviour or indiscretion from the other organization might be too big. In an exploratory cooperation the future is not clear and not certain, this means that trust has to be high at all levels to be able to take such a step.

The conclusion is that all levels of trust are necessary to be able to cooperate successful in an exploratory relationship.

Sixth hypothesis

Hypothesis six focuses on the sharing of sensitive business information. A relationship with a clear long-term perspective is not a necessity for sharing this kind of information. It can also take place in a short-term or one time relationship.

Hypothesis 6. A collaboration involving the sharing of sensitive business information can be based on a transactional relationship.

In case of sensitive business information certainty on careful handling by the other party is vital. Insecure feelings are not helping in establishing a cooperative relationship. In a transactional relationship bonds are not very tight and not all levels of trust are by definition present. This means that parties will not feel confident in sharing sensitive business information, since the risk of abuse or indiscretion is too high.

The conclusion is that sensitive business information will not be shared in a transactional relationship, because the risks are too high.

Seventh hypothesis

Hypothesis seven states that hard interventions are more common on a lower level of trust and soft interventions on a higher level of trust. At a higher level of trust it is more important not to damage trust.

Hypothesis 7. In competence-based trust the common interventions are structural and contractual interventions and in identification-based trust behavioural interventions.

At the level of competence-based trust a company is kept to its contract and the other party will monitor and manage the relationship on those points. At the level of identification-based trust softer, more difficult to measure points play a big role. When a company is kept to the contract trust will decrease, because it leads to direct intervention in the cooperation. Next to that, it depends on the strength of the relationship; one relationship can have more than another.

Interventions can be categorized according to the classification in behaviour, structure and contract. This is also the order that has to be followed in picking an appropriate intervention. When an intervention on one level (behaviour) is not working, the next level (structure) can be addressed and finally the contractual level.

The conclusion is that a categorization in interventions can be made, and that in case of identification-based trust softer interventions are more appropriate than hard ones.

Eighth hypothesis

In unequal (asymmetric) relationships damaged trust cannot be fixed, since there is a certain power imbalance. When trust is damaged, the powerful party will act in such a way that the relationship is preserved, but will be based on the power imbalance and not on trust.

Hypothesis 8. Sourcing is by definition an unequal relationship, with the result that damaged trust cannot be fixed.

Damaged trust can be fixed, but effort has to be put into it. Interventions have to be used to fix trust, but what interventions are appropriate depends on the issues. A sourcing relationship is not by definition an unequal (asymmetric) relationship. It is possible that one of the parties is dependent on the other, but there are also examples in which both parties are equal. One example is an open source community.

The conclusion is that damaged trust can be fixed and that not all sourcing relations are unequal.

Ninth hypothesis

Only when both parties are totally committed and open, there is a chance that a relationship will become successful. It is necessary for trust to grow to the highest level.

Hypothesis 9. A successful outsourcing relationship can only be achieved through full commitment and openness of all parties.

Openness and commitment are important in an outsourcing relationship, but complete openness and full commitment are not always a necessity. This depends on the strategic importance of a relationship. The higher the strategic importance, the more commitment and openness (transparency) are needed to be successful.

The conclusion is that strategic importance of a relationship determines the need for full commitment and complete openness.

Tenth hypothesis

The final hypothesis focuses on the distinction between simple and complex relationships. In complex relationships more aspects play a role and there is more at stake. This may mean that more issues will arise if a party fails to meet the requirements.

Hypothesis 10. Simple relationships, by definition, lead to fewer issues than complex relationships.

Issues are easier visible in simple relationships than in complex ones. In case of the latter, political games play a role. Organizations do not want to make a bad impression, leading to a cover up of issues. Next to that, complex relationships are most often long-term relationships. In these relationships, issues have more time to occur than in short-term relations.

Nevertheless, the better a relationship, the easier it is to discuss issues, because the relationship can take more. It is also important to evaluate the damage issues can cause and be aware of it, before discussing issues with the other party.

The conclusion is that complex relationships have more opportunities for issues to occur, but there might be cover up of issues, since organizations do not want to get a bad reputation.

4.2.2 *Focus Group Conclusions*

After listing the conclusions per hypothesis and showing argumentation in favour of and against the hypotheses (See Appendix VIII: Overview of argumentation on hypotheses of the focus group) general conclusions can be drawn about the model, adjustments to the model and trust topics. The conclusions are presented below.

One important conclusion from the focus group was that trust can start at all levels of trust. This conclusion is already visible in the model, because no level is placed above the trust-levels and no guidance is given on the order of the three levels.

Another major conclusion was that interventions on identification-based trust have to start with behavioural interventions. This is adjusted in the model by placing behavioural interventions above all other interventions.

A final important remark made, was that the strategic importance of relationships determines the amount of commitment and openness. This means that strategic importance indirectly influences the trust level necessary within a relationship. It is therefore important to determine the strategic importance at the same time as the questionnaire on the trust level is used. The outcome of the questionnaire can then be linked to the strategic importance, and conclusions on what level of trust is necessary can be drawn more easily. A point that can be seen in this light is the conclusion on whether sensitive business information can be exchanged or shared in transactional relations. This is not the case, since the risk of being taken advantage of is too high.

Based on the focus group some confirmations of earlier findings were found. First of all, the categorization (behavioural, structural and contractual interventions) and order of the interventions (from soft to hard) were seen as good and logic. A second confirmation was that trust can be fixed, which was also a conclusion based on the interviews and literature study. Also confirmation on the importance of factors for the trust level within a relationship was found. Reputation and experiences were seen as the most important selection criteria in functional cooperation. The other trust levels play a role at a later stadium. Selection for a

transactional cooperation is mainly based on competence-based trust, and this trust level will play the most important role in that relationship, although the other trust levels can be or are visible as well. Within the other two cooperations, exploratory and entrepreneurial, all levels of trust are seen as highly important and necessary for the cooperation to be successful. Finally, the focus group confirmed that in complex relationships more issues are present, but these issues might not come to light as easily as in simple relationships. This is also visible in the model, as identification-based trust has more issues than competence-based trust.

4.3 Results from 2nd round interviews

The second round of interviews was focused on the model; questions on missing elements, additions and applicability were asked. Two respondents are interviewed; they were selected based on their knowledge of the field. One respondent also took part in the first round of interviews.

Both respondents named the personal-based trust as a missing element in the division of trust. This research focuses on the interorganizational trust, dividing trust in three levels, namely competence-based, experience-based and identification-based trust. Personal-based trust is an important element, but this is not where the focus of this research lies on. This point is addressed in Chapter 6 Discussion.

Another important point that is missing in this research, according to one of the respondents, is the division between trust and control as methods to intervene in a relationship. This point is also addressed in Chapter 6 Discussion.

Additions to the model are mainly focused on the categorization of issues and on the interventions. During the interviews a proposition by the interviewer was made on whether to categorize issues in task-issues, process-issues and relation-issues. Both respondents found the categorization useful, but not as replacement of the issues in the model. This would make diagnosis of issues more difficult. Nevertheless, for consultants a categorization of issues would be used to be able to identify groups of issues. The step to the specific issue would then be easier made.

With regard to the interventions, both respondents said interventions were not chosen exclusively, but in a mix to make the impact bigger and be more efficient. A missing intervention is 'Getting familiar'. One respondent named this intervention and would place it under the heading of personal-based interventions, but because this level is not present in the research the level of behavioural interventions is the most appropriate. Two interventions need to be redirected to a different intervention category; sharing of property rights is not a behavioural intervention, but a contractual intervention, and escalation is also not a behavioural intervention, but a structural one. Finally, at the end of each intervention category the addition of (...) is useful, to indicate that the presented list is not complete.

The interviews also led to confirmation of some earlier conclusions. Trust is necessary in a relationship. As one of the respondents mentioned, based on his PhD research, many leaders in health care and the building sector state that missing trust or violating trust is the worst thing that can happen in a relationship.

It also led to disconfirmation of a conclusion based on the focus group. In the focus group, the overall consensus was that damaged trust could be repaired at all times. One of the respondents mentioned that this is certainly not the case at all times. In most cases it is possible to repair damaged trust, but in some situations actions come too late or the relationship never had much perspective for success.

During the interview some remarks about the applicability of the model for the consultancy world were made. The current version of the model is more transparent, better understandable and improved compared to the first version. The model would be more widely applicable if the aspect of personal trust would be taken into account, since all trust levels are then covered. A kind of roadmap should be developed for consultants to make the model useful. An example can be to use questions to guide the consultant through the process of identifying issues and choosing interventions. It is important to respect the assessment competences of the consultant to judge the situation in the right way. Leading questions can help with that, but the roadmap should not give direct, clear cut answers. Each situation is unique and a model for the consultancy world should meet these aspects.

5 Conclusion: Trust is the Key

5.1 Introduction

Trust is the key to success, to collaboration, to harmony. This research started with the finding that changes in the environment led to more collaboration among firms and that in collaboration trust is an important factor for success, since it reduces the possibility of conflict among the cooperating parties. Having trust can lead to a lot of advantages over not having trust, and to profit fully from these advantages potential issues have to be solved. Potential issues can arise when parties do not negotiate certain topics extensively enough or one of the parties is not committed enough to make the cooperation a success. Interventions can be used to solve these kinds of issues, resulting in an increase in the trust level or at least in stopping the process of trust deterioration.

In many cooperations some kind of trust issue plays a role and it is useful for the functioning of the cooperation to solve these issues. The goal of this research was to develop a model that identifies interventions that can solve trust issues in interorganizational collaboration. This model is based on an extensive literature study, nine interviews and one focus group. Based on this information several conceptual models were developed and the final model is presented here, in the conclusion. The research questions presented in Paragraph 1.3.2 are answered in the literature study and are not being discussed in this main conclusion. The research objective, the developed model, is discussed here.

5.2 Trust Intervention-Model

Based on the literature study and the feedback received during the interviews and focus group the first conceptual model evolved to the final model presented on the pages 81 and 82. The Trust Intervention-Model is based on the three levels of trust described by Lewicki and Bunker (1996); calculus-based trust, knowledge-based trust and identification-based trust. During the interviews the constructs used to indicate the levels were found to be misleading, resulting in a new typification, competence-based trust, experience-based trust and identification-based trust. These three levels form the foundation of the model.

The issues were linked to the model based on the trust level they fell into; some issues played at the level of competences, some at the inability to predict behaviour, which matches with experience-based trust, and some with not having enough insight in the norms, values and principles of the other party. After this matching process, evaluation during the two distinct rounds of interviews took place, resulting in the final match between the levels and the issues. A list of all issues and their definitions can be found in Appendix X: Issues definitions list – supplement to the model.

Individual interventions were initially directly linked to the issues, but after gaining insight from the practical field, one can conclude that each intervention can be used to tackle each issue, which means that the linking of individual interventions to issues was not useful. Nevertheless, some types of issues are more appropriate and should therefore have priority. To visualize this in the model, the issues were categorized in three categories: contractual, structural and behavioural interventions. These categories can also be scored from hard to soft. The overall consensus based on the empirical research is that priority should be given to the softer interventions. The individual interventions and their definitions are listed in Appendix XI: Interventions definitions list – supplement to the model.

Besides the conclusion that all interventions can be used to solve all issues a second important conclusion can be made; success of intervening in a cooperation is based on a balanced mix between several categories of interventions. Nevertheless, one category of interventions should be given priority. This 'priority' category should, in any case, be included in the mix, since this category has the best influence on the issue at stake. In the model the 'priority' category is listed first.

The initial first conceptual model contained more levels than the final model. A very important conclusion in this research is that every level of trust can be present in every kind of relationship, whether it is a client – supplier relationship or an alliance. The difference is found in the importance of the different levels. Some relationships do not need full trust at identification-based trust level, since the effort needed to reach this is too high to be profitable. Some trust at this level can be of great importance when issues arise, since parties

better understand each other's position. For the model this means that the level of the different types of relationships is not useful, only the note to the user of the model that every relationship can contain every level of trust.

Lewicki and Bunker (1996) state that trust can only develop following a pre-defined path, namely from calculus-based trust (competence-based) to knowledge-based trust (experience-based) and finally to identification-based trust. In theory, this might work, but in practice, this is certainly not the case. As the interviews and the focus group have shown, trust can start at every level of the trust development levels. Nevertheless, the second step in the development of trust will always be competence-based trust. This level of trust is necessary for a firm foundation of collaboration. During the interviews and focus group examples were given in which trust started at identification-based trust level, because key figures in the relationship knew each other. This personal familiarity can help develop trust in cooperation between organizations.

An important conclusion based on the focus group is that strategic importance is of great influence to determine what level of trust is necessary to make a relationship successful. Strategic importance of a relationship determines the level of commitment and openness of the partners in a relationship. If the strategic importance is low, commitment and openness will also be low and vice versa. This factor, however, could not be visualized in the model. This means that, together with the questionnaire, the strategic importance of a relationship should be determined.

In literature many authors state that trust is necessary in relationships; not only to develop relationships, but also to sustain them. This conclusion is confirmed by the practice. During the interviews and the focus group the consultants agreed that trust is necessary for relationships and their success.

A last important conclusion in this Master Thesis is that contract does not play a role in determining the level of trust or the development of trust. The empirical research resulted in the conclusion that transactional contracts have no role in interorganizational relationships;

relational contracts are the common form in these linkages. This means that the factor 'contract' is left out of the model after the empirical research took place.

5.3 Application of the model

As mentioned, the final model contains three levels; the trust-level, the issues-level and the intervention category-level. To determine what issue is at stake in a relationship the trust measurement questionnaire and an interview can be used. The questionnaire gives a global impression on what level of trust problems can or are arising. Nevertheless, the questionnaire does not say what particular issue is present. It can also indicate if the information obtained during an interview is complete, or whether there are more problems present in the relationship. Finally, the questionnaire gives insight on the development of the three trust levels in a relationship.

The interview is needed to determine the specific issue or issues that are influencing the relationship. During this interview information on the history, the causes of the issue and already used interventions need to be obtained to be able to determine what appropriate interventions can be used.

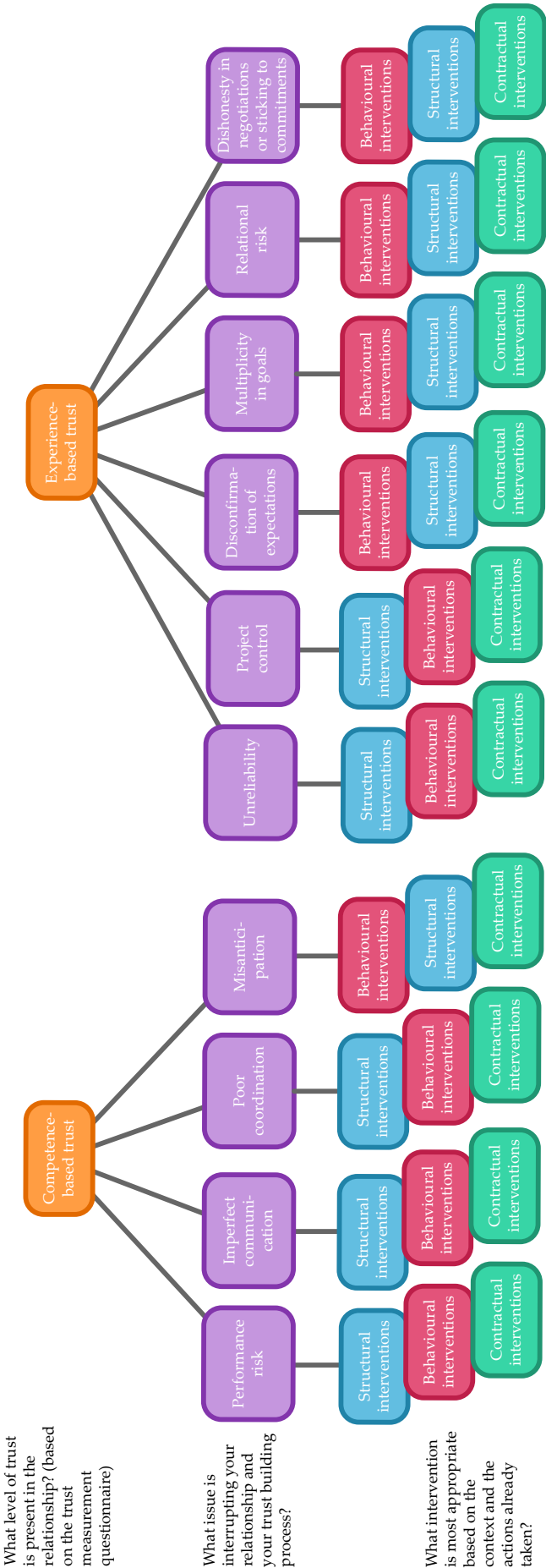
The model can thus either be used as a diagnostic model to see where the problems in the relationship are present and as an identification tool to see what levels of trust are present in certain kinds of relations and what issues could become reality in those relationships.

5.4 Usefulness of the research

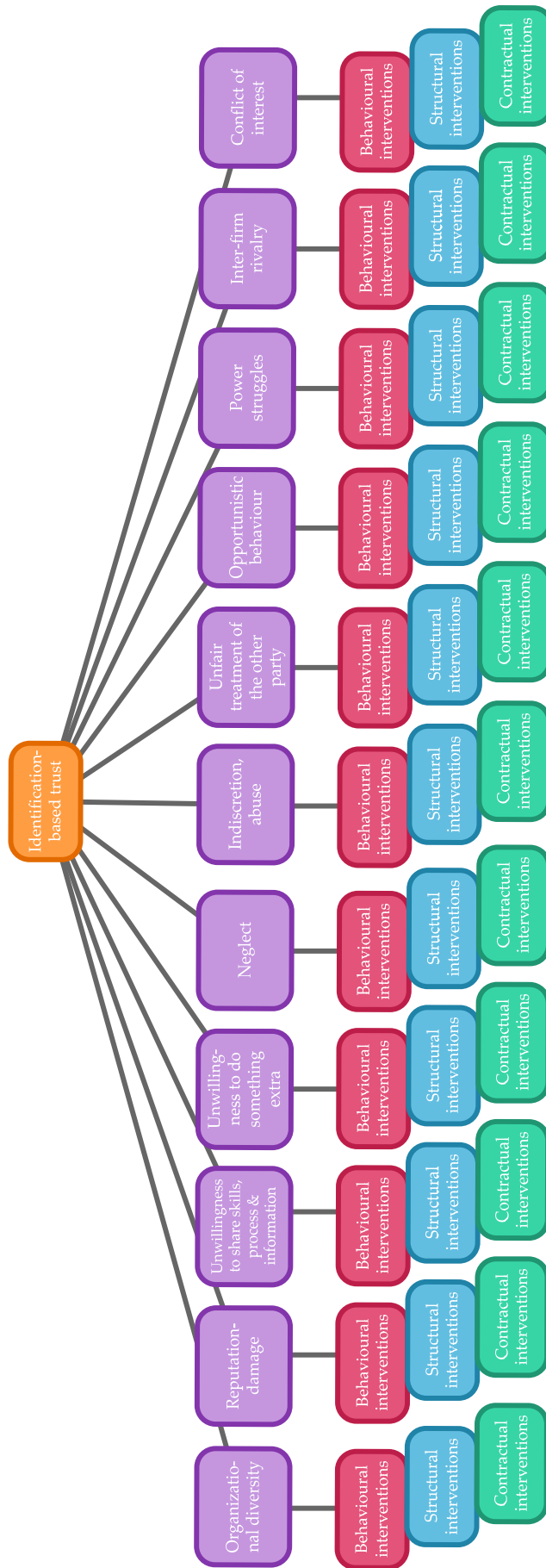
The strength of this research can be found in its exploratory character. It gives an overview of different literature on the topics of trust, collaboration, issues and interventions, and combines these to one overall model that can be used in practice. It creates awareness that trust is important in every relationship, how big or small it might be.

The literature and the empirical evidence are combined in a final model, the Trust Intervention-Model. Such a kind of model has not earlier been presented in the academic field, which makes this research unique in its kind.

Final version: Trust



Intervention - Model



6 Discussion

This section contains the discussion on this research. First, the main research objective, the approach and a summary of the main conclusions, extensively discussed in the previous chapter, are presented. After that, the limitations of this research are discussed and suggestions for future research are given. A recommendation for the consultancy world is given in the form of a second new model. Finally, two extensions to the research are presented.

6.1 Research objective, approach and main conclusions

The research objective was to design a model that identifies interventions to solve trust issues in interorganizational relationships. The approach used to design this model was a literature study on the topics of trust, issues, interventions and collaboration, a first round of interviews, seven in total, a focus group with six consultants and finally, a second round of interviews with two key experts on the subject of this Master Thesis. All participants are consultants of Twynstra Gudde.

In this research the focus was solely on trust between organizations and the personal factor was not taken into account. Next to that, other factors determining the success of a relationship were also not incorporated in the research. The assumption was made that trust, the resulting issues and interventions could be studied apart from the organizational, relational and personal context. The main reason was to limit the scope of this research.

The main conclusions, besides the presented model, are that trust can start developing on every level of trust and does not necessary has to start at the lowest level; trust is present and necessary in all types of relationships; and interventions on trust issues are based on a mix of interventions and not on one intervention solely.

6.2 Limitations

In this research the focus is on trust issues playing a role in troubling a relationship. Interventions to deal with these issues and to make the relationship a success are also initiated from this focal point. Nevertheless, other issues, not related to trust, can play a role in troubling a relationship as well. Interventions to solve these kinds of issues can have a different character than the ones presented in this Master Thesis. It also means that creating or enhancing trust is not the only variable that has an influence on the success of a relationship. The choice for a focus on trust is made carefully and a demarcation was necessary to limit the research scope.

A second focal point in this research is the choice for interorganizational relationships between customer organizations and service providers, leaving network settings aside. This means that the conclusions based on this research might not be applicable to network situations or issues and interventions presented here might not be the same for networks. Again, this demarcation is made to limit the scope of the research. Nevertheless, awareness of a different outcome because of this demarcation is present.

In the literature study some choices are made to categorize relationships and trust. A different choice for the categorizations may have led to a different outcome of this research. The choice for the categorization of the relationships was mainly driven by the fact that this categorization is developed by three consultants of Twynstra Gudde and is therefore commonly used by Twynstra Gudde. Since the model needed to be applicable to their businesses and their tools, the choice for this categorization was logical. Nevertheless, other sources of literature are consulted and linked to the categorization used by Twynstra Gudde to see whether it covered the whole range of relationships. The choice for the categorization in trust levels was mainly based on the fact that almost all categorizations matched this one and it seemed the most marketable method.

A major limitation of this research is the sole use of consultants of Twynstra Gudde for the interviews and focus group. Other, external, consultants might have given different insights in the trust issues and interventions based on their practical experiences of working in a different organization, a different sector and with different clients. The choice to only used consultants of Twynstra Gudde might have resulted in a limited vision on the research topic. Nevertheless, the model needed to represent the way Twynstra Gudde looks at trust, trust issues and interventions. The presented model needed to match their working methods and that was only reached by solely focusing on Twynstra Gudde consultants.

During the interviews, consultants were asked to discuss a case that had some kind of trust issue. The cases presented, resulted in certain conclusions about the model, the list of issues and the list of interventions. When the consultants had selected different cases the outcome of the interviews might have been differently, since different cases might not have led to the same conclusions. Another limitation, linked to this point, is the selection of the consultants. The consultants selected were from the fields of IT, HRM and Facility Management. Other consultants from other fields of

expertise might have presented different cases with specific issues and interventions for their fields of expertise. Besides that, they also might have given different feedback to the model based on their view influenced by their working field. This might have resulted in a limited view on the Trust Intervention-Model.

6.2.1 Methodological limitations

The methodological limitations are focused on reliability and on internal, construct and external validity.

Construct validity

Construct validity is the correct operationalization of the concepts used. In this research various sources of literature were used to operationalize the concepts. The different literature was combined to form an operationalization that was as complete as possible. Nevertheless, the literature study might have been incomplete, meaning that other literature sources might have led to a different operationalization of the concepts in this research.

Internal validity

Internal validity focuses on the presence of a causal relationship, in which certain conditions lead to other conditions. Falsification took place during the literature study, the interviews and the focus group. Next to that, by using data-triangulation, in which several methods are used to collect data (interviews and focus group), the probability that the identified causal relationship is present, is increased. Nevertheless, some causal relationships are not proven, like does trust result in a certain relationship type or does a certain relationship type determine the trust level. This point is also addressed in the suggestions for future research.

External validity

The external validity is the generalizability of the study's findings. In the research consultants from different business units were interviewed and took part in the focus group to ensure applicability to a larger area. The first interview group and the focus group were both unique in that no consultant taking part in one activity took part in the other. In the second interview group one consultant also took part in the first round of interviews. The generalizability can, however, be questioned, since the fields of study only contained IT, HRM and Facility Management. Next to that, the focus was on customer organizations and service providers. Networks settings were left out of the research. This means that this research is only applicable to the fields of study that are

addressed in this Master Thesis. Other fields need a new research to see if application of the model is also possible there.

Reliability

Repeating the study with the same results is the reliability of the research. The data that were obtained during this research are recorded. The same interview protocol is used during each interview, and the consultants received the same information before an interview or before the focus group. Nevertheless, the objectivity cannot be determined, since there was no second coder. This means that when the study is repeated, it might result in different outcomes than in this research. However, by recording the interviews, by making the literal transcripts, by using the encoding schemes and by the rereading, analysis is done as carefully as possible.

6.3 Future research

In this research the presented model is not tested in practice, which means no conclusions on whether the model works can be given. Future research on the practicality and applicability of the model can be done by case study research. The model as a whole can be tested, to see whether the followed path is workable, but subparts of the model can also be tested in case studies. A focus on the list of issues can be useful to see whether the issues mentioned are complete, what issues are more often present, under which conditions and in which relationships. A focus on the interventions might also be of value to see what effects the interventions have and under what conditions a choice for an intervention is made. Research on what mixes of interventions are common and successful can also be valuable in helping organizations choose the appropriate mix.

A second main focus for future research can be to look at other factors that influence the success of a relationship. Research can be focused on making an overview of all success factors and their influence on the relationship. For instance, what happens when one of the factors is not present? Or the focus can be on one specific factor, and research can look into common issues and how to deal with these problems.

A third possible subject for future research is the testing and extending of the trust measurement questionnaire. The questionnaire can be extended to make it more useful to identify specific issues, in other words, to make it more concrete in its diagnosis. Testing the questionnaire is needed to see whether the questionnaire is valid, whether it is measuring what it should be measuring.

The fourth example for future research can be focused on the causal relationship between relationship type and trust level. In this research the question on whether the relationship type determines the trust level or the trust level determines the relationship types was not addressed, although it is quite a fundamental question to be able to design a research. Future research can focus on this question by using case studies to see which factor was first present or by using an experimental setting to construct both possible starting points.

A second point with regard to relationships, and the fifth option for future research, focuses on the role the relationship type plays in the development of issues. In this research issues are only linked to the trust level and the type of relationship is left out of this linkage. Nevertheless, this factor, the type of relationship, can be of great influence and can also lead to certain issues. Besides this, a possible link between certain types of relationships and levels of trust can result in specific issues that can arise. This focus for future research can be very interesting, because it can result in adjustments to the model that can make it more matching to reality.

Another topic for future research is also related to the issues. In the Trust Intervention-Model presented in this research several issues are mentioned as potential problems in a relationship. These issues are not on the same level; some are more generic than others and in some cases issues can be seen as sub issues. It can be useful to explore the gradation of issues and adjust the model accordingly. It will help in identifying issues better and make the problem analysis more specific.

The seventh suggestion for future research can also be placed in the light of case study research. A question that arose during this research was: 'What if trust does not improve by using an intervention? Is the focus then on goal achievement or on preserving the relationship?'. In case study research this question can be studied. During this research two important factors that can play a role in answering this question are identifying; strategic importance of the relationship and commitment to the relationship. A third important factor can be the future perspective of the relationship; if there is a future possibility that a new assignment will be given then the focus might be more on preserving the relationship than purely on goal achievement. In future research this is a very interesting question to tackle.

In the empirical research no conclusion could be made on whether trust can or cannot be fixed. The focus group was unanimous about the possibility to fix trust, but in the second round of interviews one consultant did not agree. Future research could be focused on case study research, looking at factors why trust was not fixed in certain situations.

Finally, the last suggestion for future research is focused on a fourth level of trust, namely personal-based trust. This trust level is not incorporated in this research, since the focus is on business-to-business trust, also called interorganizational trust. Nevertheless, personal-based trust can be of great influence in an interorganizational relationship, since the characters of the persons involved need to match to make cooperation between these persons possible. Issues between these persons can have an influence on the success of the cooperation and need to be identified to understand the functioning of cooperation. Besides that, trust can only exist when the people involved in the organizations feel trusted and think the other party can be trusted. This means that trust cannot be created solely by putting certain systems or structures in place, the people involved are the key factors in whether or not trust is present in a relationship (Zaheer, 1998). Nevertheless, systems and structures can help create a context for trust to develop, like contracts and regulations to enlarge predictability of the actions of the other party. Future research can be focused on this topic to see what the exact influences are and whether it would change the model and the list of issues and interventions.

6.4 Recommendation for consultancy: A Consultancy Model

This paragraph contains a direct recommendation for the consultancy world. During the second round of interviews the suggestion was presented to both respondents whether a categorization of the issues would be useful. This would certainly be the case, but not in the final model presented in this research. It should not be linked to trust levels, but the categorization of the issues should be the starting point.

The categorization is focused on task, process and relation issues, and the issues identified in this research can be categorized using these three concepts. Task issues are generally focused on a difference in judgment on the best solution to achieve organizational objectives; they are mainly focused on competences to complete the task. Process issues arise mainly, because there are differences in opinion on roles, responsibilities and resource requirements; they are mainly focused on differences in the view how tasks are accomplished. Relation issues are more emotional

and inter-personal focused; they are about incompatibilities or disputes in the personal field and lead to hostility, distrust and other negative emotions (Panteli & Sockalingam, 2005). This results in a new model, presented on page 90. The model is based on the three categories of issues, and the individual issues are linked to them. Finally, for each category the preferring intervention category is given. Nevertheless, also with regard to this model a mix of interventions is necessary to reach the best result. The preferring categorization should be seen as the category that should get the highest attention in selecting appropriate interventions.

A six-step intervention plan can be developed which includes the presented model on page 90. The first step to be taken is to identify the client question: Investigate the trust aspects in this relationship. The second step is to check the issues presented in the model to see what issue is at stake in the relationship. This can be done based on an interview and the questionnaire on page 27. The third step should focus on the awareness whether it is really a task, process or relation issue that has been identified in step two. If not, the consultant should identify what is really going on. In the fourth step possible underlying issues are to be identified and in the fifth step the relevant organizational and relational characteristics to solve the problem should be listed. Finally, in the sixth step, appropriate interventions can be chosen from a spectrum of interventions.

Six Step Intervention Plan

1. Identify client question
2. Check which issue(s) are at stake
3. Is it a task, process or relation issue?
4. Are there underlying issues?
5. What are the relevant organizational and relational characteristics to solve the problem?
6. Select from the spectrum of interventions an appropriate mix to solve the issue

This model does justice to the intelligence of a consultant by not giving concrete answers to certain questions, but only suggestions or guidance. The consultant can apply the model in his or her own way, with regard to the uniqueness of each situation.

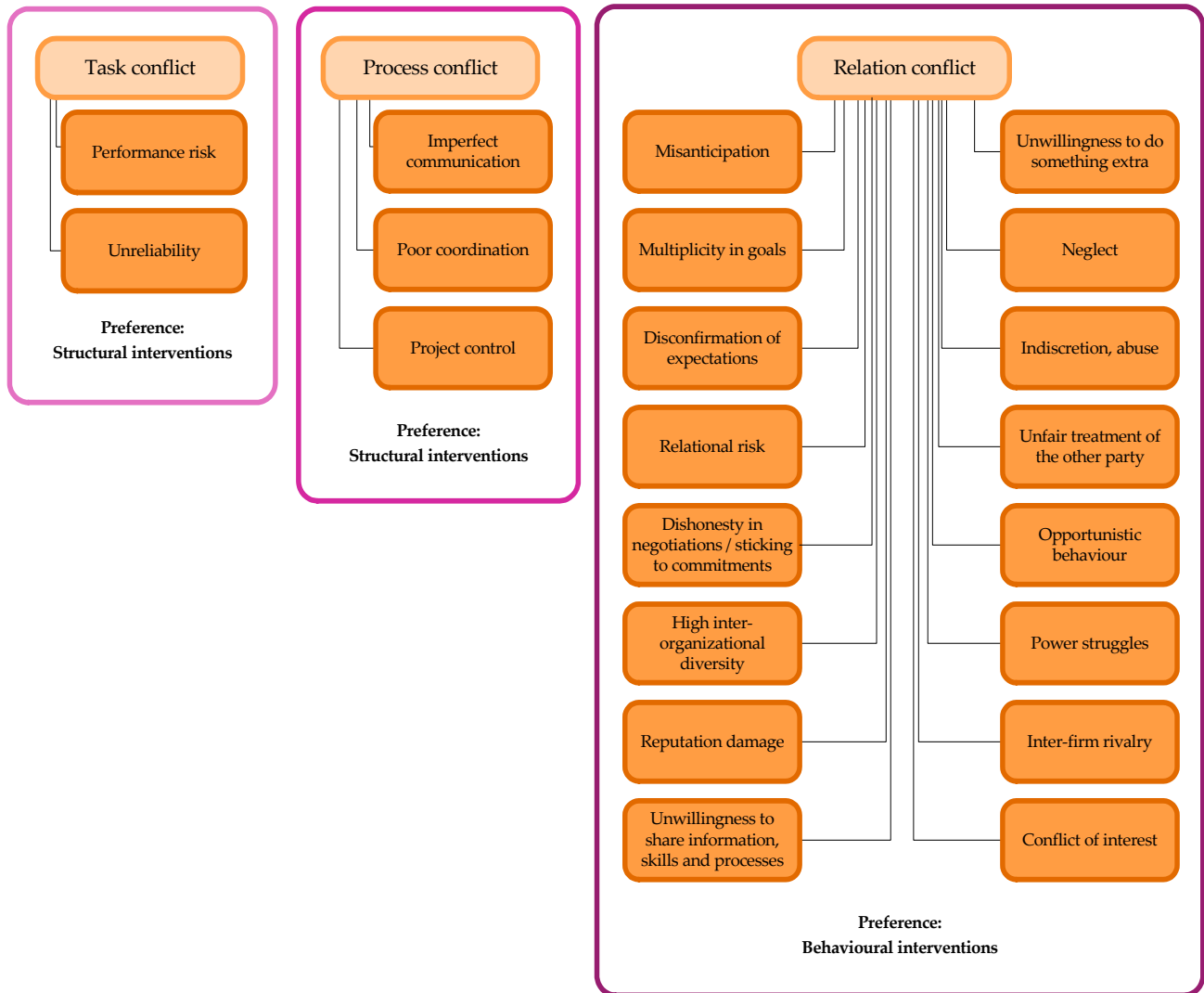


Figure 13 - Consultant model

6.5 Extensions

In this special section in this Master Thesis two extensions on the research are given that could not be included in the research itself. It contains a part on factors that influence the selection of a certain intervention and a part on the distinction between trust and control, a different way to choose interventions.

6.5.1 *Conditions for selecting interventions*

In choosing what interventions are most appropriate more aspects play a role than solely the trust level and the issues at stake. Seven factors can be seen as influencing the appropriate mix of interventions. These are the culture of both organizations involved, their business structure, the relationship structure, the atmosphere within the relationship, the strategy concerning the relationship, the sector both organizations are in and finally the persons involved in the organization.

This list of conditions is not complete, but during the second round of interviews information on these conditions was obtained to see if the list was applicable. This seemed to be the case. The conditions should be seen as considerations when selecting a mix of interventions. Some interventions are more likely to suit an organization with a formal structure and atmosphere and others are more appropriate in an informal setting.

6.5.2 *Trust and control – a different approach to choose interventions*

In an alliance the choice can be made between two types of governance, either with a focus on control or with a focus on trust. The control focus mainly sees opportunistic behaviour as the problem in an alliance, whereas the trust focus sees the cooperation as the main goal. In case of the first, people act based on self interest and some form of conflict of interest between the parties exists. In case of the latter, cooperation can help accomplish complementary goals. Central in the control approach are strategy, structure and systems, whereas in the trust approach purpose, people and process are the key words. Both approaches have some advantages and disadvantages that are listed in Table 6 (De Man, 2006).

Table 6 - Advantages and disadvantages of the control and trust approaches (De Man, 2006: 32)

	Control approach	Trust approach
Advantages	Vigilance Discipline	Connects alliance with individual aspirations Works energetic Lower coordination burden
Disadvantages	Limits value creation, flexibility and creativity Overstructuring can lead to lower performance Focus on rules instead of on targets The more rules, the more opportunism	No correction mechanism for free-riding and opportunism Financial uncertainty Fit with goals of the partners can reduce Group think leads to strategic rigidity

In a relationship both approaches are needed for success, since each approach deals with conflicts of the other approach. There are some factors that can influence the choice for an approach: difference in culture; management philosophy and style; alliance goal; business context; importance of the alliance; potential damage of broken relationship; and experience with each other and dynamics of an alliance. Nevertheless, two main elements determine the choice between one of the two approaches most; relational uncertainty and business uncertainty. Relational uncertainty focuses specifically on the relationship, for instance, uncertainty about the behaviour of the other party. This type of uncertainty can be reduced by control. Business uncertainty can develop due to an increase in competition; it is not reduced by control since none of the parties has influence on this type of uncertainty. The only approach that can increase confidence is trust (De Man, 2006). When combining relational uncertainty and business uncertainty four quadrants are visible (see Figure 14). In each quadrant a different focus on trust and control is chosen. As a guide in making the right decision the following rules can be useful:

- The trust approach should be selected when the importance is not very high and when the costs of control are high
- The control approach should be selected when the importance is high and when the costs of control are low

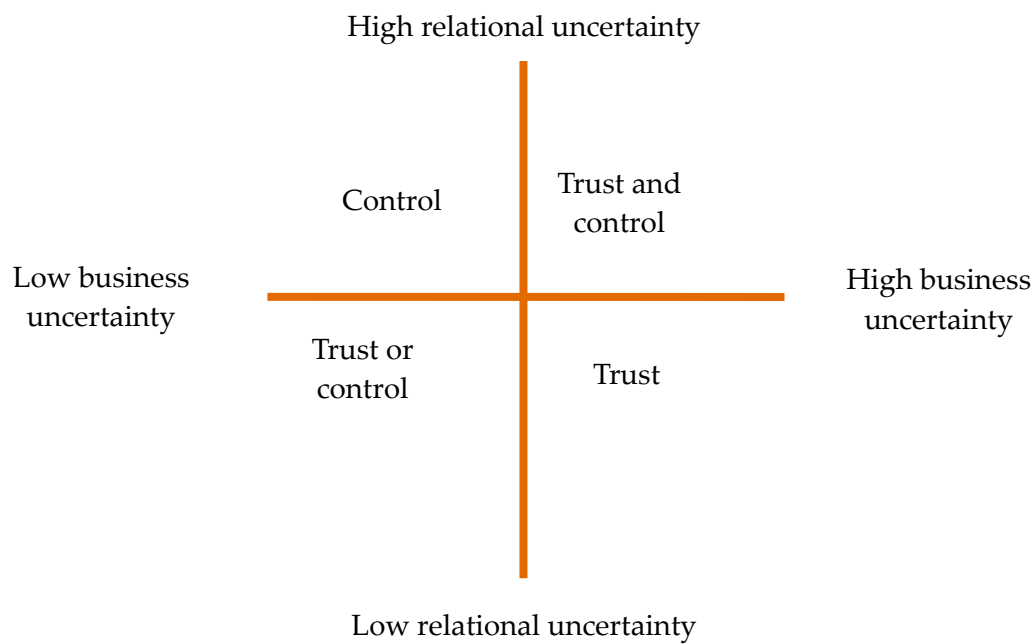


Figure 14 - Control, trust and the uncertainty within alliances (De Man, 2006: 117)

Although the focus of Pieter de Man (2006) is on alliances, the distinction between trust and control can be useful in every relationship. In relation to this Master Thesis a link can be found between the trust and control approach. This Master Thesis focuses on trust, but the control approach can be found in the interventions list. To structure and more or less regulate trust some forms of control can be useful; it can prevent issues from occurring.

7 Application: An Outsourcing Relation with Trust Issues

This extra Chapter contains a first insight into possible future research. A brief example is presented on how a case study can be conducted. First, a short introduction is given on case study research and outsourcing, the focus of the relationship in the case. After that, a case description is presented, in which the actors, the context, the history and the relationship are discussed. This is followed by a problem analysis and an overview of the used interventions, both followed by an analysis. At the end, a conclusion on the followed path is given and the recommendations on how to deal with the current situation are summarized.

This case differs from the cases used in the first round of interviews, since here the model is used for the assessment of the case, where in the previous ones, the cases helped developing the model.

7.1 Introduction

The model will be illustrated by a case study, to give a first insight for future research. A case study researches a current situation in its contextual setting and can be characterized by a selective, usually, small sample (Yin, 2003: 7).

The case study comes from a business case within Twynstra Gudde. Interviews were held with the customer organization, the service provider and the case-responsible consultant from Twynstra Gudde to obtain information on the case study.

The case study focuses on an outsourcing relationship. IT outsourcing is *'a decision taken by an organization to contract out or sell the organization's IT assets, people and/or activities to a third party service provider, who in exchange provides and manages assets and services for monetary returns over an agreed time period'* (Kern & Willcocks, 2000: 322).

To illustrate the case some risks of outsourcing are discussed, before the case is presented. In outsourcing projects hidden costs are a great risk. By entering into a contract a series of costs may not be taken into account, which means promised cost reductions may not occur (Belcourt, 2006). During an outsourcing project employees might have to leave or change jobs. This can result in a decrease of employee morale, but also in high costs to compensate, train or re-deploy employees (Belcourt, 2006). Another risk is the increase in dependence on the service provider, that occurs when not many alternatives are present or when switching costs are high (Nooteboom, 1998).

7.2 Case description

The customer organization is a research institute within the health care sector. In the last couple of years the organization has grown and because of that it moved to a new building. This resulted in a need for a new IT infrastructure and a professional party who would maintain this. A part of the IT needs is outsourced to an external party, but the crucial research oriented IT is kept in-house. Basic IT provisions, like computers, software and internet, are outsourced.

The service provider is a full service organization, which means that they offer complete solutions to their customers. They work with well known IT-organizations to help deliver this high standard of service.

The relationship started about three years ago. After a careful selection procedure, in which three service providers were selected for the final round, the current service provider seemed to match the needs of the customer organization. The customer organization felt that the service provider understood the needs, the principles and the way of working in the customer organization. This resulted in a positive outcome for that particular service provider. Any previous relationships with the service provider were not present, but information on previous projects was reviewed. The relationship can be seen as rather informal and equal. At top management meetings the setting is formal.

7.2.1 *Problem description*

The main problems in the relationship occurred after about one year. This was mainly due to a very quick growth of the service provider, resulting in a weakening of the alertness of the service provider. Customer needs were not or not quick enough identified. This might be, because the service provider had an overload of work and was not able to keep up.

Other problems can be identified in the field of solving problems or complaint handling. This system is rather bureaucratic. Simple complaints or problems are reported to an IT-responsible of the customer organization, who then identifies whether he can solve the problem himself or has to transfer the problem to the service provider. In certain fields of operations, problems and complaints are directly reported to the service provider, who then scores the problems according to some form of prioritization. In case of the first way of dealing with problems, the transparency of the process is not high enough. Within the organization a clear indication of how long problem solving is going to take,

is not present. Another major problem is that the IT-responsible is not able to handle all the problems on his own and has a very huge work overload. In case of the second way of dealing with problems the main problem is the lack of feedback. The service provider does not give feedback on the handling time and sometimes closes the handling of the problem although the customer organization does not agree that the problem is solved. Next to that, the service provider always creates a call for the problem, but does not handle it right away, although the problem might be solved within a few minutes. Every call is handled in the same way; a handling time of 14 days is the standard response. Too many levels within the organization of the service provider have to be addressed before action takes place.

Problems in the same field of expertise at the customer organization are not handled by the same person from the service provider every time there is a problem. This means that the customer organization has to tell the complete story every time again. Without proper knowledge of the customer organization and the history of problems within that organization, service cannot be given on a very high level.

Finally, two major problems can be found in the monitoring of the relationship by the customer organization and in the competences of the people from the service provider handling the problems. First of all, monitoring does not take place on a regular basis. The main reason is that the person responsible for doing that does not have the time to do it carefully enough. Second, some problems are handled by email, and the person from the service provider dealing with the problem does not always seem to be capable. With on site problem handling the issue of a lack of competences also arose in one situation.

These problems have resulted in a decrease of trust. At the start of the relationship the service provider was identified as being trustworthy on all levels of trust; competences, experience and identification. Nevertheless, after the problems started trust deteriorated quickly and because of a lack in adequate handling trust could reach a lowest point.

Problem analysis

When looking at the problems in this relationship and at the model designed in this research, some issues can be identified according to the model; performance risk, imperfect communication, poor coordination, misanticipation and low project control. These issues are mainly in the field of

competence-based trust. One issue comes from the level of experience-based trust. These issues can be dealt with by using certain interventions.

During the interviews with the customer organization each respondent filled out the trust measurement questionnaire. Based on this, each level of trust can be identified as average. Nevertheless, a clear difference is visible between the respondent from top management and the other respondents. The respondent from top management is the most pessimistic about the relationship with the service provider and also scores much lower on the constructs predictability and integrity. This is probably based on the fact that the other respondents have direct contact with the service provider, whereas top management does not. Identification with the service provider is then much harder. Next to that, top management is only involved when something went wrong, whereas the other respondents also have positive service encounters with the service provider.

7.2.2 Interventions description

In this relationship some interventions are used to deal with the problems mentioned in the problem analysis.

A mid-term evaluation took place, with key figures of both parties. In this evaluation, problems were discussed and everyone expressed his commitment to solve the problems. A direct result of this mid-term evaluation was a new agreement on certain points, mainly in the field of the problems; the Service Improvement Plan. This plan contains the current issues and the deadlines for solving these issues. The responsible persons are also mentioned, which means everyone can be held to their tasks more easily. In this plan everything is made explicit.

Interventions analysis

Some steps are already taken to deal with the problems and the trust decrease. Effects of these interventions are not really visible yet, since the interventions took place in September of this year. Nevertheless, when looking at the model, the interventions used, face-to-face discussion on top level, contract and assigning responsibility, seem to be correct in the light of the occurring issues.

7.2.3 Recommendations for interventions

A possible intervention in this relationship is the use of face-to-face discussions with key users and the service provider to make the urgency of the problems visible. Key users are those persons within the

customer organization that deal with difficult problems that do not go to the IT-responsible within the customer organization.

Secondly, the appointment of one problem-responsible from the service provider will help make the process of problem handling more efficient, in that the responsible knows the history of the customer organization and the customer organization knows who to call in certain situations. This intervention should also only be applicable for the difficult problems that are not handled by the IT-responsible from the customer organization. This intervention can have a negative side effect when the responsible person from the service provider becomes sick or leaves the organization. This can be dealt with by appointing different responsible persons for different problem fields. When one 'field'-responsible is not available, a responsible from a different field can take over his tasks. Knowledge of the organization is then already present, only the problem-specific knowledge has to be gathered to service the customer best.

Thirdly, communication protocols and structures for reporting should be made clear and should be aligned with the customer organization. Improvement of quality of processes and information provision by adjusting the protocols should help in providing clarity on roles, responsibilities and performance. Both interventions should lead to an increase in transparency in the process of problem handling and should reduce any feelings of neglect perceived by the customer organization. This also means that the two ways of problem handling should be made visible to the users within the customer organization, because at some points not the service provider is handling the problems or complaints, but the customer organization itself.

Fourth, an overall meeting between both parties should take place. The main topic of this meeting should focus on the roles and responsibilities of both parties. Based on the interviews, the remark can be made that insight in the roles and responsibilities of each party are not clear enough. At some points the customer organization expects things from the service provider where these expectations are not appropriate. The division in tasks and responsibilities should be made clear before trust can increase, otherwise problems will arise again within a very short time.

The service provider is responsible to deliver quality and good service, but the customer organization has the responsibility to monitor this process. Monitoring should be part of the basic tasks of the responsible person within the customer organization. It is a key factor in increasing quality and

helping to speed up the process of problem solving.

Finally, it is important to establish a list of terms, in which responsibilities and expectations are clearly defined. This can make it easier to identify the source of problems and to measure performance based on these hard terms. In this case, it might even be an option to establish this list of terms to select a new service provider since the contract expires within one year. The current service provider can take part in the new selection process to show that it is capable for the assignment. However, trust is heavily damaged, which might mean that a relationship with a new service provider would be more successful.

7.2.4 Conclusion

In this relationship the potential is present to deal with the problems and to solve these problems. The recommendations for interventions can be used to increase trust in the relationship. Both parties are committed to engage in a workable relationship and are convinced that the relationship can be saved. This is a very important starting point to get the relationship back on track again.

To summarize the highlights of this case, the key problems are:

- a bureaucratic way of problem handling; two ways of reporting problems
- no transparency in problem handling
- inadequate response to problems or needs
- lack of feedback from the side of the service provider
- assignment of people to solve problems; every time a different person
- lack of monitoring from the side of the customer organization
- lack of competences from the side of the service provider

And the recommendations for interventions are:

- face-to-face discussion with key users (deals with issue on imperfect communication and misanticipation)
- appointment of one problem-responsible (deals with issue on performance risk, imperfect communication and misanticipation)
- Clearance on communication protocols and reporting structures; Improvement of quality of processes and information provision (deals with issue on imperfect communication, poor coordination and misanticipation)

- Overall meeting with a focus on roles and responsibilities (deals with issue on imperfect communication, poor coordination and misanticipation)
- More monitoring by customer organization (deals with issue on low project control)
- Establish a list of terms and expectations (deals with issue of imperfect communication, poor coordination, misanticipation and low project control)
- Start a new selection process (deals with all issues, since the relationship is terminated)

7.2.5 Discussion

The trust measurement questionnaire is used in this case to identify the level of trust the customer organization has in the service provider. The questionnaire was not used to see how the service provider scores trust in the customer organization, since the questionnaire was made from the customer perspective. Another point with regard to the questionnaire was that respondents on a lower level in the organization had difficulty filling out some of the questions, which means that the results were biased. The questionnaire should be tested to see whether it is measuring the right constructs and also to see whether the items selected are correct. In future research the questionnaire could be extended to make it applicable to lower levels in the organization as well.

The model was useful for assessing the case. Issues could be identified easily and are also globally consistent with the scores of the trust measurement questionnaire. The selected interventions are a clear mix of the intervention categories. All three categories of interventions are included in the recommendations. Nevertheless, real applicability of the model can only become visible after the recommendations for interventions are used in practice. If trust in the relationship is increasing, the use of the model can be seen as a complement to the existing tools in the consultancy world. If trust is not increasing, further research is needed to see why interventions did not work or to see if the recommendations, based on the used information, were the right recommendations to make.

If the model would have been used from the first finding of trust issues, a more effective mix of interventions could have been selected and the issues would not have been neglected that much by both parties.

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Appendix I: Trust building models

(Used in Paragraph 2.2.5)

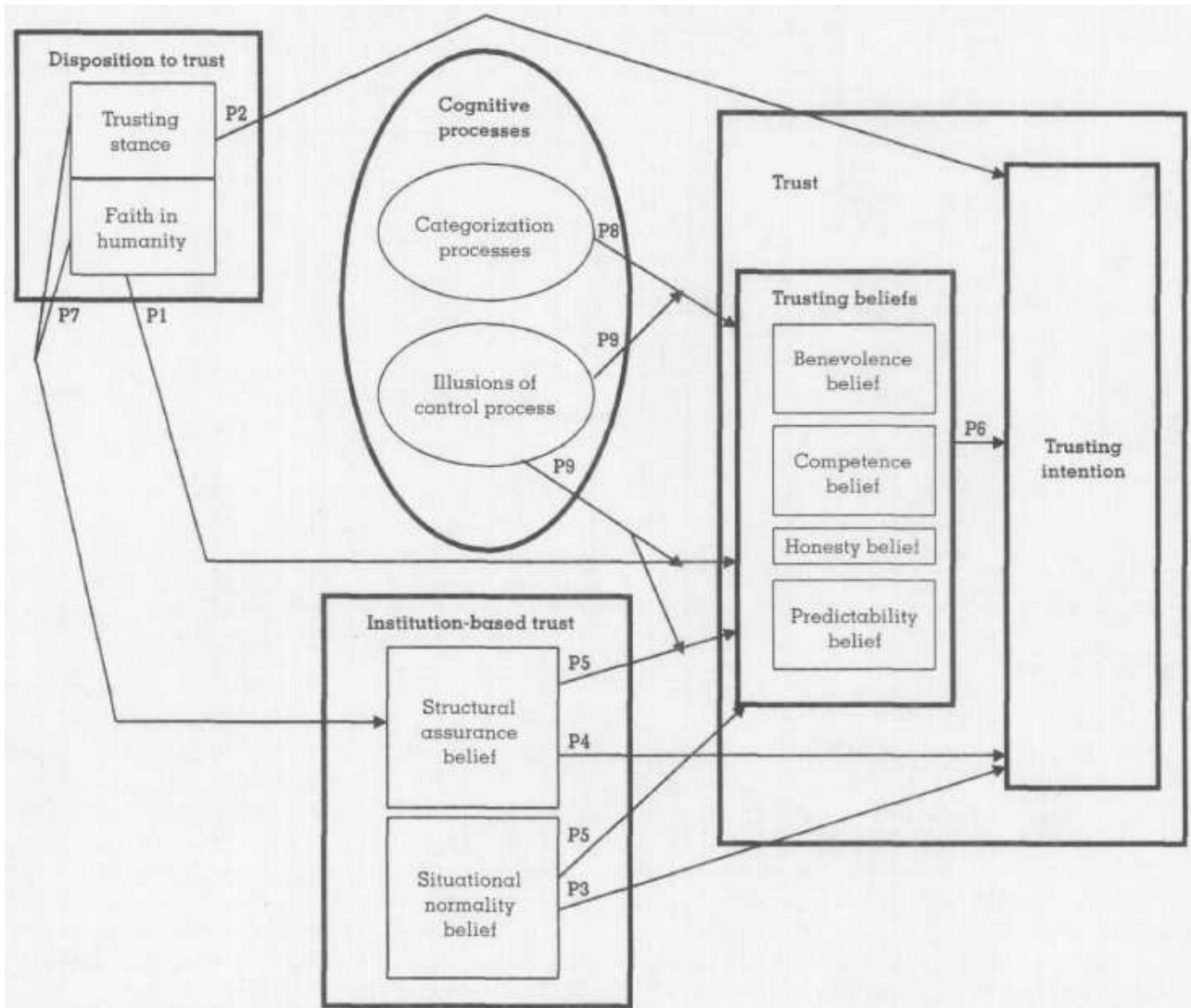


Figure 15 - Model of initial formation of trust (McKnight et al., 1998: 476)

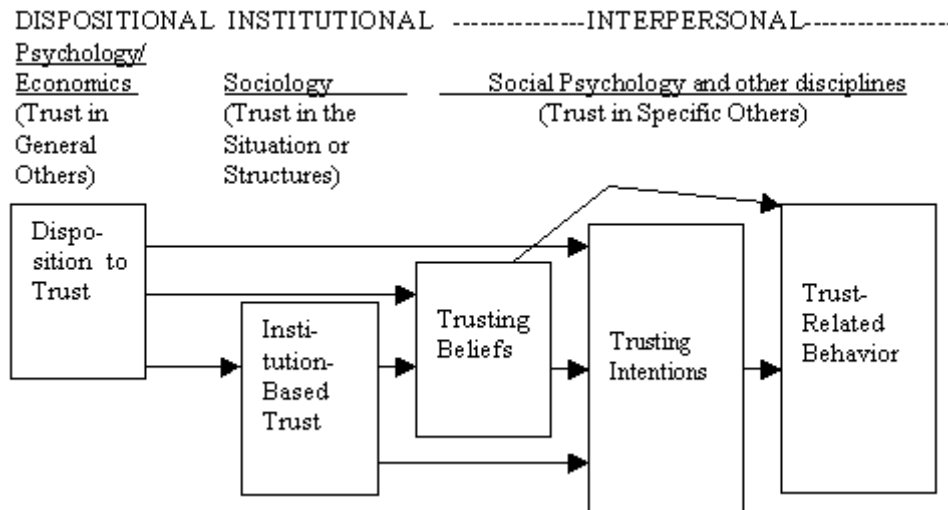


Figure 16 - Interdisciplinary model of trust constructs (McKnight & Chervany, 2001: 33)

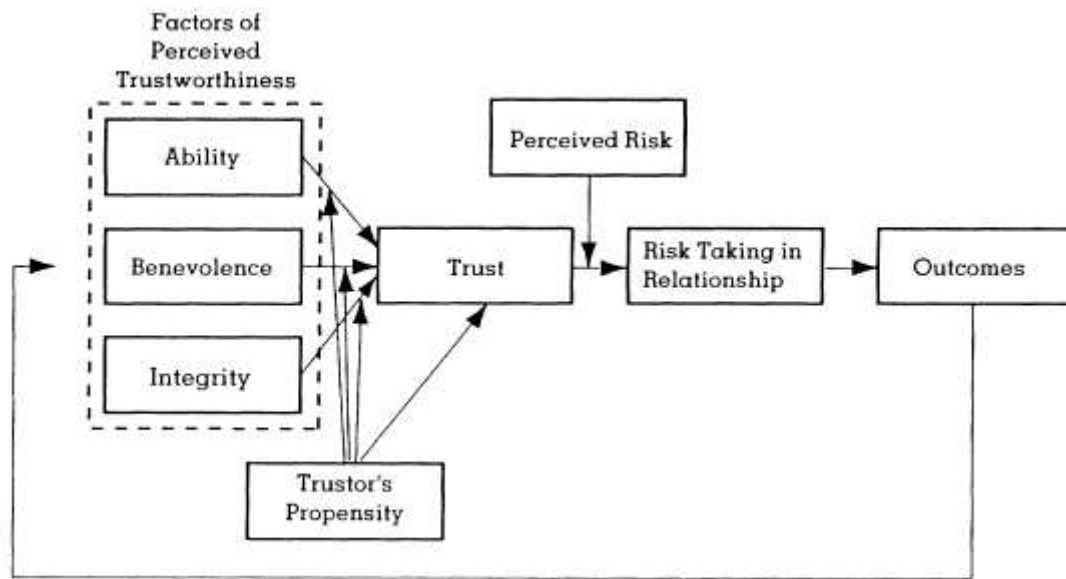


Figure 17 - Model of Trust (Mayer et al., 1995: 715)

Appendix II: Trust measurement constructs by several authors

(used in Paragraph 2.2.6)

Antecedents	<i>Ganesan & Hess (1997)</i>	<i>Ratnasingam</i>	<i>Zaheer et al. (1998)</i>	<i>Kramer (long OTI)</i>	<i>Kramer (short OTI)</i>	Choice
Competence						
		partner's ability & skills	I would feel a sense of betrayal if my contact person's performance was below my expectations	We feel we can depend on the service provider to move our joint projects forward; We don't plan on checking on the service provider; We intend to check on the service provider's progress with our project; We worry about the success of joint projects with the service provider		x
		level of competence in business-to-business operations	We are hesitant to transact with Partner X when the specifications are vague	We think that the service provider fairly represents its capabilities; We think that the service provider misrepresents its capabilities in negotiations; We intend to question the service provider's statements regarding their capabilities; We think the service provider is open in describing its strengths and weaknesses in negotiating joint projects; We intend to check on the reasoning given by the service provider during negotiations		x
				We intend to misrepresent our capabilities in negotiations with the service provider		
		partner's dependence on your organization		We think the service provider is dependable		x
Predictability						
	Promises made by this resource are reliable	is reliable in keeping promises	Based on past experience, we cannot with complete confidence	We think the service provider keeps commitments; We think the service provider behaves according to its commitments; We feel we cannot depend on the	We think that the service provider meets its negotiated obligations	x

Antecedents	Ganesan & Hess (1997)	Ratnasingam	Zaheer et al. (1998)	Kramer (long OTI)	Kramer (short OTI)	Choice
			rely on partner X to keep promises made to us	service provider to fulfil its commitments to us; We think that the service provider meets its negotiated obligations to our organization; In our opinion, the service provider is reliable; We think that the service provider keeps its promises; We feel that the service provider will keep its word; We feel that the service provider tries to get out of its commitments; We worry about the service provider's commitment to agreed upon goals; We plan to document all aspects of our negotiations with the service provider	to our organization; In our opinion, the service provider is reliable; We feel that the service provider will keep its word; We feel that the service provider tries to get out of its commitments	
	This resource has been frank in dealing with us		Partner X has always been evenhanded in its negotiations with us	We think the service provider misrepresents its demands during negotiations; We think the service provider tells the truth in negotiations; We think the service provider negotiates realistically	We think the service provider tells the truth in negotiations	x
	If problems such as shipment delays arise, this resource is honest about the problems					
	This resource has been consistent in terms of their policies	Partner shows consistent behaviour; The partner adheres to policies, terms of contract, and agreements	I know how my contact person is going to act. S/he can always be counted on to act as I expect	We intend to watch for misleading information from the service provider in our negotiations; We think the service provider does not mislead us	We think the service provider does not mislead us	x

Antecedents	Ganesan & Hess (1997)	Ratnasingam	Zaheer et al. (1998)	Kramer (long OTI)	Kramer (short OTI)	Choice
				We intend to check whether the service provider meets its obligations to our organization; We plan to monitor the service provider's compliance with our agreement		
Goodwill						
	This resource cares for us	partner is willing to share information and provide support relating to the adoption; demonstrates care and concern in important decisions		We think the service provider lets us down		x
	This resource considers our interest when problems arise			We feel that the service provider tries to get the upper hand; We think that the service provider takes advantage of our problems	We feel that the service provider tries to get the upper hand; We think that the service provider takes advantage of our problems	x
	This resource has gone out of its way to help us out			We feel uncomfortable about the service provider's willingness to stick to the schedule		x
	This resource has made sacrifices for us in the past		I have faith in my contact person to look out for my interests even when it is costly to do so			x

Antecedents	Ganesan & Hess (1997)	Ratnasingam	Zaheer et al. (1998)	Kramer (long OTI)	Kramer (short OTI)	Choice
		You have positive feelings towards your partner				
		There is a long-term trading relationship with your partner				
		You are willing to put in more effort and invest in the relationship		We intend to speak openly in our negotiations with the service provider		x
Integrity						
			Partner X may use opportunities that arise to profit at our expense	We intend to monitor changes in situations because the service provider will take advantage of such changes; We feel that the service provider takes advantage of us/our organization; We intend to monitor the service provider closely so that they do not take advantage of us; We think that the service provider takes advantage of ambiguous situations; We think the service provider tries to take advantage of us; We think that the service provider uses confidential information to their own advantage; We think that the service provider takes advantage of a changed situation; We think that the service provider succeeds by stepping on others; We think that the service provider takes advantage of our weaknesses; We feel confident that the service provider won't	We think that the service provider succeeds by stepping on others; We feel that the service provider takes advantages of people who are vulnerable;	x

Antecedents	Ganesan & Hess (1997)	Ratnasingam	Zaheer et al. (1998)	Kramer (long OTI)	Kramer (short OTI)	Choice
				take advantage of us; We think that the service provider interprets ambiguous information in its own favour; We intend to work openly with the service provider, because she will not take advantage of us; we intend to share information cautiously with the service provider to avoid having them use it to their advantage; We plan to share information openly with the service provider because they do not take advantage of us; We intend to check the service provider's actions to avoid being taken advantage of; We feel that the service provider takes advantage of people who are vulnerable		
				We think the service provider is fair in its negotiations with us; We think the service provider negotiates agreements fairly; We think the service provider negotiates important project details fairly; We feel that the service provider negotiates joint expectations fairly	We feel that the service provider negotiates joint expectations fairly	
		There are explicit agreements with the partner regarding roles and responsibilities				
		There is a feel of anger, frustration, resentment, or hostility towards the		We intend to negotiate cautiously with the service provider		x

Antecedents	Ganesan & Hess (1997)	Ratnasingam	Zaheer et al. (1998)	Kramer (long OTI)	Kramer (short OTI)	Choice
		partner				
		The partner considers security concerns, partner is driving force for adoption				
		The partner is honest in providing information and shows accuracy in meeting deadlines		We feel that the service provider is straight with us; We intend to monitor the service provider's behaviour for timeliness		x
		The partner is committed to business arrangements and exhibits cooperation		We feel we can depend on the service provider to negotiate with us honestly; We think the service provider keeps the spirit of an agreement; We feel that the service provider negotiates with us honestly; We think that the commitments made to our organization will be honoured by the service provider	We feel that the service provider negotiates with us honestly	x

Appendix III: Trust levels, issues & interventions – list based on the literature study

(Used in Paragraph 2.5.5)

Trust level (trust antecedents)	Issue	Intervention
Calculus-based trust (Competence)	Performance risk	Penalty clauses, legal enforcement, contract, improvement of quality of processes and information provision, change in payoff system or allocation rules, reputational accountability
	Imperfect communication	Communication protocols, structures on reporting, open space, team building
	Poor coordination	Openness, communication, change in project manager, reputational accountability
Knowledge-based trust (Predictability)	Disconfirmation of expectations	Team-building, narratives, learning history, future search, open space, fourth generation learning, face-to-face discussion, independent third party, reputational accountability
	Interorganizational diversity	Team-building, celebrating key interim deliverables, narratives, future search, open space, fourth generation learning
	High or low project control	Frequent and open communication and reporting
	Unreliability	Periodic demos and pilots, structures on reporting, structures on client-involvement, use of penalties, rules, regulations, assigning responsibility, shared experience on other projects, reputational accountability
	Reputation-damage	Positive information, PR
	Misanticipation	Narratives, learning history, future search, open space, fourth generation learning; sharing of property rights, peer control, team building,

Trust level (trust antecedents)	Issue	Intervention
		independent third party, reputational accountability
	Multiplicity in goals	Face-to-face discussion, teambuilding, independent third party, future search, open space
Identification-based trust (Benevolence)	Relational risk	Team-building, celebrating key interim deliverables, narratives, learning history, future search, fourth generation learning, independent third party, face-to-face discussion, reputational accountability
	Unwillingness to share information, skills and processes	Balance in dependence and autonomy by uniqueness, switching costs or hostages, Inform partner about negative consequences, face-to-face discussion, change in payoff system or allocation rules, reputational accountability
	Unwillingness to do something extra that is not included in the contract	Team-building
	Neglect	Use of penalties, rules, regulations, assigning responsibility, reputational accountability
Identification-based trust (Integrity)	Opportunistic behaviour	Structural controls (hierarchy & managerial fiat), joint creation of reward and punishment system, penalty clauses, legal enforcement, team-building, learning history, future search, fourth generation learning, face-to-face discussion, inform partner about negative consequences, independent third party, change in payoff system or allocation rules, reputational accountability
	Unfair treatment of the other party	Team-building, balance in dependence and autonomy by uniqueness, switching costs or hostages, learning history, future search, fourth generation learning, face-to-face discussion, inform

Trust level (trust antecedents)	Issue	Intervention
		partner about negative consequences, independent third party, change in payoff system or allocation rules
	Dishonesty in negotiations or in sticking to commitments	Use of penalties, rules, regulations, team-building, Inform partner about negative consequences, face-to-face discussion, independent third party, change in payoff system or allocation rules, reputational accountability
	Indiscretion	Use of penalties, rules, regulations, change in payoff system or allocation rules
	Cheating	Use of penalties, rules, regulations, change in payoff system or allocation rules, reputational accountability
	Abuse	Use of penalties, rules, regulations, change in payoff system or allocation rules, reputational accountability
	Damaging of self-esteem	Communication protocols, reporting structures, Inform partner about negative consequences,
	Power struggles	Sharing of property rights, independent third party
	Inter-firm rivalry	Face-to-face discussion, Sharing of property rights, independent third party
	Conflict of interest	Face-to-face discussion, joint creation of reward and punishment system, penalty clauses, legal enforcement, team-building, independent third party, reputational accountability
	Fear of exploitative behaviour	Inform partner about negative consequences, joint creation of reward and punishment system, penalty clauses, legal enforcement, team-building, reputational accountability

Appendix IV: Summary for interview respondents

(Used in Paragraph 3.2)

Management Summary – Trust in Collaboration – Chantal Kuster

Deze management summary bevat een korte inleiding op het onderwerp en een uiteenzetting van vertrouwen. Ook is een uitleg over het interventie model, inclusief een begrippenlijst, te vinden, zodat de leesbaarheid van het model vergroot wordt.

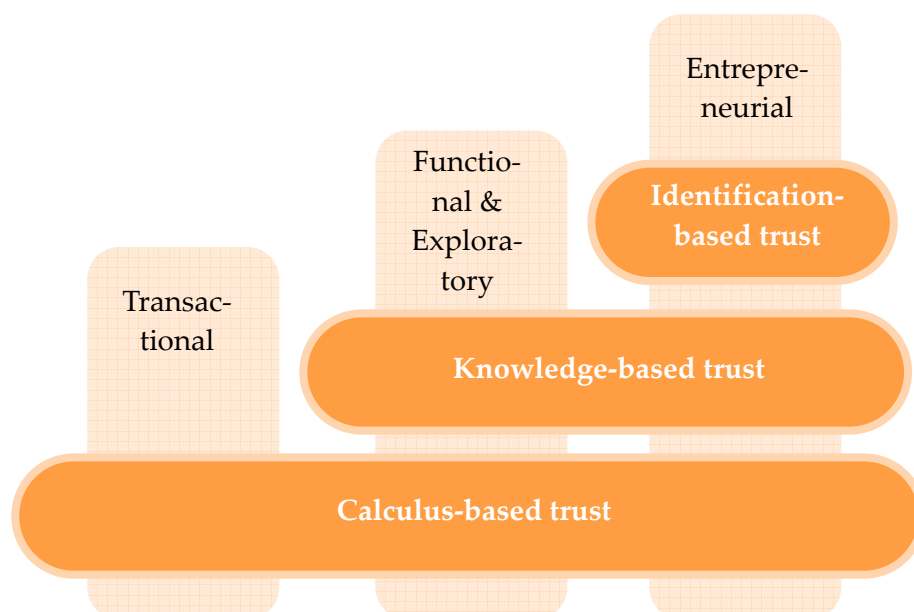
Inleiding

In de afgelopen jaren zoeken steeds meer bedrijven naar samenwerkingsverbanden om in te kunnen spelen op veranderingen in de omgeving. De vraag om flexibiliteit, hogere efficiëntie en lagere prijzen spelen hier een grote rol in. Een gevolg hiervan is dat veel bedrijven terugkeren naar de core business door te kiezen voor sourcing oplossingen.

Samenwerkingsverbanden, waaronder sourcing projecten, vragen om vertrouwen en interventies om dit vertrouwen te optimaliseren. Immers, vertrouwen groeit langzaam, maar kan erg snel afgebroken worden. Om dit proces van afbreken enigszins te keren kunnen interventies toegepast worden. In dit onderzoek zal gekeken worden naar optimalisatie van vertrouwen aan de hand van interventies in samenwerkingsrelaties. Hierbij zal als concreet product een interventie model opgeleverd worden.

Vertrouwen

Om een samenwerkingsrelatie te laten slagen is vertrouwen nodig. Vertrouwen tussen de contactpersonen en de samenwerkende organisaties. Dit vertrouwen kan gebaseerd zijn op verschillende componenten, te weten competenties, voorspelbaarheid, goodwill en integriteit. Deze componenten bepalen het niveau van vertrouwen, welke onderverdeeld kan worden in drie niveaus: calculus-based, knowledge-based en identification-based. Een relatie begint op het calculus-based niveau en kan in de loop der tijd doorgroeien naar een knowledge-based niveau. Hierbij blijft het calculus-based niveau bestaan en moet het volgende niveau gezien worden als een extra laag die toegevoegd wordt.



Figuur 1 - Link vertrouwensniveaus en relaties

Er kan ook een link gelegd worden tussen de componenten van vertrouwen en de niveaus van vertrouwen. Deze link is nodig om in een later stadium issues en interventies toe te kennen aan de verschillende typen/niveaus van vertrouwen.

Trust levels	Trust antecedents
Calculus-based	Competence
Knowledge-based	Predictability
Identification-based	Benevolence
Identification-based	Integrity

Issues komen in elke relatie voor en dienen zo goed mogelijk gemanaged te worden om schade aan de relatie te beperken. De issues rond vertrouwen kunnen gerelateerd worden aan het niveau van vertrouwen en de vertrouwenscomponenten. Aan de hand van de geïdentificeerde issues zijn interventies bepaald. Dit alles is verwerkt in een interventie model.

Interventie model

Het interventie model is opgebouwd uit vijf lagen: de eerste laag typeert de samenwerking naar symmetrie, de tweede laag typeert de samenwerkingsrelatie, de derde laag is gebaseerd op de vertrouwensniveaus en het type contract dat de partners hebben afgesloten, het vierde niveau behandelt de specifieke issues die gerelateerd zijn aan het vertrouwensniveau en het contracttype en tot slot bestaat de vijfde laag uit interventies voor de specifieke issues.

Conclusie

Op basis van hetgeen tot nu toe onderzocht kan gezegd worden dat naar mate de relatie strategischer en complexer wordt vertrouwen een belangrijkere rol gaat spelen en het aantal issues toeneemt.

Ook kan gezegd worden dat er vanuit de literatuur interventies bestaan die vertrouwen kunnen verbeteren. Echter de exacte werking van deze interventies kan niet uit de literatuur opgemaakt worden. Hiervoor zullen case studies uitgevoerd moeten worden.

Begrippenlijst bij interventie model

De typering gemaakt door Kaats et al. (2006) voor samenwerking zal gevolgd worden om samenwerkingsrelaties te categoriseren.

Transactional collaboration: Het gaat hierbij om een standaard klant-leveranciersrelatie, waarbij sprake is van een eenmalige of enkele transacties. Er is een duidelijke asymmetrische relatie.

Functional collaboration: Het gaat hier om relaties die van elkaar afhankelijk zijn, maar waarbij een duidelijke hiërarchie waarneembaar is. Het risico is hoog, waardoor een contract noodzakelijk is.

Exploratory collaboration: Het gaat hier om een symmetrische relatie, de partners zijn dus gelijkwaardig in de relatie. Het kan gaan om zowel terugkerende korte contracten als een duidelijk lang lopende contract gebaseerd op een lange relatie. In de relatie is sprake van leren van elkaar en het ontwikkelen van bijvoorbeeld nieuwe standaarden.

Entrepreneurial collaboration: Deze relatie is gelijk aan die bij exploratory collaboration, echter

met het verschil dat het hier gaat om sterkere strategische belangen, waarbij ook bedrijfsgevoelige informatie uitgewisseld wordt. Het gaat hier om het samen ontwikkelen van nieuwe producten, diensten of het aanboren van nieuwe markten.

Transactional contract: Een standaard klant-leverancierscontract

Relational contract: De relatie tussen klant en leverancier is langlopend en de intentie van het contract is om deze langlopende relatie in stand te houden.

Trust level (trust antecedents)	Issue
Calculus-based trust (Competence)	Performance risk
	Imperfect communication
	Poor coordination
Knowledge-based trust (Predictability)	Disconfirmation of expectations
	High or low project control
	Unreliability
	Misanticipation
	Multiplicity in goals
Identification-based trust (Benevolence)	Relational risk
	Unwillingness to share information, skills and processes
	Unwillingness to do something extra that is not included in the contract
	Neglect
Identification-based trust (Integrity)	Opportunistic behaviour
	Unfair treatment of the other party
	Interorganizational diversity
	Dishonesty in negotiations or in sticking to commitments
	Indiscretion
	Cheating
	Abuse
	Damaging of self-esteem
	Reputation-damage
	Conflict of interest
	Fear of exploitative behaviour
	Inter-firm rivalry
	Power struggles

Appendix V: Interview format

(Used in Paragraph 3.2)

Interview – questions

Trust in Collaboration

Naam geïnterviewde:

Datum interview:

Critical Incident (2 of meer)

- 1) Kun je een situatie noemen waarbij het vertrouwen in een relatie dermate geschaad is dat de relatie hierdoor negatief beïnvloed is?
 - a. Actoren
 - b. Context
 - c. Probleem
- 2) Welke maatregelen zijn genomen om de ontstane situatie te keren?
 - a. Maatregel(en)
 - b. Effecten
 - c. Uitkomst
- 3) Hoe kan deze relatie tegenwoordig getypeerd worden?

Beslisboom

- 4) Beoordeling
- 5) Aanvullingen
- 6) Hoe zie je jouw case(s) terug in de beslisboom?
 - a. Zou je, nu je deze beslisboom hebt gezien, tot een andere oplossing zijn gekomen voor het probleem?

→ Voorbeeld case

Appendix VI: Fictitious interview-case: An Outsourcing Relationship

(Used in Paragraph 3.2)

Voorbeeld case

Het gaat om een samenwerkingsrelatie tussen twee bedrijven, waarbij partij A haar beheer van klantrelaties via een SAP applicatie wil laten inrichten. Deze taak heeft zij uitbesteedt aan partij B.

In de onderhandelingsfase is een Service Level Agreement (SLA) opgezet, waarin de verwachtingen en eisen van de klant zijn vastgelegd op basis van hetgeen de leverancier (partij B) kan leveren. Beide partijen zijn akkoord gegaan met de SLA en partij A mag logischerwijs aannemen dat partij B de afspraken in de SLA na kan en zal komen.

Het traject van uitbesteding is in volle gang en aangekomen bij de transitiefase. Dit is het moment waarop de problemen zich voordoen. De SAP-applicatie gericht op CRM (Customer Relations Management) blijkt niet compatibel met de overige systemen van partij A. Dit terwijl een eis in de SLA was dat deze systemen op elkaar aangesloten konden en zouden worden. Partij B probeert in eerste instantie het probleem voor partij A verborgen te houden, omdat het de relatie zou kunnen schaden. Uiteindelijk wordt partij B gedwongen om het op te biechten, omdat de aansluiting nog altijd niet gelukt is en de tijd begint te dringen. Partij A is niet blij met de ontstane situatie en het achterhouden van het probleem door partij B.

- 1) Welk issue komt naar voren in deze voorbeeld case?
- 2) Hoe zou jij omgaan met deze situatie?
- 3) Welke oplossingen zou je aandragen?

Appendix VII: Presentation Focus Group

(Used in Paragraph 3.3 & 4.2)

<p>Twynstra Gudde ADVISEUR IN INNOVATIE</p> <p>"Vertrouwen in samenwerking"</p> <p>Focus groep – 16 september 2008</p> <p>Aankomst Chantal Kuster</p> <p>Twynstra Gudde Anders denken, gewoon doen</p>	<p>Agenda</p> <ol style="list-style-type: none"> 1. Introductie <ul style="list-style-type: none"> - Onderzoek - Doel van de focus groep - Theoretisch kader 2. Hypothesen 3. Sluiting 												
<p>Introductie - Onderzoek</p> <ul style="list-style-type: none"> - Interventies om vertrouwensissues aan te pakken om het vertrouwen binnen een interorganisatiele samenwerking te verbeteren - Resultaat: Een interventie model - Master Thesis voor Business Administration - Methodologie <ul style="list-style-type: none"> - Literatuurstudie - 1^{ste} ronde interviews - Focus groep - 2^{de} ronde interviews - Case study 	<p>Introductie – Doel van focus groep</p> <p>Aan de hand van een aantal hypothesen een beeld van de praktijk verkrijgen over vertrouwen in interorganisatiele samenwerkingsrelaties</p> <p>8 hypothesen Facilitator → Frank Willems</p>												
<p>Introductie – Theoretisch kader</p> <p>Delen</p> <table border="1"> <tr> <td>Verbeteren</td> <td>Functioneel samenwerken</td> <td>Ondernemend samenwerken</td> <td>Vernieuwen</td> </tr> <tr> <td></td> <td>Transactioneel samenwerken</td> <td>Verkenkend samenwerken</td> <td></td> </tr> <tr> <td></td> <td colspan="2">Uitwisselen</td> <td></td> </tr> </table>	Verbeteren	Functioneel samenwerken	Ondernemend samenwerken	Vernieuwen		Transactioneel samenwerken	Verkenkend samenwerken			Uitwisselen			<p>Introductie – Theoretisch kader</p> <p><i>'Trust is the willingness of a party to be vulnerable to the actions of another party based on the expectations that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party'</i></p>
Verbeteren	Functioneel samenwerken	Ondernemend samenwerken	Vernieuwen										
	Transactioneel samenwerken	Verkenkend samenwerken											
	Uitwisselen												

Introductie – Theoretisch kader

Identification-based trust

(Gebaseerd op de match tussen waarden, waarden en principes)

Experience-based trust

(Gebaseerd op de ervaringen met en input van de andere partij)

Competence-based trust

(Gebaseerd op de competenties van de andere partij)

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Introductie – Theoretisch kader

Meetbaar door een enquête op basis van vier antecedenten: competenties, voorspelbaarheid, goodwill & integriteit

Vertrouwensissues richten zich op deze vier antecedenten

Interventies kunnen ingedeeld worden naar contractuele, structurele en gedragsinterventies

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Hypothesen

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9

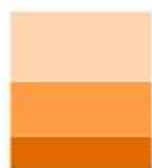
Vertrouwen ontwikkelt zich altijd volgens eenzelfde patroon en zal daarom altijd vanaf het laagste level opgebouwd moeten worden



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In een ondernemende relatie groeit vertrouwen vanuit identification-based vertrouwen, via competence-based vertrouwen naar experience-based vertrouwen



Ondernemende relatie







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De focus in een interorganisatiele relatie ligt puur op het behalen van het doel waarmee de relatie is aangegaan en het in stand houden van de relatie is dus geen doel an sich

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 <p>Een functionele samenwerking is gebaseerd op ervaringen met de andere partij en haar reputatie (experience-based vertrouwen)</p> <p><small>© Teyssie & Kuster</small> 11</p>	 <p>In een transactionele relatie komt enkel competence-based vertrouwen voor (vertrouwen gebaseerd op competenties)</p> <p><small>© Teyssie & Kuster</small> 12</p>
 <p>In een verkennende samenwerking zijn alle niveaus van vertrouwen noodzakelijk</p> <p><small>© Teyssie & Kuster</small> 13</p>	 <p>Een samenwerking waarbij sprake is van het delen van bedrijfsgevoelige informatie kan gebaseerd zijn op een transactioneel contract</p> <p><small>© Teyssie & Kuster</small> 14</p>
 <p>Bij competence-based vertrouwen zijn eerder structurele en contractuele interventies aan de orde en bij identification-based vertrouwen juist eerder gedragsbeïnvloedende</p> <p><small>© Teyssie & Kuster</small> 15</p>	 <p>Bij sourcing gaat het per definitie om een ongelijkwaardige relatie, wat tot gevolg heeft dat een geschaad vertrouwen niet hersteld kan worden</p> <p><small>© Teyssie & Kuster</small> 16</p>

 <p>De opbouw van vertrouwen is alleen afhankelijk van het doel van de relatie</p> <p>Twynstra Gudde</p>	 <p>Een succesvolle outsourcing relatie kan alleen bereikt worden door volledige commitment en openheid van alle partijen</p> <p>Twynstra Gudde</p>
 <p>Eenvoudige relaties leiden per definitie tot minder issues dan complexe relaties</p> <p>Twynstra Gudde</p>	 <p>Sluiting</p> <p>Bedankt voor jullie medewerking!</p> <p>Twynstra Gudde</p>
 <p>Twynstra Gudde adviseurs in innovatie</p> <p>Chantal Kuiter cto@tg.nl</p> <p>www.twynstragudde.nl</p> <p>Alle intellectuele eigenschappen en/of beschikking bij deze presentatie Twynstra Gudde. Het is niet toegestaan deze presentatie te kopiëren of te verspreiden. Het is wel toegestaan deze presentatie te gebruiken voor de bestemming van Twynstra Gudde.</p> <p>Twynstra Gudde <i>Analen denken, groeien doen.</i></p>	

Appendix VIII: Overview of argumentation on hypotheses of the focus group

(Used in Paragraph 3.3 & 4.2)

Hypothesis		Argumentation in favour	Argumentation against	Main conclusion
1	Trust always evolves according to the same pattern and will therefore always be built from the lowest level	The difference lies in the speed with which you go through each level of trust. In some relationships the lowest level takes a lot of time and in other much less.	By the use of references the lowest level can be covered as prove that you have done something before, meaning that you have the competences to do the job.	Trust does not always develop according to the same pattern.
1a	Extra: In an entrepreneurial relationship trust grows from identification-based trust through competence-based trust to experience-based trust	Yes, it is true that you can find one another based on shared norms and values. But after that, you have to start building trust from the lowest level.	The lowest level is taken for granted, and the highest level needs more research to have some indications.	
2	The focus in an interorganizational relationship is purely on the achievement of the objective the relationship is started for and maintaining the relationship is not a goal per se	No organization starts a relationship, because the other party is nice to work with. Maintaining the relationship can help achieve the objective more easily.	It depends on the form of collaboration. In some collaboration future perspective is also important. Not taking the importance of the relationship into account as well, leads to a termination of the relationship when the objective is achieved.	The importance of the relationship plays a big role in whether the focus lies purely on the objective or the focus shifts to the relationship.
3	A functional	Selection is based on	A match in vision in	A functional

Hypothesis		Argumentation in favour	Argumentation against	Main conclusion
	cooperation is based on experiences with the other party or its reputation	<p>relevant experience.</p> <p>Sometimes selection takes place based on the reputation a company has, not specifically in the relevant field.</p>	<p>how to conduct the project is important, not so much the experience.</p> <p>Competences are also important for judging whether an organization is the right party.</p> <p>It depends on the form of the cooperation. Some need a higher level of trust than others.</p>	relationship is not only based on experiences and reputation.
4	In a transactional cooperation only competence-based trust is present		<p>Only competences are not enough.</p> <p>With respect to other cooperation types, the focus will be on competences, but not only.</p>	Other levels of trust are also needed, but competences play an important role, more than in other cooperation types.
5	In an exploratory cooperation all levels of trust are necessary	<p>This is certainly true. Organizations start an uncertain cooperation, in which the outcome is not predefined. This means trust has to be present at all levels to be able to pay attention to the shared vision to develop something and not to the development of the relationship.</p> <p>If trust does not exist at all levels sharing of knowledge will not take place.</p>	It is not necessary to have a match at all points. Some diversity is possible without damaging the relationship.	All levels of trust are necessary to develop a successful exploratory cooperation.

Hypothesis	Argumentation in favour	Argumentation against	Main conclusion
6	A collaboration involving the sharing of sensitive business information can be based on a transactional contract	<p>Sharing sensitive business information needs at least a functional relationship.</p> <p>The risks are too high to share information, because no long term relationship is present.</p>	Sensitive business information is not shared in a transactional contract, because of the risks involved.
7	In competence-based trust the common interventions are structural and contractual interventions and in identification-based trust behavioural interventions	<p>Competence-based trust is manageable and can be monitored. A company can be measured based on performance and competence.</p> <p>Identification-based trust focuses on softer items and is not directly measurable.</p>	It depends on the relationship; some can have more than others.
			In general it is true that hard interventions can be found on the level of competence-based trust and soft intervention on the level of identification-based trust. Nevertheless, it depends on the relationship which interventions are most suitable.
8	Sourcing is by definition an unequal relationship, with the result that damaged trust cannot be fixed	Control mechanisms are necessary when trust is not present or damaged and a relationship is to be continued.	<p>Damaged trust can be fixed, but effort is necessary.</p> <p>Sourcing is not by definition an unequal relationship; examples are present of equal relationships.</p>
			Sourcing is not by definition an unequal relationship, and damaged trust can be fixed.
9	A successful outsourcing relationship can only be achieved through full commitment and openness of all parties		Difficulty with 'full' commitment. Is full commitment necessary or is just commitment enough?
			Strategic importance plays a big role in the level of commitment and openness that is needed.

Hypothesis		Argumentation in favour	Argumentation against	Main conclusion
			<p>The subject of outsourcing determines the level of commitment and openness that is needed.</p> <p>The strategic importance of the relationship determines commitment. The more important, the higher the commitment.</p>	
10	Simple relationships by definition lead to fewer issues than complex relationships	In long term relationships issues have more time to develop; complex relationships are most of the time long term relationships.	<p>Issues are more visible in simple relationships. In complex relationships politics play a role in whether issues are made visible or not. In some cases organizations can choose to hide problems.</p> <p>It also depends on what a relationship can have. You have to choose whether you bring a certain issues up based on the impact it will have on the relationship.</p>	Complex relationships have more opportunities for issues to occur. Cover up of issues can be present to prevent a bad image.

Appendix IX: Relationship distribution over trust levels

(Used in Paragraph 4.1.3)

Identification-based trust	-	-	+	++
Experience-based trust	O	++	++	-
Competence-based trust	++	O	-	-
Transactional collaboration				
Functional collaboration				
Exploratory collaboration				
Entrepreneurial collaboration				

The frequency of presence of a relationship at that certain level of trust

++ : Almost always
+ : Often
O : Moderate
- : Few
-- : Sporadic

Appendix X: Issues definitions list – supplement to the model

(Used in Chapter 5)

Issues - list

Issues on the competence-based trust level

- focuses both on rewarding trustful behaviour as on punishing distrustful behaviour
- the competences, skills and abilities to deal with the question of the customer organization

Performance risk – *(The probability and consequences that the goals in the relationship are not reached, despite the efforts of the service provider (unable to meet expectations, lack of competences))*

Imperfect communication – *(Imperfect or not interpreted right)*

Poor coordination – *(Not leading the project well)*

Misanticipation – *(Not being able or capable to anticipate correctly and timely on the needs of each other)*

Issues on the experience-based trust level

- the predictability of the other party, based on the knowledge one has over the other
- the predictability of the other party based on information from the environment or previous experiences, but also based on the expectations that were made explicit in the negotiations

Disconfirmation of expectations – *(Did not discuss expectations extensively enough, leading to different view on the goals)*

High or low project control – *(High: (unintended) message that the other is not being trusted; low: opportunistic behaviour or not following agreement)*

Unreliability – *(Expectations on behaviour are not correct)*

Multiplicity in goals – *(Different goals making match difficult)*

Relational risk – *(The probability and consequences that one party does not fulfill the expectations and does not conform to the image the other party had of the relationship)*

Dishonesty in negotiations or in sticking to commitments – *(A party does not see the relationship as the best option and thinks the win-win situation is not equal)*

Issues on the identification-based trust level

- focus is on the understanding of the desires and intentions of the other party
- the willingness to do good to the other party and go a little bit further than the contract states
 - focuses on the adherence of the other party to a certain set of principles

Unwillingness to share information, skills and processes – *(Misalignment in information, skills and processes by not giving access or insignificant access)*

Unwillingness to do something extra that is not included in the contract – *(Relationship not important enough)*

Neglect – *(Not enough attention is paid to the interest of the other party)*

Opportunistic behaviour – *(Not handling in best interest of the other party, but only in its own interest)*

Unfair treatment of the other party – *(Unfairly claiming ownership)*

High interorganizational diversity – *(Manners are different)*

Indiscretion – *(Sensitive information is shared without consent)*

Abuse – *(Control of one party is big enough to make the other party do things it does not want to do)*

Reputation-damage – *(Due to a public issue, true or not)*

Conflict of interest – *(Being part of multiple groups/relationships and having to decide on how to distribute relationship)*

Inter-firm rivalry – *(Parties are competing in the relationship instead of cooperating)*

Power struggles – *(Parties do not agree on the distribution of power)*

Appendix XI: Interventions definitions list – supplement to the model

(Used in Chapter 5)

Interventions - list

Contractual interventions

Penalty clauses – *(Clauses in the contract about the use of penalties in certain situations)*
 Legal enforcement – *(Taking it to court)*
 Contract – *(The use a contract to deal with certain issues)*
 Change in payoff system or allocation rules – *(Change in the amount of the profit a party gets in a relationship)*
 Joint creation of reward and punishment system – *(Setting up rewards or punishments together)*
 Sharing of property rights – *(Property rights on products are being shared)*
 ...

Hard
measures

Structural interventions

Communication protocols – *(Protocols that structure the communication and the communication channels)*
 Structures on reporting – *(Protocols that structure the way of reporting, the timespan and the format)*
 Structures on customer involvement – *(Structures that determine the degree of customer involvement in certain steps of the project or activity)*
 Assigning responsibility – *(Giving one particular party responsibility over a certain part to establish commitment)*
 Change in project manager – *(Changing the person responsible for the relationship between the parties)*
 Switching costs – *(Costs of switching to a different partner)*
 Hostages – *(A party has sensitive information over the other party, resulting in a dependence)*
 Balance in dependence & autonomy by uniqueness – *(No party is dominant and the parties are mutual dependent, uniqueness can be used to make mutual dependence possible)*
 Hierarchy – *(Putting a certain structure into place to enlarge control and structure decision making)*
 Managerial fiat – *(For certain actions the agreement of management is necessary)*
 Improvement of quality of processes and information provision – *(Adjustments of processes and information provision to improve quality and provide clarity on responsibility, roles and performance)*
 Periodic demos and pilots – *(Within a certain timespan demonstrations and pilots have to be run)*
 Peer control – *(A social control mechanism in which colleagues monitor the relationship)*
 Reputational accountability – *(A bad functioning relationship will lead to reputation damage, but a good functioning relationship to positive reputational effects)*
 Split activities (keep the 'trouble' activity inhouse) – *(Keeping a part of the activity inhouse that results in a lot of discomfort when being transferred to the other party or to the relationship)*
 Escalation – *(Taking problems to a higher management level in both organization and let them discuss the problem)*
 ...

Behavioural interventions

Face-to-face discussion – *(discussion with the key actors in a face to face setting to give expression to the problems in the relationship)*
 Independent third party – *(A mediator is used to help the parties discuss the issues in the relationship)*
 Narratives – *(telling stories about issues, resulting in a dialog between stakeholders about those issues)*
 Learning history – *(Writing down the history of a problematic situation)*
 Future search – *(Talking with everyone involved about the desired future, personal visions and expectations)*
 Open Space – *(Sharing of feelings, intentions and ambitions about a particular topic, every important player is being heard)*
 Fourth generation evaluation – *(Identification of shared structures and discrepancies, after which discussion on the discrepancies can take place, without taking about irrelevant topics (the shared structures))*
 Team-building – *(getting familiar with each other by the use of social activities)*
 Celebrating key interim deliverables – *(setting goals together and celebrate the achievement together)*
 Spreading positive information (PR) – *(Spreading positive information to counteract negative PR and reputation-damage)*
 Inform partners about negative consequences of certain actions – *(Making negative consequences of certain actions visible to the partner)*
 Establish long term goals – *(A relationship has a long-term perspective)*
 Openendedness – *(A relationship has interaction for more than one reason and project)*
 Getting familiar – *(Getting to know each other before the relationship starts)*
 ...

Soft
measures

