

Trust and Trustworthiness in Professional-Client Relationships: Procurement of Architect/Engineer Services by Texas Municipalities



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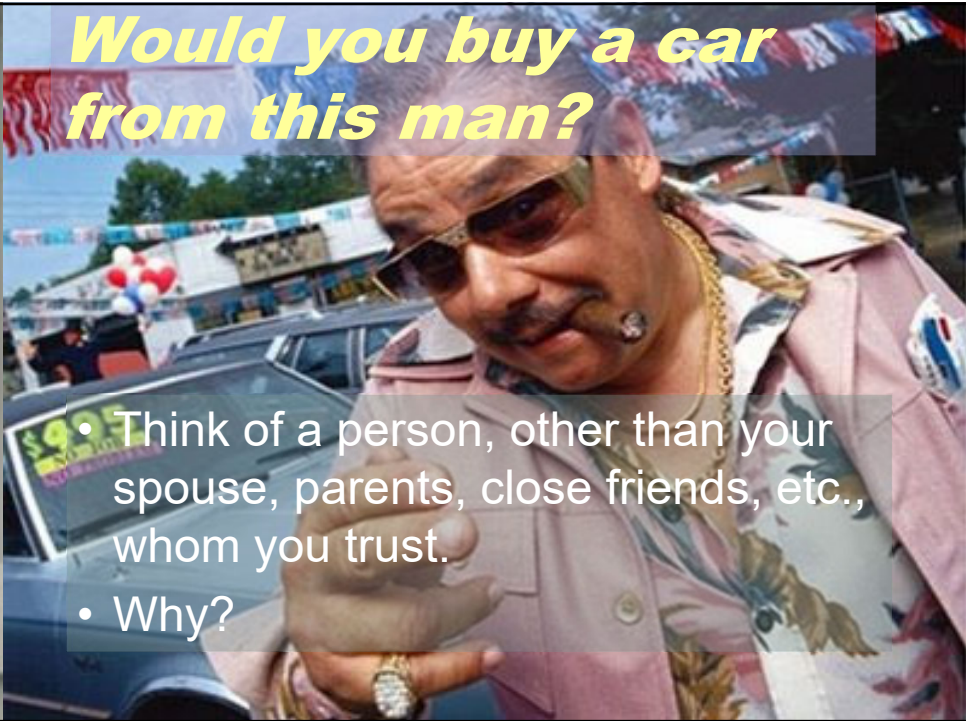
Trust and Trustworthiness...

- The Research Problem
- Theoretical Development
- Operational Model
- Method
- Results & Discussion
- Conclusions

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Would you buy a car from this man?

- Think of a person, other than your spouse, parents, close friends, etc., whom you trust.
- Why?

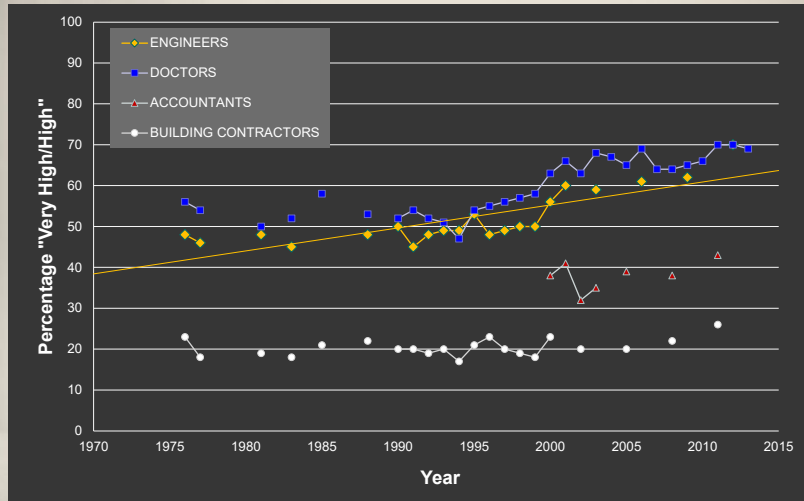


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Engineers & others

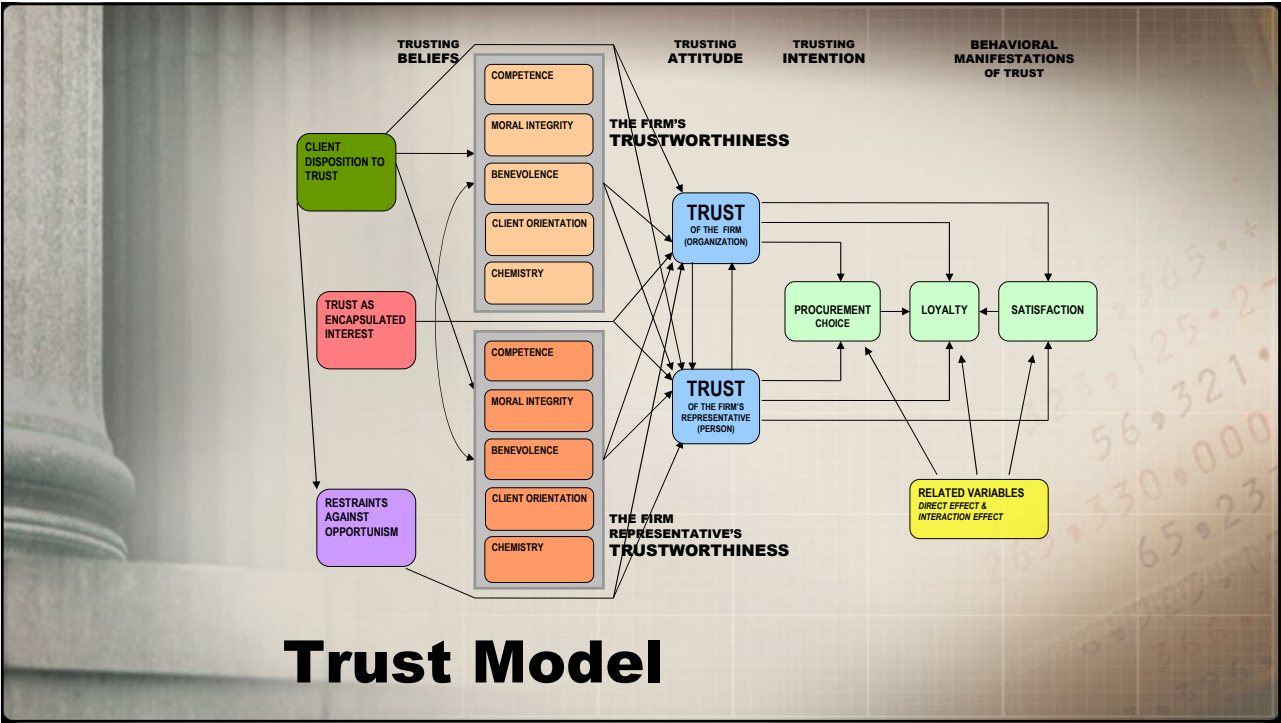


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The Research Problem

- Explanatory (Theory):
 - Trust and Trustworthiness in Professional-Client Relationships
- Operational (Empirical Test):
 - Procurement of Architect/Engineer Services by Texas Municipalities

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Theories of Trust

Theoretical Development

- Dispositional Trust
- Encapsulated Interest
- Trust as Assessment of Trustworthiness
- Institutional Trust (Restraints Against Opportunism)

The diagram is a smaller version of the Trust Model shown on slide 7, enclosed in a dashed green circle. It illustrates the relationship between Trusting Beliefs, Trusting Attitude, Trusting Intention, and Behavioral Manifestations of Trust, including the Firm's and Firm Representative's Trustworthiness.

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Dispositional Trust

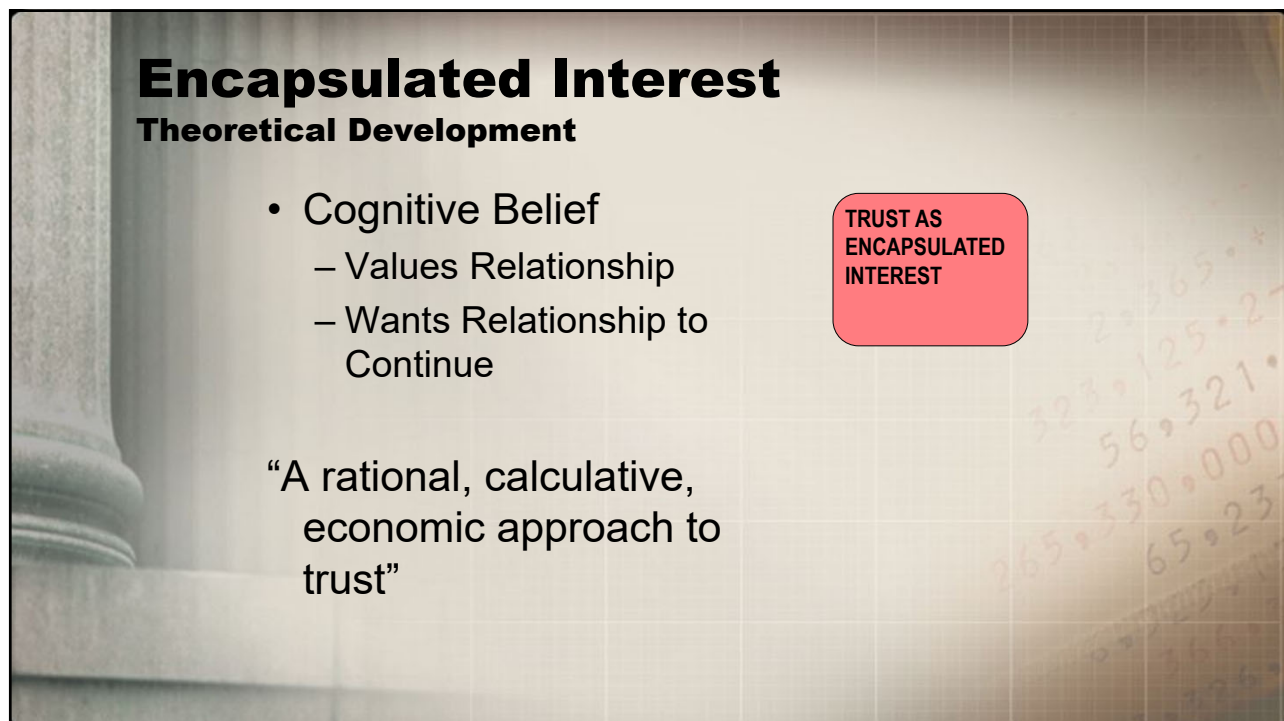
Theoretical Development

- Psychological Belief
 - Trusting Stance
 - Faith in Humanity

“A stable personality characteristic”

CLIENT
DISPOSITION
TO TRUST

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Encapsulated Interest

Theoretical Development

- Cognitive Belief
 - Values Relationship
 - Wants Relationship to Continue

“A rational, calculative, economic approach to trust”

TRUST AS
ENCAPSULATED
INTEREST

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Assessment of Trustworthiness

Theoretical Development

- Rational expectation
 - FIRM & PERSON
 - Technical competence
 - Fiduciary obligations & responsibilities
 - The moral dimension of trusting

“A cognition-based, guarded, reflective, authentic form of trust”



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Institutional Trust

Theoretical Development

- Restraints Against Opportunism & Agency Theory
 - Professional community control
 - Legal control
 - Bureaucratic control
 - Client control

“The building stones of today’s confidence relations.”



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The Grammars of Trust

Theoretical Development

- Is trust a...
 - Belief?
 - Attitude?
 - Intention?
 - Behavior?
 - Something else?



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An Integrative Framework

Theoretical Development

Trust as:

- BELIEF
- ATTITUDE
- INTENTION

BEHAVIOR



(a)

(b)

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Trust Outcomes

Theoretical Development

Behavioral Manifestations of Trust

- Procurement Choice
- Loyalty
- Satisfaction

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Procurement Choice

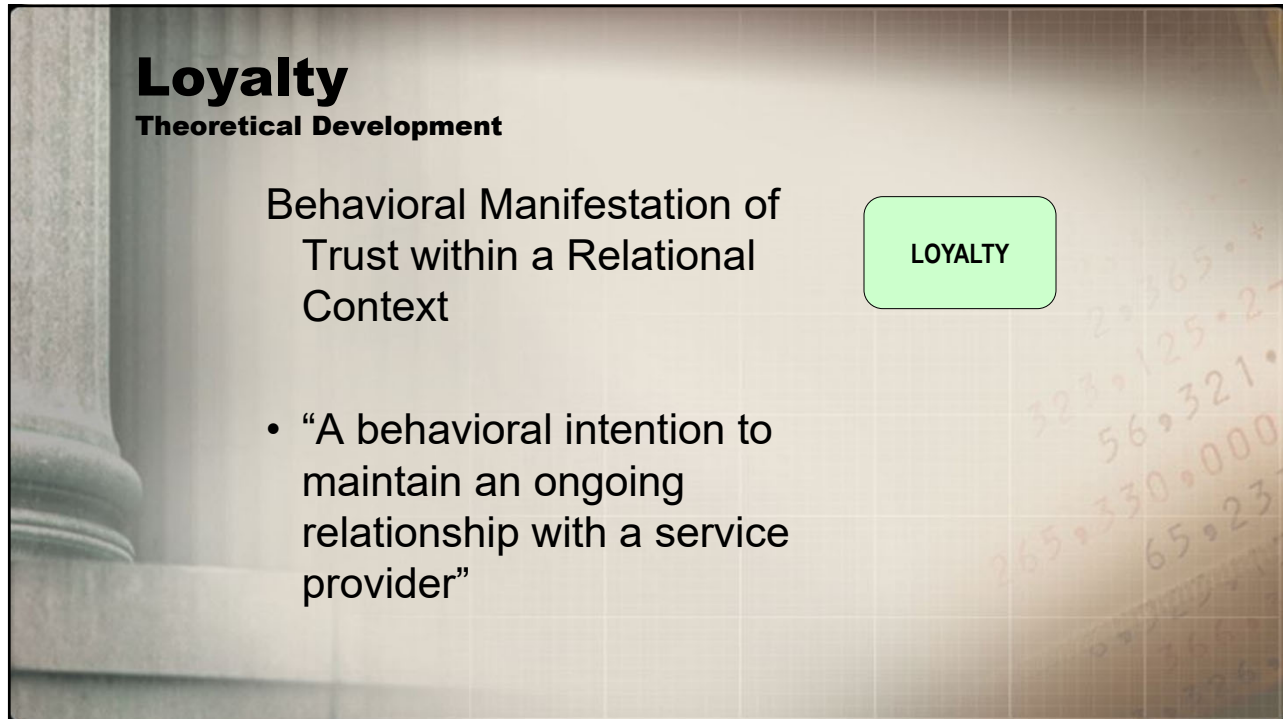
Theoretical Development

Behavioral Manifestation of Trust within a Relational Context

PROCUREMENT CHOICE

- Buy or Don't Buy?

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Loyalty

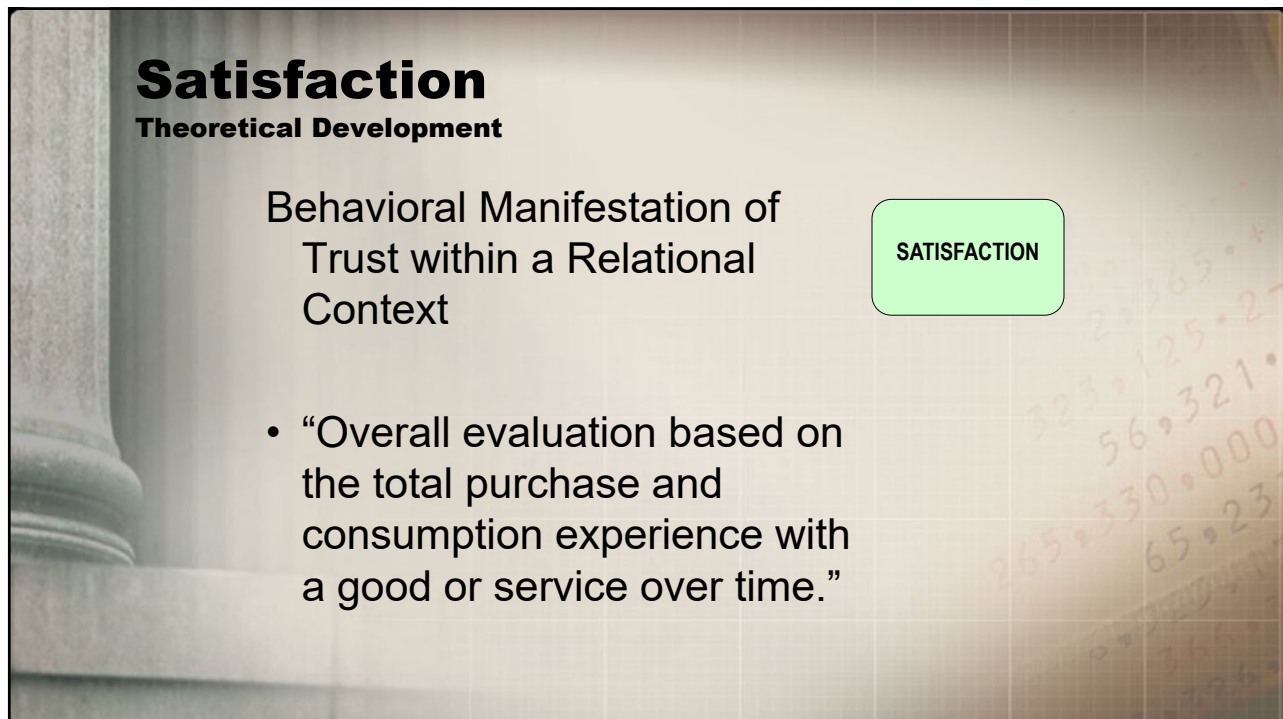
Theoretical Development

Behavioral Manifestation of Trust within a Relational Context

LOYALTY

- “A behavioral intention to maintain an ongoing relationship with a service provider”

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Satisfaction

Theoretical Development

Behavioral Manifestation of Trust within a Relational Context

SATISFACTION

- “Overall evaluation based on the total purchase and consumption experience with a good or service over time.”

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Explanatory Expression of the Research Problem

Client trust of professionals is a function of disposition, encapsulated interest, assessment of trustworthiness, and institutional safeguards against opportunism, and these beliefs form the basis of a trusting attitude, which in turn leads to a willingness to take risk that ultimately manifests itself behaviorally when the client interacts with the professional on a particular matter.

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Professional Services Procurement

Operational Expression

- Procurement of Services as an Operational Expression of Trust in Professional-Client Relationships
- Consulting Engineer/Architecture
 - American Council of Engineering Companies (ACEC)
 - Society for Marketing Professional Services (SMPS)
 - *Journal of Business and Industrial Marketing*

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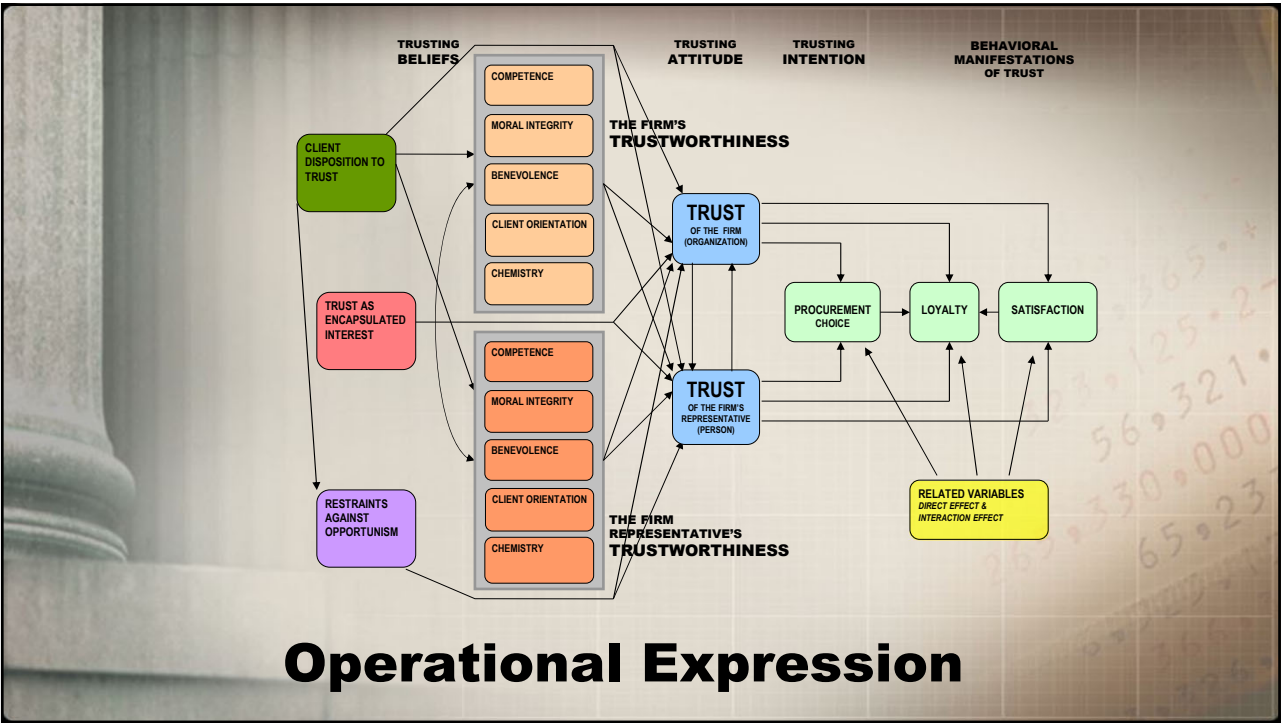
Qualifications-Based Selection

Operational Expression

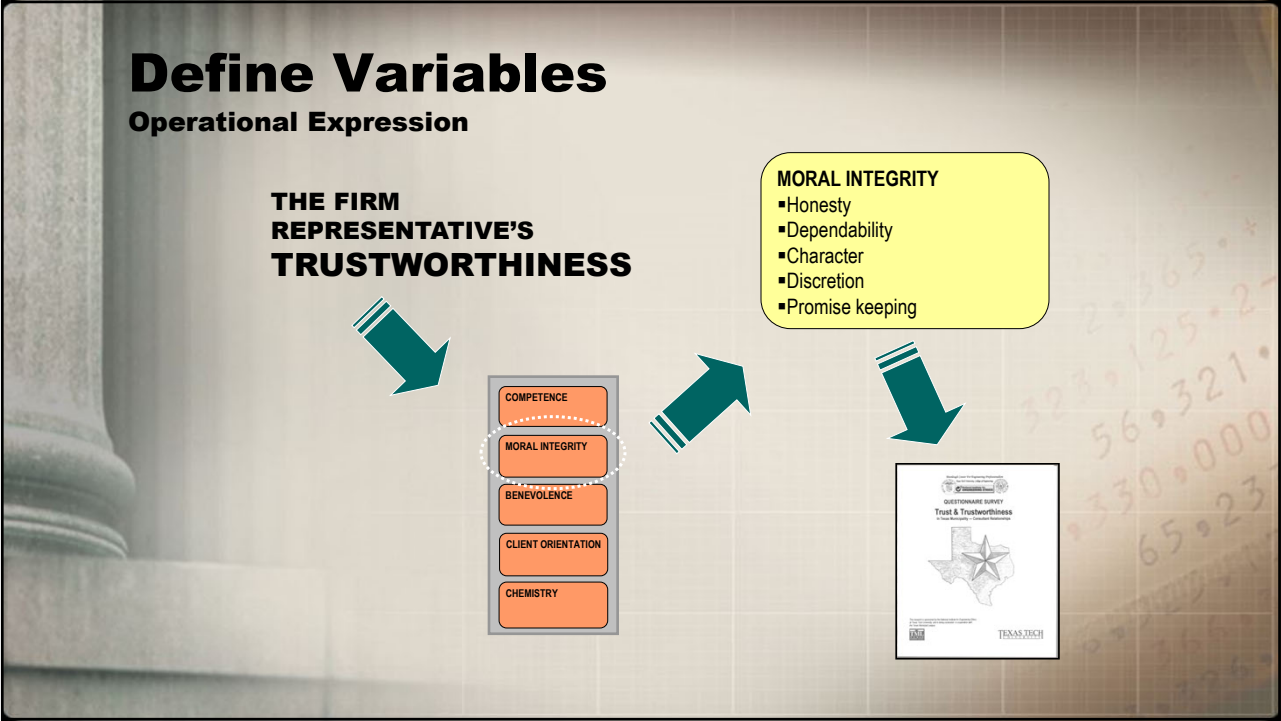
- Competitive
- Structured
- Widely-Applied
 - Federal (50)
 - State (40)
 - Local (22)
- Documented

```
graph TD; A[Prepare a schedule for selection and evaluation criteria] --> B[Receive and evaluate statements of qualifications]; B --> C[Interview selected firms]; C --> D[Rank firms based on qualifications]; D --> E[Notify top firm of selection]; E --> F[Define scope of services with selected firm]; F --> G[Receive fee proposal]; G --> H{Is fee acceptable?}; H -- NO --> I[Refine scope of services to fit budget]; I --> J{Is fee acceptable?}; J -- YES --> K[Notify firm]; J -- NO --> L[Begin again with second choice]; K --> F; L --> E;
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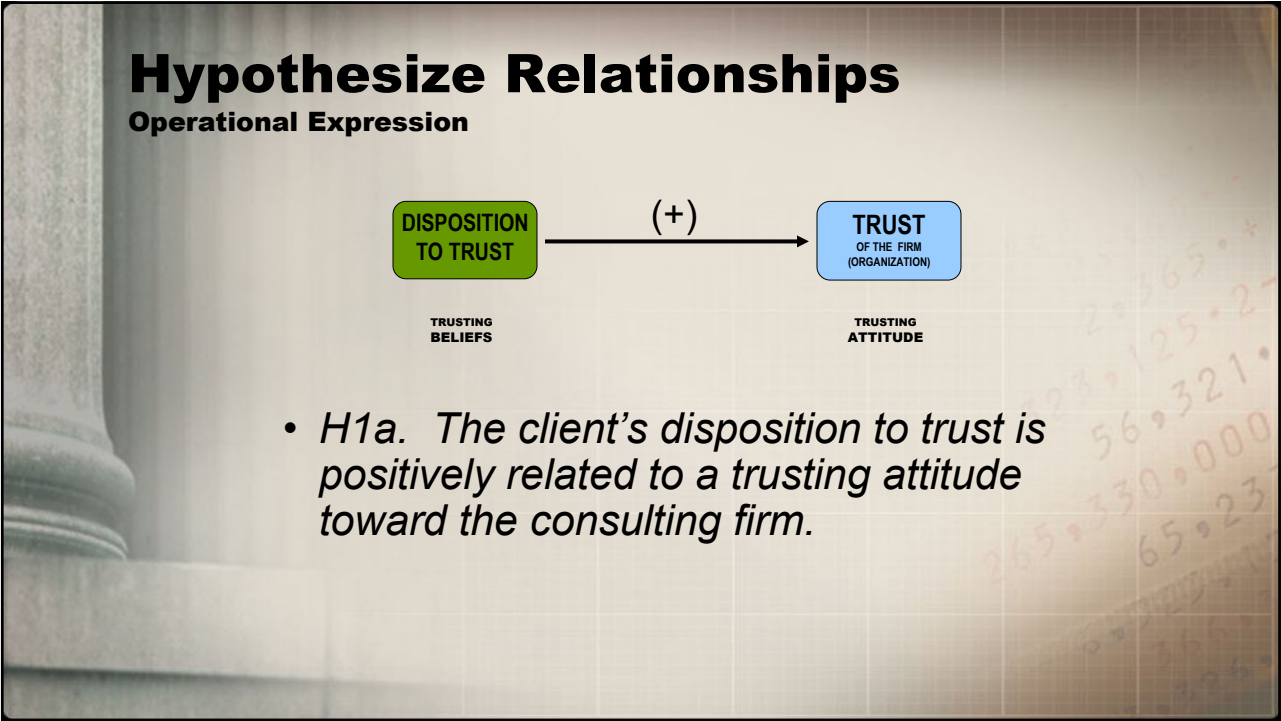
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Research Subjects

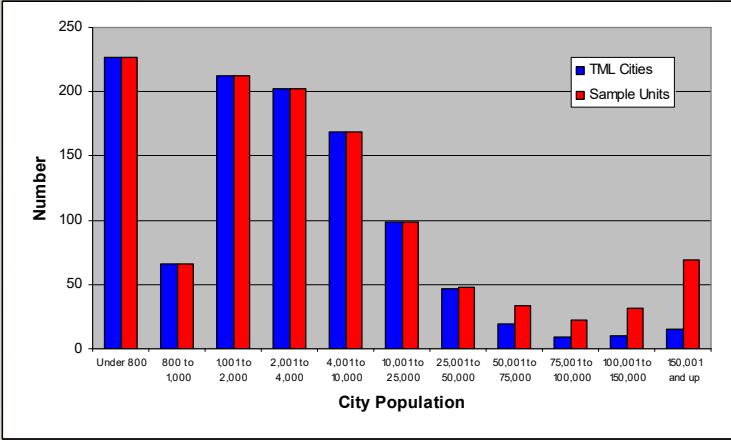
Method

- CLIENTS: Texas Municipalities
- TML Database
- Unit of Analysis



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Survey Sample (N=747)



City Population	TML Cities	Sample Units
Under 800	225	225
800 to 1,000	65	65
1,001 to 2,000	210	210
2,001 to 4,000	200	200
4,001 to 10,000	165	165
10,001 to 25,000	95	95
25,001 to 50,000	45	45
50,001 to 75,000	20	30
75,001 to 100,000	10	20
100,001 to 150,000	10	30
150,001 and up	15	65

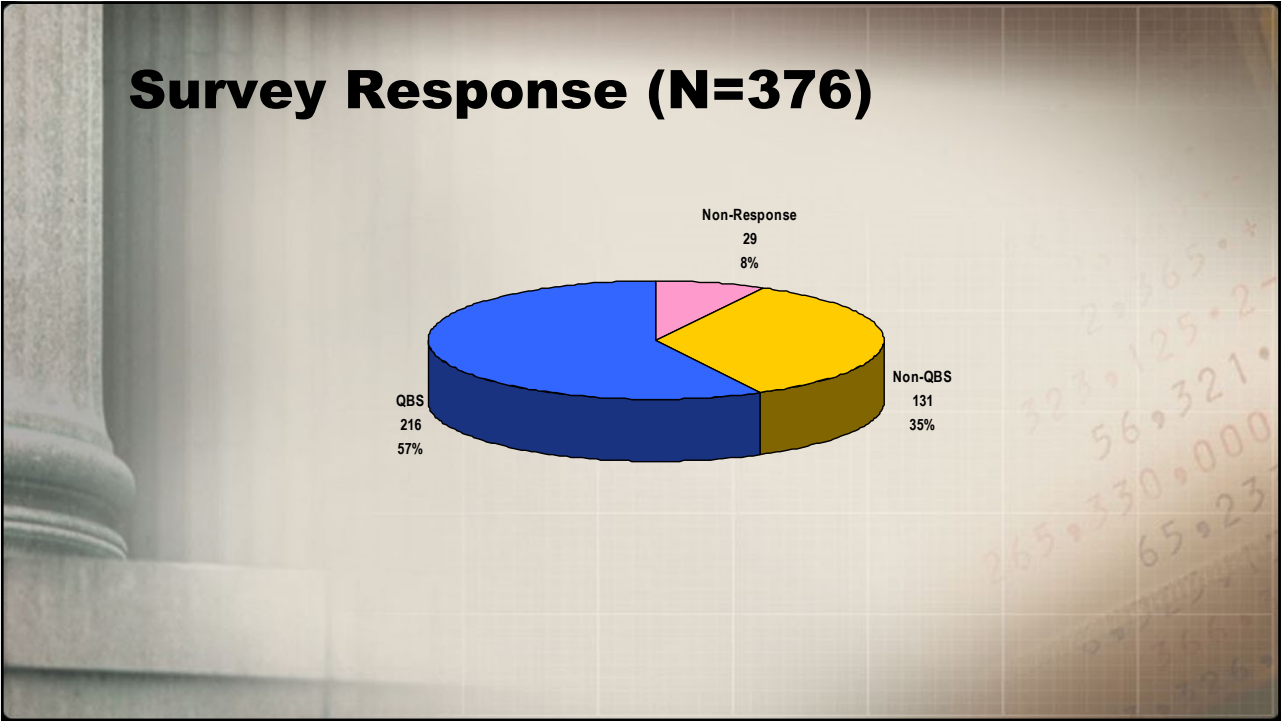
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Survey Procedures

Tailored Design Method (Dillman)

- Pre-notice letter
- Questionnaire mailing w/incentive
- Thank you/ reminder postcard
- Replacement questionnaire

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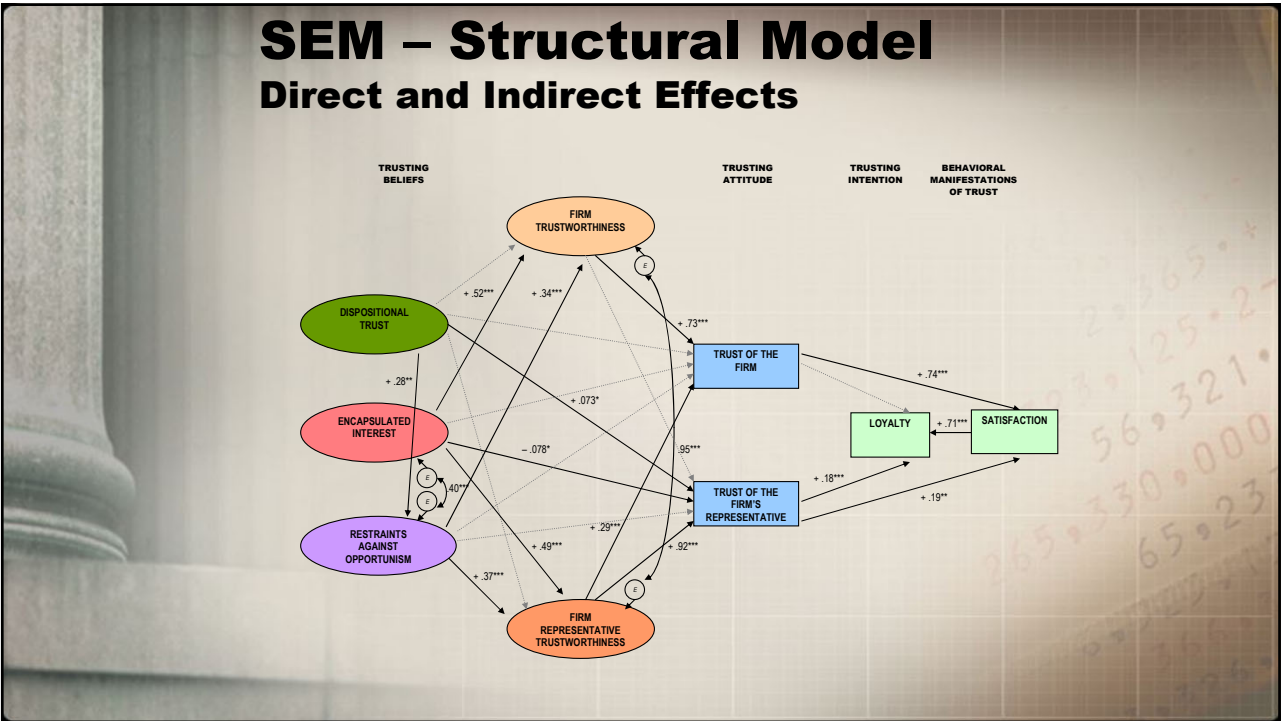


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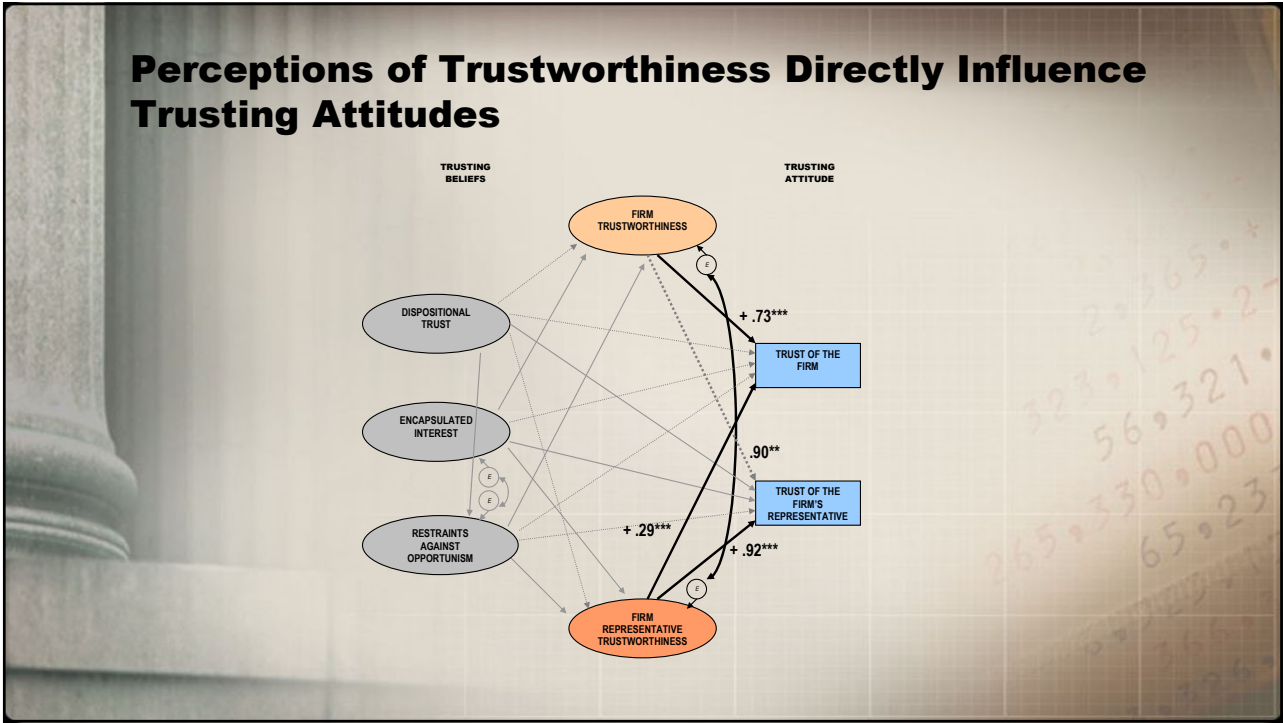
RESULTS

- **Trusting Beliefs Predict Trusting Attitudes**
 - Trustworthiness
 - Dispositional Trust
 - Restraints Against Opportunism
 - Encapsulated Interest
- **Trusting Attitudes Predict Behavioral Manifestations of Trust**
 - Satisfaction
 - Loyalty
 - Procurement Choice

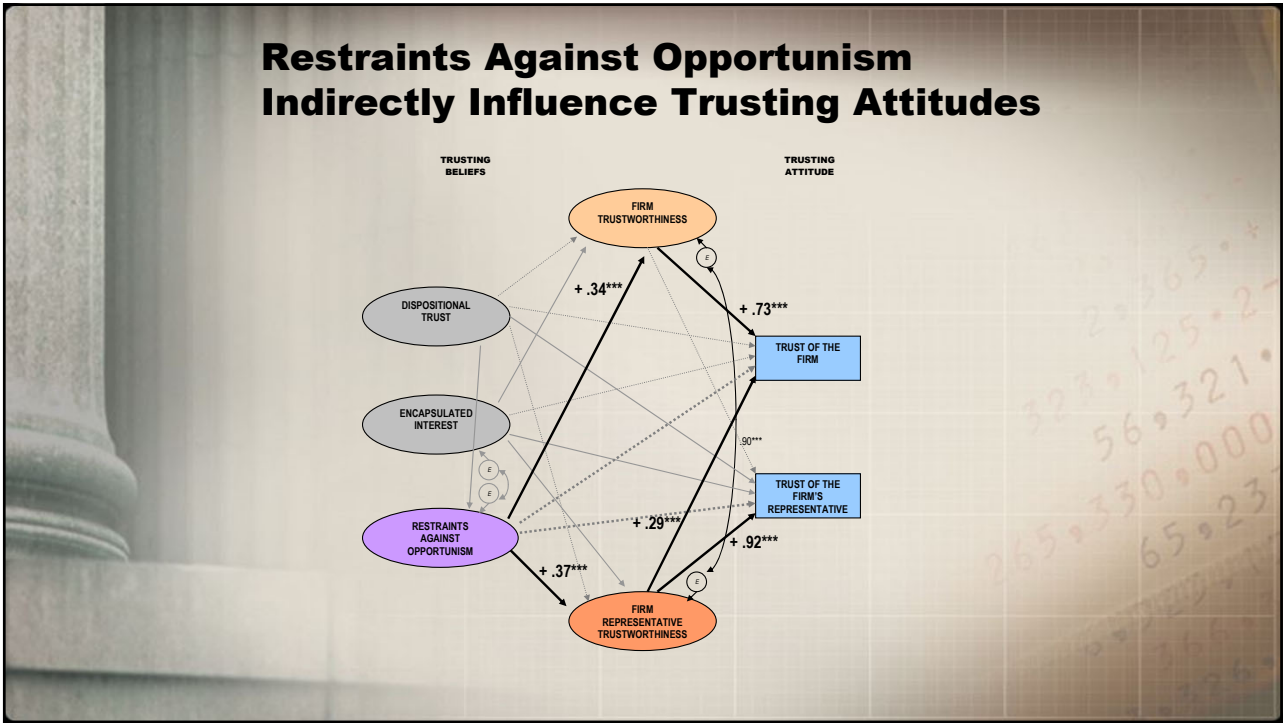
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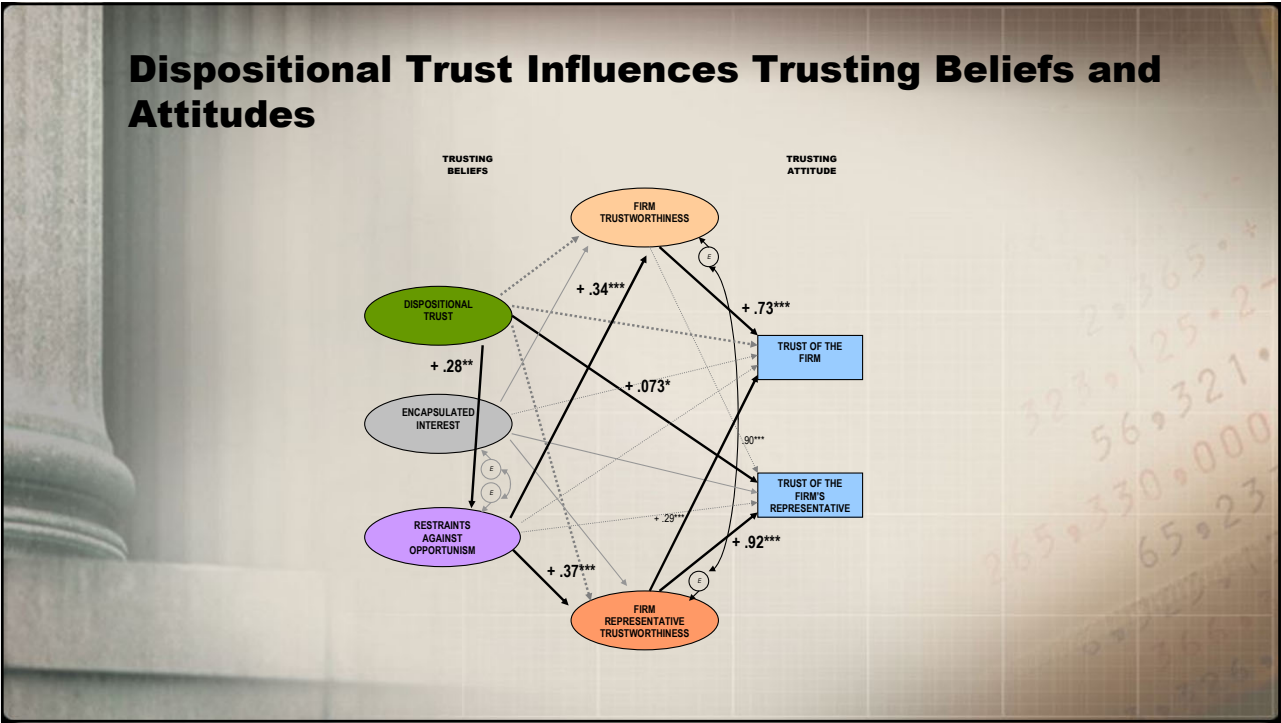
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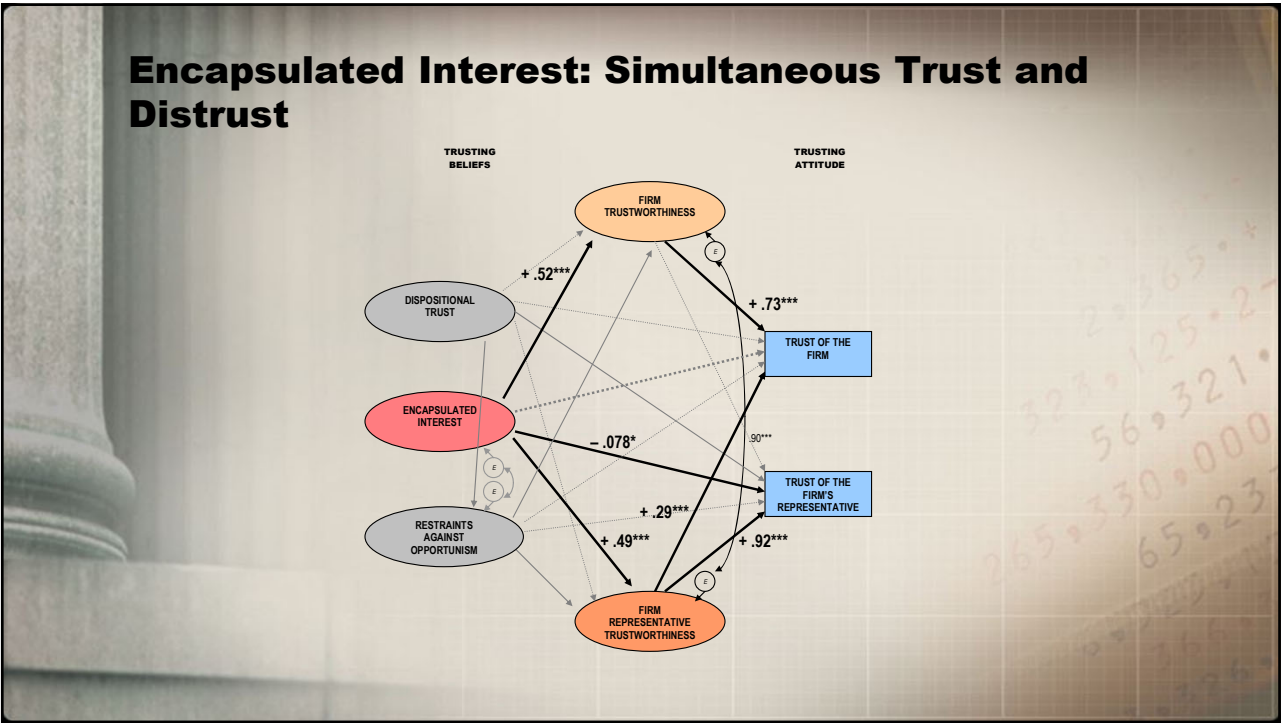
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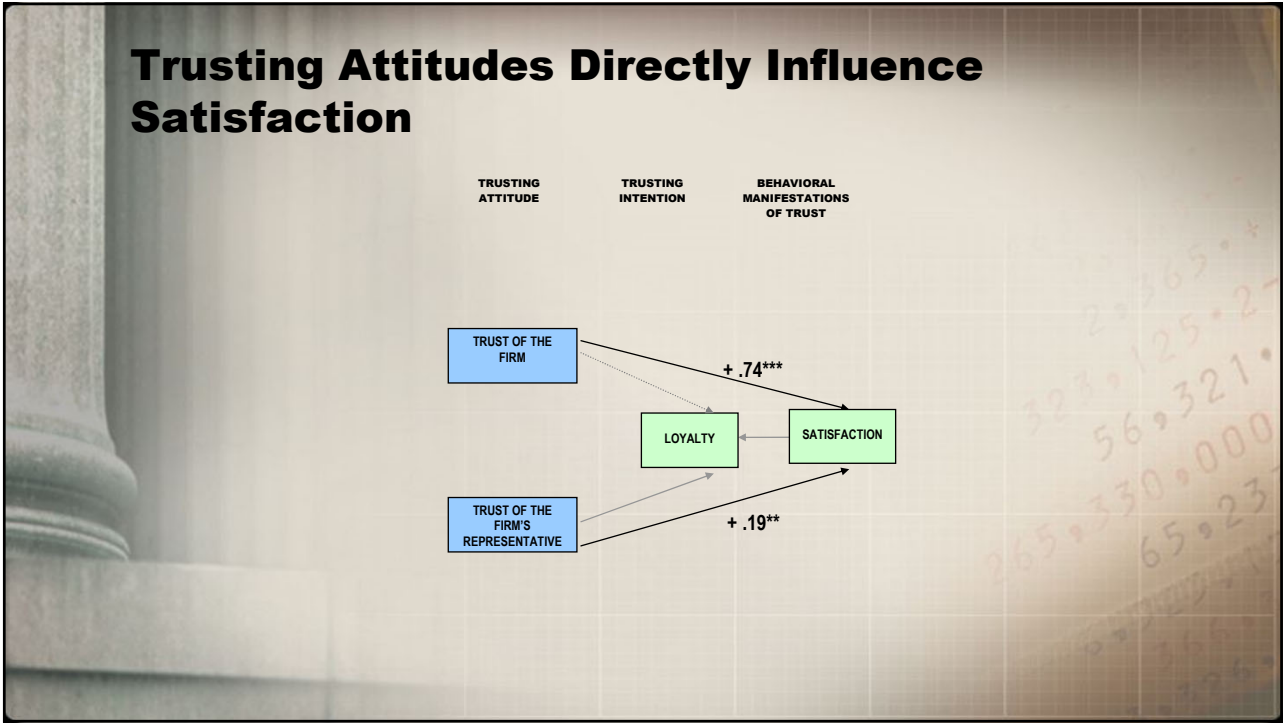
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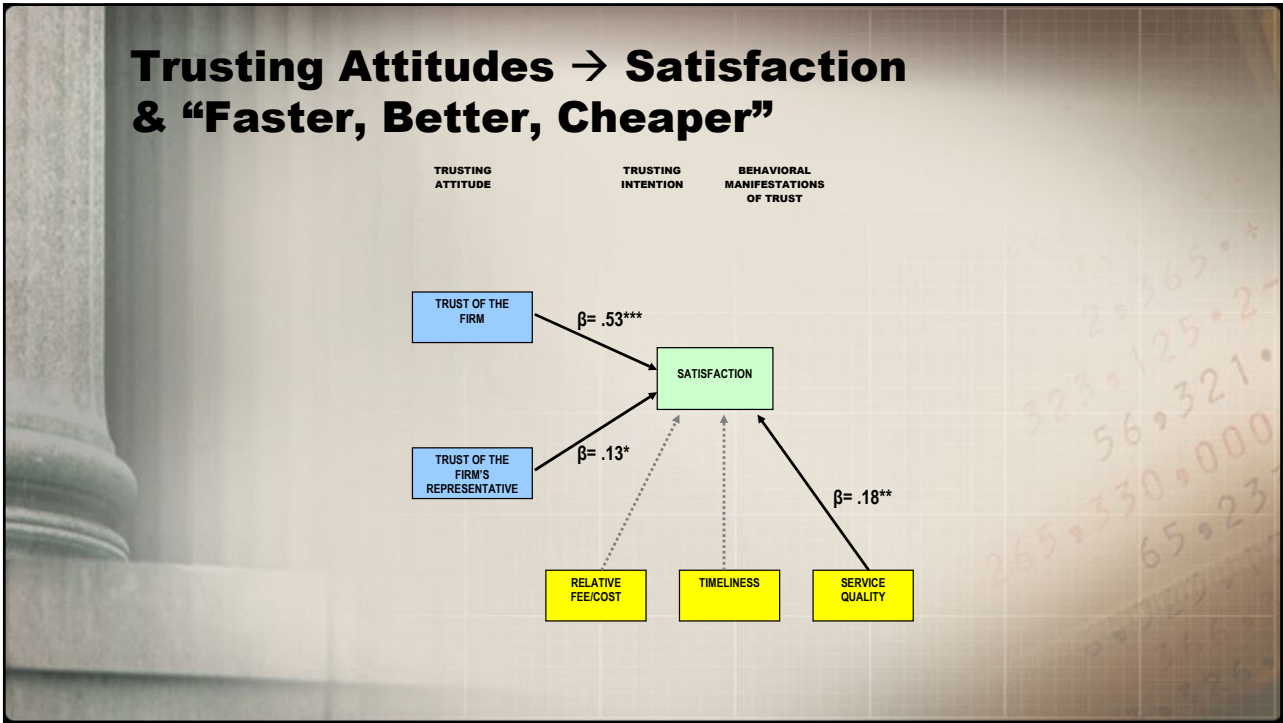
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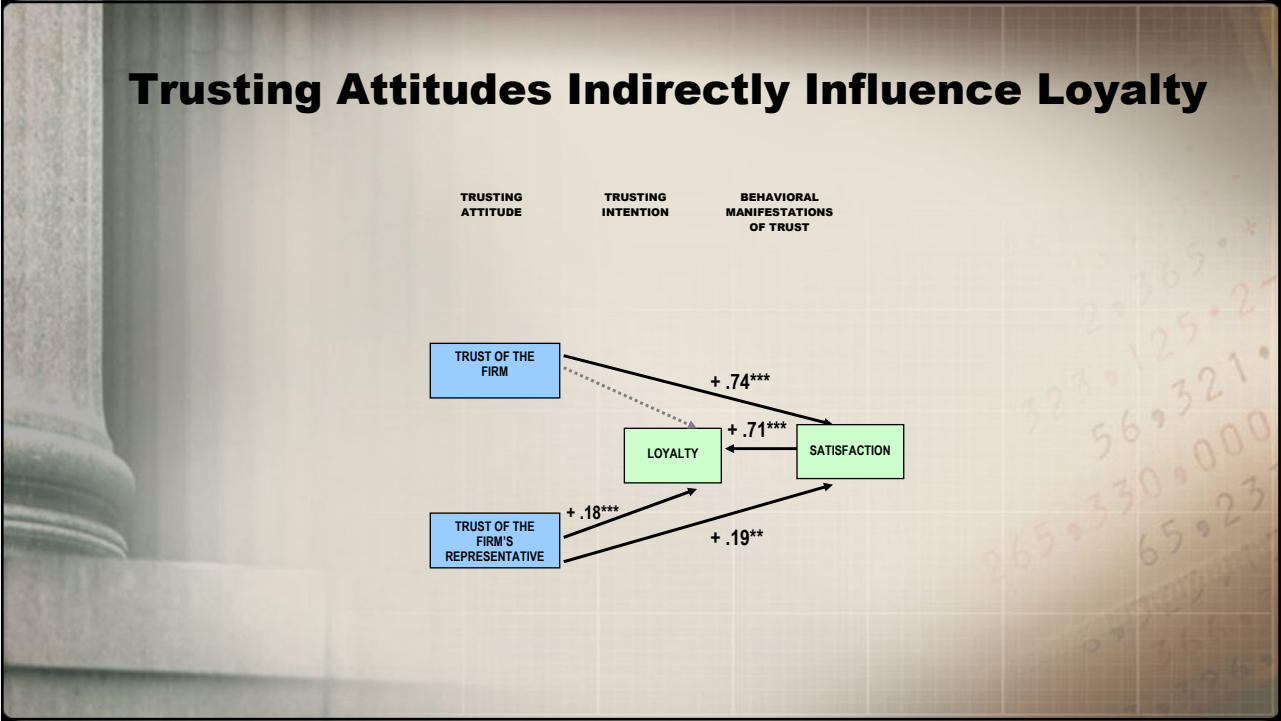
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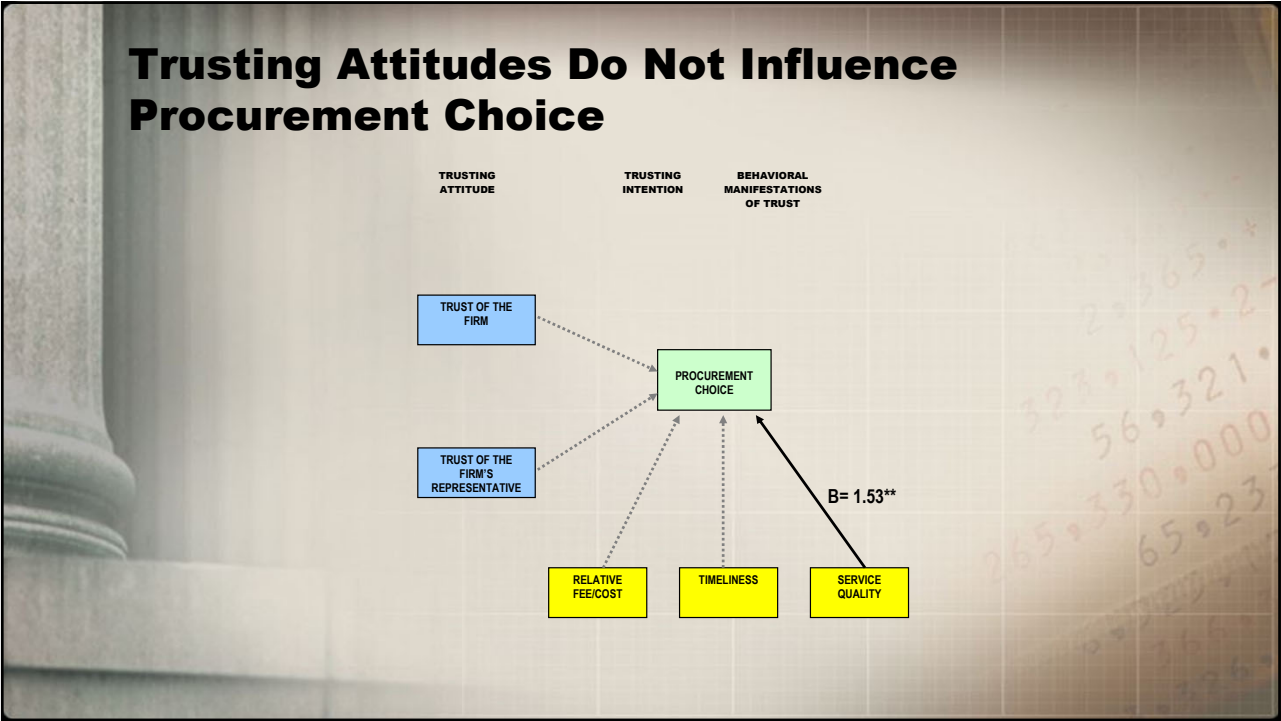
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Contributions

Conclusions

- Theoretical trust framework is supported
- Trust is distinguished from behavior
- Four theories of trust describe professional-client relationships
- Trust strongly impacts the “bottom line” of consulting engineer/architecture firms
- Interdisciplinary problem-solving approach

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Some Practical Implications

Conclusions

- Trustworthiness is the first virtue of professional life
 - Trust has little to do with luck
 - Trustworthiness is the key
- Three bottom-line outcomes of trusting:
 - Trust as project qualifier
 - Trust drives satisfaction
 - Satisfaction & trust drive loyalty

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