

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

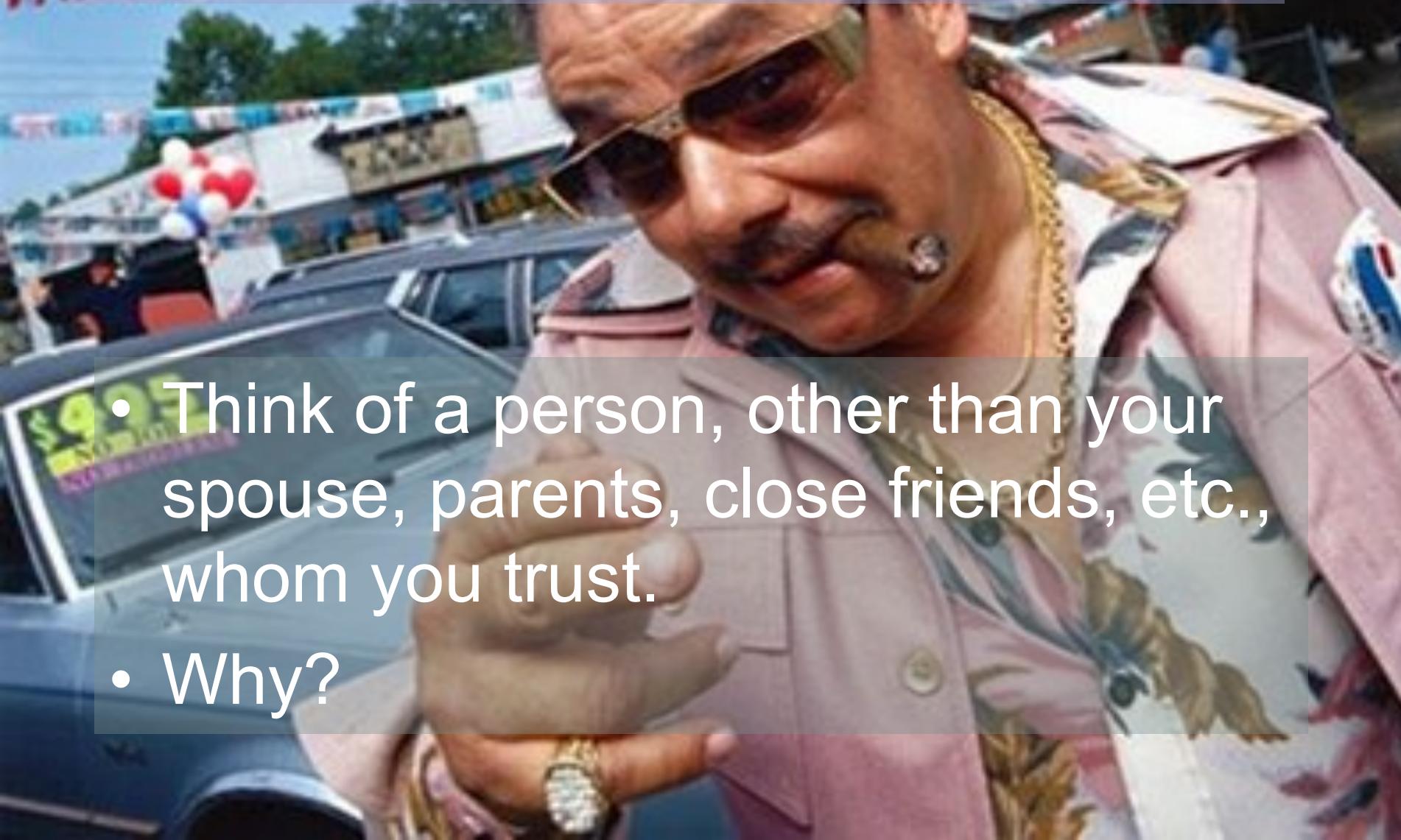


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Trust and Trustworthiness...

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

Would you buy a car from this man?



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

GALLUP POLL

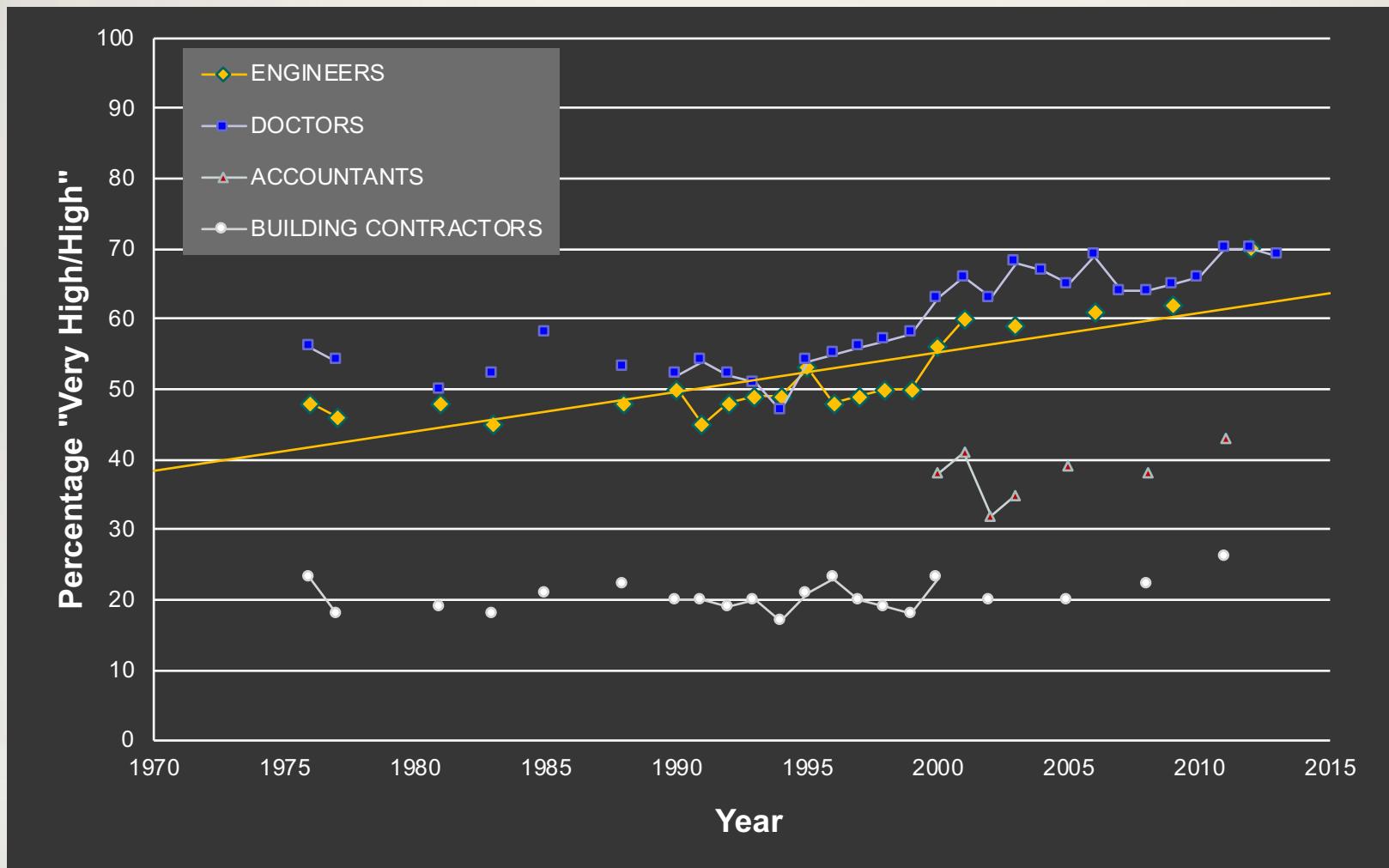
Honesty/Ethics in the Professions

*“Please tell me how you would rate the **honesty** and **ethical standards** of people in these different fields – very high, high, average, low or very low?”*

Dec 5-8, 2013

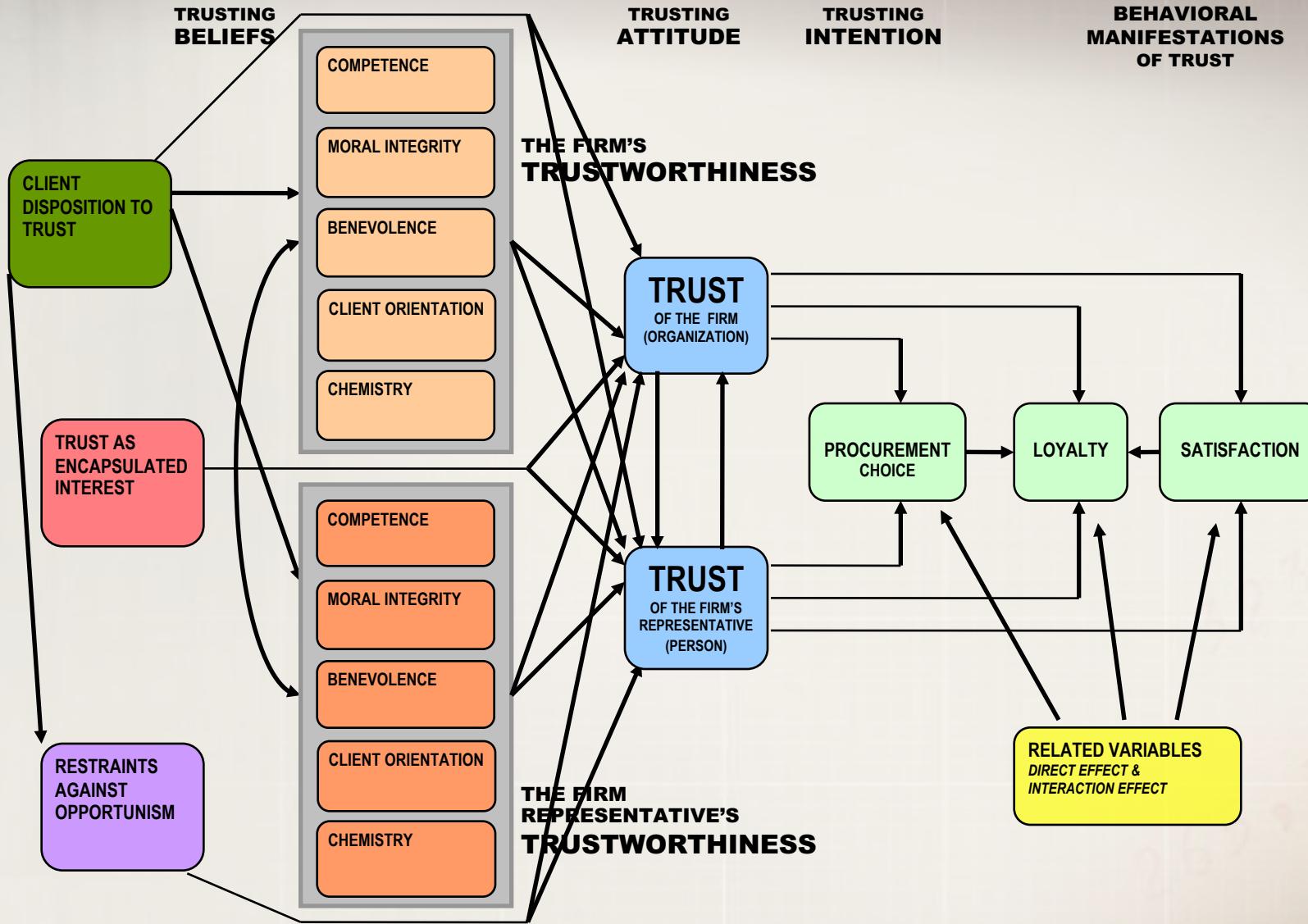


Engineers & others



The Research Problem

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

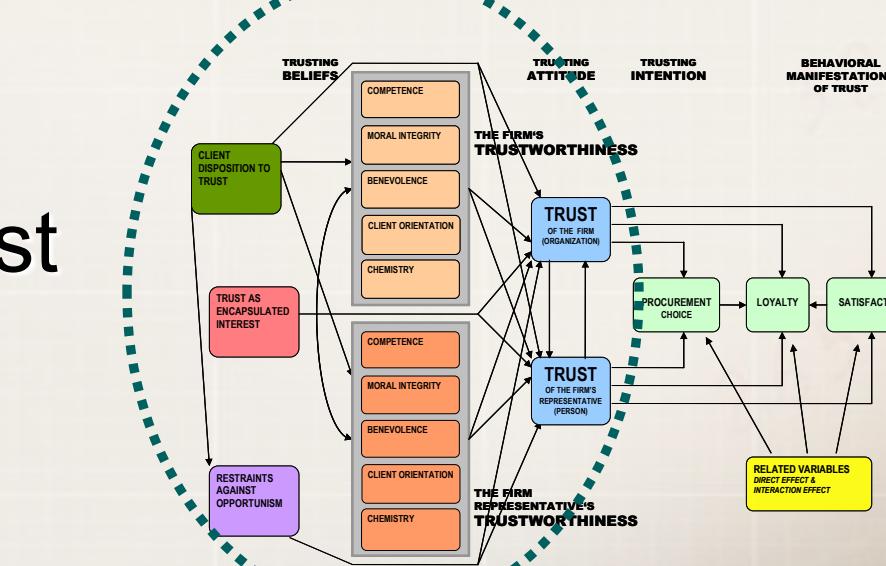


Trust Model

Theories of Trust

Theoretical Development

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



Dispositional Trust

Theoretical Development

- Psychological Belief
 - Trusting Stance
 - Faith in Humanity

**CLIENT
DISPOSITION
TO TRUST**

“A stable personality characteristic”

Encapsulated Interest

Theoretical Development

- Cognitive Belief
 - Values Relationship
 - Wants Relationship to Continue

TRUST AS
ENCAPSULATED
INTEREST

“A rational, calculative,
economic approach to
trust”

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”

Institutional Trust

Theoretical Development

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

RESTRAINTS
AGAINST
OPPORTUNISM

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

The Grammars of Trust

Theoretical Development

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



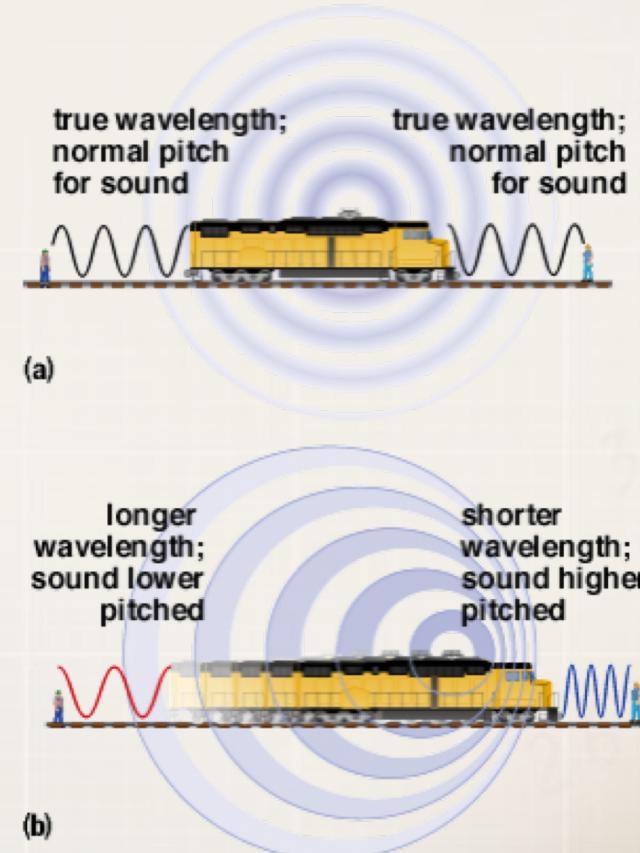
An Integrative Framework

Theoretical Development

Trust as:

- BELIEF
 - ATTITUDE
 - INTENTION
-

BEHAVIOR



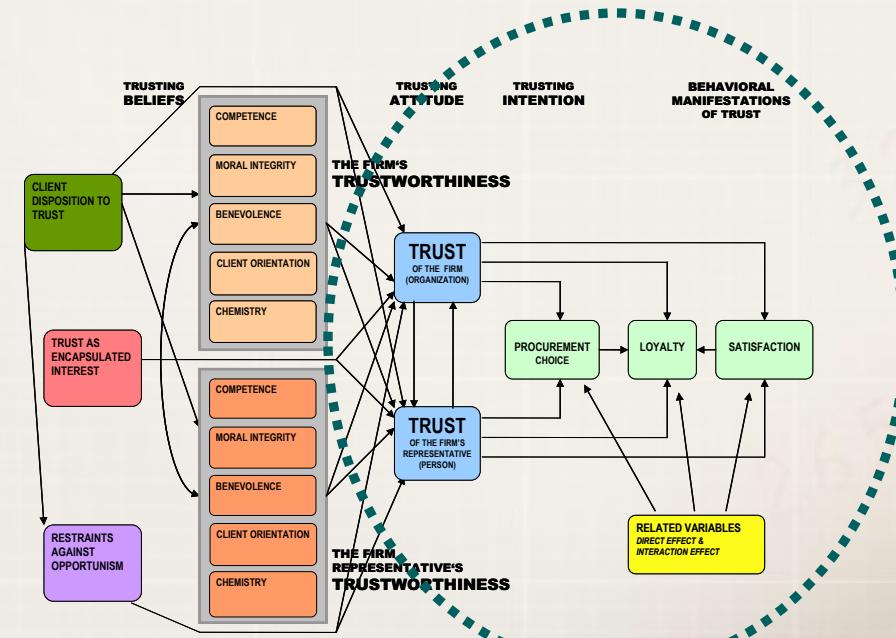
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Trust Outcomes

Theoretical Development

Behavioral Manifestations of Trust

- Procurement Choice
- Loyalty
- Satisfaction



Procurement Choice

Theoretical Development

Behavioral Manifestation of
Trust within a Relational
Context

**PROCUREMENT
CHOICE**

- Buy or Don't Buy?

Loyalty

Theoretical Development

Behavioral Manifestation of
Trust within a Relational
Context

LOYALTY

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

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.”

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.

Professional Services Procurement

Operational Expression

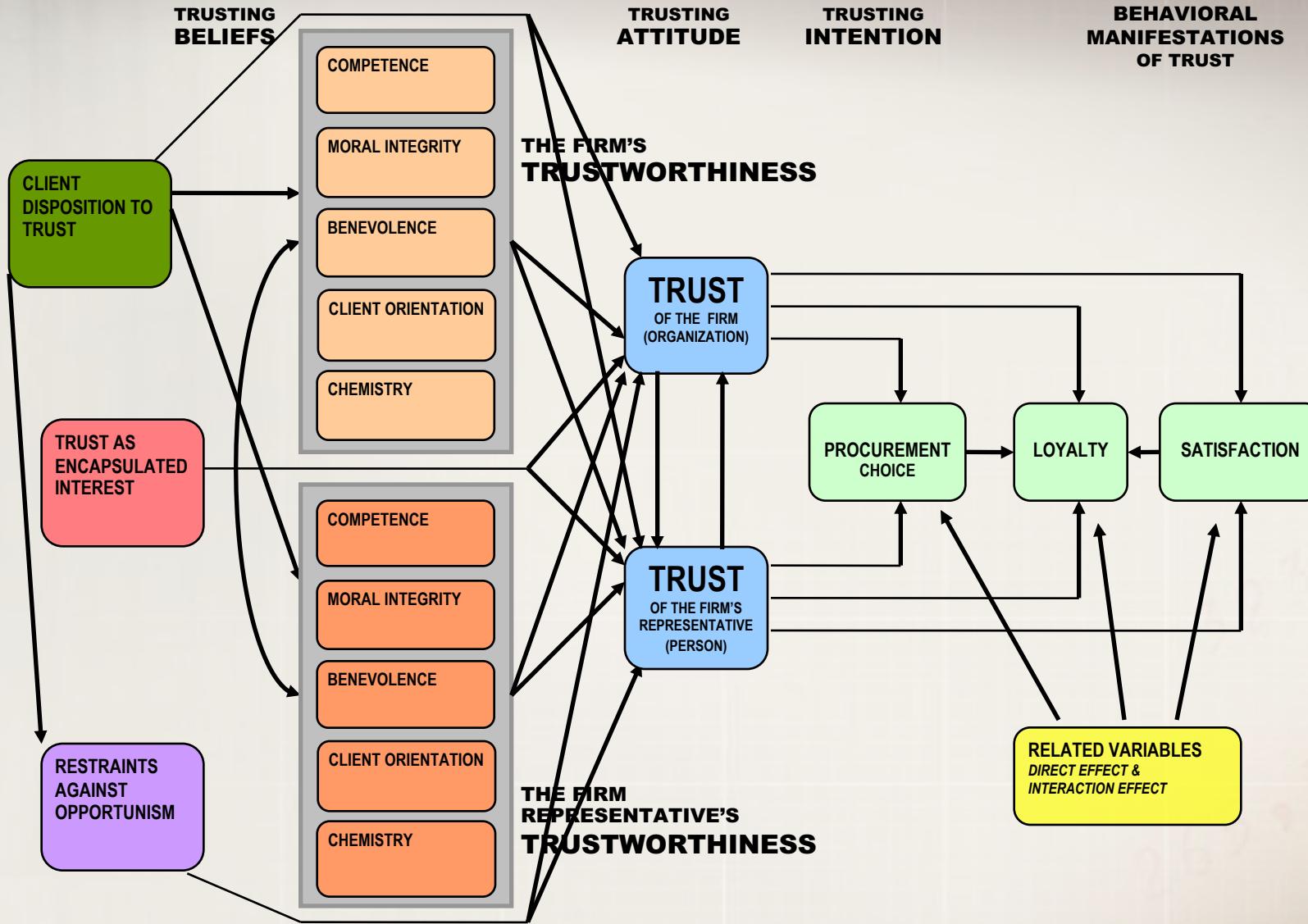
- Procurement of Services as an Operational Expression of Trust in Professional-Client Relationships
- Consulting Engineer/Architecture
 - American Council of Engineering Companies (ACEC)
 - Society for Marketing Professional Services (SMPS)
 - *Journal of Business and Industrial Marketing*

Qualifications-Based Selection

Operational Expression

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



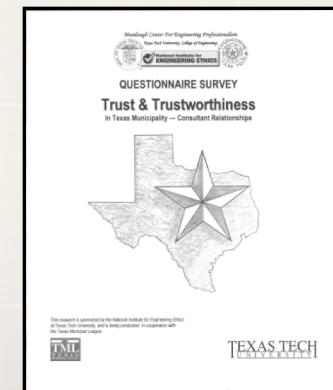
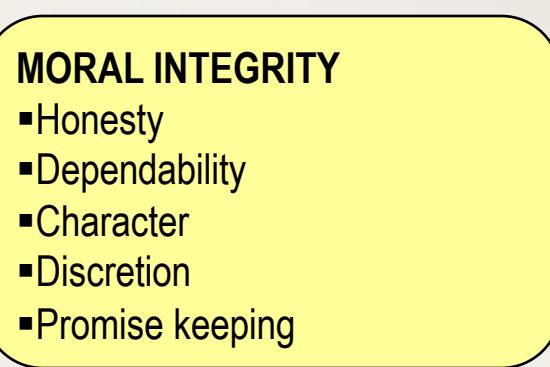
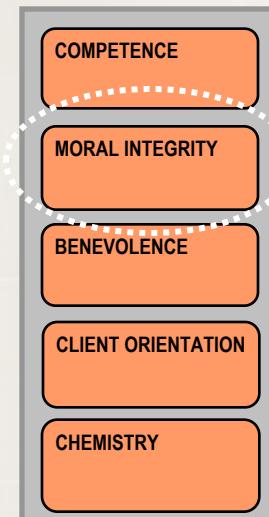


Operational Expression

Define Variables

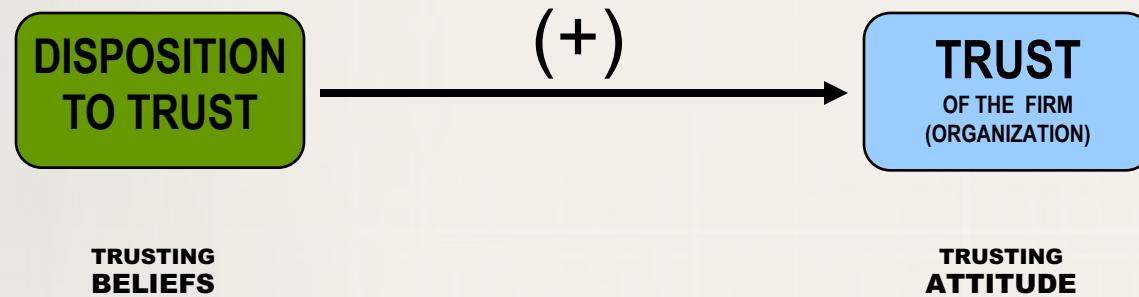
Operational Expression

THE FIRM REPRESENTATIVE'S TRUSTWORTHINESS



Hypothesize Relationships

Operational Expression



- *H1a. The client's disposition to trust is positively related to a trusting attitude toward the consulting firm.*

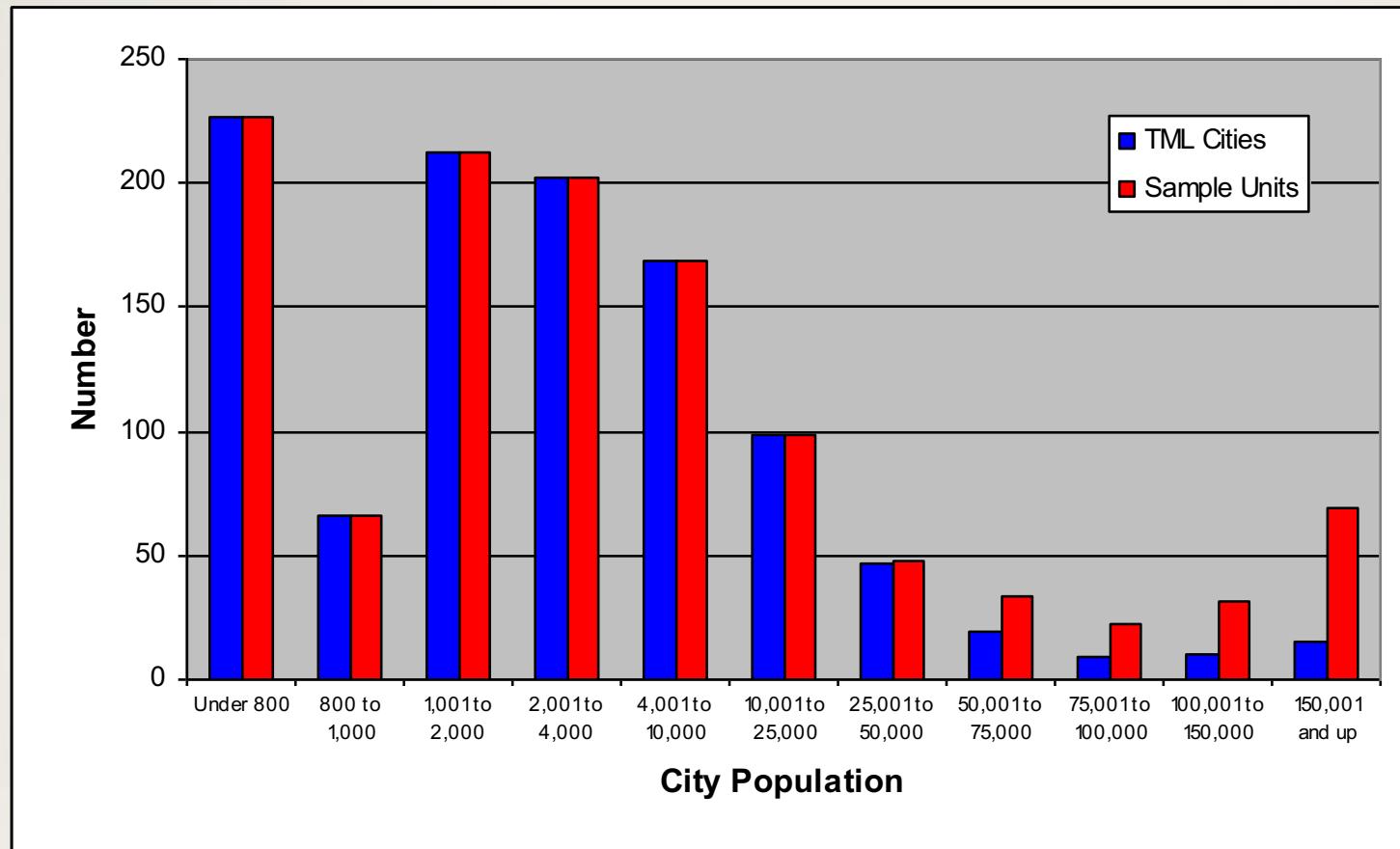
Research Subjects

Method

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



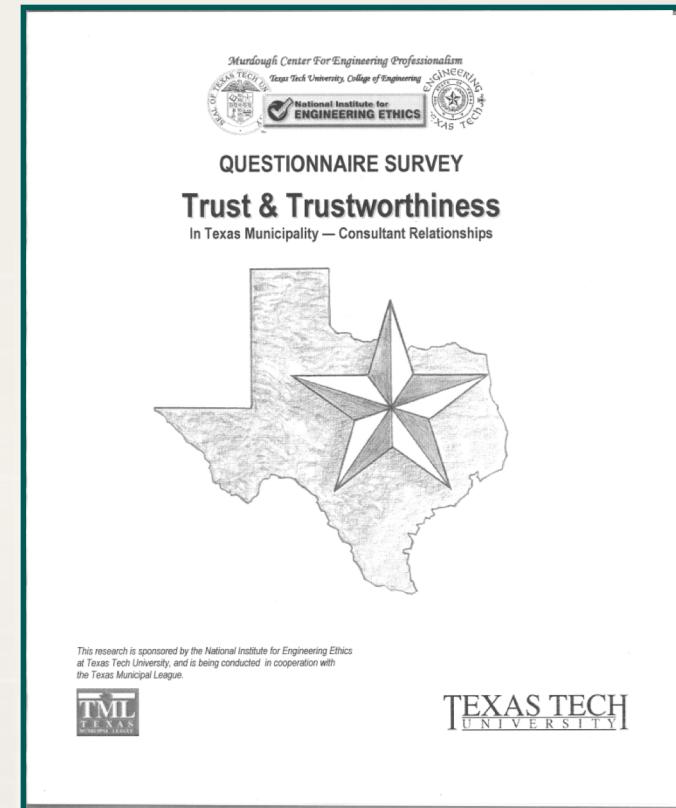
Survey Sample (N=747)



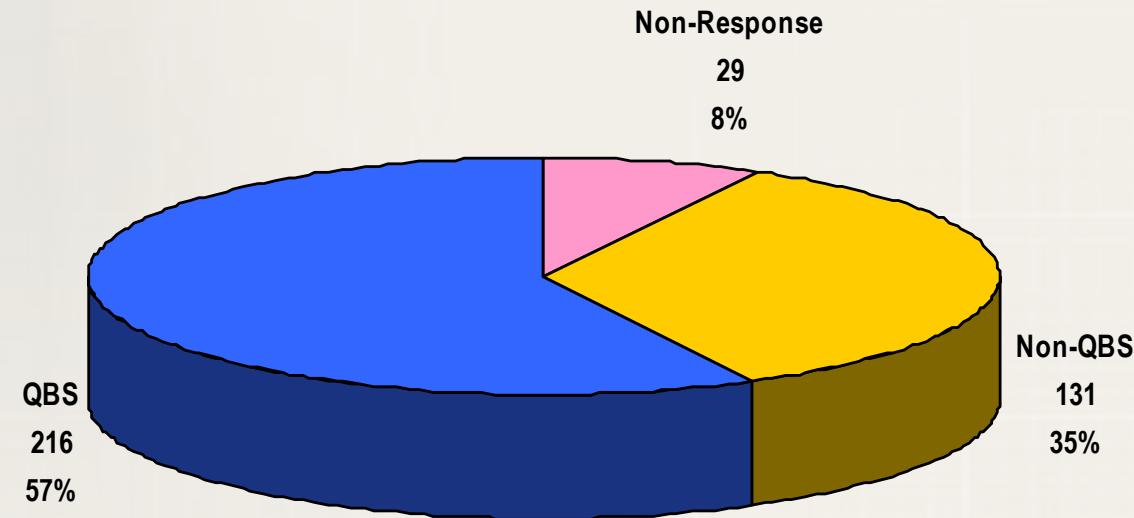
Survey Procedures

Tailored Design Method (Dillman)

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



Survey Response (N=376)

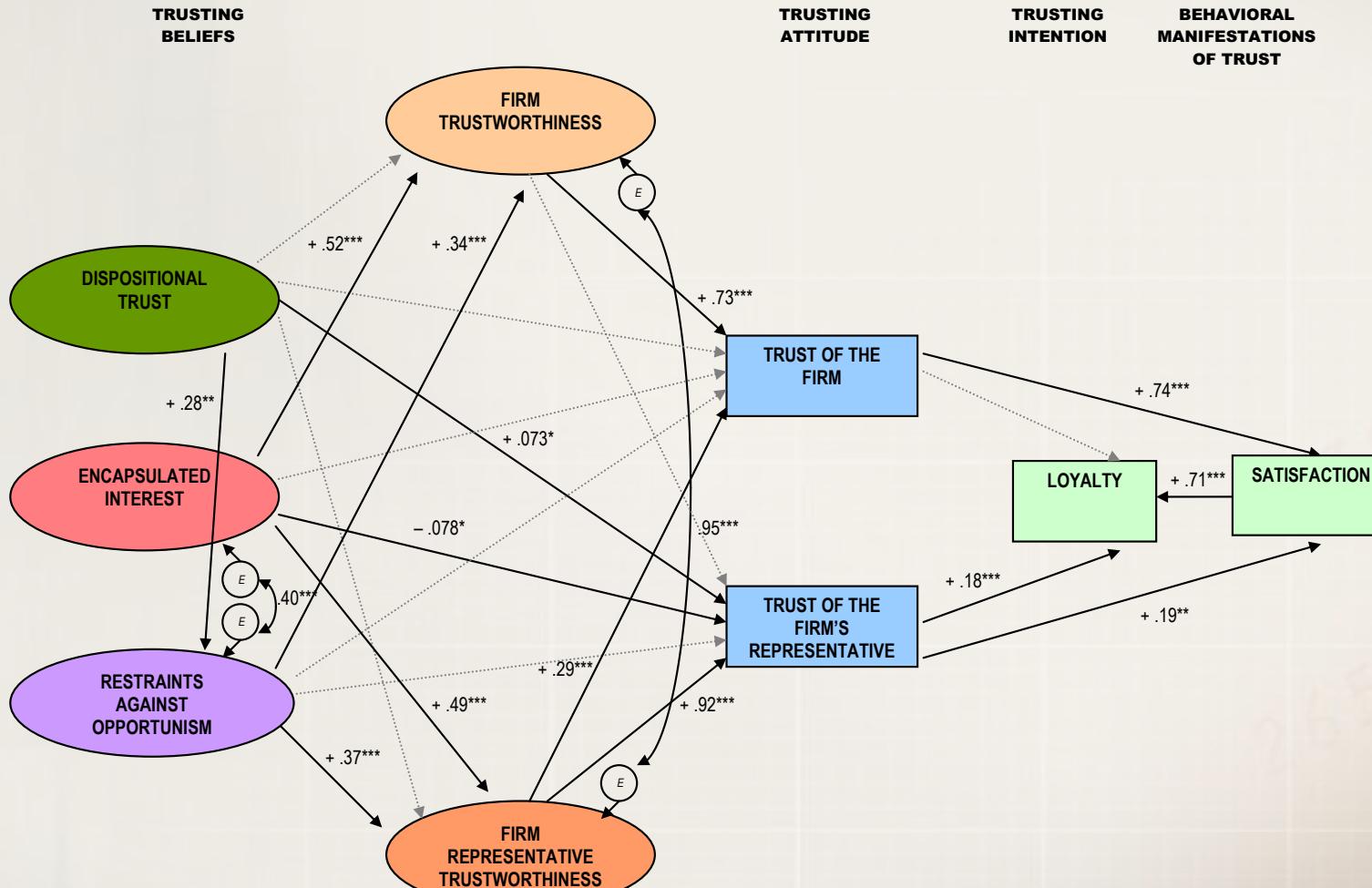


RESULTS

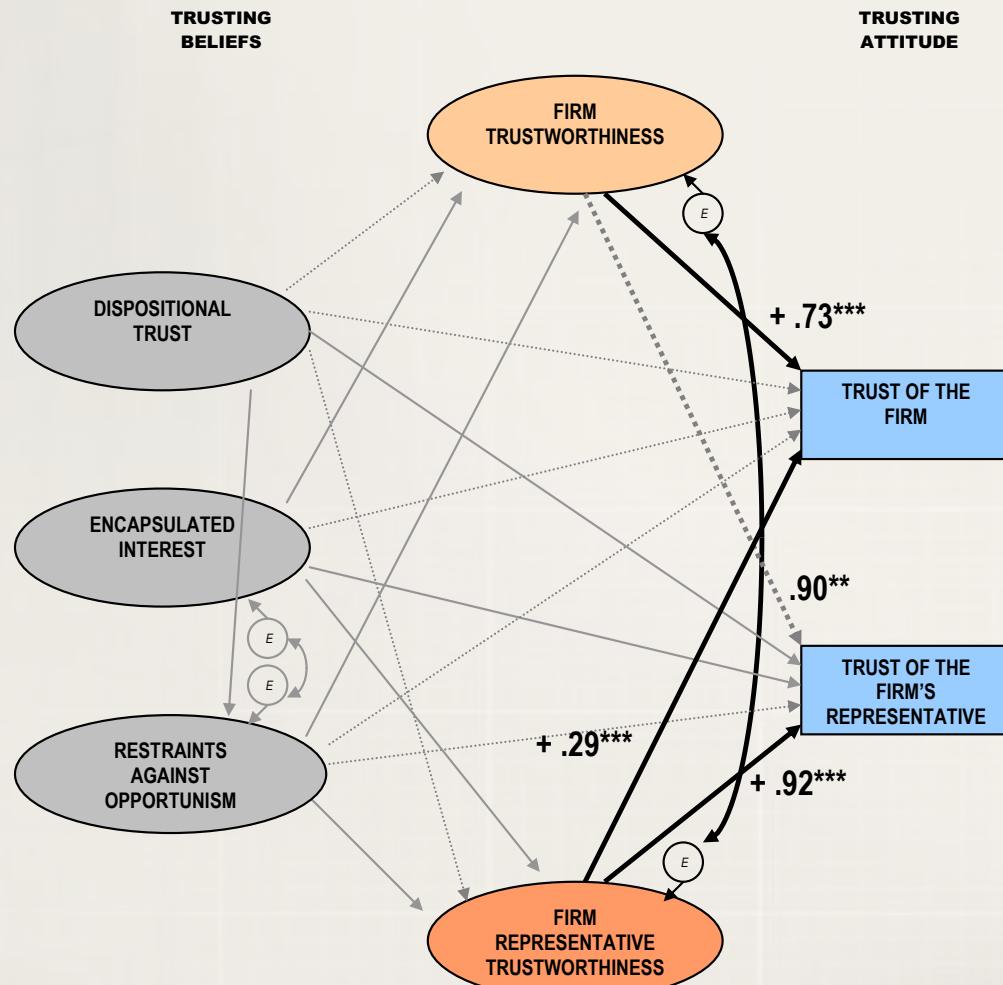
- **Trusting Beliefs Predict Trusting Attitudes**
 - Trustworthiness
 - Dispositional Trust
 - Restraints Against Opportunism
 - Encapsulated Interest
- **Trusting Attitudes Predict Behavioral Manifestations of Trust**
 - Satisfaction
 - Loyalty
 - Procurement Choice

SEM – Structural Model

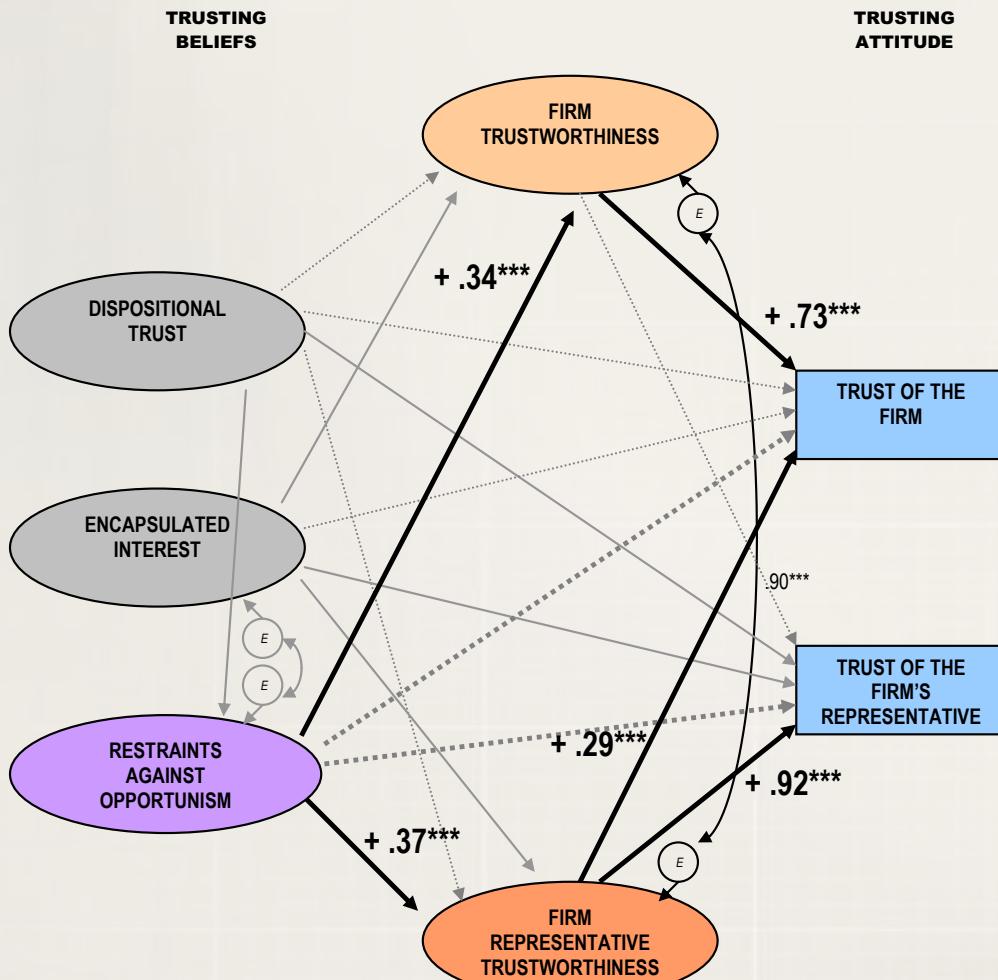
Direct and Indirect Effects



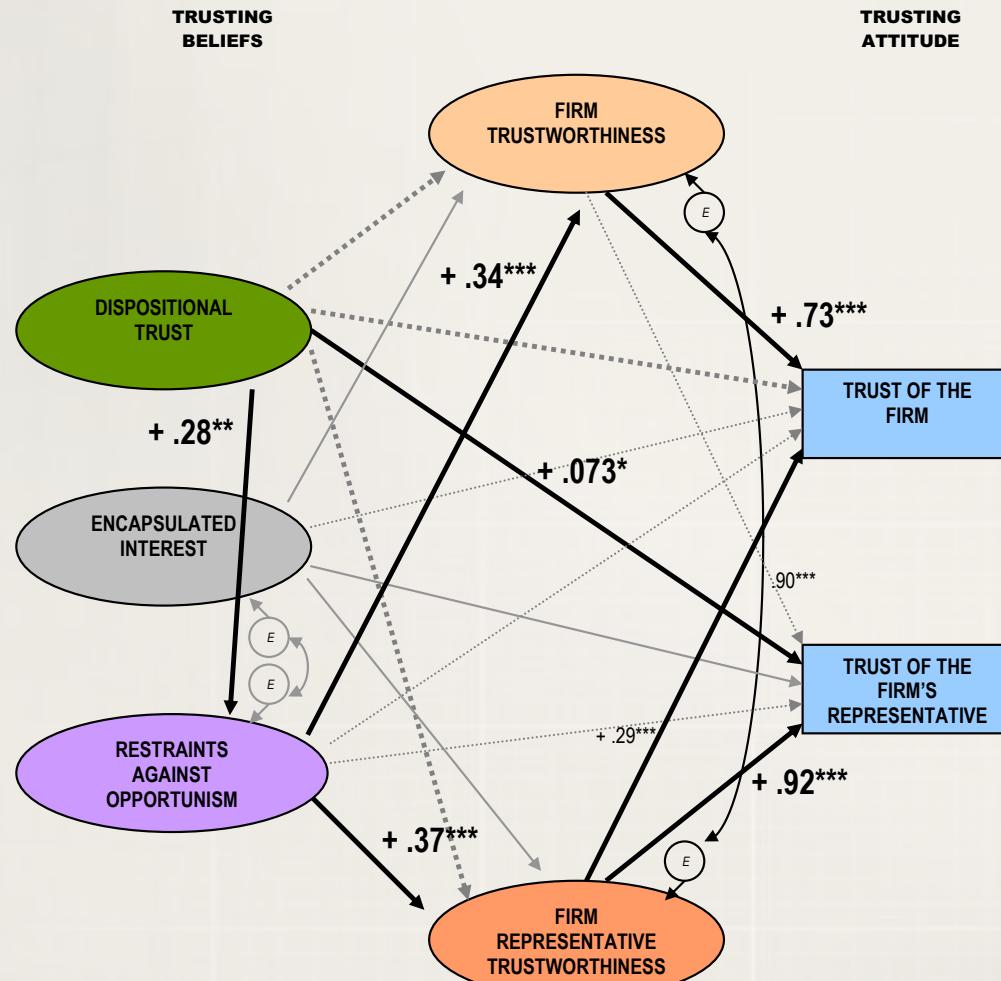
Perceptions of Trustworthiness Directly Influence Trusting Attitudes



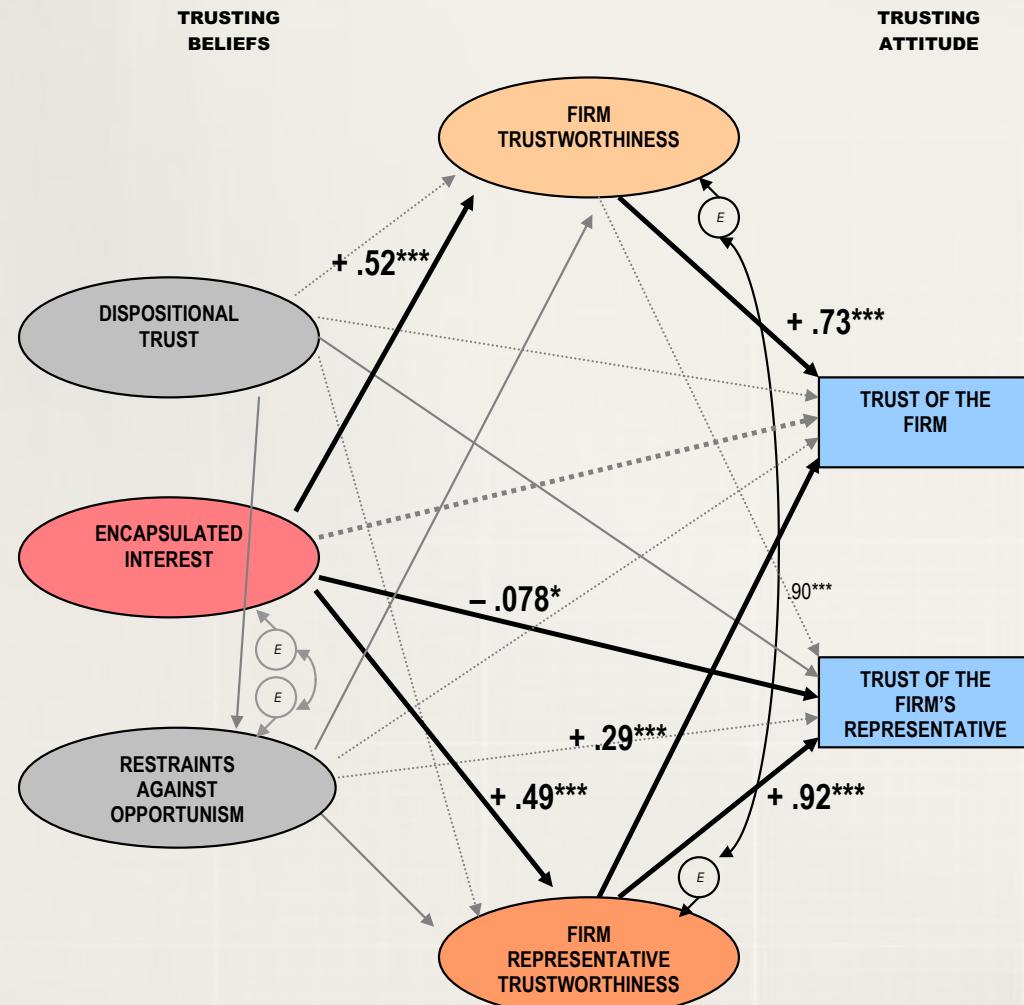
Restraints Against Opportunism Indirectly Influence Trusting Attitudes



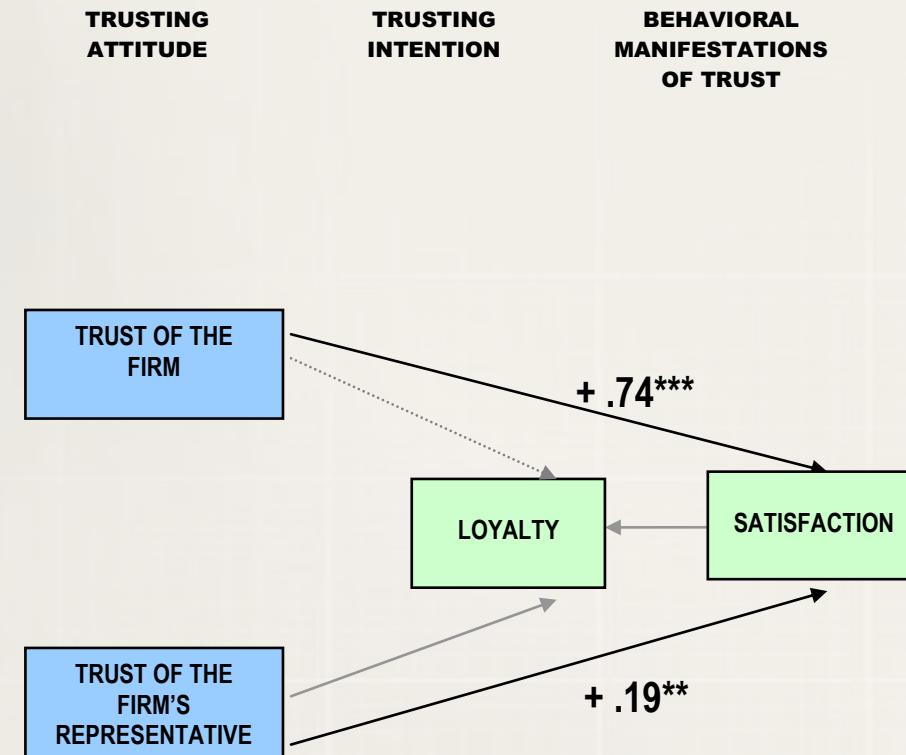
Dispositional Trust Influences Trusting Beliefs and Attitudes



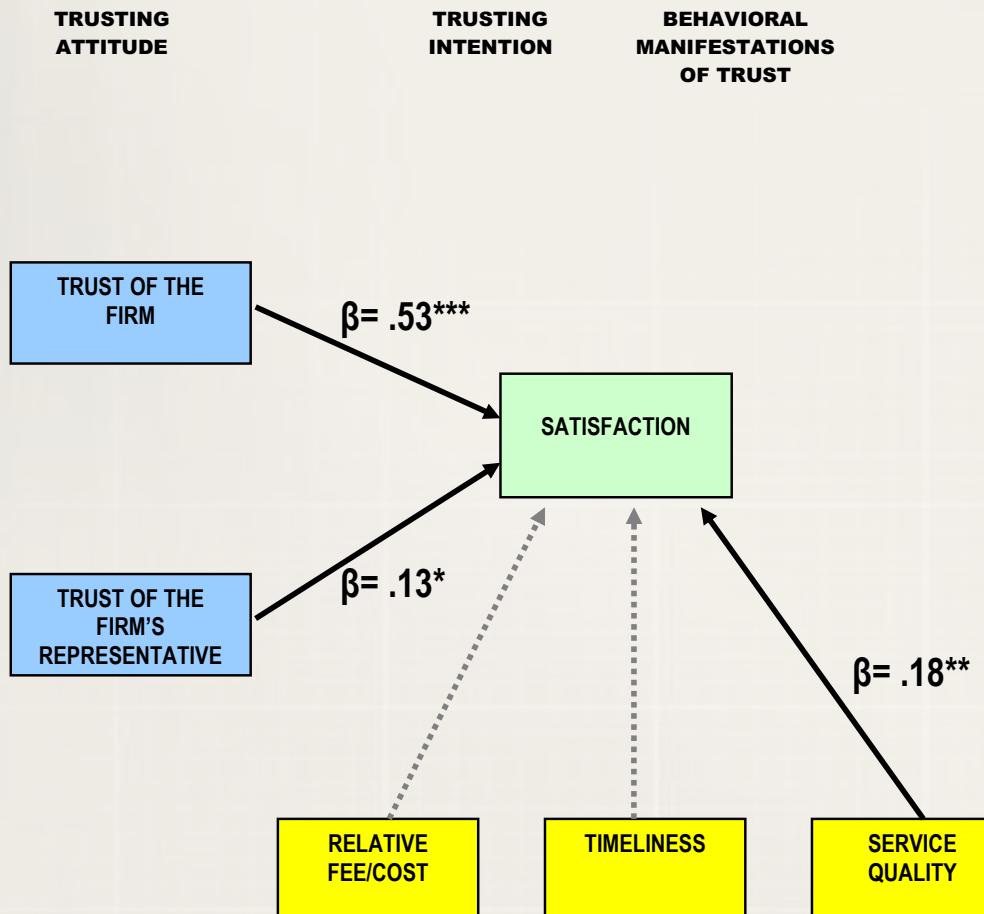
Encapsulated Interest: Simultaneous Trust and Distrust



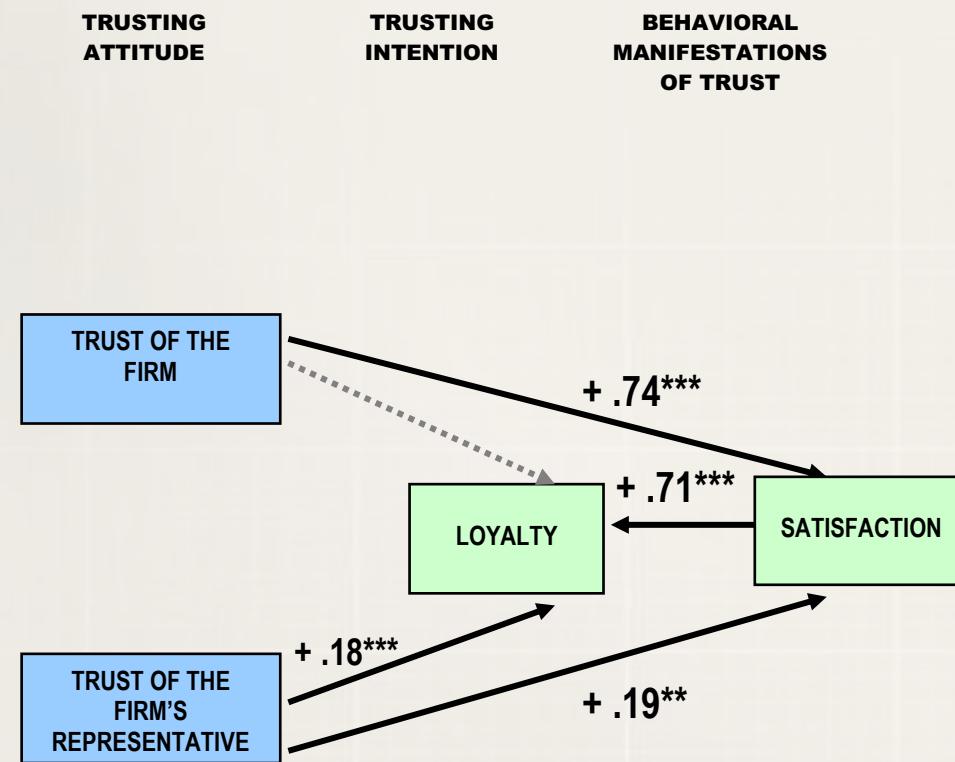
Trusting Attitudes Directly Influence Satisfaction



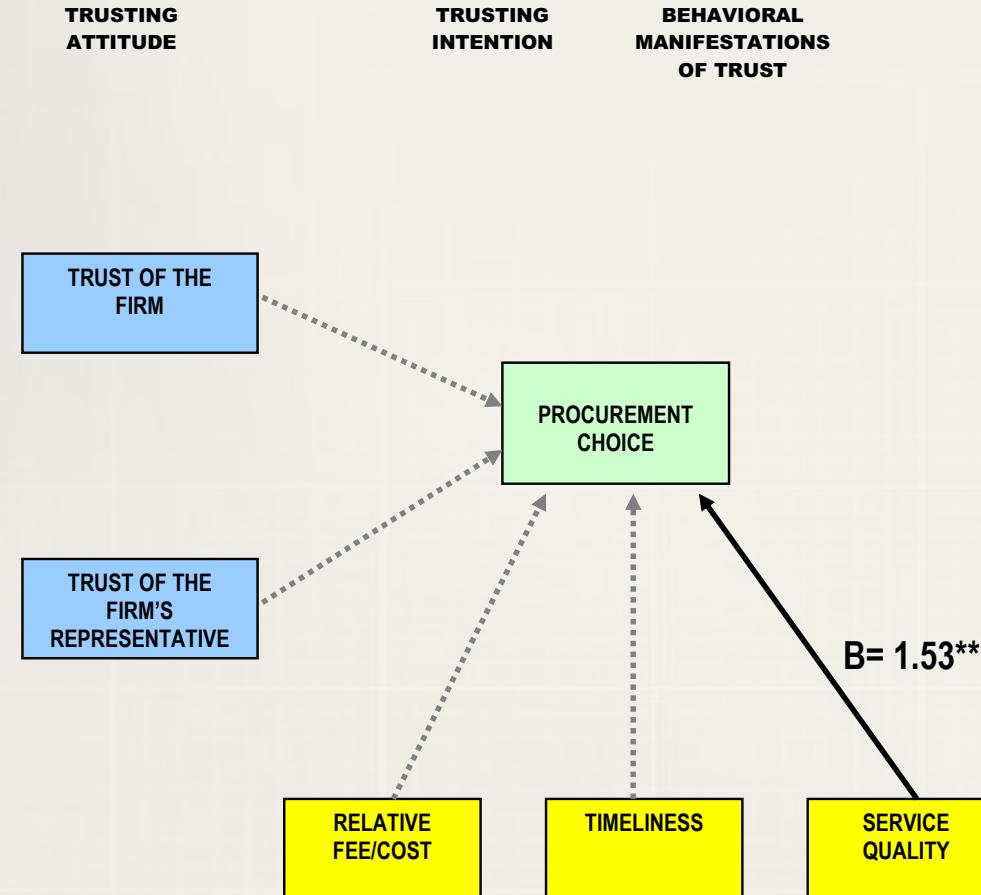
Trusting Attitudes → Satisfaction & “Faster, Better, Cheaper”



Trusting Attitudes Indirectly Influence Loyalty



Trusting Attitudes Do Not Influence Procurement Choice



Contributions

Conclusions

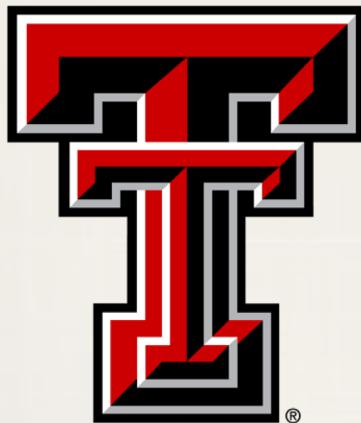
- Theoretical trust framework is supported
- Trust is distinguished from behavior
- Four theories of trust describe professional-client relationships
- Trust strongly impacts the “bottom line” of consulting engineer/architecture firms
- Interdisciplinary problem-solving approach

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

THANK YOU!



TEXAS TECH

UNIVERSITY.

From here, it's possible.