

# Trust

What can bridge cultures is [trust](#)

# What is trust?

- Trust is the shared perception by the majority of team members that individuals in the team will perform particular actions important to its members and that the individuals will recognize and protect the rights and interests of all the team members engaged in their joint endeavor
- Trust is a fundamental factor in determining success and failure of dispersed (virtual) teams
- Glue that holds and links global teams together

# Trust enables...

- Social communication
- Predictable communication patterns
- Feedback
- Positive leadership
- Enthusiasm
- Ability to cope with technical uncertainty
- Positive effect on cooperation and performance



# Trust in GSE

- Building trust in global teams is not an easy task
- Distance is an impediment to building relationships of trust
- Geographic and cultural separation means that the key ingredient of trust takes much longer to appear
- “Trust needs touch”



# Lack of trust is caused by...



- Lack of cognitive-based trust
- Poor socialization
- Missing face-to-face meetings
- No conflict handling
- Too little communication
- Unpredictability in communication
- Increased monitoring
- Poor socio-cultural fit
- Fears



# Case studies of trust

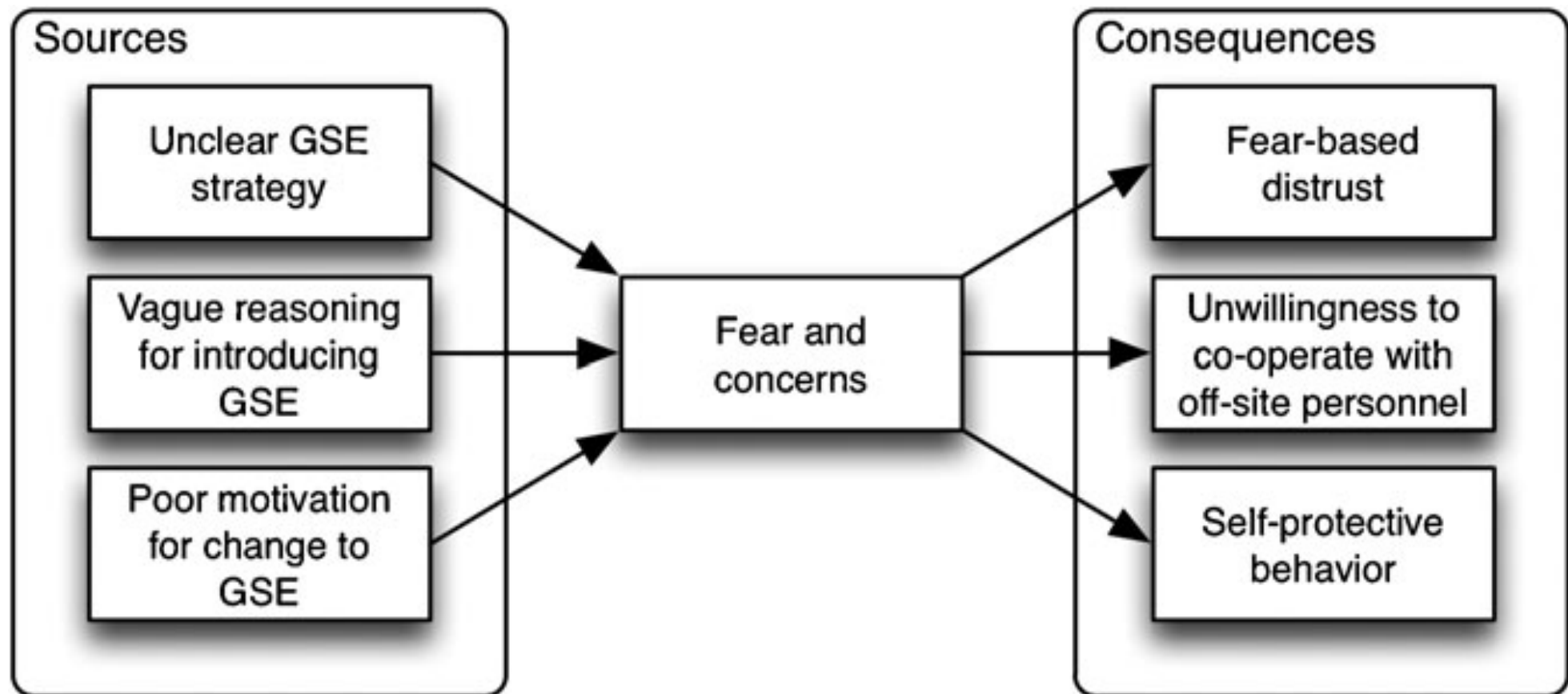


# #1 Context

## Finnish customer (offshore insourcing) Customized software and product development

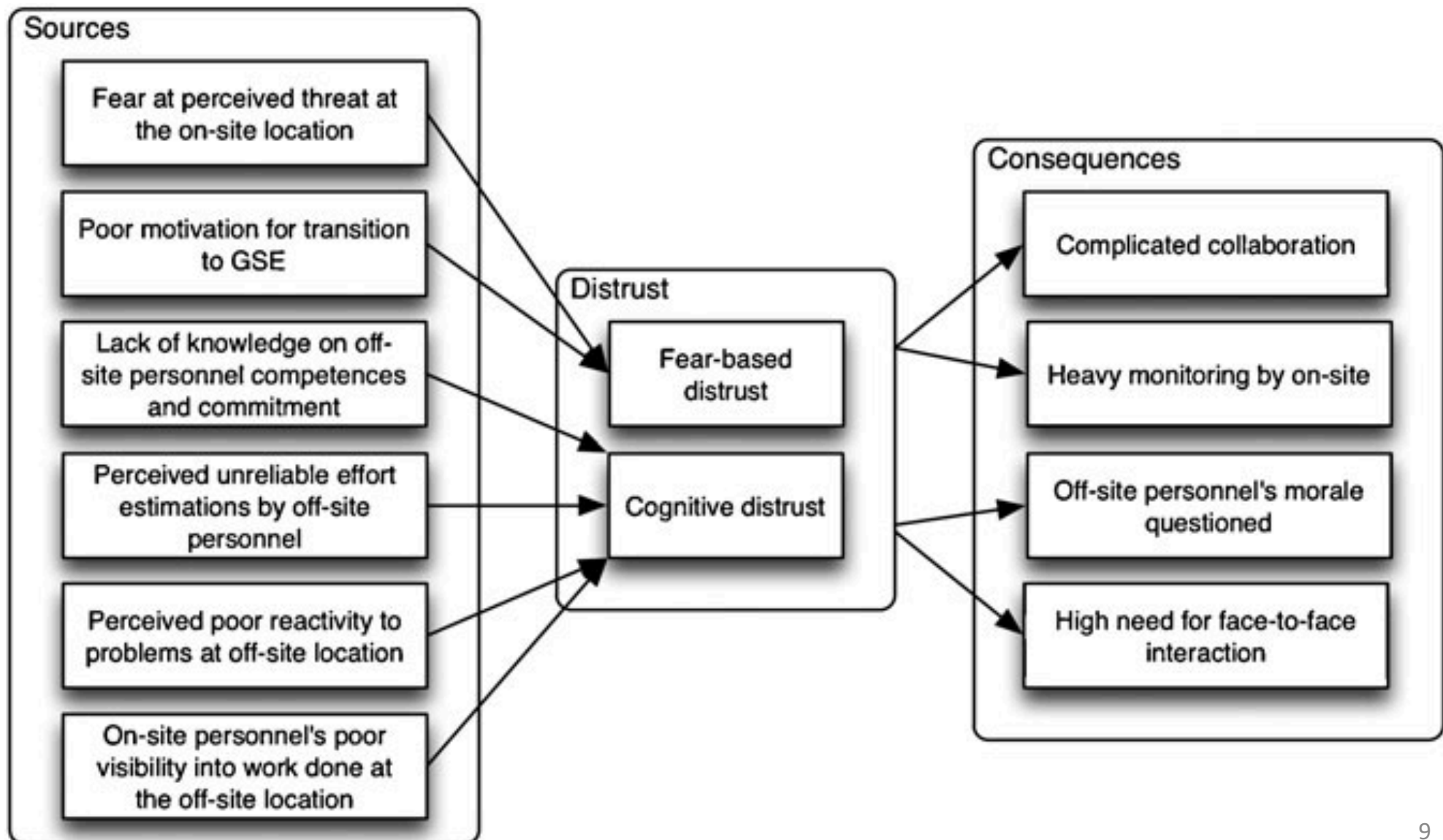
| Project | Company | Domain                         | Distribution of work                                     | Number of employees |          |
|---------|---------|--------------------------------|--|---------------------|----------|
|         |         |                                | On-site—Off-site   | On-site             | Off-site |
| 1       | A       | Enterprise resource management | Finland—Baltic country                                   | 11                  | 7        |
| 2       | A       | Information system             | Finland—Baltic country                                   | 9                   | 6        |
| 3       | A       | Enterprise resource management | Finland—India  | 14                  | 25       |
| 4       | B       | Communication system           | Finland—Eastern Europe                                   | 6                   | 26       |
| 5       | B       | Legal system                   | Finland—Baltic country                                   | 11                  | 6        |
| 6       | B       | Financing                      | Finland—Eastern Europe                                   | 20                  | 11       |
| 7       | B       | Enterprise resource management | Middle Europe—Eastern Europe                             | 25                  | 43       |
| 8       | B       | Enterprise resource management | Scandinavia—Eastern Europe, other Scandinavian countries | 35                  | 17       |

# Fear and trust

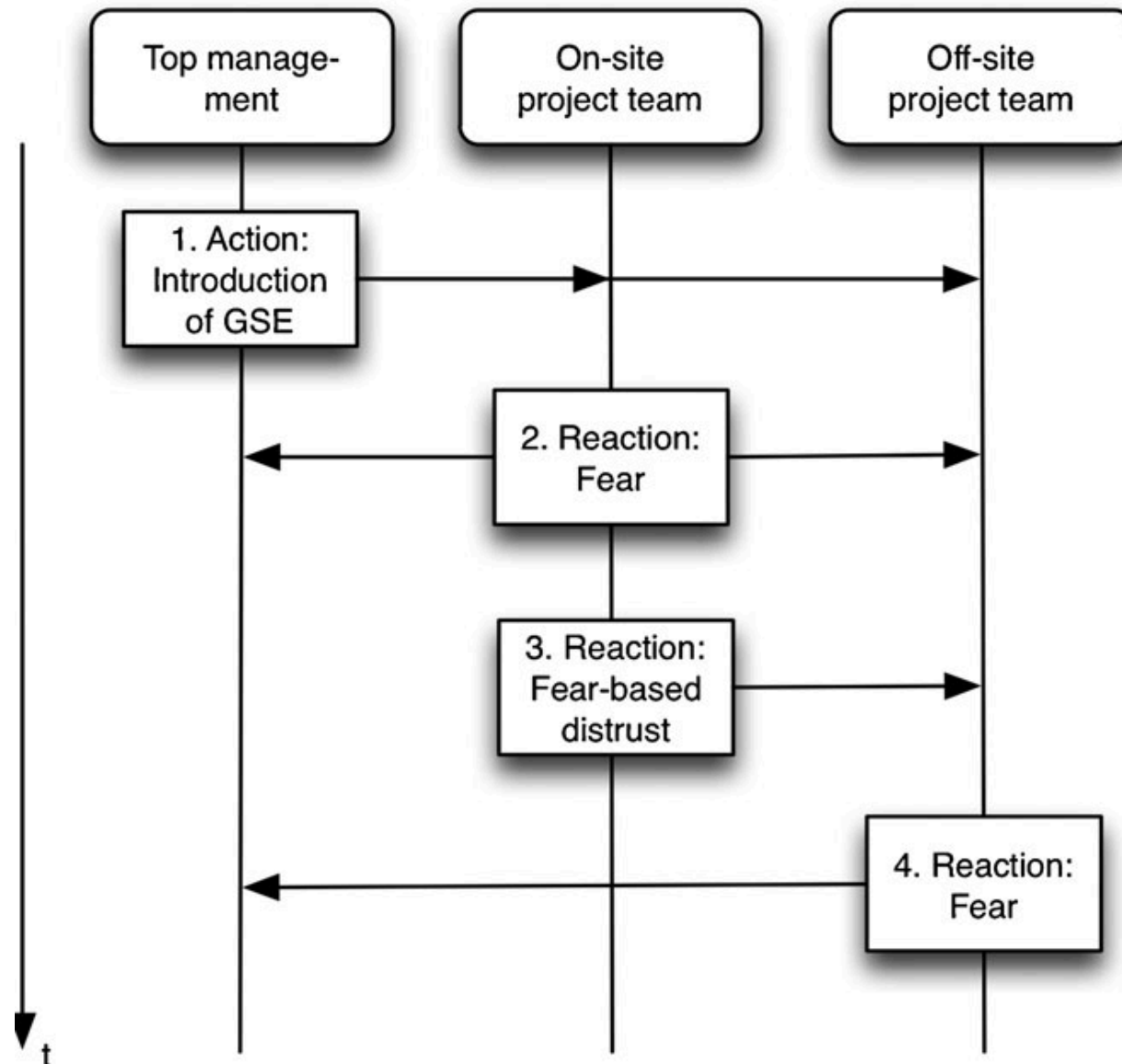




# Fear and trust



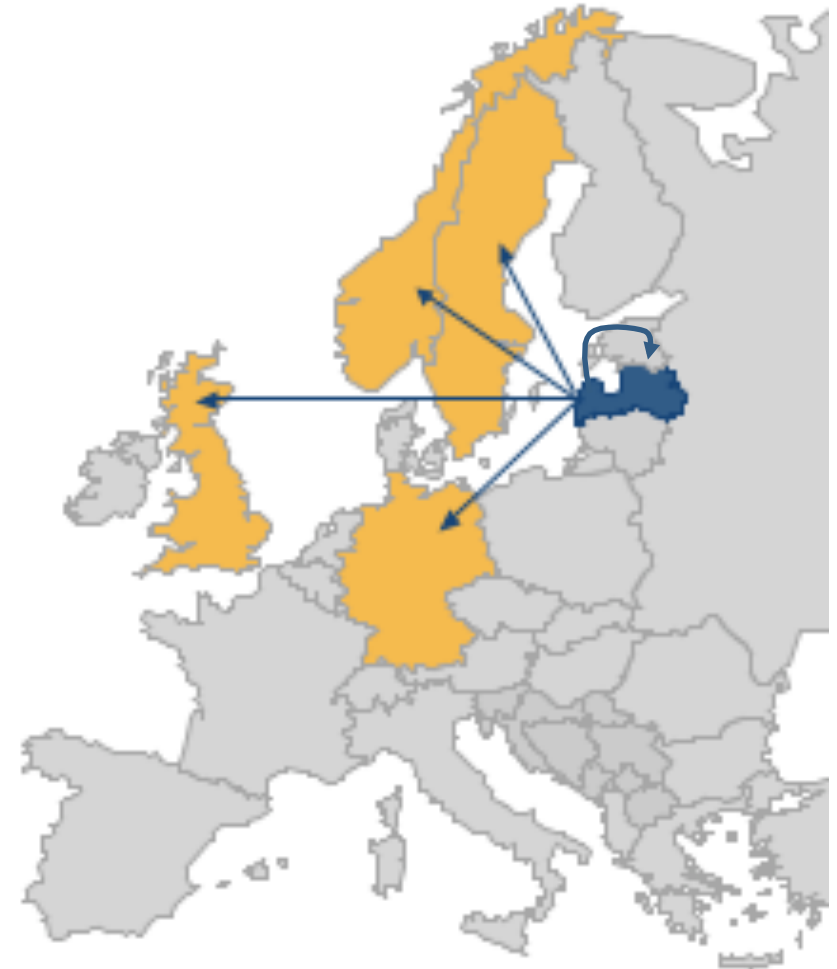
# Fear and trust



## #2 Context

a Latvian vendor (offshore outsourcing)  
Customized software development

- German customer
- UK software house that outsourced software development to Latvia
- A pilot project for a software house in Sweden
- Norwegian customer and two Latvian teams



# Findings

## Reasons for lacking trust

|                                   | Projects |   |   |   |
|-----------------------------------|----------|---|---|---|
|                                   | A        | B | C | D |
| No cognitive-based trust          | X        | X |   | X |
| Poor socialization                | X        | X | X | X |
| Missing face-to-face meetings     | X        | X | X | X |
| No conflict handling              |          | X | X | X |
| Too little communication          |          | X | X | X |
| Unpredictability in communication |          | X |   | X |
| Increased monitoring              | X        | X |   | X |
| Poor socio-cultural fit           | X        | X | X | X |

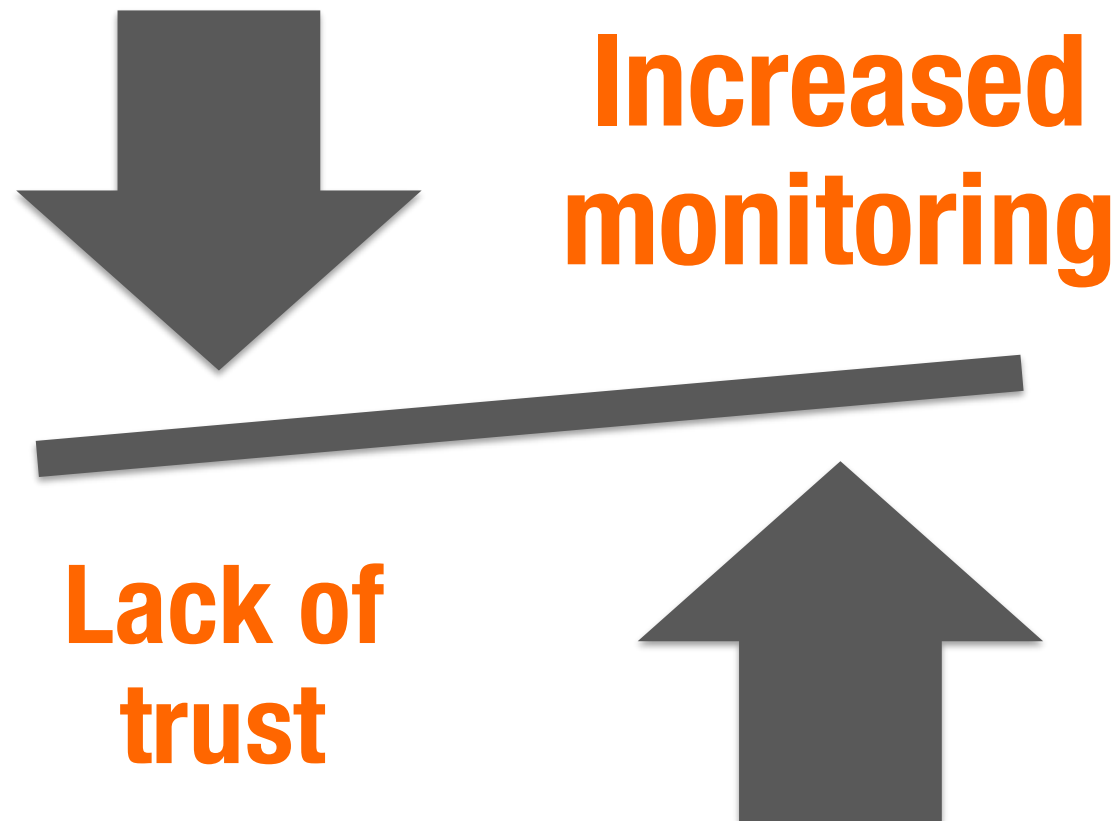
# Findings

## Main effects of lacking trust

### Projects

|   | A | B | C | D |
|---|---|---|---|---|
| Decreased information exchange and feedback | X | X |   | X |
| Competition and not cooperation             | X |   | X |   |
| Self-protection                             | X |   |   | X |
| Doubt negative feedback from manager        | X | X |   | X |
| Relationship conflict                       | X |   | X |   |
| Individual goals over group goals           | X |   | X |   |
| Team not self-correcting                    | X |   |   | X |
| Not shifting workload among members         |   |   |   |   |
| Productivity and quality decrease           | X | X | X | X |
| Increased monitoring                        | X | X |   | X |
| Undermined morale of the employees          | X | X | X | X |
| Threat of project cancellation              | X |   | X |   |

# Closed loop



# Recommendations

# Phases of collaboration

| Phases            | Actions  | Objectives  |
|-------------------|--|---|
| 1: Motivating     | <ul style="list-style-type: none"><li>- communicating the organizational strategy related to GSE</li><li>- deciding the appropriate collaboration structure</li><li>- clarifying the consequences for individuals</li></ul>                                | <ul style="list-style-type: none"><li>- creation of internal motivation for the change</li><li>- prevention of irrational concerns</li></ul>  |
| 2: Adaptation     | <ul style="list-style-type: none"><li>- organizational socialization and integration</li><li>- building mutual respect and trust</li><li>- agreeing about the norms of work, building discipline toward the process</li><li>- knowledge transfer</li></ul> | <ul style="list-style-type: none"><li>- familiarizing with new colleagues</li><li>- enabling realistic expectations</li><li>- ground for mutual flexibility</li></ul>   |
| 3: Reorganization | <ul style="list-style-type: none"><li>- face-to-face interaction</li><li>- starting the new, agreed way of distributed collaboration</li><li>- changes in roles and responsibilities</li></ul>   | <ul style="list-style-type: none"><li>- efficient and appropriate communication</li><li>- flexible collaboration</li><li>- higher tolerance of problems and disappointments</li><li>- higher job satisfaction</li></ul> |



# Cognition

- Virtual teams need to focus on the cognitive dimension of trust
  - competence
  - reliability
  - professionalism
- It is important to provide task-relevant background information to virtual team members



# Socialization

- Socialization strategies can help develop trust
- Team members should travel to remote sites to engage in team-building activities
- Face-to-face meetings are considered irreplaceable for both developing and repairing trust in virtual teams
- If there is no face-to-face communication in a virtual team, this tends to hinder effective communication



# Technology support

- Invest in groupware packages: effective means of communication
- Develop a 360° view by establishing a team intranet



# Cooperation

- Communicate expectations early and establish initial rules
- Create a common understanding of the work process, and how to cooperate in this process
- Use a software development method that gives feedback early and require frequent communication