

Building network trust by field-configuring events

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PLASMA SHEET

Trust in networks

- Trust is found to be an important governance mechanism in networks ([Hatak and Roessl 2010](#)) and essential to enable SME's (Small and Medium-Sized Enterprises) networks to become productive and to function according to their innovative potential ([Keeble 2000](#), [Pittaway, Robertson et al. 2004](#)).



- The need for trust grows out of the risk or uncertainty in cooperative projects, e.g. opportunistic behavior in partner's (cf. e.g. Möllering 2006, p. 3).
- Trust is also positively correlated with cooperation and reduced conflict levels, leading to more cooperative negotiation behaviors and more integrative negotiation outcomes in interpersonal and intergroup negotiations ([Lewicki, Saunders et al. 2003](#)) Ross and LaCroix 1996).



- Trust reduces control and coordination costs (see, e.g. ([Fukuyama 1995](#), [Ripperger 1998](#)) and influences knowledge sharing ([Mooradian, Renzl et al. 2006](#)) in a reciprocal way, as it is important in both sharing and absorbing knowledge ([Krogh, Ichijo et al. 2000](#)). Trust also increases the likelihood that knowledge acquired from a colleague is sufficient understood and absorbed so that a person can put it to use ([Abrams, Cross et al. 2003](#)).



Study of trust in three Norwegian networks

- Longitudinal data (2007-2012)

Data

- Observation of meetings
- Interviews
- Surveys
- Documents

The health network



- 12 partners from industry and academia, mostly small firms.
- Joint projects, products and services, and a joint marketing organization.
- Research intensive innovation processes.
- The partners have been systematic in identifying their common unique knowledge, common goals and strategies.
- Active use of foresight and other structured work-shop formats.

The maritime network

- Five partners; the regional university and four firms (three medium sized and one large) within energy and maritime engineering.
- Network aims:
 - 1) recruitment,
 - 2) initiating research in cooperation with the regional university college,
 - 3) strengthening the attractiveness of the cluster,
 - 4) increasing the clusters' innovation rate,
 - 5) network-building and
 - 6) organizing forums for meetings.



- So far the network has pursued few of these goals.
- Its members have primarily cooperated in the fields of recruitment and HR, and no joint technical or commercial projects have been initiated.
- Among the networks, this is the one with the lowest level of network activity.

Water network



- 36 partners covering the value chain from sub-suppliers to systems suppliers, consultants, R&D institutions, end-users and customers.
- Mainly small and medium-sized firms.
- The network's primary aim is to increase the value creation of its members and to strengthen their market position nationally and globally.
- From its foundation, the main challenges for its members have been 1) lack of competent labour, 2) low level of technological innovation, 3) competition from foreign markets and 4) low interest in the political and public national debates for the needs of the industry.

- The network has three active teams, each dedicated to activities that are central to its members, and is characterized by a high level of activities and events.
- Foresight.
- A series of innovation workshops organized for the network members have resulted in a number of joint innovation projects, involving also regional R&D-institutions



Trust development

- Data measure high and increasing levels of trust in all networks
- In a survey to the network members, the increase is explained by reference to specific features of *meetings* and *interactive workshops* (*open survey question*).
- Confirmed by board interviews

Trust enhancing features

- *Collaboration.* When informants referred to participation in some joint work process, e.g., when two or more partners joined forces to achieve some common goal, including the process of finding such goals.



- *Here we all worked together, and very soon, a relaxed atmosphere developed. It was this feeling of working for a common goal... (HN). It was... We really worked to realize a common goal, and it really made us bond. And it was great! (HN).*

Informality

- When an informant specified that a meeting or interactive workshop had given room for informal socializing or conversations.

- What creates trust...? Well, we have this foresight-process. Overall, it lasts for a year. We did not meet very often, perhaps three or four times. However, one of these times, we spent 24 hours together, we had a formal program during the day, social activities in the evening, and both are equally important. (HN)

Rapport

- Whenever an informant brought attention to the fact that people in a meeting had learned to know each other better in a positive sense, or that some kind of positive relationship had emerged.
- Through these workshops... I feel ... You come closer. And you see more of what kind of people you are dealing with. It's as simple as that. And that's important. (HN)

Sharing

- When an informant referred to some instance of sharing something valuable, typically a piece of information, or when someone qualified a process or a person as “open”.

Knowledge

- When sharing had also involved knowledge, we applied the additional code of. This code was also applied in other cases when an informant stated that some kind of learning or knowledge development had taken place, for instance in association with statements or phrases like the following:

Similarities between workshops and FCEs

- In spite of the smaller number of participants in the network events we studied, compared to previous FCE literature (e.g. Anand and Jones 2008; Garud 2008; Möllering 2010; Schüßler et al. 2013), these network meetings function generally in a way analogous to the larger scale events studied in earlier FCE research.
- Events serve as focal points, engaging members from the field (i.e., the network) in various activities, conforming to the six original characteristics ascribed to FCEs, and – perhaps most significantly – they produce a multitude of effects in the corresponding field (i.e., the network) which may be viewed as *configuring* the network and its practices.

Characteristics of field- configuring events (Lampel and Meyer 2008)	Characteristics of the general network meetings	Characteristics of the interactive workshops
1. FCEs assemble in <u>one location</u> actors from diverse professional, organizational, and geographical backgrounds.	People with different education and professions from member firms, the regional university and public actors from different places in the region assemble at the premises of a firm or the university on board -, network - and team meetings	People with different education and professions from member firms, the regional university and public actors from different places in the region assemble at the university or at a retreat for foresight – or innovation workshops
2. FCEs' duration is limited, normally running from a few hours to a few days.	The meetings last between two and four hours	The interactive workshops last between one to two days

3. FCEs provide unstructured opportunities for face-to-face social interaction.

Opportunities for face-to-face social interaction during breaks and by use of Network IGP

Opportunities for face-to-face social interaction during breaks, joint meals and interactive group work

<p>4. FCEs include ceremonial and dramaturgical activities.</p>	<p>Information rounds</p> <p>Agenda to be followed</p> <p>Welcoming new members</p> <p>Other structural measures, as for instance IGP</p>	<p>A facilitator <u>is given</u> authority to facilitate the process. Each step in the agenda <u>is emphasized</u>. Celebration of results. Other structural measures, as for instance IGP</p>
<p>5. FCEs are occasions for information exchange and collective <u>sense-making</u>.</p>	<p>Meetings include information exchange and processing. Prioritizing, deciding and planning of network activities</p>	<p>The foresight-processes focus on finding and deciding common goals and strategies. The innovation workshops focus on exchanging information about R&D challenges and ideas</p>

6. FCEs generate social and reputational resources that can be deployed elsewhere and for other purposes.

The meetings form the basis for collaborations taking place elsewhere in and outside of the network.

The foresight processes generate immaterial resources in the form of shared understandings, visions, goals and ideas. The innovation workshops generate new ideas and projects in addition to general knowledge sharing.

Criticism

The authors argue that “meetings in a network function generally in a way analogous to the larger scale events focused at in earlier research”. This is a bold statement. The fact that meetings and workshops in these networks share the characteristics that Lampel and Meyer ascribe to FCEs does not necessarily mean that large field-configuring events - such as the SPIE conference for the semiconductor industry in which global corporations (e.g., Intel) exert considerable influence - function in a way similar to the relatively small meetings in the analysed networks. Hence, my feeling is that the authors overstate the generalizability of their findings.

