Chapter 17
Building Trust in Networked Environments: Understanding the Importance of Trust Brokers

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ABSTRACT

As organizations grow and become multi-national, distributed work, that is, work where members are located in different sites, cities, or countries usually follows (Meyerson, Weick, & Kramer, 1996; Jarvenpaa & Leidner 1999; Zolin & Hinds 2002; Hossain & Wigand 2004; Panteli 2005). Yet such teams and groups have fewer opportunities to build social networks as is common in traditional groups, such as time spent together and frequent informal interaction. The “paradox of trust” in distributed work then, is that while trust is a need-to-have asset for distributed work groups, in particular for knowledge work, it is also difficult to foster due to the lack of physical co-location (Handy, 1995). This chapter argues that one way to deal with the paradox is to recognize the importance of trust as generated through individuals that have trustful ties that cross central boundaries, that is, trust brokers. Based on a relational approach to trust in groups as well as empirical studies of distributed work groups, we argue that trust brokers can help to establish trust quickly and make the group operate in more robust and sustainable ways.

INTRODUCTION

Over the last two decades, a rich stream of research has emphasized the importance of trust for large scale organizational processes as well as individual employees. As organizations become more and more knowledge-oriented, trust has moved to the center of attention as a supplement and also as a corrective for control as a coordinative mechanism. As recently argued by Adler
and Heckscher (2006), this seems to be especially important for organizations that are engaged in innovations and knowledge-based work:

*Knowledge work ... requires that each party offer something with no guarantee that they will get anything specific back in return. They must trust that the other has useful competence and knowledge that will help in their joint effort; that the other can understand her own ideas well enough to engage them productively.* (p. 30)

Another aspect of modern organizations that may make trust even more critical for the functioning of organizations is the increase of more geographically dispersed physical structures. As organizations grow and become multi-national, *distributed work,*¹ that is, work where members are located in different sites, cities, or countries, usually follows. According to a recent Nordic study, every third Nordic manager in knowledge intensive businesses plans to reorganize their workplaces, and over 50% of these managers considered “distributed and mobile work” as a relevant option (Julsrud & Bakke, 2004).

There are several reasons for establishing and upholding distributed organizations: In addition to having distributed work as an instrument for establishing presence in different regions and markets, as in the case of regional offices, distributed work may also be a way of saving facilities costs and costs related to work travels. Setting up distributed work groups may also help organizations save expenses, as compared to the collocation of groups and employees. Distributed organizations may also be part of a strategy for developing new knowledge in teams by including people from various organizational units. Distributed groups by definition represent groups with participants situated in different physical settings and organizational and national cultures. To the extent that these people also include differences in knowledge and points of view, distributed work groups can be hubs for development of knowledge and innovations (Cummings, 2004). The challenge is to get such groups working together with a limited amount of physical contact, although supported by a diverse set of communication tools.

### The Paradox of Trust in Distributed Work Groups

At a general level, the phenomenon of trust can be described as, “a willingness of a party to be vulnerable to 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” (Mayer & Davis, 1995, p. 712). Whereas collaborating in distributed work groups is emerging as a common way of working, the ability to monitor or control the other party is drastically reduced, and, in essence, this is what makes trust a core asset for organizations practicing distributed work. There is a risk that distributed work may become fragmented if people cannot work together with a sense of comfort or if they feel that they must constantly use time and efforts on controlling the distant colleagues or employees. The “paradox of distributed work” is that while, in general, trust is a “need to have” asset for distributed work groups, in particular, for knowledge work, it is also difficult to foster due to the lack of physical co-location (Handy, 1995). Distance reduces the abilities to interact and to gradually develop trust over time. Even if interaction on Web-based infrastructures and software applications like e-mail and instant messaging (IM), as well as mobile communication provides rich opportunities for instant communication, it often lacks the differentiating cues that influences judgments about trustworthiness² (Nissenbaum, 2004).

We will in this chapter argue that one way to deal with the paradox of trust in distributed work is to focus on the role of trust brokers. Based on a relational approach to trust in groups, we argue that trust can be enhanced by centrally located trust brokers that establish and sustain ties over