Chapter VIII
Trust in Virtual Multicultural Teams

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ABSTRACT

This chapter analyzes the phenomenon of trust with regard to its significance for virtual teams. Guided by the existing literature on trust, this chapter presents different kinds of trust and the development of trust over time. The challenges inherent to virtual multicultural teams, thus to working teams, which are geographically dispersed and communicate with the help of electronic media, raise the questions of their consequences on trust. As virtual teams are mostly used in companies operating in different countries all over the world, the different cultural backgrounds of the team members are taken into account as well. To give an example for the relevance of this issue in practice, an illustrative case study on experiences international business students have made during virtual team projects is presented.

INTRODUCTION

Trust is a broadly discussed issue in all disciplines. In the field of organizational behavior, trust is, for example, reflected in the relationship between leader and subordinate and among employees, but also in groups and teams. Working teams, which are geographically dispersed and communicate with the help of electronic media (referred to as virtual teams), are dominating today’s international business area. In this contribution we analyze the phenomenon of trust with regard to its significance for virtual teams.

Guided by the existing literature on trust, we start the chapter by presenting different kinds of trust, such as affective and cognitive trust, as well as factors influencing trust. Given that trust is not a stable component, we also give insight into the development of trust over time. By discussing the nature of virtual teams, we will introduce some challenges that go hand in hand with that modern form of collaboration. As virtual teams are
mostly used in companies operating in different countries all over the world, we need to take into account the different cultural backgrounds of the team members.

The challenges inherent to virtual multicultural teams raise the question of their consequences on trust. With the help of the existing literature on trust and on virtual teams, we will first clarify how and in which form trust is appearing in virtual teams and how these forms evolve over time.

To give an example for the relevance of existing literature in practice, we present an illustrative case study on experiences international business students have made during virtual team projects. We use the observation of those students, their individual reflections on that experience, and questionnaires as a tool to give an example of the practical appearance of trust in virtual multicultural teams. Based on these results we assume that in virtual multicultural teams, affective and cognitive trust have a different development.

THE PHENOMENON OF TRUST

Different Facets of Trust

Luhmann (2000) regards trust as an efficacious mechanism to reduce social complexity and as a possibility to enlarge one’s scope of action. This approach is based on the idea that in a complex world a person is only able to perceive and process a marginal part of all possible information and therefore only has a rather limited basis for rational decision making. If the person was able to rely on future actions of another person, then the complexity of the world would be reduced because a certain part of the other person’s possibilities to act could be excluded from her behavioral repertoire. In Luhmann’s terms, trust simplifies one’s life through taking risk (2000, p. 93).

The following paragraphs are based on the major distinction between trust and distrust, which are interrelated, yet separate phenomena. In the area of trust, the literature is referring to two different levels, the interpersonal one on the one hand, and the abstract system on the other.

Interpersonal trust is based on the relationship of two parties, the trustor and the trustee. It is the willingness of the trustor to make himself vulnerable to the actions of the trustee. The willingness is based on the trustor’s expectation that the trustee will act in a way that is important to the trustor and is independent of the possibility to control the trustee. From this perspective, Luhmann (2000) defines trust as a previous engagement on the part of the trustor, which involves uncertainty and risk. In addition, according to Deutsch (1952), trust is only possible in situations where the possible damage of a breach of trust is bigger then the possible advantages gained when trust has been proven (Luhmann, 2000). Trust, therefore, goes beyond a mere rational calculus. The deliberate acceptance of negative consequences is not equal to trust as long as the risks remain within acceptable limits. Trust is only required if a bad outcome would make you regret the decision (Luhmann, 2000). Trust is always associated with a positive attitude towards the trustee, which to a certain part stays irrational and is not based on risk, but reduces or substitutes it.

According to Lewis and Weigert (1985), interpersonal trust has cognitive and affective foundations. McAllister (1995) found empirical evidence in the sociological and social psychological literature for the distinction between cognition- and affect-based trust. Cognition-based trust is grounded in the trustee’s competence and responsibility, as well as reliability and dependability. It is the trustor’s perception of the trustee’s ability to deliver as promised or expected. Affect-based trust consists of the emotional bonds between individuals and demonstrates goodwill and care. “People make emotional investments in trust relationships, express genuine care and concern for the welfare of partners, believe in the intrinsic virtue of such relationships, and believe that these sentiments are reciprocated” (McAllister, 1995, p. 26). McAllister found in his empirical investigation that in his sample, the general levels of cognition based trust were higher than affect based trust. “This is consistent with