

Building Trust in High-Performing Teams

Mila Hakanen and Aki Soudunsaari

“Ultimately the evolution of how self-organizing teams evolve into high-performance teams depends on mutual respect and trust of the members of the team.”

Steve Denning
Author and consultant

Facilitation of growth is more about good, trustworthy contacts than capital. Trust is a driving force for business creation, and to create a global business you need to build a team that is capable of meeting the challenge. Trust is a key factor in team building and a needed enabler for cooperation. In general, trust building is a slow process, but it can be accelerated with open interaction and good communication skills. The fast-growing and ever-changing nature of global business sets demands for cooperation and team building, especially for startup companies. Trust building needs personal knowledge and regular face-to-face interaction, but it also requires empathy, respect, and genuine listening. Trust increases communication, and rich and open communication is essential for the building of high-performing teams. Other building materials are a shared vision, clear roles and responsibilities, willingness for cooperation, and supporting and encouraging leadership.

This study focuses on trust in high-performing teams. It asks whether it is possible to manage trust and which tools and operation models should be used to speed up the building of trust. In this article, preliminary results from the authors' research are presented to highlight the importance of sharing critical information and having a high level of communication through constant interaction.

Introduction

In a global business, conscious team building is one of the key factors to success. It is better to have a first-rate team with a second-rate plan, than to have a second-rate team with a first-rate plan. Winning teams can overcome obstacles and react faster to changing surroundings. When building high-performing teams, one of the most essential aspects is trust.

In this article, we summarize the insights from the relevant literature and present early findings from a study focusing on enhancing the team building and trust between different parties involved in a business ecosystem. The main question of interest is: “What is the relationship between trust and team performance?”

Defining Trust

Trust is difficult to define. Ring and van de Ven (1992; tinyurl.com/72bz27v) define trust as “confidence in another's goodwill”. Trust is a commitment to cooperate before there is any certainty about how the trusted people will act (Coleman, 1990; tinyurl.com/7qkkg8d). Adler (2001; tinyurl.com/7npxzm) distinguishes three sources of trust: i) a calculative form of trust via assessment of costs and benefits; ii) familiarity through continuing interaction; and iii) values and norms that cultivate trustworthy behaviour. Fukuyama (1996; tinyurl.com/7qd3fpl) describes trust as arising from expectations of honest and cooperative behaviour. Thus, trust is expressed in the behaviour towards others (Costa, 2003; tinyurl.com/7p9s5nd). Trust also can be seen as a flexibility that turns up in dif-

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difficult circumstances (Ilmonen et al., 1998; tinyurl.com/7pbkhff). Trust is also based on the probability calculus where the emphasis is on advantages and disadvantages of an interaction (Tyler and DeGoey, 1996; tinyurl.com/7odewvl). Past experiences and interactions affect trust, which usually takes a long time to develop.

In this research, trust is considered as faith in others' behaviour and goodwill that can grow or vanish due to interaction and experiences. A lack of trust may negatively impact communication, delegation, empowerment, productivity, and results (Erdem et al., 2003; tinyurl.com/7ry3f5k). Trust is fragile and can be lost quickly through negative experiences. Larson and LaFasto (1989; tinyurl.com/7s2jdfq) argued that four elements are needed in trust building: honesty, openness, consistency and respect. Without one of these dimensions, trust can fray or even break.

Communication Supports Trust

Trust supports communication and vice versa. People share information voluntarily, and as a consequence of trust, people are willing to share ideas and information (Ståhle and Grönroos, 2000; tinyurl.com/6uza8gm). Interaction can be measured by the quality and extent of interaction. Varamäki and colleagues (2004; tinyurl.com/7og3hjo; 2006; tinyurl.com/6lrnw4u) have defined the optimum level of interaction, which includes genuine dialog in an open and responsive atmosphere of reciprocal respect. Unwillingness to share ideas or comments, weak social skills, and distrust are common problems in the communication process. The rooting of ideas and allocation of feedback is easier in a trusted relationship (Mäkipeska and Niemelä, 2005; tinyurl.com/6tr629v). In a relationship that is built up by trust, cooperative behaviour and knowledge transfer are likely to happen (Jones and George, 1998; tinyurl.com/7ygu888; Adler, 2001; tinyurl.com/7npxfzm). A lack of trust will show up as problems in communication, empowerment, and quality (Owen, 1996; tinyurl.com/7ry3f5k).

Openness builds trust, which further increases communication. The building materials of trust are also empathy, respect, interest in others, and genuine listening. Trust is based on the transaction of facts and feelings, but mere fact-based communication does not build the personal relationships (Ståhle and Laento, 2000; tinyurl.com/7qwywgs). Trust brings the risk that has been taken based on the feelings, others' behaviour and the conclusions about cooperation. Shared norms and morals also help to increase trust.

Ståhle and Laento (2000; tinyurl.com/7qwywgs) have defined four types of dynamics in an interaction process: rival, critical, consensus oriented, and collaboration oriented. The rival dynamic means an argumentation of one's own competences (i.e., not being responsive to the ideas of others). In the critical dynamic, arguments and interruptions are common. Consensus-oriented communication concentrates on avoiding subjects that could produce disagreements. Genuine listening and consideration of other's ideas are features of collaboration-oriented communication. The collaboration-orientated dynamic also includes readiness for shared learning and development.

Trust in High-Performing Teams

Trust is a complicated aspect of the relationships between persons, but trust on the team level is even more complex. Trust increases communication, commitment, and loyalty between team members. Trust can be considered as a foundation that enables people to work together, and it is an enabler for social interactions. It can also improve team performance and increase the probability of creating successful companies (Mäkipeska and Niemelä, 2005; tinyurl.com/6tr629v). Trust plays a crucial role when global business teams, startups, and networks are being created (Harisalo and Miettinen, 2010; tinyurl.com/6n49wu6). In modern organizations, trust has become increasingly important because the organizations cannot rely on formal policies and rigid rules (Erdem et al., 2003; tinyurl.com/7ry3f5k).

The team is a basic unit of performance for most organizations; it melds together the skills, experiences, and insights of several people (Katzenbach and Smith, 1993; tinyurl.com/7ubuxq6). High-performing teams are not usually a collection of the brightest individuals. Rather, they are functioning entities that have diverse roles for the team members who provide the skills and knowledge to succeed. Healthy rivalries between team members enable the team to perform at a high level, but only if the team is built on robust trust (Tienari and Piekkari, 2011; tinyurl.com/7ntr2pt).

Trust building is a relatively slow and long process compared to other business processes, but it can be accelerated with open interaction and good communication skills (Ståhle and Laento 2000; tinyurl.com/87y3bc4). Shared experiences create trust and trust, in turn, enables deeper levels of interaction and expression between team members (Mäkipeska and Niemelä, 2005; tinyurl.com/6tr629v). Trust building requires open-

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ness, informing, honesty and arguments (Ruuskanen, 2003; tinyurl.com/7r6bn8s); trust also enables free sharing of ideas, which is the basis of innovation processes. Usually, the feeling of trust is based on intuition and emotions (Stähle and Laento, 2000; tinyurl.com/87y3bc4).

Cook (2009; tinyurl.com/7lhq3lf) studied teams in IT companies and defined the characteristics of a high-performing team. High-performing teams have a clearly defined and commonly shared purpose, mutual trust and respect, clarity around individual roles and responsibilities, high levels of communication, willingness to work towards the greater good of the team, and a leader who both supports and challenges the team members. There is also a climate of cooperation and an ability to voice differences and appreciate conflict. A high-performing team does not sweep inevitable differences under the carpet and it values openness.

Järvenpää, Knoll, and Leidner (1998; tinyurl.com/7pet42t) have researched team building in global, virtual teams. Their research revealed the importance of sharing personal information, such as background, work experience, and current organizational contexts. Trust, benevolence, ability, and integrity were perceived to increase because of team-building exercises. The exercises focused on enriching communication, creating a team identity and building team spirit. In high-trust teams people expressed their feelings, for example excitement, more freely. Team members also gave each other recognition and feedback. Disagreements were discussed more openly. Overall, high-trust teams had more open interaction and discussion (Järvenpää et al., 1998; tinyurl.com/7pet42t). Reagans and Zuckerman's (2001; tinyurl.com/76kof33) research about R&D teams reveals the positive relationship between communication frequency and productivity. Their research also shows that homogeneous teams yield a lower level of productivity.

Larson and LaFasto (1989; tinyurl.com/7s2jdfq) described the importance of a team leader's ability to: i) share the vision successfully, ii) execute needed changes, and iii) motivate team members to their best actions by supporting a healthy climate and high energy level. Team members should internalize the vision and desired targets to reach a high-performing state. Team members should also be open to hear others' opinions and take part in team discussion.

When building high-performing teams, one should make sure that everyone shares the common goal or goals and that there is commitment and understanding

of what needs to be done, on both personal and team levels (Tienari and Piekkari 2011; tinyurl.com/7ntr2pt). Team members should also have competence trust for each other, which is based on the trustee's knowledge and expertise (Sako, 1992; tinyurl.com/7sbqvhm).

Early Findings from a Study in Progress

In this section, we present early findings from an action-research study on building trust in high-performing teams. The subjects of our analysis are teams from partner companies and a research group that are working together on a large-scale international project, around which a business ecosystem has formed.

The project is called "Globally scalable business models in health, exercise and wellbeing markets" (fightingla.com). In this project, global business creation comes together with top research, forming an ecosystem in the health, exercise, and wellbeing industries. Our vision is to bring together the relevant knowledge and the most talented people from all over the world, whether their passion is in business or in research, to create an ecosystem that helps our mission to bring sustainable business solutions for problems affecting health, exercise, and wellbeing.

The data was collected primarily through interviews with top-level managers from the partner companies. In this research, we are interested in finding out how trust develops and grows in the business ecosystem. How can the building of trust be supported? Can trust be managed? What is the relationship between trust and team performance?

Our preliminary findings reveal the importance of trust in team building. Trust has been built profoundly in the level of the project team. Most of the team members had worked together before, so they knew each other already and trust has been built through shared experiences, active communication, and mutually respectful behaviour. The project consists of co-creation on different levels and, for example, in business modelling it is important to share critical information and personal ideas.

Our findings also show that the business partners do not commit fully to business network development without trust, both at the personal and business-concept levels. Enhancing trust needs a community of enrichment and regular interaction between all partners. Also, value creation and shared learning could be increased if high-trust relations could be built. One of

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the key ingredients for better communication is genuine listening and respecting other team members' ideas. This study has also shown that fact-based communication alone does not build personal relations. Trust takes time to develop, but without conscious actions like one-on-one meetings with different partners and team-building exercises, the probability for success decreases.

Conclusion

Existing research emphasizes the importance of trust and team building. Trust is a crucial factor for team performance (Erdem et al., 2003; tinyurl.com/7ry3f5k); without trust, team members are not willing to voice their opinions, questions, and improvement ideas. Also team members do not display their feelings and they are not willing to help others (Sitkin and Roth, 1993; tinyurl.com/7rf2rn9; Jones and George, 1998; tinyurl.com/7ygu888). All these aspects are crucial in co-creation of business networks and in the building of high-performing teams.

The preliminary results of our study reinforce the insights from the literature and contribute further insights relating to trust in high-performing teams and within business ecosystems. In particular, these results highlight the importance of sharing critical information and having a high level of communication through constant interaction. We are looking forward to find out what further insights our ongoing study may reveal.

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