



Intercultural Knowledge Flows in Edge Organizations: Trust as an Enabler

Dana A. Gavrieli & W. Richard Scott
Stanford University



Acknowledgements: OASD-NII/CCRP and Center for Edge Power



Defining Trust

- Trust is the willingness to make decisions which will be costly if another party does not fulfill its obligation.
- Trust as a choice decision
- Contextualist approach: A trusts B about X
- Behavioral measures

Why Trust?

Research has documented the myriad benefits of trust to organizations

(e.g., Arrow 1974, Blau 1964, Bromiley & Cummings 1996, Fine & Holyfield 1996, Fukuyama 1995, Granovetter 1985, Hollis 1998, Kramer 1999, Ouchi 1980, Putnam 1993, Tyler 1994, Uzzi 1997, Williamson 1993, Zucker 1986).

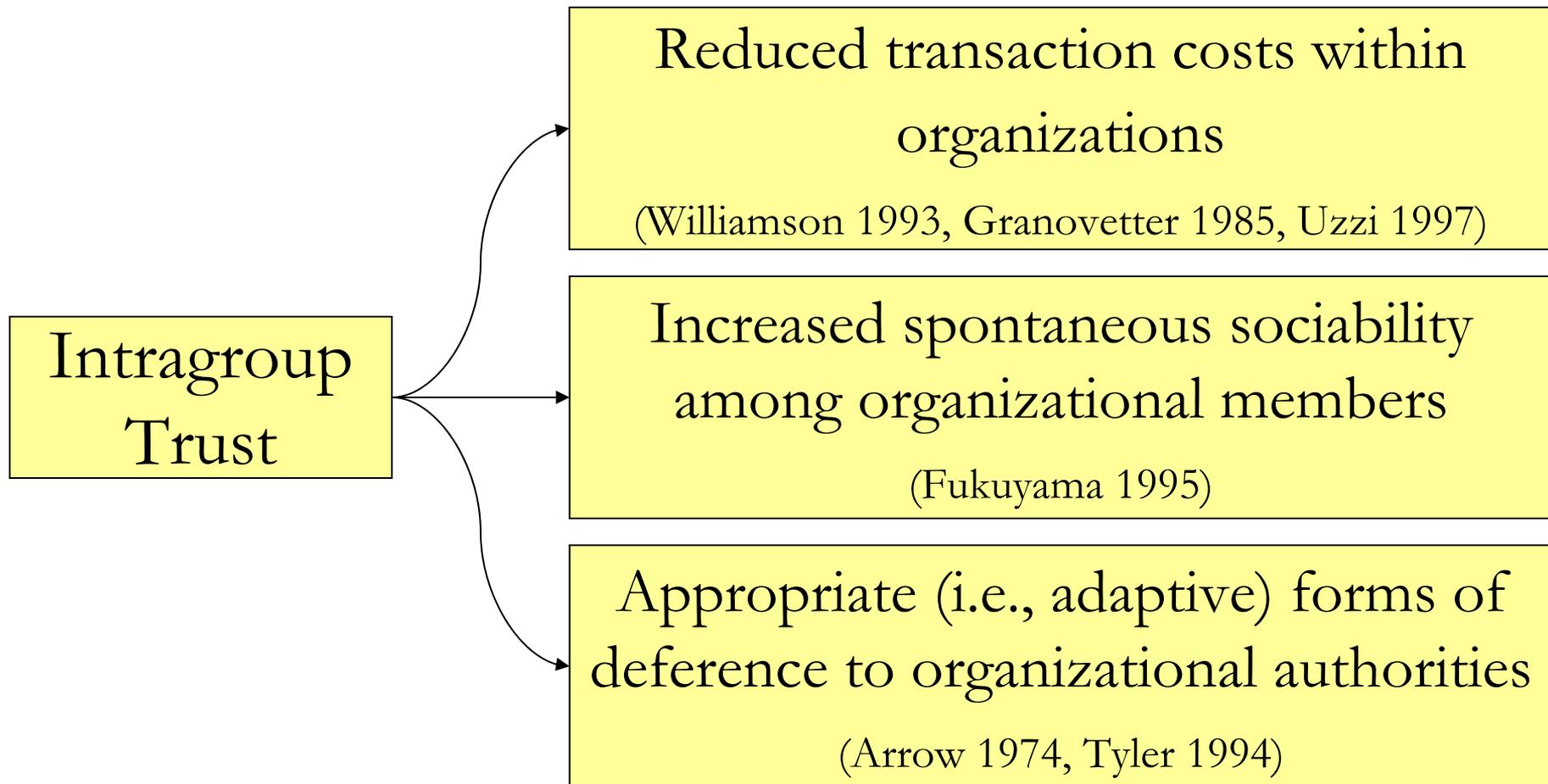


Why Trust?

“Essential for stable social relationships” (Blau, 1964: 64).



Why Trust?





Why Trust?

Trust is especially important in Edge Organizations...



Edge Organizations

**Shared
awareness**

**Decision-
making is
everyone's job**

**Self-
synchronization**

**Information-
sharing**

**Emergent
leadership**

**Information
flows
horizontally**

**Organizational
processes dynamic
and concurrent**



Edge Organizations

**Shared
awareness**

**Decision-
making is
everyone's job**

**Self-
synchronization**

**Information-
sharing**

**Emergent
leadership**

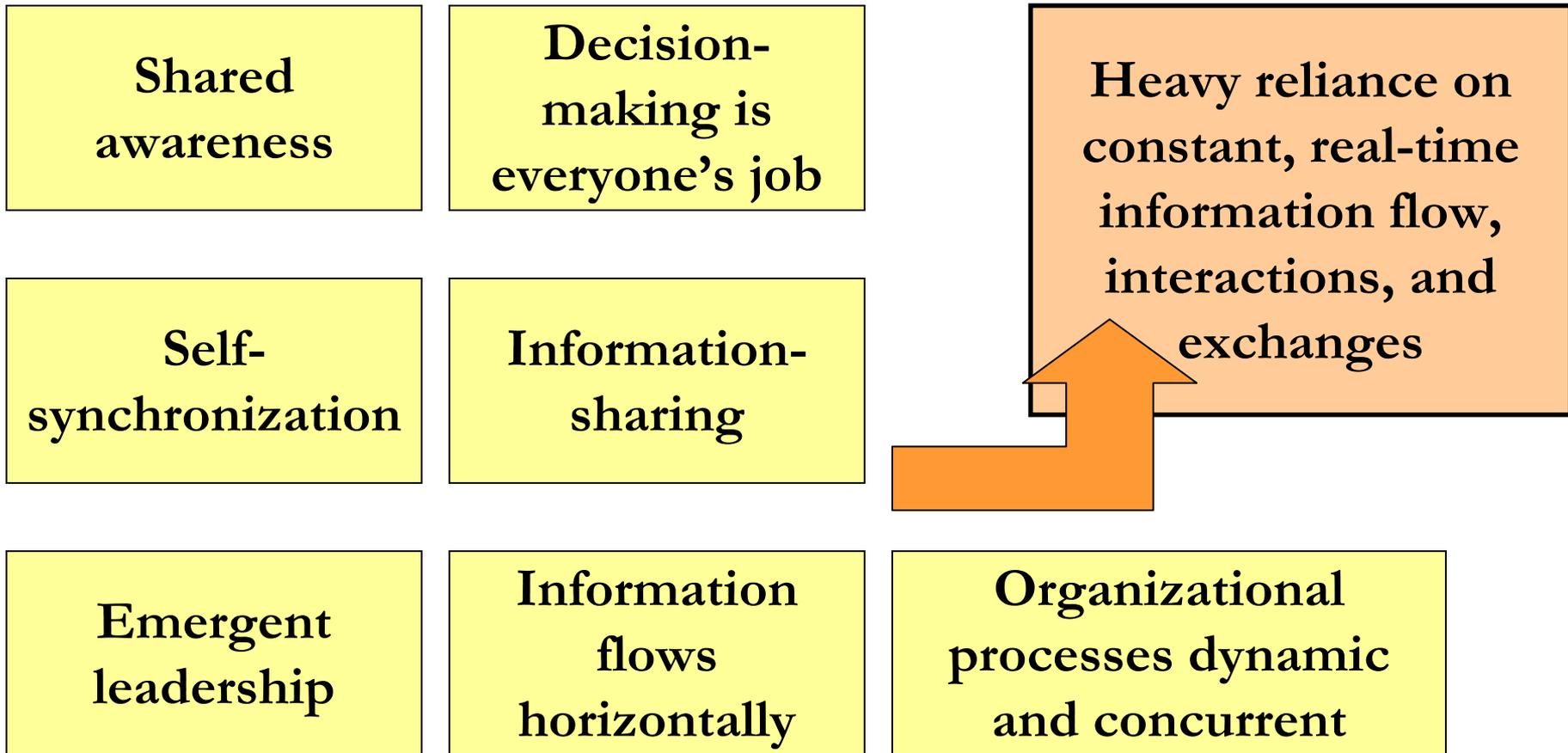
**Information
flows
horizontally**

**Organizational
processes dynamic
and concurrent**

**What is
Required?**



Edge Organizations





Edge Organizations

**What are the
implications?**

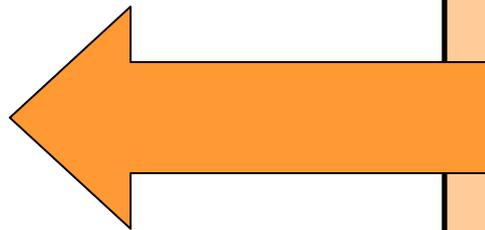
**Heavy reliance on
constant, real-time
information flow,
interactions, and
exchanges**

Trust is Required

Trust is especially important in Edge Organizations...

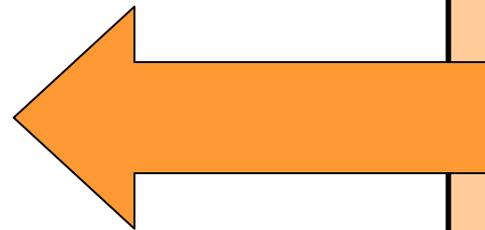
As the number of exchanges increases, so does the importance of trust

(Zucker 1986).



Heavy reliance on constant, real-time information flow, interactions, and exchanges

Trust is Required



Heavy reliance on constant, real-time information flow, interactions, and exchanges



Today's Presentation

- **Yr. 1: Develop Theory of Trust in Edge Org's**
 - ▶ Multi-level: Interpersonal, Organizational, and Institutional
 - ▶ Draw from sociological, social psychological, organizational, economic, and political science literatures.
 - ▶ Conceptualize how relevant organizational considerations interrelate.



How Does Trust Develop?

- Over time
- Between similar individuals

Developing Trust...

Over Time

- Trust has largely been viewed in the literature as a history-dependent process (e.g., Lindsfold 1978).
- Individuals' judgments about others are anchored in part on *a priori* expectations about others' behavior, and these expectations change in response to experiences that subsequently validates or discredits them (e.g., Boyle & Bonacich 1970).



Developing Trust...

Because You are Like Me

- “Similarity breeds connection” (McPherson et al, 2001)
- Similar individuals are more likely to form ties.
- Ties between nonsimilar individuals also tend to dissolve at a higher rate. This results in the formation of niches, or localized positions, within a social circle.
- Category-based trust (Brewer 1981, 1996, Orbell et al 1994)



The Problem

Trust requires **time** or **similarity**...



The Problem

Trust requires **time** or **similarity**...

... Which are often lacking in Edge Organizations.



The Problem

- On one hand...
 - ▶ Edge Organizations rely on constant, real-time interactions and exchanges...
 - ▶ **Which require more trust.**
- But on the other hand...
 - ▶ Because of the dynamic nature of Edge Organizations, temporary and/or diverse groups are likely to form...
 - ▶ **... Which make trusting more difficult.**



Moreover...

- Uncertain, unstable security landscape
- Non-traditional enemies
- Unclear boundaries
- Increasingly complex military operations
- High velocity environment



Research Shows...

- Stable environments: Trust acquires a taken-for-granted quality (Fine & Holyfield 1996)
- Unstable environments: Uncertainty tends to trigger distrust (Kramer 2001).



Questions

- Does trust exist in dynamic environments, such as Edge Organizations?
- If so, what is the form of trust (e.g., swift trust)?
- What are the antecedents, correlates, and consequences of the presence or absence of that trust?
- Under what conditions is trust more likely to develop?
- What organizational substitutes can we create?



The Challenge

- Understand the conditions under which trust can develop in Edge Organizations
- Find alternative ways to generate trust



Directions

- Artificial creation of history through short term deliverables
- Increased salience of common organizational identity
- Reciprocal, not negotiated, exchanges
- Conflicting interests and their alignment
- Conflicting institutional backgrounds and the creation of a common institution



Contributions: Theory

- Multi-level theory of trust
- Understand nature of trust in dynamic systems, instant (swift) trust
- Explore institutional clashes and the creation of new institutions
- Investigate the relationship between trust and institutions



Contributions: Practice

Propose ways in which swift trust can be generated and maintained,
as well as institutional mechanisms that can replace trust when conditions make its creation impossible.



Our Work: Year 2

- Year 2: Edge Application and testing.
 - ▶ Data collection and hypothesis testing
 - ▶ Multi-method:
 - Field—Interviews, surveys
 - Experimental manipulations—
computational models, laboratory
experiments