The Importance of Attributional Trust to Corporate Reputation

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ABSTRACT
This article proposes the simplified trust-reputation model that relates attributional trust and issue resolution to corporate reputation. In effect, individuals on a project are very forgiving of supply chain members with regard to issues because of concern for their company's reputation. Hence, while trust may vary, there was no breakdown in trust because this would affect their company's reputation as a good partner. Furthermore, although there was a reported variance in trust by the project managers, it did not affect the project's outcome, but it did affect the ease of doing business.

1 Introduction

In relationally-governed exchanges there is a greater reliance on social processes, as opposed to contractual terms, to promote norms of flexibility, solidarity and information exchange to manage the relationship (Poppo & Zenger 2002). The importance of relational governance has also been demonstrated in a review of the international strategic alliance (ISA) (Robson, Skarmeas & Spyropoulou 2006) and new product development (Chen, Ming-Ji & Chang 2006) literature. While in a review of the information technology (IT) outsourcing literature, Lacity, Khan and Willcocks (2009) state that higher levels of relational governance are associated with higher levels of outsourcing success. Cousins, Lawson and Squire (2008) define socialisation mechanisms as the means by which individuals in a buyer-supplier engagement acquire knowledge of the other enterprise's social values, and thereby establish interpersonal relationships. The act of socialisation establishes relational capital which is assessed by the degree of mutual respect, trust and close interaction between the partner firms (Cousins, P. D. et al. 2006). Hence, socialisation and trust are topics that are integral to good relationship management.

Of particular interest is the difference between rational-choice and attributional trust (Murnighan, Malhotra & Weber 2004) in explaining the findings. In the attributional model it pays to take an initial, greater risk to encourage the other party to reciprocate, whereas the rationale-choice model encourages a slow build-up of trust

by gradually increasing the stakes based on evidence from on-going interactions. The other difference between the rational choice model and the attributional model is the reaction to trust violations. The rational choice model suggests a trust violation will result in a decrease in trust that will take time to resolve; attributional trust forecasts that trust will not be negatively affected in return for a simple apology (Murnighan, Malhotra & Weber 2004).

This context of the research is issue resolution in the construction sector. Hence, the general literature on socialisation and trust is considered, after which the literature pertaining to the construction sector and issue resolution is discussed. The literature review culminates in three propositions to discourse. Finally, a simplified model is proposed to highlight the relationship between individual attributional trust and corporate reputation to mollify project issues, thus questioning the prevalence of the rational choice model in the extant literature.

2 Socialisation

Socialisation leads to the development of relational capital (Cousins, P. D. et al. 2006; Cousins, P. D., Lawson & Squire 2008; Cousins, Paul D. & Menguc 2006; Petersen et al. 2008) and trust (Lewicki & Bunker 1996), as regular communication allows the parties to exchange information about wants, preferences, and approaches to problems. Therefore, there is a need to recruit the “right” people to do the job (Handfield & Nichols 2004), with a culture that supports the right attitudes towards cooperation, trust and interdependence (Kothandaraman & Wilson 2000).

Successful relationship managers have social competence, network knowledge, and a portfolio of good personal relationships (Walter 1999). Social competence includes communications skills, conflict management, empathy, flexibility and adaptability. Network knowledge involves knowledge of actors’ goals, expectations, behaviours, and their relationships with third-parties. A portfolio of good personal relationships is about interacting with relevant others who control significant resources (Walter 1999). The importance of social competence in a team to task performance is noted (Helfert & Vith 1999), due to improved communication, coordination and cooperation. It has been referred to as the human element and acknowledges the value of trust, communication, courtesy and impartiality in the relationship (Handfield & Nichols

2004). Buyers rate personal interaction as a key component of supplier value, alongside price, quality, delivery and other dimensions (Ulaga 2003).

How relational capital, demonstrated by mutual respect and trust, develops through interactions is referred to as socialisation, which has been studied extensively in buyer-supplier relationships (Cousins, P. D. et al. 2006; Cousins, P. D., Lawson & Squire 2008; Cousins, Paul D. & Menguc 2006; Petersen et al. 2008). Formal and informal socialisation mechanisms are acknowledged, where informal socialisation is differentiated, as suggested by Cousins et al. (2006), as interactions in a non-workplace environment, or 'off-site'. Socialisation in practice is defined by the following items taken from Cousins' referenced papers (* denotes informal socialisation practice):

- Social events*
- Joint workshops
- On-site visits*
- Regular supplier conferences
- Team building exercises
- Cross-functional teams
- Matrix-style reporting
- Communications guidelines* (e.g., we have an open-door policy)
- Awareness of supplier issues*

Hence, people skills and a willingness to interact are paramount in forming good relationships and cultivating trust.

3 Trust

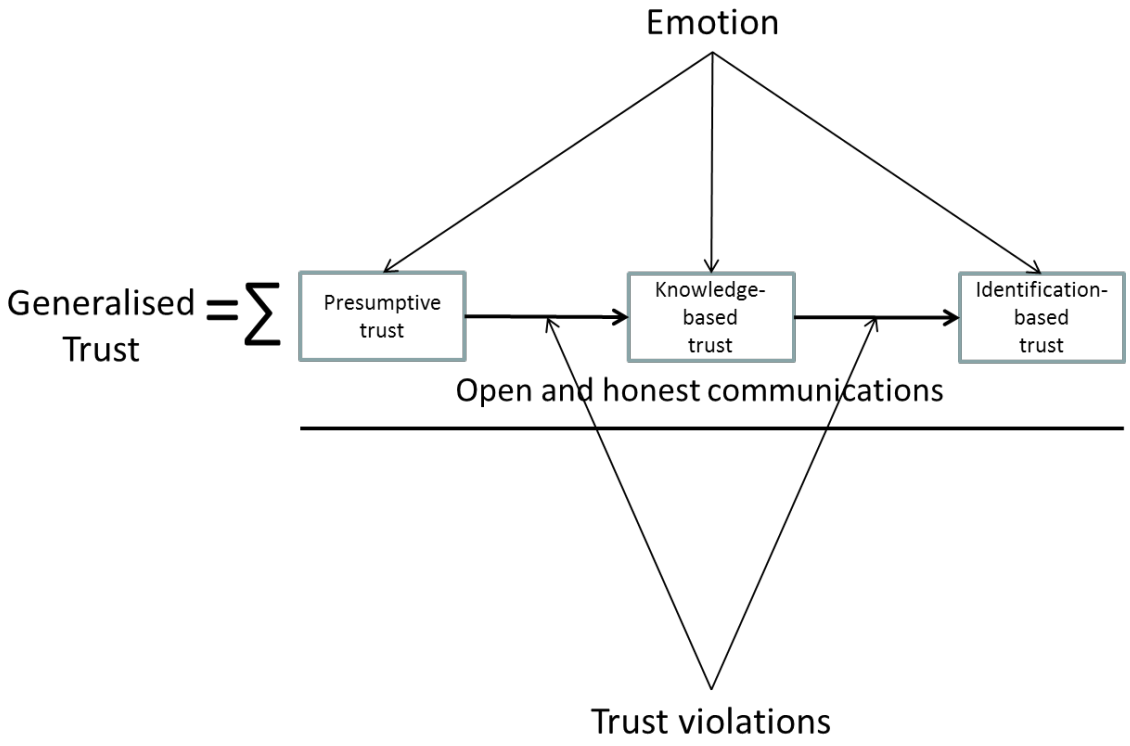

Figure 1. Integrated trust model - cognitive and emotional (Cook, Hardin & Levi 2005; Jones & George 1998; Kramer 1999; Kramer & Lewicki 2010; Lewicki & Bunker 1996; Mayer, Davis & Schoorman 1995; Mishra 1996)

An integrated trust model consistent with theory is presented (fig. 1) for consideration as being representative of the current thinking on trust. The model assumes that generalised trust is the summation of all facets of a relationship (Lewicki & Bunker 1996), where a facet is a situation of trust (Cook, Hardin & Levi 2005). Prior to the relationship commencing, an evaluation of presumptive trust (Kramer 1999) is undertaken to determine whether the relationship should commence. As the relationship progresses and interactions accumulate, knowledge-based trust (Lewicki & Bunker 1996) forms from consistent behaviour. Eventually, the relationship may elevate to one of identification-based trust (Lewicki & Bunker 1996) consisting of shared values and goals. Underpinning the development of trust is open and honest information-sharing (Mishra 1996). The potential for the irrational impact of emotion on the cognitive process of trust formation is signified at all stages of trust's evolution (Jones & George 1998). The trust violation factors (Fraser, 2010 cited in Kramer & Lewicki 2010) indicate how trust is impaired in a relationship:

- Disrespectful behaviours: discounting people or blaming others.
- Communication issues: not listening or trying to understand other viewpoints.

- Unmet expectations: broken promises, breach of confidentiality.
- Ineffective leadership: poor decisions, favouritism.
- Unwillingness to acknowledge: not owning issues, placing self before group.
- Performance issues: unwilling or unable to do job, incompetence.
- Incongruence: actions do not match words.
- Structural issues: lack of structure or too much structure, changes in procedures.

They are the opposite of trust building behaviours (Mayer, Davis & Schoorman 1995; Mishra 1996).

The discussed works on trust present a rational-choice approach to trust development, whereby trust builds slowly and repeated, successful, on-going interactions allow the parties to increase the stakes with greater confidence (fig. 2).

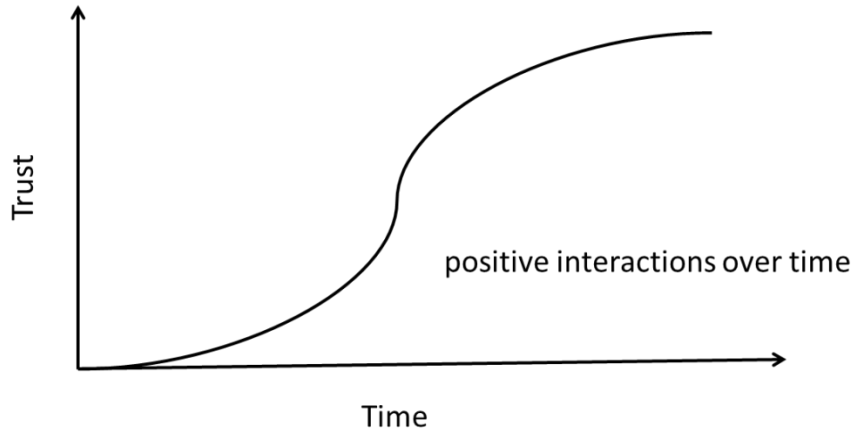

Figure 2. Traditional model of trust development (Murnighan, Malhotra & Weber 2004)

In the rational-choice model, a trust violation results in a dramatic reduction or disappearance of trust, with the reestablishment of trust considerably more difficult than the task of initial trust establishment, figure 3 (Murnighan, Malhotra & Weber 2004) .

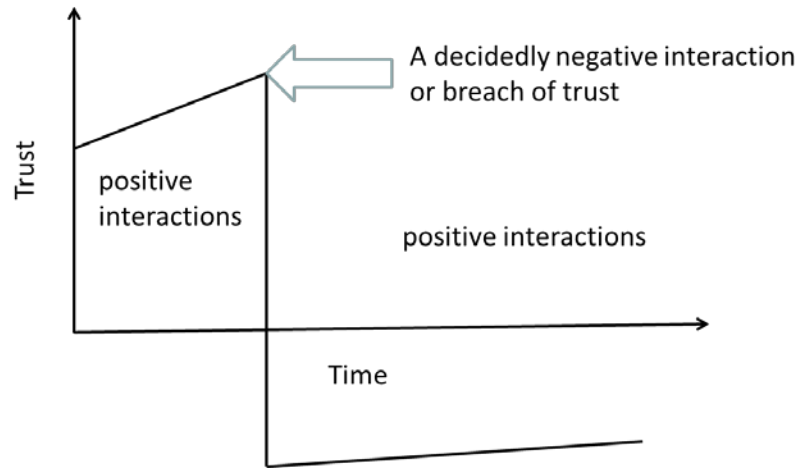

Figure 3. The impact of a breach of trust (Murnighan, Malhotra & Weber 2004)

However, Murnighan, Malhotra and Weber (Murnighan, Malhotra & Weber 2004) suggest that an attributional model is required to complement the rational-choice model of trust. In the attributional model individuals attempt to influence others' attributions of their actions: by showing another trust we hope to be judged trustworthy. Thus, in the attributional model it pays to take an initial, greater risk to encourage the other party to reciprocate, whereas the rationale-choice model encourages a slow build-up of trust by gradually increasing the stakes based on evidence from on-going interactions. The irrational approach of the attributional model suggests a decision to trust is based on an emotional expectation of future realised benefits, irrespective of past interactions or shared interests (Murnighan, Malhotra & Weber 2004). If the truster does not take a major risk and the other party realises that they have held back, significant reciprocity is not likely. Hence, the truster may not have the option of taking gradual risks (Murnighan, Malhotra & Weber 2004).

The integrated model presented in figure 1, is modified to incorporate attributional trust, figure 4.

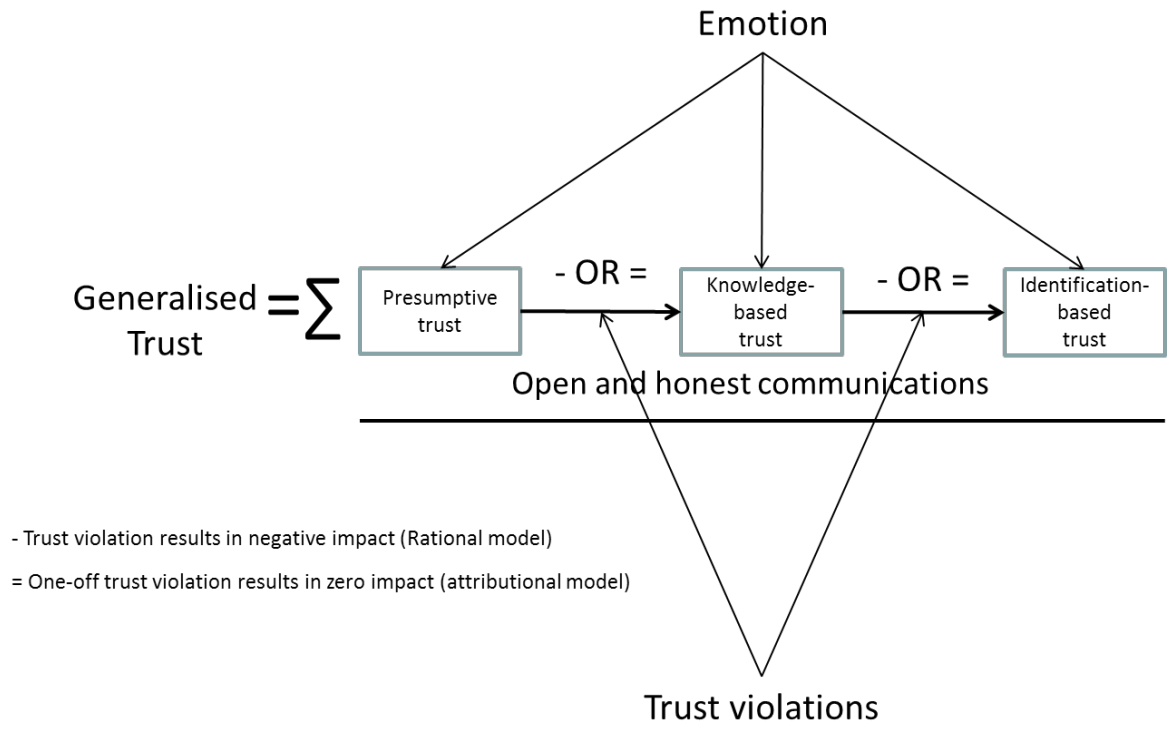

Figure 4. Integrated trust model - cognitive, emotional and attributional (Cook, Hardin & Levi 2005; Jones & George 1998; Kramer 1999; Kramer & Lewicki 2010; Lewicki & Bunker 1996; Mayer, Davis & Schoorman 1995; Mishra 1996; Murnighan, Malhotra & Weber 2004)

In the model, attributional trust is associated with major risk-taking and a focus on the future, and perceived benefits of cooperation guiding the decision to trust. Using the rational choice model, previous history will determine the stakes, or risk, with low stakes associated with a relationship that has no previous history. The other difference between the rational choice model and the attributional model is the reaction to trust violations. The rational choice model suggests a trust violation will result in a decrease in trust (signified by "-" in figure 4) that will take time to resolve; attributional trust forecasts that trust will not be negatively affected in return for a simple apology (noted by "=" in figure 4).

This general introduction to socialisation and trust is followed by a review of the construction sector relationship management literature because the research participants are construction project managers, and the influence of context, i.e., the organisational characteristics and external environment, is often unrecognised or underappreciated in adding value to understanding organisational behaviour, and making research more readable to practitioners (Johns 2006). If we do not understand situations, then we will not understand person-situation interactions and

be able to convey the application of the research (Johns 2006). Hence, to achieve this objective, relationship management of dispute resolution between construction supply chain project managers has been chosen as the context.

4 Construction Sector Relationship Management and Dispute Resolution

In a UK study of trust in construction projects, honesty, reliance, and delivery of outcomes were determined to be the three main factors of trust (Khalfan, McDermott & Swan 2007). The authors discovered that people were trusted more than organisations, with reputation used to judge organisations. An organisation's reputation clouded the decision as to whether its employee was to be trusted on the project. Also, if an organisation has a reputation for not decentralising decision-making and trusting its own people, its ability to create and foster trusting relationships with other organisations will be hampered (Khalfan, McDermott & Swan 2007). The study determined building trust was a matter of:

- Experience: working with people in on-going, repeated interactions.
- Problem-solving: working as a team to solve problems.
- Shared goals: a joint understanding of the aims and goals of the project.
- Reciprocity: team members returning favours in rewarding each other's trusting behaviour.
- Reasonable behaviour: working fairly and professionally with people in the project team.

A breakdown of trust resulted from people not fulfilling their obligations or telling lies. The conclusion of the paper is a need to move from a blame culture to a problem-solving culture.

A more comprehensive list of alliance success factors is detailed in an Australian study of construction projects (Love, Mistry & Davis 2010). They include:

- Trust facilitated by a close working relationship.
- Open communications facilitated by joint workshops and conflict resolution/problem solving.
- Integration of people, systems and processes.
- Team building.

- Effective coordination by dedicated relationship managers.
- Clearly understood shared goals.
- Experienced leaders with social and technical skills.
- Senior management support to provide adequate resources.
- Alliance agreement to communicate common goals and strategies.
- Learning and creativity to develop process and product innovations.
- Project team members making commitments to each other.

Love, Mistry and Davis (2010) concluded that successful cooperation requires mutual trust, commitment and active exchange of information.

While a Delphi study of Australian relationship-based construction projects by experts from industry and academia highlighted eight key performance indicators (KPIs) (Yeung, Chan & Chan 2009). Relationship contracts are usually long-term and involve substantial relations between parties targeting mutual benefits and win-win outcomes. The eight KPIs are:

- Client's satisfaction
- Cost performance*
- Quality performance*
- Time performance*
- Safety performance
- Effective communications*
- Trust and respect*
- Innovation and improvement*

(* Six of the KPIs are common to a Hong Kong study (Yeung et al. 2007, 2008 cited in Yeung, Chan & Chan 2009)). Hence, trust is prevalent in the construction relationship literature, and one of three variables that consistently appear in a relationship approach to construction supply chains: commitment, trust and performance satisfaction (Davis 2008).

The construction sector literature differs from the general relationship management literature by acknowledging the industry's preponderance with being adversarial, as presaged by reports from the UK (DETR 1998; Latham 1994) and Australia (1999, 2003), due to the temporary, one-off nature of projects that encourages opportunism

(Cox, Ireland & Townsend 2006). Hence, the study of conflict in construction projects warrants attention.

Sources of conflict in projects include scarce resources, scheduling priorities and personal work styles (PMI 2008). Research on dispute resolution within the construction sector is a comparatively new area (Love et al. 2011; Marzouk, El-Mesteckawi & El-Said 2011; Tazelaar & Snijders 2010; Wall & Fellows 2010), with disputes so common that there is a call for construction professionals to be taught conflict-resolution competencies (Tobin 2009), such as communication. Communication is also identified as the core-competency in another study of project managers (Starkweather & Stevenson 2011), while purchasing managers emphasised good communication as a proactive way to avoid conflict (Tuten & Urban 2001).

Claims that disputes and litigation proliferate in the construction industry, due to the short-term opportunistic relationships, are based on circumstantial evidence, with reality portraying a slight increase in litigation over the IT industry (1.6% vs. 1.4%) (Tazelaar & Snijders 2010). However, while disputes may not be as prevalent as anticipated, there is agreement on the importance of people skills and communication to resolve them (Fellows & Liu 2010; Khalfan, McDermott & Swan 2007; Starkweather & Stevenson 2011; Tobin 2009; Wall & Fellows 2010), just as there is in the general literature (Cousins, P. D. et al. 2006; Handfield & Nichols 2004; Helfert & Vith 1999; Lian & Laing 2007; Ulaga 2003; Walter 1999).

A decision was taken to use the word “issue” instead of “dispute” in the interviews, as dispute implies disagreement more so than issue and invokes legal connotations. In the experience of the authors people are more willing to admit to project issues than disputes, which encouraged greater feedback.

Based on the literature review of the general socialisation and trust literature, as well as the construction sector relationship literature, the following propositions are proffered:

1. Socialisation and being sociable aids the development of trust.
2. Trust is more attributional than rationale-choice.
3. Trust aids issue resolution.

5 Research Method

Recent meta-research into business relationships (Athanasopoulou 2009; Seppanen, Blomqvist & Sundqvist 2007) has called for more qualitative research, while noting the dominance of single key informant research and little attention to the temporal element of trust. To avoid informant bias, two supply chain teams were recruited. The supply chain teams consisted of four and five cases, respectively, to gather multiple perspectives on the workings of the team. The team members were representatives of the builder and consulting firms. To explore temporal differences, one team had recently finished their project, while the other team was six months from completion at the time of interviewing. The decision to interview teams, as opposed to individuals, was taken in response to the analysis by Athanasopoulou (2009), who reported a scarcity of dyadic research (three out of 64 papers).

Evidence was collected from personal interviews, at which the interviewee was requested to give a brief summary of their career and motivations; a group interview was held with members of the on-going project team to gauge the consensus. The credibility of the findings was improved by using interviewees from the same team. The findings, individual and overall, were distributed to the interviewees for their comments

Barratt, Choi & Li (2011) provide an excellent list of criteria (table 1) for evaluating case study best-practice, which is presented here as an explanation and validation of the authors' approach.

Table 1. Case Study Evaluation Criteria (Barratt, Choi & Li 2011)

Item	Rationale
Justification for case research	Case study research involves the issue explored through one or more cases within a bounded system, where the bounded system may be a context (Creswell 2007). It involves in-depth data collection involving multiple sources such as interviews, documentation and observation. A case study is a good approach where the inquiry has clearly identifiable cases with boundaries and seeks to provide an in-depth understanding of

Item	Rationale
	the cases or a comparison of several cases (Creswell 2007). The phenomenon of relationship management in resolving issues was studied in the context of a construction supply chain. Further, there is a comparison between a project that had finished and one that had not. Therefore, the design framework of case study is considered apt for answering the research questions.
Unit of analysis	Two construction supply chain teams, consisting of four and five cases, respectively, were recruited, where a case is a project manager. Multi-case analysis was undertaken at function (builder/consultant), team (completed/on-going) and aggregate levels.
Theory vs. phenomenon	The research questions were originally explored using a deductive approach by using propositions generated from the existing literature to test the evidence against it, in common with a scientific postpositivist inquiry (Creswell 2007). However, given the emergent importance of attributional trust an inductive approach was also used.
Sampling strategy	The cases were Melbourne-based members of two construction supply chains. The authors are Melbourne-based, and used convenience sampling based on the experience of other researchers having had difficulty recruiting dyads (Athanasopoulou 2009).
Number of cases	Stake (2006) proposes between 4 and 10 cases. Less than four cases will not show enough of the interactivity between the cases. Too many will provide more uniqueness of interactivity than the researcher or reader can come to understand. Creswell (2007) suggest four or five cases as too many cases reduces the depth of analysis in a particular case. Nine cases were studied: five members from the completed project; four from the on-going project. Hence, each team consisted of four or five cases

Item	Rationale
	(Creswell 2007), with an aggregate number of nine cases in total (Stake 2006).
Triangulated data sources	The data was triangulated in a number of ways. • Interviewing members from the same team to ensure narrative consistency. • Interviewees were asked to validate the results. • An industry expert was asked to validate the results. • Interviewees offered a personal profile that helps the reader form a picture and add validity to what was reported. • Deductive and inductive methods of investigation were used. • The teams were at different stages of project completion: on-going and finished. The triangulation methods chosen reflect the advice of Miles and Huberman (1984), and Patton (2002).
Data analysis	Within and cross-case analysis was undertaken. The cross-case analysis was initially conducted at the team-level of on-going and completed projects. However, the more fruitful analysis proved to be between the consultants and builders.

In summary, the research propositions were explored by interviewing members of two construction supply chains. The decision to interview team members was taken based on a scarcity of dyadic research, never mind team-based research. It became apparent that the key difference was not at the team level between completed and on-going projects, but at the functional level between builders and consultants.

6 Analysis and Results

A deductive approach, using the propositions generated from the existing literature, was applied to test the evidence against, in common with a scientific postpositivist inquiry (Creswell 2007), while an inductive approach was undertaken to see what assertions evolved from the data, without making prior assumptions (Patton 2002). In

practice, the deductive and inductive approaches are often combined; deductive analysis, aimed at confirming and/or generalising exploratory findings, is followed by inductive analysis to look for rival hypothesis and unanticipated or unmeasured factors (Patton 2002). Hence, the conclusions were inductively dissected to allow the importance other factors to the workings of the supply chain to emerge.

The multi-case study analysis synthesized with the group interview reinforced the following salient findings from the individual case studies:

- The importance of communication, cooperation and expectation fulfilment to trust.
- The mutual focus on attaining a happy customer because it is good for their company's reputation.

These findings form the bedrock of the conclusions, which are now detailed along with their inductively evaluated assertions that were formulated using the detailed evidence from the research.

6.1 Lawyers and Mutual Assured Destruction

The supply chain relies on trust and reputation to maintain the relationship. Reputation plays an important part for two reasons: the reputation of company is used to make an initial judgement on how good an individual is and, hence, how much trust should be attributed at the beginning of an interpersonal relationship; during the contract, no matter what issues arise, the stakeholders are concerned to ensure a good outcome to consolidate their reputation within the industry as co-operative partners. Because of this concern with their on-going reputation, no threats to leave the project are issued; while a firm/individual may have the bargaining power to leave or force out another, it would be considered bad practice to do so. Hence, the interviewees displayed a stoic acceptance of having to work through issues without displaying on-going malice to the party at fault. Likewise, it is considered bad form to use legal remedies due to the cost of lawyers and threat to the firms' reputations. In essence, they are predisposed to put on a brave face and temporarily suffer in the interests of their company's reputation. This collective dependence makes them very forgiving when issues arise.

Assertion 1: Corporate reputation is important.

Mark (CS1) stated reputation could make or break a construction company, with being able to maintain good relationships being salient to corporate reputation. While Richard (CS4) associates good people with working for good companies, and good companies employ good people. However, the most poignant comments came from Nigel (OP3). Nigel is conscious of representing his company and being associated with a good job as that affects the company's future work. The on-going project's group interview confirmed the team's desire for a successful project outcome and happy client to maintain and enhance their respective companies' reputations.

Assertion 2: Corporate reputation trumps bargaining power and the contract.
The interviewees' concern is with their company leaving the project with their reputation intact, if not enhanced. Both clients' project managers, John (CS5) and Ronald (OP4), expressed a desire not to rely on the contract. Catherine (OP1) was adamant about avoiding using the lawyers, which are very expensive and extremely difficult (Ronald, OP4), in any dispute resolution. Nigel (OP3) explained how a serious problem on the project, which could have resulted in legal action by the client, was amicably resolved by the team to reduce the liability of one of the consultants by half. John (CS5) lamentably discussed a project with a non-compliant builder that may have benefited from legal action, yet his response was to try to win the builder over.

The group interview found a happy customer to be paramount for the sake of their corporate reputation. Difficulties that cannot be overcome are not what a customer wishes to know about. The situation would never become so bad that a company would use its bargaining power to leave a contract as it would be detrimental to its reputation as a good partner.

Assertion 3: Trust is attributional, not rationale-choice.
Attributional trust is different to rationale-choice trust in that stakeholders are forgiving of mistakes by others and do not allow issues to cause a breakdown in the relationship. Blowouts and finger-pointing (Mark (CS1)) are the nature of the industry (Derek (CS2)) and things get a bit heated (Roger (CS3)), but usually there is a give and take mentality (John (CS5) & George (OP2)) and people move on (Catherine (OP1)). Ronald (OP4) said there had been issues, which had required letters to put

their case in contractual terms, but they had been solved cooperatively at sit-down meetings.

So, while give and take is the norm, it's not just the norm with run-of-the-mill issues. John (CS5) worked with his non-compliant builder, and the on-going project's stakeholders cooperated to solve a safety issue that nearly resulted in the client suing one of the consultants. Nigel (OP3) told me that this would have been the first time in 13 years he had seen this had the claim gone ahead. However, in this instance there was a casualty, with the consultant, but not his company, who had erred being fired. Nigel (OP3) acknowledged that it was very common for a client's project manager and a builder to be at each other's throat during the project, but to forget the animosity at the end because everybody is happy that the client is happy. The group interview vindicated this emerging finding in highlighting that a happy client requires a successful project, which is good for their companies' reputations. Nothing gets in the way of that.

6.2 Do What You Told Me

Showing trust in others helps to build relationships; however, the builders, Catherine (OP1) and Derek (CS2), indicated this was not straightforward in the construction industry due to being wary of others. Trust results from on-going interactions, which is important in those instances where the parties have no prior experience of working together. A good relationship, as is trust, is simply determined by being kept informed about what is happening, or will happen, and cooperating to meet the expectations one has set. Trust waxed and waned during the projects but, overall, both teams considered their respective project team extolled trust.

Assertion 4: Individuals have a predisposition to trust.

There is a natural predisposition to trust admitted by all the interviewees. Roger (CS3), George (OP2) and Nigel (OP3) highlight this presumptive trust to get the relationship moving by acknowledging the importance of a good, on-going experience, or until proven otherwise. Richard (CS4) refers to people having to prove themselves. Both builders, Derek (CS2) and Catherine (OP1), cite the building industry for making them question their predisposition, while Ronald (OP4) thinks he

is too trusting for his own good. The youngest interviewees, Mark (CS1) and Nigel (OP3), attribute their predisposition to trust to their family upbringing.

Assertion 5: Trust is dependent on on-going interactions.

George (OP2) said that trust is built up over time as you get to know each other, echoing Ronald's (OP4) viewpoint. Catherine (OP1) noted that the trust building process started during the tendering period. However, she did not think the consultants were working well together because of their lack of experience of working together, which is preventing them meshing. John (CS5) pointed to trust building being dependent on somebody fulfilling their objectives. While Nigel (OP3) suggested a business relationship could mature into friendship with time.

Assertion 6: Trust is a simple, multi-dimensional construct.

The project managers were asked to describe a good relationship and explain what trust meant to them. In the group interview they were asked what characterised trust. The factors that they associate with both are the same: communications; cooperation; and fulfilling expectations.

Assertion 7: Communication is important.

Trust and a good relationship are about open and honest communications. However, one needs to be guarded and selective about not revealing commercial-in-confidence information (Derek (CS2) and Richard (CS4)). Roger (CS3) gave the example of a client they were having problems with until he started giving the client more information about what was happening. He made the point that there can be too much information from over-use of technology and not enough face-to-face communicating. Ronald (OP4) referred to this as avoiding the request for information (RFI) storm and talking more. Catherine (OP1) noted that written communications could be perceived as threatening. To Roger, a bad relationship is signalled by not wanting to talk to each other, causing a breakdown (Nigel (OP3)). While a good relationship requires less monitoring (John (CS5)).

Assertion 8: Cooperation is important.

Richard (CS4) thinks good cooperation involves proactively working together to solve issues. His estimation is that adversarial builders do not cooperate, or are not flexible

(Derek (CS2)). Mark (CS1) highlights the importance of working together on the issues that have been missed and crop up towards the end. Sometimes it gets heated, but they always get resolved (Roger (CS3)). John (CS5) espoused a give and take mentality and being proactive with solutions. It is about working together (George (OP2)) to resolve issues in face-to-face meetings (Catherine (OP1)). A good example was given by Nigel (OP3), who recalled how the team had worked together to reduce a consultant's liability by half.

Assertion 9: Achieving objectives is important.

John (CS5) thinks trust is dependent on the other party meeting their objectives. Derek (CS2) phrased this as relying on somebody to do as they said they would, or being reliable. People have to prove that they can be trusted (Richard (CS4)). People are happier when the project is being achieved; when it is not, there is a breakdown in trust (Catherine (OP1)) and the blame-game is played (Nigel (OP3)). Derek (CS2) stated that resolving issues is time consuming but generally good-natured. The overall objective is to deliver the project (Roger (CS3)). It's like being part of a football team (Mark (CS1)) working to a common end (Ronald (OP4)). John (CS5) and Richard (CS4) thought there were shared objectives on their project, which John attributed to the builder being more accommodating than usual as they wanted a good reference for their new, regional office.

Assertion 10: Trust is interpersonal, not inter-organisational.

The interviewees answered the questions on trust and good relationships with reference to individuals before being prompted to consider trust as an inter-organisational measure. Roger (CS3) and George (OP2) were adamant that trust was an individual quality. John (CS5) explained that trust was interpersonal during the project, but pre-project, during the contracting stage, it was inter-organisational and concerned with the company's reputation. Derek (CS2) said he would carry over good feelings garnered from an interpersonal relationship to another in the same company, but this would not extend to trust as trust takes time to develop. Similarly, Nigel (OP3) observed that while a company's reputation sets his expectation, the relationship is person to person. Richard (CS4) thought trust to be both interpersonal and inter-organisational, yet noted interpersonal trust was formed over time, with

inter-organisational trust being dependent on the company's reputation for how well they treated their people.

The individual answers supported the researchers' contention that there was confusion between the interplay of interpersonal trust and corporate reputation. Hence, the question was explored further in the on-going project's group interview. They confirmed that trust was interpersonal, with reputation being inter-organisational.

Assertion 11: Trust improves issue resolution.

The issue resolution process involves the builder issuing a RFI for discussion between the relevant consultants, the architect and the client's project manager. The client's project manager has the final say as to whether to take the architect's advice. In the past, the architect acted as the client's project manager. However, due to the perceived self-interest of the architect in protecting their design and not admitting to mistakes, independent project managers are increasingly being used (Catherine (OP1)).

Both projects had good levels of trust as specifically reported by Mark (CS1), Derek (CS2), Roger (CS3), Richard (CS4), John (CS5), Catherine (OP1) and Nigel (OP3). Roger (CS3), John (CS5), Nigel (OP3) and Ronald (OP4) were praiseworthy of their respective builders. Richard (CS4) commented on his project having an extremely happy client, and it being a good case study for marketing. John (CS5) thought the builder was overly accommodating in order to ensure a good reference for its new, regional office. Moreover, good cooperation was reported on both projects in resolving issues. The salient example of good issue resolution was the major problem reported in the on-going project, which was resolved amicably at half the cost to the incompetent consultant (Nigel (OP3)).

6.3 Be Nice

There is more of an emphasis on being sociable than socialising. During the normal course of the project they regularly meet on-site and at each other's offices, and during this time the importance of being sociable, e.g., passing the time of day, to

make life easier is acknowledged. However, there is no interest in socialising, as in having dinner.

Assertion 12: Being sociable is more important than socialising.

Although the interviewees may not be interesting in socialising (having dinner) with their supply chain co-workers, they are interested in being sociable with each other. However, being sociable with another person is dependent on that person's personality; private individuals may not be receptive (Mark (CS1), Derek (CS2) and Nigel (OP3)). Being sociable with each other is good for business (Derek (CS2), Catherine (OP1), Nigel (OP3) and Ronald (OP4)). Roger (CS3) starts formal but relaxes into a more informal (more talk, less written communications) as the relationship matures; the relationship may bloom into friendship over time (Derek (CS2)). While Catherine (OP1) admits she is not predisposed to be sociable but is learning it is good for business. Everyone's a lot happier, which helps to achieve the project's objectives. Nigel (OP3) thinks it helps to keep the communication flowing despite on-going issues. Therefore, business benefits accrue from being sociable.

7 Discussion and Managerial Implications

The assertions indicate that the three propositions are proved: socialisation (formal, not informal) and being sociable aids the development of trust (Assertion 12); trust is more attributional than rationale-choice (Assertion 3); trust aids issues resolution (Assertion 11). Moreover, they point to a relationship between attributional trust and corporate reputation that is developed in the next section, after which the managerial implications are explained.

7.1 A Simplified Trust-Reputation Model

Based on the multi-case study findings a Simplified Trust-Reputation Model (fig. 5) is presented.

Figure 5. Simplified Trust-Reputation Model

The basis of the model is that interpersonal, attributional trust between the stakeholders ensures effective issue resolution in order to safeguard their respective company's reputation. Each variable in the model is now discussed with regard to the relevant assertions. Hence, the variable is stated followed by a list of relevant assertions and an overview of the relevant literature.

7.1.1 Interpersonal Attributional Trust

Assertion 3: Trust is attributional, not rationale-choice
Assertion 4: Individuals have a predisposition to trust.
Assertion 5: Trust is dependent on on-going interactions.
Assertion 6: Trust is a simple, multi-dimensional construct
Assertion 7: Communication is important.
Assertion 8: Cooperation is important.
Assertion 9: Achieving objectives is important.
Assertion 10: Trust is interpersonal, not inter-organisational.
Assertion 12: Being sociable is more important than socialising

Trust, as is a good relationship, is a simple, multi-dimensional construct that is measured by: open communication; cooperation; and consistency in meeting expectations. This finding is consistent with knowledge-based trust (Lewicki & Bunker 1996): regular communication to exchange information about wants, preferences, and approaches to problem-solving, to establish behavioural consistency (Lewicki & Bunker 1996).

Moreover, while the interviewees concurred with Helfert and Vith (1999), who concluded that social competence in a team was important to task performance, due to improved communication, coordination and cooperation, they were at pains to dispute the importance of socialising (Cousins, P. D. et al. 2006) off-site and out-of hours, as in having dinner. Hence, trust, determined by the degree of open communication, cooperation and consistency, is aided by a convivial atmosphere. But trust is attributional and not rationale-choice, as evidenced by their dependency on each other to fulfil the contract and the willingness to forgive (Murnighan, Malhotra & Weber 2004; Weber, Malhotra & Murnighan 2005). The dependency is major as the parties have no prior experience of working together, yet they function using a contract that is not perfect, hence the issuing of RFIs. The prime concern of

this dependency is their respective corporation's reputation. Hence, they forgive to ensure a positive outcome for the client, in the interests of their company's reputation, not just their financial performance.

Jarvenpaa, Shaw and Staples (2004) proved that the level of trust does not affect the outcome, albeit other empirical studies have observed weak and inconsistent effects of trust on work performance (Jarvenpaa, Shaw & Staples 2004), but it does affect the efficiency of working together. This suggests that there is a floor, but no ceiling, on the level of trust between the stakeholders. Hence, a major issue, such as a personality conflict, may negatively affect the level of trust between two individuals but, in accordance with attributional trust theory, there is no breakdown in trust. There remains sufficient trust to ensure a positive outcome: the project's completion to the delight of the client. This point was illustrated by Ronald (OP4) when explaining the major dip in trust that occurred as a result of a serious design issue with the building. He drew a significant dip in his diagram, but showed how it quickly recovered. Therefore, it is concluded that the level of trust does not affect the outcome but, in accordance with Jarvenpaa, Shaw and Staples (2004), it does affect the ease of doing business. Hence, attributional trust theory (Murnighan, Malhotra & Weber 2004; Weber, Malhotra & Murnighan 2005) represents a floor in the level of trust to which trust may fall before a complete breakdown occurs.

The evidence in this research indicates that trust does falter (fig. 6), hence, the attributional trust model has been modified to allow for trust and interactions remaining positive, and for trust to recover to preceding levels, eventually. It is as though there is a floor below which trust does not fall, thus preventing a breakdown in the relationship in accordance with attributional trust theory. The floor is caused by the stakeholders having a shared interest in maintaining their corporate reputations.

The authors believe the model is applicable to 'win-partial win' relationships, in which a power regime between the client and builder allows for mutually acceptable risk and reward negotiated into the contract (Cox, Ireland & Townsend 2006), thus mitigating the emergence of an adversarial relationship identified by endless disputes, the main causes being opportunistic work practices and a "blame culture" (Love et al. 2011). Cox, Ireland and Townsend (2006) conclude that the desire for

‘win-win’ is not feasible given the incommensurable objectives of a buyer and supplier: the buyer seeks to minimise costs of ownership, whereas the supplier seeks to maximise profits; the buyer wants a constant increase in functionality at an ever reducing cost of ownership, where functionality could be performance, quality, delivery, etc.; the supplier wants a constant increase in the share of the customer’s business in tandem with increased prices and profits. As such, ‘win-win’, the mutually beneficial outcome described by other writers (Carlisle & Parker 1989; Fisher & Ury 1991; Hines et al. 2000) is impossible. Cox, Ireland and Townsend’s (2006) preference is to discuss outcomes in terms of win, partial-win and loss. Hence, ‘win-win’ is replaced by ‘win-partial win’. Of course, a ‘win-loss’ outcome is possible, but is discouraged as putting a supplier out of business further restricts the supply-base, unless the supplier has chosen to operate as a ‘loss-leader’ to drive competitors out of the market, or develop a brand association with a major customer to cultivate premium pricing business with other customers.

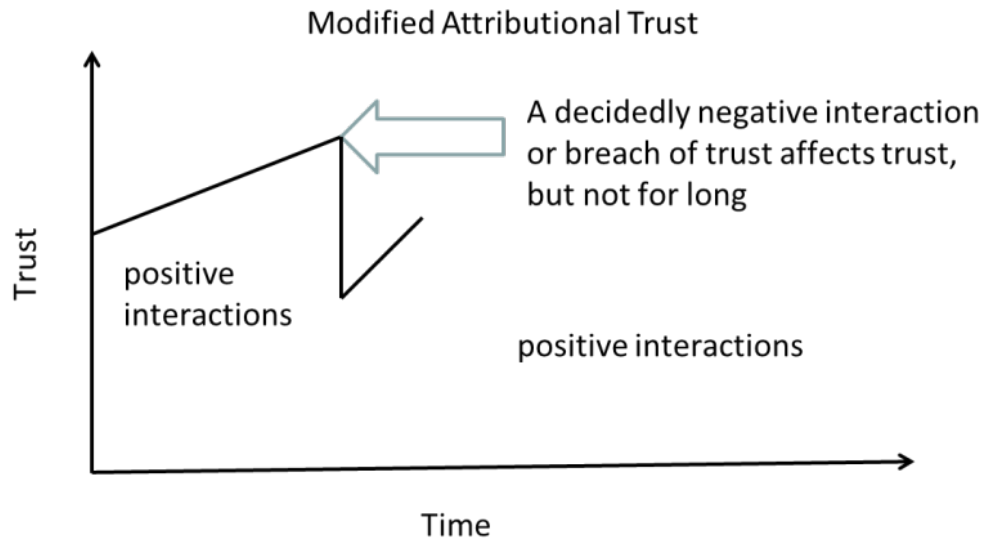

Figure 6. Modified Attributional Trust

Further, it is proposed that the research findings support two other relationships. First, in accordance with Jarvenpaa, Shaw and Staples (2004), the level of trust does not affect the outcome, provided the level of trust is positive and above the floor. Second, also in accordance with Jarvenpaa, Shaw and Staples (2004), trust affects the ease of doing business: the greater the trust, the easier it is to conduct business (fig.7).

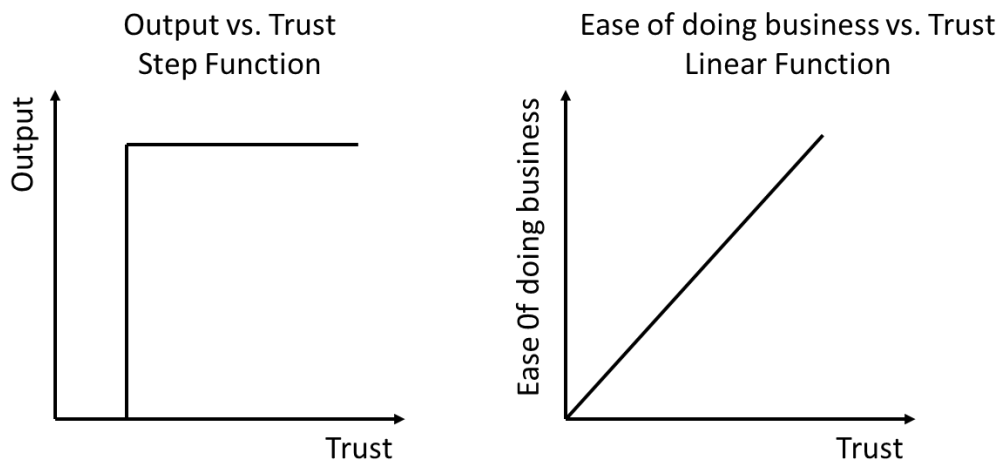

Figure 7. Output & Ease of Doing Business vs. Trust (Jarvenpaa, Shaw & Staples 2004)

A recent survey of international development projects noted delays concerned with negotiating the contract and procurement were responsible for the greatest project delay (Ahsan 2012). Hence, process inefficiency, or ease of conducting business, is an issue that may be solved by greater relational governance (Das & Bing-Sheng 1998; Handfield & Nichols 2004; Jarvenpaa, Shaw & Staples 2004; Poppo & Zenger 2002).

Introducing a floor to the level of trust in attributional trust theory, and accepting trust fluctuates, hints of a rationale-choice approach to trust. However, there are three important differences. This is not rationale-choice trust because:

- The stakeholders are engaged in major risk-taking and a focus on the future, with the perceived benefits of cooperation guiding the decision to trust, unlike rationale-choice where previous history determines the stakes (Murnighan, Malhotra & Weber 2004) .
- Trust does fluctuate, as with rationale-choice; however, there is a floor below which trust does not fall, as this would signal a breakdown of the project and the consequent negative impact on corporate reputation. Failure is not an option due to the concern over their corporate reputation.
- While the fluctuations in trust do not affect the output, the evidence suggests that it does impact the ease of doing business.

Very little research (Murnighan, Malhotra & Weber 2004; Weber, Malhotra & Murnighan 2005) has been found with regard to the study of attributional trust, and

its application to a real-world context, a construction supply chain, is new, especially the dependent factor being corporate reputation. Highlighting the importance of corporate reputation differentiates this research from that of Murnighan, Malhotra and Weber (2004) and Weber, Malhotra and Murnighan (2005), and Jarvenpaa, Shaw and Staples (2004). Also, the suggestion of a floor to the level of trust, dependent on a 'win-partial win' relationship (Cox, Ireland & Townsend 2006), is an extension to the theory.

The question remains as to what causes attributional trust, which is characterised by fluctuations in trust not affecting the output. The authors believe that the answer is explained by the psychology of decision-making advanced by Kahneman (2011), the 2002 Nobel Prize for Economics winner. Kahneman (2011) differentiates between the experiencing self and remembering self, which takes decisions based on memory.

Using an experiment that involved subjects feeling pain due to immersing their hand in cold water for one of two durations, he showed that the participants had a more favourable memory of the longer duration immersion due to the water being slightly warmed from 14C to 15C towards the end of the experiment. The result is surprising because the overall pain suffered (and recorded) by the participants was considerably greater due to the greater duration. Kahneman (2011) attributed this to the duration of the pain having no effect on the subject's memory, unlike the average pain that was based on the level of pain reported at its highest intensity and at the end of the experiment (peak-end rule). The warming of the water by 1C caused the subjects to have more pleasant memories of the longer, more painful immersion. Hence, provided the project completes with a happy customer, irrespective of the project manager's bad experience during the project, the project manager remembers a positive experience due to duration neglect and the peak-end rule, which helps them to cope with future projects as they accept no matter what happens, the cycle of a happy customer will continue. In effect, they do not suffer from what Kahneman (2011) refers to as a focusing illusion: refraining from thinking about the ups and downs of the relationship, and just accepting and adapting to others' idiosyncrasies, because thinking about it will make them think about what

could/should be with an ensuing detrimental impact on those relationships that are already barely tolerable.

In summary, the construction teams showed a willingness to put up with issues as an industry norm: stuff happens! Murnighan, Malhotra and Weber (Murnighan, Malhotra & Weber 2004) propose that the level of trust does not change in return for a simple apology. However, the evidence from this project suggests that while trust suffered due to an issue, it did not fall below a level that precipitated an irrecoverable breakdown in the relationship, due to concern for their respective company's reputation. Furthermore, the level of trust did not affect the project's outcome, but did affect the ease of doing business. Therefore, the relationship between output and trust is a step function: a level of trust above the breakdown value results in the same result, the project's completion. However, trust affects the efficiency of working together (Jarvenpaa, Shaw & Staples 2004), and is the human element that acknowledges the value of trust, communication, courtesy and impartiality in the relationship (Handfield & Nichols 2004). Getting on with others is good for business as it makes life easier was acknowledged by the interviewees. It is proposed that an individual's propensity to attributional trust is psychological (Kahneman 2011).

7.1.2 Issue Resolution

Assertion 11: Trust improves issue resolution

While Mishra (1996) highlighted the importance of trust to crisis resolution, the evidence points to a similar proposition: trust improves issue resolution. Dietrich et al. (Dietrich et al. 2010) suggest trust and conflict resolution as some of the antecedents of collaboration quality. Hence, a relationship imbued with trust should find resolving issues easier. Tuten and Urban (Tuten & Urban 2001) believe that in a successful partnership characterised by improved communication, trust and satisfactory performance, good communications negates the need for formal conflict resolution, where open communications is a fundamental factor of trust identified by the interviewees.

7.1.3 Corporate Reputation

Assertion 1: Corporate reputation is important

Assertion 2: Corporate reputation trumps bargaining power and the contract.

The on-going project's group interview confirmed the team's desire for a successful project outcome and happy client to maintain and enhance their respective company's reputation, because clients and partners will seek a close relationship with firms that have an excellent reputation (Roger & Helen 2001). Closeness is typified by the exchange of technical and commercial information, joint problem-solving activities and relationship-specific adaptations (Roger & Helen 2001).

However, while the companies have a concern for their respective corporate reputation, it is only as a result of a successful outcome by the supply chain that it is enhanced. Hence, it is more appropriate to consider partnership reputation as an antecedent of corporate reputation (Money et al. 2010). Although not explicitly stated, the interviewees' pre-occupation with enhancing their corporate reputation as a result of a successful project implicitly acknowledges the co-dependency of the supply chain members; partnership reputation is precedent and paramount over corporate reputation. Therefore, the goal of an enhanced corporate reputation flows from the partnership reputation created by a successful project.

The concern for a good corporate reputation is another example of Kahneman's (Kahneman 2011) focusing illusion, in that the project manger's interest in a happy customer, which results in an enhanced reputation, biases the project manager to focus on the positive even when there may be ongoing issues.

7.1.4 Discussion Summary

While Cox, Ireland and Townsend (Cox, Ireland & Townsend 2006) and Eriksson, Atkin and Nilsson (Eriksson, Atkin & Nilsson 2009) stress the importance of trust in long-term relationships to cultivate collaborative innovation, this research, and that of Khalfan, McDermott and Swann (Khalfan, McDermott & Swan 2007), encountered trust in the temporary, one-off nature of projects that encourages opportunism (Cox, Ireland & Townsend 2006). Khalfan, McDermott and Swann (Khalfan, McDermott & Swan 2007) concede that their research, to a large extent, is consistent with much of the academic literature relating to trust. The authors concede that this research project has also derived findings consistent with the existing literature.

Evidence suggests consistency is widespread. An Australian study of success factors in construction projects by Love, Mistry and Davis (Love, Mistry & Davis 2010) concluded that successful cooperation requires mutual trust, commitment and active exchange of information. Whereas a Delphi study of Australian relationship-based construction projects by experts from industry and academia highlighted eight key performance indicators (KPIs) (Yeung, Chan & Chan 2009), of which effective communications, and trust and respect, were two. Hence, trust is prevalent in the construction relationship literature, and one of three variables that consistently appear in a relationship approach to the construction supply chain: commitment, trust and performance satisfaction (Davis 2008), with the strength of trust influenced by open communications, working together and performance satisfaction (Cox, Ireland & Townsend 2006; Davis 2008; Eriksson, Atkin & Nilsson 2009; Khalfan, McDermott & Swan 2007; Love, Mistry & Davis 2010; Yeung, Chan & Chan 2009). Trust is about behaviour: being reliable in meeting expectations and sharing information (Gillespie 2012).

However, where this research differs is in postulating the importance of attributional trust (Murnighan, Malhotra & Weber 2004) . The stakeholders' concern for a good, corporate reputation makes them very forgiving. Trust falters but does not result in a breakdown of the supply chain. Also, while the output is not affected by the level of trust, the ease of doing business is a function of the level of trust. Hence, issues which would affect the level of trust, according to the rationale-choice model, do not. This dependency on each other for a good reputation makes them trust and forgive.

7.2 Managerial implications

The Simplified Trust-Reputation Model indicates that opportunism will be tolerated, to an extent, even though it is one of the main causes of disputes in the construction sector along with possessing a blame culture (Love et al. 2011). Concern about their corporate reputation makes companies tolerant about others' mistakes, whether accidental or wilful. However, to what extent a company can be opportunistic has not been established by this research. In a world of give and take, there will be a limit to the take.

Reputation is very important to the stakeholders. It is the glue that binds them together in seeking a successful outcome for the client, and because clients and partners seek a close relationship with firms that have an excellent reputation (Roger & Helen 2001). Reputation tells the industry what to expect from the company, and is used to form an initial view of an employee's trustworthiness (Khalfan, McDermott & Swan 2007; Kramer 1999). Therefore, companies should actively promote case studies, e.g., website and newsletters, which inform potential clients and the industry about the contracts they have completed, and with which companies they successfully partnered.

Eriksson, Atkin and Nilsson (Eriksson, Atkin & Nilsson 2009) observe that the chance of true and deep cooperation can be increased by putting formal partnering procedures in place, and by adopting a long-term perspective on partnering implementation. Strategic supply relationship management (SSRM) requires companies to invest in people to develop their soft skills and identify the appropriate relationship structure (Day et al. 2008), as a strategic relationship requires close bonds, not an arms-length approach. Unfortunately, Day et al. (Day et al. 2008) found that 60% of respondents had had no training in strategic relationship leadership.

Given the importance of partnering and relationship management, companies should consider attaining certification to a relationship management standard. The first standard in collaborative business relationships has just been released (BSI 2010), and there are plans to migrate it to an international standard in the near future. Alternatively, work with an organisation such as Institute for Collaborative Working (ICW) or the local university to develop collaborative working skills.

Further, on a monthly basis, to ensure the relationship is not slipping into one based on adversary, each project manager should complete a relationship status checklist to indicate their general feeling on the strength of relationships within the supply chain. The Trust Index (Hawkins 2008) is a good example. A simpler way would be to score, on a scale of 1-10, their satisfaction with communications, cooperation and consistency of meeting expectations across the project. Scores below an agreed value would trigger a special meeting to determine what corrective action is required.

8 Conclusions

The major contribution is the simplified trust-reputation model applicable to 'win-partial win' relationships (Cox, Ireland & Townsend 2006), that relates attributional trust (Murnighan, Malhotra & Weber 2004; Weber, Malhotra & Murnighan 2005) and issue resolution to corporate reputation, with enhanced corporate reputation being a by-product of partnership reputation (Money et al. 2010). In effect, individuals on the project are very forgiving of others with regard to issues because of concern for their company's reputation; the desired outcome is a happy client, which is good for the company's reputation because of the positive impact on future business. Hence, while trust varied during the project, there is a floor below which trust did not fall, a floor associated with avoiding a breakdown in the relationship, in accordance with attributional trust theory. Furthermore, while the level of trust did not affect the project's outcome (Jarvenpaa, Shaw & Staples 2004), it did affect the ease of doing business (Handfield & Nichols 2004).

With regard to the relationship between attributional trust and corporate reputation, the concept is generalizable to other sectors but needs to be tested using qualitative and quantitative methods. It is considered to be especially applicable to the supply chain, product development and project management functions, where external partners are involved. It may well be applicable to activities that only involve internal personnel, where corporate reputation is replaced by concern for the group's reputation, e.g., a regional sales team during a new product launch.

A number of research ideas flow from this study:

- Is attributional trust applicable to other sectors, particularly with regard to the importance of corporate reputation? Does it apply to internal as well as external teams? This study was concerned with construction sector supply-chains based in Melbourne, which were using an OCT. Further research is required to explore how generalizable the results are to other sectors.
- How general is it to state that the level of trust does not affect output? Does trust affect output more so in partnering (Cox, Ireland & Townsend 2006) or alliance contracting (DIT 2011)? What diminution of trust would cause an

irretrievable breakdown in the relationship? Where is the trust floor, and how does one identify it?

- Does a good partnership reputation (Money et al. 2010) require an understanding and flexible attitude from all the partners? This research implies that the shortcomings of one will be forgiven. Hence, is the reality of a bad partnership hidden by a publicity spin by the more conducive partners, who are worried about being tainted by association with a dysfunctional partner? Is partnership reputation a case of moral hazard as a partner may benefit even when being opportunistic?
- How general is the relationship between trust and process efficiency on a project? A recent survey of international development projects stated that delays concerned with negotiating the contract and procurement were responsible for the most project delay (Ahsan 2012). How much was the level of trust a factor in affecting the ease of doing business (Das & Bing-Sheng 1998; Handfield & Nichols 2004; Jarvenpaa, Shaw & Staples 2004; Poppo & Zenger 2002)?
- Is attributional trust the result of our psychological make-up (Kahneman 2011)?

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