

Trust in Virtual

- What role does “trust” play in virtual life?
- VE must be capable of rapid adjustment in order to reduce the time and cost needed to deliver to the customer a quality product.



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Agenda

- **Trust in Virtual Organizations**
- **Trust in Virtual Teams**
- **Trust in Virtual Enterprises**

Trust in Virtual Organizations

- **The different “trust” in VC (virtual community) and VO (virtual organizations)**
- **Communication Technologies in VOs**
telephone, fax, writing letters; e-mail, ftp, telnet, MMS, WWAN;
- **Two components of trust in VOs**
information technology approach; human-centered approach;

Trust in Virtual Teams

- The more we get to know others, the more likely it is that we trust them (Lewicki & Bunker)
- 3 different stage of trust
 - Calculus-based trust
 - Knowledge-based trust
 - Identification-based trust
- High-trust and low trust global virtual teams

High-trust global virtual teams

Factors related to shared goals

awareness of shared goals
team based goals

Factors related to Power

facilitators focus on win-win

Communication

face to face where possible
regular synchronous

Low-trust global virtual teams

Factors related to shared goals

lack of awareness to shared goals
individuals goals

Factors related to Power

power battles

Communication

asynchronous CMC
time difference matters

Trust in Virtual Enterprises

Trust is the foundation of the digital economy (Keen, 2000; Stewart et al., 2002).

The Features of e-business and Two Reasons

Goal : VE must be capable of rapid adjustment in order to reduce the time and cost needed to deliver to the customer a quality product.

- It is difficult to assess partners' trustworthiness without ever having met them.
- As the lift of many virtual teams is relatively limited, trust must quickly develop.

Trust in Virtual Enterprises

How to.....

Essential Conditions for trust development

- a) Common Business Understanding
- b) High Ethical Standards
- c) Mutual Forbearance Between VE Partners
- d) Ability of VE Partners
- e) Effective Communication and Interaction between VE Partners

Operational Benefits

when all the conditions are in place.....

- a) Favorable Trading Environment
- b) Reduction of Transactional Costs
- c) Continuous Innovation in VE
- d) Better Relationship Management
- e) Better Information Exchange

Trust in Virtual Enterprises

● Future Trends

1. Current research on the impact of trust in VE has limitations.
2. A possible next step

● Conclusion

1. Trust models based on traditional familiarity would not meet the special needs of the VE

Favorable trading environment **R**educed transactional costs

Continuous innovation in VE products and services

Better partnership management

Better information exchange

Development of ownership culture