



1

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Creating a Culture of Collaboration and Trust

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MHIF Cardiovascular Grand Round
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2

Agenda



- What is corporate culture?
- Dimensions of culture? Subcultures?
- Spheres of culture
- Changing corporate culture
- Trust research
- What is the meaning of trust (in business contexts?)
- Why is trust important? How is trust created?
- How does trust evolve? Different kinds of trust?
- Trust & trustworthiness
- Trust across organizational units
- Creating a trustworthy culture

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3

3

What is Corporate Culture?



- Learned ways of thinking, feeling, and behaving
- Shared among group members
- *"The way we do things around here"*
- Shared frames of reference, Ways of viewing the world
- Symbols, myths, history, language

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The Role of Corporate Culture



- Based on past history of success
- Makes life predictable,
 - Deal with uncertainty
- Serves as template or guide in new situations
- Form of social control
- The glue that binds the organization together
- Influences and constrains strategy

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A Culture Framework (Schein)

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Level 1

- Manifested in overt behavior rituals, artifacts.
Visible, feelable.
- High level of awareness, easily perceived

Level 2

- Reflect underlying values -- ideals, goals, norms
- Harder to surface

Level 3

- Assumptions, deeper still. Tacit, taken-for-granted.
Stable. Hard to articulate.
- Nature of time, space, human nature, reality

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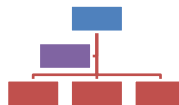
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Issues in Corporate Culture



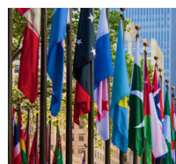
Sub-Cultures

- Organizational Units, Levels, Functions



National Cultures

- Individualism-Collectivism
- Uncertainty Avoidance
- Power Distance
- Age / Family



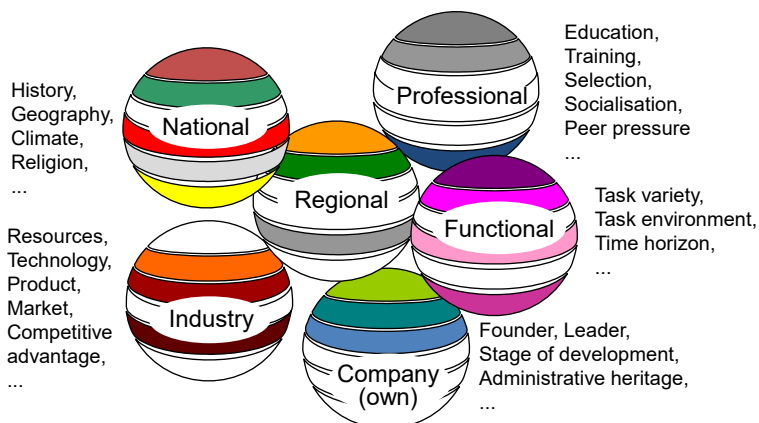
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Spheres of Culture

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Changing Corporate Culture



- Symbolic actions by leaders
- Reward systems
- Replace carriers of prior culture
- Participation
- Organizational crises

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Summary: Corporate Culture



- Corporate culture represents a set of “learned” behaviors, thoughts and feelings
- It's based on a history of successful actions taken by the company in the past
- Culture becomes deeply embedded in company systems, processes and structures so it's hard to change
- When the environment changes, both strategy and culture need to adapt, but culture is slower to change
- Changing culture in sync with the new strategy often requires drastic and pervasive interventions
- National cultures differ considerably; need to keep in mind when working with employees, suppliers, alliance partners etc. from other countries

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Trust Research



A large body of research in many fields, including my own, focuses on trust (trust as collaboration)

- Interorganizational trust (Zaheer, McEvily & Perrone, 1998)
- Intraorganizational trust (McEvily, Perrone & Zaheer, 2003)
- In online settings (Soda, Zaheer, McEvily, Park & Subramani forthcoming)
- In cross-cultural, cross-national trust
 - In joint ventures (Zaheer & Zaheer, 2006, Zaheer & Fudge Kamal, 2012)
 - In individuals (Javidan & Zaheer, 2019; 2020)
 - In multinational corporations (Cuypers, Ertug, Cantwell, Zaheer, & Kilduff 2020)
- And even in cardiology! (Kim, Funk, Yan, Nallamothu, Zaheer, Hollingworth, *Medical Care* 2019)

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11

Defining Trust



Willingness to be *vulnerable* to the actions of another party based on the expectation that they will *perform the expected action* irrespective of the ability to *monitor* them

- Individual
- Firm or Organization
- Intra-organizational (cross-unit)
- Remote work/collaboration in post pandemic times


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Trust is good!



- Eases negotiation cost and conflict (Zaheer, McEvily & Perrone, 1998)
- Creates win-win situations
- Allows for a broader range of alternatives to be explored in resolving issues
- Permits freer information exchange
- Enables the operation of 'implicit contracts'
- Nobel Laureate Kenneth Arrow famously said, "Trust is the lubricant of the economy"!
- Basic foundation of collaboration


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But trust can be exploited



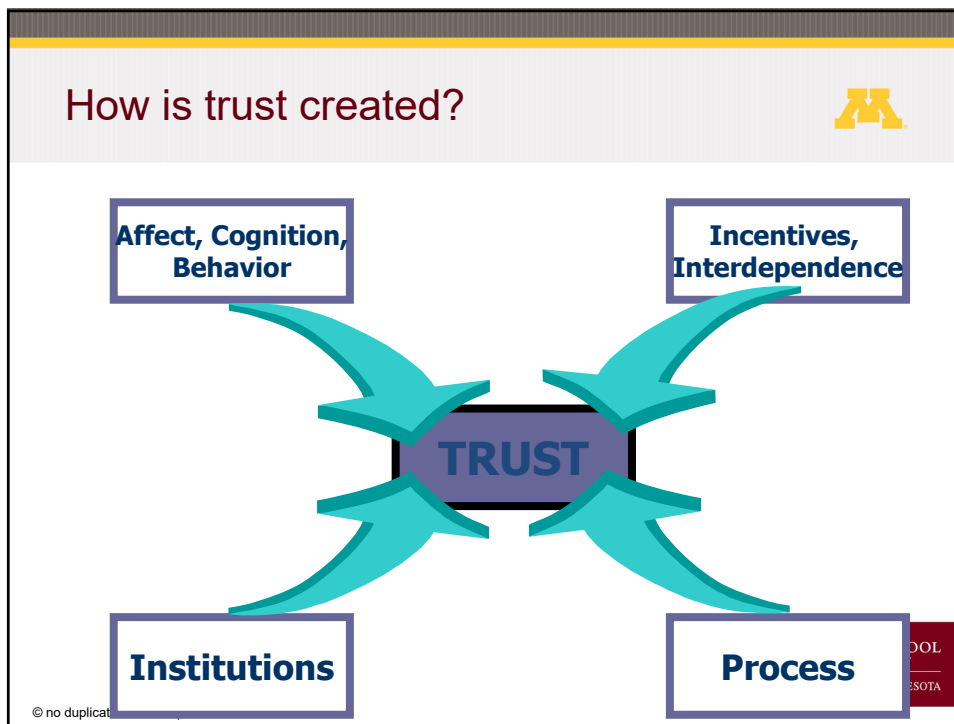
- Trust and risk go together, can be violated
- Trust is NOT altruism nor going against your self-interest
 - Rather, it is enlightened, or longer term, self-interest

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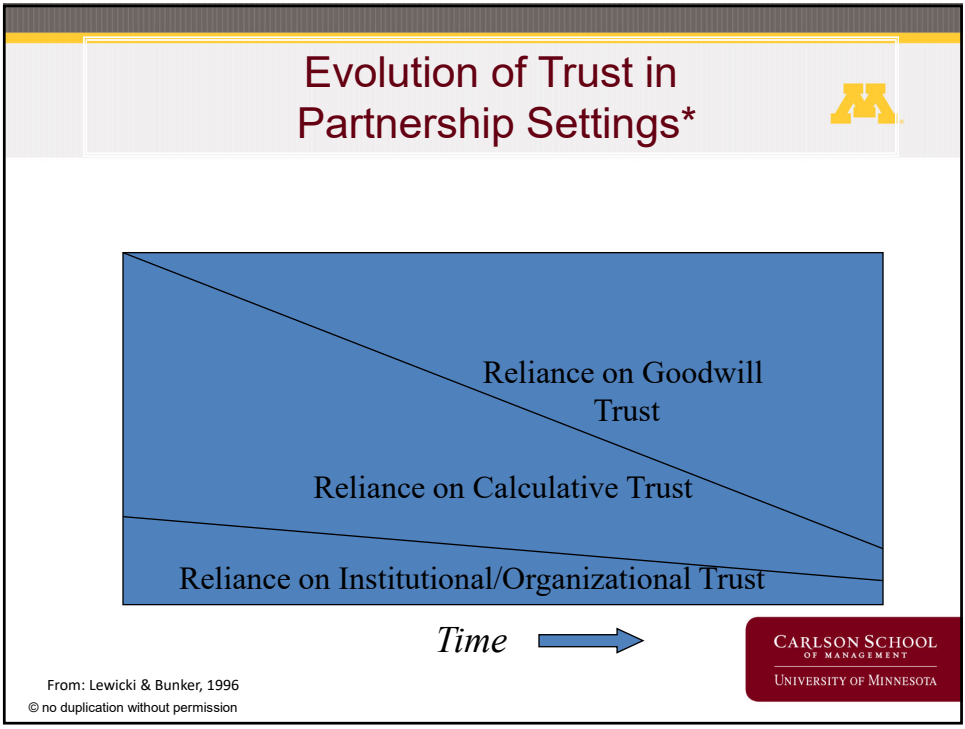
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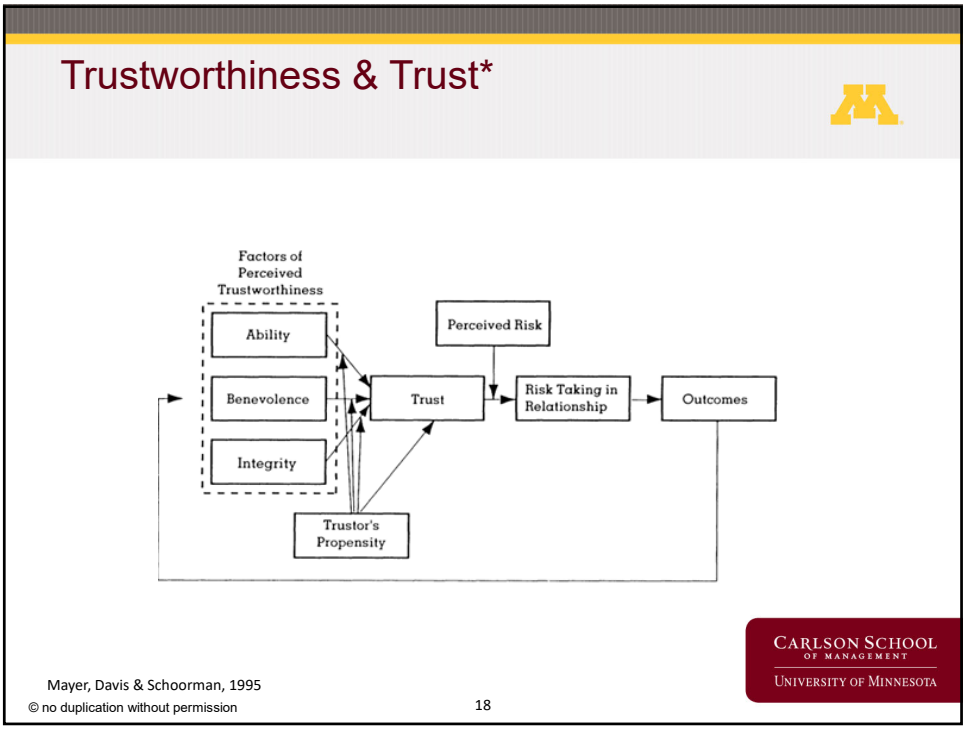
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- ### Kinds of Trust
- Calculative trust
 - Deterrence-based, prospects for loss/gain, interaction
 - Goodwill trust
 - Reliability, fairness
 - Institutional trust
 - Culture, laws, or reputation based
 - Trust as Competence
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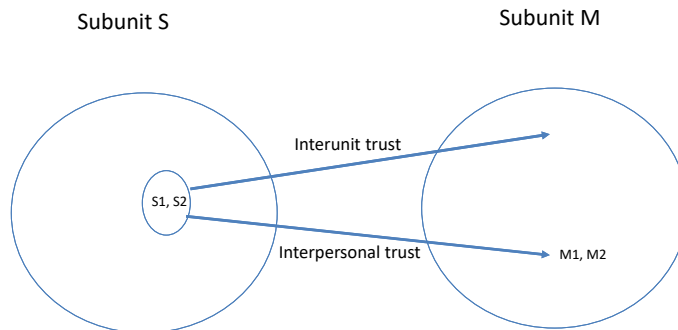


17



18

Interunit & Interpersonal Trust*



Zaheer et al., *Organization Science*, 1998
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Creating Trust across Organizational Units



- Demonstrate win-win outcomes
 - Emphasize common goals, benefits of achieving them
- Show the benefits of interdependence
 - How joint action creates value
- Highlight long term relationship (Axelrod, 1984)
 - Enhance opportunities to return the favor
- Trust begets trust
 - Make yourself vulnerable to demonstrate trust
 - Put forth 'hostages'
- Make unilateral commitments (Gulati, Khanna, Nohria, 1994)
 - Take a visible leap of faith, trusting propensity
- Display trustworthiness (ability, benevolence, integrity)
 - Deliver on promises
- Progressively take bigger trust risks
 - Create positive-outcome prior trust events
- When negotiating be open to a wide range of alternatives
- Seek opportunities to work and socialize together
- As an organization, create incentives for collaboration

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Collaboration/Socialization/Group activities

- Group activities – organization
 - Vision & mission restatement
 - Strategy restatement
 - Brown bags
 - Collaborative research
 - Operational teams
 - Incentives
- Group activities – sports (crossed teams)
 - Ice fishing
 - Polar plunge
 - Golf/tennis/pickleball
 - Family picnics w competitive sports
 - Skeet shooting

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Criteria for Trust Creation U.S. and Northern Europe



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Criteria for Trust Creation

Asia, Middle East, Eastern and Southern Europe, and Latin America 



Style
Humble
Polite
Positive attitude
Makes an emotional connection

Performance
Punctual
Accountable
Previous achievements
Professional background

Fit with the group
Participate in team activities
Common background
Common interests
Common values and political views
Helpful to the group during and after work

Social time
Dinners, lunches, and drinks
Going shopping together
Tea time
Parties and drinking
Talking about families

Personal Connections
Family story
Professional and Personal networks
Personal references
Political network inside and outside work

First impression
What school or university?
Professional appearance
Designer brands
Optimistic attitude
Friendly


Building Trust in a New Colleague

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How Leaders Around the World Build Trust Across Cultures:

Mansour Javidan & Aks Zaheer, *Harvard Business Review* 

<https://hbr.org/2019/05/how-leaders-around-the-world-build-trust-across-cultures>



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24