

**KAUNAS UNIVERSITY OF TECHNOLOGY**  
**SCHOOL OF ECONOMICS AND BUSINESS**

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**Factors behind trust development in value chain of DHL logistics in  
Mumbai**

**MASTER'S THESIS**

**Supervisor: Prof. Rita Juceviciene**

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**International Business  
MASTER'S THESIS**

**Student**

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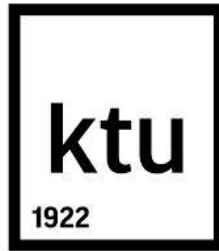
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**“Factors behind Trust Development in Value chain of DHL Logistics in Mumbai”**

**DECLARATION OF ACADEMIC INTERGRITY**

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I, **Naresh Nandu Kamble**, hereby confirm that Master’s Thesis entitled **“Factors behind Trust Development in Value chain of DHL Logistics in Mumbai”** is solely my own work and all the data and research findings presented are true and obtained fairly. None of the thesis parts contain plagiarized material from printed or internet sources, all direct or indirect quotes of other sources are fully and properly acknowledged. I have not made illegal payments for this work to anyone. I understand that in case of dishonesty I will be subject to penalties in accordance with the procedure established by Kaunas University of Technology.

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## Summary

This research thesis has explored the main and the basic factors behind trust development in value chain of the logistics firm DHL that works together with the partner firm on trust factor and their process of work in the value chain.

Michael Porter (1985) provided a very clear definition to the concept of value chain. To provide a better understanding of the concept the author emphasised the two dimensions of value chain: Primary and secondary activities. The performance of these activities requires the intervention of many different actors both internal and external to the company. Therefore, there must be a certain level of trust between the company and other actors playing a role in its value chain.

The analysis of the level of trust as well as the factors influencing the emergence and maintaining of trust was carried out in the theoretical part of the master thesis, that enabled the construction of the a theoretical framework for the empirical part.

DHL is one of the leading postal and logistics companies in the world; the services provided by the firm include, DHL Express, DHL Parcel, DHL e-Commerce, DHL Global Forwarding, DHL Freight and DHL Supply Chain. DHL develops those factors of trust and gain more importance in the competitive logistics business world. Keeping the records of accomplishment of the past business transactions with the partner, provides an opened transparency in the inter-firm relationship. There are different cultures in every department of the DHL office in India, especially in Mumbai. We are going to explore the group of factors of trust that helps in developing the business. The research then provides the co-operation approach with the partner firm, it shows how the Inter-firm partners behave and deal when there is any problem they face while working with the firms.

This master thesis critically evaluates the factors that influence the development of trust both theoretically and practically in the case of DHL in Mumbai. The thesis also points out the level of trust at DHL Mumbai based on characteristics of high and low level of trust described in the theoretical part.

**Research question: what are the factors important for trust development in value chain at DHL?**

**The aim: To research the level of trust and the factors influencing its development**

**Task to be solved: Investigate the level of trust and identify the factors driving the formation and increase of trust in value chain.**

## **INTRODUCTION**

Trust is the key word towards success of the inter-organisational agreements. It is one of those variables that develops effective co-operative behaviour, and therefore has a significant effect on change processes and associated risks (Erdem et al.,(2003). In every change process there are certain factors to be considered while associating the risk. Identification of the factors behind trust development is important in order to understand the cooperation between the partner firms. In today's business environment, cooperation consists of flattened hierarchies and self-management (Cohen and Ledford (1994). Working together in an organisation or in inter-firm relationship it involves trust and interdependence; therefore, actors depend on each other in different ways when they want to achieve the personal and common organisational goals. Organizations like DHL where there are many actors involved in their value chain, due to their wide range of services, largely depend on their value chain inter-organizational partners for delivering value to their customers.

There are a number of scholars that have suggested a variety of macro-level structures, including networks and governance, enhance the emergence and diffusion of trust. The authors agree that trust involves at least two agents: the trustor, who has trust in something (organisation, production, institution) or someone, and the trustee (Zucker, 1986: Lane and Bachmann, 1986, Nooteboom, 2002). Batt (2003, P.76) asks, in his concluding remarks, who does the seller trust, the sales person or the sales organisation? Personal relationships are extremely important for the formation of trust and this factor should be considered when analysing transactions. On the other hand institutional economics and transactional costs economics (TCE), deal with trust as a rational choice (Williamson, 1993). Williamson (1996) defines trust in three different categories: *institutional, calculative and personal*. Whereas the group of factors of trust development such as personal, professional, social, institutional, educational and organisational factors have also been explored in this research.

Many researchers have tried their best to discover aspects of trust, which they took for the detailed investigation. Relationships between trust and contract, trust and innovation and trust

and institutions are the most developed sub themes of the trust research. Lewicki and Bunker's (1996) came with the contribution that Calculative trust is an initial step, which is taken by the Knowledge based trust and the eventually by Identification trust as this is just an example, used widely by the research community to discuss and apply in the empirical part.

Trust is important for creation of knowledge and spreading that knowledge widely within the organisations. Most of the past research on trust still does focus on the tangible economic transactions (Child and Faulkner, (1998); Williamson,(2009); Dyer and Chu, (2009). Thus, the organisations are willing to accept the risk in such kind of relationship that depends on the trustworthiness of the partner (Bacerra, Lunnan and Huemer, 2008)

Trust also creates the principal benefits while co-operating with the partner firm:

- a) Reductions in the cost of transactions;
- b) Reducing the risk for investing in the specific assets;
- c) Facilitating the decision making process.

These benefits gives rise to the future commitments with the partner in future business, and allow assuming more risk, which generates value (Thorgren and Wincent, 2011). Therefore, high level of trust allows the partner firm to achieve the inter-firm goals and develop trust with the partner. We can say that trust is a key factor in inter-organisational relationship that directs to the operations and the process of both organisational goals. Where there is lack of trust, there will be failings in communication, delegation and empowerment, and quality (Erde, et al., 2003).

Inter-organisational relations are increasingly becoming important in business, and trust plays a key role in enabling and sustaining these relations.

Forming and maintaining business relationships, including interpersonal relationships, internal company relationships and inter-organizational relationships requires trust as a key ingredient (Kazlauskienė & Bartuševičienė, 2013). If trust is such an important element to consider for building business relationships, it is crucial to understand to what degree and how do trust factors affect business relationships.

Indeed, recently numerous scholars and researchers have emphasized the concept of trust in business operations with particular attention drawn on trust's dimensions, criteria, role and levels within businesses in general. (Kazlauskienė & Bartuševičienė, 2013) Nonetheless, almost no attention is given to how trust factors may influence the formation and maintaining



of trust in a particular business environment. This is why this research proposes to critically evaluate the degree to which trust factors affect building and maintaining business relationships in the context of India.

The **overall aim** of this research is to identify factors that drive the formation and maintaining of trust in inter-organizational business relationships in a firm's value chain.

Specifically, in the field of logistics, **the objectives** of this research are:

1. To critically evaluate inter-organizational relations in value chain;
2. To analyse inter-organizational trust development in value chain;
3. To determine the level of trust and to identify factors that are important for trust development at DHL Mumbai.

*The added value of this research:* at the theoretical level it helps understanding the importance and development of trust factors in business relationships; at the practical level, based on empirical research it provides recommendations to firms operating or willing to operate in India about how to build trust in inter-organizational relationships.

*This research is structured in five main chapters.*

Introduction presents some background information about the factors affecting trust formation. The focus of the research is also discussed and justified in this chapter. Finally, the overall aim and objectives of the research are pinpointed.

Chapter 1 is dedicated to the literature review related to the topic. This chapter defines the concept of trust in business' value chain and its importance in business relationships. It also discusses how trust emerges in inter-organizational relationships and it underpins the forces influencing the process of trust formation. Finally, this chapter identifies the types and levels of inter-organizational trust.

Chapter 3: Depicts the research methods.

Chapter 4: Studies the case of trust development at DHL Logistics in Mumbai.

Chapter 5: Provides recommendations to potential and existing firms in on how to build trustworthy business relationships that will positively impact their value chains.

## **1. Inter-organizational relations in value chain**

The aim of this part of the thesis is to explore the literature in the field of the value chain and the importance of trust in forming this chain with a partner firm. First, the concept of the value chain is analysed. Secondly, an overview of trust development in the inter-organizational relationship is discussed, which will help us to understand how organizations form a value chain and the importance of trust behind this process.

### **1.1 Partnerships and Trust in Modern Value Chain**

Value chain can be defined as “the full range of activities which are required to bring a product or service from conception, through a different phase of production, delivery to final customers and final disposals after use “(Kaplinky, R. and M. Morris (2001).

Porter (1985) uses the term “value chain” to define a series of value-adding activities. These activities are related to manufacturing, sales and distribution and the secondary organisation which supports the primary activities are planning, finance, R&D and Human resources.

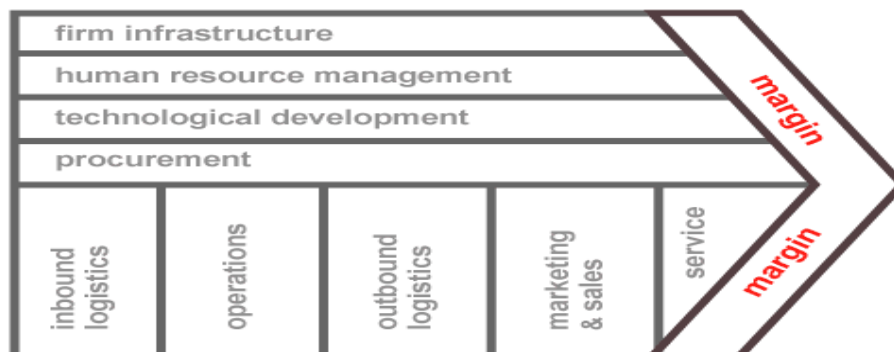
Analysing the value chain is related to the activities that are within and around the organisation that evaluates the value of each particular activity that the organisation adds to its products and services, which helps to analyse the competitive strength of the organisation.

Porter distinguishes the primary and support activities that are related to the creation or delivery of the product or services. This author grouped them in five primary activities that are, **Inbound logistics operations, outbound logistics, marketing and sales, and customer services.**

The support activities consist of four main areas: **Infrastructure, human resources management, technology development, procurement.**

If the organisation succeeds in arranging these systems, it will be possible to produce something that is a product or services for which the customer will pay the price.

Figure. 1. Michael Porter's Value Chain:



**Porter (1985) the primary activities are:**

1. Inbound Logistics: In these activity the organisation is involve with the relationship with its suppliers for getting the shipment and all the activities that are required to receive, to store and to spread the inputs.
2. Operations: It involves all the organisational activities that are required to transform the products and services, that is input to output.
3. Outbound Logistics: These activity involves with all the goods, that is to collect the shipment from the supplier, store, and to distribute the shipment that is output.
4. Marketing and sales: In these activity they inform buyers about the products and services, and make them purchase the products with the services and facilitate the purchase.
5. Customer Service: It involves the activities that are required to store the product or the services that are working for the buyer effectively that is after sold or delivered.

**Porter's secondary activities:**

1. Procurement: It is the resources for the organisation or the acquisition of inputs.
2. Human Resources Management: It consists of all the activity that is involved in hiring, recruiting, training and development, compensation or dismissing of the employee in the organisation.

3. *Technological development*: It involves with all the equipment, that is hardware, software, and all the procedures and technical knowledge the organisation brought to transform the process from input to output
4. *Infrastructure*: In this activity it includes all the department that functions, such as accounting department, legal, finance, planning, public affairs, governmental relations, assurance of quality and general management that helps serving the organisational needs and works together in various parts.

In the field of logistics the main idea behind the value chain is based on the process of an organisations view. As in the manufacturing or the service organisation there is a system made out of other subsystems which include inputs, transformation processes and output. These subsystems show the acquisition and use of resources that is land, labour, material, equipment, management and administration. There are organisations that have hundreds and even thousands of process and activities to convert them to inputs to outputs.

### 1.1.1. Organizational Actors in a Logistics Firm’s Value Chain

Actors in the value chain are individuals, group of individuals, firms, group of firms that are responsible for controlling activities, deciding on the resources to be used, and belonging to various levels in the organization. (Ajakaiye, 2012) Figure 1 and figure 2 highlight the value flow in logistics value chain and the logistics value chain of express delivery.

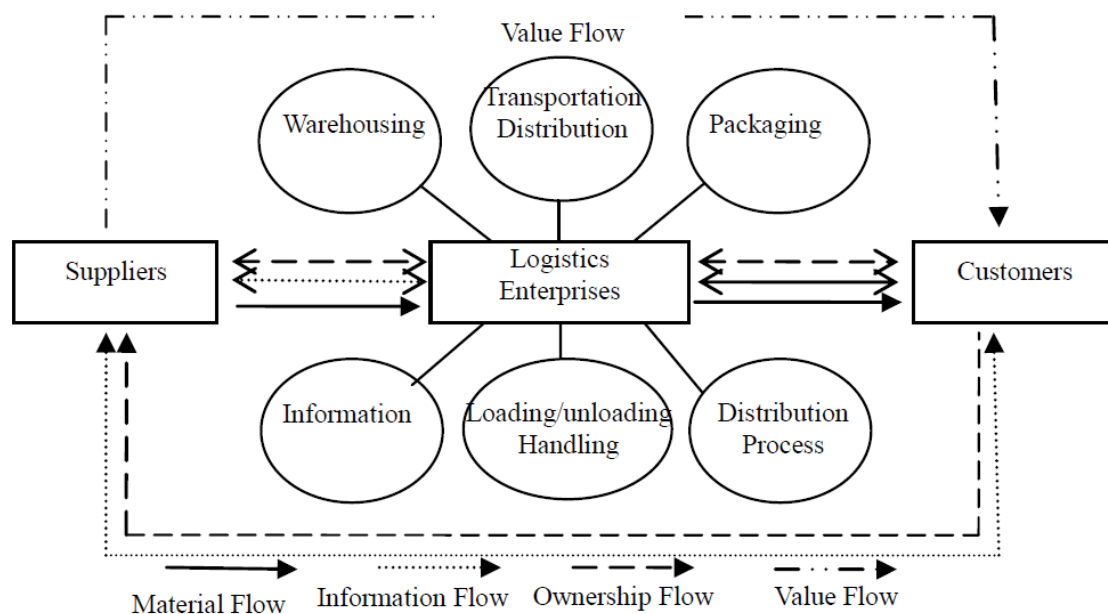


Figure 2: *value flow in logistics value chain by Zhou (2013)*

Figure 2. Presents all the activities carried out in logistics firm to add value to customers. It appears that suppliers play a key role in the value flow.

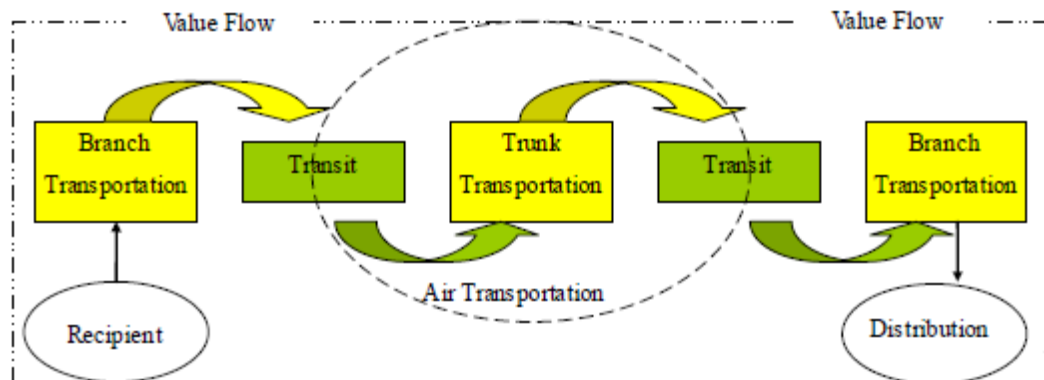


Figure 3: *value chain in express delivery by Zhou (2013)*

Figure 3 emphasises the actors playing a role in the activities involved in the value chain of an express delivery firm such as DHL. Zhou (2013) pinpoints five (05) key business actors in a modern value chain of an express delivery firm.

The first category of business actors appearing in the chart are suppliers. Suppliers play a key role up stream in the value chain of a logistics firm as they provide the firm with all the materials necessary for the rest of activities associated with the value chain. The second category of actors in the value chain is warehousemen. Warehousing deals with storing and keeping the packages before they are transported. The third category of actors is carriers that take in charge the transportation of the packages from the warehouse to the transit points. The fourth category of actors is transit agents/firms that deal with customs and clearances. The last and fifth category of actors is distributor who delivers the packages to the customers.

Figure 2 & 3 clearly indicates that carriers and transits agents or firms play the biggest roles in the value chain of an express logistics firm because they intervene three times and two times respectively in the value chain.

Reji (2012) argues that the conceptualization of value chain as described by Michael Porter in 1985 was more focused on strengthening a firm's competitive advantage. The author emphasizes that nowadays or modern value chains encompass activities like design, production and marketing of products or services. (Reji, 2012) Moreover, The author asserts that nowadays firms are more or less connected into a network of firms and modern value chains propose a theoretical framework that includes this new paradigm. One of the modern conceptualizations

of value chain cited by Reji (2012) is the global value chain analysis as shown in figure 4 below.

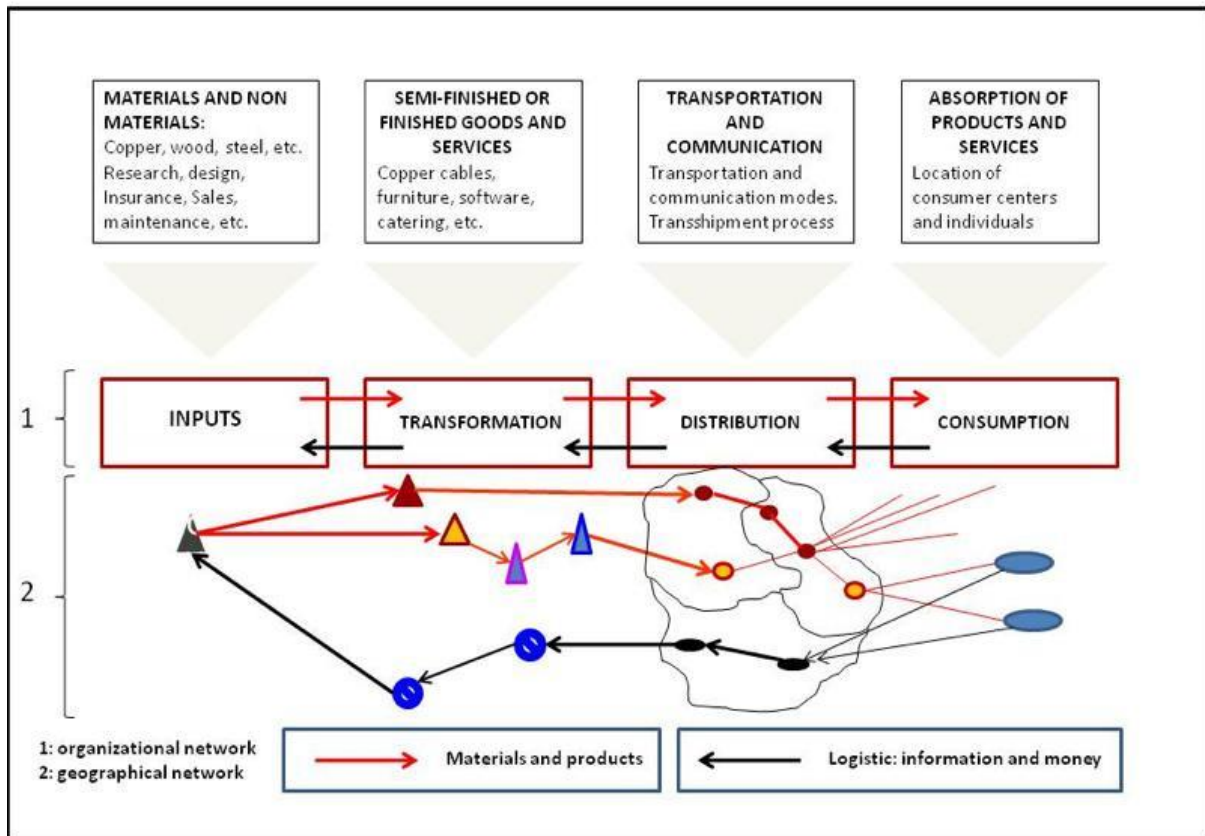


Figure 4: **Networks and flows of products and services in a global value chain.** Source: [http://cgge.aag.org/GlobalEconomy1e/ConceptualFramework\\_Jan10/ConceptualFramework\\_Jan107.html](http://cgge.aag.org/GlobalEconomy1e/ConceptualFramework_Jan10/ConceptualFramework_Jan107.html)

In figure 4, it can be noticed the modern value chain differ from Michael Porter’s value on two aspects. The core of the chain remains the same as in Porter’s value chain. This core encompasses four set of activities: inputs, transformation, distribution and consumption. But the modern value chain brings in more set of interrelated sub-activities. For instance, in Michael Porter’s description of value chain the emphasis is put on inputs, outputs, and operations while the modern value chain proposed by the global value chain analysis provides a more detailed range of activities involved with the value chain. These activities include things like supplies in raw materials, conducting research, making the design, doing the maintenance,

insuring, transporting, selecting and managing the locations of consumers' centers, and so forth. The modern value chain describes more detailed activities that could eventually be outsourced; this also means involving many more inter-organizational actors in the value chain of the company. The involvement of many different actors in the value chain implies that the organization is more or less embedded in network of firms as shown in figure 4 and as argued by Reji (2012). Modern firms are now forced to collaborate with other firms in their value chain. Trust becomes therefore a very important factor for the success of the value chain which is conditioned by good relationships with value chain partners.

*In summary, the value chain as described by Michael Porter (1985) depicts two range of activities: primary essentially performed the firm and secondary essentially carried out the outsourced organizations. The modern value chain depicts even more activities like designing, research, communication, etc. The key point from this section is that there are more and more partners involved in value chains so that the modern firm is embedded in a network of firms, making inter-organizational trust even more important.*

## **1.2. Importance of Inter-Organizational Relations in Co-operation based approach**

Inter-organizational relations in terms of organizations features their friendliness and trustworthiness, (Williamson 1975; 1985) says that there is attractiveness of close forms of cooperation between legally independent organizations, which provides an alternative possibility to the traditional transaction modes of hierarchical chain with internalization and the market oriented externalization of business activities. Here the author says that the organizations which are legally independent to do the business can come up with alternate forming of the chain for the business. But from my point, all the organizations should not only do the business with the organizations which are legal to work, but also with the small and new firms in locals for their extension and growth of their business for a short period till they get legalised.

Depending on how the opportunities and threats involved, with different option of cost and benefits. Directly linked to the time orientation of a relationship is the investment in relationship specific assets. Where either or both interacting organisations embrace a long term business perspective this is likely to be associated with investment in relationship asset (Campbell, 1985). Relationship-specific investment encompass both physical and human

assets that are dedicated to a particular relationship (Heidi, 1994). Studies tend to either look at the micro level of relationship where the role inter-personally developed forms of trust, risk and power are analysed (Mintzberg 1985; Lyons and Mehta 1997; Knights and McCabe 2003), at the larger level of bypassing the influence of macro-institutions, or indeed focus on the macro level where national business systems are compared, more or less ignoring the underlying micro-mechanisms on which these system build (Hofstede, 1991; Fukuyama 1995; Whitley 1999). Here the author refers to the small organizations where they are allowed to do the business with an intention to work in group with the help of other partner firm and come up with the model or framework to excess the process and start the business with preferring first their customers.

*It appears that trust is the backbone of any inter-organizational relationships. First, it is important because it is the beginning of any relationship. Secondly, trust helps maintaining the existing relationship. Thirdly, when there is trust, firms can perform their duties freely and confidently knowing that their expectations will be met by other partners. At four, trust is not important only at the institutional level but at the individual level also.*



### **1.3. Types of Inter-organisational Relations and their Types of development and Integration in Modern Value Chain:**

a) *Equity Joint Venture*: It occurs in the organisation when two or more parent organisations enter their interdependencies through the common ownership of an entity, to form a separately owned venture. They are traditionally entering in the foreign markets and in to the areas that are secondary to the organisations main activities. The organisations that are seeking to enter the foreign markets possess the product, with the marketing capabilities and with the financial capital available. The firms in the local they provide legitimacy, knowledge of the market and contacts. (Hennart, 1988a, 1991) explains that joint venture is any governance form where two parties get rewarded from the profits of the venture which they co-manage. Even the fast paced industries like Bio-technology, Joint venture can help and get the product to the market faster and capitalize the opportunities for the growth of innovation and learning.

b) *Networks*: Networks constitute the third distinctive organised method as argued by the author, (Thorelli, 1986: Powell 1990). Networks are not an organising method nor an institution, but rather a characteristics of both firms and markets. There are economic agent in the market that belong to intra-firm and extra firm market networks, but there is activity of agent in these networks co-ordinated by either mainly or output constraints, as in the case of market networks such as subcontracting (Eccles, 1981), or through the behavioural constraints. “Constellations of business that organize through the establishment of social, rather than legally binding, contracts” (Barringer and Harrison 2000: 387). Networks are often view by the researchers a hub and wheel configuration with a focal organisation at the centre. And this central organisation co-ordinates with the interdependencies of the different participating member firms. And the result is that a group of firm which focuses on their particular specialisation with combine efforts in producing, new technology, product or services.

c) *Consortia*: “Specialised Joint Ventures and smaller alliances” (Barringer and Harrison 2000). There are organisations with similar needs come together to form an entity that satisfies

a need for everyone. Organisation can form a pre-competitive R&D consortium, because it would be too expensive for most individual members to do this on their own and this is an example of research and development consortia.

d) Alliances: “An arrangement between two or firms that establishes and exchange relationship but has no joint ownership involved” (Barringer and Harrison 2000:391). There is a literature considerable ‘alliances’ as their unit of analysis. As the term alliances covers the ‘several governance modalities ranging from relational contracting to licencing, to logical supply-chain relationships, to equity joint venture’ (Contractor and Lorange 2002). They tend to be informal and can be short term and there is no new entity is formed as in Joint venture and there is no central administrative authority, (like in Consortium or network).

e) Trade Association: These are “typically non-profit organisations formed by firms in the same industries to collect and disseminate trade information and technical advice furnish industry-related training, and provide a platform for collective lobbying” (Barringer and Harrison 2000:392). Here the groups are presented with one voice and come with a professional to speak on their behalf. Their focus is on information sharing and lobbying rather than the higher priced activities of R&D consortia.

f) Interlocking Directorates: when the directors of two firms, who sit on the board of third firm is what interlocking directorates (Barringer and Harrison 2000: 394). They are prohibited among the competitors. And can also help spreading innovation among firms.

g) Clusters: Cluster of the specific regions where the companies of the local community integrates themselves in the cluster business especially in the logistics the proximity of the companies in the regions is differently denominated according to the industrial districts, agglomerations and productive arrangements of the cluster. Solvell et al. (2008) states that to maintain the high level of economic prosperity, there should be able to provide competencies from outside the cluster which will differentiate with other companies

*These are types, where all the inter-organisational relations mostly go through the process out of which they have to come up with ideas for the future of their own organisations and also of the partner organisations. Doing business together with a motive of growing their skills of doing the business, makes a sense for the organisations who works with in domestic territory with not more than loads of customers to get, after working as Joint venture or making an Alliance between their own organisations for a certain period will grow in their business and can share profit and loss equally with the partner organisations. It is explained in that how the*

*resources and money are provided to the markets and which provides taxes to the government and also take services from them.*

#### **1.4. Understanding the Role of Trust in Buyer & Supplier Relations**

Trust plays an important role in buyers and suppliers relations. Commonly it is said that supplier should have the ability to meet the buyer requirements. And it is possible when there is trust between both the parties. Because without any strategic transaction there will be no emergence of trust in relationship. Buyer-Supplier relation is defined as “a situation in which one channel member perceives another channel member to be engaged in behaviour that is preventing or impeding him from achieving goals” (Stern & El-Ansary, 1977, P.283 In this part we will explore the role of trust between both buyer and supplier and relations, but firstly we will explore the characteristics of both:

##### Characteristic of Buyer

The relationship of trust outcomes, when a buyer is attracted to the supplier’s experience in different attractiveness of their process of supplying the goods. In that way the buyer’s characteristics depends on the price consciousness of the product from the supplier, financial care for buying the goods, with brand interest and loyalty interest, which will help develop trust in the future for continuous process

There are variable of the buyer’s character that leads to lower the trust from the supplier:

- a) Buyer is always impatient for delivery: The buyer cannot wait for long to get the delivery on time. Delaying the product makes the service quality lower (Clemmer and Schneider (1989). It makes the evaluation in the minds of buyer that is moderated towards delays. Here attractiveness is linked with concepts such as supplier satisfaction and preferred customer feedback (Schiele et al.,2012), and the direct and indirect values of supplier.
- b) Trust and expected values: Trust of buyer outcomes depends on how the supplier puts his efforts in reaching the values that are expected from buyers. And for that the suppliers has to be transparent with the business process, and other ways to reach the

buyer, with respecting the trust of buyer. In the inter-firm business the relation of trust and expected values are seen to be important for the attracting the buyer, which they widely discussed in the inter-firm relations (Delbufalo, 2012 and Lindgreen, 2012). So it creates a difference when there is no trust and expected values are meant to be for buyer

### Characteristics of Supplier:

It is discussed in the above that supplier's development is based on the buyer's perspective. There is lot of characteristics of supplier as they are stakeholders too, but it depends on the behaviour of the supplier how he tackle's the problems of the customer and meet the requirements of the buyer with an ability and attitude towards his performance

- a) With an agenda of increasing the business and to spread extra mile in the strategic business of the inter-firm relations depends on how the supplier wants to meet the buyer's expectations with more than the minimum
- b) They work in team to achieve the goal of the inter-firms, as they are team players with positive and can do, attitude and work with the buyer so both meet their requirements
- c) Suppliers are the role models for what they do and also the leaders of the firms
- d) Inter-firm communication also plays an important role in supplies development
- e) They adopt an excellent idea when they learn the business tactics how to improve the company strategy with a belief.

*In summary, trust occupies a central place in the buyer-supplier relationship. As discussed, the buyer has more bargaining power because he or she may choose to change supplier any time and get the supplies from any other partners. For the sake of maintaining good relationships with buyers, it becomes crucial for the supplier to gain trust from the buyers by meeting buyers' requirements and expectations.*

## 2. Inter-organisational Trust Development in Value Chains

The Oxford Dictionary defines trust as “Confidence in or reliance on some quality or attribute of a person or thing”. In other words, conceptually understanding the meaning of trust is being placed in another individual or the group of individuals such as the partner organisations. Rousseau et al. (1998) describes trust, as an attitude, or ‘state of mind’, that overtime of faces can be develop with experiences with other relevant individual. Moorman, Deshpande, and Zaltman (1993, p,83) “Trust is defined as a willingness to rely on an exchange partner in whom one has trust with confidence”. The importance in this definition giving more impact to confidence, so the literature here on trust suggest that confidence on the trusting party is the part of the firms belief, that the trustworthy party is reliable to work together with confidence and with high in integrity.

In my view inter-organisational trust describes, as the process or the extent to which the organisational members or individuals come together, and share orientation towards the partner firm, where they are known to be trusting each other organisations. But here our main focus is on the inter-organisational trust, and not the inter-personal kind of trust where an individual shows in another individual. And for understanding the concept of trust, there is a view of value in common, actions of rules in common, and common understanding the morals and obligations of the inter-organisational relations. Since organisations are deprived of emotions, trust at the inter-organisational level remains purely cognitive (McAllister, 1995).

Trust is an anthropocentric notion, and as such inextricable linked to human beliefs, sentiments, and intentionality (Blau, 1964; Pruitt, 1981; Rotter, 1967; Fukuyama, 1995; Solomon and Flores, 2001). In an organisation it may be possible to have trust, however trust by an organisation appears to be nonsensical (Simmel, 1950). The author says here that trust in the organisational level is not sensible as in the inter-personal level, and it seems to be problematic in future for applying the notion of the business in inter-organisations.

Whitener et al. (1998) emphasizes three significant facets of trust in exchange of relationship

1. trust in another party is considered as belief or sentiment that other party will act benevolently;
2. an individual or other, cannot force the other party to work as per their commitments or rules; and

### 3. trust involves a matter of relying on partner firm.

Therefore it was argued that trust is linked with the acceptance of “the type of the problem is equally associated depth with the interdependence inherent in given relationship” (Sheppard and Sherman, 1998, p. 423). Secondly there are limitations of trust which needs to be addressed. But anyone can challenge, whether it is good to apply the concept of trust to the inter-organisational relationship.

Trust is defined as the fundamental type of factor, which should help in deciding, how much of information and at what type it should be presented. Hence it will show where should the information system focus and with what intensity (Topkins, 2001, p.185). Here, the author says that the amount of information will be in the organisation with the level of trust exists between both parties. But the organisations can also work properly when they cooperate with the partner firm and goes on sharing information and knowledge and not the confidential information of there own firm, and these will make the inter-organisational relations grow with the help of information and the idea of trust.

Moorman, Deshpande and Zaltman (1993) argue that being “willingness” is absent in the definition of trust, they cannot incorporate the behaviour of partner. The author here is saying that behavioural intention of the partner firm is critical to understand the concept of trust, “there is very limited trust, if one comes to know that the partner is trustworthy, without willing to depend on other partner. Understanding the concept the author is saying that if the behaviour of the partner firm is of relying on the other partner firm, then the process in which they are in to may go in risk. The firm should know where they are in to the business, whether they are “willing or confident”, because both the partner firm should be one of it. If there is one firm who is confident then the other would willing towards process, but if one is not willing than the other cannot be confident. (Lewis and Wiegert 1985b, Rempel and Holmes 1986) defines inter-organisational trust is based on three components- predictability, reliability and fairness which covers the complexity of trust.

*There is certainly an existence of various forms of inter-organisational co-operation such as alliances, business to business negotiations, strategies formed partnership between the companies, including the commitment between the firms, and there is also requirement of the framework for the growth of trust to both group of organisational relations analysis. Specifically focusing on trust in the inter-organisational relationship. There are two definitions of trust comes from the literature of the inter-organisational relations that is confidence in*

*another's goodwill and confidence in one's expectations about the partner behaviour (Ring and Van de Ven 1992). There is expectation of trust than conviction that shows an uncertain part of the partner future behaviour.*

## **2.1. How trust Emerges?**

MacDuffie (2011) first posted that in fact trust between organizations cannot exist so to speak because the notion of trust can be only understood in people's perspectives rather than organizational perspective. Simply put, people trust people and organizations as entities cannot trust themselves. Yet, the author argues that inter-organizational trust can effectively exist if there is an institutionalization of the processes that people are implementing in business relationships. MacDuffie (2011) argues that inter-organizational relationships often bring new individuals in contact and the trust for these individuals does not rise from nowhere but from past fulfilment of relationships by previous individuals. This means that, a firm that is currently satisfied with a business relationships will expect the same level of satisfaction even if new individuals are brought in the relationships. This level of satisfaction can be maintained only if there is a continuation of the processes and procedures that were applied in the past at the institutional level. It can then be concluded that the first foundation of inter-organizational trust is the "past fulfilment of expectations upon which new experiences are built" (MacDuffie, 2011, p.36).

Inter-organizational trust also rises from profitable economic performance of other partner (MacDuffie, 2011), repeated transactions that lead to profitability in business relationships favours the emergence of trust among organizations. Therefore, these positive measures would be used by a firm for determining the rise or increase of trust for the business partner.

MacDuffie (2011) finally argues that the existence of business contracts between partnering firms also lay the foundation of the emergence of inter-organizational trust. The fact that business commitments are formalized in a contract provides the partners with the guarantee that they will fulfil their commitments. Here, the willingness to formally commit to the relationships becomes a sign that the partner can be trusted.

*It was seen that there three generic dynamics for the emergence of inter-organizational trust: past fulfilment of expectations, existence of formal business contracts and the repeated business*

transactions leading to economic profitability for the partner. Though trust by essence is between and among people, institutionalized business processes can lead to inter-organizational trust no matter if new people are brought into the relationships.

### 2.1.1. Determinants of Trust between a Firm and its Partners in the Value Chain

“Trust is social capital formed between two parties enabling a more efficient linkage through the reduction of transaction cost”. (Agricultural Development International, 2008:65) Agricultural Development International (2008) identifies two windows determining the characteristics of trust in value chain of an organization. Some of the attributes of trust are categorized as low-level trust while others are considered as determining high-level trust. (Agricultural Development International, 2008) Table 1 below summarizes the determinants of low-trust chain and those of high-trust chain:

*Table .1: Differences between chains characterized by low or high level of trust adapted from Agricultural Development International (2008)*

	Low trust chain	High trust chain
Length of trading relationship	Long term	Short term
Ordering procedure	Open bidding for orders. Prices negotiated and agreed before orders commissioned	Bidding may not take place. Price settled after the contract is awarded
Contractual relationship	Production starts on receipt of the written order	Provider is more flexible about the instruction. Would start production without written order
Inspection	Inspection on delivery	Little or no inspection
Degree of dependence	Actor has many customers	Actor has few customers



Technical assistance	Expertise rarely pooled. Assistance given only when paid for.	Extensive unilateral or bilateral technology transfer over time
Communication	Infrequent and through normal channels	Frequent and often informal
Price determination	Adversarial, with hiding of information	Non-adversarial
Credit extended	Punitive or no credit extended	Easy access, longer payback period, easy terms
Outsourcing payment terms	Long delays in payments	Payment on receipt of finished goods.

A theoretical linkage between a firm's value chain, the firm itself, its partners and trust is illustrated in figure 7.

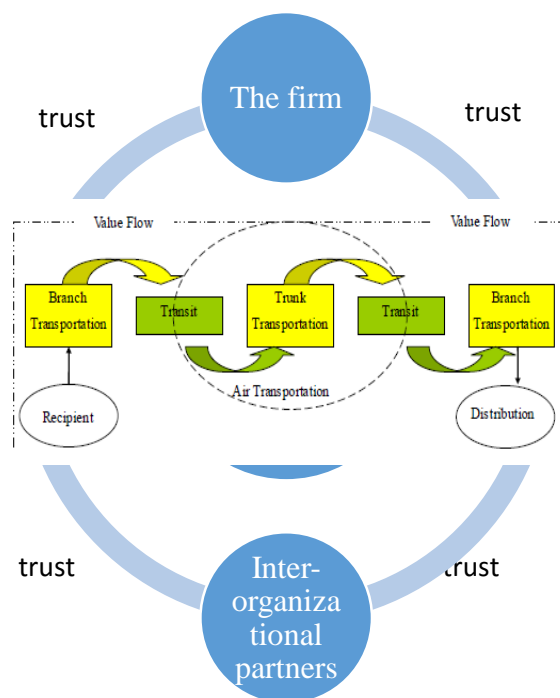


Figure 5: Scheme connecting trust and value chain

*Figure 5* depicts the firm as the major governor of its value chain. The value chain is at the centre of the process. All the inter-organizational actors adding value to the firm's value chain are grouped down the value chain. The trust is symbolized by the big circle in blue that connects the firm, the inter-organizational partners of the firm and the value chain process.

## **2.2. Factors of Trust Development/Emergence**

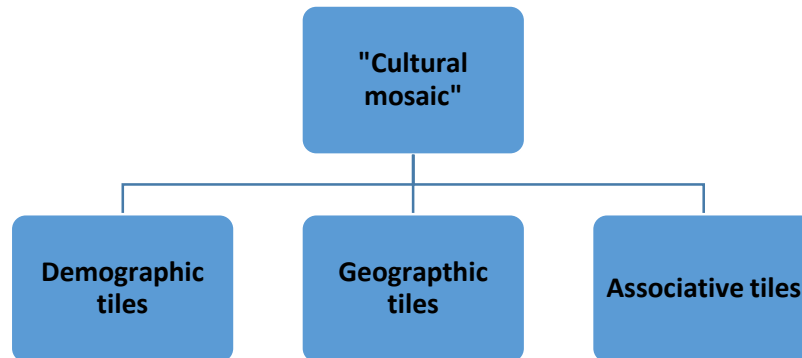
Trust development is influenced by various factors which are clustered in particular groups. Taking into consideration international business which needs to build international partnerships and develop relations trust is very important.

### **a. Cultural factors**

Altinay, Saunders, and Wang (2014) in their research paper apply Chao and Moon's "cultural mosaic" for searching relations between culture, trust and different parties of business. Chao and Moon (2005) concept of a "cultural mosaic" is a framework presenting three categories of cultural features tiles - demographic, geographic, and associative (figure 4)

(1) Demographic tiles are defined as "physical characteristics and social identities inherited from parents and ancestors" (Chao & Moon, 2005, p. 1130). For example age, gender, ethnicity and race. Age plays a role in building trustworthy relationship between individuals from

different birth cohorts. An example is scholars often researched X, Y and Z generations (Wiedmer, 2015; Eleftherid Smith, 2012).



**Figure 6:** Cultural factors behind trust development by Chao & Moon (2005)

Each of the generation has its own mentality, personal characteristics and value system shaped by the political crises, cultural realities and technological breakthrough. There are hypothesis to consider gender-as-culture (Maltz, Borker, 1982; Mulac, Bradac & Gibbons, 2001) because of research showing male and female using different language and moreover using it differently. Furthermore, important to trust development in the field of business Thumin et al. (1995) found that male and female hold different corporate values. Race and ethnicity is usually perceived as cultural differences between Western cultivated individualism and deeply rooted Asian collectivism and all the aspects connected with it.

(2) Geographic tiles. “Typical variables in this category include climate, temperature, coastal – inland, urban – rural, and regional – country distinctions” (Chao & Moon, 2005, p. 1130). All these aspect can influence the trust development in person or organization because of how their life in a certain context, environment affect the value system.

(3) Associative tiles. Authors name various groups individual naturally belongs or chooses to belong to like family, profession, religious movement, political direction, clubs organized by hobbies, interest, ect. Belonging to a group is one of the basic needs of human being and being part of a group forms an individual in a certain way. So being the way he becomes influences his trust development differently with people from similar, parallel groups and people who belong to a group which norms and values are very different or even opposite. People working in health care sector most probably will not even think about possible cooperation with people working in alcohol or tobacco industry because their value systems are different.

Doney, Cannon and Mullen (1998) propose a bit different framework for looking at the cultural factors behind trust development (figure.2). The emphasis of scholars is put on the cognitive and behavioural aspects. National culture in this model is seen as the relation of the individual to the self, to the authority and to the risk. based on the cultural norms and values individuals may behave in one or the other way: individuals aim to maximize self-interest while calculating the cost and reward of the relationship (calculative), confidence is developed foreseeing the possible actions of the other party (prediction), the main focus is concentration to understand the level of the motivation of the other party (intentionality), individual estimates ability of the other party to execute its commitment (capability), individual searches for sources which would proof the confidence towards the other party (transference) (Doney, Cannon & Mullen, 1998). Hence, talking about culture as a trust development factor it is important to note on the link between the cultural aspects influencing individual and the effect of it on his or her behavior and cognitive processes.

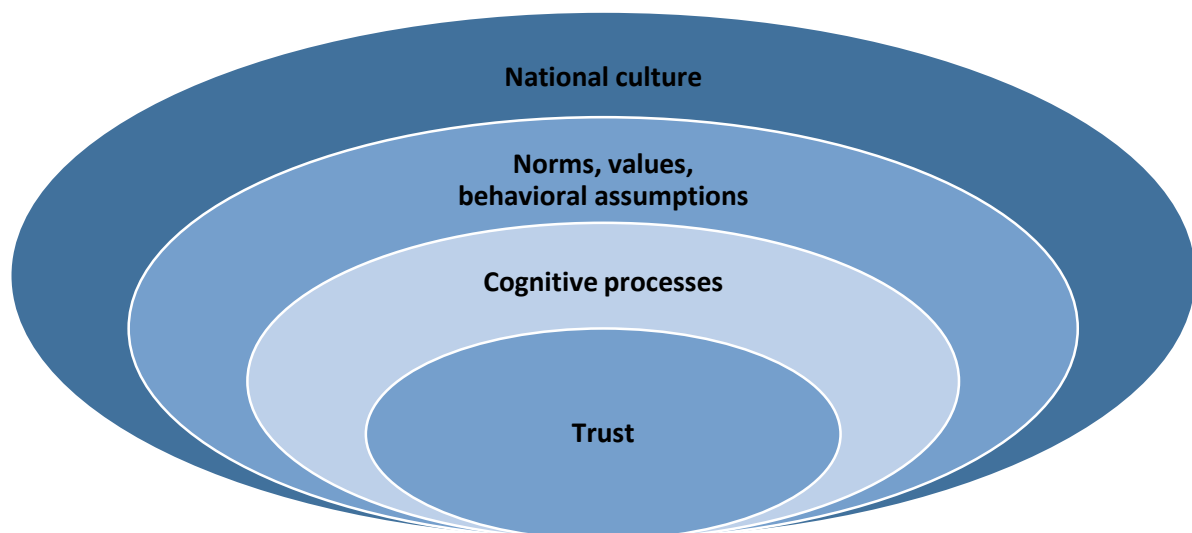


Figure 7: Model of national culture and the development of trust  
(by Doney, Cannon and Mullen, 1998)

### **b. Interpersonal factors**

Business is based on various relationships: company – customer, company – supplier, company – partner, etc. Empirical findings of some meaningful studies have shown there are particular factors acting in the process of developing trust in interpersonal relations. In their theoretical

analysis on trust in interpersonal relations Welch et al. (2005) distinguish the following interpersonal trust factors:

- 1) perceived predictability;
- 2) the frequency of interaction that occurs between individuals;
- 3) confidence an individual feels about others;
- 4) knowing the level of motivation of the other person;
- 5) tendency to adopt a long-term perspective for evaluating a relationship;
- 6) the level of equality that exists among actors involved;
- 7) similarity between an individual and others on specific attributes;
- 8) one's willingness to take risks;
- 9) perceptions of self-interest.

Looking through the list of the scholars it is noticeable that some interpersonal factors overlapping with cultural factors which lead to the thinking of diverse opinions of scholars and different empirical methodologies used in their research.

Results of the other research, conducted by Ferrin, Dirks & Shah (2003) provide strong support for their fundamental argument “that interpersonal trust is influenced by aspects of dyadic social relationships, and by elements of the social structure surrounding those relationships” (p.4). The social structure is indicated by five elements social information, trust by association, trust transferability, network closure and role similarity and structural equivalence of individuals in a relationship (Ferrin, Dirks & Shah, 2003).

### **c. Individual factors**

Alesina and Ferrara (2000) in their conference paper present five broad individual trust development factors:

- 1) “individual culture, traditions and religion;
- 2) how long an individual has lived in a community with a stable composition;
- 3) recent personal history of misfortune;
- 4) the perception of being part of a discriminated group;
- 5) several characteristics of the composition of one's community, including how much trust there is in the community”.

Despite the listed individual characteristics which are shaped by persons experience Alesina and Ferrara (2000) says that community characteristics influence development of trust too.

Later research by Clark and Payne (2006) puts individual characteristics as factors for trust development in more detailed and concrete list. Beliefs, feelings and intentions are the three

main character-based determinants influencing trust development according the mentioned scholars. The three character-based determinants are compiled of the following factors: availability, competence, consistency, discreteness, fairness, integrity, loyalty, openness, promise fulfillment, receptivity. The stronger expressed or the higher level showed influence stronger trust development.

Bidault et al. (2007) conducted research on trust development in business partnerships. And found that personal characteristics, as well as interaction with the partner (interpersonal factors) and external information (context of the partnership) did exert an influence on respondents' propensity to trust

There are **six different groups of factors** that approaches to the trust development described by Rita Juceviciene 2013 in her research

- 1) Personal factor: These factors works between the employees values, morals, their interest and skills sets of individuals that influence to the development of trust. (Rita Juceviciene  
Eg: When a partner trust a salesperson or a representative of an organisation, they also extend to the person's organisation (Doney and Cannon, (1997)
- 2) Professional factor: These factor is shows that how the individual organisation choose the right partner for the best outcome, and communicate constantly with the partner firm and make the use of the resources that is technical and financial that are committed to the success of the inter-firm relations and joint projects.
- 3) Organisational factor: This involves trust among the employees of the organisations that is trust between the groups of people where they show their capability to perform the task for the organisational strategic commitments. Here trust plays an important role in the organisation, because it gives co-ordination to the people of the organisation to work on the strategies for the objectives. It is also called as "strategic level trust" which start from the executive level and perform more by the calculation due to the focus on the organisational strategy and objectives. (Martina & Niels, 2006, p.273)
- 4) Social factor: The social factor works beyond the assumption on how the organisations behave when there are constraints and barriers that are being faced by the organisation with the economic, social and institutional context in which there actions are embedded (Granovetter, 1985). It also relates to the functioning of the organisations social,

informal, identification of control on the networks that helps in strengthening those networks by giving importance to the reputation among the network members

- 5) *Institutional factor*: It is the factor that is close to the personal trust because the development and establishment of this trust factor is valuable for the outcome that is anticipated (expect or predict). It reduces the conflicts and barriers of threat that enhance the probability of buyer's satisfaction, which is the positive outcome.
- 6) *Educational factor*: These factor encourages the people working in an organisation for the development of trust by the process of learning and sharing the knowledge with the partner firm and proper undertaking process of education.

### **2.3. Types of Inter-Organisational Trust**

Stephenson (2005.p. 345) argued that it is an essential for organisations to get involved with the humanitarian relief to the work in their own organisations, culture and encourage the development of the culture in which there will be exchanging of information, co-operation and trust are encouraged. This strategy is useful when, there is additional of organisations that create a formal mechanism to impose cooperation.

*These are the types of inter-organisational trust which the partner's mostly follow,*

- a) Deterrence based trust
- b) Knowledge based trust
- c) Identification based trust
- d) Competence based trust
- e) Character based trust and,
- f) Calculus based trust

And these types of trust that is mostly followed in the inter-organisational relationship that helps in developing trust in value chains:

- a) Deterrence based trust: These type of trust is based on the consideration of utilitarian that makes the party believe that the partner firm will be trustworthy, because they fear the consequences of trust which exceeds the obligation for the potential benefits from

the opportunistic behaviour of the partner firm (Ring & Van de Ven, 1992, 1994; Shapiro, Sheppard, & Cheraskin, 1992) and this type of trust is based on the fear of future consequence or punishment. One of it is not showing an account specificity effects the partner firm to switch the cost of transaction is the example of deterrence based trust. There are authors argued that deterrence based trust, is not trust at all (Sitkin & Roth, 1993). However trust can create co-operation and cooperation can also occur for other reasons. It is clear that obligations can obstruct clear cooperation, which comes from the behaviour. As trust at its narrowest bandwidth, deterrence-based trust has the low distrust/low trust (Lewicki et al), where the cost of breaching trust is high and involvement of the parties is limited. Macaulay (1963), says that detailed contracts between the organisations can create a legal and effective inter-organisational relationship, here the employees of the firm do not need to develop trust, when there is detailed contract is structured and monitored. There is limited co-operation between the employees of the partner firm which promotes detailed contract which is based on deterrence, there are firms that forms an alliance with the partner firm, because of social network of prior alliance, which makes detailed contracts less necessary (Kogut, Shan & Walker, 1993). Therefore deterrence trust is not a trust at all but may be closer to the lower level of distrust in inter-organisational relations.

- b) Knowledge based trust: (Husted, 1998) defines, as the ability for predicting the future behaviour of the trustee, based on the actions and performances. It is the trust based on the organisational relationship that are rooted to the similarities between the knowledge and the experience of the parties. The actions of the party that is of knowledge and experience provide the behavioural predictability that will come from the past interaction. It exist when there is certain kind of information and knowledge about something to understand them and be able to predict on their behaviour, which replaces contracts, penalties and other legal arrangements with partner firm. As this trust develops an overtime in functions of experience and knowledge that helps in building confidence of trustworthiness and the predictability. So it is better to know someone to predict accurately for the future. Interestingly trust here is broken when there is inconsistency in the behaviour. If you can adequately explain and understand the apparent violation of the partner, then it depends of you how to accept it and move on in the relationship.



- c) Identification based trust: Individuals in an organisation classify themselves in to various forms of groups, such as gender wise, age, nationality and the membership of the organisation. This is the highest level of trust, and it is achieved through strong mutually and emotionally understanding between the parties, that promotes one another and also act for each other in the interpersonal transaction. (Ashforth and Mael, 1989, p.22) defines as “ the perception of oneness with, or belonging to the organisation. This makes both the parties involved fully and intentionally harmonize the desired goals for each other. These identification trust are based on the needs and preference of another person knowledge and predicting that are also shared. It make the organisational people to think and respond to the feeling of the other person. No other person directs the partner firm, as the controls are very minimum at point, and cannot question to anyone due to loyalty. To understand the organisational based trust, in the organisations the existing employees or the people who worked together for a long time and share a good relationship with each other with the experience they share inside and outside the organisation

Example: The relationship between CEO of the organisation and the Board of Directors.

- d) Competence based trust: It is the trust that is derived when the partner is confident with the resources and the competencies that other party has to complete the task of their alliance. It is the continuous process of capacity that the partner firm to prosper the commitments in the future that might be playing a crucial role in determining their behaviours. There is not only investment to be done to transfer knowledge but also technology to their partner. And these technology helps in building the amount of information available and the quality that will add the cognition of being professional.
- e) Characteristic based trust: It is the derived from the belief that the partner is confident with other party's motive, which is common in understanding the terms of the behaviour, openness, and discretion. There is a belief that the partner firm will be able to deliver a good performance up to expectations with the character they established in a relationship.
- f) Calculus based trust: This trust is based on the calculation which takes a deterrence step further. It compares the cost and benefits of relationship they create and sustain with the cost and benefits of serving. It is the control of another person's behaviour, where there is a monitoring and reporting are done between the parties. It is grounded to the punishment and for violating trust, that to in rewards of preserving it. Parties do co-

ordinate with each other and continuous with action of taking risk to show the vulnerability.

*In general, six types of inter- organizational trust have been identified:*

- a) *Deterrence based trust*
- b) *Knowledge based trust*
- c) *Identification based trust*
- d) *Competence based trust*
- e) *Character based trust and,*
- f) *Calculus based trust*

*And these types of trust that is mostly followed in the inter-organisational relationship that helps in developing trust in value chains*

## **2.4. Levels of Trust Development in the Inter-organisational relationship in Value Chain:**

- Interpersonal Trust;
- Organisational Trust and
- Inter-organisational Trust

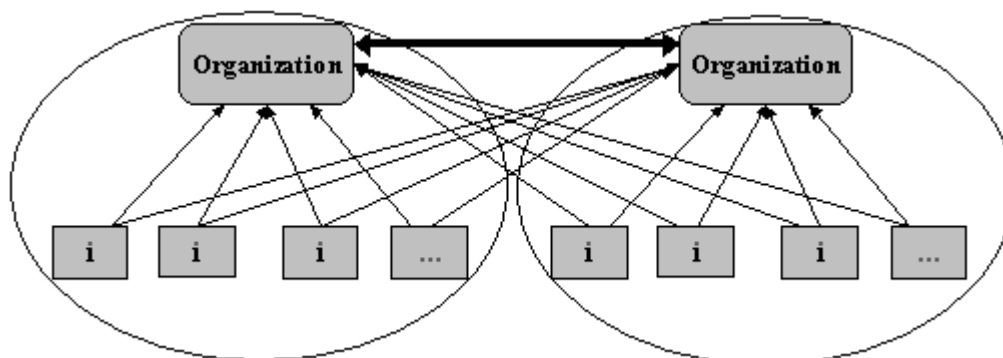


Figure 8. Levels in Organisations Co-ordinates with partner firm

- a) Inter-personal Trust: Trust is seen to be a psychological state among individuals, so they can share trust (Riemer and Wehmeyer (20007). It is argued by Thuy and Quang

(2005) that trust between the organisational relationship is being understood as the existence of trust between different individual from different organisations. Here the author is saying that, there is form of cooperation between the organisations and also a form of inter-personal relationship with the other representative of the partner organisation. And hence, the inter-personal trust which is formed by the individuals does not affect the trust which is between the inter-firm partners.

- b) Organisational Trust: It is the trust that comes from the individuals and the nature of outcomes in the organisation and the result of those sudden consequence of outcome. It is to be maintained by the leadership actions of the both organisations. There should be fairness in implementing the rules and regulations of the organisation and also between the partner firm with common administration.
- c) Inter-organisational Trust: It is the trust that exchange the partner's confidence with reliability and integrity (Squire, Cousins, & Brown, (2009). Where the individuals of the firm and the partner firm have to undertake behaviour and attitude of each other with combine sacrifice in relationship to develop and work together towards desired objectives of the inter-organisational relationship.

## **2.5. Network factor in Inter-Organisational Relations:**

Network factor is an important factor in inter-organisational relations which is closely interwined with the network approach. The structural configuration of a network is defined as the presence and absence of Inter-organisational relations. Network approach actually requires a dynamic perspective. Inter-organisational relations follow a cyclical pattern of network change leads to Inter-organisational relations change, which in turn leads to network change, and so on. Most studies they are taking a network approach to IOR's and consider network dynamics, but although they do not look in a systematic way.

Gulati and Gargiulo (1991) has proposed a framework or a model, in which the formation of inter-organisational networks is the evolutionary outcome of social embedded organisational action. These model provided a systematic link between social structure of an organisational field that to be understood in terms of network and the behaviour of organisation with in the field. Gulati and Gargiulo shows that IORs not only result from exogenous drivers such as

interdependence but also from exogenous evolutionary dynamics triggered by the very way in which organisations select their potential partners.

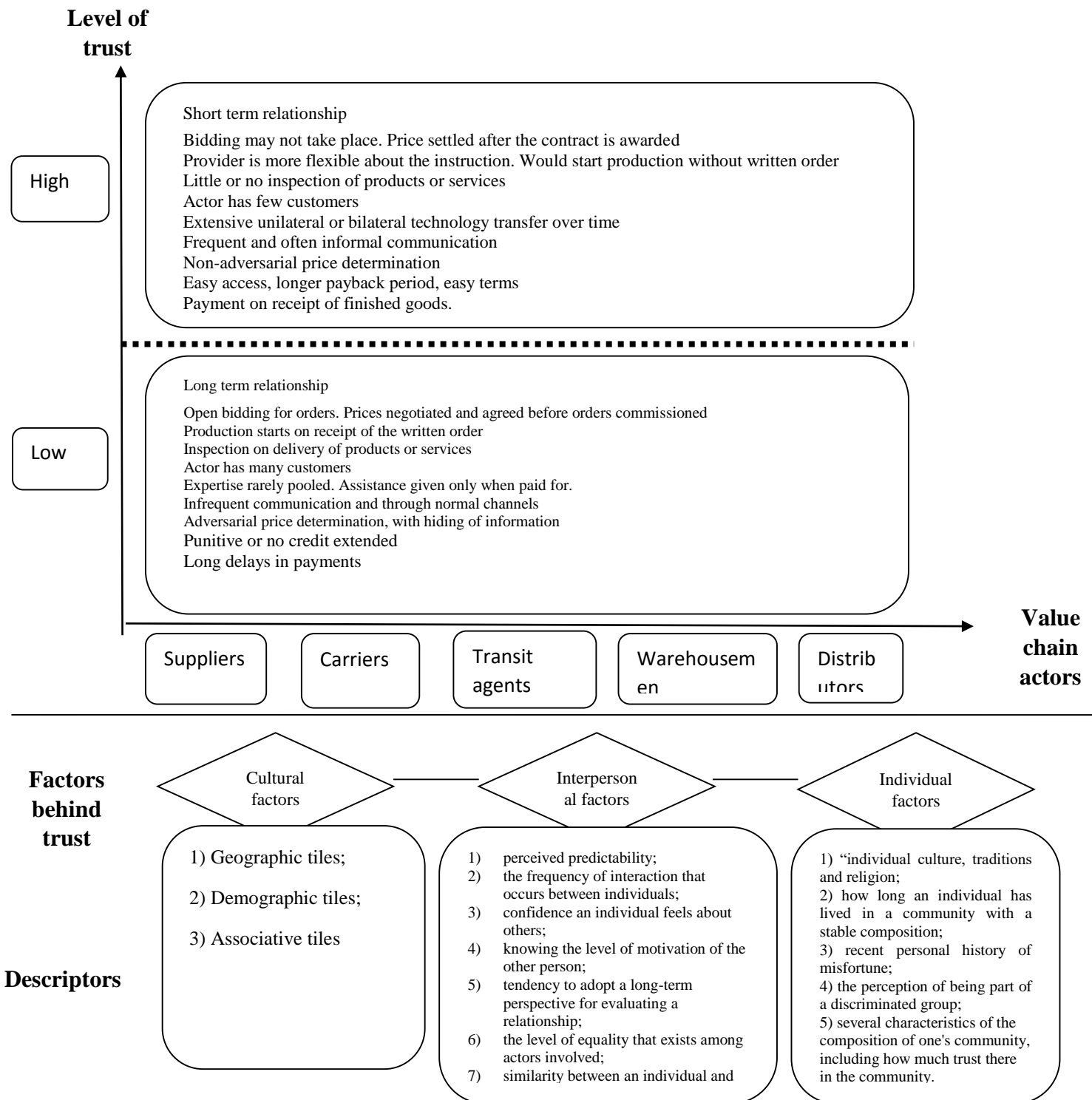
(Grandori and Soda, 1995; Provan and Kenis 2005) Network itself implies that it must be considered as variable and not only as an alternative governance form. Discussions often revolve around networks, markets, and hierarchies as distinct governance structures, but it is more important to consider the network as a variable, given that they come in all kinds of forms, and one of its kind is the Strategic network.

a) *Strategic networks*: It is the most important network for the organisations doing business individually or equally. (Sydow, 1992; Jarillo; 1993) states that strategically guided by a large firm, which is often a retailer or manufacturer close to the final customer, the network is relatively stable and oriented towards the joint achievements of the strategic advantages. The partner or the member firms are usually closed linked to the core firm but also offer their products to the customers outside their network to preserve their autonomy and competitiveness. And this network suits to the comparatively stable market. (Semlinger, 1993; Mannel, 1996) provides an example of the supply network of automotive industry and the Italian apparel manufacturer Benetton. The sporting goods manufacturer Nike has also been mentioned as an example of this type.

b) *Regional Networks*: (Sydow, 1996) small, highly specialised firms situated in the spatial proximity of each other cooperate repeatedly. While the individual relationships do not have to be stable in the network. The firm have latent relationships with a larger number of potential partners, which can be activated depending on the current demands. The economic exchanges are embedded in a tight network of social relations, which facilitates face to face interaction, intensive exchange of information and growth of trust.

c) *Operative Networks*: (Klien, 1996). Member firms can quickly, at short notice can get access to the other partners resources, especially free production or logistics capacities. The transaction are relatively standardised and concern single value adding activities rather complex process.

## 2.5.1. The framework of Literature



**Figure 9: Theoretical Framework of levels and factors of inter-organizational trust development**

*Figure 9* depicts the framework for literature. This framework is divided in two main parts, each part corresponding to one of the aspects of task to be solved. The task involved determining the level of trust among DHL and their value chain partners and identifying the factors affecting the development of this trust. Part one of the framework describes the major actors of the value chain of a logistics firms as argues by Zhou (2013). These actors gain high or low level of trust. Each level of trust are specific characteristics which will be used in empirical part for evaluating the level of trust at DHL. The other part in the framework for literature review is about factors for trust development. The factors are divided in three clusters: the cultural, interpersonal and individual factors. Each cluster has some specific components described in the framework as descriptors that will be used to describe the factors of trust development in the empirical part.

### **3. Research Methodology**

#### **3.1 Introduction**

The empirical part of this research aims at achieving the following specific objectives:

- To identify the driven-forces of trust development in business relationships and their benefits in the value chain of a logistics firm. The literature review surely provides generic factors affecting trust formation in building inter-organizational relationships and networks in general. It is therefore important to investigate the forces that are specific to the sector of logistics because as discussed in chapter 1 logistics businesses such as DHL rely so much on external partners in their value chains;
- To identify trust development factors typical to Indian business environment. The hypothesis here is that cultural factors may have an impact on trust development in business relationships, since each country generally exhibits different business cultures. Thus, the literature review does not emphasize the cultural dimensions of trust development in inter-organizational relationships. It is then important to investigate the trust factors which are typical to India; only a contextual empirical research can reveal such findings.
- To differentiate between trust factors which ones affect building sustainable inter-organization relationships the most in business in general and in the field of logistics in particular. Scholars and researchers proposes some generic types , levels and factors of trust development but they fail in stressing which factors score high or low in trust development. The empirical research pinpoints the factors that are the most important for developing trust and keeping trust in inter-organization relationships, at least in the case of DHL Logistics in Mumbai.

Reports related to the 3 specific research objectives above set are not available in primary data or in publications. This justifies the relevance of conducting this empirical research so as to collect our own data.

### 3.2 Research Strategy

There are six suggestions-questions (Punch, 2000) for determining if this research needs to be qualitative, quantitative or both. Punch (2000) suggests picking any of six questions for deciding if the research type is qualitative or quantitative.

Let's consider the first suggestion-question which is about re-examining the research questions and defining if they suggest that the research seeks for qualitative or quantitative data. Below is a recapitulation of the research questions: how do partners gain trust in business relationships? What in general are the forces influencing the formation of trust in inter-organizational business relationships? What are specific forces associated with individual traits or organizational characteristics of the business partner? What are forces culturally specific to India? What specific forces may positively or negatively affect the existing business relationships and to what degree? What are the most important factors affecting trust in business relationships?

The ways the research questions are formulated obviously suggest that this research seeks for qualitative data. They are rather opinion-oriented than statistics-oriented.

Explanatory research design is used for conducting the empirical research because as argued by Saunders, Lewis and Thornhill (2009) explanatory design tries to find out why something happens. Indeed, our research proposes to look at how the development of trust happens at DHL; in other words why a partner in the value chain of DHL logistics in Mumbai would gain or lose their trust and why another partner would not. It also tries to understand why the trust factors that will or identified are important for their value chain in building trust with business partners.

The research strategy used in the empirical part is case-study method. The formulation of the research topic clearly indicates that the research will focus on the case of DHL Logistics in Mumbai. In addition, as argued by Saunders, Lewis and Thornhill (2009) Case study is needed when we want to do a research which requires an empirical investigation of a phenomenon within a particular context. This research focuses on the Indian context in terms of environment and in the logistics context in terms of business industry. Lewis and Thornhill (2009) added that case-study method is significantly important for generating answers to questions like 'what' and 'how?' In fact, all of our research questions are phrased with those pronouns.



### 3.3. Data Collection

In order to get a rich understanding of trust development with inter-organizational partners at DHL Logistics in Mumbai in-depth interviews will be conducted. The research seeks for qualitative data. Therefore, the managers or staff of DHL Mumbai who are directly dealing with inter-organizational partners will be interviewed. A set of unstructured questions will be sent to them via electronic means due to the physical distance between the researcher who is located in Lithuania and the firm which is located in India. The interview is organized around a set of 10 to 17 questions (see appendix...) for which the respondents have to provide written answers.

**Table 2. The Interview Questions and objective behind them**

QUESTIONS	OBJECTIVES
1) In what ways do you create value to the product with the partner firm for developing the value chain?	To know the value creation process of the product and what are the ways or the activities they carry in each department while creating and transferring the value to the customers or the buyer for the service of long time that provides value to extend the value chain
2) Do linkages with value chain inter-organizational actors exist? Why?	To find out with which partners DHL
3) What are the reasons for having or not having linkages with value chain actors?	To find out the factors that are important to DHL for building trust
4) How important are linkages with each of them?	To find out partner with whom DHL has high level (high trust) of partnership and low level of partnership (low trust)

5) What is the frequency of contact with each actor?	To find out with which actors DHL has frequent contact (high trust) and infrequent contact (low trust)
6) What is the level of trust of each actor? Why is the level of trust different?	To find out the determinants of trust development at DHL
7) Are the following making you to trust other parties (individuals) more, why?  <ul style="list-style-type: none"> <li>○ <i>Emotional understanding of the person(s)</i></li> <li>○ <i>Openness of the other person</i></li> <li>○ <i>Knowledge and understanding of the needs or preferences of the others</i></li> </ul>	To understand the behavior of the individuals working in the firm, their attachment towards the firm, to know whether they are happy to work and share the information with the partner firm. Is the firm taking care of their employees?  If there is emotional understanding with them then who are they like seniors in the firm from decades, payments issues and rewarding for the growth.
8) How long have these linkages existed? Please, consider each of your partners	To find out the partners with who DHL has long-term (high trust) and short-term relationships (low trust)
9) What is the rate of expansion of linkages over time?	To find out DHL's partners who gain an increased trust and those who do not gain trust development
10) Do your inter-organizational value chain actors have many customers like you? Please, consider each of them	To find out if DHL value chain partners have many customers (low trust) or few customers (high trust)
11) Is the delivery of the services/products by your value chain business partners checked? If yes, how often and why?	To determine which partners have their services/products checked (low trust) and whose services aren't checked (high trust)
12) Do you frequently communicate with your value chain partners? What channels do you use more often? Please, consider each of them	To find out if interaction with partners is intense (high trust) or infrequent (low trust)

<p>13) When do you pay each of your value chain partners for the products or services, before, during, or after the delivery?</p>	<p>To find out if payments for services provided by DHL's partners are done before the delivery of the services/products (low trust) or after (high trust)</p>
<p>14) Do you systematically get assistance from your value chain partner even when you haven't paid for it, why? Please, consider each of them.</p>	<p>To find out which partners systematically offer assistance (high trust) and those who do not (low trust)</p>
<p>15) How important are the following factors in building and developing trust with your value chain partners?</p> <p>1) <b>Geographic tiles:</b> climate, temperature, coastal – inland, urban – rural, and regional – country distinctions</p> <p>2) <b>Demographic tiles:</b> age, gender, ethnicity and race</p> <p>3) <b>Associative tiles:</b> family, profession, religious movement, political direction, clubs organized by hobbies, interest</p>	<p>To find out which cultural factors influence trust development at DHL</p>
<p>16) How important are the following factors for trust?</p> <p>10) perceived predictability;</p> <p>11) the frequency of interaction that occurs between individuals;</p> <p>12) confidence an individual feels about others;</p> <p>13) knowing the level of motivation of the other person;</p> <p>14) tendency to adopt a long-term perspective for evaluating a relationship;</p>	<p>To find out the interpersonal factors affecting development of trust at DHL</p>

<p>15) the level of equality that exists among actors involved;</p> <p>16) similarity between an individual and others on specific attributes;</p> <p>17) one's willingness to take risks;</p> <p>18) Perceptions of self-interest.</p>	
<p>17) How important are the following factors in building and developing trust with you?</p> <p>1) "individual culture, traditions and religion;</p> <p>2) how long an individual has lived in a community with a stable composition;</p> <p>3) recent personal history of misfortune;</p> <p>4) the perception of being part of a discriminated group;</p>	<p>To find out the individual factors influencing trust development at DHL</p>

### 3.4. Framework for Data Analysis

Once the data are collected the content will be analysed for data interpretation. The answers to the questions will be classified according to the following dimensions:

- Generic and specific trust factors at DHL Mumbai in comparison of those discussed in the literature review; they will be categorized according the levels and types of trust discussed in the literature review;
- Cultural factors of trust development with business partners;
- Level of importance of each category and type of factors in the value chain of DHL Mumbai.

This research is limited to the analysis of trust factors affecting inter-organizational relationships in the specific case of DHL Mumbai. It does not provide a comprehensive analysis of these forces in the field of logistics in general since the factors identified at DHL might be different from the trust factors that would be identified at UPS. Therefore, the findings of this

research are limited to the case studied only and cannot be generalized in the field of logistics. In the same way, the trust factors resulting from the empirical research and categorized as culturally specific to India cannot be presented as national cultures in the sense that these cultural trust factors can be observed in a high proportion of businesses in India. To reach such conclusions a more comprehensive quantitative research has to be conducted.

#### 4. DHL Logistics Mumbai

DHL is the leading firm in the market of international express. <http://businesscasestudies.co.uk/dhl/the-number-1-express-carrier/introduction.html#axzz3uxuCc8zU>. The market of express delivery was started by DHL 27 years ago and still they are leading the sector. Nowadays, DHL services to customers is not limited to express delivery but include DHL Express, DHL Parcel, DHL eCommerce, DHL Global Forwarding, DHL Freight and DHL Supply Chain. ([http://www.dhl.com/en/about\\_us/company\\_portrait.html](http://www.dhl.com/en/about_us/company_portrait.html)) The fact that DHL has over six units of services or products implies that there many activities carried in their value chain(s); which also implies that there are many inter-organizational partners involved in their value chain process. Inter-organizational trust becomes then very important for a global company like DHL.

DHL currently has a large geographic network since it is present in over 223 countries across the globe. Some of the activities involved with the value chain of DHL Logistics in Mumbai include the following:

1. Freight transportation via air, ocean, rail and road;
2. Warehousing;
3. Distribution to customers;
4. Customs handling;
5. Insurance;
6. Security for the carried parcels. (<http://www.dhl.co.in/en/logistics.html>)

The six range of value chain activities are certainly not performed solely by the firm as they may be outsourcing some of the services from other inter-organizational partners.

## 5. Findings

This research has been conducted in the context of DHL Logistics in Mumbai. The author of the present research, as an Indian native and originally from Mumbai has used his personal network of contacts to reach the respondents. The author has not done any sampling for at least two reasons. This research did not seek for quantitative data. The research has targeted DHL employees dealing with inter-organizational value chain partners. Therefore, the only criterion used for selecting the participants to the study was that they will be anyhow working with inter-organizational partners of the firm. Within the context of DHL Logistics in Mumbai, two of the participants working with the firm's value chain partners occupy a management position. These are the Human Resources Manager and Operations Manager. These two managers dealing with DHL Mumbai value chain partners are assisted by two employees each. In total, these six workers have composed the only sources (table 3) of data collected in the framework of this study.

**Table 3:** General profiles of the interviewees

<b>Name</b>	<b>Position</b>
Interviewee 1	HR Manager
Interviewee 2	Operations Manager
Interviewee 3	Individual contributor (HR)
Interviewee 4	Individual contributor (HR)
Interviewee 5	Individual contributor (Operations)
Interviewee 6	Individual contributor (Operations)

The method used by the author of the present research was unstructured and open interview. Seventeen Interview questions were sent by emails to the participants to the research. The participants have given their responses (see appendix 1) in the form of interview and two employees sent their views to the author by email.

## RESULTS AND FINDINGS

### 1. Level of trust of value chain partners at DHL Logistics in Mumbai

There were thirteen characteristics of low or high trust. Thirteen first questions were formulated around the thirteen characteristics or low or high trust (see framework in literature).

Regarding the first and second characteristics of trust, interviewees were asked if linkages exist with inter-organizational actors and why. All of the six interviewees have responded by the affirmative. Nevertheless, the reasons for the existence of the linkage varied from one interviewee to another as shown in table 4.

**Table 4: Reasons for having linkages with Value chain inter-organizational partners**

Interviewee 1	“To built trust among valued customer by delivering their shipment on time”
Interviewee 2	“To build trust among valued customer by delivering their shipment on time and charge them proper rate with TAT (Turn around Time) Period.”
Interviewee 3	“Yes. It helps to better understand the process and adds more efficiency to the value chain. It helps to make the process easy cutting down the delay time.”
Interviewee 4	“Requires for organizational Growth”
Interviewee 5	“Linkages with value chain should exist among employees. For understanding the process and for the interpersonal development while working in the process of Value chain”
Interviewee 6	<ol style="list-style-type: none"><li>1. “Efficient flow of Information</li><li>2. Material flow</li><li>3. Cash flow”</li></ol>

The table above clearly shows that if all the interviewees assert that, linkages exist with all the value chain partners of DHL Mumbai the rational for such existence is not the same for all of them. For instance, the first and the second interviewees said that these linkages are important for adding value to the customer. They believe that each partner in the value chain has a key role to play in the delivery of customer value and it is therefore important to create close relationships with all of them.

The third, the fifth, and the sixth interviewees emphasize more on the importance of the linkages for the value chain itself. Interviewees number three and six for example said that



having linkage with value chain partners helps making the value chain process more productive as it permits reducing delays and communicating easily. The interviewee number five was more generic while saying that linkages contribute to organizational growth. It can be concluded that it is very important for DHL that trust must exist between them and their value chain inter-organizational partners, namely the suppliers and the distributors because without them the firm cannot deliver their services to their customers appropriately.

Regarding the third characteristic of inter-organizational trust, interviewees were asked whether or not the linkages that exist have the same level of importance:

Interviewee 1: “DHL has equal trust with all partners”

Interviewee 2: “DHL has a high trust equally on all worldwide partners”

Interviewee 3: “Very important as it helps to improve the efficiency of the firm”

Interviewee 4: “Each one is closely inter connected with other”

Interviewee 5: “DHL has high level of partnership with Business Vendors and Customers”

Interviewee 6: “Linkages are important with customers and client partners”

The response of interviewees to this question indicates a lack of unanimity. The two first interviewees pledged that the firm shares equal trust among all their value chain partners but interviewee number five insists that the linkages with business vendors and customers are important than linkages with suppliers, transit agents, warehousemen, or carriers.

The fact that linkages exist among DHL Mumbai and all their value chain partners is an indication that they maintain a high level of trust with them.

The next characteristic of trust that was studied in this case was the frequency and channels of contact with value chain partners. Interviewees were asked if they frequently communicate with their value chain partners:

Interviewee 1: “DHL has high frequency contact with valued Customer”

Interviewee 2: “DHL has high frequency contact with valued worldwide Customer and also the vendors”

Interviewee 3: “Everyday communication with both the client and the customer which increases trust”

Interviewee 4: “Almost weekly contact with all customers for business and service feedback”

Interviewee 5: “Daily contact with customers and partner firms for developing the trust at high level in the form of the daily service report ”

Interviewee 6: “Seamless interactions”

The first interviewee indicated that the firm maintains a high level of communication with customers, especially while interviewee 2 added vendors/distributors in the range of value chain actors with whom they have a high contact. The rest of interviewees acknowledged interactions on a daily basis with their partners. This indicates that DHL has a high level of trust for their value chain partners.

Afterwards, interviewees were asked about the channels and means used for communicating with their partners:

Interviewee 1: “Verbal & Non verbal Communication is done by mail message”

Interviewee 2: “Verbal & Nonverbal Communication is done by mail message and other mode of communication”

Interviewee 3: “mostly telephonic and e-mails for documentation purposes”

Interviewee 4: “Verbal & Non verbal Communication channels both are open with all value chain partners”

Interviewee 5: “Telephonic”

Interviewee 6: “Interacting over phones and communicating via mails”

All of the interviewees’ responses show that telephonic conversations is the major mean and channel of communication with existing value chain partners. Even if interviewees 1, 2, and 6 added emails exchanges as one of the communication modes with value chain partners, interviewee number three insisted that e-mails are used more for documentation purposes rather than daily business exchanges’ purposes. This is a clear indication of a high trust of their partners since communication with them is frequent and mainly done via informal channels.

The other characteristic of trust studied was the possible differentiation of more or least trusted partners. Interviewees were directly asked about the level of trust with each of their value chain partners.

Interviewee 1: “Keep the trust among our team members”

Interviewee 2: “Keep the trust among our team members”

Interviewee 3: “Trust is usually the same with all the actors”

Interviewee 4: “High level of trust on trade partners and the team personally attending to the customer”

Interviewee 5: “Keep the trust among our team members”

Interviewee 6: “Level of trust is different due to differences in business volumes, financial position and culture of the partners”

On this question, the interviewees were not unanimous. It is only interviewee number three who said that DHL has the same level of trust with all partners. Interviewees 1, 2 and 5 did not comment on the level of trust with each of their value chain partners but the responses indicate that they trust employees more. The answer of the interviewee number 4 rather indicates that the firm has high level of trust with business partners. And the response from interviewee 6 is even more ambiguous since it raises the fact that the level of trust is different based on three factors: the degree to which DHL does business with the partner, the financial capabilities of the partner, and the culture of the partner. These aspects are analyzed later on in this research. The responses show that it is worth investigating if the firm has high or low level of trust with partners because the respondents were not able to agree and answer a direct question if they, and with which partners they have high or low level of trust.

Another characteristic of high or low trust that was studied is the duration of the existing linkages. Participants were asked to say for each of their value chain partners for how the linkages have been existing.

Interviewee 1: “Linkage do exist with customer & trade partner for a long time”

Interviewee 2: “Linkage do exist with customer & trade partner for a long time”

Interviewee 3: “Linkages existing for a long time and hence also increased trust among the partners”

Interviewee 4: “Linkages do exist with customers and the trade partners for a long time”

Interviewee 5: “High trust with customers”

Interviewee 6: “High trust relationship will exist for longer time”

The insights for this question show unanimity from the participants. All of the interviewees have indicated that the relationships between DHL logistics in Mumbai and their value chain partners have been existing for a very long time. It can be noticed that at all levels of the firm’s value chain the company has maintained long term relationships with their inter-organizational partners. The responses of two of the interviewees broadly mentioned inter-organizational partners from UK, UAE as well as local partners without naming them for confidentiality

reasons. This is another feature of high level of trust since maintaining long term relationships with partners is an indicator of high level of trust.

The next determinant of high or low level trust studied in this paper is the expansion rate of trust for linkages that already exist. Interviewees were asked to answer in what rate do trust of their value chain partners is expanded:

Interviewee 1: “Trade partner gain increased trust of due to their commitments.”

Interviewee 2: “Depends upon the business volume of the other partner”

Interviewee 3: “It depends on the needs of the products, slowly but steadily.”

Interviewee 4: “4 out 5 trade partners gain increased trust of due to their commitment”

Interviewee 5: “Business partners gain an increased trust”

Interviewee 6: “Trade partner gain increased trust of due to their commitments and delivery facility on time”

The data collected from the interviewees indicate that in general all partners gained an increased trust over time. Nonetheless, four of the interviewees out of six assert that trade or business partners are the value chain contributors who benefit from an increased trust over time. As discussed in the theoretical part these trade partners for a logistics’ company like DHL include suppliers, transit agents, carriers, warehousemen, and distributors.

The data also show the conditions in which value chain actors of DHL gained increased trust. The value chain partners who deliver on their contractual commitments gain expanded trust from the firm. The study shows that often it is not only about delivering on the business commitment but it is more about delivering business promises in time. This is particularly important for DHL because express delivery requires a tremendous timing of all activities so as to make sure the parcels or the logistics load (heavy containers) are delivered to the customers within the timeline given by the firm or earlier.

The data collected from some of the interviewees pinpoint two other conditions in which the value chain partner’s gain increased trust are: the business volume of the other partners and the needs of the other partner’s products. It can be deducted that, those of the partners whose activities are intense and big in terms of quantity gain more trust for DHL than those who contribute less to the value chain. Another deduction that can be made is that partners of which

products and/or services are needed the most gain an increased trust faster as compared to those of the partners whose products/services are less needed.

But in general, the fact that the data shows an increased trust over time for at least 4 out of 5 of their value chain partners indicates that currently the level of trust with existing partners is high.

Another feature of high or low trust among value chain partners that has been studied in DHL case is the number of customers of their partners. Interviewees were asked to indicate of each of their value chain inter-organizational partners have more or few customers like DHL:

Interviewee 1: “Value chain partners have many customers all over world.”

Interviewee 2: “Yes. Most of them are high trust”

Interviewee 3: “They have other customers but special attention is given to the long term deals.”

Interviewee 4: “Value chain actors have more customers like DHL”

Interviewee 5: “Yes”

Interviewee 6: “Value chain partner have many customer all over world”

Without any doubts, all of the interviewees have indicated that their value chain partners have many customers like DHL. According to the theories discussed in the theoretical part of this paper this is an indication of low level of trust. Nevertheless, two of the interviewees provided answers which could nuance this theory. Indeed, although their value chain partners have many customers like them interviewees assert directly that they receiver higher trust as compared to other customers. The data also show that these value chain partners have high level of trust with customers like DHL with whom they have long-term deals. In conclusion, these particular circumstances allow drawing the conclusion that it is also an indication of high level of trust. There is a difference between just having many customers and having many customers out of which only few receive a higher level of care and trust. This means so to speak that, DHL is a distinctive customer out of many customers their value chain partners have.

The following feature of high or low level of trust that has been studied here is the verification or not of the products or services delivered by DHL value chain partners. Interviewees were

asked to say if they checked the products or services delivered to them by their inter-organizational partners:

Interviewee 1: “its depends on Venders country Rules & Regulation to the Determine the Efficiency of the business partner.”

Interviewee 2: “For High trust partner, frequency of checks are less comparatively low trust partners”

Interviewee 3: “Yes. On a regular basis as they are delivery so as to ensure the quality.”

Interviewee 4: “Yes. Quarterly Business reviews with vendors to determine the efficiency of the business partners”

Interviewee 5: “Yes. Periodical analysis”

Interviewee 6: “It depends on Venders country Rules & Regulation to the Determiner the Efficiency of the business partner”

The insights collected from the interviewees about this question show that DHL does check the delivery of products and services by their value chain partners. There two elements to take into consideration before concluding of this a characteristic of high or low level of trust. The first element that emerges from the data is that these products and services are checked only if the regulations of the country of origin of the partner providing the products require doing so. It can be concluded that, in the absence of regulations forcing DHL to check the quality of the products or services there would no inspection from DHL. The second element emerging from the responses is that when the inspection is done it is periodically such as every quarter but not just systematically after delivery. These two elements allow concluding that DHL perform little or no inspection at all of the products and services delivered by their value chain partners. This is a characteristic of high level trust as well.

The next characteristic of high or low level of trust evaluated in this study is concerned with the moment when DHL pays for the products and services delivered by their value chain inter-organizational partners. Interviewees were directly asked if they pay for the products or services before and after the delivery:

Interviewee 1: “Payment is Done After Delivery”

Interviewee 2: “It depends, as per signed agreement with partners. But most of the High trust customer are payment after delivery”

Interviewee 3: “After delivery.”

- Interviewee 4: “Pays after the delivery”
- Interviewee 5: “After delivery”
- Interviewee 6: “Payment is Done After Delivery”

The data collected from interviewees show without any equivocation that DHL pays for the products and services delivered by their value chain partners once the delivery is completed. This is an indication that there is a high level of trust between DHL and their inter-organizational partners.

The next feature determining if the level of trust is high or low is the systematic provision of assistance by the value chain partners. Interviewees were asked to say if they systematically get assistance when needed from their value chain partners even when they have not paid for it:

- Interviewee 1: “Yes, the customer Trust Fully On DHL”
- Interviewee 2: “Yes, because of our relationship with customer is based on high trust”
- Interviewee 3: “Yes. As there is high trust between the partners assistance is given when required.”
- Interviewee 4: “Yes. Because of the high trust on DHL”
- Interviewee 5: “Partners got high trust on us”
- Interviewee 6: “Yes, the customer Trust Fully On DHL”

The data are clear and univocal: Inter-organizational value chain partners of DHL provide assistance to the later when required even when the firm has not expressly paid for it. The main reason indicated by all of the interviewees is that these partners have a high level of trust on DHL. This allows drawing the conclusion that this is another characteristic of high level of trust between DHL and their value chain partners.

To summarize on this first variable about high or low level of trust between DHL and their value chain partners it can be concluded that overall, the sub-variables studied indicate that the level is rather high as shown in table... below.

**Table 5: Summary of the characteristics of level trust between DHL and their value chain partners.**

<b>Characteristics</b>	<b>High trust</b>	<b>Low trust</b>
Short term relationship	√	
Bidding may not take place. Price settled after the contract is awarded	√	
Provider is more flexible about the instruction. Would start production without written order	√	
Little or no inspection of products or services	√	
Actor has few customers	√	
Extensive unilateral or bilateral technology transfer over time	√	
Frequent and often informal communication	√	
Non-adversarial price determination	√	
Easy access, longer payback period, easy terms	√	
Payment on receipt of finished goods.	√	
Short term relationship	√	
Bidding may not take place. Price settled after the contract is awarded	√	
Provider is more flexible about the instruction. Would start production without written order	√	



Little or no inspection of products or services	√	
Actor has few customers	√	
Extensive unilateral or bilateral technology transfer over time	√	
Frequent and often informal communication	√	
Non-adversarial price determination	√	
Easy access, longer payback period, easy terms	√	
Payment on receipt of finished goods.	√	

To conclude at the level of the variable of level of trust, the study of components of this variable herein described as characteristics or features of low or high trust has indicated that DHL maintains a high level of trust with their inter-organizational value chain partners. Having determined that the level of trust is high let's describe the factors influencing the development of this high trust. The data content of some of the responses has already slightly anticipated this question when few interviewees pinpointed the business volume, the need of the partners products, and the delivery on business commitment as main reasons for gaining high trust from DHL.

## **2. Cultural Factors Behind trust development at DHL**

The variable, cultural factors, is composed of three sub-variables: Geographic tiles, demographic tiles, and associative tiles. The sub-variable, geographic tiles, is composed of the following components: climate, temperature, coastal – inland, urban – rural, and regional – country distinctions. The sub-variable, demographic tiles, is composed of the following: individual culture, traditions and religion, how long an individual has lived in a community with a stable composition, recent personal history of misfortune, and the perception of being part of a discriminated group. The sub-variable, associative tiles, is composed of: family, profession, religious movement, political direction, clubs organized by hobbies, and interest.

All of the sub-variables and their components were presented and described to the interviewees and they asked to pick or say which ones are important to them for giving their trust to value chain partners:

Interviewee 1: “It is important that an Individual has lined up in a community with a State Composite ”

Interviewee 2: “All factors are significantly impacting on relationship with partners”

Interviewee 3: “Geographic and demographic tiles more important.”

Interviewee 4: “All three factors are equally important / influencing factors in building trust.

Out of three most influencing factor is Associative Tiles”

Interviewee 5: “All three are equally important.”

Interviewee 6: “All three factors are important and influencing factor in building trust. ”

The data collected from the interviewees are unfortunately not specific, as they do not specifically designate which of the factors under each sub-variable is more or less important. Nonetheless, data gathered tend to indicate that all three sub-variables are equally important since they influence the development of trust. Yet, some of the interviewees indicated that the demographic and geographic factors are more important than the associative factors.

The data collected from the first interviewee were more specific. The respondent asserted that some people coming from certain communities in India gain more trust than members of other communities. The data do not provide specific information about which communities are highly trustable and which ones are not. It can only be concluded that partners who are from other parts or the states of the country like India, do not gain trust due to the local communities and their behavior towards the business. And it is examined and considered when they experience the situation while doing the inter-firm business together.

### **3. Interpersonal Factors behind Trust Development at DHL Mumbai.**

This variable is composed of nine sub-variables:

- a. perceived predictability;
- b. the frequency of interaction that occurs between individuals;
- c. confidence an individual feels about others;

- d. knowing the level of motivation of the other person;
- e. tendency to adopt a long-term perspective for evaluating a relationship;
- f. the level of equality that exists among actors involved;
- g. similarity between an individual and others on specific attributes;
- h. one's willingness to take risks;
- i. perceptions of self-interest

The six interviewees were asked to select which ones out of the nine are more important for a partner to gain their trust:

Interviewee 1: "Confidence strength to complete every type of work. "

Interviewee 2: "All factors are requires to built interpersonal relationship."

Interviewee 3: "Frequency of interaction and confidence are most important."

Interviewee 4: "Among the 9 factors, 1,2, 6,7 are interpersonal factors effects more. 3, 4, 5, 8 and 9 are individual factors affecting trust less."

Interviewee 5: "1, 2 and 3 are more important."

Interviewee 6: "Confidence strength to complete every type of work on time. "

The data reveal that confidence an individual feels about others is the most important interpersonal factor influencing the development of trust at DHL Logistics in Mumbai.

Interviewees have specifically pointed out the fact that it is important for them to feel certain about the ability of other partner to perform the task in any circumstances and in time. This corroborates one of the reasons for trust development expressed in the variable about high or low level of trust: delivery on the business commitment in time. This indicates, for the other partner to gain DHL's trust he or she shall demonstrated that he or she is confidently capable of doing the job.

Perceived predictability has also been pointed as the second most important interpersonal factor (3 interviewees out of 6 have indicated this factor). This factor relates to a certain extent to the previous one in this sense that partner whose performance about the task is predictable who gain more trust that the partner whose task performance cannot be predicted.

The third interpersonal factor pointed out by interviewees is frequency of interaction between individuals. This indicates that DHL value chain representatives trust trade partners who communicate more often probably about the performance of their tasks more those who communicate less.

#### **4. Individual Factors Behind Trust Development at DHL logistics Mumbai.**

This variable of study has the following sub-variables:

- a. individual culture, traditions and religion;
- b. how long an individual has lived in a community with a stable composition;
- c. recent personal history of misfortune;
- d. the perception of being part of a discriminated group;
- e. Several characteristics of the composition of one's community, including how much trust there in the community.

Here as well interviewees were asked to point out the factors, which more important for getting and developing trust:

Interviewee 1: "It's necessary that an Individual has lived in a community with a State Composite . . ."

Interviewee 2: "Factor 1 & 2."

Interviewee 3: "Factor 2 is most important."

Interviewee 4: "Factors 1, 2 & 4 are the important in building trust."

Interviewee 5: "1, 2 and 3 are more important."

Interviewee 6: "It is important that individuals would come from certain community".

The sub-variable, how long an individual has lived in a community with a stable composition, appears to be the very first individual factors important for gaining trust from DHL value chain representatives. All of the interviewees have pointed this as the primary individual factor. Although the specific community members who are more trusted in the Indian context are not mentioned, at least it is known that individual partners shall belong to certain communities and shall have lived in that community for long period. That's the elders of the communities are more trusted than young people.

The second individual factor pinpointed by the interviewees are: individual culture, traditions and religion. Three out of the six interviewees (50%) have pointed this factor but the data do

not provide details about which religions, cultures, or traditions are trusted more or less. It can only be assumed that the individual partner would more likely gain trust if he or she is from the same religion, culture, or tradition like the other partner.

## RECOMMENDATIONS

The results of the analysis of the findings of this research allow providing the following recommendations to any local or international firm willing to do become a valuable value chain partner of DHL Logistics in Mumbai:

- the business partner should be aware of the fact DHL Logistics in Mumbai seek for long-term relationships with their inter-organizational value chain partners as they maintained high level of trust with them;
- In order to maintain a successful linkage with DHL Logistics Mumbai the inter-organizational partner shall comply with the following cultural factors:
  - the geographic location of the business partner
  - the demographic characteristics of the business partner such as the age, the gender, the occupation, and so forth;
  - the associative dimensions of the individual partners such as the type of family they are from, their religion, political orientations, and such.
- Successful partnership with DHL Mumbai value chain is conditioned to the following individual factors of the partners:
  - partners should belong to specific Indian culture, traditions, or adopt these cultures and traditions;
  - partner's should belong to certain types of communities because members from certain communities do not get trusted as much as members of other communities.
- finally, successful linkages are established with the value chain of DHL Logistics Mumbai through the following:
  - Ability of the partner to be confident about his capacity to do the job in any circumstance and without delays and to demonstrate this ability;
  - ability of the partner to guarantee the future performance of the tasks;
  - And ability of the partner to interact and communicate frequently with DHL value chain representatives.

## CONCLUSIONS

The overall aim of the research was to investigate the factors influencing the development and maintaining between a logistics' firm and its inter-organizational value chain partners.

In order to achieve this aim the following specific objectives were set:

4. To identify forces or factors driving the formation and development of trust in inter-organizational business relationships;

The research has shown that there are two types of the level of trust between an organization and its business partners: low and high trust. The critical analysis of the literature review has revealed thirteen determinants of high or low level of trust.

Three categories of factors influencing the formation and development of trust have been critically evaluated. This included the cultural factors, the interpersonal factors, and the individual factors. The cultural factors included elements such as the geographic considerations: climate, temperature, coastal – inland, urban – rural, and regional – country distinctions. The interpersonal factors included elements like the level of confidence, the motivation of the other partner, the predictability of the results from the other partner, and such. The individual factors included: the adhesion of the business partner to certain cultures, traditions, religions, communities, as well as he historical background.

5. To critically evaluate the extent to which each of the forces explored affects the existing business relationships in an organization value chain like DHL;

The study of the thirteen characteristics of level of trust in the case of DHL Logistics in Mumbai has demonstrated that the company maintains high level of trust with their inter-organizational value chain partners.

In general, the maintaining of this high level of trust is conditioned to the ability of the partners to deliver on their business commitments on time. Besides this, some specific factors behind the development of this high trust have been identified.

Among the cultural factors, it appeared that all the geographic, demographic, and associative dimensions of the partners are equally important for gaining trust from DHL Mumbai value chain's representatives such as the HR manager and the operations manager.

Among the interpersonal factors, perceived predictability, the frequency of interaction and that occurs between individuals and confidence an individual feels about others are

the most influencing factors for trust development at DHL Logistics Mumbai. Study has shown that DHL's value chain representatives express deep concerns about the ability of the other partner to fulfill his business commitments.

Finally, among the individual factors, individual culture, traditions and religion, how long an individual has lived in a community with a stable composition have retained the attention of the value chain representatives as forces driving the development of trust for inter-organizational value chain partners.

6. To formulate recommendations to any organizations willing to establish sustainable business partnerships in the field of logistics in India.

Based on the analysis of the data of this research, sound recommendations were formulated to local and international organizations about the factors to consider for establishing long-term relationships with DHL Logistics in Mumbai.



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## APPENDIX

Below are the original transcripts from the interviews.

### 1. Human Resources Manager in DHL Mumbai

#### The Researcher Questions and Interviewee answers

**Q.1)** In what ways do you create value to the product with the partner firm for developing the value chain?

**(Interviewee):** In DHL, Service is the first product (on time delivery Process) we create by giving value to the process with the partner firm for the development of the value chain

**Q.2)** Do you think linkages with value chain in inter-organizational actors exist? Why?

**(Interviewee):** Yes, Linkages in value chain is required for inter-organizational growth, for the networks and also for maintaining long term relationship

**Q.3)** What are the reasons for having or not having linkages with value chain actors?

**(Interviewee):** For high efficiency/ productivity in the organization, there is a need to have linkages with value chain actors. There might be no reason for not having linkages. But for the continuous work flow in the organization linkages are important for value chains growth with the help of the actors.

**Q.4)** How important are linkages with each of the value chain actors?

**(Interviewee):** DHL has high level of partnership with Business Vendors and Customers, so it is important to have linkages with them

**Q.5)** what is the frequency of contact with each actor?

**(Interviewee):** Almost weekly contact with all customers (high trust) for business and service feed back

**Q.6)** what is the level of trust of each actor? Why is the level of trust different?

**(Interviewee):** It is very much necessary to understand the needs and preferences of an individual or the customer to deliver the best as per expectations. High level of trust on trade partners and the team personally

**Q.7)** Are the following making you to trust other parties (individuals) more, why?

- *Emotional understanding of the person(s)*
- *Openness of the other person*
- *Knowledge and understanding of the needs or preferences of the others*

**(Interviewee):** Organisational growth depends upon the team, and in turn the skill set of an individual in the team.

For the healthy atmosphere in the organisation there is a need to understand each other's emotional feelings

Transparency and openness is very much required to be trustworthy in the organisation, Knowledge or skill set is the major factor to trust an individual and delegate the job to achieve better results.

It is very much necessary to understand the needs and preferences of an individual or the customer to deliver the best as per expectations.

**Q.8)** How long have these linkages existed? Please, consider each of your partners

**(Interviewee):** Linkages do exist with customers and the trade partners for a long time. Cannot disclose partners due to it is confidential

**Q.9)** What is the rate of expansion of linkages over time?

**(Interviewee):** 4 out of 5 trade partners gain increased trust due to their commitment. Sometime overtime pressure makes the product delivery fail to be ontime.

**Q.10)** Do your inter-organizational value chain actors have many customers like you? Please, consider each of them

**(Interviewee):** Value chain actors have more customers like DHL (High trust) and their might be few customers of low trust.

**Q.11)** Is the delivery of the services/products by your value chain business partners checked? If yes, how often and why?

**(Interviewee):** Yes. It is checked quarterly for the business reviews with vendors to determine the efficiency of the business partners

**Q.12)** Do you frequently communicate with your value chain partners? What channels do you use more often? Please, consider each of them



**(Interviewee):** Yes. Verbal & Non-verbal Communication channels both are open with all value chain partners but mostly by emails

**Q.13)** When do you pay each of your value chain partners for the products or services, before, during, or after the delivery?

**(Interviewee):** Pays after the delivery

**Q.14)** Do you systematically get assistance from your value chain partner even when you haven't paid for it, why? Please, consider each of them.

**(Interviewee):** Yes. Because of the high trust on DHL.

**Q.15)** How important are the following factors in building and developing trust with your value chain partners?

- 1) **Geographic tiles:** climate, temperature, coastal – inland, urban – rural, and regional – country distinctions
- 2) **Demographic tiles:** age, gender, ethnicity and race
- 3) **Associative tiles:** family, profession, religious movement, political direction, clubs organized by hobbies, interest

**(Interviewee):** All three factors are equally important / influencing factors in building trust. Out of three most influencing factor is Associative Tiles.

**Q.16)** How important are the following factors for trust?

- 1) perceived predictability;
- 2) the frequency of interaction that occurs between individuals;
- 3) confidence an individual feels about others;
- 4) knowing the level of motivation of the other person;
- 5) tendency to adopt a long-term perspective for evaluating a relationship;
- 6) the level of equality that exists among actors involved;
- 7) similarity between an individual and others on specific attributes;
- 8) one's willingness to take risks;
- 9) Perceptions of self-interest.

**(Interviewee):** Among the 9 factors, 1,2, 6,7 are interpersonal factors effects more.

3, 4, 5, 8 and 9 are individual factors effects the trust.

**Q.17)** How important are the following factors in building and developing trust with you?

- 1) “individual culture, traditions and religion;
- 2) how long an individual has lived in a community with a stable composition;
- 3) recent personal history of misfortune;
- 4) the perception of being part of a discriminated group;

**(Interviewee):** Factors 1, 2 & 4 are the important in building trust.

## **2. Operations Manager- DHL Mumbai**

### **The Researcher Questions and Interviewee answers**

**Q.1)** According to you, In what ways do you create value to the product with the partner firm for developing the value chain?

**(Interviewee):** By taking continuous follow up of the product and make it reach on time. And being transparent with the partner and customer for the development of the value chain.

**Q.2)** And Do you think linkages with value chain in inter-organizational actors exist? Why?

**(Interviewee):** Yes. Linkages with value chain should exist among employees. For understanding the process and for the interpersonal development while working in the process of Value chain

**Q.3)** what are the reasons for having or not having linkages with value chain actors?

**(Interviewee):** Inter department linkages require to build trust among employees and with customers for the growth

**Q.4)** How important are linkages with each of the value chain actors?

**(Interviewee):** Linkages are important with customers and client partners

**Q.5)** what is the frequency of contact with each actor?

**(Interviewee):** Daily contact with customers and partner firms for developing the trust at high level in the form of the daily service report in form of e-mails

**Q.6)** what is the level of trust of each actor? Why is the level of trust different?

**(Interviewee):** To understand the needs and requirements of individual actor with their expectation that keep the trust among our team members

**Q.7)** Are the following making you to trust other parties (individuals) more, why?

- *Emotional understanding of the person(s)*
- *Openness of the other person*
- *Knowledge and understanding of the needs or preferences of the others*

**(Interviewee):** They try to understand each other in team for better coordination.

Keeps cordial relationship with each other team members in the team

Participates in training programs to update knowledge

**Q.8)** How long have these linkages existed? Please, consider each of your partners

**(Interviewee):** As long as High trust with customers and trade partners exist. Cannot explain

**Q.9)** what is the rate of expansion of linkages over time?

**(Interviewee):** Business partners gain an increased trust. Sometimes in the matter of expanding the efficiency of the product, there is a pressure of the products delivery to be on time

**Q.10)** Do your inter-organizational value chain actors have many customers like you? Please, consider each of them

**(Interviewee):** Yes like DHL that carries high trust with customers. Do not know the level of trust with others and their customers

**Q.11)** Is the delivery of the services/products by your value chain business partners checked? If yes, how often and why?

**(Interviewee):** Yes. Periodical analysis of the services/product is checked for keeping the level of trust at high level

**Q.12)** Do you frequently communicate with your value chain partners? What channels do you use more often? Please, consider each of them

**(Interviewee):** Yes. Telephonic and sometimes by mail, it depends on the workload

**Q.13)** When do you pay each of your value chain partners for the products or services, before, during, or after the delivery?

**(Interviewee):** Pays after the delivery. Bills are generated quickly for the payments.

**Q.14)** Do you systematically get assistance from your value chain partner even when you haven't paid for it, why? Please, consider each of them.

**(Interviewee):** Partners got high trust in DHL, so assistance from value chain partners is considered to be important

**Q.15)** How important are the following factors in building and developing trust with your value chain partners?

- 1) **Geographic tiles:** climate, temperature, coastal – inland, urban – rural, and regional – country distinctions
- 2) **Demographic tiles:** age, gender, ethnicity and race
- 3) **Associative tiles:** family, profession, religious movement, political direction, clubs organized by hobbies, interest

**(Interviewee):** Geographic and demographic tiles more important. But cannot explain in detail

**Q.16)** How important are the following factors for trust?

1. perceived predictability;
2. the frequency of interaction that occurs between individuals;
3. confidence an individual feels about others;
4. knowing the level of motivation of the other person;
5. tendency to adopt a long-term perspective for evaluating a relationship;
6. the level of equality that exists among actors involved;
7. similarity between an individual and others on specific attributes;
8. one's willingness to take risks;
9. Perceptions of self-interest.

**(Interviewee):** Frequency of interaction and confidence are most important. Because interaction sought out the problems easily among the individuals regarding the product and services while in process of value chain

**Q.17)** How important are the following factors in building and developing trust with you?

- 1) "individual culture, traditions and religion;
- 2) how long an individual has lived in a community with a stable composition;

- 3) recent personal history of misfortune;
- 4) the perception of being part of a discriminated group;

**(Interviewee):** Factor 2 is most important

### **3. Executive employees in DHL Mumbai**

#### **The Researcher Questions and Interviewee answers**

**Q.1)** In what ways do you create value to the product with the partner firm for developing the value chain?

**(Interviewee):** By communicating with the partner firm and following up on their feedback to make the product/service better.

**Q.2)** Do you think linkages with value chain in inter-organizational actors exist? Why?

**(Interviewee):** Yes. It helps to better understand the process and adds more efficiency to the value chain.

**Q.3)** What are the reasons for having or not having linkages with value chain actors?

**(Interviewee):** It helps to make the process easy cutting down the delay time.

**Q.4)** How important are linkages with each of the value chain actors?

**(Interviewee):** Very important as it helps to improve the efficiency of the firm.

**Q.5)** what is the frequency of contact with each actor?

**(Interviewee):** Everyday communication with both the client and the customer which increases trust.

**Q.6)** what is the level of trust of each actor? Why is the level of trust different?

**(Interviewee):** Trust is usually the same with both the actors.

**Q.7)** Are the following making you to trust other parties (individuals) more, why?

- *Emotional understanding of the person(s)*
- *Openness of the other person*
- *Knowledge and understanding of the needs or preferences of the others*

**(Interviewee):** 1) It helps in building trust and confidence among each other.

2) It is useful to improve of the efficiency of the process and product.

3) Helps in the development of the product.

**Q.8)** How long have these linkages existed? Please, consider each of your partners

**(Interviewee):** Linkages existing for a long time and hence also increased trust among the partners.

**Q.9)** What is the rate of expansion of linkages over time?

**(Interviewee):** It depends on the needs of the products, slowly but steadily.

**Q.10)** Do your inter-organizational value chain actors have many customers like you? Please, consider each of them

**(Interviewee):** They have other customers but special attention is given to the long term deals.

**Q.11)** Is the delivery of the services/products by your value chain business partners checked? If yes, how often and why?

**(Interviewee):** Yes. On a regular basis as they are delivery so as to ensure the quality.

**Q.12)** Do you frequently communicate with your value chain partners? What channels do you use more often? Please, consider each of them

**(Interviewee):** Yes, mostly telephonic and e-mails for documentation purposes.

**Q.13)** When do you pay each of your value chain partners for the products or services, before, during, or after the delivery?

**(Interviewee):** After delivery.

**Q.14)** Do you systematically get assistance from your value chain partner even when you haven't paid for it, why? Please, consider each of them.

**(Interviewee):** Yes. As there is high trust between the partners assistance is given when required.

**Q.15)** How important are the following factors in building and developing trust with your value chain partners?

- 1) **Geographic tiles:** climate, temperature, coastal – inland, urban – rural, and regional – country distinctions
- 2) **Demographic tiles:** age, gender, ethnicity and race
- 3) **Associative tiles:** family, profession, religious movement, political direction, clubs organized by hobbies, interest

**(Interviewee):** All three are equally important.

**Q.16)** How important are the following factors for trust?

- 10) perceived predictability;
- 11) the frequency of interaction that occurs between individuals;
- 12) confidence, an individual feels about others;
- 13) knowing the level of motivation of the other person;
- 14) tendency to adopt a long-term perspective for evaluating a relationship;
- 15) the level of equality that exists among actors involved;
- 16) similarity between an individual and others on specific attributes;
- 17) one's willingness to take risks;
- 18) Perceptions of self-interest.

**(Interviewee):** 1, 2 and 3 are more important.

**Q.17)** How important are the following factors in building and developing trust with you?

- 1) "individual culture, traditions and religion;
- 2) how long an individual has lived in a community with a stable composition;
- 3) recent personal history of misfortune;
- 4) the perception of being part of a discriminated group;

**(Interviewee):** 1 and 2 are very important.

#### **4. Executive employees of DHL Mumbai**

##### **The Researcher Questions and Interviewee Answers**

**Q.1)** According to you, In what ways do you create value to the product with the partner firm for developing the value chain?

**(Interviewee):** On time service of the product and giving importance to it, creates value to the product and makes the process go longer with trust that develops the value chain.

**Q.2)** And Do you think linkages with value chain in inter-organizational actors exist? Why?

**(Interviewee):** DHL is in Partnership with British Company. And the linkages makes the process go efficiently through the departments of the inter-organizational where this actors exist.

**Q.3)** what are the reasons for having or not having linkages with value chain actors?

**(Interviewee):** To build trust among valued customer by delivering their shipment on time.

**Q.4)** How important are linkages with each of the value chain actors?

**(Interviewee):** DHL has equal trust with all partners.

**Q.5)** what is the frequency of contact with each actor?

**(Interviewee):** DHL has high frequency contact with valued Customer.

**Q.6)** what is the level of trust of each actor? Why is the level of trust different?

**(Interviewee):** Keep the trust among our team members.

**Q.7)** Are the following making you to trust other parties (individuals) more, why?

- *Emotional understanding of the person(s)*
- *Openness of the other person*
- *Knowledge and understanding of the needs or preferences of the others*

**(Interviewee):** Yes, They understand the individuals requirement towards firms or work.

As an employer, they are trying to fulfil the all requirement of employees.

Because, without employees the work can't proceed.

**Q.8)** How long have these linkages existed? Please, consider each of your partners

**(Interviewee):** Linkage do exist with customer & trade partner for a long time.

**Q.9)** what is the rate of expansion of linkages over time?

**(Interviewee):** Trade partner gain increased trust of due to their commitments.

**Q.10)** Do your inter-organizational value chain actors have many customers like you? Please, consider each of them



**(Interviewee):** Value chain partner have many customer all over world and few customer of Low trust. Due to confidential purpose cannot discuss each of them

**Q.11)** Is the delivery of the services/products by your value chain business partners checked? If yes, how often and why?

**(Interviewee):** It depends on Vendors Rules & Regulation to the Determiner the Efficiency of the business partner.

**Q.12)** Do you frequently communicate with your value chain partners? What channels do you use more often? Please, consider each of them

**(Interviewee):** Yes, Verbal & Non-verbal Communication is done by mail message.

**Q.13)** When do you pay each of your value chain partners for the products or services, before, during, or after the delivery?

**(Interviewee):** Payment is Done After Delivery

**Q.14)** Do you systematically get assistance from your value chain partner even when you haven't paid for it, why? Please, consider each of them.

**(Interviewee):** Yes, time to time assistance from the partner is important for the growth of the value chain for this, the customer Trust Fully On DHL

**Q.15)** How important are the following factors in building and developing trust with your value chain partners?

- 1) **Geographic tiles:** climate, temperature, coastal – inland, urban – rural, and regional – country distinctions
- 2) **Demographic tiles:** age, gender, ethnicity and race
- 3) **Associative tiles:** family, profession, religious movement, political direction, clubs organized by hobbies, interest

**(Interviewee):** All three factors are important and influencing factor is also important in building trust.

**Q.16)** How important are the following factors for trust?

10. perceived predictability;
11. the frequency of interaction that occurs between individuals;
12. confidence an individual feels about others;
13. knowing the level of motivation of the other person;
14. tendency to adopt a long-term perspective for evaluating a relationship;
15. the level of equality that exists among actors involved;
16. similarity between an individual and others on specific attributes;
17. one's willingness to take risks;
18. Perceptions of self-interest.

**(Interviewee):** Confidence strength to complete every type of work.

**Q.17)** How important are the following factors in building and developing trust with you?

- 1) "individual culture, traditions and religion;
- 2) how long an individual has lived in a community with a stable composition;
- 3) recent personal history of misfortune;
- 4) the perception of being part of a discriminated group;

**(Interviewee):** An Individual has lived in a community with a State Composition

## **5. Executive employees of DHL Mumbai**

### **The Researcher Questions and Interviewee Answers**

**Q.1)** According to you, In what ways do you create value to the product with the partner firm for developing the value chain?

**(Interviewee):** On time service of the product and giving importance to it with the help of the partners firm that helps in developing value chain

**Q.2)** And Do you think linkages with value chain in inter-organizational actors exist? Why?

**(Interviewee):** Yes. To conduct day-to-day business operations with clients.

**Q.3)** what are the reasons for having or not having linkages with value chain actors?

**(Interviewee):** Efficient flow of Information, Material flow, Cash flow

**Q.4)** How important are linkages with each of the value chain actors?

**(Interviewee):** Each one is closely inter connected with other

**Q.5)** what is the frequency of contact with each actor?

**(Interviewee):** Seamless interactions

**Q.6)** what is the level of trust of each actor? Why is the level of trust different?

**(Interviewee):** High trust. Level of trust different due to differences in business volumes, financial position and culture of the partners.

**Q.7)** Are the following making you to trust other parties (individuals) more, why?

- *Emotional understanding of the person(s)*
- *Openness of the other person*
- *Knowledge and understanding of the needs or preferences of the others*

**(Interviewee):** Yes. It helps to understand parties & built the relationship with them

**Q.8)** How long have these linkages existed? Please, consider each of your partners

**(Interviewee):** High trust relationship will exist for longer time

**Q.9)** what is the rate of expansion of linkages over time?

**(Interviewee):** Depends upon the business volume of the other partner

**Q.10)** Do your inter-organizational value chain actors have many customers like you? Please, consider each of them

**(Interviewee):** Yes. Most of them are high trust

**Q.11)** Is the delivery of the services/products by your value chain business partners checked? If yes, how often and why?

**(Interviewee):** For High trust partner, frequency of checks are less comparatively low trust partners.

**Q.12)** Do you frequently communicate with your value chain partners? What channels do you use more often? Please, consider each of them

**(Interviewee):** Yes. Interacting over phones and communicating via mails.

**Q.13)** When do you pay each of your value chain partners for the products or services, before, during, or after the delivery?

**(Interviewee):** It depends, as per signed agreement with partners. But most of the High trust customer are payment after delivery.

**Q.14)** Do you systematically get assistance from your value chain partner even when you haven't paid for it, why? Please, consider each of them.

**(Interviewee):** Yes, because of our relationship with high trust customer

**Q.15)** How important are the following factors in building and developing trust with your value chain partners?

- 1) **Geographic tiles:** climate, temperature, coastal – inland, urban – rural, and regional – country distinctions
- 2) **Demographic tiles:** age, gender, ethnicity and race
- 3) **Associative tiles:** family, profession, religious movement, political direction, clubs organized by hobbies, interest

**(Interviewee):** All factors are significantly impact on relationship with partners

**Q.16)** How important are the following factors for trust?

19. perceived predictability;
20. the frequency of interaction that occurs between individuals;
21. confidence an individual feels about others;
22. knowing the level of motivation of the other person;
23. tendency to adopt a long-term perspective for evaluating a relationship;
24. the level of equality that exists among actors involved;
25. similarity between an individual and others on specific attributes;
26. one's willingness to take risks;
27. Perceptions of self-interest.

**(Interviewee):** All factors are requires to built interpersonal relationship.

**Q.17)** How important are the following factors in building and developing trust with you?

- 1) "individual culture, traditions and religion;

- 2) how long an individual has lived in a community with a stable composition;
- 3) recent personal history of misfortune;
- 4) the perception of being part of a discriminated group;

**(Interviewee):** Factor 1 & 2

## **6. Executive employees in DHL Mumbai**

### **The Researcher Questions and Interviewee answers**

**Q.1)** In what ways do you create value to the product with the partner firm for developing the value chain?

**(Interviewee):** providing time to time service creates value to the product and also to the business that develops the value chain.

**Q.2)** Do you think linkages with value chain in inter-organizational actors exist? Why?

**(Interviewee):** DHL is in Partnership with British Company and UAE, Domestic Local partners

**Q.3)** What are the reasons for having or not having linkages with value chain actors?

**(Interviewee):** To build trust among valued customer by delivering their shipment on time and charge them proper rate with TAT (Turn around Time)Period.

**Q.4)** How important are linkages with each of the value chain actors?

**(Interviewee):** DHL has a high trust equally on all worldwide partners.

**Q.5)** what is the frequency of contact with each actor?

**(Interviewee):** DHL has high frequency contact with valued worldwide Customer and also the vendors.

**Q.6)** what is the level of trust of each actor? Why is the level of trust different?

**(Interviewee):** Keep the trust among our team members.

**Q.7)** Are the following making you to trust other parties (individuals) more, why?

- *Emotional understanding of the person(s)*
- *Openness of the other person*
- *Knowledge and understanding of the needs or preferences of the others*

**(Interviewee):** Yes, They understand the individual's requirement towards firms or work and also the customer's needs.

As an employer, they are trying to fulfil all requirements required for co-ordinating worldwide.

Because, without employees and facilities the work can't proceed.

**Q.8)** How long have these linkages existed? Please, consider each of your partners

**(Interviewee):** Linkages do exist with customer & trade partner for a long time.

**Q.9)** What is the rate of expansion of linkages over time?

**(Interviewee):** Trade partner gain increased trust due to their commitments and delivery facility on time.

**Q.10)** Do your inter-organizational value chain actors have many customers like you? Please, consider each of them

**(Interviewee):** Value chain partners have many customers all over the world and few customers of low trust.

**Q.11)** Is the delivery of the services/products by your value chain business partners checked? If yes, how often and why?

**(Interviewee):** It depends on vendors' country rules & regulations to determine the efficiency of the business partner.

**Q.12)** Do you frequently communicate with your value chain partners? What channels do you use more often? Please, consider each of them

**(Interviewee):** Yes, Verbal & Nonverbal Communication is done by mail message and other mode of communication.

**Q.13)** When do you pay each of your value chain partners for the products or services, before, during, or after the delivery?

**(Interviewee):** Payment is Done After Delivery.

**Q.14)** Do you systematically get assistance from your value chain partner even when you haven't paid for it, why? Please, consider each of them.

**(Interviewee):** Yes, the customer Trust Fully On DHL, only when the assistance from the partner is considered

**Q.15)** How important are the following factors in building and developing trust with your value chain partners?

1) **Geographic tiles:** climate, temperature, coastal – inland, urban – rural, and regional – country distinctions

2) **Demographic tiles:** age, gender, ethnicity and race

3) **Associative tiles:** family, profession, religious movement, political direction, clubs organized by hobbies, interest

**(Interviewee):** All three are equally important.

**Q.16)** How important are the following factors for trust?

19) perceived predictability;

20) the frequency of interaction that occurs between individuals;

21) confidence, an individual feels about others;

22) knowing the level of motivation of the other person;

23) tendency to adopt a long-term perspective for evaluating a relationship;

24) the level of equality that exists among actors involved;

25) similarity between an individual and others on specific attributes;

26) one's willingness to take risks;

27) Perceptions of self-interest.

**(Interviewee):** Confidence strength of an individual to complete every type of work on time.

**Q.17)** How important are the following factors in building and developing trust with you?

1) “individual culture, traditions and religion;

2) how long an individual has lived in a community with a stable composition;

3) recent personal history of misfortune;

4) the perception of being part of a discriminated group;

**(Interviewee):** 1 and 2 are very important.