

## **Trust – resource for a woman entrepreneur**

In modern business life the meaning of trust is a more obvious tool in coordinating and managing knowledge work and network like production.

**Text:** *Kirsimarja Blomqvist, D. Sc (Econ), professor of Knowledge Management at Lappeenranta University of Technology, Department of Business Administration.*

Trust enables risk taking which is connected with the start of collaboration as well as the creation of more strategic network relationships. It also reduces economic exchange costs, e.g. searching-, negotiation-, contracting- and controlling costs. According to multi-scientific research up to now, trust is one of the most important issues to explain effective and productive communication, commitment and collaboration.

Trust capital has also been regarded as the central resource of a successful entrepreneur. The ability to arouse trust in financiers and customers as well as collaborators can be crucial especially for a starting entrepreneur. The customer will openly tell about his future needs to a trustworthy seller. A trustworthy supplier will hear about the new products and changes of strategy from the principal before others. Service business, R&D, cooperation, team work, working as a superior and management, partnerships, strategic customer work as well as externalizing, all require trust between the actors.

Trust is created of interaction between the key persons and background organisations. He or she who decides whether or not to trust the other person, will inevitably assess both key persons of the counter part and the organisation. At personal level, the experienced reliability will settle whether the counter part will proceed with potential collaboration. The capabilities of the counter part as well as how it would be to cooperate with them are both assessed at negotiations. In situations where trust is easily reached, the negotiating partners are also able to create rapidly an intensive connection for the negotiations. It seems to be very important to understand and appreciate the differences of the other one. Afterwards, if there is immediate trust, the negotiators will be able to identify the needs and goals of the other partner as well as to identify common business opportunities. If rapid trust cannot be reached, it will probably not be possible to start collaboration.

Could it be a characteristic typical for women to create confidence? Women could possess at least pedagogically and probably also genetically a relatively better inborn ability to communicate and take care of others. Interactive communication which means the ability to listen and communicate intelligibly is one of the most important sources of trust. Understanding of the perspectives and goals of the other actors in a network will create confidence. Women with their “serpentine brains” may see more clearly than men with their “tubular brains” the addictions of network economy and they are thus able to make decisions by taking the whole entity into consideration. It is probable that women’s capability to balance between different pressures at home and work, which has been developed in everyday life, is valuable as it increases comprehension of the everyday life of an employee. The tendency to take personal responsibility, commitment, clear set of values and sincerity also create confidence.

Trust gets changed along with the changes of time and working life. The quick and personal trust that I have described, is more analytical than the trust based on a common history of similar actors. Along with quick and personal trust, the actors are able to grasp new possibilities in the rapidly closing time windows. In order to succeed and feel well, the organisations in network economy need the trust of the employees, superiors, customers, partners as well as other interest groups. In the information intensive network economy trust may become one of the most important sources of competitive advantages.

**Translation:** *Leena Heiskala and Anneli Neittamo*