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What's Trust Got to Do With It?:

How startups consider trust in their MNE partner selection process

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Abstract

In recent years, there has been a surge in initiatives by MNEs to reach out to startups to engage in collaborative efforts for innovation. Previous research has shown the potential of such collaborations to result in novel innovations, as each side essentially has what the other one lacks. However, startups face a tough dilemma when contemplating a collaboration with an MNE. On one hand, they can benefit greatly from the resources an MNE can provide, and on the other, can face the potential of being taken advantage of. With this dilemma in mind, the question of what role trust plays in startups' partner selection process naturally arises. In this study, we explore how startups consider trust in their MNE partner selection process by interviewing six startups to get their unique insights. We draw connections between trust, dependence, and willingness to take risk, and conclude with theoretical and practical implications.

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1. Introduction

1.1 Background

In light of the rapid pace of discontinuous change in today's globalized economy, researchers have noted a surge in initiatives by multinational enterprises (MNEs) to reach out to startups to engage in collaborative efforts for innovation (Weiblen & Chesbrough, 2015: Prashantham & Kumar, 2019; Enderwick & Buckley, 2019). These initiatives are a continuation of a shift that began in the late 20th century in which established companies started to open up their innovation activities beyond their organizational boundaries. In the beginning of the 20th century, a number of forces had started to erode the previously virtuous circle of vertically integrated corporate innovation activities, such as increased mobility of knowledge workers as well as the growing availability of venture capital, which helped to finance and commercialize ideas of new ventures. These factors made it increasingly difficult for companies to control and protect their proprietary assets (Chesbrough, 2003).

The concept of open innovation was first coined by Henry Chesbrough, which he defined as "the use of purposive inflows and outflows of knowledge to accelerate internal innovation, and expand the markets for internal use of innovation, respectively" (Chesbrough & Bogers, 2014, p.3). Open innovation is different from closed innovation - i.e., the previous ways in which companies innovated - in that ideas can originate from external parties as well as internal, and both outside and inside paths are used to bring innovations to market (Chesbrough, 2003). Through collaboration with external parties, such as startups and smaller companies, companies employing an open innovation strategy could profit from ideas originating from external sources, access knowledge and technologies beyond company boundaries, and license intellectual property to gain additional revenues (ibid).

The recent rise of engagement between MNEs and startups, many researchers argue, is due to the actors' complementary assets, which, if paired, can result in novel innovations (Buckley & Prashantham, 2016; Weiblen & Chesbrough, 2015). Weiblen and Chesbrough (2015, p. 66) note that "Each side has what the other one lacks. The MNE has resources, scale, power, and the routines needed to run a proven business model efficiently. The [startup] has none of those, but typically has promising ideas, organizational agility, the willingness to take risks, and aspirations of rapid growth." Through collaboration, MNEs can overcome their liabilities of largeness and oldness (Enderwick & Buckley, 2019), whereas small-to-medium sized enterprises (SMEs/startups) can overcome their liabilities of newness (Aldrich & Auster, 1986) and smallness (Stinchcombe, 1965).

Despite the seemingly favorable conditions of fruitful collaboration between the two actors, cultural differences, misaligned objectives, different organizational pace, and power imbalances have shown to impede partnership efforts (Weiblen & Chesbrough, 2015; Prashantham & Kumar, 2019). Buckley and Prashantham (2016) argue that perhaps the most important factor impeding joint value creation efforts is low levels of trust, where both sides have their worries: "The malfeasance by the more powerful MNE could be a concern for the SMEs, whereas for MNEs, identifying high-quality SME partners (the "lemon problem") can be difficult" (Buckley and Prashantham, 2016, p.44). In other words, the startup is concerned that the MNE's intentions are not benevolent, whereas the MNE is concerned about how competent the startup is (Buckley & Prashantham, 2016). These trust issues are related to the potential risks the actors incur by entering into the relationship. From the MNE's perspective, selecting a "lemon" partner - i.e., a low-competence startup - means that they may have wasted a lot of resources and effort (Prashantham & Birkinshaw, 2008). From the startup's perspective, selecting an MNE partner that turns out to have malevolent intentions could mean potentially becoming victims of intellectual theft (Doz, 1987), risk financial depletion, or even become bankrupt (Alvarez & Barney, 2001).

Comparing these risks, it is quite clear that risks incurred by the startup are far greater than the risks incurred by the MNE, which resonates with Prashantham & Birkinshaw's (2008, p. 7) observation that "if a partnership goes wrong, the consequences are - on balance - far more likely to be debilitating for a small enterprise." Due to the great asymmetries in power, engaging with an MNE entails a riskful trade-off for startups; on one hand, partnering with an MNE can lead to value creation, on the other, it can lead to resource exploitation and misappropriation (Usman & Vanhaverbeke, 2017). As such, searching for, identifying, evaluating, and subsequently selecting the right partner becomes a crucial task for startups.

1.2 Problem Discussion

Collaboration between MNEs and startups can and does lead to value creation (Aggarwal & Wu, 2018; Buckley & Prashantham, 2016). Both sides can benefit from working together, but often face difficulties and risks that cannot be overcome as a result of a lack of trust between the two and their interfirm asymmetries (Weiblen & Chesbrough, 2015; Prashantham & Kumar, 2019). The literature on MNE and startup collaboration has, for the most part, focused on the benefits of collaboration, yet been silent on the many risks involved - especially the risks that startups face with considerably less resources than their counterparts (Katila et al., 2008). In a 2001 study, Alvarez and Barney (2001) showed that over 80 percent of 128 entrepreneurial firms felt "used" by their larger counterparts. In a similar vein, a study by Corvello et al. (2021) corroborates these findings, where the interviewed startups said they were disappointed with

the outcomes of their collaborations and that many MNEs appeared to only be interested in accessing the startups' technologies and competencies.

Startups are therefore faced with a tough dilemma when looking to collaborate with an MNE (Usman & Vanhaverbeke, 2017). On one hand, they can benefit greatly from resources an MNE can provide, and on the other, can face the potential of being taken advantage of (ibid). The benefits to collaboration are quite clear - startups can gain increased revenue and funding for their firm, including access to an MNE's network, competencies, and value chain, which can grow their firm more quickly and efficiently than without collaboration (Aggarwal & Wu, 2018; Buckley & Prashantham, 2016). But the risks are also clear - startups face the real possibility of being taken advantage of and exploited by an MNE in the process of collaboration (Buckley & Prashantham, 2016). Startups are faced with this double-edged sword and must weigh the potential risks and rewards of collaborating with an MNE. A startup's dilemma therefore is how to mitigate risk to ensure safety and future viability, while also seeking to grow (Usman & Vanhaverbeke, 2017).

Scholars have long emphasized the importance of interorganizational trust (e.g., see Liu, 2015; Nguyen & Liem, 2013; Zaheer & Harris, 2006). Several studies have shown that trust not only can reduce transaction costs in negotiations and enable successful cooperation (Zaheer et al., 1998; Dyer & Chu, 2003), it has also been shown that being viewed as trustworthy may serve as a competitive advantage for firms, as this would reduce the fear of opportunism among potential collaboration partners (Barney & Hansen, 1994). Furthermore, trustworthiness has also been found to be an important partner selection criterion for firms (Dallenbach & Davenport, 2004). The close relationship between trust and risk has also been emphasized by scholars investigating trust (Das & Teng, 2004; Mayer et al., 1995). Although academia has yet to define trust in a common way, most researchers fundamentally agree that trust is "the willingness to be vulnerable under conditions of risk and interdependence" (Rousseau et al., 1998, p. 395).

Bearing in mind the riskful trade-off startups face when contemplating a collaboration with an MNE, the question of what role trust plays in startups' partner selection process naturally arises. However, little is known about how startups consider trust in their MNE partner selection process (Allmendinger & Berger, 2020; Wang et al., 2015). Research investigating trust in power-imbalanced relationships suggests that trust development is not experienced similarly between high-power actors and low-power actors (Schilke et al., 2015). Similarly, Wang et al. (2015) is critical towards studies investigating interorganizational partnerships because they usually assume that trust develops symmetrically, which is unlikely the case in asymmetrical partnerships.

To the authors' knowledge, only one study has looked at the role of trust in terms of a startup's willingness to partner. In this quantitative study, Allmendinger & Berger (2020) provided insights into how perceived trustworthiness of the larger counterpart influences a startup's willingness to partner. The study by found that openness, contractual design, and commitment on behalf of the large firm signaled greater trustworthiness, whereas portfolio similarity had no significant effects. Although their study contributed several interesting findings, due to the mixed results of their model and the multidimensionality of the concept of trust, Allmendinger and Berger (2020) called for more research investigating the role of trust in asymmetric collaborations.

There is currently no study that looks qualitatively at how startups consider trust in their MNE partner selection process. A qualitative study can contribute with deep and rich knowledge and uncover other aspects of trust that have not previously been considered. As such, there exists a clear gap in the literature on this issue. Investigating how startups consider trust would add to the trust literature by bringing in the dimension of power-imbalanced contexts; a context that has previously been largely neglected in the literature on trust development (Schilke et al., 2015; Wang et al., 2015). Furthermore, studying this phenomenon would also contribute with practical implications for startups, as they would become more knowledgeable about their own considerations of trust in their partner selection process.

1.3 Purpose and Research Question

The purpose of this thesis is to explore how startups consider trust in their partner selection process of MNEs. To achieve the purpose of this study, the following research question has been posed:

RQ 1: *How do startups consider trust in their MNE partner selection process?*

2. Literature Review

This chapter presents the theoretical constructs that are used throughout the thesis. First, some clarifying terms are presented. Second, the benefits and challenges of MNE-startup collaboration are discussed. Third, the reader is introduced to the trust literature and common concepts used within the field are elaborated upon. And fourth, trust development in power-imbalanced contexts is discussed.

2.1 Clarifying Terms

Below, several terms and definitions are clarified that are used throughout this thesis.

2.1.1 MNEs and Startups

Since the literature investigating open innovation efforts between MNEs and startups happens at the intersection of many different disciplines, such as the innovation, entrepreneurship, and international business fields (Allmendinger & Berger, 2020; Buckley & Prashantham, 2016; Weiblen & Chesbrough, 2015), the words and definitions used to describe the two sets of actors sometimes differ. Within the literature review, words used to describe high-power actors in the innovation partnership range from established firms, large firms, multinational corporations (MNCs), and multinational enterprises (MNEs). Words used to describe low-power actors in the relationship range from startups, new ventures, small firms, and small-to-medium sized enterprises (SMEs). These words are used interchangeably to describe the high- and low-power actors, and since we are interested in the relationship between them in an international setting, we adhere to the term "multinational enterprise" (MNE) to describe the high-power actor, and the term "startup" to describe the low-power actor in the relationship.

2.1.2 Collaboration for Innovation

As we are interested in investigating MNE-startup collaboration for innovation, defining what is meant by collaboration is important for clarification purposes. First, we view collaboration as a partnership that is different from both hierarchy and open market (Williamson, 1991). Collaboration is different from hierarchy because the two actors engaging in the collaboration are legally distinct, even though the prospect of the startup could be to become acquired at a later stage (Corvello et al., 2021). Second, we view an innovation collaboration as "active participation in joint R&D and other technological innovation projects with other organizations, [which] does not necessarily imply immediate commercial benefits from the venture" (Tether, 2002, p. 949).

2.2 MNE - Startup Collaboration for Innovation

This section provides a brief overview and background of MNE-startup collaboration. We present the benefits of collaboration, both from the startup's and the MNE's point of view, as this enables the reader to get a better understanding of why the collaboration occurs in the first place. We also discuss the challenges of MNE-startup collaboration and elaborate on the risks faced by startups in these partnerships, since this gives a background to the concerns faced by startups when contemplating entering into a collaboration with an MNE.

2.2.1 The Startup Perspective: Benefits of Collaborating with MNEs

Startups have come to be defined as "generally young, small and highly innovative firms in industries with rapidly developing technologies" (Das & He, 2006, p.120). Due to this, startups are often depicted as a new venture which lacks not only human and financial resources, but also experience (Corvello et al., 2021). These shortcomings, particularly with regards to experience, often translate into an insufficient understanding of organizational and managerial processes, as well as a lack of knowledge about industries (ibid). Nevertheless, startups possess other attributes that make them an attractive innovation partner, such as organizational agility, a willingness to take on risks, rapid growth aspirations, and promising ideas (Weiblen & Chesbrough, 2015). In his early work, Schumpeter (1934) put forward the exploratory nature of new small ventures, which has been solidified by later contributions highlighting how startups tend to have a greater entrepreneurial attentiveness to seek out and exploit new market niches and opportunities (Kirzner, 1978). However, in order to innovate and bring ideas to market, startups often need external complementary resources such as capital, expertise, mentorship, and access to networks and markets (Aggarwal & Wu, 2018). Acquiring or generating these resources is often expensive since startups normally act in resource-constrained environments. As such, in order to reach their aim of commercialization and growth, startups engage with MNEs for joint value creation through collaboration, wherein the startup's innovation often is paired with the assets of the MNE. Through such an endeavor, the startup's asset base can be amplified beyond its own constraints (ibid). Thus, engaging with an MNE provides an opportunity for the startup to overcome its liability of smallness (Stinchcombe, 1965) and newness (Aldrich & Auster, 1986).

2.2.2 The MNE Perspective: Benefits of Collaborating with Startups

MNEs often have opposite strengths and weaknesses relative to startups (Buckley & Prashantham, 2016). MNEs have power, scale, resources, as well as efficient organizational processes (Weiblen & Chesbrough, 2015), and are adept at leveraging their existing capabilities to exploit opportunities in established markets (Buckley & Prashantham, 2016). The latter part resonates with Schumpeter's later work (1942),

highlighting how established firms engage in systematic exploitation for innovation. Acs et al. (1997, p. 10) additionally notes that "a large multinational can begin marketing an innovation around the world almost immediately," indicating that some of the MNE's greatest assets are its scope and resources enabling commercialization. However, the sources that give rise to the MNE's strengths are also the very same sources that give rise to the MNE's weaknesses. As firms mature and grow larger, in time, much of the agility and flexibility that once characterized them tends to be lost (Kuemmerle, 2006). Losing flexibility and agility can be dangerous in a fast-moving and globalized world, which is increasingly characterized by disruptive innovations (Weiblen & Chesbrough, 2015). Thus, in order to overcome these issues, MNEs engage with startups to seek out new ideas and innovations (Prashantham & Birkinshaw, 2008), stay abreast of disruptive innovations, and to become more entrepreneurial themselves (Weiblen & Chesbrough, 2015). Thus, collaborating with startups enables MNEs to overcome their liabilities of largeness and oldness (Buckley & Prashantham, 2016). The following table helps to explain the differences between startups and MNEs:

	Pros	**Cons**	**Liability**	**Remedy**
Startups	Organizational agility; Willingness to take risks; Rapid growth aspirations; Promising ideas	Lacks experience, human, financial, organizational, and managerial resources; Legitimacy deficit	Liability of newness and smallness	Engaging with an MNE to gain status, access resources and competence
MNEs	Great power, scale, and resources; Efficient organizational processes; Legitimate actors	Bureaucratic; Slow response rate to changes in the market; Inept at radical innovations	Liability of largeness & oldness	Engaging with a Startup to gain entrepreneurial alertness and expertise

Table 1: Differentiation between Startups and MNEs

2.2.3 Challenges of MNE-Startup Collaboration

Although the complementarities between MNEs and startups mentioned above give rise to great opportunities for value creation, they are also potential sources of obstacles in collaborating effectively (Buckley & Prashantham, 2016). For example, MNEs have quite different organizational cultures and work processes, often based on hierarchical structures and bureaucracy, which startups are often unfamiliar with (Weiblen & Chesbrough, 2015). Prashantham & Birkinshaw (2020) also show that differences in the two actors' strategic intentions can create tensions in their relationship. Additionally, these strategic intentions are by no means static and they can change over time, which makes navigating the relationship even more complex (ibid). Moreover, information asymmetry, high transaction costs, and low levels of trust have been

shown to impede a relationship (Corvello et al., 2021; Buckley & Prashantham, 2016). Trust issues have been cited as an especially troublesome factor hampering efficient collaboration (Buckley & Prashantham, 2016; Prashantham & Kumar; 2019; Alvarez & Barney, 2001). On one hand, MNEs are concerned with not being able to identify startups with the right complementarities and competencies and, consequently, MNEs are wary of "getting a lemon" (Buckley & Prashantham, 2016). If nothing comes of the partnership, or if the startup turns out to be of low-quality, MNEs have wasted considerable resources, time and effort (Prashantham & Birkinshaw, 2008). On the other hand, startups are concerned with the potential of being exploited by the large and powerful MNE (Alvarez & Barney, 2001; Doz, 1987). Thus, there are trust issues at play, both stemming from power imbalance concerns on the part of startups and competency concerns with regards to MNEs (Buckley & Prashantham, 2016). Although there are concerns from both sides, if a partnership between an MNE and a startup goes south, the negative consequences are far more likely to be enfeebling for the startup because of the greater resources possessed by the MNE (Prashantham & Birkinshaw, 2008).

Actor	**Trust issue**	**Potential Consequences**
Startup	Being exploited	Stolen IP, ideas, technologies; Financial depletion; Bankruptcy
MNE	Suspicion of competency	Wasting resources, effort, time

Table 2: Trust issues and potential consequences for startups and MNEs

2.2.4 Potential Risks when Engaging with an MNE

Startups' fear of potentially getting their resources misappropriated by MNEs in a collaboration is not unfounded (Doz, 1987; Alvarez & Barney, 2001; Katila et al., 2008; Corvello et al., 2021; Vandaie & Zaheer, 2014). A study by Alvarez & Barney (2001) found that over 80 percent of the entrepreneurial firms in the 128 alliances they studied said they felt used by their larger counterparts. The accounts by the entrepreneurs presented in the study painted very much the same picture - when their larger partner had learned enough about their technology in order to commercialize it, the larger firm started to underinvest in the relationship or make unreasonable demands. This meant that many of the entrepreneurial firms felt the larger firm had appropriated a lion's share of the value created, were strongly financially depleted, or even went bankrupt. According to Alvarez & Barney (2001), the reason why the larger counterparts in the alliance often were able to do this stemmed from the larger firms' absorptive capacity and greater resources. In order to bring the entrepreneurial firm's technology to market, the larger alliance partner needs to learn about the technology of the entrepreneurial firm, which means that it is incentivized for entrepreneurial firms to disclose information about their technology. The rate at which the larger firm is able to learn about the entrepreneurial firm's technology outranks the rate at which the entrepreneurial firm learns about the

larger firm's organizational resources. Even if contracts are in place to protect the smaller firm against undue appropriation on the part of the larger firm, the costs of enforcing such contracts often exceed the entrepreneurial firms' financial means (ibid).

In a similar vein, Corvello et al. (2021) showed in their qualitative study that several of the startups they interviewed were disappointed with the outcomes of their collaboration with a larger counterpart. The startups mentioned that many of the larger companies they had collaborated with only were interested in accessing their new technologies and competencies, or hearing them pitch their fresh ideas without the prospect of collaborating further (ibid). Katila et al. (2008) argues that the reason why large companies tend to misappropriate startup resources is due to their strategic priorities, which are often misaligned with the priorities of the startups. Because larger firms are less flexible and less adept at innovating themselves, the decision to partner with a startup is not just (or even primarily) a financial transaction in which the larger firm sometimes takes a stake in the startup, it is strategic in the sense that they need to access (for their own benefit) technologies and other resources that complement and sometimes even substitute their own (ibid). This observation is consistent with previous findings indicating that large companies are more interested in entering into a partnership with a startup that has a weak patent regime (Dushnitsky & Lenox, 2005), has a technology which is easily absorbed by the large company (Gompers & Lerner, 2002), or that has a technology which is novel and significant (Stuart, 2000). Thus, there are several accounts in the literature verifying how a startup's engagement with an MNE entails a riskful trade-off between potential growth and potential misappropriation (Usman & Vanhaverbeke, 2017).

2.3 Trust

The following section of the literature review first introduces the reader to different perspectives on trust. Second, we present and discuss different components of trust and associated concepts. Third, we review the literature on trust in power-imbalanced contexts.

2.3.1 The Importance of Trust in Interorganizational Settings

The importance of interorganizational trust is now widely recognized (e.g., see Liu, 2013; Nguyen & Liem, 2013; Zaheer & Harris, 2006), and several researchers have highlighted the direct economic outcomes trust can have. For example, Zaheer et al. (1998) showed that trust leads to lower transaction costs in negotiations because agreements and consensus can be reached in a more swift manner. Dyer and Chu (2003) also came to the same conclusion. It has also been shown that trust is essential in order for successful cooperation to occur (Kim & Mauborgne, 1998), and is associated with satisfaction of many different aspects of the partnership, including joint goal achievement (Zaheer et al., 1998). As such, with a higher level of trust,

interorganizational exchange partners will have more confidence in each other which in turn will reduce the likelihood of opportunistic behavior. Furthermore, Barney and Hansen (1994) show that trustworthiness in some instances serves as a competitive advantage for firms, because being viewed as trustworthy signals to others that the firm will not exploit or behave opportunistically towards a partner, which in turn may facilitate openness in future collaborations. Trust has also been shown to be of great importance in partner selection and alliance formation (Das & Teng, 1998; Dallenbach & Davenport, 2004). Dallenbach and Davenport (2004) argue that in first-time partnerships, where no prior knowledge of the other party is available, the assessment of how trustworthy the other party is will play a key role in the decision of whether or not to enter into the partnership.

2.3.2 Different Perspectives on Trust

In organizational settings, the concept of trust has received attention from various fields and disciplines such as psychology, sociology, economics, marketing, and management (Liu, 2015; Nguyen & Liem, 2013), and has been studied at different levels such as interpersonal, organizational, and interorganizational (Liu, 2015). In his review, Kramer (1999) observes two rather opposing paradigms that have dominated the literature on trust within organizational settings. The first one has come to be known as the "rational choice perspective" or the "calculative approach," and the second has come to be known as the "relational perspective" (ibid). These dichotomous views on trust are now widely recognized in the literature (e.g., Rosseau et al., 1998; Zaheer & Harris, 2006; Schilke & Cook, 2015).

2.3.2.1 *The Calculative Approach*

The calculative approach has largely been influenced by economics (Williamson, 1993), political theory (Handin, 1992), and rational choice theory (Coleman, 1990). Here, decisions about trust have been viewed akin to other types of riskful choices wherein actors are assumed to make efficient and rational decisions with the goal of maximizing anticipated gains and minimizing anticipated losses (Kramer, 1999). The essence of this paradigm has arguably been captured best by Hardin's (1992) encapsulated interest account. Hardin (1992) proposes that an actor can trust someone if they have reason to believe that it would be in the other actor's interest to be trustworthy.

2.3.2.2 *The Relational Approach*

Although the calculative perspective has been widely influential within organizational science in explaining how actors should, from a normative perspective, make decisions about trust, it has received criticism for overestimating the conscious calculations and cognitive capacities of decision makers (Kramer, 1999). As a response to the concerns regarding the rational calculative approach, another stream of research on trust

emerged, which has come to be known as the relational perspective, which has focused more on attitudinal and social underpinnings to trust (e.g., Mayer et al., 1995; McAllister, 1995; Tyler & Kramer, 1996). The input for this perspective has largely stemmed from the sociological field, findings on the social embeddedness of economic exchanges (Granovetter, 1985), and research showing the importance of networks and governance for the development of trust between and within organizations (Burt & Knez, 1995).

Perspectives on trust	**Description**	**Authors**
Calculative approach/ Rational choice perspective	"Actors are motivated to make calculative, efficient and rational decisions about trust in order to maximize anticipated gains and minimize anticipated losses"	*e.g., Coleman, 1990; Williamson, 1993; Handin, 1992; Das & Teng, 2004*
Relational perspective	"Emphasizes social, attitudinal, affective, and relational underpinnings to trust-related choices"	*e.g., Mayer et al., 1995; McAllister, 1995; Tyler & Kramer, 1996*

Table 3: Perspectives on Trust

2.3.3 Definitions of Trust

Academia has far from agreed on a common definition of trust, and the definitions that have been proposed have been more or less specific (Dallenbach & Davenport, 2004). In economics, the definition of trust has been more specific, where, for example, James (2002, p. 291) defines trust as "an expectation, and it pertains to circumstances in which agents take risky actions in environments characterized by uncertainty or informational incompleteness." Similarly, Das and Teng (1998, p. 494) emphasize risk taking, where trust is seen as "the degree to which the trustor holds a positive attitude toward the trustee's goodwill and reliability in a risky exchange situation." Others have taken broader approaches to trust, such as Ring and Van de Ven (1994, p. 93), who define trust as "confidence in the goodwill of others." However, one of the most commonly used definitions of trust in interorganizational research is the one proposed by Mayer et. al (1995, p. 712), where trust is defined as "the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party."

Despite the lack of a common definition of trust within organizational science, Rousseau et al. (1998) found in their cross-disciplinary study that the underlying assumptions and the compositional parts of trust still translate across fields, regardless of vantage point. The many disciplines investigating trust all subscribe to the two conditions considered necessary for trust to arise. The first condition, risk, regards the "perceived

probability of loss interpreted by a decision maker" (Rousseau et al., 1998, p. 395). If there existed no uncertainty with regards to the other party acting opportunistically, then trust would not be needed. The second condition is interdependence. Interdependence regards the reliance one party has upon another in order to achieve its individual interest. Rousseau et al. (1998, p. 395) concludes that researchers fundamentally agree that trust is "the willingness to be vulnerable under conditions of risk and interdependence."

2.3.4 Levels of Analysis

Organizational research has studied trust from different levels such as interpersonal (between individuals), organizational (between individuals within organizations), and interorganizational (between organizations) levels (Liu, 2015). Although it has commonly been assumed in the literature that different levels of analysis are occupied by different fields, research has stressed the importance of gaining a multilevel perspective on trust (Rousseau et al., 1998). In fact, Zaheer and Harris (2006) show in their review that interpersonal trust seems to be important for the emergence of interorganizational trust and vice-versa. Further, studies focusing on trust between small entrepreneurial firms have shown that trust seems to be closely connected to individuals in those firms (Howorth et al., 2004; Larson, 1992). Even between larger organizations, evidence suggests that, for example, the stability of personnel seems to be of importance for the emergence of interorganizational trust (Dyer & Chu, 2000), which points to the importance of trust between boundary-spanners - individuals working across company borders. This finding is further supported by evidence showing that interpersonal trust between boundary-spanners not only lowers the probability of relationship dissolution (Seabright et al., 1992), but also that the attitudes of boundary-spanners have a significant impact on norms of interorganizational cooperation or opportunism (John, 1984). As such, it appears that interpersonal and interorganizational trust are interrelated to some extent (Zaheer & Harris, 2006).

2.3.5 Components of Trust

Despite the many differing views and ways of measuring trust in the literature of organizational science, there seems to be more consensus that trust is made up of a set of related concepts rather than just a single one. There is a general agreement that trust "operate[s] as an expectation or belief about another party's intentions or motives, which is perceptual or attitudinal; a willingness to make oneself vulnerable, which is intentional or volitional; and a risk-taking act, which is behavioral" (McEvily, 2011, p. 1270). These three components of trust have been denoted as "trustworthiness beliefs," "trusting intentions," and "trusting behaviors" (ibid). Although not all authors adhere to the exact wordings of these components, the denotation by McEvily (2011) serves as a good way of reviewing them. These different components of trust will be elaborated on below.

2.3.5.1 *Trustworthiness Beliefs*

The first component of trust discussed by scholars is trustworthiness beliefs. As mentioned above, there exists many different conceptualizations of trustworthiness beliefs in the literature. Das and Teng (2004), for example, refer to trustworthiness beliefs as "subjective trust." Conversely, Mayer et al. (1995) refer to trustworthiness beliefs simply as "factors of trustworthiness." Although conceptualizations of trustworthiness differ, studies generally refer to them as "individual characteristics upon which a subjective evaluation of a trustee's motives and intentions is made" (McEvily & Tortoriello, 2011, p. 38). In other words, trustworthiness beliefs are a set of attributes of the trustee (actor who is to be trusted) perceived by the trustor (actor that trusts) (Mayer et al., 1995).

To make matters a little bit more confusing, scholars have also denoted the attributes that make up trustworthiness beliefs in different ways. Barber (1983) argues that trustworthiness beliefs consist of competence and responsibility, where responsibility is the trustor's belief in the trustee's goodwill towards the trustor, and that competence refers to the trustor's belief in the trustee's ability to do whatever is expected of the trustee. Similarly, McAllister (1995) denotes these attributes upon which trustworthiness can be assessed as competence and responsibility, as well as care and concern. Competence and responsibility are thought to capture cognition-based trust, whereas care and concern are thought to capture expectations and beliefs about the degree to which the trustee exhibits concern about the welfare of the trustor, i.e., affect-based trust (McAllister, 1995).

Two other authors, Cummings and Bromiley (1996), argue that trustworthiness can be captured through attributes of good-faith efforts, which refers to the trustee being honest and refraining from opportunism. Das and Teng (2004) and Nooteboom (1996) agree with each other and argue that trustworthiness consists of competence and goodwill. Competence refers to a trustor's belief that the trustee has the desired capabilities and skills needed in order to conduct certain actions to achieve a desired end. Goodwill refers to a trustee's intention of engaging in these desired actions, which is based on the trustee's level of good faith and integrity (Das & Teng, 2004). In other words, "a family friend may be perceived as highly responsible and well intentioned, but not perceived as competent to be a business partner" (Das & Teng, 2004, p. 101). According to Pirson and Malhotra (2011), the most widely used and accepted framework for assessing trustworthiness beliefs in interorganizational settings is the ABI-framework developed by Mayer et al. (1995).

In their model of organizational trust, Mayer et al. (1995) considers trustworthiness to consist of three factors: perceived ability, benevolence, and integrity, which have sometimes been denoted as the ABI-

framework (Pirson & Malhotra, 2011). According to Mayer et al. (1995, p. 717), the first factor of trustworthiness, ability, can most readily be defined as a "group of skills, competencies, characteristics, and experiences that enable a party to have influence within some specific domain." Essentially, the authors suggest that someone can trust someone else in a "specific domain" based on their abilities in said domain, but not necessarily in another. For example, you might trust your dog walker to walk your dog, but may not trust them to babysit your child based on their perceived "abilities" or lack thereof. The authors define the second factor in the model, benevolence, as "the extent to which a trustee is believed to want to do good to the trustor, aside from an egocentric motive" (Mayer et al., 1995, p. 718), and this is elucidated most effectively in the form of a relationship between a mentor and a mentee, with the mentor acting as the trustee in the relationship, and the mentee as the trustor. Essentially, the notion of benevolence "is the perception of a positive orientation of the trustee toward the trustor" (Mayer et al., 1995, p. 719), and that trust is formed as a result of the trustor believing that the trustee can and will do good by them. Lastly, the authors define the third factor, integrity, as involving "the trustor's perception that the trustee adheres to a set of principles that the trustor finds acceptable" (Mayer et al., 1995, p. 719), and that these principles are based on issues such as past actions, credible communication about the trustee from other actors, belief that the trustee has a strong sense of justice, and a congruence between actions and words (ibid).

Mayer et al. (1995) also consider the interrelationship between the three factors, ability, benevolence, and integrity. Although the three factors are considered as separable, they are not unrelated according to the authors. As such, the authors suggest that trustworthiness should be considered on a continuum, wherein each factor - ability, benevolence, and integrity - can exhibit different levels. The lowest critical level for these factors is not set in stone and can vary depending on the context and situation (ibid).

As is evident from the information above, many scholars have presented different conceptualizations of what trustworthiness beliefs entail, i.e., the perceived attributes on which an assessment of trustworthiness can be made. Despite this, it is also evident that many of the attributes overlap. The ability factor, as presented by Mayer et al. (1995) is almost identical to the competence concept suggested by Das and Teng (2004) and Nooteboom (1996). Similarly, the integrity and benevolence aspects presented by Mayer et al. (1995) correspond to the goodwill aspect as presented by Cummings and Bromiley (1996), Das and Teng, (2004), and Nooteboom (1996). Liu (2015) summarizes the many factors of trustworthiness that have been brought forward in the literature into three main aspects. The first aspect can be viewed as competence-based, which refers to trust in terms of skills, qualifications, and characteristics. The second aspect is reliability-based, which refers to trust in terms of agreements, contracts, and fairness. The third aspect is goodwill-based, which refers to trust in terms of shared values, relations, and benevolence (ibid). Table 4

below presents some factors of trustworthiness beliefs. Although these are far from all of the factors of trustworthiness beliefs presented by scholars, they serve as informative in terms of how trustworthiness beliefs have been conceptualized in the literature (for a more extensive review, see Liu, 2015).

Competence-based	*Competence (Barber, 1983);* *Competence (McAllister, 1995);* *Ability (Mayer et al., 1995);* *Competence (Nooteboom, 1996);* *Competence (Das & Teng, 2004)*
Reliability-based	*Integrity (Mayer et al., 1995);* *Responsibility (McAllister, 1995);* *Goodwill (Das & Teng, 2004);* *Goodwill (Cummings & Bromiley, 1996);* *Goodwill (Nooteboom, 1996)*
Goodwill-based	*Responsibility (Barber, 1983);* *Goodwill (Cummings & Bromiley, 1996);* *Benevolence (Mayer et al., 1995);* *Goodwill (Nooteboom, 1996);* *Goodwill (Das & Teng, 2004);* *Care and Concern (McAllister, 1995)*

Table 4: Factors of trustworthiness beliefs

2.3.5.2 *Trusting Intentions*

The second component of trust discussed by scholars is the trustor's intention to trust. Intention to trust has in these studies been thought of as the trustor's decision to expose themself to the potential risk of being taken advantage of by the trustee (McEvily & Tortoriello, 2011). In other words, intention to trust has been seen as the willingness to be vulnerable. For example, Currall and Judge (1995, p. 152) considered the willingness to engage in trusting behavior as "the most proximal antecedent of trusting behavior." Although not all studies have given such primacy to the intention to trust, it has nevertheless been considered as an essential component of trust by many (McEvily & Tortoriello, 2011; Mayer et al., 1995; Das & Teng, 2004).

Mayer et al. (1995) argue that people differ in their propensity to trust, which they see as an inherent characteristic dependent on the trustor's cultural background, experiences, and personality. The propensity to trust is seen as a trait that "leads to the generalized expectation about the trustworthiness of others" (Mayer et al., 1995, p. 715). Thus, people differ in their propensity to trust, and the inherent propensity to trust affects the extent to which one expects others to be trustworthy. The higher the trustor's propensity to

trust, the higher the trust will be for the trustee before any other type of information is available about the trustee's trustworthiness, i.e., ability, benevolence, and integrity (Mayer et al., 1995).

2.3.5.3 *Trusting Behaviors*

The third component of trust discussed by researchers is trusting behaviors. Trusting behaviors have been thought of as a component of trust which involves a risk-taking act (McEvily, 2011). As Rousseau et al. (1998, p. 395) put forward in their cross-disciplinary analysis, researchers fundamentally agree that trust is "the willingness to be vulnerable under conditions of risk and interdependence." Mayer et al. (1995) argue that no risk is taken in the willingness to be vulnerable; in other words, to trust. The risk is in fact actualized when one engages in the "behavioral manifestation of the willingness to be vulnerable" (Mayer et al., 1995, p. 724). The logic behind this argumentation is that there is no risk in trusting per se, rather, the risk is realized when one engages in a trusting action. Thus, "the fundamental difference between trust and trusting behaviors is between a willingness to assume risk and actually assuming risk" (ibid).

2.3.6 A Model of Trust

A model of trust incorporating all three components of trust: trustworthiness beliefs, trusting intentions, and trusting behaviors has been developed by Mayer et al. (1995) and is depicted in Figure 1 below. According to Pirson and Malhotra (2011), this model has been the most widely used in interorganizational settings, and is useful in visualizing the different stages of trust development. According to Mayer et al. (1995), trust development starts with an assessment by the trustor of the trustee's trustworthiness, which is done through an analysis of the trustee's perceived ability, benevolence, and integrity. Concurrently, the trustor's own propensity to trust, which is an inherent characteristic based on the trustor's personality, experiences, and cultural background, will influence the general willingness to trust others, even prior to any information about the trustworthiness of the trustee is available. Attributes of the trustee in the form of ability, benevolence, and integrity, as well as the trustor's own propensity to trust, will lead the trustor to trust (ibid). In other words, "to understand the extent to which a person is willing to trust another person, both the trustor's propensity to trust and the trustor's perceptions of the trustee's ability, benevolence, and integrity must be discerned" (Mayer et al., 1995, p. 724).

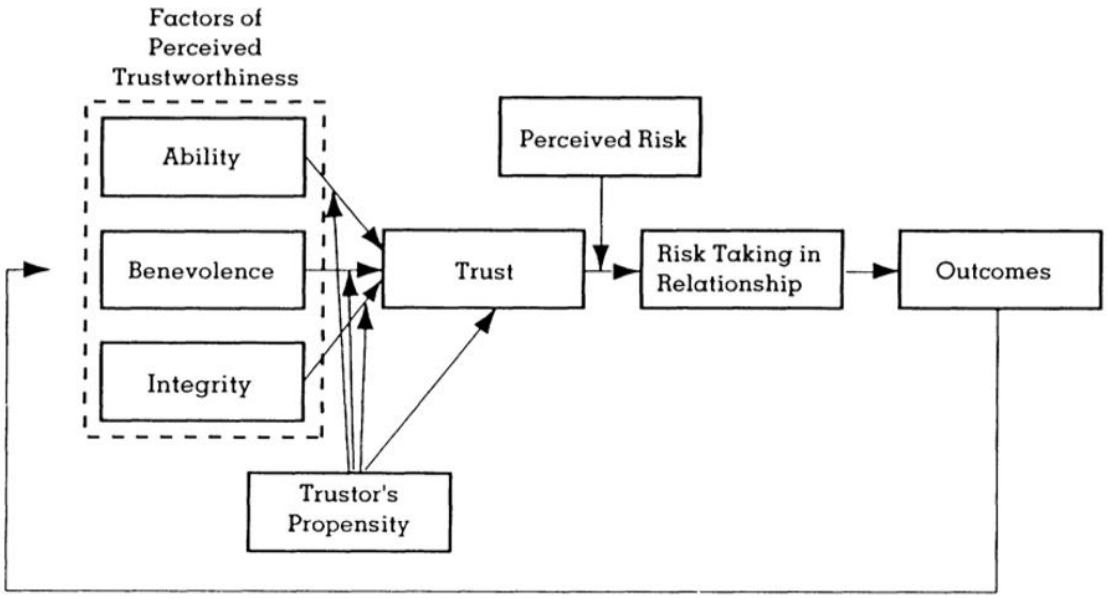

Figure 1: A Model of Trust, by Mayer et al. (1995)

Mayer et al. (1995) view trust as the willingness to be vulnerable to another party, but to trust is not actually taking risk. In order for the vulnerability and risk to actualize, one must engage in behavioral trust. As Mayer et al. (1995, p. 724) explain, "the fundamental difference between trust and trusting behaviors is between a willingness to assume risk and actually assuming risk." However, the outcome of trust is risk-taking in a relationship, as can be seen by the depiction in Figure 1. The amount of trust a trustor has for a trustee affects the amount of risk the trustor is willing to take. According to Mayer et al. (1995), if the level of trust exceeds the levels of perceived risk, then the trustor will engage in trusting behavior, i.e. risk taking in the relationship.

A trustor's overall risk assessment, the authors suggest, is dependent on two factors - the trust the trustor has for the trustee, and the context of the relationship. The context can depend on, for example, power asymmetries in the relationship, the stakes involved, and the alternatives available to the trustor. In other words, the risk assessment by the trustor will depend on the trustor's interpretation of the context of the relationship, which in turn will impact the need for trust and the evaluation of the trustee's trustworthiness (ibid). For example, if the balance of power changes in a relationship, then the context in which the relationship takes place has changed, which in turn may impact the trustor's assessment of the trustee's trustworthiness. A re-evaluation of the trustee's trustworthiness impacts the level of trust and subsequently, risk-taking in the relationship.

2.3.7 The Relationship Between Risk and Trust

Although Mayer et al. (1995) also adhere to the notion that trust entails risk, they do not elaborate on the relationship between risk and trust as extensively as Das and Teng (2004). In their seminal article, Das & Teng (2004) discuss how risk is related to (a) the perceptual characteristics of trust; (b) the trusting actions that are an outcome of the perceptual characteristics of trust; and (c) the personal characteristics that lead to trust.

2.3.7.1 *Subjective Trust & Perceived Risk*

Using two dimensions of perceived trustworthiness - goodwill and competence (which they also call subjective trust), Das and Teng (2004) argue that these dimensions of perceived trustworthiness are in fact the mirror image of perceived risk. Since they view competence as the trustee's skill and ability to act according to agreements, and goodwill as the trustee's intention, integrity, and good faith of acting according to agreements, the inverse of these two dimensions is performance risk and relational risk respectively. In other words, "performance risk is the hazard of not being able to achieve a goal, owing to certain constraints (such as a lack of competence)," and "relational risk represents the hazard of willfully not performing as expected" (Das & Teng, 2004, p. 101). Thus, Das and Teng (2004, p. 110) posit that "in actuality, they are in fact mirror images of each other, evaluating the same situation from two distinctly different perspectives." One perspective of hope, and one perspective of concern (Das & Teng, 2004). As such, perceiving an actor as having goodwill implies that the actor has good intentions for the relationship and that the trustee will do what is expected. Thus, the trustor perceives the relational risk as low. Similarly, perceiving an actor as competent implies that the trustee has the right skills and capabilities to get things done. Thus, the trustor perceives the performance risk as low. Although, Das & Teng (2004) admit that the performance risk can be affected by other aspects in the environment, a lack of competence is the major source of performance risk.

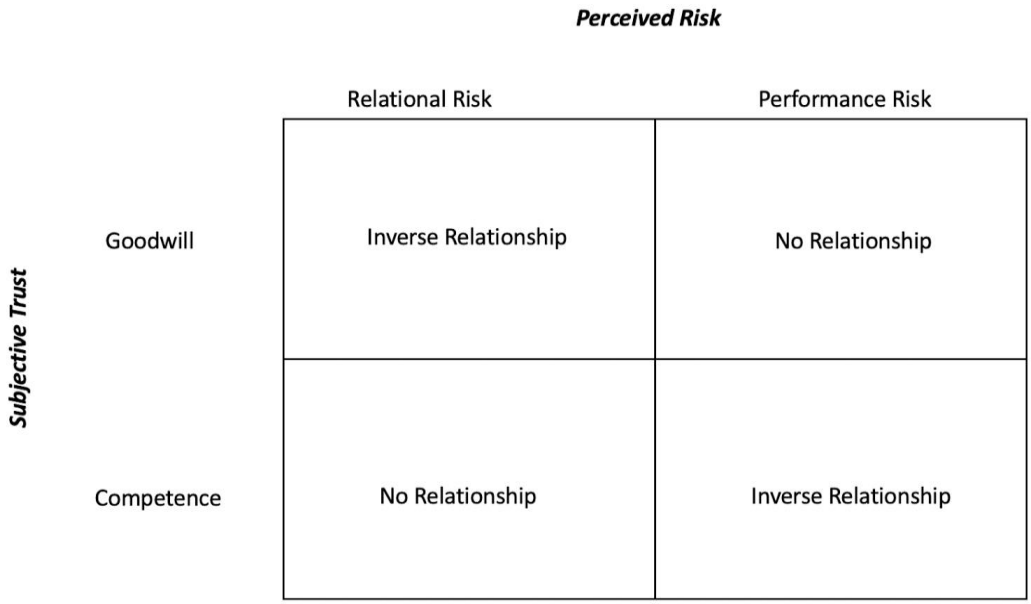

Figure 2: The relationship between subjective trust and perceived risk, by Das and Teng (2004)

2.3.7.2 *Behavioral Trust & Risk Taking*

Similar to Mayer et al. (1995), behavioral trust, according to Das and Teng (2004), are the actions resulting from having subjective trust in another actor. Such actions, for example, can involve the trustor to allow the trustee access to specific resources, as well as supplying the trustee with vital information. Connecting subjective trust and perceived risk to behavioral outcomes, i.e., behavioral trust, Das and Teng (2004) argue that "a pronounced perception of goodwill leads to a low level of perceived relational risk, and a strong perception of competence leads to a low level of perceived performance risk" (Das & Teng, 2004, p. 105). Behavioral trust then, Das and Teng (2004) posit, can be thought of as the relative prominence of both performance and relational risks. In any given situation, behavioral trust is the outcome of taking a specific combination of performance risk and relational risk. As such, situations can be analyzed in terms of the risks that are taken, wherein some situations a certain type of risk may be more or less important. In situations then, Das and Teng (2004) argue, it is of interest to ask what risk is of more importance. "For example, whereas lending $100 to a friend is more about taking relational risk (intention to pay back), lending $100,000 to the same person to start a business may well be more about taking performance risks (ability to pay back)" (Das & Teng, 2004, p. 106).

2.3.7.3 *Propensity to Take Risk vs. Propensity to Trust*

The last aspect of risk in relation to trust that Das and Teng (2004) discuss is the trustor's propensity to take risk. Das and Teng (2004, p. 108) regard risk propensity "as a generalized personal trait, or an individual's general willingness to take risk." Those with a higher risk propensity tend generally to take more risks than those with a low-risk propensity. Basing their arguments on earlier research which has shown a linear causal relationship between risk propensity, risk perception, and taking risk, Das and Teng (2004, p. 108) argue that "the higher the trustor's risk propensity, the lower will be the level of perceived goodwill and competence needed to grant trust to a potential trustee." Since perceived risk can be regarded as the inverse of subjective trust, behavioral trust can be regarded as risk taking. The causal relationship between risk propensity, risk perception, and risk taking, Das and Teng (2004) posit, can conceptually be regarded as akin to risk propensity, subjective trust, and behavioral trust. In other words, an actor who has a high propensity to take risk will need lower levels of perceived goodwill and competence in order to trust a potential trustee (ibid).

An important distinction made by Das and Teng (2004) is between propensity to take risk and propensity to trust. Although both are argued to be personal traits, they are still independent constructs and do not necessarily go in tandem. Das and Teng (2004) agree with Mayer et al. (1995) and see propensity to trust as an actor's general willingness to trust others. Das and Teng (2004, p. 109) argue, however, that "while trust propensity is about one's general view of the level of uncertainty in relationships around oneself, risk propensity is about how to deal with these uncertainties in relationships." In other words, actors may have a low propensity to trust others yet still have a high propensity to take risks in relationships. In such a situation, actors "grant trust not because they believe in the trustworthiness of others, but only because they are more willing to take such risks with others" (ibid).

2.3.8 Trust Asymmetry

Within the trust research, it has generally been assumed that trust develops symmetrically (Zaheer & Harris, 2006). It has been argued that trust leads to more trust in a virtuous, reinforcing circle of being trusted and trusting (ibid). However, the notion that trust is symmetrical and develops symmetrically across the dyad is by no means self-evident, since the components and bases of trust for different parties may vary (Mayer et al., 1995). Nevertheless, some researchers have started to challenge this symmetrical view on trust (Wang et al., 2015). If one party is by default more vulnerable than their counterpart in a given dyad, then this would have consequences for how trust develops since trust by most researchers is seen as a willingness to be vulnerable (Zaheer & Harris, 2006). The challenge of the conventional belief that trust develops symmetrically has naturally evoked a discussion of power and resource dependence (ibid). Although these

issues remain largely unexplored empirically (Zaheer & Harris, 2006), some researchers have begun to investigate the relationship between trust and power-asymmetries. This research will be expounded upon below.

2.3.8.1 *Power Inequalities and Trust*

Power inequalities are likely to exert considerable influence over which aspects of trustworthiness are considered as well as how and when trust is developed (Schilke et al., 2015; Wang et al., 2015). According to power dependence theory, behavior in a relationship is considerably impacted by power asymmetries involving one party being dependent on the other, "with dependence being a positive function of the relative value of the exchange resource and a negative function of the availability of the exchange resource from alternatives" (Schilke et al., 2015, p. 12950). Investigating whether or not having or lacking power would either increase or decrease a party's propensity to place trust in others, Schilke et al. (2015) showed through several experiments that actors low in power tend to trust to a greater extent than actors high in power.

Their findings were consistent with the hypotheses proposed by the relational perspective, saying that the decision to perceive another actor as trustworthy is based on one's own desire to protect oneself from unwanted facts, instead of more or less rational estimation of the other actor's actual deliberations (Schilke et al., 2015). In other words, when dependence on another party increases, the power disadvantaged actor will be more prone to see the other actor as more trustworthy in order to reduce the inherent anxiety connected to feelings of dependence. As such, power disadvantaged actors will try to mitigate cognitive dissonance by viewing the other party in a more positive light than perhaps is justified by the information available. Conversely, the high-power actor does not have the incentive to view the low power actor in a more positive light than what is supported by the information available. The findings by Schilke et al. (2015) concurrently rejected the predictions made by the calculative perspective, assuming actors make rational calculations about whether it will be profitable to encapsulate the interest of another party and subsequently behave in a trustworthy manner. Translating their empirical findings into the factors of trustworthiness proposed by Mayer et al. (1995), Schilke et al. (2015, p. 12953) conclude that perceived benevolence - the belief that the other party has a positive orientation and the best interest of the trustee at heart - "is a more relevant trustworthiness dimension than either ability or integrity when predicting trust decisions based on power differentials."

2.3.8.2 *The Role of Trust in Asymmetrical Partner Selection*

Between asymmetrical actors, such as startups and MNEs, trust is likely to develop and be experienced differently (Wang et al., 2015; Schilke et al., 2015). Perceived trustworthiness and its influence on

willingness to partner is especially relevant in asymmetric partnerships due to inequalities in power (Wang et al., 2015). Despite this, research on the role of trustworthiness and how it may impact startups' partner selection process and willingness to partner remains scarce, especially with regards to research on partnerships between startups and MNEs (Allmendinger & Berger, 2020; Wang et al., 2015). To date, only one study has been published that explicitly looks at the role of trustworthiness in the startups' partner selection process. In a quantitative study, Allmendinger and Berger (2020) investigate the role of trustworthiness in the startup partner selection process by using a model of trust-building developed by Shepherd and Zacharakis (2001). According to Shepherd and Zacharakis (2001), in order for the partnership to be profitable for both parties, the presence of four aspects of perceived trustworthiness must be present: openness, commitment, portfolio similarity, and contractual design. Allmendinger and Berger (2020) also follow Mayer et al. (1995) in that they also adhere to the notion that entrepreneurs' inherent propensity to trust also has an effect on the willingness to partner. Propensity to trust was measured by entrepreneurs' self-efficacy (ESE), which is portrayed as an entrepreneur's belief in their own ability to take the required actions to launch a new business (Allmendinger & Berger, 2020).

It was hypothesized that entrepreneurs with high levels of ESE would be more comfortable working under the uncertainties that evaluating a potential partner entail, and subsequently would value the trustworthiness aspects as suggested by Shepherd and Zacharakis (2001) lower than entrepreneurs with low ESEs (Allmendinger & Berger, 2020). The results of the study showed that openness and commitment were strongly associated with startup entrepreneurs' willingness to partner. Concise contractual design also impacted the willingness to partner positively, but portfolio similarity had no significant effect. With regards to the entrepreneur's propensity to trust, the results were mixed, and Allmendinger and Berger (2020) theorized that the discrepancies may be a result of the diversity of measures applied with regards to ESE.

Although the study by Allmendinger and Berger (2020) added insightful knowledge about what aspects impact a startup entrepreneurs' willingness to partner, the trust-building model used could have contributed to the mixed results since it was developed based on the entrepreneur Venture Capital (VC) literature. Contemplating the results of their study, Allmendinger and Berger (2020, p. 20) acknowledge that the non-effect of portfolio similarity aspect on trustworthiness "is especially puzzling, because similarity is a principal attribute discussed in partnerships between entrepreneurs and VC firms." Katila et al. (2008) argue that there is a considerable difference between startup partnerships featuring VCs and startup partnerships featuring large firms. According to Katila et al. (2008), VCs' interests are often more aligned with startups, whereas large firms' interests are less so due to their strategic interests. Thus, applying a trust-building

model developed for VC firms and startups could be incompatible in some aspects. Discussing the limitations of their study, Allmendinger and Berger (2020, p. 24) admit the complexity in conceptualizing, operationalizing, and measuring trust. The authors also acknowledge that their study is limited to a German context encouraging researchers to account for more contexts (Allmendinger & Berger, 2020).

3. Methodology

In this chapter, the approaches used to conduct this study are discussed. We present our research strategy, research design, as well as describe the fit between them. Furthermore, we present and discuss how we collected data, and elaborate on the appropriateness of using our data collection method in relation to the purpose of this study.

3.1 Research Strategy

3.1.1 Research Approach

The purpose of this study is to explore how startups consider trust in their MNE partner selection process and develop theoretically and empirically based propositions. Except for the study by Allmendinger and Berger (2020), the literature review revealed that there is currently a dearth of research investigating our phenomenon of interest. In cases where there has been little research done on a particular phenomenon, quantitative approaches tend to be difficult since such approaches generally involve testing of hypotheses, which becomes difficult when there is little prior research on which to base hypotheses (Merriam, 2009). Due to the preconditions of our thesis, and in order to fulfill our purpose and answer our research question, a qualitative exploratory research strategy was chosen, since this provides a richer and deeper understanding of how startups consider trust. Moreover, in order to be able to explore how startups consider trust in their partner selection process, we needed to get in-depth knowledge and insights from the respondents. A qualitative research strategy focusing on a few case companies, as opposed to a quantitative research strategy, is better suited to provide such rich descriptions and insights (Merriam, 2009).

This study is led by an abductive approach. An abductive approach is characterized by the interrelatedness of different parts of the research process (Dubois & Gadde, 2002). More specifically, Dubois and Gadde (2002) explain that an abductive approach, which they call systematic combining, is founded on the concurrent development of the theoretical framework, the empirical fieldwork, and the case analyses. In other words, through abduction, the researcher may consult theory and empirical findings through a back-and-forth engagement, which enables a more expanded understanding of both the theory and the empirical phenomena. An abductive approach has been mentioned as useful in overcoming the limitations of both deductive and inductive approaches (Bell et al., 2019; Dubois & Gadde, 2002). Due to the scarcity of research on our phenomenon of interest, adhering to a deductive approach would have been hard since that approach mainly is concerned with developing hypotheses from existing theory and testing them empirically. Similarly, using an inductive approach, which is concerned with generating theory out of data through grounded theory, would have ended up in huge amounts of data and been unnecessarily time consuming (ibid).

The primary role of theory in our thesis is that of theory development - not so much theory confirmation or theory generation, which are mainly associated with the deductive and inductive approaches respectively (Dubois & Gadde, 2002). As the aim of our thesis is to explore how startups consider trust in their MNE partner selection process and make theoretical and empirically based propositions, we wanted to refine existing theories rather than come up with new ones. As such, we went into our interviews with what Dubois and Gadde (2002) call an evolving analytical framework. We began our research process with a framework of trust by Mayer et al. (1995), which is identified and discussed in our literature review. However, as our data collection progressed, we realized that we needed to go back to the literature to explore more deeply what role risk plays in relation to trust. As a result, we refined our interview questions to reflect this new inclusion. In general, both inductive and deductive approaches use frameworks, although the scope and the adherence to it differ. For example, Miles and Huberman (1994) suggest a tight and pre-structured framework and a loose and emergent framework. These two frameworks each fit well with the deductive and inductive approaches. Both of these frameworks have their pros and cons according to Miles and Huberman (1994, p.17), where on one hand, too much rigidity and prior structuring could blind the researcher and lead to misinterpretation of important information, or, on the other hand, too loosely define theory that could lead to "indiscriminate data collection and data overload."

As such, Dubois and Gadde (2002) suggest a middle way appropriate to the abductive approach - a tight and evolving framework. "The reason for suggesting a tight framework is that the tightness reflects the degree to which the researcher has articulated his preconceptions. The reason the framework should evolve during the study is because empirical observations inspire changes of the view of theory and vice versa" (Dubois & Gadde, 2002, p. 558). Thus, the authors suggest that the abductive researcher should be articulate and clear about what theory went into the empirical observations and how the empirical observations altered the view on theory during the research process, since "there is more than one way in which empirical data and theory can be combined" (ibid).

In this thesis, we started out with preconceived notions about the different components of trust. In the interview process and in the operationalization of our constructs, we were guided by the ABI-framework as proposed by Mayer et al. (1995). As the abductive approach enabled us to iterate between theory and empirical observations, it was clear to us after some interviews that the concepts of risk and risk propensity, although briefly discussed by Mayer et al. (1995), did not sufficiently capture the empirical data gathered from the interviews. Therefore, we went back to the literature to search for additional explanations to the phenomenon we were observing. This process led us to expand our view on trust, where the seminal article by Das and Teng (2004) on the relationship between trust and risk played a vital role. As such, we decided

to incorporate this literature into our literature review. In fact, Strauss and Corbin (1990) argue that although it is important to enter into the research process with some technical literature as one's background, there is no need to review all literature beforehand. The authors even posit that doing so could potentially hamper the research process. In line with Strauss and Corbin (1990), Dubois and Gadde (2002, p. 559) agree that "the need for theory is created in the process," since the "empirical fieldwork parallels the theoretical conceptualization." In sum, our stance is that the abductive process was best suited to fulfill the purpose of our study, and aided us in seeking the best explanations to answer our research question.

3.2 Research Design

3.2.1 Multiple-Case Study

There exists many different research design frameworks for collecting and analyzing data (Merriam, 2009). In this thesis, a multiple-case study design was chosen. According to Yin (2018), a multiple-case study design is an extension of the case study, where the number of cases has exceeded one. The relevancy of using a case study as a research design is determined by the types of research questions asked. In general, research questions asking "how" and "why" are commonly associated with case studies, since these types of questions seek to explain a particular phenomenon. Moreover, Yin (2018) argues that the more your research questions require an in-depth understanding and description of a phenomenon, the more relevant it is to use a case study. Since the purpose of this study is to get an in-depth understanding of how startups consider trust in their MNE partner selection process, a multiple-case study design seemed appropriate to use.

Cases in a multiple-case study can regard, for example, a location, an individual, an event, an organization, or decisions (Yin, 2018). A multiple case study design allows researchers to investigate what is common across the cases as well as what is unique, fostering theoretical contemplation on the deduced findings (Baxter & Jack, 2008). Since the multiple-case study design is in the section of comparative designs, it might be argued that an alternative to the multiple-case study approach is a cross-sectional design, where data is collected from observations on a series of variables at a specific point in time, which subsequently can be contrasted to find patterns of association (Bell et. al, 2019). However, the focus of our study is to investigate the individual cases and their particular contexts, as opposed to a focus on the sample of cases with the purpose of producing generalizable findings, which is why a multiple-case study design is more aligned with our research question and the purpose of this study.

Yin (2018) makes a distinction between different types of cases; the critical case, the unusual case, the revelatory case, the common case, and the longitudinal case. Yin (2018) argues that multiple-case studies

cannot normally involve the critical case, the unique case, or the extreme case, since the purpose of the multiple-case study is to adhere to a replication logic. The replication logic, Yin (2018) argues, is analogous to the logic used in multiple experiments, where the purpose is to replicate prior findings in an initial experiment with the subsequent ones. The logic in a multiple-case study is the same. Yin (2018) suggests that cases in a multiple-case study should be selected so that they either anticipate similar results, known as literal replication, or so that they predict different results based on anticipatable reasons, known as theoretical replication. Both ways of selecting cases can be used within the same study, and both will contribute to the strengthening of the original findings (ibid).

In our thesis, we selected our case companies based on literal replication and theoretical replication. As will be explained in the next section, we adhered to some criteria when selecting the cases for our study. These criteria were designed so the startups would be as similar to each other as possible, with regards to, for example, number of employees and non-publicly traded, i.e., literal replication. However, we also purposely selected one case in which some of the experimental conditions were altered. Yin (2018, p. 91) argues that altering some of the experimental conditions "considered challenges to the original finding to see whether the finding still can be duplicated" will strengthen the original findings.

The case which deviated from our selection criteria was Insplorion AB. As will be elaborated on more extensively in the research method, we used purposive sampling to select respondents and case companies. This involved, among other things, us reaching out to the CEO of Sahlgrenska Science Park, who kindly aided us in our search for startup companies interested in participating in our thesis. Sahlgrenska Science Park is a hub located in Gothenburg, Sweden, which, among other things, focuses on aiding startups within the life-science industry with business acceleration. Through the CEO of Sahlgrenska Science Park, we were connected with two startups, Verigraft AB and Insplorion AB. Insplorion AB, still considered a startup, did not fit into the same criteria as the other startup companies, as it has been in business for twelve years at the time of writing this thesis, and is publicly traded. We believe that by interviewing a more mature startup like Insplorion AB we will strengthen our findings if the findings from our previous interviews still hold.

3.2.2 Case Selection

For the purpose of this study, startups were considered to be fairly young and new companies (less than seven years old), have fewer than thirty employees, and be privately owned (i.e., not publicly owned or traded). The second criterion was that the startups had been engaged in an innovation collaboration with an MNE at some point in their lifetime. This could include startups that were engaged in a collaboration in

their past, or had an ongoing collaboration. The third criteria regarded interviewees. We needed interviewees to be a leader of the startup organization, either a top-level manager such as a CEO, or a co-founding member of the company.

3.3 Research Method

3.3.1 Collection of Primary Data

This thesis used qualitative interviews as its primary collection of data. In order to fulfill the purpose of this study and answer our research question, we needed to get an in-depth understanding of how startups consider trust in their partner selection process. As stressed by Merriam (2009), qualitative interviews are better at accommodating the respondents' perspectives and insights, since the direction and questions asked are less structured than, for example, in quantitative interviews. Since previous research investigating our phenomenon of interest, or topics close to our phenomenon of interest, have been mainly quantitative in nature (e.g., Schilke et al., 2015; Allmendinger & Berger, 2020), using a qualitative interview format was suitable for us since focusing on the respondents' own perspectives and insights could add valuable knowledge earlier research has been unable to uncover.

Based on previous research and theory, a semi-structured interview format was designed and used throughout. Using a semi-structured interview format enabled us to be certain that we obtained answers from the respondents covering the constructs important to our research question, but also enabled us to be flexible in following up on interesting and relevant leads through asking additional questions not specified in the interview guide (Merriam, 2009). Moreover, using a semi-structured interview format also allowed us to compare and contrast between the answers from the respondents (ibid). Having somewhat of a structure enabled us to compare the answers from the respondents, which was key to us in searching for recognizable patterns across startups' perception of trust in their MNE partner selection process.

The semi-structured interview format, however, has not been without criticism. One of the main critiques in using a semi-structured interview format has been that the topics addressed throughout the interview potentially could create bias, in which the interviewer steers the respondents in adopting the views of the interviewer (Merriam, 2009). In order to avoid this pitfall, we tried to steer clear of being too preoccupied with the interview questions and instead let the interviewees give their interpretation of trust in the partner selection process, thus reducing the potential for confirmation bias. Although an unstructured interview format would have perhaps been best in reducing the potential for confirmation bias, such an approach would not have allowed us to do cross-case comparisons, and as such, not been relevant for our thesis.

3.3.1.1 *Selection of Interviewees*

The sampling procedure in this study followed a purposive sampling process, which is a non-probability form of sampling that aims at sampling respondents considered important to the research questions (Merriam, 2009). It is not the purpose of this study to make inferences about startups' view on trust for the entire population of startups, nor do we claim that our sampling process is random. Instead, the respondents sampled in this study were selected purposely, following criteria determined at the outset, which would enable us to answer our research question and fulfill the purpose of our study.

Since we needed respondents with knowledge and experience of MNE partner selection processes, and startups in general only employ a few people due to their newness and smallness, we needed to interview the startups' core people. This involved us reaching out to startup CEOs, founders, or co-founders, since these people are normally the ones involved in decisions regarding innovation collaborations with MNEs, and could be anticipated to be the ones with insight on startups' views on trust in their partner selection process. It also involved us reaching out to the CEO of Sahlgrenska Science Park, since this person could be anticipated to have key information about startups, and could serve as a conduit through which we could reach out to suitable startups. To select the appropriate respondents, we first gave a brief introduction to the subject of our thesis. This gave the respondents an initial understanding of our area of interest, where we either were directed to people who we could interview at the company, or agreed to be interviewed themselves. This brief introduction aided us in finding relevant people who possessed the appropriate knowledge we needed to answer our research question.

Furthermore, the sampling process was continuous. As this study follows an abduction logic, we could not know from the outset the sufficient number of interviews needed to reach empirical saturation. However, we followed the recommendations by Lincoln and Guba (1985), who suggest sampling to a point of redundancy. "In purposeful sampling the size of the sample is determined by informational considerations. If the purpose is to maximize information, the sampling is terminated when no new information is forthcoming from new sampled units; thus, *redundancy* is the primary criterion" (Lincoln & Guba, 1985, p. 202, emphasis in original). Thus, when we realized that a lot of the themes and concepts started repeating themselves, and no new insights were gained by conducting more interviews, we stopped, feeling we had reached empirical saturation.

The following is a table of the interviewees from this study, including their names, roles, and date/length of interview:

Date	Company	Interviewee	Role	Location	Length (min)
March 15, 2022	Gyghub	Prem Kumar	CEO	Zoom	60 minutes
March 31, 2022	CogniBIT	Lukas Brostek	CEO	Zoom	45 minutes
April 1, 2022	Verigraft	Edvard Nordfors	CFO	Zoom	50 minutes
April 4, 2022	Twin Science & Robotics	Asude Altintas	CEO	Zoom	45 minutes
April 14, 2022	Company X	Adam Johansson	CEO	Zoom	45 minutes
April 20, 2022	Insplorion AB	Johan Rask	CEO	Zoom	45 minutes

Table 5: List of interviewees

3.3.1.2 *Interview Guide*

In semi-structured interviews, interview guides are commonly used (Merriam, 2009). Such an interview guide was also used in this study to make sure that the questions asked were relevant for the research question and the purpose of this study. Although it was important for us to have a structure to the interview guide to ensure cross-case compatibility, it was also important to ensure that we had enough flexibility to allow for follow-up questions to be asked in order to get deeper insights and knowledge from the respondents. As such, it was vital for us to strike a balance between directing the interview and ensuring that we obtained enough relevant data, and letting the interviewees steer and share their knowledge of our phenomenon of interest. It is our belief that the interview guide provided us with both enough structure to ensure comparability, and enough flexibility to garner deep insights from the interviewees.

The interview guide aimed at understanding the interviewees' considerations of trust in the MNE partner selection process. The interview guide followed the framework of trust developed by Mayer et al., (1995). This framework has been used extensively in the literature, and the concepts have been validated by prior research (Pirson & Malhotra, 2011). Since previous findings in the literature also revealed that power-imbalance may play a role in how trust is perceived by a low-power actor (Schilke et al., 2015), we also asked how dependent the startups were on collaborations with MNEs for the future growth and success of their companies. Early on in the research process, we also realized that we received empirical data pointing towards the importance of risk propensity in relation to trust. Although we had already incorporated questions on risk, this finding prompted us to refine the operationalization of that concept slightly. The interview guide was also somewhat adapted to some respondents, depending on whether or not they had been engaged, or were currently engaged with MNEs. For the full interview guide, please see the Appendix.

3.3.1.3 *Interview Process*

Well in advance of each interview an invitation was sent out to the interviewees. In this invitation, we presented a background to our research topic, the reserved time for the interview, as well as a request from our side to record the interview and an assurance of their anonymity if they so wished. We also urged each respondent to get back to us prior to the interviews if they had any questions with regards to the topic or other inquiries. Due to the lingering habits of the pandemic and the different locations in which the startups were based, all interviews were conducted remotely over Zoom. Zoom is an online video-conferencing software in which participants can converse over video-link. To provide the sense of a real-life meeting, cameras were kept on the entire time.

Both authors participated during the interviews, and one of the authors took the lead role in presenting the researchers' background and agenda for the interview and began asking the main questions from the interview guide. The other author took on a more probing role, focusing on follow-up and control questions to ask. By dividing the labor in this way, the authors felt that the right material could be collected in order to ensure cross-case comparability, gain deep insights into the views of the interviewees, and fulfill the purpose of the study. Keeping this division of labor throughout all of the interviews, we ensured that the questions were asked in the same way so as to avoid interviewer bias. All the interviews were recorded and transcribed. Although voice-to-text software was used to some extent, such software is not completely accurate. Thus, the voice-to-text outcomes were compared to the audio files and corrected when mistranslations and irregularities were detected. Even though this way of handling the transcribing process was somewhat time consuming, it still saved us more time than if we did the transcribing process completely manually.

3.4 Data Presentation & Analysis

In qualitative research, data analysis is often concerned with finding patterns rather than to have a strict and rigorous analysis methodology, usually the norm within quantitative research (Bell et al., 2019). However, there are few well-established ways to conduct data analysis within qualitative research. The strategies applied to analyze the data depends, to a large extent, on what research approach the investigators have (ibid). As described earlier in the method chapter, this study is led by an abductive research approach. More specifically, we follow the systematic combining process proposed by Dubois and Gadde (2002, p. 556), which they describe as "a nonlinear path-dependent process of combining efforts with the ultimate objective of matching theory and reality." Thus, the analysis of data has been continuous throughout the research process, although it intensified as the study progressed. Despite the data analysis being nonlinear, the

process developed to manage and categorize the data can essentially be divided into three steps: coding, within-case presentations, and a cross-case comparison.

As a first step, we began with coding our data by assigning different colors to sections and statements given by the interviewees. Coding, as Merriam (2009, p. 173) describes it, "is nothing more than assigning some sort of shorthand designation to various aspects of your data so that you can easily retrieve specific pieces of the data." The coding process was guided by what Dubois and Gadde (2002) describe as "abductive matching," which refers to an iteration between the framework, empirical data, and the analysis. The process of abductive matching is not designed to force data into pre-existing categories proposed by theory, rather categories should emerge from the data with a parallel development of the theoretical framework. As opposed to both inductive and deductive ways of analyzing data, Dubois and Gadde (2002, p. 556) argue that abductive matching has the possibility of "capturing and taking advantage not only of the systemic character of the empirical world, but also the systemic character of theoretical models."

The codification of data enabled us to organize and categorize the data and realize what parts of the transcriptions were relevant for our study. Since the coding process was conducted manually with a simple highlighting function on the computer, we were required to read and re-read each transcription several times. This enabled us to deep dive into the material and make sure we did not overlook any important findings. As both researchers engaged in the color-coding process individually, this also aided in reducing bias. Concurrent with the codification, notes and comments were made for each transcription in order to help us with the later steps in the overall analysis. The coding process not only laid the foundation for the subsequent within-case presentations that were to be made, but also gave us an idea of potential patterns that were consistent with theory and patterns that were novel.

The second step in the data analysis involved within-case presentations. Within-case presentations are often only pure descriptions of each case studied, but they serve an important purpose in multiple-case studies - to generate insight and help the researchers avoid information overload (Eisenhardt, 1989). For us, we also believe it served an additional purpose - to provide deep and rich descriptions which would enable readers to find out whether the contexts of our cases would be applicable to their circumstances and enhance the external validity. Aided by the color-coding in the previous step, we wrote descriptions for each case. This process enabled us to become familiar with each case and structure the data appropriately. Both researchers engaged in the write-ups and commented on each other's write-ups to ensure consistency and avoid researcher bias. The ideas formulated from the color-coding regarding patterns consistent with theory and patterns that seemed novel were further solidified here. This prompted us to go back to the literature to find

additional theories which could explain the emergent pattern of willingness to take risk in connection to trust.

The third step in the data analysis was to conduct a cross-case comparison. The purpose of the cross-case comparison is to search for patterns across the cases (Eisenhardt, 1989). In line with the recommendations proposed by Eisenhardt (1989), we looked at the data in many different ways in order to discover intergroup differences and avoid reaching premature conclusions. This involved us looking for dimensions proposed by our initial framework and dimensions suggested by previous steps in our analysis. For example, we categorized the groups by ability, benevolence, and integrity, as well as propensity to trust as proposed by Mayer et al. (1995). We also looked at the data in terms of how much weight each respondent gave to the different dimensions, such as high vs. low propensity to trust. Furthermore, we also juxtaposed different pairs of cases in order to discover more nuanced differences among them. The patterns found throughout the cross-case comparison were then aggregated and summarized into different themes with regards to how trust is considered by startups in their MNE partner selection process. Throughout the entire data analysis process, both researchers were engaged, with the different codes, dimensions, and themes both analyzed individually and then together. This, we believe, reduced researcher bias and enabled us to avoid overlooking certain aspects possibly important for answering the research question.

Ultimately, the researchers settled on a three-tiered structure for the data presentation and analysis. First, the data is presented to the reader in the Empirical Results chapter in the form of within-case presentations, including key takeaways listed at the end of each presentation. Second, a cross-case chart is used to illustrate the differences between the within-case presentations, and is based on the aforementioned key takeaway sections. Third and finally, the data is analyzed in the Analysis & Discussion chapter, with references made to the within-case presentations and cross-case chart. In this chapter, the data is also linked to previous theory and propositions are suggested based on findings.

3.5 Quality of the Study

When it comes to measuring a study's quality or trustworthiness, many different measures have been suggested (Merriam, 2009; Lincoln & Guba, 1985). The topic of quality measures in qualitative research has been a subject of controversy, since the most widely accepted measures, such as validity, replicability, and reliability, stem from the quantitative field, which has been argued as not being sufficiently applicable to qualitative studies (Merriam, 2009). Nevertheless, validity and reliability will be discussed in relation to the quality of this study, since these two measures are still very influential within the field of qualitative

research. Having a study with good quality also involves conducting the research in an ethical manner (Merriam, 2009). As such, this chapter will end with a discussion on research ethics.

3.5.1 Validity

There exists a range of concepts connected to the validity measurement. For a qualitative study, arguably the two most important concepts of validity are internal and external (Merriam, 2009). These two concepts and how well they relate to our study will be discussed below.

3.5.1.1 *Internal Validity*

The concept of internal validity refers to how congruent the researcher's findings match reality (Merriam, 2009). In other words, internal validity regards whether or not the researchers are studying what they think they are studying. Generally, in qualitative research, what is being studied is people's constructions and interpretations of reality, where the human themself is the primary source of data collection. Thus, internal validity is often considered to be the strength of qualitative research since qualitative researchers are "closer to reality than if a data collection instrument had been interjected between us and the participants" (Merriam, 2009, p. 214). Nevertheless, although it is impossible for the qualitative researcher to capture the absolute objective truth of a phenomenon, a number of strategies have been recommended to increase the internal validity of qualitative studies. One of the most commonly used and best-known strategies for this is triangulation (ibid). Denzin (1978) has been very influential within triangulation, and suggests four types of triangulation: multiple sources of data, multiple methods, multiple investigators, or multiple theories to confirm emergent findings. Of these four types, this thesis applied investigator triangulation. Denzin (1978) explains that investigator triangulation occurs when two or more researchers engage in an independent analysis of the same data, which is later on compared. In our data analysis, which will be elaborated on more extensively below, we started with color-coding our transcriptions. This procedure was done separately and independently in order to ensure that both researchers had understood and interpreted the data and theoretical concepts in a similar way. If there were incongruences between the findings, the researchers explained their reason for a specific color-coding, re-read the transcriptions and the related literature. This procedure was repeated until consensus was reached. The same process was followed in the cross-case comparison.

Another well-known strategy for ensuring internal validity is respondent validation (Meriam, 2009). The logic behind respondent validation is to ask for feedback from some of the interviewed respondents based on preliminary findings. The interviewee can give the researchers input regarding whether or not the researchers' interpretation of the interviewee's experience is correct. According to Maxwell (2005, p. 111),

respondent validation is “the single most important way of ruling out the possibility of misinterpreting the meaning of what participants say and do and the perspective they have on what is going on, as well as being an important way to identifying your own biases and misunderstanding of what you observed.” In our thesis, one of our interviewees was sent their within-case presentations for confirmation and feedback. The respondent largely agreed with our categorization of their comments and believed our interpretations to be true of their experience. Only minor changes were suggested. As such, no action was needed for re-interpretation.

3.5.1.2 *External Validity*

The concept of external validity regards the degree to which the findings of the study can be generalized beyond the immediate setting of the study (Yin, 2018; Merriam, 2009). Generalization here does not refer to statistical generalization where the sample of cases can infer something about the population from which the sample has been selected. In case studies and multiple-case studies, generalization refers to analytic generalization, where the generalizing part stems from the case studies and not from the cases themselves (Yin, 2018). Yin (2018, p. 73) explains that analytic generalization may be based on “(a) corroborating, modifying, rejecting, or otherwise advancing theoretical concepts that you referenced in designing your case study, or (b) new concepts that arose upon the completion of your case study.” In sum, analytic generalization is not statistical, they are argumentative. Merriam (2009) recommends viewing analytic generalization in qualitative studies in terms of the reader. “Reader or user generalizability involves leaving the extent to which a study’s findings apply to other situations up to the people in those situations. The person who reads the study decides whether the findings can apply to his or her particular situations” (Merriam, 2009, p. 226). In order to enhance the external validity of a qualitative study, Lincoln and Guba (1985, p. 125) suggest “thick description of the sending context so that someone in a potential receiving context may assess the similarity between them and…the study.” In other words, providing thick and rich descriptions of the study’s findings presented with supporting evidence in the form of, for example, quotes from interviews and other documents enhances the study’s chances of being transferrable to other contexts (Merriam, 2009).

3.5.2 Reliability

The reliability of a study regards the degree to which the findings of a study can be replicated (Merriam, 2009). The concept of reliability stems from quantitative research and rests on the notion that there is a single reality, and by studying that reality repeatedly would yield the same outcomes. In social sciences, replicability is problematic since the very essence of what qualitative researchers study, human behavior, is never static and changes over time. Neither is what one interviewee experiences necessarily more reliable than another interviewee’s experience (ibid). Since the qualitative researcher seeks to explain the world as

the interviewed or observed people experience it, in qualitative studies "there is no benchmark by which to take repeated measures and establish reliability in the traditional sense" (Merriam, 2009, p. 220). Although reliability, in its traditional meaning, is not applicable to qualitative studies, it has still been suggested that qualitative research can deal with the problem of reliability through being very explicit about the process through which the research has been conducted. Yin (2018, p. 82) suggests conducting the research "as if someone were looking over your shoulder." In this thesis, we have tried to be as elaborative and explicit as possible with regards to each research activity engaged. We have tried to clearly outline the concepts and definitions used in this study, explain our choices, collection, and data analysis to the best of our ability. Nevertheless, the probability of another researcher repeating this study and receiving the same results must be considered low as, for example, interpretations of the concepts and data might be different.

3.5.3 Ethics

According to Meriam (2009), an important part of ensuring the quality of a study is that the researcher is conducting the research as ethically as possible. Similarly, Kvale (1996) argues for the importance of the ethical sensitivity of researchers, which according to the author involves the researchers to be mindful of the ethical aspect when interviewing and concurrently ensuring the interviewee is informed about the purpose of the study. Moreover, ensuring the interviewee of the confidentiality of their contribution is another important aspect (ibid). In this thesis, invitations were sent out to the interviewees, including an introduction of ourselves as the authors, our inquiry, and the purpose of our study. As such, each interviewee who agreed to participate in our study did so voluntarily. Furthermore, well in advance of each interview, the interview guide was sent out to each respondent. The interview guide ensured that each interviewee could understand further the purpose of the study. At this point, we also ensured the interviewees that they could be anonymous if they so wished, and urged them to contact us if they had any questions with regards to the interview guide. This process enabled the interviewees to consider what they were willing to contribute to our research.

Diener and Crandall (1978) discuss four ethical principles important for researchers to consider in research, namely, whether there is (a) harm to participants; (b) lack of informed consent; (c) invasion of privacy; and/or (d) deception. With regards to the first principle, it is obvious that no harm should come to respondents who decide to engage in the research. Harm, however, could be more abstract than mere physical harm, such as harm to the interviewees' self-esteem and career prospects (ibid). In our thesis, we presented the participants with the option of anonymity. The majority of participants (5 of 6) agreed to let us use their real names and company names. All of the participants requested, and we agreed, to not include the names of the multinational companies they collaborated with.

With regards to the second aspect, Diener and Crandall (1978) explain that the principle of informed consent refers to the researchers providing as much information as possible about the research in order for a potential participant to make an informed decision about whether or not they want to participate. As explained above, we sent out both an initial invitation explaining our query, purpose, and research interest. We also sent out the interview guide, along with an urge to come back to us if questions arose, as well as an assurance of their anonymity if they so wished. This, we believe, gave the interviewees the opportunity to make an informed decision about whether or not they wanted to participate.

The third principle, according to Diener and Crandall (1978), regards invasion of privacy, which the authors explain refers to the need to protect the privacy of the interviewees. More specifically, interviewees should be given the right to not answer questions they feel are uncomfortable, despite them having given their consent to participate. Before the interviews started, we informed our interviewees that they did not have to answer or specify further the nature of their MNE collaborations, or other questions for that matter, which they did not feel comfortable answering. The last principle regards deception. Diener and Crandall (1978) explain that researchers need to avoid deception through being clear about the purpose of the research, and not portray the study in a misleading way. As mentioned, the authors of this thesis shared the purpose and interest of the study with the interviewees on several occasions, including at first point of contact, when sending out the interview guide, as well as at the start of each interview.

4. Empirical Results

This chapter presents the empirical findings from our interviews and helps acquaint the reader with each of the startups' specific circumstances as well as provides insight into how each startup considers trust in their MNE partner selection process.

4.1 Within-Case Presentations

4.1.1 Case #1 - Twin Science & Robotics

Educating children in the modern age behooves modern day technology and advancements in both what children are taught and how they are taught. In an attempt to better education for the next generation, the company Twin Science and Robotics is making advancements in the education of children throughout the world by focusing on key learning objectives in the area of STEM (Science, Technology, Engineering, and Mathematics). And for the company's co-founder and CEO, Asude Altintas, it is important for "children [to] have competence and have basic skills for the future… these kinds of hard skills, but at the same time they have to have compassion to use those skills for good, for humanity."

Twin Science has a vision of the future, and their vision is ingrained in how they go about working and collaborating with others. Ms. Altintas drives home this point when discussing what companies she is willing to partner and collaborate with to produce and develop content for her learning platform. "I think the best company [to work with] is [when] top management is involved and they are prioritizing the project and they add value and they keep their promises." But top management is not the only requisite for partnership and collaboration. "Vision alignment" is also a key motivator when it comes to partner selection for Twin Science and is paramount for a long-term and successful collaboration. In addition, Altintas says that her company seeks collaboration with multinationals that have the ability to help Twin Science in their quest to grow and expand their impact and to make science education an equal opportunity for all.

Altintas' company was not always in a position to pick and choose who to collaborate with, and it has taken several years for her company to become more selective of their partners. As Altintas explains, "we are more selective right now because at the beginning we needed money and we needed sponsorship regardless of the company's vision…[b]ut now we are more selective and we want to select the businesses for good."

When it comes to trustworthiness, Altintas values integrity above all else. "If I evaluate myself if I'm trustworthy enough, or if I will evaluate someone else or a company… [w]hat I look for is the integrity

between what they think, what they say and [how] they act." And integrity goes both ways as Altintas further explains: "I also try to be full of integrity and try to keep promises of what I think, what I say and [how] I act."

Establishing trust with a multinational company takes time and effort from both sides, according to Altintas. Moreover, it can be a multi-step process that involves checking references of those she may want to collaborate with. And introductions from trusted contacts within her network can go a long way. "Like our previous examples [of multinationals mentioned], they [were] referenced by a reference and the right people or right partner or our network," Altintas explains. "We didn't just go to LinkedIn and try to reach out. Maybe it's [to] our advantage, I don't know. But I think the most important relationships start with the ones that come with [a] reference."

Collaboration with multinationals played a large role in Twin Science's development, and Altintas explains how her company was quite dependent on collaborations for their growth. "At the beginning of Twin Science it was 75 percent from the corporates and multinationals," Altintas says. However, this has changed significantly since the company was founded in 2017. According to Altintas, Twin Science is "not dependent anymore" on multinationals, and only receives approximately "25 percent" of their revenue from multinational collaborations today.

Taking risk is not something that is done regularly at Twin Science. And, despite Altintas being somewhat of a risk taker, she also says that her fellow co-founders help balance out the team. "[W]e are balancing ourselves. I'm in the middle. I'm willing to take risks. I'm always calculating on my life, in my mind and if it sounds like a big risk, I [notify] my co-founders that we are going to take a big risk, because I'm responsible for my investors as well."

Over the course of any startup's journey, it will undoubtedly run into issues with collaborators, and Twin Science is no exception. When discussing bad experiences related to trustworthiness of multinationals Twin Science has dealt with, Altintas explains that problems stem from a lack of vision alignment and action. "[W]e call them NATO; no actions, talk only," Altintas says. "We are making meetings and meetings after meetings, but we couldn't see any execution. [B]ut the best companies [have] the vision alignment. Like they move very quickly. This is what we love because we are a start-up, we need time and energy and we need money. So, I think their speed is... it makes a difference."

Altintas and her co-founders have built a culture of trust at their company. “I think we got a 99 percent over 100 percent trust value. It was twice. We got awarded twice from the Great Place to work,” Altintas says. And this culture of trust continues to remain in place at the company. “I'm measuring the culture every month in the company, the trust culture. It's [a] very important topic for us. So, when you give that much importance to trust and position yourself as trustworthy - your co-founders and your team - then you go outside [your company]... sometimes you cannot see these [same] levels, let's say.”

When deciding whether or not to trust others, Altintas says that she “always start[s] with 100 percent trust with the companies and with other people,” and that she will “decrease the credits” over time if they exhibit untrustworthy behavior. In other words, Altintas approaches relationships with multinational companies with a glass half full approach, initially giving others the benefit of the doubt, but will subtract from that overtime if and when necessary.

Key Takeaways from Twin Science & Robotics:

- Ability - somewhat low (network opportunities)
- Benevolence - moderate (top management involvement is a positive orientation of the trustee towards the trustor)
- Integrity - high (vision alignment)
- Propensity to trust - high (starts with 100 percent trust of others)
- Propensity to take risk individually - moderate (calculates risk and returns)
- Propensity to take risk for the company - moderate (works with board/balance)
- Dependency - low (25 percent of revenue comes from multinationals)

4.1.2 Case #2 - Verigraft

Mr. Edvard Nordfors has been working multiple decades as a high-level businessman, most recently as the CFO of Verigraft, a biotechnology research startup headquartered in Gothenburg, Sweden. The company was founded in 2016 and seeks to generate personalized tissue-engineered transplants for use in regenerative medicine. Nordfors explains in more detail that the company is “growing organs…or constructing organs that you can implant,” and that they are “doing it with easier organs like blood vessels, arteries, veins, nerves, [and] heart valves.” The goal is to be able to implant these constructed organs into patients without having to suppress their immune systems, which is currently the standard process with donor organs.

Verigraft has had a lot of multinational collaborations, with an American firm holding the largest stake in their company to date. The American firm has been pivotal in their continued survival as a startup in the biotechnology industry, and Nordfors confirms that Verigraft remains dependent on multinationals in

order to grow and expand. However, Nordfors explains further that his company is not alone in this regard, and that biotechnology is not necessarily “the flavor of the day” when compared to, for example, technology startups in terms of investment attractiveness. Adding to this, Nordfors says that most biotechnology startups are vulnerable, and “this statistic is something like that there is one of ten [biotechnology startups] that will be a success and another one that will be a reasonable success. Eight will be complete failures.”

When considering trust in the partner selection process, Nordfors explains that “trust is something that you earn over time. You don’t get trust immediately. You get trust after a while, especially if you have gone through some tough times together and come out on the right side of those problems.” And in elaborating further, he adds that when it comes to trust, “you have to walk the talk. You have to show that you have control over what you’re doing.” But Nordfors also considers knowledge and finance as important factors. “We would like to have a [collaborator] that could add something to the knowledge on [our] board. [Y]es, we want your money, thank you, but we also want your knowledge.”

The possibility of acquiring financial and knowledge resources for a vulnerable startup can sometimes blind it to untrustworthy behavior. However, Verigraft tries to conduct some level of due diligence on potential collaborators. Nordfors explains that they will check up on potential collaborators by reaching out to their network and obtaining references. But Nordfors also adds that “if you don't have a lot of money in your cash deposit” you’re more likely to engage with a multinational despite possible red flags.

The positive orientation of a collaborator towards Verigraft is also of great value, Nordfors says. When entertaining collaborations with multinationals, Nordfors gives an example of how the large American firm they currently collaborate with came to them and said: “We are here for the long term and we want to make this a success,” and that “if we're going to make a success out of this, we're going to sit in this board for several years together. So we don't want to start a war.” This show of benevolence from the American firm helped to develop trust, according to Nordfors, as it showed him and Verigraft that the American collaborator wanted to do good by them and help them to grow and expand over time.

Verigraft makes strategic decisions through their board of directors, and risk assessments are made on a risk-return basis. “The bigger the return, the bigger the risk,” Nordfors says, but also emphasizes that he thinks “you have to be risk taking to work for a biotech startup” due to the high failure rate within the industry.

Nordfors considers himself to be a trusting person in general, and will typically give others the benefit of the doubt. But he also says that if possible you should "hedge your bets." And when asked if he thinks his willingness to trust others will increase or decrease over time, Nordfors says emphatically that it will increase. "I think it will increase because the stronger you are, the easier it is to trust people, because then you know they won't screw you over." Nordfors approaches work and life with the rationale that "you are the kind of person with either a half-full glass or a half-empty glass. I mean, you're not changing that." And as he considers himself to be a glass half-full type of person, he believes that this impacts his willingness to trust others and often leads to him giving others the benefit of the doubt.

Another example surrounding perceived trustworthiness of others is provided by Nordfors through an example of someone he dealt with years prior to working for Verigraft. Nordfors explains how he was dealing with a company and had "long discussions with them and they had a very nice old CEO." He continues… "I must have met [the CEO] five or six times or something like that. And I really trusted that guy. I thought he was telling me the truth, but I found out later that they had played us all along. They wanted to put the company in liquidation and buy it from the receiver."

When asked why he trusted this individual, Nordfors says: "Well, I mean he was a nice guy. He was telling me what he was telling me… [but he was] not delivering what he said he was going to deliver during that process." And of course this led Nordfors to trust him less over time.

On whether this experience impacted Nordfors' willingness to trust others, he says: "Slightly, but not a lot." Expanding on this, Nordfors explains: "I think it's the kind of personality type you are. I mean, I am basically a trusting, positive person. But I'm stopping in the process trying to make a thorough analysis. Is this, or isn't it? Of course, I'm doing that more often now than compared to when I was 30 or something like that."

Key Takeaways from Verigraft:

- Ability - high (knowledge/resources)
- Benevolence - somewhat low (promising language from a collaborator)
- Integrity - somewhat low ("walk the talk")
- Propensity to trust - moderate ("glass half-full" approach)
- Propensity to take risk individually - moderate (bigger risk = bigger return)
- Propensity to take risk for the company - high (high failure rate in biotech industry)
- Dependency - high (MNE is source of growth and expansion)

4.1.3 Case #3 - Insplorion

Founded in 2010, Insplorion AB is a life science company based in Gothenburg, Sweden. Insplorion AB has developed and patented a proprietary sensor platform, NanoPlasmonic Sensing (NPS); a technology that enables close scrutiny of nano processes on thin layers and surfaces. The company is active within four different areas - battery sensors, hydrogen sensors, air quality sensors, and research instruments. For this interview, the CEO, Johan Rask, is interviewed.

Market knowledge and experience are important attributes of a potential collaboration partner for Mr. Rask and his company, Insplorion, but so is capability. As Rask puts it, "you need to make an assessment on what you think [a] partner's capability actually is in developing the product or getting sales started with the product." Moreover, Rask says that it is never too early for a startup to begin speaking with a multinational, as communication will help to unlock what each side wants in a collaboration. "[F]rom these initial discussions, you can hopefully at least get a view on what they are actually looking for," Rask says. "A lot of time they will be relatively honest with you, [but] sometimes they don't know what they're looking for."

Rask states that it is also important to find someone who can act as your internal champion within a potential partner firm. "If you find someone on the other side that is easy to talk to, is open and sharing," that will go a long way towards a healthy and sustainable collaboration. Adding to this, Rask says that "it always comes down to people," and that having an internal champion acting in your startup's best interests makes it an easy decision on who he wants to collaborate with. "I would pick that company [with an internal champion] over anyone else every day."

But experience also plays into the partnership selection process for Rask. Rask says that he "would be more inclined to trust someone who has done it before," but also adds that "it's also being honest about [it] will take time." This is an important point that Rask highlights for startups when working with a multinational: *things take time*. And if you ignore or pretend that they won't, you are likely to face disappointment. Rask also points out a paradox in the mentality of startups when approaching collaborations with multinationals. He says that: "if the larger company comes in and is more honest about what they think about what the rollout pace will be, the smaller company will be disappointed and maybe go to someone else who gives [them] a higher promise on, you know, 'we're going to take this rocket to the moon in no time.'"

According to Rask, his startup is still “very dependent” on collaborations with multinationals because they “are a platform type of company,” and although they “can develop a finished product,” they “don’t have the channels” for distribution of said product. Rask adds that at “a minimum, we would need a channel partner or several for that matter. But the way we look at it is we need both a product development partner for specific applications, and ideally, they are also the same as a channel partner.”

Rask will rely on references from within his network when conducting due diligence on a potential multinational collaborator, but will also look at a multinational’s public profile and website to determine whether they are a good fit to work with Insplorion. “We know people in [the] industry,” Rask says of his network, “other startups that have been talking to larger, you know, the same corporation perhaps.” And he’ll ask them, “what's their experience?” Rask also says that he’ll just take a look at a multinational’s webpage. “Have they actually done something with startups? Or are they just out there looking and never doing anything? That's part of it as well.” But at the end of the day, Rask believes that a multinational partner needs to “put their wallet in play somehow” to signal their level of commitment and interest in a collaboration.

Taking risk is a common occurrence for startup companies, and Rask and Insplorion are no exception. “Of course we do take risk and we’re willing to take it,” Rask says. “And that's sort of the nature of a startup company as well.” Rask also adds that when it comes to startups, there are “no guarantees for success” because most startups do not have a core business to fall back on. “It's much more of a high risk, high reward on a general basis,” Rask explains further, but he also says that he aims “to balance the risk” as much as possible in how he runs the business.

When it comes to more in-depth due diligence, Rask contends that “probably most companies go in with little to no due diligence” into a collaboration with a multinational. He argues that when you’re a startup and in a relative position of vulnerability and weakness, you are more eager and inclined to engage with someone who shows interest in your product or service. Rask describes it as “all of a sudden there is someone standing on your doorstep saying: ‘Yeah, you know, we want to try your product. Can you send us some? Sure, absolutely.’” But Rask also says that startups shouldn’t necessarily always do this, but should look at it on a “case-by-case basis” instead, because “it comes down to reputation as well,” and startups should be on the lookout for reputable multinationals to do business with.

When it comes to trusting others, Rask says “I tend to trust people. But I also tend to trust my gut.” And for Rask himself, first impressions matter quite a lot. “Quite often, it's shown,” Rask says. “It’s shown to

me that the early feelings that you get when meeting a person - even over teams for that matter - more often than not, they are relatively spot on. Not always 100 percent, of course, but those early interactions where you build up a personal relationship, I think they are usually quite... well, accurate is maybe not the right word, but, you know, they are not to be underestimated."

But Rask adds that when it comes to trusting multinationals, he thinks that most, or at least the reputable ones, know that they cannot exploit and deceive a startup company and come away clean, because their reputation will be impacted. Rask says multinationals "really can't afford getting a bad rep for screwing up small startups. It's not worth it… not worth it in a million years." Moreover, Rask says that multinationals "want as well to be out there and talk to startups and get information on what's happening, what's going on, and you don't get that without showing that you are trustworthy."

At the end of the day, Rask says that he wants "to believe that people want to do the right things… [b]ut then reality is sometimes a little bit different and experience teaches you something about that." But Rask also adds that he thinks most multinationals go into collaborations "with honest intentions," and that they seek to create value rather than exploit. But nevertheless, Rask thinks that it "comes down to gut feeling and experience. And if it sounds too good to be true, it's probably that."

Key Takeaways from Insplorion:

- Ability - high (rely on capabilities/resources of MNEs)
- Benevolence - moderate (internal champion at MNE)
- Integrity - somewhat low (reputation matters)
- Propensity to trust - moderate (relies on "gut feeling")
- Propensity to take risk individually - moderate (willing to take risks)
- Propensity to take risk for the company - moderate (seeks to balance risk)
- Dependency - high (lack of channels / product distribution)

4.1.4 Case #4 - CogniBIT

Autonomous driving is still a relatively new concept that is being worked on by both large and small companies around the world. One of the smaller companies looking to innovate within the area is CogniBIT, a startup headquartered in Munich, Germany, which supports the development of safe autonomous driving through realistic simulation of all kinds of road users. Founded in 2020, CogniBIT's CEO, Lukas Brostek, leads a small team of just four employees.

When asked to define trust, Mr. Brostek responds that he believes it's something that takes time. "You have to earn trust. It's always trust or something that depends on the history of events that happened

between the two parties." But although Brostek believes trust is something that can only be built up over time, time itself is not a luxury that he nor his company has to spare. In fact, CogniBIT is still in quite a vulnerable position as a startup company in a rapidly changing environment such as autonomous driving, and Brostek admits that he is "actually happy if there is any kind of offer from multinationals and therefore usually [doesn't] put a lot of thought into whether [he] trusts them or not." The reason for this becomes quite clear, as Brostek explains that there aren't many multinationals working in the autonomous driving industry, and therefore, if any offers from a multinational are made to CogniBIT, they "have to risk" collaborating with them. Brostek notes "I wouldn't say that we totally ignore trustworthiness, because of course we want to work with somebody that we trust." In relation to this, Brostek adds that trust is perhaps not the most relevant thing for him since his company's potential collaboration partners usually consist of OEMs and one-tier suppliers that are mostly well known to everyone.

In finding multinational companies to potentially partner with, Brostek mentions capabilities as an important factor. "The biggest priority is companies that have a big reputation and in autonomous driving…a long history of success." Brostek goes on to elaborate on the importance of getting multinationals to collaborate with in order to propel his company's growth and survival over the long term. "We are totally dependent on having collaborations as we are just a B-to-B company…we only sell to multinational companies." Smaller companies within the field of autonomous driving are normally not considered by Brostek, as "they cannot [afford to] buy licenses from us. So our target customers are usually quite large companies."

Brostek says that he will sometimes conduct due diligence during the company's partner selection process by obtaining references from within his network and conducting background research on potential collaborators. As Brostek puts it, "if we have the chance, or if we know anyone in our network has been working with [the specific multinational] before, then of course this is very valuable information." Brostek goes on to explain that if he cannot find someone within his network with experience working with a multinational that CogniBIT may want to collaborate with, then he "can also do other kinds of research" to find out such information as the "size of the company, the history of the company, [and] what kind of contracts have they done before."

However, Brostek says that even if he were to find negative information on a potential multinational collaborator, this does not necessarily mean he is opposed to collaboration. "There are a lot of different individual parts [of a multinational company] that are often not really related to each other," Brostek explains. "I would say if one division behaves maybe not trustworthy and maybe even unethically…this

doesn't mean that another division behaves the same way even if you often say there was one company culture."

In a similar vein, Brostek admits that his propensity to trust is quite high, which he thinks is a result of his experiences. "I didn't have so much bad experience in this…this field…I think it's a matter of your experiences. If you have had a lot of bad experiences then of course your level of trust is probably lower than somebody that didn't have such experiences." At the same time, Brostek is also a person who is willing to take a lot of risks. "So, before Covid I was working at [a large automotive company]. I quit this job [to launch] a startup, and at the same time I had a baby. So, I would say my risk level is quite high." Even though Brostek would not equate his own risk appetite to that of his company's, he still believes that CogniBIT's willingness to take risk is quite high. "We have to take every chance that we see and therefore, we have to take almost any risk."

Key Takeaways from CogniBIT:

- Ability - high (capabilities are the most important factor - propel growth)
- Benevolence - low (cannot afford to consider)
- Integrity - somewhat low (reputation)
- Propensity to trust - high (no bad experiences in the past)
- Propensity to take risk individually - high (quit job, launched startup within same year)
- Propensity to take risk for the company - high (need to take every chance)
- Dependency - high (only source of growth)

4.1.5 Case #5 - Company X

Company X was founded in 2018 and is headquartered in Gothenburg, Sweden. Company X is a social app which focuses on automotive safety and uses an algorithm and sensors on the mobile phone to automatically detect automotive accidents. For this interview, CEO and co-founder Adam Johansson is interviewed.

When asked to define trust, Mr. Johansson says that it depends on the company setting, but he believes that trust starts with a personal relationship between representatives of his company and the multinational. "I think trust starts with personal trust between you and the person on the other side…if you have one person on that side [who] you believe in and they are actually fighting for your sake internally…you create some kind of internal champion."

Company X has a reasonable amount of experience collaborating with multinationals, and Johansson explains that he most often finds multinational partners through networking events, as these types of

events provide him with an opportunity to meet face-to-face. “In some way, you pretty much need to meet that person [from the multinational]…in order to get that cross-unity.”

When it comes to choosing multinational partners, Johansson initially says it has a lot to do with instinct. “To choose which one we want to work with is mainly dependent on our own gut feeling. I would say both depending on…which companies do we want to be connected with, which companies do we want to co-create and share our brand with.” But when asked to elaborate, Johansson explains that he has two main partner selection criteria. First, he needs to know that the multinational has the right skills and capabilities to create synergies with Company X, and second, that the multinational has similar values.

Although Johansson explains that finding a company with the right capabilities, synergies, and values is important in the partner selection process, when it comes to signing on the dotted line, money is often the ultimate decisive factor: “If you can get quick and dirty money in order to make some kind of collaboration, then you should be up right on the horse and then you take the agreement part once it actually hits the fan in some sense.” Being blinded by money is easy, Johansson admits, but reasons that “you need the extra money once you are up and running [because you often] have quite [a] high burn rate.”

When asked about his propensity to trust, Johansson says that he tends to give others the benefit of the doubt despite some prior bad experiences. In elaborating on this, Johansson mentions a collaboration that failed between his company and a multinational. Without going into detail about the bad experience, Johansson explains that the failed collaboration did not affect his propensity to trust others, however, it did teach him to be more rigorous in his future trustworthiness assessments.

When it comes to taking risks, Johansson says “I think of [myself] as a person [who] is quite willing to take risks.” In backing this up, Johansson explains how he took a major risk in launching Company X immediately after graduating from university instead of “taking a good trainee position” that could have offered him financial security. Johansson says that his management team is also willing to take a lot of risks. “In the company setting, I think we are quite risk willing,” Johansson says, with financial considerations often driving decisions. “You [sometimes] don’t have money, like, for three months from now. [And] you have a couple of employees that need to have their salaries,” so you need to take risks. And in considering whether his propensity to take risks influences how he perceives the trustworthiness of multinationals, Johansson answers in the affirmative. “Yeah, you see the potential instead of the risk, for sure. You jump right into it.”

In terms of his company's dependence on multinationals, Johansson says that collaborations "can actually be a catapult to make us grow like ten times in a month." Johansson also says that even if he thought that his company could grow without multinational collaborations, the money, growth, and customers that come with a successful collaboration is too tempting - although the chance of a successful collaboration is low. "If those ten percent go through, then this is a great opportunity and a great potential that we can't get from anything else."

Key Takeaways from Company X:

- Ability - high (capabilities and resources)
- Benevolence - somewhat low (seeks an internal champion in an MNE)
- Integrity - moderate (alignment of values with an MNE)
- Propensity to trust - moderate (will give benefit of the doubt)
- Propensity to take risk individually - high (admitted risk taker in life)
- Propensity to take risk for the company - high (opportunities outweigh risks)
- Dependency - somewhat high (can grow without MNEs but at a much slower pace)

4.1.6 Case #6 - Gyghub

Founded in 2018, Gyghub is a Swedish-based, sustainability-focused startup that has created a digital platform on which established organizations can interact and collaborate with a wide range of internal and external stakeholders on sustainability-related projects. For this interview, the CEO and co-founder, Prem Kumar, is interviewed.

When it comes to the MNE partner selection process, Mr. Kumar says that trust is the last thing that comes to his mind. Instead, Kumar says his company's starting point is often to tackle the many challenges that impact whether his company is even a fit with a potential collaborator. Kumar will ask himself "Is what I'm offering a solution? Is it relevant for this organization?" In other words, Kumar believes that vision and product alignment between his company and a multinational are essential for collaboration to take place, and finding out whether that is possible early in the process is key.

Kumar says he tries to focus only on multinationals that are open to collaborations with a startup, but that deciphering which multinationals are open to collaboration isn't always a simple process. "Some multinationals have these reception areas, like not a physical one, but they have a department that is responsible for sourcing innovations from outside," Kumar says. "That's a cue that there is that innovation mindset." Kumar adds that there are a lot of multinationals that claim to embrace open innovation and want to collaborate with startups, but practically, they are not signaling the same thing.

“You have a contact for investor relations, you have a contact for procurement, you have a contact for data privacy, but you don’t have a contact for innovation? That’s a dead giveaway.”

Kumar will only begin assessing the trustworthiness of a multinational once the initial meetings have started. “So once the conversation starts, let’s say we have the first meeting, second meeting, third meeting, that’s when the trust profile is getting created.” Adding to this, Kumar explains that “these trust profiles [are] for the individuals and not for the organization. [And] through these trust profiles you kind of are creating a profile for the organizational culture.” Kumar further explains that there are some aspects that are particularly important in these initial meetings when it comes to his perception of the organization’s trustworthiness. For example, he mentions timely and credible communication as important, and if the multinational is lacking in either area, that will impact his trustworthiness perception of them.

Kumar says that he also picks up on smaller things that impact his trustworthiness assessment. For example, the behavior of representatives and what is said in meetings helps form the basis of his assessment. “These things give away a lot about the organizational culture,” Kumar says. Kumar also mentions the importance of commitment when it comes to the assessment of trustworthiness, and having an internal champion on the other side plays a big role. “This person is perhaps putting [their] reputation within the organization at risk by taking a chance with a startup,” so having an internal champion is a trustworthy signal to Kumar.

To the question of whether he would disregard a multinational if they were too slow to get back to him, Kumar says that it depends. He explains that Gyghub is fortunate enough to have a horizontal solution which could be a fit for a lot of different companies. Whether or not to disregard a multinational therefore depends on a risk assessment. “How important is this [brand] logo for you?...Where is my risk? What is my return on investment?...Or is it too risky? Should I hedge my bets?” These are the questions Kumar seeks to answer in his risk assessment.

However, Kumar adds that he’ll never really close the door to any company because his startup remains dependent on collaborations with multinationals. His perspective is really to give the most favorable interpretation to any given situation, and he explains that this particular view is an outcome of both his propensity to trust and take risks. Kumar says that his default setting is to trust people. He always assumes that others have good intentions and will honor their commitment or promise, which he speculates may be a result of his upbringing and the eastern philosophies that characterized his childhood.

Kumar also believes that multinationals generally have good intentions in collaborating with startups. Even though he has heard stories about startups getting their IP stolen, asking for NDAs (non-disclosure agreements) or the like is not something that he would do. “Many organizations don’t even speak with you if you ask for an NDA, so that inserts a risk,” and he continues with saying that startups that do ask for NDAs are usually non-starters.

Although there are instances where he has been misled, Kumar has thus far not been discouraged. In fact, Kumar says that if he had not given the most favorable interpretation to situations or people in the past, he would have missed out on many opportunities. “I’ve obviously been open to going out into uncharted territories…I think for you to take a risk, you need to trust the people or the environment that you are jumping into, because that’s the whole thing about uncharted territories.” Kumar ends by saying that he always looks to “trust first” and then will find evidence to prove himself right.

Key Takeaways from Gyghub:

- Ability - high (innovation capabilities / resources)
- Benevolence - somewhat low (will seek an internal champion)
- Integrity - moderate (credible communication and meetings)
- Propensity to trust - high (gives others favorable interpretations)
- Propensity to take risk individually - high (ventures willingly into uncharted territory)
- Propensity to take risk for the company - somewhat high (hedge bets)
- Dependency - high (large part of business focused on MNE collaborations)

4.2 Cross-Case Chart

The following chart is a combination of the key takeaways listed at the end of each within-case presentation from chapter 4. As can be viewed from the table, each dimension has been given a weight ranging from low to high. For the dimensions *ability*, *benevolence*, and *integrity*, the weight assigned denotes how important an interviewee considered the dimension in their assessment of an MNE’s trustworthiness. For the dimensions *propensity to trust*, *propensity to take risk individually*, *propensity to take risk for the company*, and *dependence*, the weight assigned denotes the propensity level of an interviewee in trusting or taking risk, or in how dependent their startup is on multinational collaborations. A color-code is used for visualization purposes, however, each dimension is also properly assigned its corresponding level of low, somewhat low, moderate, somewhat high, or high. It is not the intention of the authors to suggest an incorporation of quantitative methods into this study with the introduction of this table. Rather, the authors only intend to illustrate comparisons between the interviews which are commented on in more detail in the following Analysis & Discussion chapter.

Dimension	**Twin Science**, 2017	**Verigraft**, 2016	**Insplorion**, 2010	**CogniBIT**, 2020	**Company X**, 2018	**Gyghub**, 2018
Ability	**SOMEWHAT LOW** - Network opportunities	**HIGH** - Knowledge/resources	**HIGH** - Market opportunities/ resources	**HIGH** - Long history of success/ resources	**HIGH** - Capabilities / resources	**HIGH** - Innovation capabilities/ resources
Benevolence	**MODERATE** - Top management involvement	**SOMEWHAT LOW** - Promising language	**MODERATE** - Internal champion	**LOW** - Cannot afford to Consider	**SOMEWHAT LOW** - Internal champion	**SOMEWHAT LOW** - Internal champion
Integrity	**HIGH** - Vision alignment	**SOMEWHAT LOW** - "Walk the talk"	**SOMEWHAT LOW** - Reputation	**SOMEWHAT LOW** - Reputation	**MODERATE** - Value alignment	**MODERATE** - Credible communication
Propensity to Trust	**HIGH** - 100% trust, credit system	**MODERATE** - "Glass half-full"	**MODERATE** - "Gut feeling"	**HIGH** - No bad experiences	**MODERATE** - Gives benefit of the doubt	**HIGH** - Favorable interpretations
Propensity to Take Risk Individually	**MODERATE** - Calculates risk and returns	**MODERATE** - Being a risk-taker is a given, works for startup	**MODERATE** - Being a risk-taker is a given, works for startup	**HIGH** - Quit former job; launched startup	**HIGH** - Admitted risk taker in life	**HIGH** - Uncharted territories
Propensity to take Risk, Company	**MODERATE** - Works with board, balance	**HIGH** - Risk vs. return	**MODERATE** - Balances risk	**HIGH** – Needs to take every chance	**HIGH** - Opportunities outweigh risks	**SOMEWHAT HIGH** - Hedge bets
Dependence	**LOW** - 25% revenue from MNE collabs	**HIGH** - MNE source of growth & expansion	**HIGH** - Lack of channels/ product dvlp.	**HIGH** - MNE only source of growth	**SOMEWHAT HIGH** - MNE catalyst for growth	**HIGH** - Large part of business focused on MNEs

Table 6: Cross-case chart of key takeaways (year below company name denotes year founded)

5. Analysis & Discussion

This chapter aims to link our empirical findings with theoretical frameworks in order to answer our research question of how startups consider trust in the MNE partner selection process.

5.1 Ability, Benevolence, and Integrity

The empirical results suggest that trust is not always front-of-mind for startup leaders when conducting their MNE partner selection process. Most of the interviewees believe that trust considerations take time, and therefore that trust is not something that can be readily assessed in the preformation phase of a collaboration. However, it became clear that factors of perceived trustworthiness - ability, benevolence, and integrity as suggested by Mayer et al. (1995) - do in fact play a role in a startup's trustworthiness evaluation of MNEs, regardless of whether they say so explicitly. In fact, the empirical results demonstrate that considerations of trust are made implicitly by startups rather than explicitly.

Our literature review presented the Mayer et al. (1995) model of trust, wherein the first component of trust development concerns the trustor's assessment of the trustee. Since our phenomenon of interest looks at how startups consider trust in the partner selection process, the "trustee" in our case is represented by MNEs, whereas startups are considered the "trustor." Trustworthiness can be assessed through the factors of (a) *perceived ability* - the trustee's skills, characteristics, experiences, and knowledge that enable them to have influence within a specific domain; (b) *perceived benevolence* - whether or not the trustor believes that the trustee wants to do good by them, and will have a positive orientation towards the trustor; and (c) *perceived integrity* - whether or not the trustor perceives the trustee to have a set of values and principles, based on credible communication, reputation, and congruence between actions and words, etc., that the trustor finds acceptable (Mayer et al., 1995).

As is evident from our empirical results, all factors of trustworthiness were considered to a greater or lesser extent by the startups interviewed. *Perceived ability* was often discussed in terms of the capabilities and resources of the MNE. It became clear that a startup will often go to great lengths to try to trust a multinational if money and financing is involved. While some of the interviewees said there was a line they wouldn't cross if they discovered something untrustworthy about a multinational, they would just as quickly contradict that statement by suggesting that money and financing would trump untrustworthy behavior if they were in a position of financial vulnerability. If the MNE had the relevant resources within a startup's specific domain of need, the MNE was considered able enough to aid in the startup's growth and expansion.

Perceived benevolence was often mentioned in relation to personal interactions. Some startup interviewees provided examples of when multinationals had acted benevolent towards them using powerful promises. For instance, Verigraft gave an example of a multinational firm interested in investing in their startup and how the CEO of the multinational made it clear to Verigraft that they were invested in the company for long term success, and that they were not looking to fight, so wanted to ensure cooperation through reasonable terms. The multinational firm also was going to put members on Verigraft's board of directors, and so the combination of these two things was interpreted by Verigraft as benevolent.

Lastly, *perceived integrity* was often discussed in terms of congruence between actions and words, and the values of the MNE. To assess the integrity of the MNE, some of the startups said that they reached out to their network to obtain references on the MNE, and how it had acted in previous collaborations. Essentially, they were gauging the reputation of the multinational through the use of already trusted compatriots. Moreover, some of the startups also said they would conduct a background check by using publicly available resources online.

All of the startups interviewed, with the exception of Twin Science, said that *perceived ability* was the most important factor in their MNE partner selection process. Most startups said that they were looking for MNEs that had the experience, technical expertise, and resources to help them bring forth a product or service to market. Interestingly, the startups that considered *perceived ability* to be the most important factor also mentioned that they were dependent on collaborations with MNEs in order to grow and expand. Since the startups interviewed are considered to be low power actors in relation to MNEs, this finding became quite interesting, as Schilke et al. (2015) argue that *perceived benevolence* is the most important trustworthiness dimension for low power actors in asymmetric contexts, and not *perceived ability* which is what this study found.

In the study conducted by Schilke et al. (2015), the authors showed that a lack of power increases the low power actor's tendency to place trust in others. Our study concurs with this finding. However, the Schilke et al. (2015) study further concluded that *perceived benevolence* was the "most relevant trustworthiness dimension when predicting trust decisions based on power differentials," and was based on the rationale that being dependent on another actor would prompt the low power actor to view the high power actor in a more positive light than perhaps justified by the available information in order to reduce the inherent anxiety connected to feelings of dependence (Schilke et al., 2015, p. 12953). In contrast, our study revealed that the majority of startups in a position of dependence would still consider engaging with an MNE despite information about untrustworthy behavior if said MNE had the *perceived abilities* to help a startup grow

and expand. This logic, however, did not seem to stem from an effort of trying to mitigate the anxiety connected to feelings of dependence. Rather, in a position of dependence, the majority of startups were more inclined to take the risk of collaborating with an MNE despite whether that MNE might have previously behaved in an untrustworthy manner. An explanation for why some of the startups would still consider engaging with MNEs despite possible untrustworthy behavior might be due to a greater willingness to take risk in a position of dependence.

Our finding is validated by the interviewee Twin Science when compared to the rest of our interviewees. In Twin Science's early days, it was heavily dependent on collaborations with MNEs in order to grow and expand, and therefore initially sought MNE partners based on *perceived abilities*. However, Twin Science has now reached a point where they are less financially vulnerable and therefore are less dependent on MNEs for their growth and expansion, and are thus less willing to engage with MNEs that do not meet an acceptable level of *perceived integrity*. As such, in a position of dependence, startups are more inclined to place trust in MNEs in line with the findings of Schilke et al. (2015). However, according to our study, this trust is based on *perceived abilities* rather than *perceived benevolence*.

Based on this analysis, we make the following propositions with regards to how startups consider an MNE's trustworthiness in situations where they are dependent on MNEs for growth and expansion:

Proposition 1a: The more dependent startups are on collaborations with MNEs for their growth, the stronger perceived ability will become a predictor of perceived trustworthiness of MNEs.

Proposition 1b: The more dependent startups are on collaborations with MNEs for their growth, the weaker benevolence and integrity will become predictors of perceived trustworthiness of MNEs.

5.2 Propensity to Take Risk

Central to trust has been the concept of risk (Mayer et al., 1995; Das & Teng, 2004). Mayer et al. (1995) view trust as the willingness to be vulnerable to another party, wherein trust entails the willingness to assume risk in the relationship, and behavioral trust entails actually taking risk in the relationship. Following this logic, Das and Teng (2004) argue that perceived trustworthiness and behavioral trust can be viewed as the inverse of specific risks and risk-taking respectively. An actor that has a high propensity to take risk, then, will be more inclined to engage in behavioral trust (ibid). Analyzing through the lens of Das and Teng's (2004) risk-based perspective on trust puts our case findings in an interesting light.

As our empirical results show, the majority of interviewees consider their risk appetite as very high in general. Without exception, all of the interviewees consider themselves as risk takers at the very minimum.

Although most interviewees indicate their willingness to take risk is somewhat lower when it comes to decisions related to their company, the general consensus was nevertheless that, in order to grow and expand their businesses, a lot of risk needs to be taken. This finding is not especially revelatory, as the willingness to take risk is a well-known characteristic of startups (Weiblen & Chesbrough, 2015).

However, the propensity to take risk seems to increase the more dependent a startup is on collaborations with MNEs. In a position of dependence, some startups are still inclined to take the risk of collaborating with an MNE regardless of whether the MNE might have previously engaged in untrustworthy behavior. The general statement from the interviewees was that the opportunity of engaging with an MNE outweighed the risk of potentially suffering from untrustworthy actions, as their growth and expansion depended too heavily on MNE collaborations. For instance, CogniBIT, highly dependent on MNEs for their growth, said that they had to take every chance despite the risk, since they operated in a niche market with not a lot of alternatives. Similarly, Verigraft, also approached the notion of risk in terms of the industry they worked in and their dependence on MNEs. The CFO of Verigraft explained how if you look at ten upcoming startup companies in the biotechnology industry, most likely only one will be a success. Additionally, due to them operating in a niche market which is not necessarily considered the "flavor of the day" according to the CFO, if an MNE shows interest, then that chance needs to be taken.

This reasoning seems to be in line with Das and Teng's (2004) view on risk propensity, trust, and trusting behavior. Basing their arguments on earlier research which has shown a linear causal relationship between risk propensity, risk perception, and taking risk, Das and Teng (2004, p. 108) argue that "the higher the trustor's risk propensity, the lower will be the level of perceived goodwill and competence needed to grant trust to a potential trustee," where perceived goodwill and competence is Das and Teng's (2004) denotation of perceived trustworthiness. In other words, an actor who has a high propensity to take risk will need lower levels of perceived goodwill and competence in order to engage in behavioral trust with a potential trustee (ibid).

Interestingly, although Das and Teng (2004, p. 108) imply that propensity to take risk is a stable within-party factor, our findings suggest that propensity to take risk changes in situations of dependence. Despite not discussing the relationship between risk and trust in as great depth as Das and Teng (2004), Mayer et al. (1995) suggest that a trustor's risk assessment could be influenced by the context of the relationship. Based on this analysis, we propose the following with regards to risk and trust in a startup's MNE partner selection process:

Proposition 2a: The more dependent startups are on collaborations with MNEs, the higher the startups' propensity to take risk (to engage in behavioral trust) with MNEs.

Proposition 2b: The less dependent startups are on collaborations with MNES, the lower startups' propensity to take risk (to engage in behavioral trust) with MNEs.

5.3 Propensity to Trust

As explained in our literature review, an actor's propensity to trust also has an effect on the development of trust (McEvily & Tortoriello, 2011; Mayer et al., 1995). Mayer et al. (1995) view a party's propensity to trust as an inherent characteristic dependent on the trustor's cultural background, experiences, and personality. Propensity to trust, thus, is seen as a trait that "leads to the generalized expectation about the trustworthiness of others" (Mayer et al., 1995, p. 715), where a trustor that has a high propensity to trust will have more trust for a trustee than a trustor that has a low propensity to trust, before any other type of information is available about the trustee's trustworthiness.

As our empirical results show, the interviewees' propensity to trust was affected by their experiences, personality, and background, as suggested by Mayer et al. (1995). For example, the CEO of Twin Science said she always begins by giving someone 100 percent credit (or trust), but then will decrease credits for untrustworthy behavior. Another of the interviewees, the CEO of Gyghub, said that his propensity to trust was influenced by his upbringing and eastern philosophies that characterized his childhood. In general, the interviewees considered themselves as very trusting individuals. As several of them put it, they are glass-half-full optimists who believe strongly in the good intentions of others, and that they will approach any given situation by giving others the benefit of the doubt until or unless they are forced to reconsider their stance.

This finding is interesting when considering the distinction made between propensity to trust and propensity to take risk made by Das and Teng (2004). Das and Teng (2004, p. 109) argue that propensity to trust and propensity to take risk do not necessarily go hand in hand at the trait level of an actor. The authors posit that "while trust propensity is about one's general view of the level of uncertainty in relationships around oneself, risk propensity is about how to deal with these uncertainties in relationships." In other words, actors may have a low propensity to trust others, yet still have a high propensity to take risks in relationships. In such a situation, actors "grant trust not because they believe in the trustworthiness of others, but only because they are more willing to take such risks with others" (ibid).

However, the findings from our interviews suggest that startups have both a high propensity to take risk and a high propensity to trust. Both propensities increase the startups' likelihood of engaging in behavioral

trust, and decrease the startups' need to receive information about the MNE's trustworthiness before they decide to engage.

6. Conclusions

In this last chapter, we present the conclusions of this thesis by answering our research question. Additionally, we present some managerial implications and recommendations. Lastly, we address the limitations of this study as well as provide some recommendations for future research.

This study set out to explore how startups consider trust in their MNE partner selection process. This phenomenon has previously been largely overlooked in the literature, and therefore, the authors of this study set out to explore this research gap in order to add to the literature on trust through bringing in the dimension of power-imbalanced contexts, and provide practical recommendations to startups. The following question guided our research:

RQ: *How do startups consider trust in their MNE partner selection process?*

6.1 Answering the Research Question

This study revealed trust is not always front-of-mind for startups in their MNE partner selection process. However, it became clear that the startups still conduct an implicit trustworthiness assessment of MNEs to a greater or lesser degree, which validates earlier insights within the field of trust (Mayer et al., 1995). When startups are in a position of dependence on MNEs, the MNE's *perceived abilities* become the most important factor of trustworthiness. This finding is contrary to Schilke et al. (2015), who suggest that, in a position of dependence, *perceived benevolence* becomes the most important trustworthiness dimension. Moreover, this study also found that startups' perception of trustworthiness changes at the point in time when a startup is no longer dependent on MNEs. Once a startup escapes the position of dependence, its focus shifts from primarily considering *perceived abilities* to also considering *perceived benevolence* and/or *perceived integrity*, or a combination thereof.

The findings from this study also suggest that startup leaders are in general very trusting individuals. This leads them to have higher trust for MNEs before any other type of information about the MNE's trustworthiness is available. Having a high propensity to trust, then, increases the likelihood of the startups to trust and subsequently engage in trusting behavior, and decreases their need to receive information about the trustworthiness of MNEs, in line with the suggestions by Mayer et al. (1995).

Lastly, the empirical findings of this study also showed that startups, in general, have a high propensity to take risks. This finding was not especially revelatory, as the willingness to take risk is a well-known characteristic of startups (Weiblen & Chesbrough, 2015). However, the propensity to take risks, i.e., engage in trusting behavior, seems to increase the more dependent a startup is on collaborations with MNEs. As

such, we show that the more dependent startups are on collaborations with MNEs, the higher their propensity to take risk (engage in behavioral trust) with MNEs when less information is available. This finding is contrary to the suggestions by Das and Teng (2004), who imply that propensity to take risk is a stable within-party factor.

Taken together, this study shows how multiple dimensions influence how startups consider trust in their MNE partner selection process. These dimensions include how startups perceive the trustworthiness of MNEs, startups' own propensity to trust and take risk, and also how dependent startups are on collaborations with MNEs for growth and expansion.

6.2 Implications & Recommendations

Based on the answer to this study's research question, we have contributed with both theoretical and practical implications. First, we have shown that a context of dependence impacts both how startups consider the factors of trustworthiness and the propensity to take risk, i.e., engage in trusting behavior. These are novel findings and have contributed with new knowledge on how trust develops from a low-power actors' perspective in power-imbalanced contexts. Second, this study answered the call from the research community to investigate in greater depth how startups consider trust in their partner selection process (Allmendinger & Berger, 2020).

Based on the empirical findings of this study, recommendations can also be made to startups. First, we recommend that startups become aware of how their own characteristics, as well as their position relative to MNEs, influence how they consider trust in their MNE partner selection process. As we have shown in this study, startups' propensity to trust and propensity to take risk both influence the likelihood of granting trust and engaging in trusting behavior. Moreover, when in a position of dependence on MNEs for their growth and expansion, startups need lower levels of perceived trustworthiness in order to grant trust and engage in trusting behavior. In such a situation, startups mainly base their judgment about the trustworthiness of the MNE on perceived abilities of the MNE. Although startups are not always in a position to choose whom they want to collaborate with, we nevertheless believe that it will be useful for startups to be more rigorous in their trustworthiness evaluations in order to avoid getting taken advantage of, and make better decisions about whom to partner with. As such, we advocate that startups conduct more rigorous due diligence in their partner selection process, and suggest that the factors of trustworthiness - ability, benevolence, and integrity - serve as an explicit checklist. Moreover, we suggest that each of these three factors be given equal weight so as to avoid overlooking important information about an MNE's trustworthiness.

6.3 Limitations of the Study

Several limitations are identified in this study. First, the startups interviewed in this thesis are in different stages of development. As such, it is possible that the age of startups might impact their considerations of trust and risk. Second, the majority of the startups interviewed were of Swedish origin, which could impact the startups' propensity to trust, as this factor may be impacted by the actors' cultural background. Third, this study did not consider how specific industry effects may impact startups' trust considerations in their partner selection process. Fourth, we also recognize that there are now several different models for MNE-startup innovation collaboration, ranging from equity-based to non-equity based (Weiblen & Chesbrough, 2015). As such, it is possible that different modes of collaboration could impact how trust is considered and how risk is perceived. Fifth and finally, it must be recognized and acknowledged how many countless and varying views and opinions there are when it comes to trust, including an extensive array of models and frameworks across myriad research fields. Therefore, capturing and contextualizing the notion of trust for our specific purposes is very likely not all encompassing and might have limited our ability to fully understand and analyze how startups consider trust in their partner selection process.

6.4 Future Research

Based on the findings and limitations of this thesis, there are several avenues for further research. First, this study made several propositions with regards to, for example, what factors of trustworthiness matter most to startups in their MNE partner selection process. We call on the research community to test these propositions quantitatively, keeping in mind to test for industry effects and the stage of development of the startup, etc. Here, it would also be interesting to differentiate between different modes of collaboration. Second, our findings show that startup leaders generally have a high propensity to trust. It would be interesting to study whether this is in fact a typical personality characteristic of entrepreneurs, as this characteristic possibly could influence other activities that startups engage in. Lastly, to date, there have been no studies investigating how MNEs consider trust in their partner selection process of startups, and we believe it would be interesting to get the MNE perspective in a similar study.

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Appendix

Interview Guide

Background
Generally speaking, multinationals are shifting from closed innovation to open innovation and are now looking to collaborate with startups more regularly. According to literature on the subject, a competitive advantage can be achieved for those multinationals who position themselves as being more trustworthy in the eyes of startups.

Startups are in a position of vulnerability when compared to multinationals in that they do not possess the same level of resources. Startups most often look to grow quickly by expanding their operations and increasing their revenue streams, and can achieve both by collaborating with multinationals. Literature on multinational-startup collaborations demonstrates that 80 percent of the time, startups end up feeling exploited or taken advantage of by multinationals in their collaborations. This leads us to question when startups are willing to collaborate with a multinational and what considerations are made by startups regarding trustworthiness of multinationals.

Topic areas we will ask questions about
We are conducting a semi-structured interview which means that we will ask about topic areas and leave room for you to elaborate freely on your engagement with multinationals. We are specifically looking at the *pre-formation* phase of collaboration. I.e., how did you go about searching for, identifying, and selecting a multinational to work with, and moreover, how did trust play into it.

How it may benefit you
We think that you will benefit from better understanding how your startup and your peer startups consider trustworthiness of multinationals given that trust aspects are not always clear or at the forefront of decision making. Moreover, we hope to create a roadmap for startups that they can refer to when going through the partner selection process, as it may keep them better informed about what red flags to watch out for when dealing with multinationals.

Questions Asked

1. How would you define trust?
2. CURRENT/PAST ENGAGEMENT WITH MULTINATIONALS:
    a. Are you currently engaged in working with any multinationals?
    b. How many collaborations with multinationals have you had?
    c. In general, can you describe how you go about finding multinationals to collaborate with?
3. DUE DILIGENCE:
    a. What type of research do you do on multinationals prior to engagement?
    b. What kind of information do you ask multinationals to provide (if any) prior to engagement?
4. DEPENDENCY:
    a. How dependent are you on collaborations with multinationals?
    b. Why is it important to you?

    c. Do you have other viable options through which you can commercialize your idea/innovation?

5. CONSIDERATIONS:
    a. What discussions do you have with colleagues at your company about multinationals?
    b. What aspects of the multinational were considered when deciding whether or not to collaborate? Top 3? Top 5?
    c. Did you reach out to others in your network to get information about the multinational?
6. RISKS:
    a. How willing are you to take risks?
    b. Does that same willingness translate to how your company takes risks?
    c. What do you base your risk assessment on?
7. TRUST:
    a. Do you consider yourself to be a trusting person? And why?
    b. Do you consider yourself to be a trustworthy person? And why?
    c. What are the most important factors for you when considering whether to trust someone else?
8. ABILITY
    a. When you're considering entering into a partnership with a multinational, to what extent do you consider their specific knowledge/resources domain relevant for your company?
9. INTEGRITY:
    a. To what extent do you consider the multinational's past actions toward other startups and partners?
    b. What aspects of a multinational's past actions would you say are important for you?
    c. How do you go about finding out what that multinational's past actions were?
    d. Are there some aspects of a multinational's past actions that would deter you from working with them?
10. BENEVOLENCE:
    a. When you're considering entering into a partnership with a multinational, do you consider their intentions and motivations?
    b. How would you go about finding out what the multinational's motives and intentions are?
    c. Are there any motivations or intentions that would deter you from collaborating?