Interdependencies, trust and information in relationships, alliances and networks

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Abstract

The last decade has been characterised by the increased development of cross-company relationships, alliances and more complex business networks. This paper examines fundamental concepts that relate to the needs for information, including accounting information, in these interactive structures. It considers, initially, some consequences for accounting when planning and control is to be exercised across organisational boundaries, but the main thrust of the paper is to focus on the fact that all relationships depend to some extent on trust. The interaction between trust and information in personal relationships is explored to serve as a template against which to consider whether the information needs of inter-organisational relationships are similar. Having examined information needs of business relationships in general, the analysis is developed to consider the needs of different forms of corporate alliances and then wider business networks. This paper is an attempt to create a debate on new questions that seem to be fundamental to the design of information and accounting systems. It is not claimed to have provided definitive answers, but it is proposed that the lack of a well-developed theory of the interaction between trust and information has been a fundamental gap in our knowledge.

Keywords

business alliances; supplier networks; mutual understanding; trust; partnerships

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