



A multi-level understanding of trust development in contexts of blurred organizational boundaries: the case of crowdfunding

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ABSTRACT

Are trust development processes in settings of blurred organizational boundaries different from those in conventional organizational settings, and if so, how? Taking the crowdfunding campaigns of the Fin-Tech Monzo as examples of settings of blurred organizational boundaries, we analyze how the three main trust forms (individual, organizational, and institutional trust) emerge and interact in the campaigns' online discourse and develop a process model that captures distinct trust development dynamics. We contribute to the trust literature by highlighting increased dynamics and co-existence of trust forms, and by showing that the validation of extra-organizational boundary spanners is crucial to compensate for a missing personal interaction in settings of blurred organizational boundaries. We also contribute to the crowdfunding literature and derive managerial implications.

1. Introduction

Innovation requires trust. It increases organizational commitment (Mayer & Gavin, 2005), negotiation success (Fulmer & Gelfand, 2012), as well as performance (Colquitt et al., 2007; De Jong et al., 2016), and as a result the likelihood to successfully develop new ideas or products (Svare et al., 2019). The extant literature suggests that trust towards an organization develops over time and over multiple levels (Fulmer & Dirks, 2018; Fulmer & Gelfand, 2012). For example, trust can build up towards an individual (individual trust), the organization itself (organizational trust) or, more broadly towards (societal) institutions (institutional trust) (Kramer & Tyler, 1996; Lewicki et al., 2006; Luhmann, 1979). And although the literature has shed light on how these three levels interact in trust development processes in conventional (inter-)organizational settings, for example by demonstrating that institutional trust is relevant in the beginning of a relationship (Bachmann & Inkpen, 2011; Fulmer & Gelfand, 2012; Schilke & Cook, 2013), we know little about trust development processes in what we call settings of blurred organizational boundaries. Yet, organizations increasingly rely on such settings to innovate (Alexy et al., 2017; Marchington et al., 2005; Wilner et al., 2017) or to acquire critical resources such as financing (Fisher, 2019; Nielsen, 2018).

Following the organization theory literature, we define settings of

blurred organizational boundaries as settings in which an organization invites a large external audience to act as innovators (Alexy et al., 2017; Marchington et al., 2005). Crucially, to administer the communication with this audience, the organization primarily interacts and exchanges information online and in doing so largely inhibits personal face-to-face interaction (Etter, Ravasi, & Colleoni, 2019; Fisher, 2019; Wilner, Christopoulos, & Alves, 2017). While in conventional (inter-)organizational settings organizations develop ideas primarily from within and with employees, in settings of blurred organizational boundaries ideas are developed with a large group of unconnected people who operate outside of the conventional organizational boundaries and in an online discourse (Nielsen, 2018; Wilner et al., 2017). Trust development in settings of blurred organizational boundaries therefore most likely differs not only because the personal interactions between relatively distinct actors and organizational representatives are lacking (Lumineau et al., 2020), but also because the engagement of the diverse and often unknown audience partners takes place in a dynamic online discourse (Fulmer & Dirks, 2018; Seidel, 2017).

Considering that settings of blurred organizational boundaries are increasingly important for organizations, for instance to innovate (Alexy et al., 2017; Marchington et al., 2005; Wilner et al., 2017) or to obtain key resources (Fisher, 2019; Nielsen, 2018), in this paper we aim to investigate whether and how trust development processes in settings of

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blurred organizational boundaries differ from those in conventional (inter-)organizational settings. Specifically, we aim to explore how the three main trust forms and levels (individual, organizational, and institutional) interact. We ask: *What matters when, and how and why* to develop trust towards an organization that engages in resource acquisition in settings of blurred organizational boundaries?

To answer this question, we conducted a longitudinal case study (Langley et al., 2013; Scholz & Tietje, 2002) of the online discourse around two equity crowdfunding campaigns of the British FinTech Monzo. We chose equity crowdfunding because, besides open innovation projects and new collaborative forms of organizing, it is another representative setting of blurred organizational boundaries (Nielsen, 2018). It is an alternative financing platform on which young organizations develop ideas with and obtain money from a globally dispersed and non-institutional investor crowd (Belleflamme et al., 2014; Lehner & Harrer, 2019). The crowdfunding campaigns of Monzo are a particularly relevant case because they were one of the most successful equity crowdfunding campaigns ever and the discussions around the campaigns were traceable online.

Our analysis reveals diverse thematic foci and high dynamics between the trust forms. Based on these findings, we derive a process model that captures distinct trust development dynamics in settings of blurred organizational boundaries vis-à-vis conventional (inter-)organizational settings and contribute to the literature in three ways. *First*, we contribute to the literature on trust development by highlighting that in settings of blurred organizational boundaries trust forms co-exist more often throughout the trust development process than previously shown. While previous works primarily argue that trust forms matter one after the other (Karhapää & Savolainen, 2018; Lumineau & Schilke, 2018; Schilke & Cook, 2013), our findings show that the three trust forms co-exist more often in settings of blurred organizational boundaries. Institutional and individual trust thereby also matter differently than previously shown. *Second*, while the extant literature suggests that interactions between (groups of) employees are key to develop trust (Bentzen, 2019; Karhapää & Savolainen, 2018; Lumineau & Schilke, 2018; Schilke & Cook, 2013), we show that in settings of blurred organizational boundaries the missing personal interaction can be compensated for by introducing and validating new extra-organizational boundary spanners. *Third*, as one of the few papers that investigates trust development in equity crowdfunding (Pollack et al., 2017; Strohmaier et al., 2019; Xiao, 2020), we also add to this literature and derive practical implications.

The paper proceeds as follows. First, we discuss the extant literature on trust development processes and outline why more works on settings of blurred organizational boundaries are needed. Second, we outline our insights from the crowdfunding campaigns of Monzo.

2. Theoretical motivations

2.1. A multi-level understanding of trust development

In this paper we define trust as the “*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.*” (Mayer et al., 1995, p. 712). The literature also suggests that trust towards a specific person or entity develops over time and on different levels (Fulmer & Dirks, 2018; Fulmer & Gelfand, 2012; Rousseau et al., 1998). Studies note for instance, that on an interpersonal level, individual actors build expectations regarding other individuals based on the evaluation of trustworthiness cues such as competence and integrity (Mayer et al., 1995), and the reciprocal demonstration of cooperative behavior (Lewicki et al., 2006; Schilke et al., 2021). On an (inter-)organizational level, the same evaluations apply, with the main difference being that an organization is the primary object that is evaluated (Mayer et al., 1995; Sydow, 1998; Zaheer et al., 1998, p. 143). Besides the individual and

(inter-)organizational level, Lane and Bachmann (1996), Bachmann (2011), and Delbufalo (2015) further present trust development as embedded in a (social) network that includes competitors, financial institutions, and other trade associations. In this network, the so-called institutional or system trust maintains connectability for interactions via mechanisms such as legal regulations, reputation, certification, and community norms (Luhmann, 1979).

Overall, the above works suggest that trust development towards an organization takes place over time and over three levels of analysis or trust forms (i.e., individual, organizational, and institutional). And although the extant literature provides insights into how some of those levels and trust forms interact throughout the trust development process in conventional (inter-)organizational settings, it remains unclear how they interact in what we call settings of blurred organizational boundaries. In this paper we thus argue that it is time to (critically) reflect on what we know about trust development processes in conventional (inter-)organizational settings and to explore whether and how these processes differ in settings of blurred organizational boundaries. We start by reflecting on trust development processes in conventional (inter-)organizational settings.

2.2. Trust development in conventional organizational settings

Looking at trust development as an ongoing process is not new (Child & Möllering, 2003; Möllering, 2013; Nooteboom, 2002). As one of the early voices, Zucker (1986), for example, argues that trust production depends on three modes: characteristics-based trust, institutions-based trust, or process-based trust. Focusing on stages of development, Shapiro et al. (1992) later suggest a minimal trust level as *deterrence-based* trust, which is characterized by the availability of negative consequences in the case of fraudulent behavior. Lewicki and Bunker (1996) extend this by putting forward three consecutive stages of trust development: *calculus-based*, *knowledge-based*, and *identification-based* trust. One starts at a rational evaluation of opportunities and, with the aim to gain control over a situation, moves into obtaining more information about the object of trust to assess commonalities. This may ultimately result in social proximity and joint-goal attainment.

More recent works also look at the role of trust forms throughout the trust development process. Looking at intra-organizational settings, Lumineau and Schilke (2018) and Brattström et al. (2019), for instance, show that organizational structures not only shape the motivation to share (more) information in the beginning, but also how foci of attention shift throughout the middle phases of trust development. Individual interactions in comparison are found to be most relevant right after the initial “hook” has been created. Analyzing trust development in a merger of two universities, Karhapää and Savolainen (2018) add that in order to move from calculus- to identification-based trust, it requires a shift from individual to organizational trust. Notably, the authors also show that in order to transfer trust from the individual to the organizational level, personal interactions between groups of key representatives (i.e., employees and managers) of both organizations are crucial.

While the above studies have focused on the role of individual and organizational trust throughout the trust development process, some have also investigated the role of institutional trust. Analyzing buyer-supplier relationships in Britain and Germany, Lane & Bachmann (1996), for instance, show that in the beginning of a relationship the development of trust is strongly dependent on stable, existing institutional structures. Taking a more nuanced perspective, Bentzen (2019) further shows that besides the broader institutional system, individual leaders can also act as risk-buffer for their employees in the beginning. Together, the two trust forms create an optimal institutional-individual risk buffer and allow for trust to develop further.

Adding conceptual clarity to the above empirical insights, Schilke and Cook (2013) provide the most elaborate model of the trust development process to date. Notably, the authors highlight that interorganizational trust building progresses through four stages (initiation,

negotiation, formation, and operation), and in doing so moves from an inter-personal relationship to an individual-organizational, and ultimately inter-organizational relationship. Importantly, they also note that the shifts between the relationships and stages are underpinned by trustworthiness clues on different levels. In the initiation stage, for instance, previous (organizational) activities and reputation, public information, and institutional categories are the key clues that initiate trust building. In comparison, to progress from the negotiation to the formation stage, clues from the relationship between employees as key boundary spanners are most crucial to transfer trust from the individual onto the focal organization.

2.3. Trust development in settings of blurred organizational boundaries

Reflecting on the above, the extant trust literature has shed much light on trust development processes in conventional (inter-)organizational settings, where relatively rigid organizational structures and personal interactions between employees and managers are the norm. The main takeaway of this literature is that the three trust forms (individual, organization, and institutional trust) primarily matter one after the other. And although this insight is important, few works investigate whether trust development processes differ in settings of blurred organizational boundaries.

To recall, in settings of blurred organizational boundaries organizations invite a large and diverse external audience to act as innovators (Alexy et al., 2017; Marchington et al., 2005; Wilner et al., 2017). Crucially, as the communication with this audience is mainly online, the interaction between the actors does not take place within rigid organizational structures. Instead, it emerges in a more dynamic and globally dispersed online discourse (Etter et al., 2019; Fisher, 2019; Nielsen, 2018; Roulet & Clemente, 2018). Trust development in settings of blurred organizational boundaries therefore is most likely not so much a process that clearly progresses from one interaction between employees or from one trust form to another (Karhapää & Savolainen, 2018; Lumineau & Schilke, 2018; Schilke & Cook, 2013). Rather, it may represent a highly dynamic process in which multiple (extra- and intra-organizational) actors come together in an online discourse to negotiate and develop trust forms over time (Lumineau et al., 2020; Seidel, 2017).

Considering the importance of settings of blurred organizational boundaries to innovate (Alexy et al., 2017; Marchington et al., 2005; Wilner et al., 2017) and the dearth of studies looking at trust development in them, in this paper we thus explore the trust development process in a setting of blurred organizational boundaries, and whether and how it differs from those in conventional (inter-)organizational settings. We not only consider that trust likely develops over multiple levels and trust forms (i.e., individual, organizational, and institutional) but, crucially, also that these forms emerge in an online discourse over time. Our research question therefore is: *What matters when, and how and why to develop trust towards an organization that engages in resource acquisition in settings of blurred organizational boundaries?*

3. Research context and case description

To answer this question, we analyze two consecutive equity crowdfunding campaigns of the British FinTech and challenger bank Monzo. Before we describe how we analyzed the campaigns, we will elaborate on why we chose the context of equity crowdfunding as an apt example of a setting of blurred organizational boundaries, and why the case of Monzo is particularly relevant.

3.1. Why equity crowdfunding

We chose the context of crowdfunding, *first*, because according to recent studies it represents a setting of blurred organizational boundaries (Nielsen, 2018). It is a financing form that almost exclusively relies

on the ability of a venture to gain the trust of many individual (non-institutional) investors (Lehner & Harrer, 2019) and as such also invites the investors to co-create ideas (Nielsen, 2018). Although the venture's pitch on the platform is critical, the wider communication in the online discourse around a crowdfunding campaign is also relevant for developing trust. In fact, research shows that the interplay and knowledge exchange between multiple organizations and individuals in the online discourse influences crowdfunding success most (Ding et al., 2015; Lehner, 2013; Lehner & Harrer, 2019; Nielsen, 2018). Efrat et al. (2020) further add that those who engage in and shape this discourse, are usually also those who invest.

Second, we chose the context of equity crowdfunding in the UK because it is regarded as one of the most successful forms of crowdfunding (Brown et al., 2018) and the UK market is the most developed equity crowdfunding market globally (Estrin et al., 2018). Furthermore, equity crowdfunding is the only crowdfunding form that promises (potential future) financial rewards in the form of dividends (Vulkan et al., 2016) and as such implies the possibility of a painful personal loss. If trust is misplaced, the loss of personal capital can be experienced as painful by the individual investors (Hersel & Connelly, 2018). Thus, equity crowdfunding, as a context where multiple actors shape the online discourse around a campaign can provide useful insights into the peculiarities of trust development processes in settings of blurred organizational boundaries.

3.2. Why Monzo

Monzo is one of the leading Fin-Techs in the UK and one of the most successful campaigns on the globally most important British equity crowdfunding platform crowdcube.com. In the first crowdfunding round in 2016, 1898 investors spent an average of £ 527 for 3.33% equity share each, which pushed the valuation of Monzo to £ 30 million (details on the funding rounds can be found in Table 1). In the second round in 2017/2018, 6300 investors participated (Crowdcube).

Another reason for the selection of the case was the active engagement of Monzo with multiple actors (e.g., customers, investors, or other crowdfunding professionals). The most important reason for our choice, however, was that most of those engagements were traceable online.

Table 1
Funding Rounds of Monzo until October 2018 (Craft.co, 2018).

Date	Funding Sum	Capital Type	Funder
Jul-15	£ 2,000,000	Seed	Passion Capital, Blue Wire Capital
Feb-16	£ 5,000,000	Series A	Passion Capital
Mar-16	£ 1,000,000	Equity CF	Crowdcube
Oct-16	£ 4,800,000	Series B	Passion Capital
Feb-17	£ 19,500,000	Series C	Thrive Capital, Passion Capital, Orange Digital Ventures (Telecom)
Mar-17	£ 2,400,000	Equity CF	Crowdcube
Jul-17	£ 25,200,000	Series B	Orange Digital Ventures
Nov-17	£ 71,000,000	Series D	Goodwater Capital, Stripe, Passion Capital
Aug-18	£ 150,000,000	Interim	Accel Partners
Oct-18	£ 85,000,000	Series E	Accel Partners, Passion Capital, General Catalyst Partners, Thrive Capital, Orange Digital Ventures, Goodwater Capital
Total	£ 365,900,000		Valuation Oct 18: £ 1 billion (Dec 19: £ 2 billion)

4. Methodology

To understand how trust developed towards Monzo as the focal organization in the online discourse around the two campaigns in 2016 and 2017/2018, we adopted a longitudinal process perspective (Langley et al., 2013) on embedded cases (Scholz & Tietje, 2002; Stake, 1995). Discourse refers to texts, such as written comments, videos, and photos (Chia, 2000; Hardy & Thomas, 2015). As multiple works have highlighted that discourse can shape trust development (Brattström et al., 2019; Maguire et al., 2016; Möllering, 2020; Nielsen, 2018), we regarded an analysis of the discourse around Monzo’s crowdfunding campaigns as useful for our study. The longitudinal process approach moreover helped us track the differences of trust forms in the discourse over time.

4.1. Data collection

We collected data from 2015 until 2018 to capture the full company and crowdfunding history of Monzo. The collection was qualitative and conducted retrospectively from various online sources such as crowdcube.com, Monzo.com, Forbes.com, The Guardian, Finance Yahoo, Proactive Investors UK, The Bank of England, and Business Insider, as well as six interviews with Monzo executives, the Monzo team, and third-party platforms that were video recorded (Denzin & Lincoln, 2005). Such data collection is particularly suitable for studying trust development towards Monzo because the documents allow for an identification of diverse thematic foci and actors and thus help to avoid mismatches between theory and observations (Currall & Inkpen, 2002). Moreover, as we collected the data longitudinally, we were able to observe the different thematic foci and actors throughout the campaigns. Table 2 highlights how the documents reflected thematic foci and actors.

As the 132 collected documents, photos, videos, and interviews included diverse types of actors (i.e., blogs, press releases, and financial statements), we also avoided a retrospective bias (Huber & Power, 1985; Miller et al., 1997).

4.2. Data analysis

To understand how trust developed in settings of blurred organizational boundaries, we analyzed the prevalence of the three main trust forms on different levels of analysis (i.e., individual, organizational, and institutional) over time. To do that, we analyzed our data based on an

Table 2
Discursive foci and actors per document types.

Focus on	Thematic foci	Relevant Actor for Trust Form	Relevant Document Types
Entrepreneur(s)	Personal traits	Specific individual (Mayer et al., 1995; McAllister, 1995)	Interviews, some company blog documents
Investor(s)	Credibility, history and background, personal traits	Specific individual (Mayer et al., 1995)	Community, third party (investor) blogs
Company/ Organization	Financials, future outlook, business plan, product/ service	Organization	Company blog, third party blog, platforms, financial information
Crowdfunding Platform	Support, due diligence, availability and service, other projects/reach	Organization, Crowdfunding system	Platform blog, third party blogs
Regulators and Crowdfunding System	Online banking, age groups, social impact, future aim	Crowdfunding system, banking system, society at large (Cook, 2001)	Third party blogs, platform blog, company blog

abductive methodology and coded based on meaningful units (Braun & Clarke, 2006; Sætre & Van de Ven, 2021). Meaningful units capture key expressions and actions that are described in a document (Braun & Clarke, 2006). And as the literature on trust suggests that such expressions and actions constitute trust and discourse, we were able to relate the meaningful units to trust forms (Brattström et al., 2019; Hardy & Thomas, 2015).

Two sets of codes served as the analytical backbone of our study: *crowdfunding phases* and *trust forms*. In the *first* set we operationalized the relevant phases. As we were interested in the trust development process, we started with the four steps from Schilke & Cook’s (2013) model: (1) initiation, 2) negotiation, 3) formation and 4) operation. As our context was crowdfunding, we also considered the works on crowdfunding phases and specifically Gordon’s (2014) five core phases of an alternative investment process: (1) opportunity identification, 2) co-creation of social innovation, 3) decision-making criteria, 4) implementation, and 5) disengagement and suggested that all seed investments follow a similar process. Reflecting on how those two works matched, we realized that Gordon’s (Gordon’s (2014)) five phases were more nuanced, but upon some reflection collatable into Schilke & Cook’s (2013) steps. For instance, Gordon’s first phase matched Schilke & Cook’s first step, whereas Gordon’s second and third phase matched Schilke & Cook’s second step. We therefore used Gordon’s (2014) phases to code our data initially, and then through an iterative process, collated these phases into Schilke & Cook’s (2013) more generic trust development steps.

Having clarified the crowdfunding phases a-priori, we started our coding. For this we immediately disregarded Gordon’s (2014) fifth phase (and Schilke & Cook’s (2013) fourth step of operation) because we were only interested in the process *before* the actual investment in Monzo. We then structured the documents according to their date of publication. This gave us a rough idea about how the documents matched onto the phases. Yet, to clearly differentiate between the phases, we also looked at the content of the documents. In another coding round we therefore inductively extracted thematic foci (Braun & Clarke, 2006) and via the publication dates also allocated the foci to the phases as of Gordon (2014). We then realized, while overall a good fit (75% of the content did match the description of the (primarily first few) phases (Cicchetti, 1994)), our thematic foci differed slightly from Gordon’s (Cicchetti, 1994) conceptualization, particularly in the last two phases. For example, the second phase did not specifically rely on the co-creation of (entrepreneurial) opportunities but referred to the information about individual actors and their values. As a result, we termed the second crowdfunding phase “values matching”. For example, the statement: “I don’t think so. A few things: 1) trust in big banks is overstated. Trust in big tech brands is more than the banks ‘cause everyone is using smartphones. 2) The idea that big banks can catch up. The phrase ‘you’re gonna skate where the pack is going. ... I’m much more afraid that we’ve not yet built what is truly compelling to customers. I’m worrying much more about the customers not being satisfied rather than about the big banks catching us.” was allocated to crowdfunding phase 2 “values matching” because it provided reflections on the intentions and emotions (indicated by ‘I don’t think so’, ‘I worry [...]’; that’s true for [...]).

Based on this logic and simultaneously going back and forth between our data and the research on crowdfunding phases as well as Gordon (2014), we inductively developed and adapted our operationalizations of the phases (Kendall, 1999; Strauss & Corbin, 1994). Both coders separately came up with the initial suggestions which were then discussed and merged through another coding round (O’Connor & Joffe, 2020). In the end, we operationalized the five crowdfunding phases as per Table 3 below. These five phases served as final coding structure for all documents and through an iterative process were ultimately collated onto Schilke & Cook’s (2013) trust development steps as shown in Table 3.

In the *second* coding set we captured the trust forms on the three main levels (individual, organizational, and institutional). Once again, we used the meaningful units from step one and started to allocate them

Table 3
Coding book excerpt of the definition of the crowdfunding phases, related characteristics, and trust stage as of [Schilke & Cook \(2013\)](#).

Phase	Characteristics (Thematic Foci)	Trust Stage	Files	References
1) Deal Sourcing	institutional arrangements, people, crowd, potentially connect to other individuals	Initiation	62	126
2) Values Matching	social capital, legitimate to individual investors, how are features perceived, emotions, intentions, characteristics of a person, past experiences, Ability-, Benevolence- & Integrity-dimensions of trustworthiness (Mayer et al., 1995)	Negotiation	78	192
3) Early Decision-Making	gathering data on e.g. financial data, due diligence, SWOT analysis, risk awareness, A-dimension of trust (Mayer et al., 1995)	Negotiation	40	98
4) Co-Creation and Circular Reasoning	social return generation, knowledge & skill transfer, discussions including community, A- & B-dimension of trust (Mayer et al., 1995), prepare transfer from individual to institutional level	Negotiation	59	128
5) Decision Making	soft & rationale factors & institutional legal factors, combine with human resources etc., contractual bits of platform, legal verification (also of individual)	Formation	56	104

to the three levels via the mentioned actors. We then conducted a qualitative content analysis ([Mayring, 2004](#)) and analyzed the thematic foci in the documents. Comparing and matching the emergent foci to the actors and a priori definitions of trust forms and trustworthiness clues (e.g. [Mayer et al., 1995](#); [McAllister, 1995](#); [Rotter, 1980](#); [Schilke & Cook, 2013](#)), we were ultimately able to identify thematic foci per trust form. [Table 4](#) provides an example of this logic.

Overall, we replicated this two-fold coding (crowdfunding phases and trust forms) for all 132 documents. In the end, we extracted 648 codes for the crowdfunding phases (details in [Table 3](#) above) and 382

Table 4
Coding book excerpt of the definition of the forms of trust.

Form of Trust	Thematic foci	Addressed Actors	Exemplary meaningful unit	Files	References
Individual Trust	individual traits (Rotter, 1980), Ability and Benevolence and Integrity dimensions of trust (Mayer et al., 1995), cognitive & affective dimensions (McAllister, 1995), experiences, knowledge, competencies, goodwill, emotions, intentions, individual distrust	Individual founder(s), other important individuals in the field of crowdfunding	He says ‘trust in big banks is overstated. Trust in big tech brands is more than the banks ‘cause everyone is using smartphones.’	44	77
Organizational Trust	Benevolence and Integrity dimensions of trust (Mayer et al., 1995), interorganizational trust (McEvily et al., 2003 ; Möllering & Sydow, 2018) organizational distrust, reputation, situational imperfect information (Kang et al., 2016), recommendations from other companies on platform (Lane & Bachmann, 1996)	organization and similar organizational groups, crowdfunding platform directly as organization	‘the idea that big banks can catch up. The phrase ‘you’re gonna skate where the pack is going’. [...] about the big banks catching us.’	91	190
Institutional Trust	Reference to social change (Bachmann & Inkpen, 2011), social networks (Lewis & Weigert, 1985), third parties, financial industry, the crowdfunding system, system trust, certification	Collective society, crowdfunding system, government, business infrastructure	‘I’m much more afraid that we’ve not yet built what is truly compelling to customers. I’m worrying much more about the customers not being satisfied rather than about the big banks catching us.’	67	115

codes for the trust forms (details in [Table 4](#) above). [Table 5](#) below shows how our documents related to the phases and [Table 6](#) how they related to the trust forms on the three levels. As we had also allocated each document to the two crowdfunding rounds - pitch I (52 documents) and pitch II (80 documents) – we were also able to compare the rounds and observe a potential pattern ([Table 7](#)).

Importantly, after having coded our data twice, we were able to extract a) whether and how trust forms interacted, and b) what themes drove this interaction. Moreover, as we also plotted these dynamics onto [Schilke & Cook’s \(2013\)](#) three steps for trust development, we were ultimately able to discuss how and why the trust development process in settings of blurred organizational boundaries differs compared to conventional (inter-)organizational settings.

5. Empirical findings

Overall, we observe strong trust dynamics throughout the crowdfunding campaigns. We capture these dynamics in [Fig. 1](#) which shows the prevalence of trust forms (on the three different levels) through the different phases.

Looking at relative importance, our findings suggest in line with previous works that in settings of blurred organizational boundaries institutional and organizational trust are also key in the beginning of the trust development process of blurred organizational boundaries ([Bentzen, 2019](#); [Lane & Bachmann, 1998](#); [Schilke & Cook, 2013](#); [Zucker, 1986](#)). Moreover, organizational trust also emerges as relevant throughout the entire process (most strikingly in the middle phases), and individual trust emerges as most important in the second phase ([Brattström et al., 2019](#); [Karhapää & Savolainen, 2018](#); [Lumineau & Schilke, 2018](#); [Schilke & Cook, 2013](#)).

And although the above insights are useful, our findings also show that in settings of blurred organizational boundaries the prevalence of trust forms overlaps and varies more dynamically as previously suggested. For instance, institutional trust emerges as an important proxy not only in the beginning of Monzo’s campaigns, but also in the middle and end. It also appears more commonly in combination with organizational trust. Similarly, while individual trust emerges as relevant right after the initial “hook”, it re-emerges in the fourth phase after an interruption of a combination of organizational and institutional trust. Such findings suggest higher trust dynamics in settings of blurred organizational boundaries, and we started to explore why those dynamics exist. We first of all looked at the emergent thematic foci and whether they were similar for the trust forms over time. Having expected some variation, we somewhat surprisingly found that they often differed quite significantly (see the online [Appendix](#) for an overview of the variation in the themes).

Table 5
Documents per crowdfunding phase.

	Deal Sourcing	Values Matching	Early Decision-Making	Co-Creation and Circular Reasoning	Decision Making
Annual Reports	2.19%	6.13%	19.46%	0.92%	26.18%
Crowdcube Platform Posts	8.47%	4.47%	3.82%	3.69%	3.17%
Investor Forums	7.25%	0.99%	1.33%	6.78%	9.35%
Monzo Blog	9.40%	35.00%	35.89%	36.79%	17%
Monzo Community Forum	1.07%	10.41%	0%	30.93%	4.95%
Third Party Blog	63.72%	34.59%	34.56%	15.25%	31.81%
Videos and Interviews	7.90%	8.40%	4.93%	5.65%	7.33%
Total	100%	100%	100%	100%	100%

Table 6
Documents per form of trust (relative of 100%).

Form of Document/Form of Trust	Individual Trust	Organizational Trust	Institutional Trust
Annual Reports	14%	47%	39%
Crowdcube Platform Posts	12%	40%	48%
Investor Forums	11%	63%	26%
Monzo Blog	22%	62%	16%
Monzo Community Forum	25%	43%	32%
Third Party Blog	10%	51%	39%
Videos and Interviews	36%	41%	23%

Table 7
Distribution of forms of trust in both pitches (relative of 100%).

	Individual Trust	Organizational Trust	Institutional Trust
CF Pitch 1	12.35%	49.84%	37.81%
CF Pitch 2	20.69%	53.16%	26.15%

In the first phase, for instance, institutional and organizational trust clearly are the strongest trust forms (45% & 41%, individual trust is only of minor importance at 14%), with themes mainly resembling around the banking, fintech and crowdfunding industry as well as the functionality of an app-based banking service [as the main service/product] and future rewards [from the organization].

“The bank industry that is kinda stuck in the past compared to other industries like the food industry or amazon. Anything you had to do in banking is calling up or going to a branch.” [Monzo Blog, I-T Theme Banking Industry]

“People who don’t trust us [...] will still cite the outages.” [Monzo Blog, O-T Theme Functionality],

This suggests that early in the crowdfunding campaigns, institutional and organizational structure building is important and in order to do so an emphasis is put on potential issues in the larger [banking] industry as well as the potential to obtain benefits from supporting Monzo. It also seems to be similar to what [Schilke and Cook \(2013\)](#) and [Lumineau and Schilke \(2018\)](#) highlight as important trustworthiness clues regarding institutional categories and public information.

After this initial structure building, we observe an interesting shift to individual trust (35%) and a slight increase in organizational trust (46%) in the second phase. We explain this shift in trust forms with the thematic shift to primarily Monzo employees’ individual inspirations and user experience from other customers. In the prior case, employees and the CEO share personal stories or reflect on their inspiration to work in the company.

“From a very young age I wanted to run businesses, my father was a businessman. [...] At the age of 4–5 I knew that was what I wanted to do. I didn’t know you could do computers as a job, that sounds weird today. But genuinely, growing up in the counties, all of the successful people in my life were all lawyers, accountants etc. - all professional services. I loved computers, I loved websites, but no one I knew did computers as a job. The internet was a fun toy. I started even before Bezos, I started build websites for local state agencies, 1997–98 when I was 13–14 years old, I did it for pocket money.” [Interview Video 1, I-T Theme Individual Inspiration]

In the latter case, the focus is on how Monzo helps its customers. The themes therefore capture individual stories of customers:

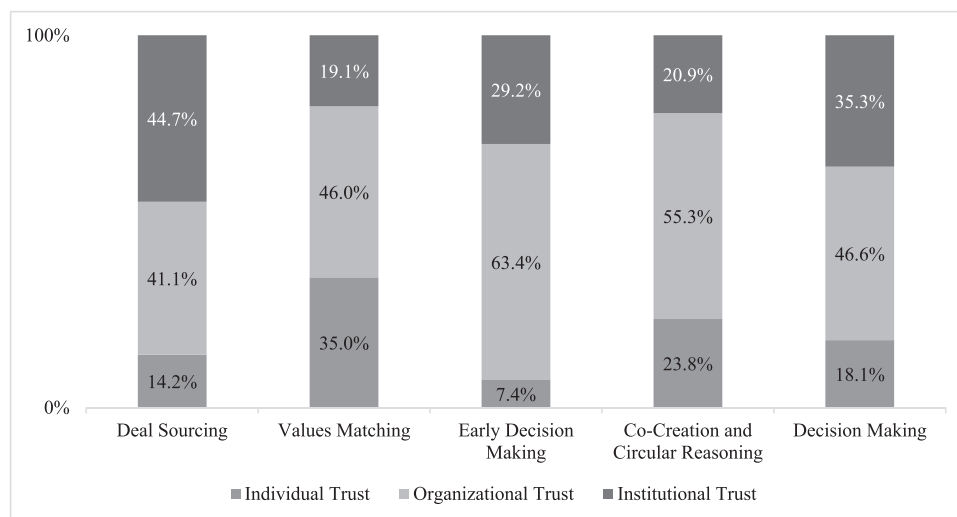


Fig. 1. Distributions of thematic foci in trust forms throughout the different phases of crowdfunding (relative of 100%). (Source: authors).

“For me, the first struggle is the moment I inevitably get my card blocked for fraud. I’m not sure if I’m on some kind of list at my bank, but they seem to block my card every time I land in a new country.” [Monzo blog, I-T Theme Personal Experience].

This was surprising as it highlights that while previous findings point at the importance of the relationship between (intra-organizational) employees (Karhapää & Savolainen, 2018; Schilke & Cook, 2013), in settings of organizational boundaries extra-organizational customers are introduced as additional interaction partner. In the statements this emerges as not only Monzo employees, but also customers share relevant stories. These stories are complemented by a simultaneous emergence of organizational trust themes around Monzo’s company values and strategy to include customers in decision making processes (see the online Appendix for more evidence). As such they ultimately allow for a connection of the customers’ individual values with Monzo’s values which allows to position customers as additional boundary spanner alongside the already relevant employees (Kroeger, 2011).

And although this is already interesting, as it suggests that in order to compensate for the missing direct interactions in settings of blurred organizational boundaries additional extra-organizational partners need to be introduced and validated as boundary spanners, we find that another round of validation is needed to strengthen the relationship to Monzo. Specifically, we observe an additional relationship anchoring via organizational and institutional trust themes in the third phase and thus the need for more information on Monzo as well as its ability to compete with the market. In Fig. 1 this becomes apparent as individual trust loses importance (to 7%) and organizational trust as well as institutional trust gain importance to 63% and 29% respectively. The thematic focus shifts towards the business model of Monzo and its profitability, as well as Monzo’s competitive advantage and business model (see the online Appendix for more evidence).

Up until now we already saw that in order to compensate for the missing personal interaction in Monzo’s campaigns, the introduction and validation of customers as additional extra-organizational boundary spanners, as well as the anchoring of the relationship to Monzo via organizational and institutional trust themes were necessary. Somewhat unexpectedly, we then find that in the fourth phase of Monzo’s campaigns individual trust again regains importance (to 24%) and organizational trust loses slightly to 55%. This time the dynamics are underpinned by a thematic shift to personal experiences of Monzo investors and employees. Those individuals are either giving personal advice on how to manage a potential investment or were describing their experiences as to why they believe communication is crucial for ventures such as Monzo.

“I probably won’t sell my shares any time soon. I think they still have room but would like to see Monzo get to profitability in the next 3 years and see some of the market partnerships they’re talking about materialize. (This is assuming similar market conditions). Otherwise, I’ll start to get itchy feet.” [Monzo Community Forum, I-T Theme Personal Experience]

“I’ve done every round so far and I’m not looking to dispose of shares just yet I’m fortunate to have been in every round. The financial return is awesome so far but I think there is so much more non-financial things to be proud of...the biggest things I’ve taken is the transparency and being focused on the customer so many companies say few do it it’s influenced me in my job.” [Monzo Community Forum, I-T Theme Personal Experience]

Besides the individual trust themes, some organizational trust themes re-emerge again. Here they resemble around the commercial development potential of the company and on the strategies and reasons for including consumers via crowdfunding. This becomes evident in statements such as:

“In the end it comes down to we can’t please everyone. People who use it a lot, who come to events. We decided to give everyone a fair chance. We wanna keep doing CF. This isn’t our last CF round.” [Third party Blog, O-T Theme Future Customer Inclusion].

This suggests, again against our anticipation, that the mimicking of personal interaction is a big effort in settings of blurred organizational boundaries and requires a second round of individual interaction-like information gathering. The interesting aspect here is that besides the already existing two (intra-organizational employees and extra-organizational customers) boundary spanners, a third group of boundary spanners is introduced and validated: namely investors. The organizational trust themes are again important to “verify” this group as such boundary spanners.

After the interaction-mimicking loops from phase two to four, in the fifth and last phase of Monzo’s campaigns we now observe that institutional trust regains importance (to 35%) whereas the relevance of organizational and individual trust shrinks to 47% and 18% respectively. The interesting observation here is that individual trust is relatively unimportant and that both organizational and institutional trust are relevant. The shift emerges as organizational trust themes resemble around the awareness of potential organizational problems of Monzo (see the online Appendix for more evidence), and institutional trust themes cover the themes of psychology of investing (testimonials from third-parties are visible), as well as the opportunities an investment in a start-up can offer. Statements and themes such as

“And as the Ketiti-Manouna example shows, getting it right is more complicated than you might think. Even individual sounds within words can influence how we feel about something.” [Monzo Blog, I-T Theme Customer Investment Sentiment], and

“We don’t know whether the valuation will increase of course, taking that risk is how investing/crowdfunding works. It’s not possible to quantify the risk that crowdfunders have taken by investing in Monzo.” [Monzo Community Forum, I-T Theme Customer Investment Sentiment]

explicate this. Overall, these statements show that in the last phase of trust development, which also serves as stepping stone towards the important leap of faith (Möllering, 2001), individual trust is not as important as previously suggested (Schilke & Cook, 2013). Instead, the discussion of risk on an organizational and institutional level is crucial. In settings of blurred organizational boundaries the leap of faith therefore seems to be more dependent on organizational and institutional themes, instead of just the latter and individual trust (Bentzen, 2019; Schilke & Cook, 2013).

6. Discussion

The purpose of this paper was to explore how trust forms (individual, organizational, institutional) interact in the trust development process in settings of blurred organizational boundaries and to discuss how this process is different from the one in conventional (inter-)organizational settings. Having shown how the trust forms emerge in the discourse of Monzo’s campaigns in the section above, we now collate these insights into our emergent process model of trust development in settings of blurred organizational boundaries in Fig. 2.

6.1. A process model for trust development in settings of blurred organizational boundaries

Before describing the individual steps of the model, we recall from the literature that Schilke and Cook (2013, p. 286) have developed the most elaborate process model of trust development to date. They identified four key stages of trust development - 1) initiation, 2) negotiation, 3) formation, and 4) operation – and described how trustworthiness clues mattered to move between trust forms and stages. As we only looked at trust development process before the actual investment in

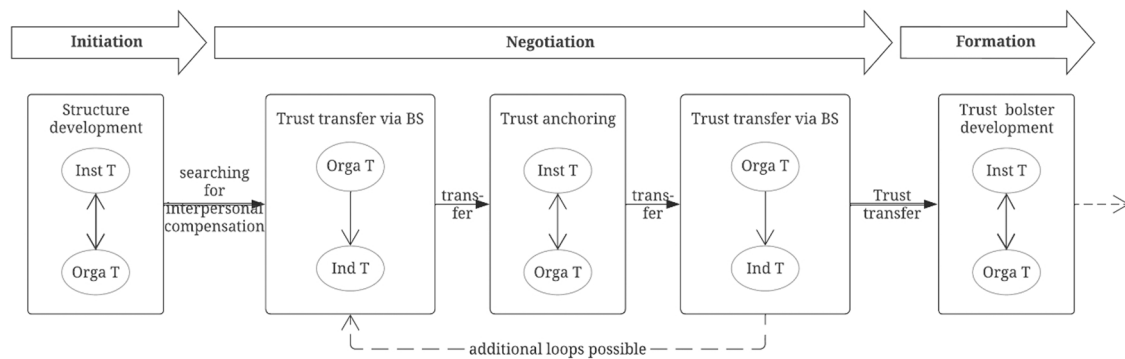


Fig. 2. A process model for trust development in settings of blurred organizational boundaries (BS = boundary spanners) developed based on the three stages as of Schilke & Cook (2013, p. 286).

Monzo, our model only captures the first three stages (*initiation*, *negotiation*, and *formation*) of Schilke and Cook (2013, p. 286). Plotting our findings onto these three stages, it then emerges not only that trust forms more dynamically interact in trust development processes in settings of blurred organizational boundaries (i.e., they co-exist more often), but also that an extended and more nuanced negotiation stage is necessary to compensate for a missing personal interaction. The presence of individual and institutional trust thereby varies most compared to conventional (inter-)organizational settings. Below we will now discuss these aspects in more detail.

In the first stage in the model (*initiation*), our findings suggest that a mix between institutional and organizational trust themes is key to identify the relevant social structures that are necessary to initiate trust development. The themes of the banking and FinTech industry as well as the functionality of Monzo's app-based banking service emerged as most important in discourse of the first crowdfunding phase, and in doing so revealed that institutional and organizational trust themes are most helpful to categorize Monzo into existing social structures. As such insights are broadly in line with previous works (Bentzen, 2019; Lane & Bachmann, 1996; Lumineau & Schilke, 2018; Schilke & Cook, 2013; Zucker, 1986), we only note that in settings of blurred organizational boundaries the industry in which the focal organization operates as well as the functionality of the product/service and future success potential are the relevant themes that help build the relevant social structures for trust development.

Moving on to the second stage of the model (*negotiation*), the most interesting picture emerges. Here our findings show that in settings of blurred organizational boundaries there is need to compensate for a missing interpersonal interaction (Lumineau et al., 2020), and this need entails a longer negotiation stage than previously shown (Schilke & Cook, 2013). Rather than relying on a single step of direct interactions between key organizational representatives such as employees (Bentzen, 2019; Karhapää & Savolainen, 2018; Lumineau & Schilke, 2018; Schilke & Cook, 2013), in our findings it emerges that in settings of blurred organizational boundaries a three step interaction-mimicking communication cycle, that introduces and validates new extra-organizational boundary spanners and relies on additional organizational and institutional cross-checking, is necessary.

In the early *negotiation* stage of the model (i.e., phase two of the crowdfunding campaigns), for instance, we find in line with previous works that individual trust emerges with themes such as individual experiences and inspiration from Monzo employees (Karhapää & Savolainen, 2018; Schilke & Cook, 2013). However, rather than solely relying on such employees as key boundary spanners, additional individual trust themes around experiences from Monzo customers and organizational trust themes around Monzo's values suggest that customers are introduced and validated as additional boundary spanners. In other words, instead of relying on people who present internal views of Monzo (i.e., managers and other employees), new extra-organizational

boundary spanners are necessary. Similar dynamics emerged towards the end of the negotiation stage of the model in Fig. 2 (i.e., in the fourth phase of Monzo's crowdfunding campaigns). This time, however, with a stronger focus on the experiences and opinions of investors and the commercial development potential of Monzo. Thus, the *negotiation* stage of trust development is extended in blurred organizational boundaries, mainly because the missing personal interaction is compensated for via the introduction and validation of extra-organizational boundary spanners who may ultimately help reduce the increased risk of blurred boundaries by broadening the view on Monzo as the focal organization (Kroeger, 2011; Lumineau et al., 2020; Schilke & Cook, 2013).

And although this is already interesting, as it suggests that more and extra-organizational boundary spanners need to be validated to compensate for a missing personal interaction online, we find that the boundary spanner introduction and validation instances in the *negotiation* stage of our model are also mediated by an additional cross-checking of organizational and institutional information. This manifests in a strong re-emergence of organizational and institutional trust themes on Monzo's business model and its potential profitability in crowdfunding phase three. The re-emergence adds a noteworthy dynamic to the compensation for missing interaction in the negotiation stage. Specifically, it suggests that the expansion of potential boundary spanners is not sufficient to acquaint the audience with Monzo (Karhapää & Savolainen, 2018; Lumineau & Schilke, 2018; Schilke & Cook, 2013). Instead, it requires additional cross-checking of organizational and market information which might add additional assurance (Lumineau & Schilke, 2018). As a result, the *negotiation* stage of the trust development process in Fig. 2 emerges as longer and more complex in our setting of blurred organizational boundaries and we suggest that this is the most striking difference compared to trust development in conventional (inter-)organizational. Depending on the diversity of the audience and the complexity of the business, there may be a need to engage in multiple loops of this interaction-compensation (as represented by the dashed backwards arrow in Fig. 2).

Lastly, in the third stage of the model (*formation*), our findings suggest that in settings of blurred organizational boundaries the trust transfer onto the focal organization and the development towards the leap of faith (Möllering, 2001) is more dependent on institutional and organizational trust, but less on individual trust instances. That is, in the fifth and last crowdfunding phase before the closing of Monzo's campaigns, we identify another shift in the discourse towards mostly organizational-institutional trust themes on risk. While previous works suggest that the formation stage primarily depends on intra-organizational boundary spanners (Bachmann & Inkpen, 2011; Lumineau & Schilke, 2018; Schilke & Cook, 2013) and institutional structures (Bentzen, 2019), we argue that in settings of blurred organizational boundaries the trust transfer towards the focal organization is less dependent on boundary spanners, but instead requires an institutional and organizational trust bolster that further compensates for the

risk of the missing personal interaction. Therefore, the trust *formation* stage in our model on trust development in settings of blurred organizational boundaries differs from the one in conventional (inter-)organizational settings (Schilke & Cook, 2013) as it highlights organizational and institutional proxies as opposed to individual-institutional proxies (Bentzen, 2019).

6.2. Contributions, limitations and future research

Having introduced and discussed our process model of trust development, we now also outline the contributions and limitations of our paper.

6.2.1. Theoretical contributions

Our *first* contribution is to the literature on trust development by showing that, compared to conventional organizational settings, trust development in settings of blurred organizational boundaries is a more dynamic process in which the three main trust forms (individual, organizational, and institutional) co-exist more frequently. Prior works from conventional (inter-)organizational settings note that different trust forms matter primarily one after the other throughout the trust development process. Institutional trust, for instance, is found to be critical in the beginning of a relationship (Bachmann & Inkpen, 2011; Bentzen, 2019; Brattström et al., 2019; Lumineau & Schilke, 2018; Schilke & Cook, 2013; Zucker, 1986) whereas individual trust is shown to be critical right after the beginning (Karhapää & Savolainen, 2018; Lumineau & Schilke, 2018; Schilke & Cook, 2013). In contrast to such works, our findings highlight that in trust development processes in settings of blurred organizational boundaries trust forms co-exist more often. In addition, institutional and individual trust matter at different times than previously shown.

Recalling Fig. 1 (distribution of trust forms) as well as Fig. 2 (our model), our findings show, for instance, that institutional trust is not only important in the beginning of Monzo's crowdfunding campaigns (see initiation stage in the model) (Bachmann & Inkpen, 2011; Lane & Bachmann, 1997; Schilke & Cook, 2013), but also in the middle and towards the end (see negotiation and formation stages in the model). Moreover, instead of a single individual trust instance right after the initial "hook" (Bentzen, 2019; Karhapää & Savolainen, 2018; Lumineau & Schilke, 2018; Schilke & Cook, 2013), we find a repeated co-existence of individual and organizational trust in the negotiation stage. This already suggests a more dynamic co-existence of trust forms. Extending these insights further, however, the findings also highlight that individual trust and institutional trust matter differently throughout the trust development process than previously shown.

Trust development in settings of blurred organizational boundaries thus is not so much a process which builds on different trust forms, one at a time, but instead relies on a more dynamic co-existence of trust forms. The trust forms support each other, e.g., by anchoring new boundary spanners to the organizational values or by providing an additional risk bolster in the end, and thereby allow the for the process to evolve despite the increased distance between actors. Arguably this is a more complex and difficult process than in conventional organizational settings. Yet, it also suggests that in order to harvest opportunities in settings of blurred organizational boundaries (e.g., in crowdfunding, but also open innovation, or in the sharing economy (Alexy et al., 2017; Nielsen, 2018)) organizations might need to embrace this complexity to foster effective collaboration.

Our *second* contribution is again to the trust literature on trust development. Specifically, we show that when interactions take place online and between a larger group of potentially unknown individuals, additional extra-organizational boundary spanners need to be introduced and validated to compensate for the increased risk (see the extended and more dynamic negotiation stage in our model in Fig. 2). With this we extend the trust literature which highlights that personal interaction between (groups of) intra-organizational employees and

managers are key boundary spanners (Bentzen, 2019; Karhapää & Savolainen, 2018; Lumineau & Schilke, 2018; Schilke & Cook, 2013) by instead suggesting that when no personal interaction is possible, extra-organizational boundary spanners need to be introduced and validated to compensate for a lack of direct interactions.

In our model in Fig. 2, this becomes evident as customers, who do not provide an internal perspective of Monzo, were introduced and validated in the beginning of the negotiation stage. A similar instance emerged towards the end of the negotiation stage when investors were introduced and validated as additional boundary spanners. To connect those two additional, extra-organizational boundary spanners even more to Monzo as the focal organization, an additional cross-check was necessary. Empirically this manifested as the individual focused discourse was interrupted with themes that almost exclusively focused on Monzo, its performance and business model, as well as the market. This interruption, as we explicate in our model in Fig. 2, moderates the introduction of new extra-organizational boundary spanners by helping the audience to better acquaint itself with Monzo, to further relate the newly introduced boundary spanners to Monzo's situation, and via that reduce risk to facilitate the trust transfer from the negotiation stage to the third formation stage (Schilke & Cook, 2013).

Thus, when the audience group is diverse and no direct interaction is possible, the introduction and validation of additional extra-organizational boundary spanners besides intra-organizational employees is crucial to develop trust. If organizations engage in open innovation (Alexy et al., 2017; Wilner et al., 2017), it is therefore important to monitor the (online) discourse and issue organizational information while new extra-organizational individuals emerge as key informants. This, so we argue, helps render them relevant as boundary spanners (Kroegeer, 2011) and thus helps the organization to develop trust and innovative solutions.

Third, with our study, we also contribute to the equity crowdfunding literature by providing insights into how trust is dynamically created throughout a campaign. Previous literature has noted that trust is important in equity crowdfunding (Pollack et al., 2017; Strohmaier et al., 2019; Xiao, 2020). However, it has not yet provided insights into the dynamics of trust development. We therefore add to this literature by providing more nuanced insights into how trust develops over multiple levels throughout the online discourse of an equity crowdfunding campaign. For instance, our findings highlight that institutional trust themes around the crowdfunding system are critical in the beginning and the end of the campaign. Moreover, as themes of individual inspiration become relevant in the second phase, an individual value match seems important after the initial hook. Towards the end of the campaign, an organizational and institutional trust check is important. Our findings demonstrate that organizational and institutional trust are the most prevalent trust forms in crowdfunding, particularly in the beginning and the end. Yet, individual trust has an important role to play in between. Overall, we thus add to the small body of studies on trust in the context of equity crowdfunding (Pollack et al., 2017; Strohmaier et al., 2019; Xiao, 2020).

6.2.2. Managerial contributions

As our study investigated the context of equity crowdfunding, it is particularly relevant for all ventures seeking to turn to equity crowdfunding. Our analysis suggests that crowdfunding professionals benefit from emphasizing the crowdfunding system and their respective industry in the beginning. They may then develop individual trust which in our case related mostly to the founder and early customers of the venture. As we then track a discursive shift from individual trust towards an open and full disclosure of the relevant company data, we also suggest disclosing sufficient financial data in the middle phases. Towards the end of the campaign, we suggest paying particular attention to how other early investors experienced the crowdfunding process and to the societal impact of the business. Considering the more general applicability of the findings for online resource acquisition processes (Fisher,

2019), these insights are relevant for online communities beyond crowdfunding as well.

6.2.3. Limitations and future research

True to the inductive and explorative nature of this study, it naturally come with limitations (Berger & Luckmann, 1967; Eisenhardt & Graebner, 2007). Yet these limitations can also open up future research areas. One interesting area could be to conduct similar studies in different contexts. For instance, although financing is a key resource for organizations, they can also attract other key resources such as employees or product ideas online. Therefore, it could also be interesting and insightful to analyze different contexts, e.g., online hiring process. It might also be interesting to see how trust dynamics develop in a more political online discourse. Besides the context, another future research area is to conduct cross-case studies by country or industry (Möllering & Stache, 2010; Wright & Ehnert, 2010). Considering the crowdfunding literature in particular, it might also be worthwhile to further explore differences in equity crowdfunding per country (Cummings et al., 2020), or consider why affective elements are not as relevant to evoke trust as calculative ones.

It would also be interesting to conduct network analyses on the data or engage in more two-sided data collection that captures both, signals and responses. The data in this paper only captures thematic shifts (i.e., signals) and does not engage with either of the above in more depth. Moreover, although we broadly analyzed verbs and thus linguistic cues, the aim of our study was not to specifically look at what linguistic cues and structures build which form of trust. Such a more detailed investigation of trust might be an important inquiry to embark on the micro-foundations of trust (forms) that might potentially lead to key insights and developments for the narrative and discursive production of trust (Möllering, 2020; Wubs-Mrozewicz, 2020), particularly in an online context. The extraction of temporal references such as the shadow of the future and past, and the relevant triggers that constitute shifts over time might be particularly interesting (Korsgaard et al., 2018).

As we demonstrate the highly dynamic and co-dependent nature of trust in settings of blurred organizational boundaries, we also highlight the (still lasting) necessity of a dynamic inquiry into trust building (Fulmer & Dirks, 2018; Korsgaard et al., 2018; Lumineau & Schilke, 2018; Möllering, 2001; Schilke & Cook, 2013). Further inquiries into the dynamic nature of trust online could not only help to fertilize new discussions around substitution versus complementarity, but also help develop a truly multi-level theory of trust.

7. Conclusion

Trust development in settings of blurred organizational boundaries is increasingly important for organizations to innovate and to attract key resources. We have shown that trust development is different in such settings, whereby the dynamic co-existence of trust forms and the compensation for the missing personal interaction emerged as key differences. More work is necessary to understand the full complexity of interactions in the unique setting of blurred organizational boundaries. We hope to have inspired others to be brave and dive into the complex dynamics of trust development in such settings.

Data availability

Data will be made available on request.

Appendix A. Supplementary material

Supplementary data associated with this article can be found in the online version at doi:10.1016/j.scaman.2022.101247.

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