



In Whom Collectivists Trust: The Role of (in)Voluntary Social Obligations in Japan

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ABSTRACT This study contributes to an emic understanding of how different types of social obligations may help or hinder the formation of initial organizational trust within collectivist cultures. We extend prior social categorization insights by challenging the expectation that in-group favouritism automatically facilitates higher levels of initial trust among collectivists. We theorize and test the asymmetric effects of two different types of social obligations toward members of distinct social categories (kinship and friendship in-groups) on the formation of initial organizational trust. Using a quasi-experimental research design in a collectivist culture (Japan), we hypothesize and show that in ambivalent situations, voluntary social obligations toward members of friendship in-groups encourage early trust in trustees' organizations; however, involuntary social obligations toward members of kinship in-groups discourage early trust development toward the organization these trustees represent. The effects of (in)voluntary social obligations on initial organizational trust are contingent on how collectivists perceive each encounter: voluntary social obligations are more conducive to trust-building at lower levels of perceived opportunity; involuntary social obligations have stronger effects on initial organizational trust at higher levels of perceived risk.

KEYWORDS collectivism, organizational trust, social obligations

集体主义者信任谁：自愿与非自愿社会义务在日本的作用

摘要

本研究的贡献在于促进理解在集体主义文化内部，不同类型的社会义务如何帮助或阻碍初始组织信任的形成。我们通过挑战这样一种想法，即对于“内部人”的偏好会自动促进集体主义者之间形成较高的初始信任，而拓展了此前关于社会分类的理解。我们理论化并实证检验了对不同社会类别成员（亲属和朋友）的两种不同类型的社会义务对于初始组织信任的形成有不对称影响。通过在一个集体主义文化国家（日本）进行准实验研究，我们假设并验证了在兼有机会与风险的情形下，对于朋友型“内部人”的自愿社会义务促进了对这些受信任人所在组织的早期信任；然而，对于亲属型“内部人”的非自愿社会义务抑制了对这些受信任人所代表的组织形成早期信任。并且，自愿与非自愿的社会义务对于初始组织信任的影响还取决于集体主义者如何感知当次互动：自愿的社会义务对信任构建的促进作用在感知到的机会处于较低水平时更强；非自愿的社会义务对初始的组织信任的影响在感知到的风险处于较高水平时更强。

关键词：集体主义，组织信任，社会义务

INTRODUCTION

Reciprocated social interactions form the foundation of trust within and across cultures (Dietz, Gillespie, & Chao, 2010) because ‘the stable nature of social and organizational relations reduces the social uncertainty and thus makes people feel secure inside such relations’ (Yamagishi, Kikuchi, & Kosugi, 1999: 157). Social interactions can engender trusting behaviours by providing expectations and inferences about future exchanges through ‘social-psychological bonds of norms, sentiments and friendships’ (Ring & Van de Ven, 1994: 93) and faith in others’ morality and goodwill (Colquitt, Scott, & LePine, 2007; Poppo, Zhou, & Ryu, 2008).

Trust is generally understood as confident positive expectations regarding another party’s conduct (Lewicki, McAllister, & Bies, 1998; Rousseau, Sitkin, Burt, & Camerer, 1998). These expectations imply a behavioural intention (McKnight, Cummings, & Chervany, 1998) given a trustor’s willingness to be vulnerable ‘based on the expectation that the other party will perform a particular action important to the trustor, irrespective of the ability to monitor and control the other party’ (Mayer, Davis, & Schoorman, 1995: 712). This behavioural intention is critical when encountering unfamiliar trustees (Dietz et al., 2010) because in risky or uncertain situations trustors have to make a deliberate choice or judgment as to whether (or not) they can rely on a given trustee (e.g., Colquitt et al., 2007; Whitener, Brodt, Korsgaard, & Werner, 1998).

We adopt Zaheer, McEvily, and Perrone (1998) and Luo’s (2005) conceptualizations of initial organizational trust as the generalized expectation that an organization as a whole can be relied on based on a trustor’s interpersonal interactions with a specific organizational representative. Consistent with McEvily, Perrone, and Zaheer (2003: 93), this definition includes ‘an expectation, a willingness to be vulnerable and a risk-taking act’.^[1] At the organizational level, this deliberate choice requires a holistic assessment that relies upon, but also goes beyond, specific trustees – leaders, supervisors, and front-line employees (see Zhang, Tsui, Song, Li, & Jia, 2008 for a review) – to generalize to non-specific others.^[2] In the Chinese context, Luo (2005) demonstrates that such particularistic trust, rooted in social obligations and expectations towards members of different types of social networks in an organizational setting, enables trustors to form a global evaluation of the trustworthiness of an organization by extending particularistic trust in individuals to general trust in the organization as a whole. The current study extends Luo’s (2005) interest in the effects of social obligations on trust in collectivist cultures by explicitly asking how different types of perceived social obligations toward distinct in-groups may either help or hinder the formation of initial trust in organizations in Japan.

The growing literature on culture and trust (see Dietz et al., 2010; Doney, Cannon, & Mullen, 1998 for reviews) debates whether the effects of social inter-

actions on trust are etic (universally applicable) vs. emic (locally understood and enacted). The balance of evidence favours an emic perspective: trust-building is not universal, but distinctly cultural (Luo, 2005; Wasti, Tan, & Erdil, 2011). Although social interactions are important premises for trust-building in many different cultures (Zaheer et al., 1998), they hold distinct, culture-contingent meanings and consequences: some social interactions may promote trust within one culture while preventing trust in another (Branzei, Vertinsky, & Camp, 2007). Their effects not only differ between individualist and collectivist cultures (Markus & Kitayama, 1991; Realo, Allik, & Greenfield, 2008; Yuki, Maddux, Brewer, & Takemura, 2005), but sometimes even within individualist (Williams, 2001) or collectivist cultures (Uleman, Rhee, Bardoliwalla, Semin, & Toyama, 2000).

Because trust formation often requires a spontaneous attribution of reliability, honesty, sincerity, and positive attachment (Leach, Ellemers, & Barreto, 2007), inferences of initial organizational trust are often predicated on interpersonal trust toward individuals who represent the organization (Luo, 2005; Zhang et al., 2008). Relationships with specific others help initiate organizational trust in China (Luo, 2005; Zhang et al., 2008) and Japan (Branzei et al., 2007). Shared in-group membership channels preferences toward, and facilitates cooperation with, similar others (Brewer & Chen, 2007; Brewer & Gardner, 1996). It offers 'prima facie evidence that other members of the group will live by the codes of conduct that bind them together as a group' (Brewer, 2007: 732), especially in collectivist settings (Child & Møllering, 2003).

Most prior research has credited the higher levels of initial interpersonal and/or organizational trust observed in collectivist societies to the prevalence of in-group favouritism based on social categorization (Chen & Li, 2005; Huff & Kelley, 2005). A key function of in-groups is that interactional norms of security and co-operation enable reciprocal exchanges. By reproducing reliable patterns of interactions among in-group members (Chen & Li, 2005), these social expectations and obligations enable parties to assess their commitment to the relationship even without the benefit of any past interactions (Møllering, 2006; Voronov & Singer, 2002).

Several recent studies, however, suggest the effects of social categorization on initial trust may be neither automatic nor monolithic [not even in collectivist cultures like China (Luo, 2005), or Japan (Yuki, 2003)], but commensurate with the social expectations and obligations towards members of different in-groups (Hui, 1988; Luo, 2005; Realo, Allik, & Vadi, 1997; Uleman et al., 2000). This study extends the prevalent notion that shared in-group membership generally supports the formation of initial trust in an organization based on particularistic trust in specific others (Luo, 2005). It also builds on recent arguments that trust-building varies depending on the types of social obligations associated with membership in distinct in-groups (Brewer & Chen, 2007). Even in China and Japan, where many have credited a high level of initial trust to the prevalence of social

expectations and obligations (Yamagishi et al., 1999; Yamagishi & Yamagishi, 1994), not all social obligations foster equal trust (Yuki et al., 2005).

We seek to enrich prior arguments on culture and trust with a plural (Tsui, 2007), indeed polycontextual (Shapiro, Von Glinow, & Xiao, 2007), understanding of how the heterogeneity of social obligations across distinct in-groups may differentially shape initial trust formation in collectivist settings. We extend well-accepted arguments that social obligations influence both interpersonal and organizational trust in collectivist cultures (Luo, 2005) to ask how the perceived social obligations toward different types of in-groups (Triandis, 1989, 1995) may either help or hinder the formation of initial trust in the organizations these members represent.

THEORETICAL BACKGROUND AND HYPOTHESES

Social interactions with in-group members are effective regulators of intentions and behaviours in new encounters in part because they specify a relational approach to trust formation (Pratt & Dirks, 2007). The Japanese *giri*^[3] and the Chinese *pao* (報) encourage trust through favoured, reciprocal exchanges and long-term commitment (Luo, 2005; Tsui & Farh, 1997), which promote the long-term interest of both parties, often without any expectation of instant returns or bargaining of interests.

The social expectations and obligations associated with in-groups do not necessarily guarantee swift trust – they merely create an auspicious context in which parties may ‘test’ their mutual commitment to the relationship based on a ‘non-coerced and simultaneous acceptance of both vulnerability and benefit’ (Pratt & Dirks, 2007: 126). Initial trust formation thus depends on how people interpret and internalize the different social expectations and obligations associated with membership in specific in-groups (Brewer, 2007; Brewer & Gardner, 1996).

Three key ‘circles of trust’, depending on in-groups’ social proximity to the trustor, are discussed across cultures: (i) family and significant others;^[4] (ii) peers (neighbours, schoolmates, and co-workers); and (iii) larger social groups and institutions (Realo et al., 1997). In China, Hui (1988) discusses distinct social obligations among five types of in-groups: spouse, kin, neighbours, friends, and co-workers. Luo (2005, 2011) similarly distinguishes between familial (kinship ties based on involuntary relationships that are typically characterized by assurance rather than trust), familiar (friendship ties based on favoured, reciprocated exchanges and long-term commitment), and weak ties which may come to be trusted after repeated exchanges based on principles of fairness. In Japan, in-groups are based on the same three social networks, including family ties (Dolan & Worden, 1992), relationships with peers (friends, schoolmates, co-workers, Realo et al., 1997), or institutional affiliations and business networks such as *keiretsu* (Lincoln, Gerlach, & Ahmadjian, 1996). The social obligations these

in-groups foster are important for trust-building, but their members are neither automatically nor equally trusted.

Voluntary Versus Involuntary Social Obligations

Prior studies suggest that both kinship and friendship in-groups encourage interpersonal (Williams, 2001) and organizational trust (Huff & Kelley, 2003, 2005; Yuki et al., 2005) in collectivist cultures, yet they do so by eliciting distinct types of social obligations. The social obligations typically associated with kinship in-groups in Japan are accepted by members who have little say in what their obligations are or when/how to implement them (to emphasize members' lack of choice we label these social obligations *involuntary*). In contrast, the social obligations typically associated with friendship groups in Japan are accumulated gradually, largely based on deliberate and sequential choices made by other group members (to emphasize the prevalence of choice we label these social obligations *voluntary*).

Depending on the (in)voluntary nature of social obligations towards in-group members, trust can be experienced as both 'a boon and as a burden' (Pratt & Dirks, 2007: 121). Positive and negative elements, previously argued to lead either to trust or distrust (Lewicki et al., 1998), are often dynamically intertwined so that trust-building requires an 'acceptance of the simultaneous existence of both the vulnerability and the benefits associated with being in a relationship'. Reconceptualizing initial organizational trust as a relationship-based commitment suggests that social obligations are 'a doubled-edged sword': while volition is conducive to trust-formation, trust may fail to emerge should one believe that he or she was forced or tricked into a relationship without the chance to make an informed choice.

One key mechanism by which trustors generalize trust from a specific person to non-specific others within an organization is social identification (Zhang et al., 2008). In-group members are bound by social expectations and obligations but they can (re)define the 'self-in-relation-to-other' (Brewer & Gardner, 1996; Markus & Kitayama, 1991) to either emphasize or de-emphasize their social identification with specific members of their in-group (Turner & Reynolds, 2001). Wanted interactions help build a positive affect towards, and generate favourable evaluations of, other members of the organization (Otten & Moskowitz, 2000). Unwanted interactions, however, may yield a negative affect and unfavourable evaluations (Zhang et al., 2008).

Similar to the norm of reciprocity in Western societies, 'rules of favouritism' [*pao* 報 in China (Luo, 2005; Tsui & Farh, 1997), *giri* in Japan (Dolan & Worden, 1992; Fukuyama, 1995)] are volitional. They engender positive evaluations and expectations of specific others by fostering mutual identification with in-group members (Sheppard & Tuchinsky, 1996); they also motivate the extension of similar positive evaluations and expectations from specific to non-specific others in the organization.

Hypothesis 1a: In Japan, voluntary social obligations toward members of friendship in-groups will be positively associated with the formation of initial organizational trust.

When social obligations toward specific others are involuntary, self-distancing processes may impede the formation of interpersonal trust. Trustors question their social identification with specific in-group members and are less likely to transfer positive evaluations and expectations to others for fear they may take advantage of their goodwill. Social norms against nepotism suggest that Japanese trustors are generally reluctant to do business with members of kinship in-groups. Fukuyama (1995: 167) explicitly comments on ‘the *unfamiliar orientation* of Japanese businessmen’, warning trustors against mixing family and business and reminding them that trustees may take advantage of their unconditional care (Trompenaars, 1993). Warnings of past abuses redirect trustors’ attention toward negative elements of the relationship, leading them to expect negative outcomes from members of kinship in-groups (Brewer, 2007). This in turn hinders the formation of initial trust toward the organizations these members represent.

Hypothesis 1b: In Japan, involuntary social obligations toward members of kinship in-groups will be negatively associated with the formation of initial organizational trust.

Moderation Effects of Perceived Opportunity or Perceived Risk

The balance of negative and positive elements parties foresee in their relationship (Pratt & Dirks, 2007) depends on their first encounter (Branzei et al., 2007). Given that each exchange involves both positive and negative elements (Lewicki et al., 1998; Pratt & Dirks, 2007), relationships often start with ‘a period of ambivalence’ (Gulati & Sytch, 2008), characterized by ‘conscious testing processes’. During this period, strong positive and negative thoughts (or feelings) heighten uncertainty (Jonas, Diehl, & Bromer, 1997), motivating additional investment of cognitive effort in the evaluation task and more thorough processing of relevant information (Jonas et al., 1997). When both negative and positive elements are simultaneously accessible, conflicting thoughts and feelings cause discomfort (van Harreveld, Rutkens, Rotteveel, Nordgren, & van der Pligt, 2009).

Most definitions of trust emphasize the co-existence of positive expectations and vulnerabilities at the beginning of new relationships (see Colquitt et al., 2007 for a review). The formation of initial organizational trust (Dietz & Den Hartog, 2006) hinges on trustors’ early perceptions of risk or opportunity (McKnight et al., 1998; Sheppard & Sherman, 1998). Perceived opportunity generally facilitates trust-formation: it makes it easier to establish knowledge-based trust (Dietz & Den Hartog, 2006), which facilitates the formation of organizational trust (Farh, Tsui, Xin, & Cheng, 1998; Gulati & Sytch, 2008). Perceived risk hinders it – especially

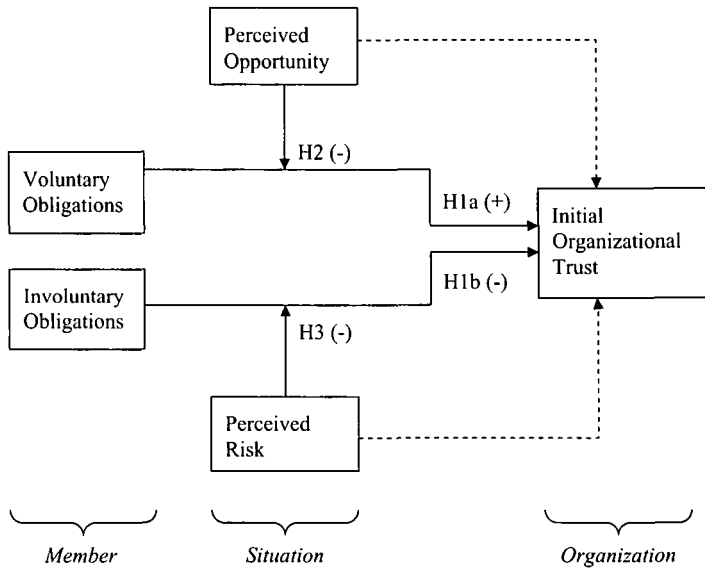


Figure 1. Effects of (in)voluntary social obligations on initial organizational trust

in Japan where trustors are generally risk-averse (Yamagishi et al., 1999). In addition to the direct effects of perceived opportunity and perceived risk previously discussed in the broader literatures on organizational trust (see Colquitt et al., 2007; Dietz & Den Hartog, 2006; Williams, 2001 for overviews), we hypothesize two moderating effects, illustrated in Figure 1.

Perceived Opportunity Moderates the Effect of Voluntary Social Obligations

Trustors expect new relationships with unfamiliar others – whether individuals (Luo, 2011) or organizations (Luo, 2005) – to provide resources like access, advice, and status. They may still commit to new relationships even when few such resources are forthcoming – as long as exchanges with the trustee promise other personally desirable outcomes. Shared memberships in friendship in-groups (implying a voluntary social obligation) generate a positive affect and self-esteem; socio-emotional resources can substitute for other opportunities the new relationships may not be able to provide, enabling the formation of initial organizational trust despite low levels of perceived opportunity.

Hypothesis 2: Perceived opportunity will negatively moderate the positive effect of voluntary social obligations (friendship in-groups) on initial organizational trust, such that voluntary social obligations will have a stronger positive effect on initial organizational trust at low levels of perceived opportunity than at high levels of perceived opportunity.

Perceived Risk Moderates the Effect of Involuntary Social Obligations

Collectivists have been shown to be distrustful of unfamiliar others, a phenomenon colloquially known as ‘stranger danger’ (Yamagishi et al., 1999; Yamagishi & Yamagishi, 1994). Not all strangers are equally distrusted. Trust may be extended to unfamiliar in-group members who are bound by clear and taken-for-granted social expectations and obligations (Branzei et al., 2007). We argued above that kinship ties can backfire because the involuntary nature of the social expectations and obligations they impose triggers cautionary responses, including self-distancing from the trustee and heightened attention to what may go wrong in the relationship between the parties. Trustors’ caution is likely heightened in riskier situations:

Hypothesis 3: Perceived risk will negatively moderate the negative effect of involuntary social obligations (kinship in-groups) on initial organizational trust, such that involuntary social obligations will have a stronger negative effect at high levels of perceived risk than at low levels of perceived risk.

METHOD

We used a quasi-experimental design (Rossi & Anderson, 1982), an approach particularly well-suited for teasing out the simultaneous effects of multiple contexts and conditions, which has several precedents in the literature on culture and trust (Branzei et al., 2007; Camp, 2003).

We first presented participants with an identical background description of DynaTainment Inc., a fictitious company in the consumer electronics industry, which designs and manufactures a small line of products for use in stereos, digital camcorders, and DVD players. The participants were invited to take the role of a project manager for DynaTainment and asked to assess a potential partner for a joint venture that would provide complementary technology, not available in-house but deemed crucial for the future success of DynaTainment. Participants were told that DynaTainment was considering three potential partners and looking to select the most suitable one. Each participant then received a scenario-based description of one partner (Appendix I), which embedded eight different experimental conditions previously argued to influence the formation of initial organizational trust (Camp, 2003). We systematically varied the eight experimental conditions,^[5] following the recommendations of Hedayat, Sloane, and Stufken (1999). The resulting 48 different combinations were distributed randomly among participants (Appendix II).

Procedure

We approached senior economics and business students at two universities in Japan – Shiga University in Hikone and Sapporo University in Sapporo. The

experiment was conducted using a multi-part paper and pencil instrument. The cover letters, instrument, and instructions for participants were first developed in English, with an effort to enhance their translatability (van de Vijver & Leung, 1997), then translated to Japanese, using established back-translation methods. The cover letter, which outlined the purpose of the research project, explained how we will ensure their responses remain anonymous, and reminded them that participation in the survey was voluntary. They could opt out or withdraw from the exercise at any point. To minimize reactivity to outsiders, the quasi-experiment was conducted in Japanese in the participants' regular classrooms. The instructors of each course provided the same set of instructions across classrooms. Following the instructions and instrument distributions, thirty minutes of uninterrupted class-time was allotted to complete the research instrument.

Statistical power. Fractional factorial designs offer an efficient alternative to fully crossed designs (Cahners, 2000; Rossi & Anderson, 1982). For medium-sized effects (0.25) preliminary assessments indicated power levels of 0.88 for three-level factors and 0.94 for two-level factors for five completed surveys per vignette; respectively 0.85 for two-level factors and 0.78 for three-level factors for four completed surveys per vignette (Cohen, 1988; Murphy & Myers, 1998).

Sample. We distributed an average of seven surveys for each of the forty-eight factorial vignettes (handing out between five and fourteen surveys per vignette), collected an average of 4.7 responses per vignette (between three and thirteen responses were returned for each vignette), and retained an average 4.1 responses per vignette (between one and thirteen responses across each of the forty-eight vignettes).

Of the 336 surveys distributed, 255 were returned. The average collection rate per vignette was 66.8 percent. After discarding surveys completed by foreign (non-Japanese) students and incomplete answers, the final sample included 197 responses (58.9 percent response rate). The average response rate per vignette was 55.7 percent. The majority of the responses (76.1 percent, or 150 out of 197) came from Sapporo. The others (23.9 percent, or 47 out of 197) came from Hikone. The average age for the 197 respondents was 20.2 years, with a standard deviation of 1.7 years. The gender distribution was unbalanced, but reflective of the student population from which our sample was drawn: 73.6 percent of the respondents were male; 26.4 percent were female.

Measures

For all self-reported responses we used a single item, 7-point Likert-type scale, with anchors of (1) 'strongly disagree' and (7) 'strongly agree'.

Initial organizational trust, the dependent variable, represents an individual trustor's willingness to trust an organization given his/her first-time assessment of that organization based on his/her interactions with one of its representatives (Zaheer et al., 1998). This definition matches the Japanese concept of *shinrai*, that is, initial trust formation in 'unfamiliar relationships with unfamiliar parties' (Dietz et al., 2010: 4). We operationalized initial organizational trust by asking each participant to answer the following three questions: (i) *I believe I can trust X-Corp*; (ii) *I would enter an alliance with X-Corp at this time*; and (iii) *Because I trust X-Corp I would enter into an alliance with them at this time*. The average inter-item correlations ranged from 0.66 to 0.75. Cronbach's alpha for the three-item scale was 0.84. In our sample, the average level of initial trust was 4.51, with a standard deviation of 1.11. Due to mild non-normality of the initial trust composite (Skewness = -0.55, Kurtosis = 2.78), we relied on standardized scores (Shapiro-Wilk's $z = -1.27$, $p = 0.89$).

(In)voluntary social obligations. The dummy variable used in our analyses for *voluntary social obligations* (friendship) took a value of 0 when the trustor and the trustee shared no group memberships and 1 when the trustor discovered, during the discussions, that the trustee had attended the same university. The dummy variable used in our analyses for *involuntary social obligation* (kinship) took a value of 0 when the trustor and the trustee shared no involuntary group memberships (either had no common memberships or had only a voluntary group membership, i.e., alumni) and 1 when the trustor discovered that the trustee was a distant cousin.

Perceived risk. We conceptualized perceived risk as each individual's holistic assessment of the professional downside of working with the potential joint venture partner, X-corp: *This proposed alliance presents a low level of risk for my company*. In our sample, the average level of perceived risk varied from 1 to 7, and averaged 3.97, with a standard deviation of 1.43. Perceived risk ratings were normally distributed (Shapiro-Wilk's $z = 0.25$, $p = 0.40$).

Perceived opportunity. We conceptualized perceived opportunity as each individual's holistic assessment of the professional desirability of working with the potential joint venture partner, X-corp: *This proposed alliance presents a good opportunity for my company*. In our sample, the average level of perceived opportunity varied from 1 to 7, and averaged 4.88, with a standard deviation of 1.35. Perceived opportunity ratings presented moderate non-normality (Skewness = -0.66; Kurtosis = 3.43).

Control variables. We controlled for the respondent's age, gender, and cross-cultural experience. We operationalized cross-cultural experience using a dummy variable, which took a value of 1 if the participant self-reported having worked or studied outside their home country and 0 otherwise. We also modelled individual differences in participants' trust propensity – a general disposition to trust people and

institutions (Mayer et al., 1995), based on a facet of personality that develops early in life and remains relatively stable through adulthood. Trust propensity has been shown to affect trust in new relationships (McKnight et al., 1998) and is considered one of the most relevant trust antecedents in contexts involving unfamiliar actors (Bigley & Pearce, 1998). A recent meta-analysis of 132 independent samples shows moderate sized effects on both intentional and behavioural trust (Colquitt et al., 2007). We relied on Rotter's (1967) original conceptualization of trust propensity as a generalized expectancy that the words or promises of others can be relied on and used his eight-item measure (Cronbach alpha 0.73).

We also controlled for differences in early socialization by including measures for familialism (Realo et al., 2008), groupism (Chen, Brockner, & Katz, 1998), and harmony (Triandis, 1989). Hui (1988) and Rhee, Uleman, and Lee (1996) discuss familialism as a proxy for the perceived distance among different in-groups. Our measure of *familialism* (Cronbach alpha 0.68) was the standardized average of a four-item scale, which included the following statements: *the interests of the family as a whole are more important than the interests of any individual within the family; one's primary responsibility should be to family, including one's extended family; one should behave toward cousins the same way as toward one's brothers and sisters; people's responsibility for family members should go beyond their parents and children*. Similar to Chen et al.'s (1998) measure of individual-collective primacy, our operationalization of groupism (Cronbach alpha 0.58) captured the extent to which individuals are willing to rely on in-groups in general, using the standardized average score of two items: *people need to identify with a group* and *the interests of the group take priority over the interests of any individual*. Most collectivists seek harmony with social norms, especially within their in-groups (Chen & Li, 2005), but individual skills for maintaining harmony or 'goodness of fit' vary within collectivist cultures in general (Triandis, 1989) as well as across relationships (Uleman et al., 2000). We operationalized harmony (Cronbach alpha 0.72) as the standardized average score of two items: *if things are not going well, people should not upset the harmony* and *it is critical to maintain harmony in social situations*.

Analyses

All the hypotheses were tested with OLS regression. All our tests were one-tailed. Following the standard guidelines for a fractional factorial methodology (Rossi & Anderson, 1982), we set the significance for the statistical tests at $p \leq 0.10$. We conducted additional tests to verify that all our results are robust to the inclusion or exclusion of the control variables. Variance inflation factors were below 2 (1.18 on average for initial confidence, 1.45 on average for initial trust), suggesting that collinearity was not a concern. We used centered measures to test for moderation and probed the mediation post-hoc following the recommendations of Aiken and West (1991).

RESULTS

Table 1 presents the zero-order correlations among our criterion, predictors, moderators, and controls (individual differences and the manipulations included in our quasi-experiment). Our predictors, involuntary and voluntary obligations, were negatively and respectively positively correlated with initial trust; however, these correlations were not significant at $p < 0.05$, one tailed. Initial organizational trust was correlated with both risk and opportunity as prior literature suggests. Age, gender, and cross-cultural experience did not have a systematic relationship with initial trust. Trust propensity and familialism correlated positively and significantly with initial trust; the correlations with groupism and harmony were also positive but non-significant.

Table 2 shows the regression results for our three hypotheses. The predicted positive effect of voluntary social obligations (friendship in-groups) on initial organizational trust is robust to the inclusion of experimental conditions ($B = 0.21$, $p < 0.10$, Model 2), lending support to H1a. The predicted negative effect of involuntary social obligations (kinship in-groups) on initial organizational trust ($B = -0.24$, $p < 0.10$, Model 1) is not robust to the inclusion of experimental and/or individual controls. Thus, H1b is not supported. Kinship in-groups, which have been often viewed as a safety net for early exchanges in Japan (Yamagishi & Yamagishi, 1994), do not automatically yield initial trust (Yamagishi et al., 1999).

The moderation effect of perceived opportunity is substantively important: it explains an additional 26 percent of the variance in initial organizational trust (from 15 percent in model 3 to 41 percent in model 4) – and an incremental gain of 24 percent above and beyond the effects of perceived risk (from 19 percent in model 5 to 43 percent in model 6). Consistent with our prediction in H2, the interaction term is negative and significant ($B = -0.24$, $p < 0.01$, Model 4). Post-hoc moderation probing in Figure 2 further shows that voluntary obligations have the positive effect on trust building hypothesized by H1a only at low levels of perceived opportunity.

The moderation effect of perceived risk explains an additional 4 percent of the variance in initial organizational trust (from 15 percent in model 3 to 19 percent in model 5) – and a further gain of 2 percent above and beyond the effects of perceived opportunity (from 41 percent in model 4 to 43 percent in model 5). As predicted by H3, the interaction term is negative ($B = -0.22$, $p < 0.05$, Model 5). Figure 2 shows that involuntary obligations have the negative effect on trust building hypothesized by H1b only at high levels of perceived risk.

Model 6 reports the moderation tests with both perceived risk and perceived opportunity included in the same regression equation; both effects are robust and confirm our hypotheses (same size and directionality). Taken together, the moderation effects predicted by H2 and H3 suggest that the underlying asymmetry in the trust building effects of voluntary vs. involuntary social obligations becomes particularly relevant in ambivalent situations.

Table 1. Means, standard deviations, and zero-order correlations of all study variables

	Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1 Initial Organizational Trust	0	0.87																		
Predictors																				
2 Voluntary – friendship in-group (H1a)	0.65	0.47	0.09																	
3 Involuntary – kinship in-group (H1b)	0.29	0.46	-0.05	0.47																
Moderators																				
4 Perceived Opportunity (H2)	4.88	1.35	-0.03	0.53	0.04															
5 Perceived Risk (H3)	3.97	1.43	-0.16	0.14	0.03	0.04														
Controls																				
<i>Individual (Member-specific Variables)</i>																				
6 Age	20.27	1.5	0.07	0.08	0.04	0.01	0.14													
7 Gender	0.8	0.4	-0.00	-0.07	-0.16	-0.04	0.05	-0.13												
8 Cross-cultural Experience	0.02	0.12	0.01	0.00	-0.09	0.09	-0.05	0.23	-0.04											
9 Trust Propensity	0	0.59	0.04	0.26	0.03	0.09	0.08	-0.10	-0.05	-0.01										
10 Familialism	0	0.72	-0.06	0.21	0.07	0.03	0.11	0.01	-0.03	0.03	0.15									
11 Groupism	0	0.84	0.06	0.07	-0.02	-0.01	0.04	-0.02	-0.11	-0.02	0.17	0.34								
12 Harmony	0	0.88	-0.07	0.13	-0.05	0.07	0.08	-0.14	0.04	0.05	0.08	0.29	0.27							
<i>Manipulations (Situation-specific Vignettes)</i>																				
13 Long/Short Engagement	0.52	0.50	0.03	0.05	-0.06	0.12	0.03	-0.06	0.11	-0.05	-0.03	0.03	0.02	0.03						
14 Similarity/Dissimilarity	1.05	0.84	0.10	0.03	0.01	0.09	-0.00	0.10	-0.03	0.04	-0.10	0.05	-0.04	-0.03	0.10					
15 Questionable/Favourable Reputation	1.01	0.82	-0.20	0.18	0.00	0.05	0.22	-0.03	-0.01	-0.00	0.07	0.06	0.05	0.04	0.07	-0.03				
16 Relational/task focus	0.38	0.48	-0.09	-0.05	0.00	-0.15	0.15	0.21	0.02	-0.01	-0.10	-0.08	-0.00	-0.07	-0.14	-0.02	-0.03			
17 Contract breach/compliance	0.54	0.49	-0.00	0.02	-0.05	-0.09	0.04	0.13	0.13	0.03	-0.08	0.05	0.04	-0.04	0.02	0.13	0.03	-0.01		
18 Loose/tight agreement	0.45	0.49	0.07	-0.08	-0.01	-0.05	-0.03	0.02	0.13	-0.03	0.01	-0.03	-0.05	-0.08	0.03	-0.05	0.35	-0.01	-0.05	
19 (Non)confrontational Conflict-handling	0.88	0.82	0.24	-0.07	-0.02	0.14	-0.06	-0.05	0.03	-0.03	0.04	-0.09	-0.07	0.06	0.03	0.08	-0.19	-0.07	-0.27	-0.06

Correlations significant at p < 0.05, two-tailed tests, are shown in bold.

Table 2. Direct and moderated effects of (in)voluntary social obligations on initial organizational trust

	<i>Direct Effects</i>			<i>Moderation Effects</i>		
	<i>Model 1</i>	<i>Model 2</i>	<i>Model 3</i>	<i>Model 4</i>	<i>Model 5</i>	<i>Model 6</i>
Predictors						
Voluntary Social Obligations – friendship in-group (H1a)	0.29*	0.21†	0.13	1.28*	–0.33	1.18*
Involuntary Social Obligations – kinship in-group (H1b)	–0.24†	–0.13	–0.06	–0.13	0.84	0.63
Moderators						
Perceived Opportunity				0.46***		0.46***
Perceived Opportunity * Voluntary Social Obligations (H2)				–0.24**		–0.28**
Perceived Opportunity * Involuntary Social Obligations				0.01		0.03
Perceived Risk					0.08	0.09
Perceived Risk * Involuntary Social Obligations (H3)					–0.22*	–0.21*
Perceived Risk * Voluntary Social Obligations					0.10	0.06
Controls						
Individual (Member-specific Variables)						
Age			0.07*	0.03	0.06	0.03
Gender			–0.10	–0.13	–0.08	–0.12
Cross-cultural Experience			–0.28	–0.08	–0.11	0.04
Trust Propensity			0.41***	0.32**	0.39***	0.31***
Familialism			0.13†	0.15	0.07	0.10
Groupism			–0.08	–0.60	–0.04	–0.02
Harmony			0.05	0.06	0.07	0.08
Manipulations (Situation- specific vignettes)						
Long/Short Engagement		0.04	0.03	0.01	0.02	0.01
Similarity/Dissimilarity		0.04	0.04	0.02	0.06	0.04
Questionable/Favourable Reputation		0.14*	0.17*	0.05	0.18*	0.06
Relational/Task Focus		–0.06	–0.06	–0.19†	–0.07	–0.20*
Contract Breach/ Compliance		–0.07	–0.03	–0.02	–0.02	–0.01
Loose/Tight Agreement		–0.05	0.02	0.01	0.01	0.01
(Non)confrontational Conflict-handling		–0.07	–0.01	–0.02	–0.01	–0.01
R square	0.02	0.05	0.15	0.41	0.19	0.43
F-test	2.15†	1.12	1.99**	5.79***	2.04**	5.48***
df	194	187	164	160	161	157

One-tailed tests. †p < 0.10; * p < 0.05; ** p < 0.01; ***p < 0.001.

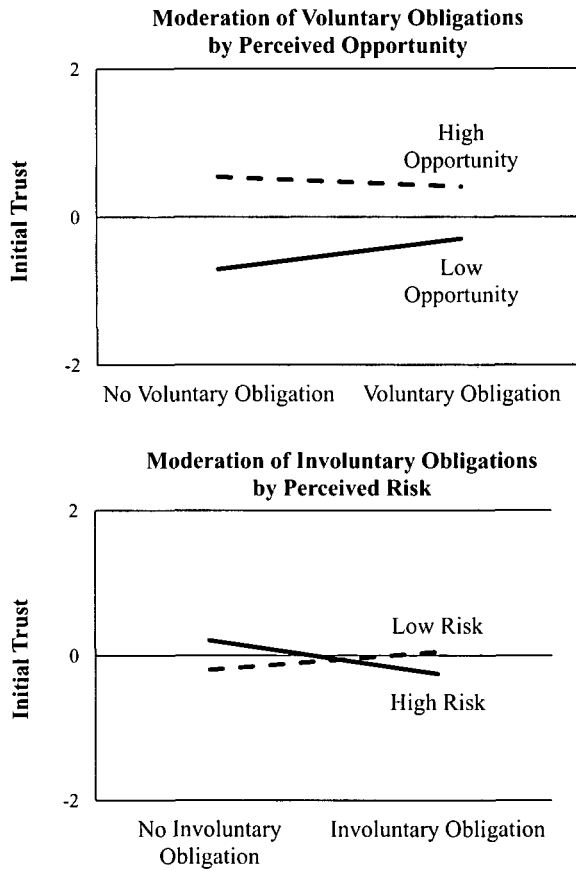


Figure 2. Post-hoc moderation probing

DISCUSSION

The main contribution of our study is to suggest that even in collectivist cultures, in-group membership does not guarantee the formation of initial organizational trust. Although not entirely new (Yamagishi & Yamagishi, 1994), this realization remains somewhat controversial because many have argued that collectivist trustors ought to favour their in-groups (Dolan & Worden, 1992), especially in early encounters with unfamiliar others (Branzei et al., 2007). Corroborating earlier findings in China by Luo (2005, 2011), we provide a more nuanced view of the effects of in-group memberships on trust formation in Japan by first explaining why the (in)voluntary social obligations associated with membership in different in-groups may work asymmetrically and then showing that these effects are especially relevant in ambivalent situations (Boles, Le, & Nguyen, 2010).

Our propositions uncover an important source of heterogeneity in initial trust formation within collectivist cultures. We question the still predominant view that collectivists automatically trust, and thus always rely on, in-group members.

Instead, we take a closer look at how trust forms within specific types of in-groups within collectivist cultures (Brewer & Chen, 2007). This study moves the discussion of culture-contingent trust beyond the theoretically and empirically-robust effects of in-group favouritism to explore why and when (in)voluntary social obligations influence the formation of initial trust in organizations represented by in-group members (Gulati & Sytch, 2008; Luo, 2005).

Many studies have suggested and shown that in-group membership facilitates trust formation and maintenance at the individual, organizational, and inter-organizational level (Chen & Li, 2005; Gulati & Sytch, 2008; Huff & Kelley, 2003; Luo, 2005). An underlying belief that trust grows with social proximity (Realo et al., 1997) has motivated some to increase the number of social ties or the degree of in-group overlap (Lincoln et al., 1996). But swift trust among unfamiliar parties remains elusive despite the presence of multiple overlaps – especially in ambivalent situations (Gulati & Sytch, 2008).

Our findings uncover several important shortcomings in the effectiveness of in-group membership at transferring trust from specific trustees to non-specific members of their organization as a whole (Farh et al., 1998; Luo, 2005). In-group membership sends valuable signals in conditions of low opportunity (for voluntary social obligations, H2) or low risk (for involuntary social obligations, H3). In unambiguous situations, that is, low risk or low opportunity, shared in-group membership should be acknowledged to take advantage of the assurances they provide. At moderate degrees of ambivalence, social obligations neither help nor hinder trust formation. However, in highly ambivalent situations, where both risk and opportunity are high, shared in-group memberships may trigger a dual penalty: both involuntary and voluntary social obligations discourage initial trust. In such cases, relying on in-group membership as signals of trustworthiness can back-fire.

Limitations

Our student sample, while not unusual in studies of culture and trust (e.g., Colquitt et al., 2007), is an important limitation. Although previous student-based findings replicate well in different samples (Huff & Kelley, 2003, 2005), our inferences apply only to individuals without substantial work or life experience. A student sample suits our research interest in the differential effects of (in)voluntary social obligations on initial trust and affords us the precision to unpack their effects in a laboratory setting. Arguably, our respondents have more idiosyncratic and less entrenched evaluation processes; their ability to assess and rely on in-group members is still a work in progress.

A second limitation stems from our reliance on a single context. Japan, however, was a natural setting for our inquiry because it has been and remains a collectivist culture of reference. Both the literatures on cross-cultural psychology (Markus & Kitayama, 1991) and studies on culture and trust (Doney et al., 1998) provide us

with contextually rich theory and data on the Japanese culture so we can scaffold our arguments about the differential effects of voluntary and involuntary social obligations in Japan. Although our propositions and inferences are limited to Japan, studies of *guanxi* and trust in China provide similar results (Chen, Chen, & Huang, 2013; Luo, 2011 for reviews).

Our findings are also subject to the usual limitations of quasi-experimental research, and specific to only one type of involuntary social obligation (kinship in-group) and one type of voluntary social obligation (peer in-group). The chosen contrast has theoretical and practical relevance to the collectivist setting in our study, Japan (e.g., Fukuyama, 1995; Yamagishi & Yamagishi, 1994), and broader applicability for in-groups in other collectivist cultures (Uleman et al., 2000). However, extensions to other in-groups (Hui, 1988) and/or other types of organizational affiliations (Realo et al., 1997) require future study. When generalizing to different cultures and/or other types of in-groups, we first need to understand the nature of social obligations in that setting.

The broader question of how social obligations are interpreted and/or classified enriches the discussion of initial trust formation in collectivist cultures and informs the etic vs. emic debate (Dietz et al., 2010). Although social obligations are pervasive across cultures, the meaning of social obligations may be culture specific (Luo, 2005; Zhang et al., 2008). Not only are social obligations likely to be differentially binding in distinct cultures, but they also may be questioned and/or internalized to different extents. What the trustors themselves understand as voluntary vs. involuntary social obligation may also vary; some may interpret the same in-group member as either one or the other and in some cases different individuals may even interpret the same in-group member differently. Some ties in one culture may be perceived as involving voluntary obligation while in another culture they may become involuntary.

Future Research

Future extensions of this line of inquiry beyond Japan to other cultures and across cultures are important next steps that require both conceptual and methodological care. Theoretically, we see the need for going native (Dietz et al., 2010) and developing grounded understanding of how different groups of individuals may understand, interpret, and heed (in)voluntary social obligations associated with different types of in-groups. Studies that elicit story-telling, compare interactions with people in different types of in-groups, and begin to explicate the idiosyncratic processes by which individuals recognize, interpret and engage different types of social obligations would be particularly enlightening to research on trust and culture. Methodologically, we encourage research designs that explore how individuals' 'embeddedness' in different in-groups or collectives more generally may differentially influence their likelihood to bestow initial trust. This requires separate manipulations of in-group memberships as well as primary data collection on the

individual's interpretations of the social obligations associated with each. Moving from single-culture studies to cross-cultural studies, researchers need to simultaneously track in-group memberships, social obligations and respondents' interpretations because each of these may vary both within and across cultures.

Our study further advocates for the richness of real-life encounters. Our study takes only a small step in this direction by unpacking situational ambivalence to show how the balance of perceived risk and perceived opportunity matters, but we hope the results motivate future work on the situated and nuanced nature of trusting in organizations (Dietz & Den Hartog, 2006; Li, Bai, & Xi, 2012). We look forward to future practice-based approaches and qualitative studies that can complement the vast and growing body of quantitative work (Colquitt et al., 2007) by paying closer attention to how trustors speak, feel, think, and act. We specifically encourage studies that help us understand how individuals cope with ambivalence in real-life settings so we can set more context-specific boundary conditions for when and why we need trust.

A third extension concerns the similarities and differences between the Japanese *kaisha* system and Chinese *guanxi* (see Chen, Chen, & Huang, 2013 for a review), especially the social obligations based on expectations of mutual reciprocation which underpin them – the Japanese *giri* and the Chinese *pao*. A deeper cultural understanding of the human connections that foster trust can explicate the relational qualities that best motivate parties to engage in trust building (Pratt & Dirks, 2007). Bringing the qualities of relationships to the foreground offers a timely extension of the literature by asking how trust formation varies across categories, obligations, or settings.

CONCLUSION

This study contributes an emic perspective on trust and culture by explaining why and when voluntary social obligations help, while involuntary social obligations hinder, the formation of initial organizational trust in a collectivist culture, Japan. The results extend prior findings on in-group favouritism in collectivist cultures by showing when different types of social obligations encourage and when they discourage the formation of organizational trust in Japan. We hope this study not only has contributed some non-intuitive understanding of initial organizational trust in one culture (Japan), but also revealed the importance of problematizing interpersonal relationships in order to more fully reveal their intricate influence on trust formation both within and across cultures.

NOTES

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- [1] Our conceptualization and operationalization of trust crosses the threshold of 'real trust' (Dietz & Den Hartog, 2006: 563) to include knowledge-based, relational, and identification-based trust, and is equivalent to what Tyler (2003) has termed 'social trust' whereby parties represent each other's interests with full confidence. Initial trust formation in our case thus involves 'the sophisticated processing of huge amounts of often contradictory information' (Dietz & Den Hartog, 2006: 564) and a decision to act based on whether the trustor feels that her/his position is precarious or stable.
- [2] Despite recent progress in theorizing and measuring trust both inside (Dietz & Den Hartog, 2006) and among organizations (Gulati & Sytch, 2008), holistic conceptualizations and operationalizations of organizational trust in the literature on culture and trust remain limited – Luo (2005: 447), however, proposed an inventory of organizational trust in China.
- [3] In Japan, *giri* refers to a common code of honourable behaviour to which members voluntarily subscribe and which creates ongoing expectations of mutually beneficial exchanges of favours among in-group members. *Giri* is 'the sense of obligation to those to whom one is indebted, requires deferential behaviour and eventually repayment of the favour' (Dolan & Worden, 1992: 98). This 'sense of obligation is not formal or legal; it is entirely internalized, the result of a subtle process of socialization' (Fukuyama, 1995: 188).
- [4] Rhee, Mull, Uleman & Gleason (2002) distinguish between family, relatives, and friends. Rhee et al. (1996) examine three types of kin: parents, children, and relatives.
- [5] In addition to voluntary/involuntary social obligations, we included seven other control variables that could influence situational ambiguity. We manipulated the (1) similarity or dissimilarity between the trustee and the trustor (McAllister, 1995) to partial out any automatic effects of social categorization. We also controlled for parties' deliberate commitment to their relationship (Pratt & Dirks, 2007) by manipulating the (2) length of engagement (Trompenaars, 1993), (3) trustee's focus on task vs. relationships (Dolan & Worden, 1992) and (4) trustee's reputation in prior relationships. Last, we ruled out contractual (in)compatibilities by manipulating trustee's track record of (5) compliance or breach of prior contracts; (6) the nature of their preliminary agreement (loose or tight); and (7) trustee's conflict-handling style (confrontational or nonconfrontational). Four of the eight experimental manipulations captured dichotomous constructs (Long/Short Engagement; Relational/Task Focus; Contract Breach/Compliance; Loose/Tight Agreement). Three others captured trichotomous constructs (Similarity/Dissimilarity, Questionable/Favourable Reputation, Nonconfrontational/Confrontational Conflict-handling). Complete descriptions of dimensions of levels are published in Camp (2003: 197–199); Appendix II, based on Camp (2003: 192), shows the incidence of each situational manipulation and their distribution across the 48 vignettes included in our design.

APPENDIX I

Sample Vignette

X-Corp, the short-listed firm you are evaluating, appears to be a strong candidate for the partnership even though your firms sometimes compete. *You have been involved in discussions with Mr. Yamata of X-Corp for eighteen months regarding the possibility of forming an alliance for this project.* [LONG ENGAGEMENT] *Mr. Yamata from Kobe, Japan is a senior manager at X-Corp who would be assigned as a manager on the project if the alliance goes forward.* [SIMILARITY] He has led a team made up of people from different levels in

X-Corp in these discussions. The key question at this time seems to be to what extent you can trust X-Corp. X-Corp employs about 100 people and is headquartered in Kobe, Japan. X-Corp's skills appear to be a strong technical complement for the skills available from your company for this project. X-Corp has agreed that if the project goes forward it will be located in a facility near your headquarters. Through your due diligence you have determined that X-Corp is financially sound and should have no difficulty maintaining its share of the investment throughout the project. *You have heard that X-Corp's past alliance partners were generally happy with their working relationship in their alliance with X-Corp.* [FAVOURABLE REPUTATION] *You have never worked with Mr. Yamata or X-Corp prior to this project; however, through your discussions you have discovered that you and Mr. Yamata attended the same university and are distant cousins.* [INVOLUNTARY SOCIAL OBLIGATION] *In formal meetings and dinners you have had together, Mr. Yamata has been very interested in discussing project details.* [TASK FOCUS] *Mr. Yamata has insisted that any contract should be minimal, little more than a short written document that stipulates that the two firms intend to work together in a joint venture and that they will endeavour in good faith to maintain the relationship over time. This is not a detailed plan of action, but rather a set of broadly applicable general principles, goals and objectives; criteria to be used in deciding what to do when unforeseen contingencies arise; and dispute resolution principles to be used when disagreements do occur.* [LOOSE AGREEMENT] *You have heard that X-Corp has insisted on adhering to contracts with partners, even when conditions surrounding those partnerships have changed.* [CONTRACT COMPLIANCE] *On a few occasions minor conflicts have arisen between X-Corp and your company. Various people from the X-Corp team have brought up these conflicts with you in formal meetings where many people from both teams were present.* [CONFRONTATIONAL CONFLICT HANDLING STYLE]

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