

## Are some cultures less trusting than others?

January 31 2018, by Eva M Krockow, Andrew M Colman And Briony Pulford



Credit: Rayn L from Pexels

Nobel laureate Kenneth Arrow once <u>described</u> trust as a "lubricant of a social system". Economic exchange, in particular, is virtually impossible without at least some level of trust. While markets, shops and online traders attempt to reduce uncertainty through customer reviews or free



returns policies, consumers have to decide for themselves whether to trust unknown trading partners calling themselves obscure things such as *Mae.B.O'Frawd\_101* and pay for that secondhand phone, or not.

Another level of complexity is added by the rapidity of globalisation, which is bringing people from all corners of the world closer together. With increasing numbers of international colleagues, business partners and collaborators, it becomes even harder to know who to <a href="mailto:trust">trust</a>. Trust can affect people's ways of communicating, their workplace etiquette and their organisational hierarchies, all of which may constitute <a href="mailto:important stumbling blocks">important stumbling blocks</a> in international collaborations. And so to ensure success of global trade, we need to understand and make allowances for cultural differences in trust.

In our <u>latest research</u>, we set out to do just that. Given our focus on the workings of trust in economic interactions, we decided to compare nations of similar economic development but different cultural backgrounds. As such, we focused on Japan and the UK, which share almost identical <u>levels of development</u> and <u>GDP per capita</u>, yet have very different cultures. Japan has been shaped by the competing influences of <u>Shinto and Buddhist religions</u> and <u>collectivist values</u>, which prioritise the group over the individual. The UK, on the other hand, is characterised by largely Christian or <u>Humanist</u> values and a more <u>individualistic focus</u> on personal freedom and independence.

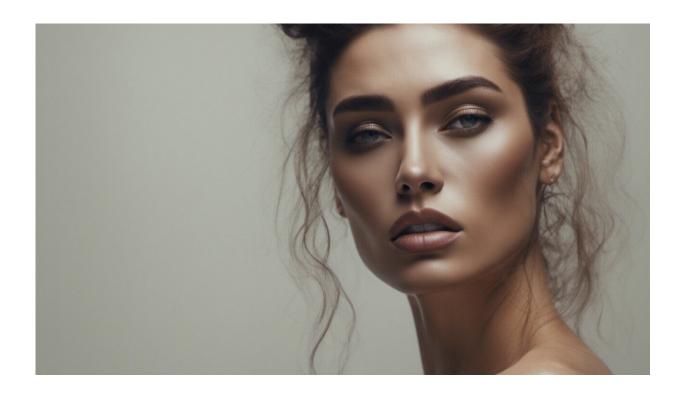
The two countries' different cultures are reflected in the way their respective societies are organised. Japanese society is comprised of close-knit communities with strong interpersonal bonds. In the professional context, this is manifested in loyal business groups (so-called "keiretsu") and typically lifelong employment with the same company. Western entrepreneurship in the UK, on the other hand, places a stronger emphasis on innovation, including through staff turnover. These different understandings of business management alongside intercultural



variations in trust and risk-taking are likely important factors in determining the success of international business relationships.

## Collective or individual

Japanese researchers have already attempted to measure and quantify trust scientifically across Japanese and US cultures with the help of controlled experiments by using incentivised decision-making tasks (so-called experimental games) to test how participants make interactive decisions in risky or uncertain financial contexts. The results reveal that Japanese people appear generally less trusting than Westerners towards strangers. This finding was found to be strengthened if the Japanese doubted that they shared any interpersonal links with the strangers in question.



Credit: AI-generated image (<u>disclaimer</u>)



Past research therefore might seem to suggest that collectivist cultures such as the Japanese are less trusting than individualistic cultures like the US and British. But follow-up findings reveal that the relationship between culture and trust are in reality more complicated. Carefully designed experiments have found that despite initially low levels of trust towards strangers, Japanese trust and cooperation increased when participants experienced a greater sense of control over the situation, when their action had been preceded by a cooperative action of the other person, and when they encountered a person with whom they had engaged before.

The two recent experiments of our own found that Japanese participants were in fact <u>more trusting</u> than British participants when it came to repeated decision situations characterised by reciprocal, long-term interactions with the same other person. Furthermore, we found that Japanese people were actually <u>more willing</u> than British people to make costly commitments to relationships when these commitments decreased the financial risk involved in decision making.

## The wrong question

Given these more complex findings, it seems that we have been asking the wrong question. Perhaps cultures do not differ in the amount of trust but in the type of trust that they display. An influential theory of trust put forward by the distinguished Japanese psychologist Toshio Yamagishi supports this view.

Yamagishi differentiates between two different types of trust: general trust and assurance-based trust. According to this theory, individualistic Western cultures like the US and UK show more spontaneous trust towards strangers (general trust). In contrast, collectivist Eastern cultures



like Japan are characterised by a more reciprocal type of trust towards people whom they have previously encountered (assurance-based trust).

So when fostering business collaborations in Japan, the biggest hurdle is the initiation of a relationship due to Japan's <u>cultural lack of general trust</u>. But once a relationship is established, the high level of assurance-based trust means that complex business deals may be sealed informally over the phone, avoiding time-consuming background checks, additional contracts or paper work.

This cross-cultural research demonstrates that our <u>culture</u> does not necessarily influence how much we trust, but the way we trust. Businesses need to keep this in mind as they navigate the international market and pursue global collaborations. And we shouldn't make the mistake of <u>confusing trust with trustworthiness</u>: whether or not an individual deserves our trust is a whole other ball game.

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