# The impact of culture on trust in the workplace

## A study shows how cultural differences influence trust-related perceptions and behavior between managers and subordinates in 18 countries.

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Companies seeking to train global managers need to pay attention to issues of trust, which appear to have long-term effects on individual and organizational performance.

So finds a study by IESE's Sebastian Reiche, Yih-teen Lee, Miguel A. Canela and co-authors, who surveyed 741 managers and 2,111 subordinates from 18 countries in major cultural regions of the world.

Their study, published in *Personnel Psychology*, reveals how cultural differences influence trust-related perceptions and behavior between managers and subordinates, and how this may influence performance.

## Individualist vs. Collectivist cultures

At the heart of the matter is the contrast between individualist cultures, or those based on equity, self-interest and immediate returns, and collectivist cultures, in which individual goals are subordinated to those of the group.

Western-oriented studies have tended to focus on the building of trust through direct exchanges between a subordinate and his or her manager.

This study, however, examined trust as a relational process, where trust was strengthened not just through the direct relationship between two parties, but indirectly through "prosocial

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behavior" — i.e., through generalized acts that benefited colleagues and the organization as a whole.

This approach reflects the values of collectivist societies, in which affective trust is less necessary to trigger reciprocity.

In fact, the results of this study indicated that in collectivist cultures affective bonds were not necessary for managers to reciprocate employees' prosocial behavior with their own trustworthy behavior.

This is not to say that affective attitudes are underappreciated in collectivist cultures. However, these settings view reciprocity as a moral obligation rather than a voluntary act and, hence, do not require trust.

The study also showed that when prosocial behavior is directed at individuals, affective trust is relatively more important than when directed toward the organization in general.

## Organizational benefits

When prosocial behavior arises out of genuine concern for others rather than out of pure self-interest, the benefits for an organization are positive.

As such, managers from individualist cultures should try to overcome their initial discomfort with reciprocating beneficial actions even before they have developed trust in a collectivist culture.

By encouraging generalized exchanges — that is, those in which one person helps another without knowing when, in what form or from whom indirect reciprocation will come — managers can create stronger integrative bonds than through other forms of social exchange.

It would benefit companies to place more emphasis on generalized exchanges, both through role-modeling among senior staff and by explicitly taking such behavior into account in the selection and appraisal process.

These suggestions run counter to the prevailing wisdom, which considers doing this as risky because managers make themselves vulnerable to manipulation.

The authors say this need not be the case if employees' underlying motives and managers' perceptions are properly assessed according to cultural norms.

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