

## Trust Linked to Culture and Communication

**Micky KEEREN**  
NOVANCIA Business School

### **Abstract**

*We may all have our idea about trust, what it is, how to deal with it even if it is 'hidden from view', (like culture!) Trust affects everyone in both their private and professional lives. It's obvious that trust influences our behaviour and our relationships. But how exactly? That's what we are going to see in this analysis about different aspects surrounding trust. Do we live and work in a high- or low-trust culture? What about trust in a 'Work to Live' society? Is it different from where people 'Live to Work'?*

*Stephen Covey compares high-trust and low-trust organizations in the areas of supervision, evaluation, span of control, motivation and structure and systems very clearly. We'll have a closer look at how it is possible to increase trust across cultures, even much faster than we might think. And we will see how important the economics of trust can be in our companies by linking trust to speed and cost.*

*Increasing our trust towards others is a key ingredient for successful communication and cooperation, particularly across cultures.*

### **Key words**

*Trust, Communication, Cultural dimension, Relationships (non-kin).*

### **1. Introduction**

Can trust be considered as a cultural dimension? Not per se, but when we say that trust is an important issue in business and even a key in management, most of us will agree. If we want to link trust to culture we have to accept that people from different cultures have a different perception of trust.

Can we feel trust? Many people are convinced that we can feel it, but I'd rather prefer saying that we discover what trust represents when it's not there any longer, a little like oxygen. In my opinion feeling trust is an unreliable criterion within an intercultural context. Being myself from a low-context-culture, I may mistakenly not trust the person that comes too close. I just didn't realize that this person has another idea of 'close' because he/she is from a high-context culture where sitting close to each other is a sign of mutual trust. When some weeks ago I received a big envelop from The Netherlands, I interpreted the big amount of tape used on it as a lack of trust towards the French post. I asked the sender who actually confirmed that she had doubts about the French way of doing things.

Can trust be increased? Yes, fortunately we can build it up, which is not always easy, in particular when managing a team. But didn't Lao Zhu say that 'He who does not trust enough, will not be trusted'. So many people believe that either you have trust or you don't or in other words, if you don't have it, you can't do

anything about it. This is a belief or basic assumption that does not correspond to the truth. Stephen Covey is on the contrary convinced that we can increase trust and probably much faster than we think. Paying more attention to people's behaviour may often be perceived as trusting them which can finally lead to more trust indeed.

## **2. What is trust?**

There are numerous definitions from different people but let's have a closer look at Stephen Covey's definition since he has been one of the pioneers in the field of trust. In his opinion trust is the glue of life and the most essential ingredient in communication. Who says communication says relationships that in many cases have to be built up. This is however not a quick-fix technique particularly in low-context cultures as the USA or northern Europe where building up relationships is considered being too time-consuming. People there are pretty direct and don't waste time on asking questions about trips, hotels and family. On the other hand if we want to do business in Asian countries for instance, we should take some time to get to know the people a little better by exactly asking those questions about trips, hotels and family. Does this mean that trust doesn't exist in a low-context culture? It's unfortunately a little more complicated than that and I will come back on this a little further in my paper.

Let's keep in mind that trust is the foundational principle that holds all relationships. Trust gets you to the core roots of ethical behaviour and integrity.

## **3. Trust and culture**

Trust in particular when linked to culture may cause frustration. One of my colleagues, a professor at Novancia in Paris had learned during his studies that being in front of the classroom gave him the role of the boss, a person with status (in France) and the power to punish his students. In The Netherlands on the opposite, I had learned how to motivate my students. Or in other words how to trust them and vice versa.

Trust and culture are closely linked. Thanks to Simona Vasilache, an Assistant Professor of Cross-Cultural Management and Business and Media Communication at the Academy of Economic Studies in Bucharest I had the chance and the pleasure in discovering Francis Fukuyama, an American political scientist and economist. Making use of Fukuyama's vision of trust, Ms Vasilache wrote an interesting paper about trust in Romania that I read with much interest in order to prepare my own trip to Bucharest.

Now you can ask yourself what a political scientist and economist has to do with trust linked to culture? Because of his Japanese parents that got settled in the USA, Yoshihiro Francis Fukuyama is what we call a Third Culture Kid (TCK) to be confronted from the begin of his life with multicultural issues. Being a Third Culture Individual makes moving between cultures a very natural attitude. In his research Francis Fukuyama often refers to cultural diversity and in his theory about trust he looks at the amount of trust a society displays in terms of non-kin relationships. Fukuyama divides non-kinship trust in two categories: low and high.

A low-trust society needs the intervention of the state-in-control-of-everything, in order to make people working together. People rely on their relatives and kin relationships. In a low-trust society people work to live.

On the contrary, high-trust societies are more likely to prosper since people have no problems in setting up voluntary associations which is particularly interesting in business. People here live to work.

#### **4. Low-trust societies**

Four countries/cultures are typical examples of low-trust societies, where the levels of non-kin trust are low mainly because these nations are family- or state-minded. I will try to develop the reasons for the different countries one by one.

1) China according to Fukuyama, is a low-trust society due to the ethical philosophy of Confucianism. In the Chinese society the family and family ties are put above all. Because they don't trust outsiders – non-kin relationships – Chinese people focus on small but very successful family-owned businesses that unfortunately are very difficult to be developed into large corporate companies.

2) Italy, another of the low-trust societies mentioned by Fukuyama, is also a family-based society. There is however a difference between the north and the south. In the southern area of Italy, the residents do not have non-kin trust this as a result of the change from agriculture into industry. Many of the poor southern farmers were forced off their land and for this reason people have developed distrust for the government as well as for anyone who is not a family member. In the northern part on the contrary, the level of non-kin trust is much higher mainly because of all the industries that were set up and invited the people to work together. Here the companies have the capacity to compete on world level.

3) France is also a low-trust society but for different reasons than those that apply to China and Italy. The family unit is strong in France but is not seen as the most important unit of cohesion. France is dependent on the state to intervene and provide for the needs of the people. In China and Southern Italy people have the same amount of distrust for both outsiders and the government. The French have a strong inclination to allow the government to stick its nose into business. Many young people study at the Grandes Ecoles to become senior bureaucrats in order to better the nation. This is how several large scale corporations are run by the government. On the opposite, there is a lack in France of smaller intermediate voluntary associations that would create privately owned middle range companies. In France the people believe in their immediate family or in the government, seldom in both at the same time.

4) South Korea as the last low trust nation, can be seen according to Fukuyama, as an example of the state inducing companies to grow. This is why in Korea we are witnessing the development of many multinationals, much like those of Japan. But much like in France, Korea is missing the smaller intermediate privately owned middle range companies.

### **5. High-trust societies**

On the other hand, by having a closer look at some of the high-trust societies where non-kin trust is exhibited at a high level, we will discover that these nations are able to develop many voluntary associations because their values are more than just the family ones.

1) Japan. In spite of having cultural habits that promote the growth of the whole, the Japanese communitarian society presses their population to belong to more than just a family structure, even if the leading moral guide is a form of Confucianism. In Japan the belief system has however been modified including changes in philosophy with respect to the patrilineal system followed by China. Where formerly the inheritance went to only the oldest son, the Japanese system now accepts the adoption of outsiders meaning that a successful business can be passed to someone outside the immediate family often leading to economic growth.

2) Germany. After World War II, as a response Germany starts to make use of a government sponsored system, called co-determination. These schemes make it possible for workers and management of large scale companies to cooperate towards a common goal. What we witness here is both a high level of social capital and a high level of trust. Another factor that helps Germany to develop economically is its sense of national unity. In spite of their numerous small companies being family-operated, the Germans are willing to count on the world market as they realize the importance and need to be competitors of the other nations.

3) In The USA as the last of Fukuyama's high-trust societies, the people have on the contrary a natural talent for voluntary associations, whether in the business world or outside in their private lives, by joining church groups or school associations to give some examples. Being highly individualistic their economy relies on the trust in others, in particular since the USA is a low-context culture where people don't take the time to build up relationships before doing business. Like in the two formerly mentioned countries, Japan and Germany, people in the USA do trust their co-workers. According to Fukuyama this natural gift for joining groups outside the family unit help develop a sense of trust. Trust that remains very high inside the family unit, even small sized as a consequence of industrialization.

### **6. Romania, a high- or a low-trust society?**

Since the conference was organized by the Romanian-American University in Bucharest I was very interested in learning more about the hosting country also as far as trust is concerned. Romania being a high-context culture, we can imagine that it is a low-trust society where the family stands central. The family is the foundation of the social structure in Romania and forms nowadays the basis of stability for most people. The individual will turn towards their family in times of need. Romanians prefer to do business with people they know already, so building relationships before business is very important.

But there is another important factor besides these family ties and business relationships that shouldn't be rushed, to explain this level of low trust. Like many other eastern European countries, Romania's 'membership' to the group of low-trust cultures is also due to its past when Communism and their intervention of the state-in-control-of-everything in order to make people work together, was their daily goal. Communist regimes denied the right to free association, and replaced it by tight social control. This heritage can still today be seen as a factor of distrust, in particular to outsiders (someone who is not family or a friend) that will be treated with utmost formality. But once a relationship has been developed, it is with you personally and not necessarily with the company you represent that people will seek the contact. Then everything becomes trust.

### **7. Implication for business**

If in a low-trust society people need time to build up relationships because they want to know each other better before doing business, negotiations go much faster on the contrary, in a high-trust society where socializing is very often seen as a waste of time. Coming straight to the point is something American and northern European businessmen always keep in mind. That this can create frustration in low-trust societies/companies to form an obstacle to doing business is not always clearly understood by American and European business people.

A logical aspect of low-trust is that companies replace it by a heavy bureaucracy. You can compare it to Hofstede's Uncertainty Avoidance index when he explains how the only way to avoid uncertainty is to set up rules. High-trust societies are on the opposite allergic to bureaucracy that in their opinion is an obstacle to business in so far that it slows down the speed of work in an office as well as the speed of business transactions.

### **8. The economics of trust**

When trust is going down, speed is going down as well, whereas at the same time the cost is going up (A). On the other hand, when trust is going up, speed is going to do the same with an interesting consequence: the cost is going down (B). To get a better understanding, I'm giving you two examples:

(A) When travelling to a foreign country, let's say the USA, most of us, not to say everybody needs a visa. In order to get one you have to comply with the country's – the American here – procedures: a visit to the embassy, on-line forms to be completed, back to the embassy to get your stamped documents. And all this has a cost eventually.

(B) A vendor of donuts in New York started to lose clients. So many people were standing in line at his shop that the wait time discouraged some of them to make them walking away to go elsewhere. He found a solution by putting a small basket filled with dollar bills and coins on the side of his stand, trusting his customers to make their own change. Most people responded by being completely honest, often

leaving him larger-than-normal tips. His customers liked being trusted and kept coming back.

### **9. Conclusion**

Even if trust can't be considered as a 'real' cultural dimension, we can't deny its importance in situations involving people from different cultures. People don't always realize that trust can bring them much closer to a good and rich relationship, either in business or privately, meaning that trust can easily be linked to culture and to cultural dimensions such as Power Distance, Uncertainty Avoidance and Time Perception. Aren't our behaviour and relationships constantly influenced by our own perception of trust, just as when working or socializing across cultures, by our own trust in trust?

### **References**

- Covey, S. (2008) *The Speed of Trust*. New York: The Free Press.
- Dumetz, J. (2012). *Cross-Cultural Management Textbook*. Paris: Student Ed.
- Fukuyama, F. (1996) *Trust*. New York: The Free Press – Paperback.
- Hall, E.T. (1992) *The Hidden Dimension*. New York: Anchor Books.
- Lewis, R. (2005). *When Cultures Collide: Managing Successfully across Cultures*. London: Nicholas Brealy Publishing 3 ed.
- Vasilache, S. (2010) *Rebuilding Trust in Post-communist Romania*. Bucharest: International Symposium on Cultural Diplomacy.