

Conference Paper

Explicit and Implicit Trust Criteria in Business Partnerships

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Abstract

Identifying and understanding the similarities and differences between subjective trust criteria in Russian and European business can help offer scientific recommendations for the development of long-term international business cooperation, based on mutual trust, despite the differences between both cultures. The purpose of this study is to describe the relations between the implicit and explicit trust criteria presented in Russian and European studies, and to compare how these criteria are expressed in Russian and European publications from a quantitative perspective. Using the content analysis of European and Russian publications for the period 2005–2015, the following main research questions are considered: (1) Are more references made to explicit trust criteria than implicit trust criteria? (2) Are the explicit criteria focused on a partner's business mentioned more often than the explicit criteria focused on a partner's competences and personality? (3) Are more references made to implicit trust criteria in Russian or European scientific articles? As the results reveal, although implicit criteria do not dominate in the subjective trust criteria for business partnerships, they nevertheless have a significant presence. Trust criteria based on characteristics related to business dominate the criteria for a partner's competences and personality. The differences between explicit and implicit trust criteria in Russian and European publications are not statistically significant. Nevertheless, on average, the difference between implicit and explicit assumptions of confidence is 0.13 in Russian studies and 0.34 in European studies. The study revealed that small companies entering the international market should consider the risks associated with a failure to understand what a business partner considers an implicit sign for triggering business relations and trust.

Keywords: trust in business relations, implicit and explicit trust criteria

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1. Introduction

Identifying and understanding which subjective trust criteria are used by Russians and Europeans in their business relationships and partnerships will help to make recommendations for the development of long-term international business cooperation.

There is evidence in the literature available to confirm that trust has cognitive and affective dimensions. [1, 2] The affective-based trust between partners encourage them to move from business or professional relationships to emotional ties [3].

The assumption can be made that affective-based trust is consistent with a partner's implicit beliefs, whereas cognitive-based trust is consistent with explicit beliefs. Implicit beliefs develop under the influence of cultural bias; they are reconcilable with experience [4] and influence people's decisions and judgements about tasks [5], and their inherent objectives [6]. As is the case with other implicit beliefs, implicit trust criteria are poorly formalized, based on individual experience and have features such as hidden meanings, subjectivity, and ambiguity.

Alternatively, cognitive-based trust encourages partners to engage in conscious decision-making and cognitive reasoning [7]. In business relationships, trust as an instrument for the development of business partnerships, is connected to the task-oriented aspects of work [8], assessments of a partner's technical competences [9], and repeated interactions between parties [10]. Evidently, business partners rely more on cognitive-based trust than affective-based trust, preferring the proven reliability of a partner [11] and weighing up the evidence embedded in the attributes of the transaction and the characteristics of the other party(s) to the transaction [12]. Explicit trust criteria are based on the objective results of work experience and feature characteristics such as generalization and a reliance on evidence.

Implicit criteria, which carry a significant sociocultural impact and reflection of personal professional experience, may involuntarily serve as an obstacle, a barrier to mutual trust, understanding and openness between partners. Therefore, implicit trust criteria should not prevail in the development of international business relationships. As such, this study proposes the following hypothesis – Studies undertaken on trust in business relations, as European, and as Russians, mention more explicit trust criteria than implicit.

The research questions in our study are as follows: (1) Are explicit trust criteria mentioned more often than implicit criteria? (2) Are the explicit criteria focused on partner's business mentioned more often than the explicit criteria focused on partner's

competences and personality? (3) Is the difference between implicit and explicit trust criteria, mentioned in Russian or European scientific articles, significant or not?

2. Methodology

Content analysis is a method of qualitative and quantitative analysis of the contents of documents aimed to identify or measure the various facts and trends reflected in these documents. The strong opportunity presented by content analysis is that the texts contain more detailed and less arbitrary information, and so information that is more inherent to the subject, than is the case with oral speech. Although a content analysis is a very productive method for studying qualitative data in such a poorly structured area as the interaction of business partners, there are few studies using content analysis. One of the reasons for this is that conducting content analysis is undoubtedly a more time-consuming empirical study when compared to what is required for questionnaires. Moreover, the practice of completing questionnaires online is now quite common, which greatly simplifies the procedure for processing the results. The second reason, apparently, is that content analysis is not a reliable method. This drawback lies in the possibility of taking an arbitrary interpretation of the received content-units. In this study, the approach proposed by Henri [13] was used as the main methodology of content analysis.

Content analysis involves different methods of textual analysis, including comparing, contrasting and categorizing a data set; Content analysis can also include both the quantification of the data and its interpretation [14]. Discursive analysis may also appeal since the interaction presupposes certain specific negotiations developed over time between the participants.

However, our research is more focused on the analysis and categorization of content, rather than on the actual process of relationships or special actions within these relationships, which would require a discursive analysis [15].

Our research is aimed at revealing the types of subjective trust criteria through a content analysis of the indicators and signs of trust in business relations that are presented in research polls. A unit of content analysis (content-unit) is a part of the analyzed text that the researcher has the right to attribute to any category assigned to it. In general, six types can be assigned to written units: word, meaning of the word, sentence, paragraph, theme (or subject) and the whole text [16]. In our study written units of content analysis are the evaluative judgment of the subjects, which contains a sign of trust to the business partner (words and phrases).

TABLE 1: Content-units of subjective explicit trust criteria and examples.

Scope of assessment	Content-units	Examples
Business	Business behavior, activity, performance.	common objectives or goals; mutually benefit of partnership; clear agreements with each other; the fulfilment of obligations in relation to each other; mutual guarantee; mutual complementarity; equality of opportunity and rights; support; mutual aid
Competences	Obvious competences. Business reputation and connections.	the experience of business partners in business; the ability of the partner to communicate with different people; partner’s enthusiasm for his work; partner’s high performance for long periods of time; the partner’s reputation; recommendations on the partner by the persons to whom the respondent trusts
Personality	Obvious personal characteristics and values. Apparent attitudes.	the similarity of the social characteristics of the partners; match in the hierarchy of common values partners; the hierarchy of partner’s personal value orientations; ethical or unethical act of partner due to comply with the corresponding attitude of moral norms; partner’s activity; partner’s independence

First, we divided the criteria in terms of the scope of assessment: (a) the partner’s business; (b) the partner’s business and professional competences; and (c) and the partner’s personality and behavior.

To define content-units, first, we divided all criteria on implicit and explicit ones. We define criteria based on explicit work experience and having such features as a generalization and reliance on evident signs as explicit trust criteria (see Table 1).

Thus, we conducted an auxiliary (artificial) classification. This classification served for us as a filter. With the help of this classification, we divided the criteria into the following groups (see Tables 1 and 2).

3. Results

In total, we analysed 12 studies, based on samples of Russian businessmen and entrepreneurs [17–28] and 13 studies based on samples of European businessmen and entrepreneurs [29–41]. In our study we calculate the content units for each class and the frequency of their representation in the total amount of all recorded indicators of trust in business partnerships. The results of the content analysis are presented in Table 3.

To answer our research question: ‘Are explicit trust criteria mentioned more often than implicit criteria?’, we compared the results of the content analysis and found that

TABLE 2: Content-units of subjective implicit trust criteria and examples.

Scope of assessment	Content-units	Examples
Business	Intentions, expectations and efforts in business	The mutual openness of cooperation; satisfaction of partnership, process and deal's results; benefits that can only be achieved by working together; the importance of the objectives put forward by each of the parties; potentially long period of cooperation
Competences	Competences, probably leading to success in business	Knowledge about the partner that is acquired from personal experience and interactions; partner's openness to the principles and norms of interaction; partner's views on morality as a principle of interaction
Personality	Personal traits that can be estimated indirectly	Honesty; mutual respect; coherence; empathy; understanding each other; partner's optimism; partner's morality; and willingness to share information about themselves

TABLE 3: References made to implicit and explicit criteria in European and Russian publications.

Explicit criteria		Implicit criteria		Total	Differences
N	frequency	N	frequency		
Business					
69	0.621	41	0.372	110	0.167*
Competences					
34	0.667	17	0.334	51	0.334*
Personality					
23	0.426		31	0.574	0.148
Total					
126	0.586	89	0.414	215	0.172*
* $p > 0.01$					

the difference between both groups of criteria was statistically significant. In European and Russian publications, explicit criteria are mentioned more often than implicit. The only group of criteria focused on personality did not reveal a difference between the implicit and explicit criteria mentioned in scientific publications.

The last research question is: are there more references made to the implicit trust criteria in Russian or European scientific articles? Although, European studies referred more to explicit criteria and less to implicit criteria than was the case with the Russian studies, none of these differences are statistically significant. The results of the content analysis are presented in Table 4.

TABLE 4: Intercultural differences in results of content analysis of European and Russian publications.

Explicit criteria (N)			Implicit criteria (N)		
European	Russian	Differences	European	Russian	Differences
Business					
0.396 (19)	0.299 (50)	0.039	0.208 (10)	0.186 (31)	0.022
Competences					
0.125 (6)	0.168 (28)	-0.043	0.02 (1)	0.095 (16)	0.75
Personality					
0.146 (7)	0.095(16)	0.051	0.104 (5)	0.156 (26)	0.042
Total					
0.667(32)	0.562(94)	0.105	0.333(16)	0.437 (73)	0.104
<i>N (Eur) = 48; N(Rus) = 167.</i>					

4. Discussion

Note should be made that the number of explicit criteria mentioned in publications outweigh the references made to implicit criteria, which leads us to conclude that trust in business relationships is mostly based on explicit criteria, with particular focus on the partner's business and competences. Nevertheless, even in business relations, trust remains associated with a high level of risk of uncertainty concerning a business partner owing to the high number of criteria focused on personality. Hence, coming to decisions on whether to trust a business partner is also partly based on unreliable indicators. This means that the decision to trust a business partner is based on probability and therefore risk is involved. Therefore, reliable tools for deciding on whether to trust someone (explicit premises) are 'blurred' or weakened due to the influence of a sufficiently high number of implicit belief held by the entrepreneur.

The good news is that, even if the partners have acquired their entrepreneurial and social experience in different socio-economic environments, there would not be huge contradictions in understanding the behavior of each other's partners. As our results show, there is no significant difference between the number of implicit and explicit criteria referred to in European and Russian scientific publications.

This study has three significant limitations, which should be taken into account when interpreting the study's results. The main limitation is related to how the separation between implicit and explicit indicators was made. We used the following separation requirements. We referred to indicators that have obvious diagnosed signs as 'explicit indicators'. In other words, each explicit criterion can be objectively evaluated, and this is obvious in its manifestations. We attributed to implicit indicators those that imply

different meanings and meanings that cannot be measured and evaluated objectively, and they are usually evaluated 'intuitively'.

The second limitation is related to how we differentiated between competences and personal qualities. 'Competences' was the term used to refer to all those content units which describe the skills. And after that, we put the rest of the content-units to the 'personal' group. With such a calculation, features that could be competences, but which aroused our doubt, were allocated to the 'personal' group.

The third limitation is related to how the selection of studies for content analysis was conducted. Since there are several studies already published on trust generally and trust in business relationships more specifically, the choice of studies for their content analysis was carried out in accordance with two criteria. The first criterion was the publication date, and only studies that had been published for 20 years or more were analyzed. Therefore, the focus was not on recently conducted research. The second criterion was the requirement that each study be in-country, rather than cross-cultural and comparative. Although we followed the selected conditions, the probability of random selection of studies for content analysis remains.

These limitations are related to the pilot nature of our study. Future research is required to ascertain the classes of the content units that we have identified. Nevertheless, the restrictions listed do not dilute the value of the overall research results.

5. Conclusions

We view our study as offering an important theoretical contribution by applying content analysis method to study explicit and implicit trust criteria in business relationships between entrepreneurs from different cultures. It aimed not only to describe briefly the concepts of explicit and implicit beliefs, but investigate the differences arising from different social business experience.

This study will help clarify the positive and negative effects of experts' social and work experience on international partnership. The study revealed that small companies entering the global market should consider the risks associated with an unjustified reliance on the business partner and a lack of understanding of what implicit signs serve as a trigger a business partner from another culture to enter business relations.

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