

# Trust-distrust Balance

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# Trust-distrust Balance: Trust Ambivalence in Sino-Western B2B Relationships

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## **Trust-Distrust Balance:**

### *Trust Ambivalence in Sino-Western B2B Relationships*

#### **Abstract**

**Purpose** – This study explores how Chinese and Finnish managers in cross-cultural supply-chain relationships evaluate their business partners' trustworthiness and distrustworthiness.

**Design/methodology/approach** – Representatives of two Finnish companies and their Chinese and Finnish suppliers were interviewed to collect qualitative data from 23 managers.

**Findings** – The Chinese managers emphasized relationship-specific, personalized trustworthiness. They highlighted personalized communication and benevolence, which manifested in respect and reciprocity, rooted in the Chinese notion of "guanxi" as personal ties. In contrast, the Finnish managers' view of trustworthiness was more associated with depersonalized organizational attributes. They emphasized the dimension of integrity, especially promise-keeping. In addition, tentative signs of trust ambivalence, as a balance between trust- and distrust-related factors, were identified for both the Chinese and the Finns.

**Research limitations/implications** – Due to the exploratory nature of this study the validity the findings is limited to this data and context. Future studies could explore other national contexts as well as the effects of industry, market position, and position in the supply chain.

**Practical implications** – The findings of this study bring a valuable understanding of the potential pitfalls and unique challenges in cross-border inter-firm transactions. These can enhance inter-firm trust building in a cross-cultural context.

**Originality/value** – This study enriches the view of trust as a holistic process of simultaneous evaluation of both trustworthiness and distrustworthiness. In this process, trust ambivalence could serve as the intermediate construct between trust and distrust. These two contrary yet complementary opposites constitute a duality to be managed from the perspective of yin–yang balancing.

**Key words:** *trustworthiness; distrustworthiness; trust ambivalence; cross-cultural; buyer–supplier relationships*

**Paper type:** Research paper

## 1 Introduction

The role of trust in the cross-cultural context has become a highly relevant issue both for academics and practitioners. Despite the agreement upon the critical role of trust in the cross-cultural context, there is a general lack of deep understanding about the cultural influence on the perceptions of trustworthiness and expectations for trust (Li, 2008; Dietz *et al.*, 2010; Zaheer and Zaheer, 2006).

Most of the research on trust across cultures considers the Western perspective of trust (i.e., Mayer *et al.*, 1995) as seemingly universal across diverse cultures, so it may not be able to capture the contextual meaning of trust as perceived by individuals and organizations across different cultures (Li, 1998, 2008). In this sense, it is imperative to engage in a comparative study of potentially distinctive trust-related perceptions and behaviors between managers from the West and the East. Cross-cultural buyer–seller relationships between Chinese and Finnish firms were selected for this study for a theoretical investigation into the development of trust in a cross-cultural context.

The justification for country selection is based on earlier studies arguing that Chinese values of higher collectivism and uncertainty avoidance tend to restrict trust and perceived trustworthiness only to the in-group members, thus lacking the generalized trust outside the family and in-groups (Fukuyama, 1995; Özer *et al.*, 2014). In contrast, Finland is generally perceived just the opposite with one of the highest levels of generalized trust in strangers or out-group members. Further, Finland has a highly different cultural tradition than that of China. The Chinese and Finnish cultures differ from each other on several dimensions, such as in individualism–collectivism and uncertainty avoidance values (Gelfand *et al.*, 2004; De Luque and Javidan, 2004). These differences in cultural dimensions may affect trust formation in the two countries, thus making China and Finland an interesting pair for a comparative study. Prior Chinese-Western B2B studies (e.g., Wang *et al.*, 2015; Jiang *et al.*, 2011; Yen and Barnes, 2011) have explored primarily Chinese-Anglo Saxon business relationships, and there is a lack of research on non-Anglo Saxon countries making the comparison between China and Finland interesting.

This paper also posits that buyer–seller relationships between Finnish buyers and Chinese suppliers resemble a more generic phenomenon of Western countries outsourcing manufacturing, thus bringing a valuable understanding of the potential pitfalls and unique challenges concerning cross-cultural trust, especially in the special context of the West meeting the East (Chen and Miller, 2011). It is generally expected that cross-cultural trust is more difficult to build than is trust within a single culture, because many cultural biases often interfere with the perception or evaluation of the other party's trustworthiness; therefore, cross-cultural distrust (thus higher perceived

distrustworthiness) is more likely to occur than is distrust within the same culture (Li, 2013). In this study, the term “distrustworthiness” is deliberately used to explicitly demonstrate strong distrust (including active suspicion), rather than only a simple and neutral lack of trust. “Untrustworthiness” has the connotation of weak or no trust, but the notion of “distrustworthiness” has the connotation of strong distrust.

For the purpose of exploring how trust is perceived and built in a cross-cultural context, the following research question will be addressed:

*What are the factors related to perceived trustworthiness and distrustworthiness in the cross-cultural business transactions between China and Finland?*

To explore how cross-cultural trust is being built and eroded over time as a holistic process, a qualitative approach is adopted to identify those factors and mechanisms that facilitate or hinder cross-cultural trust-building (Guo *et al.*, 2015; Lewicki *et al.*, 1998) and whether such factors and mechanisms differ across the Eastern and Western cultures (Li, 1998, 2008).

This research contributes to the literature on trust in the contexts of cross-cultural and inter-firm relationships in three major aspects. First, this study argues that the Western perspective of trustworthiness (e.g., Mayer *et al.*, 1995) may not be sufficient for explaining perceptions of trustworthiness in the cross-cultural context, as shown by an analysis of the Finnish–Chinese buyer–supplier relationships. The findings suggest that the relative importance of the individual and organization (as two distinctive levels of analysis) as well as the qualitative characteristics of the trustworthy partner may vary in accordance with distinctive cultures.

Second, this study suggests that the evaluation of trust may include not only the factors related to perceived trustworthiness but also those related to perceived distrustworthiness (the latter is rarely studied; Guo *et al.*, 2015). This study emphasizes trust evaluation as a dynamic process (Möllering, 2013), where both trustworthiness and distrustworthiness factors are evaluated simultaneously in a holistic process when both serve as triggering mechanisms initiating trust or distrust. In this sense, the process of evaluating trust could be more complex than previously assumed, resulting in a critical necessity to extend above and beyond the dominant domain of trustworthiness. Hence, the specific identification of key distrustworthiness factors, such as disharmony for the Chinese and unpredictable behavior for the Finns, is another contribution of this study. This contribution implies that the ability-benevolence-integrity (ABI) model may be too narrow in explaining trust in a cross-cultural context (cf. Mayer *et al.*, 1995).

Third, as the most salient contribution, this study empirically supports the largely ignored construct of *trust ambivalence*, which is neither trust nor distrust alone but rather both in a complex balance (cf. Guo *et al.*, 2015; Lewicki *et al.*, 1998). This study supports the critical claim by Lewicki and colleagues that the prior literature is biased toward the perspective of framing trust and distrust as two polarized ends of a single dimension as well as toward the either/or logic of overemphasizing fragmented consistency at the expense of holistic completeness, both of which differ fundamentally from the Eastern perspective that frames any paradoxical opposites as two contrary yet complementary elements to constitute a duality of opposites-in-unity according to the perspective of yin–yang balancing (Li, 1998, 2008, 2012a, 2014, 2016).

It is worth noting that the above two problems are related to “the fact that the understanding of relationships is still in its infancy,” so “with only a limited ‘language of relationships’ and a limited framework for describing the key parameters of relationships across contexts, it is not surprising that in many research streams, relationship variables are often selected for research emphasis without much attention to the broader framework in which they operate and interact” (Lewicki *et al.*, 1998, p. 441). The construct of trust ambivalence can shed light on how to overcome the prevailing problems in the literature and also provide more relevant knowledge for practitioners.

The rest of the paper is organized as follows. First, the theoretical background is provided in the next section. After that, Section 3 describes the research method, including data collection and data analysis. The research results are presented in Section 4, and Section 5 follows up with a discussion. Finally, a conclusion is presented in Section 6.

## **2 Theoretical background**

### *2.1 The concepts of trustworthiness and distrustworthiness*

*Trustworthiness* is seen as a critical component of successful buyer–supplier partnerships (e.g., Andersen *et al.*, 2009; Barney and Hansen, 1994; Dyer and Chu, 2003; Buchan and Croson, 2004). The degree to which an exchange partner can be relied upon has been found to be a source of competitive advantage for companies (Barney and Hansen, 1994; Boonpattarakon, 2012).

The presumption of this study is that trust and trustworthiness play a crucial role in successful Chinese–Western relationships. Trust and trustworthiness as two separate constructs, as their definitions have different meanings, and the concept of trust must be distinguished from its antecedent trustworthiness (Barney and Hansen, 1994; Mayer *et al.*, 1995). Trust in the Western context is defined as an expectation that one will not be harmed if in a vulnerable position (see, e.g.,

Blau, 1964; Luhmann, 1979; Lewis and Weigert, 1985; Granovetter, 1992). Zucker (1985) put forward the notion that there are three modes of trust production: (1) process-based—tied to the past or expected exchange, (2) characteristic-based—tied to a person and based on social characteristics, and (3) institutional-based—tied to formal societal structures and based on individual or firm-specific attributes or on intermediary mechanisms.

According to Mayer *et al.* (1995), the factors related to perceived trustworthiness include ability, benevolence, and integrity (i.e., the ABI model). They defined ability as a “group of skills, competencies, and characteristics that enable a party to have influence within some specific domain”; benevolence as “the extent to which a trustee is believed to want to do good to the trustor”; and integrity as the “trustor’s perception that the trustee adheres to a set of principles that the trustor finds acceptable.” Adapting the same approach, in this study a business partner’s trustworthiness is conceptualized as a multidimensional construct consisting of context-dependent factors relating to the characteristics of the business partner as seen by the other party.

In general, trust and distrust are seen as separate, yet related, constructs (Hardin, 2004; Lewicki *et al.*, 1998; Sitkin and Roth, 1993; Vlaar *et al.*, 2007), so the factors building trust would be different than the factors building distrust. Saunders, Dietz, and Thornhill (2014) found that trust and distrust are based on the trustor’s different expectations. *Distrust* is sometimes framed as more than a simple lack of trust; it has been defined as “confident negative expectations regarding another’s conduct” (Lewicki *et al.*, 1998, p. 439). However, the core nature of distrust remains debatable in the literature, as many scholars (e.g., Schoorman *et al.*, 2007) still maintain that the concept of distrust is not theoretically different from that of trust.

The perceived intention or motive of the other actor is crucial when evaluating other actors’ *distrustworthiness*. Distrust contains the active element of suspicion (Kramer, 1999) and can be triggered by various elements (Lewicki *et al.*, 1998; Seppänen and Blomvist, 2006). In business-to-business relationships, trust and distrust are distinct and may prevail simultaneously (Lewicki *et al.*, 1998), such as trust in some contextual elements (e.g., quality of the products), yet distrust in the governance of intellectual property rights. It is critical to note that the coexistence of trust and distrust could be framed as *trust ambivalence* (cf. Guo *et al.*, 2015; Lewicki *et al.*, 1998).

Ambivalence, in general, is defined as “simultaneously positive and negative orientations toward an object” (Ashforth *et al.*, 2014, p. 1469). This suggests that a trustor can perceive a trustee’s trustworthiness and distrustworthiness simultaneously in a holistic, dynamic, and duality-rooted (or paradoxical) balance (Li, 1998, 2008). The reasons for this balance could be many and varied,

including the cognitive dissonance caused by multiple, often conflicting, roles or contexts of social ties (Guo *et al.*, 2015; Lewicki *et al.*, 1998).

## 2.2 Trustworthiness-related factors in the Chinese culture

In the Chinese context, a person is evaluated as trustworthy (*kexin*) when he or she is sincere, honest, credible, reliable, and capable (Chen and Chen, 2004). From the Chinese viewpoint, the main components of trustworthiness are sincerity and the person's usability. Usability refers primarily to a person's ability (Chen and Chen, 2004, p. 314). Trustworthiness refers primarily to sincerity (*chengxin*), which means that "the person has the true intention to enter and stay in the relationship and has your best interest at heart" (Chen and Chen, 2004; refer to Yang, 2001 in Chinese). This sincerity is typically manifested in being reliable by following the rules of *guanxi*.

This unique feature of Chinese society, *guanxi*, is a special form of social networking that bonds the network partners via a reciprocal obligation (Chung, 2011; Luo, 1997a; Tsang, 1998; Yang, 1994; Yeung and Tung, 1996). Cai and Yang (2010) empirically confirmed that *guanxi* moderates the effect of social ties on information sharing and trust building in China. Some indicators of economic transition show that the role of *guanxi* is decreasing, though it is "still critical to establish trust toward trade partners" (Jin *et al.*, 2013).

*Guanxi* consists of three different aspects: *ganqing* (an affective element), *renqing* (reciprocation and favors), and *xinren* (Barnes *et al.*, 2011). The latter (*xinren*) is a personal trust which consists of both cognition- and affect-based trust (e.g., Chen and Chen, 2004; Chua *et al.*, 2009). *Ganqing* reflects the feelings and emotional element between network members and indicates the closeness of *guanxi* (Wang, 2007, p. 82). *Renqing* is a form of social capital obliging the recipient of a personal favor to return the favor, and it provides the moral foundation of reciprocity and equity for all *guanxi* relationships (Luo, 1997b, p. 45). *Xinren*, known also as deep trust in the Chinese context, was mentioned to be quite difficult to achieve in business relationships, because deep trust is limited to only one's closest friends and family (Kriz and Keating, 2010, p. 308). Accordingly, the ethnicity of business partners is found to affect trust in Chinese cross-cultural business; for example, Jiang *et al.* (2011) found that Chinese CEOs have lower affect-based trust toward their overseas business partners if these partners are not of Chinese ethnicity.

According to Barnes and colleagues (2011, p. 517), it takes time to develop deep personal trust (*xinren*), because it is judged by evaluating the extent to which a partner keeps promises based on a



previous history of dealings. In addition, Chua, Morris, and Ingram (2009) found that affect- and cognition-based trust are more intertwined together in China than in the US.

Another kind of personal trust, *xinyong*, is different from the Western perception of personal trust; it implies a hierarchical relationship—a person who has a higher social status will have more *xinyong* (Leung *et al.*, 2005). The meaning of *xinyong* can be directly translated in English as “credit” (Wang, 2007, p. 81). Leung and colleagues (2005, p. 532) argued that “*xinyong* attaches a person’s overall social credit evaluation with his/her social status and by-passes a third agency.” Guanxi and *xinyong* are interrelated: A supplier’s abilities to handle conflicts and to establish guanxi with the buyer will subsequently generate *xinyong* and therefore a strong partnership relationship with the buyer. According to the findings of Kriz and Keating (2010), *xinyong* is more appropriately “used as an ideograph representing trustworthiness” than is trust.

Guanxi-based business connections might generate *xinyong* and harmony if both parties in the relationship maintain the pay back of their *renqing* debt—that is, they maintain a balance between receiving and giving favors (Wei and Li, 2013, p. 65). The *renqing-based* reciprocal obligation guides behavioral norms in guanxi social networking, and it is identified as a mediator between *xinyong* and long-term orientation (Wang, 2007).

### 2.3 Trustworthiness-related factors in the Finnish culture

The trustworthiness and distrustworthiness factors in the Finnish business culture have not been sufficiently studied; only few studies have analyzed these concepts especially from the Finnish perspective. The antecedents of trust in Finnish dyadic business-to-business relationships were found to be more business than personal relationship oriented, including cooperative interaction, clarified common interests and inter-firm roles, openness of communication, open sharing of information, inter-firm knowledge, and the firm’s earlier customer references (Halinen, 1994).

Seppänen and Blomqvist (2006) found in their study of Finnish large corporate industrial buyers that the prerequisites for trust are open information sharing, communication, and most importantly, keeping promises in regard to delivery dates, prices, and quality. Viitaharju and Lähdesmäki (2012) found the antecedents of trust in Finnish dyadic business-to-business relationships to include price, market potential, customer orientation, size, organization/personal competence, marketing spirit, previous experiences, sharing of liabilities, communication, intimacy, reputation, and customer references. The latter two have also been observed in other studies to have particular influences on trustworthiness. Thus, the company reputation and the awareness of potential partner’s capabilities

and specialization will increase the perception of trustworthiness in the early stages of a relationship. Later on the perception of trustworthiness will strengthen or weaken after experiences based on partner's behavior (Halinen, 1994).

Distrust and distrustworthiness have been marginally studied in the Finnish context. Only one study investigated the factors that lead to a lack of trust, which does not mean the same as distrust. In the Finnish context lack of trust is related to lack of communication, inadequate information, promising too much, and not sharing relevant information (Seppänen and Blomqvist, 2006).

#### *2.4 Cultural influences on perceived trustworthiness*

Individuals from different cultures may bring incompatible beliefs, values, norms, and behaviors to cross-cultural relationships. Despite the fact that existing definitions of culture vary widely, there are several common elements, and it is generally agreed upon that it is a complex, multi-level construct, it is shared among individuals belonging to a group, it is formed over long period, and it is relatively stable (Taras *et al.*, 2009). Culture is “the configuration of basic assumptions about humans and their relationships to each other and to the world around them, shared by an identifiable group of people. Culture is manifested in individuals' values and beliefs, in expected norms for social behaviour, and in artefacts such social institutions and physical items” (Gibson *et al.*, 2009, p. 47-48).

From the perspective of this study, the most interesting differences in the GLOBE (Global Leadership and Organizational Behavior Effectiveness Research) study's cultural constructs between China and Finland were found in the combination of the Chinese high “uncertainty avoidance” values (De Luque and Javidan, 2004) and the Chinese high “in-group collectivism” practices (Gelfand *et al.*, 2004). With high uncertainty avoidance, societies desire to establish rules to allow predictability of behavior, which has implications for trust in organizations and society at large (De Luque and Javidan, 2004). People in high uncertainty avoidance societies are more likely to build trust through the predictability of behavior, because in such societies the strong rules of acceptable behavior make it easy for the trustor to predict a partner's behavior (Doney *et al.*, 1998, p. 614).

Individualistic Westerners tend to stress impersonal obligations, such as transactions mediated by price, while the collectivist Chinese tend to stress specific situational obligations based on hierarchical and also horizontal personal relations (Branzei *et al.*, 2007; Worm and Frankenstein, 2000). The collectivist cultures in East Asia emphasize reciprocal relationships, which are largely

based on long-term interdependency and strong emotional bonds with committed potential partners (Branzei *et al.*, 2007). In high uncertainty avoidance societies such as China, people tend to place trust more in their in-group members and distrust others. This stems from strong in-group collectivism, which results in a lack of trust in those outside the family and the in-group (Fukuyama, 1995). Wasti and colleagues (2011) also made a distinction as to which trustworthiness-related factors are the most important for collectivist norms and highlighted reciprocity and especially manifested benevolence as significant factors related to trust development.

In Chinese business culture, inter-firm trust is based largely on interpersonal relationships (Ahmed and Li, 1996; Leung *et al.*, 2005), whereas inter-firm trust in the northern European context has been found to be primarily institution- and profession-based (Barnes *et al.*, 2011; Ramström, 2008). According to Chen and Chen (2004), the Chinese sincerity-based trustworthiness corresponds to the Western benevolence-based trust (and is perhaps also related to the Western integrity-based trust), and the Chinese utility-based trustworthiness corresponds to the Western ability-based trust. To a large extent, the Chinese sincerity-based trust is more related to emotional understanding, connection, and the sharing of feelings than the Western benevolence-based trust (and perhaps also the Western integrity-based trust), while the Western ability-based trust is more related to economic transactions (Chen and Chen, 2004; see also Li, 2007, 2008).

Studies of other Confucian-influenced societies suggest that affect-based factors of trustworthiness are more salient than cognitive-based ones, so emotional bonds in personal relationships provide the foundation for the development of personalized trust (Li, 2007; Tan and Chee, 2005). In other words, the Western bases for trust and trust-building may be less related to a specific interpersonal relationship and more depersonalized (e.g., based upon ability, integrity, and benevolence), while the Chinese bases of trust and trust-building are more relationship-specific and personalized, for example, based upon shared-interest, shared values, and shared affect (Li, 1998, 2008). See also Wasti, Tan, and Erdil (2011), who found that the Chinese tend to focus on the relational elements of the factors related to trustworthiness.

### **3 Research methodology**

#### *3.1 Repertory Grid method as a qualitative approach*

The Repertory Grid is a method to reveal how individuals understand their own world in a particular context in the form of personal construct systems (Kelly, 1955, Easterby-Smith *et al.*, 1996; Asleigh and Nandhakumar, 2007; Fransella *et al.*, 2003). The name Repertory Grid is based on the use of a grid for constructs and repeated questioning, such as “Can you tell me a way in which two of these (elements) are similar to each other but different from the third (element)?”

Asleigh and Meyer (2011) suggested that Repertory Grid construct analysis can be combined with qualitative analysis. The Repertory Grid has been used predominantly as a quantitative technique (Burr *et al.*, 2014). However, its structured interviewing technique also provides rich qualitative data, uncontaminated by the interviewer’s own viewpoint and based purely on the interviewees’ reflections of their own experiences (Jankowicz, 2013). Therefore, in this study the questions of the Repertory Grid were utilized to collect interview data combined with direct open-ended, trust-related questions (see all interview questions in Appendix 2). In the first phase of the interview, direct questions about trust were avoided to prevent the perceived need to give socially acceptable answers.

#### *3.2 Data collection*

The representatives of two Finnish companies and their Chinese and Finnish suppliers were interviewed to collect qualitative data from 23 managers between November 2012 and March 2013. The background information of the interviewees is shown in Appendix 1 and the research questions in Appendix 2. The companies operate in Finland or in the Shanghai area of China and participate in Chinese–Finnish manufacturing outsourcing. These relationships include the dyadic supplier relationships of two Finnish companies. The first operates in the machinery industry and the second in electronics. The persons interviewed were currently working in the direct cross-cultural buyer–supplier interface.

The language strategy was that a native Finn interviewed the Finns, and a research team of three persons (two Finns, one Chinese) interviewed the Chinese. The Chinese interviews were, depending on what language the interviewee favored, conducted in Chinese and simultaneously translated into English or conducted in English.

### 3.3 Data analysis

The inductive analysis method by Gioia *et al.* (2013) was used in the data analysis. The procedure is described in Table 1. An example of an analysis path from the Chinese distrustworthiness quotes to the first-order concepts, the second-order order themes, and finally to the aggregate dimensions is shown in Appendix 3. The first-order concepts (see also Strauss and Corbin, 1990) reflect the informant's experience and voice. The second-order themes, reflecting more theoretical concepts, were categorized by a research team consisting of one Chinese and two Finnish researchers. The frequency counts of the first-order concepts, second-order themes, and aggregate dimensions of trustworthiness-related and distrustworthiness-related factors are also shown in appendices 4 and 5 to facilitate comparisons between the Chinese and the Finnish.

==== Table 1 about here====

## 4 Case evidence

### 4.1 Major differences between the Finns and the Chinese

Table 2 summarizes the results of the third-order categorization (aggregate dimensions from appendices 3 and 4). In Table 2, these factors are presented in the order of most frequently mentioned. Communication quality and commitment were often linked with trustworthy business partners by both Chinese and Finns. The subsequent dimensions for the Chinese emphasized benevolence and positive affect reflecting interpersonal relationships. The Finns emphasized the dimension of integrity, especially promise-keeping. Reciprocity and integrity dimensions for the Finnish suppliers were more directed toward the organization. Ability and integrity were the most common dimensions for the Finnish buyers, underscoring their different roles and a more transactional approach to business relationships. However, this role difference result is only tentative and is worth for further investigation in future studies.

The Chinese and Finns differed more in their evaluations of distrustworthiness than of trustworthiness. The core factors related to distrustworthiness were poor communication quality, negative affect, and disharmony for the Chinese but dishonesty, inability, poor communication quality, and unpredictable behavior for the Finns. The most significant differences were for the Chinese disharmony in human relationships (the kind of issues Chinese perceived as sources of disharmony can be seen in the example in Appendix 3) and for the Finns unpredictability and these were also highlighted in the interviews as important signs of distrustworthiness. It is noteworthy

that disharmony was recognized by the Chinese scholar who had studied in Finland and knew both cultures.

The findings showed that Mayer *et al.*'s (1995) factors for trustworthiness (ability, integrity, and benevolence) applied only to the Finnish buyers in their evaluations of trustworthiness and that the Finnish suppliers seemingly shared the same attributes with the Chinese suppliers—commitment, positive affect, and reciprocity. These similarities could be common to all suppliers, but more studies with different contexts and cultures are needed to confirm this claim. On a deeper level, trust-related norms such as reciprocity had a more specific meaning for the Chinese than for the Finns. For the Chinese, reciprocity is viewed as personal favors, mutual benefits, and mutual trust; for the Finnish suppliers, reciprocity is about mutual trust only. This study highlights the quality of communication as a key factor of trustworthiness, which is consistent with Commitment-Trust Theory (Morgan and Hunt, 1994), which considers communication to be a prerequisite of trust.

The trustworthiness attributes of the Chinese were mostly personal and connected to the characteristics or behavior of the key person. This is consistent with Li's (2008) three-dimensional framework of relationship-specific personalized bases of trust in Chinese firms, including relationship-specific rational goodwill, relationship-specific moral goodwill, and relationship-specific affective goodwill. On the contrary, the Finns connected trustworthiness attributes mostly with the partner organization.

For the Chinese, commitment was an exception in that half of the interviewed Chinese mentioned commitment as being related to the key person and half related it to the organization or to both the key person and organization. For the Finnish suppliers, only one attribute—one element of positive affect (i.e., the feeling of similarity)—was integrated in this study as the only personal attribute. On the contrary, for the Chinese, positive affect is a composite notion, including the feeling of being trusted, being comfortable in discussions, having secure feelings, and personal compatibility.

Based on the results, trust evaluation should be perceived as a holistic process where both factors of trustworthiness and distrustworthiness are evaluated simultaneously in a continuous manner during inter-firm cooperation. In the case of cognitive dissonance during this evaluation process, trust ambivalence could result (see sub-section 4.2 for the indications of trust ambivalence).

Some of the distrustworthiness attributes found were opposites of trustworthiness attributes, such as dishonesty, poor communication, negative affect, and going back on previous commitments (“uncommitment”). In the Chinese context, self-interest and transactional attitudes could be seen as

opposites of reciprocity. However, the factors defining distrustworthiness could be separated from those factors causing trust, so distrustworthiness-related factors are not exactly the opposite of trustworthiness-related factors. For instance, the Chinese concept of harmony was found to be the negative opposite of disharmony only when talking about signs of distrustworthiness. Disharmony can be seen as a violation of the Confucian concept of harmony. This is an ethical notion, which aims to achieve a harmonious relationship and places a constraint on each party in the interaction (Wei and Li, 2013).

In addition, the Finns did not mention predictability as an indicator of trustworthiness, but they did highlight unpredictability as an indicator of a distrustworthy partner. This is easy to understand because unpredictable behavior causes uncertainty, which is exacerbated by poor communication. The fact that they did not mention predictability as a factor of trustworthiness could demonstrate that, in this case, unpredictable behavior is a more critical factor in trust evaluation than predictable behavior. Therefore, the notion that the trustor is looking only for indicators of trustworthiness and ignoring indicators of distrustworthiness could be misleading. In the evaluation process, both indicators of trustworthiness and distrustworthiness should be taken into account, and their relative importance depends on the context.

#### *4.2 Indications of trust ambivalence*

Indications of dissonance were found leading to *trust ambivalence*, the inability to make a trust or distrust decision. According to these findings, ambivalence could be caused by divergent role expectations or conflict between different trustworthiness factors. In practice, it occurs as conflicting or opposing objectives where you have to make a trade off, such as in revealing personal emotions or being professional. This ambivalence is a possible antecedent to both lack of trust and distrust. Table 2 shows the indications of ambivalence that appeared in the interviews. The following quotes illustrate ambivalence in trustworthiness evaluation (all possible grammar errors have been left in place, to ensure that quotes are verbatim).

Industrial buyers with the responsibility for purchasing activities show divergent role expectations between their professional roles and personal desires to trust. This could be contradictory and cause cognitive dissonance leading to trust ambivalence:

*“It's the nature of my profession that dictates that I can't necessarily trust any of them 100 percent.”  
[Westerner in a Finnish company]*

*“How do I start to trust them? Like I said, I have to keep my trust at arm's length. When, from a professional point of view, I always have to, I have to be guarded in my trust—I can't one hundred percent trust all my*

*suppliers, because there is always a sense that they are trying to rip you off. And that's just my professional view; you have to always be cautious. Because the moment I start to trust a supplier implicitly, then they have very strong potential to actually rip me off, if I'm not careful. I have to be guarded.” [Westerner in a Finnish company]*

The desire to trust could be limited by the demand for rational behavior. The Finns explained that the role-based requirement for rationality exceeded their own feelings:

*“In principle, I trust people, but of course I have rational limits; I cannot build a business relationship based on mere feelings.” [Finnish]*

In addition, when there is dissonance between different trustworthiness factors, it could lead to difficulties in making decision about their partner’s trustworthiness:

*“[I trust this supplier.] They have good technology, a good selection of products, and the prices are ok, but they have problems in delivery times. — And this one [an example business partner] I can count on in other respects, but the quality of products should be taken with caution.” [Finnish]*

The Chinese need for speed and fast reactions in business combined with the need for accuracy are opposite objectives and thus can cause ambivalence:

*“This is not, in certain ways, this depends on how you look at the whole picture. Generally, they [conservative partners] are good ones—being conservative. So nothing will go wrong. But on the negative side, it's speed. You will be slow. Because if you are conservative, you want to be a hundred percent sure about everything. Then the outcome takes longer than the (process). So there's good things and there's also a bad side.” [Chinese]*

The need for high quality with low cost could cause dissonance. Also for the Chinese emotions and interpersonal relationships are an essential part of the business, but their Western partners as perceived by Chinese were more focused on ability. This could impact their trustworthiness evaluation process and cause trust ambivalence:

*“Just, for example, on one side, they want you to do a better job, on the other side they want to have lower cost. But, this will not happen on these well-working Western customers. And also for these Western customers, they will help you in their ability, with the ability they will help you, only if you can do the things, if you can do a better job. This reflects that, both these Chinese companies and these Western companies, they have the same, both of them can profit from the business. Also, the Chinese company, they focus more on this interpersonal relationship. But, the foreign company, they focus more on ability.” [Chinese]*

*“That, for this Chinese company, except for the working relationship, there are also more of these interpersonal relationships, that there are many, these personal emotions, they will affect this, their working relationship—for this Chinese company. But for the Finnish or Western companies, although there are also some interpersonal relationships, it doesn't affect the business. It seems that, for the Chinese, (surprise), the relationship (is) outside the working relationship also; it plays a more important role.” [Chinese]*

The demand for being professional, but maintaining interpersonal relationships in business including personal life may cause contradictory expectations. This could lead to trust ambivalence if the partners have different expectations how working and personal lives should be intertwined:



*“Actually, [being professional] this way it’s a positive side. But just now the discussion is in the negative side, because some, like negative partners, they are not being so professional to divide between their personal life and their working life.” [Chinese]*

===== Table 2 about here =====

## **5 Discussion**

This exploratory qualitative study investigates trust-building as a holistic process in a cross-cultural context. It has found that the perception or evaluation of trust differs between the Western (e.g., the Finnish culture) and the Eastern (e.g., the Chinese culture) perspectives. In general, a set of cross-cultural differences in the type and salience of both trust-related and distrust-related factors was found. In particular, the Chinese managers emphasized relationship-specific personalized trustworthiness. They highlighted personalized communication, commitment, and personalized benevolence, which is manifested in relationship-rich respect and reciprocity rooted in the Chinese practice of “guanxi,” even in the setting of inter-firm alliance partnerships. In contrast, the Finnish managers’ view of trustworthiness was more associated with depersonalized organizational attributes. They emphasized the dimension of integrity, especially promise-keeping. Further, it was found that trust and distrust tend to coexist simultaneously in each specific relationship, which is in support of the perspective of trust ambivalence as a balance between the two contrary yet complementary opposites (i.e., trust and distrust) in the holistic, dynamic, and duality-rooted processes of both trust-building and trust-eroding.

Some more detailed findings are worth discussion. First, the Chinese managers highlighted personal benevolence toward business partners, after communication quality and commitment, which were common for the Chinese and Finns as the most frequently mentioned dimensions. Integrity and ability seemed to be less important to the Chinese in terms of trustworthiness (cf. Mayer *et al.*, 1995). Hence, this study supports Li’s (1998, 2008) arguments that the Chinese perspective toward trust is more relationship-specific and personalized compared to the Western perspective. Wasti *et al.* (2011) also differentiated between the most important trustworthiness factors in different cultures and highlighted reciprocity and especially manifested benevolence as the critical factors for trust development in collectivist cultures. This finding was also consistent with Tan and Chee (2005), who stated that emotional ties from personal relationships provided the foundation for trust development in East Asian collectivist societies. Similarly, in accordance with these findings, Leung *et al.* (2005) also stated that the Chinese place more emphasis on “xinyong” (creditability) at the personal level, rather than satisfaction at an organizational level, to generate a high-quality, cooperative relationship in a partnership.

Interestingly, according to the GLOBE study, the Chinese and the Finns resemble each other in terms of high uncertainty avoidance practices, but the Chinese high uncertainty avoidance values are considerably higher (De Luque and Javidan, 2004). However, based on these empirical results, it seems that for the Chinese, fast, personal, and respectful communication was an important means to avoid uncertainty, while the Finns tried to avoid uncertainty by contracts, rules, and rigid processes. This difference can be understood in terms of contextual differences. Higher trust in legal institutions and relatively lower environmental dynamism make efficient use of contractual mechanisms in Finland, while their use is much less efficient in the Chinese business environment, which is characterized by high dynamism and uncertainty. Similarly, the trust in institutions prevalent in Finland makes the role of interpersonal relationships of relatively lesser value for the Finns, who are accustomed to relying on firm-level trustworthy management structures and processes. It could be proposed that, for the Chinese, the role of inter-personal trust is both embedded in the cultural tradition of *guanxi* and a means to manage uncertainty.

In collectivistic cultures, giving and keeping promises is not viewed as a credible embodiment of trustworthiness (Branzei *et al.*, 2007, p. 77). *Guanxi*—the combination of reciprocal favors, personal trust, and personal affect—still seems to be an influential factor in Chinese business relationships. This is reflected in the results, as reciprocity at the personal level is emphasized in the Chinese perception of successful business relationships. This is also in line with Ashnai *et al.* (2009, p. 97), who stated that “managing relationships in emerging economies tends to compensate for weak institutional support.” It seems that the role of reciprocal personal relationships could be a decisive factor in building and reinforcing high-quality relationships between Finns and Chinese.

Moreover, also related to the above point, the Finns interviewed evaluated integrity as the most important component of trustworthiness. The Finnish type of integrity consists of keeping promises, equal treatment of business partners, and confidentiality. This is consistent with the Western perception (i.e., Branzei *et al.*, 2007; Butler, 1991; Rotter, 1971; Tinsley, 1996) that trust is constructed through keeping promises; otherwise, it will be destroyed due a lack of perceived integrity. The main difference between the Chinese and the Finns was the value of personal benevolence. The Finns showed no evidence of valuing interpersonal dyadic benevolence as a source of trust. In the Finnish business culture, emphasizing personal issues over organizational issues could even be seen as potentially unethical business behavior.

It seems that the factors causing distrustworthiness in business relationships are not exactly just negative opposites of the trustworthiness factors, so there could also be separate factors causing

distrust. In the evaluation process, the relative importance of the identified distinct factors related to distrustworthiness—disharmony for the Chinese and unpredictability for the Finns—seems to be higher than that of some of the factors related to trustworthiness. The importance of harmony in Chinese business relationships (see Chow and Yau, 2010) could be explained by the fact that harmony is highly valued by the Chinese, as it “guides interaction manners and norms in every aspect of Chinese social interaction” (Wei and Li, 2013, p. 62). Hence, harmony can be understood as a mechanism to reduce uncertainty. This means that the existence of disharmony in a personal relationship could delineate the whole relationship as distrustworthy, regardless of the existence of trustworthiness factors.

Even though high uncertainty avoidance practices are common in both the Chinese and Finnish cultures (De Luque and Javidan, 2004), the Chinese seem to have strong uncertainty reduction mechanisms embedded in social relationships (e.g., striving for harmony and *guanxi*), which are largely absent with the Finns. This could be one reason why the unpredictable behavior of a business partner is critical to the development of distrust for the Finns. The importance of predictability is highlighted in cross-cultural business, since the contractual agreements do not cover all interactions, and the Finns do not have an effective mechanism, such as harmony, to ensure that appropriate behaviors are embedded in their social interactions.

Based upon the empirical evidence in the context of Finnish–Chinese buyer–supplier relationships, this study bears several key implications for both academic research and business practice. First, this study raises concern about whether the Western perspective of trustworthiness is sufficient for explaining cross-cultural trust. Second, this study identifies the factors related to distrustworthiness together with those related to trustworthiness in a holistic process. Third, this study enriches the view of trust as a holistic process by simultaneously evaluating both trustworthiness and distrustworthiness in each specific relationship so that *trust ambivalence* can serve as an intermediary construct between trust and distrust as a duality to be managed from the perspective of yin–yang balancing.

The first primary implication for academic research is that the prevailing perspective in the West concerning trust in general, and trust evaluation in particular, seems insufficient for describing cross-cultural trust in the Asian context. The evaluations of trustworthiness differ between China, with a greater emphasis on personalized factors above and beyond the domain of the ABI model (ability, benevolence, and integrity) (Mayer *et al.*, 1995), and Finland, with a set of factors consistent with the ABI model. This constitutes the first contribution of this study.

The second primary implication for academic research is that the typical approach to examining trust and distrust as two fully separate elements is inadequate for understanding trust as a holistic process. This study demonstrates that trust evaluation is a holistic process, especially in a cross-cultural context so highly complex (holistic), dynamic (changing and interactive), and uncertain (ambiguous and unpredictable) in nature. This process is framed as *holistic*, because the key factors for both trust (trustworthiness) and distrust (distrustworthiness) in each specific relationship should be simultaneously evaluated. This constitutes the second contribution of this study.

The last and the most salient implication for academic research is that this study frames trust in general and trust evaluation in particular not only as a general process (Möllering, 2013) but also as a holistic, dynamic, and duality-rooted process of yin–yang balancing (Li, 1998, 2008, 2012a, 2014, 2016; Luo and Zheng, 2016). This study has shown a need to adopt the construct of *trust ambivalence*, neither trust nor distrust alone but rather both in a complex balance as the intermediary construct between trust and distrust (cf. Guo *et al.*, 2015; Lewicki *et al.*, 1998).

This paper supports the critical claims from Lewicki and colleagues that the prior literature is biased toward the perspective of framing trust and distrust as two polarized ends of a single dimension and also toward the either/or logic of overemphasizing fragmented consistency at the expense of holistic completeness—both of which differ fundamentally from the Eastern positions that frame any paradoxical opposites as two contrary yet complementary elements as a duality of opposites-in-unity from the perspective of yin–yang balancing (Li, 1998, 2008, 2012a, 2014, 2016). It is worth noting that the two above-mentioned problems are related to “the fact that our understanding of relationships is still in its infancy,” so “with only a limited ‘language of relationships’ and a limited framework for describing the key parameters of relationships across contexts, it is not surprising that in many research streams, relationship variables are often selected for research emphasis without much attention to the broader framework in which they operate and interact” (Lewicki *et al.*, 1998, p. 441).

The construct of trust ambivalence can shed light on how to overcome the prevailing problems in the literature and also offer more relevant knowledge for practitioners. For example, trust ambivalence can inspire us to reframe distrust as a healthy and necessary suspicion or doubt to counterbalance the overconfidence associated with high-level trust. In this sense, distrust is no longer a negative notion of lacking trust, but rather a positive notion of counterbalancing blind trust (cf. Moody *et al.*, 2014; Lewicki *et al.*, 1998; see Guo *et al.*, 2015 for a review). In line with the perspective of yin–yang balancing, trust ambivalence can be framed as a healthy tension between

trust and distrust, similar to a recent case study on the asymmetrical, transitional, and curvilinear balances between informal and formal elements (Lin *et al.*, 2015) as well as another recent case study on multiple, often incompatible, institutional rules as “conflicting-yet-complementary logics” (Smets *et al.*, 2015). This line of research echoes the call for more research around the West-meeting-East theme (Chen and Miller, 2011; Li, 2012a, 2012b).

For practitioners, trust evaluation for trust-building and also trust-eroding should involve a careful assessment of the specific cultural context and also trust-related values and norms so as not to misjudge or undermine the trust-related behavior in a cross-cultural context. The effort in the process of trust-building and the mistake in the process of trust-eroding, when distrust is built up due to a perceived breach of trust, can occur simultaneously in a holistic, dynamic, and duality-rooted process with both conflict for tradeoff and complementarity for synergy, according to the system of yin–yang balancing (Li, 2012a, 2014, 2016; Lin *et al.*, 2015; Luo and Zheng, 2016).

Cultural traditions may be more or less useful in changing times. For example, both the Chinese and the Finns avoid uncertainty. However, the Finns’ perception of lack of predictability as a sign for distrustworthiness may not be a realistic and viable expectation in a dynamic global context with discontinuities and unavoidable surprises. Instead, the Chinese attempt to manage uncertainty by emphasizing harmony may be a cultural mechanism for managing in a highly complex, dynamic, and uncertain environment.

As limitations the validity of these findings is limited to the context, geographical area, and data. The studied organizations do not reflect all of China or Finland as countries, and they could form a geographical and industry-specific sub-culture, especially considering the large regional diversity in China, which would limit the generalization of these findings. In addition, there is a potential risk of bias due to a fairly large number of interviewees from a single company and also the different proportions of females in the studied groups (see Appendix 1).

The different interview languages may have a potential impact on the results and can be considered a limitation. Due to preferences of the interviewees, four of the eight Chinese interviews were carried out in English. The rest of the Chinese interviews were carried out in Chinese and interpreted by a Chinese co-author fluent in Chinese and English. The Finnish interviews were carried out in Finnish and translated into English.

Moreover, one of the limitations of this study is that this research design focuses only on cultural differences, but not all can be explained by culture. There must be explanatory factors regarding the

differences in trust-related perceptions and behaviors between groups and firms other than national culture. For example, a recent study by Weck and Ivanova (2013, p. 217) demonstrated that business culture influences more intercultural business relationships than do national cultures, thus adapting to the business culture practices was identified as essential for the development of trust. In this study the factors related to trustworthiness did not vary visibly between industries, likely due to the fact that all the suppliers were core partners of the buyers. In addition, issues other than nationality, such as personal preferences, industry, market position, and firms' geographical locations in China, may also have an impact on trustworthiness.

Future research could focus on exploring other contexts i.e. different cultures, industries, market positions, and positions in the supply chain. Since the perceptions of trustworthiness, distrustworthiness and trust ambivalence are evaluated simultaneously, future research should include all three concepts together, instead focusing only on trustworthiness factors. Finally, as an exploratory qualitative study, the results are not readily generalized outside this context. Future research should overcome the above limitations.

## **6 Conclusion**

This study contributes to the literature on the nature of trust in a cross-cultural context by providing empirical evidence that the Western perspective of trustworthiness (i.e., Mayer *et al.*, 1995) is inadequate for explaining cross-cultural trust in the context of Finnish–Chinese buyer–supplier relationships. In addition, this study emphasizes trust evaluation as a holistic process in which the factors concerning both trustworthiness and distrustworthiness should be evaluated simultaneously and continuously.

The primary contributions of this study are threefold. First, the distinctive bases of trustworthiness between the Finnish and Chinese partners were identified and were determined to be cultural in nature. Second, an explicit distinction between trustworthiness and distrustworthiness was made (whose bases are also cultural in nature) and framed the simultaneous evaluation of their coexistence in each specific relationship as a holistic process. Third, this study empirically supports the construct of trust ambivalence as a possible antecedent to both trust and distrust so as to explain the coexistence and interaction of both trust and distrust as a yin–yang duality. In particular, this study explored the interdependence and interaction between trust and distrust as trust ambivalence as well as the primary antecedents to trust ambivalence.

Due to the highly contextual and process-rich nature of the studied phenomena (i.e., the factors related to trust in a cross-cultural context), it is recommended that more qualitative studies (e.g., Lin *et al.*, 2015; Smets *et al.*, 2015) be undertaken to build upon these initial findings about trust evaluation as a holistic process with trust and distrust being simultaneously evaluated, and also to refine the proposed construct of trust ambivalence as a yin–yang duality, before any large-sample quantitative studies are engaged (Li, 2012b).

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## Appendix 1: Background information of the interviewees

Interviewee	Company	Industry	Nationality	Role
				B Buyer S Supplier
1	A	Machinery	Finnish	B
2	A	Machinery	Finnish	B
3	A	Machinery	Finnish	B
4	A	Machinery	Finnish	B
5	B	Electronics	Finnish	B
6	C	Machinery	Finnish	B
7	D	Machinery	Finnish	B
8	D	Machinery	Finnish	B
9	E	Electronics	Chinese	S
10	E	Electronics	Chinese	S
11	F	Machinery	Chinese	S
12	F	Machinery	Chinese	S
13	G	Machinery	Chinese	S
14	H	Machinery	Chinese	S
15	A	Machinery	Other	B
16	A	Machinery	Finnish	B
17	I	Electronics	Chinese	S
18	I	Electronics	Chinese	S
19	J	Machinery	Finnish	S
20	J	Machinery	Finnish	S
21	K	Machinery	Finnish	S
22	C	Machinery	Finnish	B
23	L	Electronics	Finnish	S

## Appendix 2: Research questions

### First phase of the interview: Repertory Grid questions

#### Well-working relationships— compared to each poorly working relationship

How is a well-working relationship with a Chinese business partner similar to a well-working relationship with a Western business partner?

If you compare these well-working relationships with a poorly working Chinese business partner, what is the difference?

If you compare these well-working relationships with a poorly working Western business partner, what is the difference?

#### Chinese relationships—compared to each Western relationship

How is a well-working relationship with a Chinese business partner similar to a poorly working relationship with a Chinese business partner?

If you compare these Chinese relationships with a well-working Western business partner, what is the difference?

If you compare these Chinese relationships with a poorly working Western business partner, what is the difference?

#### Western relationships—compared to each Chinese relationship

How is a well-working relationship with a Western business partner similar to a poorly working relationship with a Western business partner?

If you compare these Western relationships with a well-working Chinese business partner, what is the difference?

If you compare these Western relationships with a poorly working Chinese business partner, what is the difference?

#### Poorly working relationships—compared to each well-working relationship

How is a poorly working relationship with a Chinese business partner similar to a well-working relationship with a Western business partner?

If you compare these poorly working relationships with a well-working Chinese business partner, what is the difference?

If you compare these well-working relationships with a well-working Western business partner, what is the difference?

### Second phase of the interview: open-ended questions directly related to trust

What was the difference in trust between these business partners?

How do you describe a trustworthy business partner?

How do you describe a distrustworthy business partner?

From your experience, how does your trust toward a business partner develop?

### Appendix 3: Distrustworthiness factors for Chinese suppliers

An example of an analysis path from first-order concepts, second-order themes to aggregate dimensions (adopted from Blomqvist and Olander, 2015). Coders: C1 Finnish, C2 Chinese, C3 Finnish researcher.

Quotes	First-order concepts	Second-order themes	Aggregate dimensions
“Distrustworthy partners, they don't communicate on time. Also when there are problems, they don't tell you, or they don't give feedback on the problems.”	Does not provide clear information	C1 Poor comm. C2 Bad comm. C3 Unclear comm.	Poor communication quality
“With this one it is very difficult to discuss some issues. I found it's difficult to contact them.”	Difficult to contact	C1 Poor comm. C2 Bad comm. C3 Uncommitted	
“Those Chinese people are really complicated. They give you information indirectly. They do not give you clear signs.”	Gives unclear signs	C1 Poor comm. C2 Bad comm. C3 Unclear comm.	
“They also have some additional requirements of me. This well-working, they have made no unreasonable request to me in so many years.”	Unreasonable requests	C1 Unfairness C2 Unpleasant C3 Unfairness	Unfairness
“When coping with issues, they will haggle over every ounce; they are suspicious and jealous; and they will say good words to you, but gossip behind your back.”	Makes me feel uncomfortable	C1 Negative emotion C2 Bad comm. C3 Feelings	Negative affect
“So, sometimes the Chinese will request if you can do this. And after that they will have some other suggestion. So if you can fulfil this you can also do this.”	Oppressive	C1 Negative emotion C2 Unpleasant C3 Unfairness	
“Doubtful attitude that, this gives the feeling that they don't believe you or that they don't want to cooperate with you maybe in the long term.”	Lack of respect, doubtful attitude	C1 Lack of respect C2 Disharmony C3 Lack of respect	Disharmony
“So, they are not professional. But another one, I think they are benefits-driven, private benefits-driven.”	Vested interests	C1 Opportunism C2 Disharmony C3 Self-interest	
“This company is not so trustworthy, especially regarding payment; they do not pay on time.”	Delayed payments	C1 Dishonesty C2 Dishonesty C3 Dishonesty	Dishonesty
“They need a cheap price immediately, response and immediately delivery. And we have to do our best to reduce costs for the product. After half a year, they have no orders, and we also ask them. Why? Because we have already locked the price, you should keep your promise, you send us the order. And they didn't give us feedback.”	Deceptive	C1 Opportunistic C2 Dishonesty C3 Dishonesty	

Continued...

### Appendix 3: Distrustworthiness factors for Chinese suppliers (cont.)

An example of an analysis path from first-order concepts, second-order themes to aggregate dimensions (adopted from Blomqvist and Olander, 2015). Coders: C1 Finnish, C2 Chinese, C3 Finnish researcher.

Quotes	First-order concepts	Second-order themes	Aggregate dimensions
“I can say cooperation, because normally poorly working suppliers, they are lacking in cooperation.”	Lack of cooperation	C1 Non-cooperative C2 Non-cooperation C3 Uncommitted	Uncommitment
“Maybe something, they are lacking in motivation from their department. So, some personal stuff they should separate from the working stuff.”	Lack of motivation	C1 Lack of motivation C2 Lack of motivation C3 Uncommitted	
“They de-commit from what they have committed to earlier. If they come back with the same situation for the second time or even more, then it just destructs this kind of trust which we have with our suppliers or partners.”	Uncommitted	C1 Uncommitted C2 Uncommitted C3 Uncommitted	
“But this one, the poorly working one, they will not accept your explanation.”	Reluctance to negotiate	C1 Lack of cooperation C2 Non-cooperation C3 Uncommitted	
“Management’s opinion may be very unrealistic.”	Divergent goals and targets	C1 Dis-compatibility C2 No clear goals C3 Self-interest	Self-interest
“They know that this is, this guarantee money, they will not, the foreign countries, they will not return this guarantee money.”	Focuses only on price	C1 Transactional C2 Short-term relationship C3 Uncommitted	Transactional



#### Appendix 4: Factors related to trustworthiness: Frequency counts of first-order concepts

<b>Chinese suppliers</b> <b>First-order concepts</b>	<b>Freq.</b> <b>n = 89</b>	<b>1 Finn</b>	<b>2 Chinese</b>	<b>3 Finn</b>	<b>Aggregated</b>
Good communication	25/28.1%	comm.	good comm.	comm.	communication quality
Personal relationship with friendly communication	18/20.2%	goodwill–positive affect	pleasant personal relationship	comm.	benevolence
Bright future of long-term cooperation with mutual benefits	9/10.1%	mutuality	long-term relationship, clear vision	mutual benefits	commitment
Reciprocal favors	7/7.9%	goodwill–reciprocity	reciprocity	reciprocity	reciprocity
Mutual goals and targets	6/6.7%	compatibility	clear goals	mutual benefits	commitment
Comfortable discussions	5/5.6%	positive affect	good comm.	comm.	positive affect
Secure feeling	4/4.5%	positive affect	security	feelings	positive affect
Mutual understanding	3/3.4%	mutuality	good comm.	comm.	communication quality
The trust you get from partner	3/3.4%	feeling trusted	trusts others	reciprocity	positive affect
Personal compatibility	3/3.4%	similarity	communication	reciprocity	positive affect
Professionalism and product expertise	3/3.4%	ability/competence	ability	ability	ability
Reasonable requirements	2/2.2%	goodwill–fairness	fairness	fairness	fairness
Win-win arrangement	1/1.1%	mutual benefits	mutual benefits	mutual benefits	reciprocity
<b>Finnish suppliers</b> <b>First-order concepts</b>	<b>Freq.</b> <b>n = 30</b>	<b>1 Finn</b>	<b>2 Chinese</b>	<b>3 Finn</b>	<b>Aggregated</b>
Ease of communication	8/26.7%	comm.	good comm.	comm.	communication quality
Will to develop well-working relationship together	4/13.3%	motivation	long-term relationship	motivation	commitment
Mutual trust	4/13.3%	reciprocity	reciprocity	reciprocity	reciprocity
Commitment to long-term relationship	4/13.3%	commitment	long-term relationship	commitment	commitment
Keeping promises	3/10%	integrity	integrity	integrity	integrity
Flexibility	3/10%	goodwill	good comm.	goodwill	benevolence
Shared future	2/6.7%	interdependency	clear vision	mutual benefits	commitment
Similar worldview	2/6.7%	similarity	similarity	similarity	positive affect
<b>Finnish Buyers</b> <b>First-order concepts</b>	<b>Freq.</b> <b>n = 81</b>	<b>1 Finn</b>	<b>2 Chinese</b>	<b>3 Finn</b>	<b>Aggregated</b>
Keeps promises and schedules	15/18.5%	integrity	integrity	integrity	integrity
Listens and understands	15/18.5%	comm.	good comm.	comm.	communication quality
Accuracy (price, delivery times, and quality)	14/17.3%	ability	ability	ability	ability
Makes continuous improvements	7/8.6%	ability, motivation	ability	ability, motivation	ability
Aims for long-term cooperation	6/7.4%	commitment	clear vision	commitment	commitment
Informs of problems in delivery	5/6.2%	comm.	good comm.	integrity, comm.	communication quality
Skilled management and personnel	4/4.9%	ability	ability	ability	ability
High level of competence	4/4.9%	ability	ability	ability	ability
Well-organized	3/3.7%	ability	ability	ability	ability
Asks permission for changes	3/3.7%	goodwill	good comm.	integrity	benevolence
Accepts responsibility for quality	3/3.7%	integrity	good comm.	benevolence	integrity
Equal treatment of customers	2/2.5%	fairness	fairness	fairness	integrity

## Appendix 5: Factors related to distrustworthiness: Frequency counts of first-order concepts

<b>Chinese suppliers</b> <b>First-order concepts</b>	<b>Freq.</b> <b>n = 84</b>	<b>1 Finn</b>	<b>2 Chinese</b>	<b>3 Finn</b>	<b>Aggregated</b>
Does not provide clear information	11/13.1%	poor comm.	bad comm.	unclear comm.	poor comm. q.
Unreasonable requests	11/13.1%	unfairness	unpleasant	unfairness	unfairness
Makes me feel uncomfortable	9/10.7%	negative emotion	bad comm.	feelings	negative affect
Lack of respect, doubtful attitude	7/8.3%	lack of respect	disharmony	lack of respect	disharmony
Delayed payments	7/8.3%	dishonesty	dishonesty	dishonesty	dishonesty
Vested interests	5/6.0%	opportunism	disharmony	self-interest	disharmony
Deceptive	5/6.0%	opportunistic	dishonesty	dishonesty	dishonesty
Oppressive	5/6.0%	negative emotion	unpleasant	unfairness	negative affect
Lack of cooperation	4/4.8%	non-cooperative	non-cooperation	uncommitted	uncommitment
Difficult to contact	4/4.8%	poor comm.	bad comm.	uncommitted	poor comm. q.
Divergent goals and targets	3/3.6%	incompatibility	no clear goals	self-interest	self-interest
Lack of motivation	3/3.6%	lack of motivation	lack of motivation	uncommitted	uncommitment
Uncommitted	3/3.6%	uncommitted	uncommitted	uncommitted	uncommitment
Focuses only on price	3/3.6%	transactional	short-term relationship	uncommitted	transactional
Reluctance to negotiate	2/2.4%	lacks cooperation	non-cooperation	uncommitted	uncommitment
Gives unclear signs	2/2.4%	poor comm.	bad comm.	unclear comm.	poor comm. q.
<b>Finnish suppliers</b> <b>First-order concepts</b>	<b>Freq.</b> <b>n = 21</b>	<b>1 Finn</b>	<b>2 Chinese</b>	<b>3 Finn</b>	<b>Aggregated</b>
Lack of openness	6/28.6%	opportunism	dishonesty	hiding	dishonesty
Lack of communication or communication problems	5/23.8%	poor comm.	bad comm.	unclear comm.	poor comm. q.
Unpredictability	3/14.3%	unpredictability	unpredictability	insecurity	unpredictability
Opportunism	2/9.5%	opportunism	dishonesty	self-interest	self-interest
Misunderstandings	2/9.5%	poor comm.	bad comm.	unclear comm.	poor comm. q.
Earlier betrayed trust	2/9.5%	lack of integrity	bad impression	dishonesty	dishonesty
Aims only for short-term benefits	1/4.8%	transactional	non-cooperation	self-interest	self-interest
<b>Finnish Buyers</b> <b>First-order concepts</b>	<b>Freq.</b> <b>n = 146</b>	<b>1 Finn</b>	<b>2 Chinese</b>	<b>3 Finn</b>	<b>Aggregated</b>
Dishonesty	20/13.7%	opportunism	dishonesty	dishonesty	dishonesty
Lack of communication	19/13.0%	poor comm.	bad comm.	unclear comm.	poor comm. q.
Delays delivery time	17/11.6%	lack of ability	bad faith	unfairness	inability
Breaks promises	14/9.6%	dishonesty	dishonesty	unfairness	dishonesty
Provides poor quality	13/8.9%	lack of ability	dishonesty	unfairness	inability
Bad attitude	9/6.2%	negative emotion	disharmony	lack of ability	negative affect
Additional invoicing and overpricing of additional work	8/5.5%	opportunism	non-cooperation	unfairness	dishonesty
Need of extra quality control	7/4.8%	lack of ability	dishonesty	lack of ability	inability
Low level of competence	7/4.8%	lack of ability	less competitive	lack of ability	inability
Lack of vision	6/4.1%	inability	lack of vision	lack of ability	inability
No predictability	6/4.1%	poor predictability	uncertain	insecurity	unpredictability
A short-term view	5/3.4%	transactional	short-term relationship	lack of ability	transactional
Reveals confidential information	5/3.4%	dishonesty	dishonesty	unfairness	dishonesty
No response to quality requirements	4/2.7%	poor comm.	bad comm.	disregard	poor comm. q.
Favors some clients over others	2/1.4%	unfairness	unfairness	unfairness	unfairness
Resistance to change	2/1.4%	lack of ability	disharmony	stubborn	inability
Betrayed trust in the past	2/1.4%	opportunism	bad impression	dishonesty	dishonesty