

Trust & work values

Work Values and Trust in Subordinates in International Joint Ventures in China

Yuan Wang

School of Management
University of Technology, Sydney
City Campus, Haymarket
PO Box 123 Broadway
NSW 2007 Australia

Telephone: 61-2-9514 3577
Fax: 61-2-9553-6219
Email: karen.yuan.wang@uts.edu.au

Liz Fulop
Department of Management
Griffith University,
Gold Coast Campus,
PMB 50 Gold Coast Mail Centre, Bundall
Queensland 9726 Australia

Telephone: 61-7- 5552-8544
Fax: 61-7-5552-9093
Email: l.fulop@griffith.gu.edu.au

Yanhong Yao
College of Administration
Hunan University
Changsha, Hunan
410082 China
Telephone: 86-731-8823169
Fax: 86-731-8823670
Email: yyh465@sohu.com

1/8/2005

Track: International management
For
AZNIBA CONFERENCE 2005

Work Values and Trust in Subordinates in International Joint Ventures in China

Abstract

The paper reports on a study of International Joint Ventures (IJVs) in China. First, it provides empirical evidence on how Chinese managers in IJVs are responding to the new work environment on dimensions of work values in subordinates through comparison with their state-owned enterprise (SOE) counterparts. Second, it examines how work values influence the beliefs of managers in terms of trust in their subordinates. Key findings support our propositions.

Key words: Chinese managers, IJVs, trust, subordinates, work values.

Work Values and Trust in Subordinates in International Joint Ventures in China

Trust is claimed to increase the effectiveness of communication and problem solving across hierarchical levels, departments, and functional responsibilities as well as teams. At an individual level, it is seen as a critical to encouraging flexibility, empowerment, risk taking, innovation and knowledge sharing amongst employees as well as garnering organizational commitment needed to exceed performance. While there are ample discussions on how subordinates develop trust in management (Lewicki, McAllister & Bies, 1998; Bigley & Pearce, 1998), less is known about how managers develop trust in their subordinates. Even less well understood is how specific work values impact on the development of management trust in subordinates, especially in a changing cross-cultural context. A relatively new area of study is how IJV managers develop trust in their subordinates and the ramifications of this for employee performance.

In IJVs expatriate managers work alongside Chinese managers, many of whom are ex-employees of state-owned enterprises (SOEs). These Chinese managers are not only confronted with foreign management practices, but are also influenced by work values from different cultures. What is of interest to us is how Chinese managers, who have transferred from SOEs to IJVs, and are moving away from SOE practices, are responding to their new work environment in terms of their perceived trust in subordinates. Work values of Chinese managers in IJVs, who are coping with hybrid cultures, may also change and accordingly influence their beliefs of trust in subordinates. IJVs, which are typically influenced by new practices, relationships and changing perceptions of their workforce, therefore provide a unique empirical field in which to study how management attitudes to trust in their subordinates are either reinforced or weakened by certain work values that might be different to those found in SOEs.

The present study investigates how Chinese managers at different levels within IJVs de have their work values and the extent to which these beliefs differ from managers in SOEs. It also focuses on how beliefs about trust in subordinates are influenced by work values of formalization, group orientation and centralization. Our study contributes to the literature on IJVs by analyzing management trust within the context of changing work values as well as the comparative context of SOEs.

THEORETICAL BACKGROUND AND HYPOTHESES

Trust in Subordinates

Trust has been viewed as a foundation for interpersonal relationships (Rempel, Holmes & Zanna, 1985). More recently, researchers of trust have focused on understanding the effectiveness of trust and explaining its emergence at different levels of the organization (Whitener, Brodt, Korsgaard, & Werner, 1998; Costigan, Ilter & Berman, 1998), and in different contexts, such as in boundary spanning activities (Couch & Jones, 1997). A general definition of trust involves the willingness of a party (trustor) to make themselves vulnerable (open to harm, criticism or attack) of another party (trustee) in the belief that the trustee will act in a positive manner. Both taking a risk and making oneself vulnerable in a relationship are key elements of trust-based behaviour (Mayer, Davis & Schoorman, 1995; Rousseau, Sitkin, Burt & Camerer, 1998).

According to the leader-member exchange theory, managers do not equally develop working relationships with their subordinates. Instead, they cultivate various dyad working relationships with subordinates in terms of trust, information exchange and responsibility (Dansereau, Graen, & Haga, 1975). The trusted subordinates are given more information, responsibility, job related authority and training preparation by supervisors than other subordinates (Leana, 1986). It is argued the supervisor perceived quality of exchange

Trust & work values in IJVs

relationship (SLMX) is related to supervisors' perception of subordinate behaviour and attitudes (Schriesheim, Neider & Scandura, 1998).

Managers may develop trust in a subordinate's *dependability* through a calculative process of assessing a subordinate's trustworthy personality and capability in relation to their high performance in interdependent work relationships (Lindsfold, 1978; Shapiro, Sheppard & Cheraskin, 1992). Managerial trust in dependability in this study is defined as a confidence based on a manager's belief that subordinates are capable of carrying out their jobs independently of their supervision (Graen & Uhl-Bien, 1995; Wang & Clegg, 2002).

Based on previous experience of the target's stability and consistency of behavioural patterns, managers may develop trust in subordinate's *predictability* (Rempel et al., 1985; Whitener et al., 1998). Managerial trust in predictability in this study is defined as gaining confidence in the accurate prediction of the subordinates' future behaviour that is based on past experience and is not necessarily mutually exclusive of dependability.

Managers also develop trust in subordinates' *good faith* through building confidence about the benevolence, loyalty, commitment and responsibility to them and their organizations (Clark & Waddell, 1985; McAllister, 1995; McKnight et al., 1998). If managers recognize a subordinate's behaviour as demonstrating interpersonal care and concern about other people or the company, rather than based purely on self-interest, they are likely to develop trust in the good faith of subordinates (Clark & Waddell, 1985; McAllister, 1995). If a subordinate shows no potential to harm the manager's interests, even when there is opportunity for such harm, it is likely to result in positive perceptions of a subordinate's good faith.

Work Values and Managerial Trust in IJVs

Work values, which reflect a social group's shared way of understanding, influence individual beliefs, attitudes and behavior. It is referred to beliefs what is the best way to

Trust & work values in IJVs

manage and run an organization effectively. Thus, work values have been proposed as a useful avenue for understanding how trust is developed within an organization (Jones & George, 1998). Work values, believed to be a major factor in the acquisition of trust (Chen, Chen & Menidl, 1998), are likely to influence how managers perceive the extent of dependability, predictability and good faith of their subordinates. However, although previous studies suggest that particular work values facilitate or inhibit the development of trust (Williams, Whyte & Green, 1966; Whitener et al., 1998; McKnight, et al., 1998), many alternative frameworks remain untested empirically (e.g. Doney et al., 1998). Why does the same manager develop different quality relationships of leader-member exchange in various organizations or types of organization in items of trust? Why do different managers develop the different levels of trust in the same group of subordinate? This study fills these gaps with an empirical examination of how trust is influenced by work values. This study fills this gap with an empirical examination of how trust is influenced by work values.

When exploring trust in subordinates in IJVs, relations to authority, to group and to risk appear to be the most significant factors (Doney et al. 1998). This study, hence, limits analysis of the influence of work values on trust to the constructs of centralization, group orientation and formalization.

Transferring from SOEs to IJVs, Chinese managers have experienced dramatic changes from organizations with monocultures into organizations under the influence of mixed cultures. Their individual work values are likely to be impacted by this change in organizational cultures and management practices. Differences between SOE and IJV managers in the degree to which they trust their subordinates can, we believe, be explained by changed individual work values, which profoundly shape managers' beliefs.

Centralization addresses ideological orientations to authority - refers to the locus of decision authority and control within an organizational entity (Lee & Choi, 2003)

A limited centralization leads to a less visible control system based on trust in subordinates, whilst such trust does not normally exist in tight control contexts. In a power-dependency relationship, trust is not a key element for developing and maintaining leader-member relationships; instead, other more overt controls play a significant role (Reed, 2001; Ng & Dastmalchian, 2001). Expectations of conformity to authority are likely to reduce any perceived necessity to develop trust in the leader–follower relationship. In the context of our sample, Chinese managers in SOEs, who usually place a high work value on allegiance to authority, might show low levels of trust towards those of lower status and expect their subordinates to follow unquestioningly whatever is required of them (Wang & Clegg, 2002). This will influence their perceptions of trustworthiness of subordinates and thus, managers in a high centralization context are more likely to have low trust in subordinates based on predictability and capability.

Furthermore, compared with their previous organizational experiences in SOEs, Chinese subordinates in IJVs principally gain rewards that depend on outstanding individual performance or merit instead of obedience to their leaders (Ahlstrom, Bruton & Chan, 2001). Those managers in a low -control context are more likely to have to change or adapt their work values in relation to decentralization and develop trust based on a more positive perception of subordinate capability. Consequently, Chinese managers' belief of subordinate trustworthiness in dependability in IJVs are likely to positively develop, whereas the work values dependent upon a large centralization may be weakened under these circumstances. We, accordingly, hypothesize that:

Hypothesis 1: Low work values of centralization for Chinese managers in IJVs will be positively related to trust in subordinate dependability.

Group orientation is defined as the degree to which people in a group actively help one another in their work (Hurley & Hult, 1998) Group-orientation values, which emphasize group orientation, are believed to cultivate trust more readily amongst members. These

Trust & work values in IJVs

values tend to focus managers on building relationships that bind members together as a way of promoting performance. They restrict variance in members' behavior and priority is given to behavioral conformity. Doney et al. (1998) suggest that managers with high propensity for cooperation and developing networks are encouraged to engage in trust relationships with a group orientation or through reciprocity. In contrast, a manager who values distinctiveness and individual freedom may find it difficult to initiate interpersonal trust (Chen, et al., 1998). Moreover, Hewett and Bearden's study (2001) found that the value of individualism has a negative effect on the relationship between trust and cooperation. They also argued that cognitive trust, which develops based on perception of the performance and capacity of trusted targets, is motivated by enlightened self-interest and is highly appreciated in individualistic orientation. However, with high group orientation values, cognition-based trust alone may be insufficient for promoting good working relationships (Chen et al., 1998). Affective-based trust, which is built by showing particular concerns for the other party, has been claimed to be more positively viewed in a collective context than in an individualistic one (McAllister, 1995; Farh, Earley & Lin, 1997; Chen et al., 1998). Doney et al. (1998) believe that trustors in high individualistic contexts are more likely to form trust via a capacity process than are their collectivist counterparts, who in turn are more likely to form trust via predictive and transference processes than those in high individualist contexts.

Furthermore, employees in IJVs are encouraged to pursue their own interests and challenge group authority to obtain rewards or gain promotion. Such incentives, which are based on individual performance as argued above, can easily lead to a decline of subordinates' loyalty to the whole group and senior managers. Thus, it can be argued that managers in IJVs will likely have a lower propensity to perceive their subordinates' trustworthiness in terms of good faith and predictability, while their values of group orientation will conversely also become weaker within IJVs. We hypothesize that in IJVs:

Trust & work values in IJVs

Hypothesis 2: Low group orientation for Chinese managers in IJVs will be negatively related to managerial trust in the good faith of subordinates.

Formalization refers to the degree to which decisions and working relationships are governed by formal rules, standard policies, and procedures (Lee & Choi, 2003). Previous research suggests that formalization tendencies influence affective reactions in social contexts (Gudykunst & Ting-Toomey, 1988) and lead to shunning of ambiguous situations that provoke anxiety (Hofstede, 1991). Managers with strong work value of formalization for managerial effectiveness believe what is different is dangerous and are fearful of unfamiliar ways of doing job, especially done by subordinates. They prefer everything running in fixed and explicit ways in the workplace. Laws and rules are thus perceived to minimize differences and ambiguities (Ng & Dastmalchian, 2001). These managers are more likely to develop trust in someone who can be constrained, predictable, faithful, and loyal without rules to reduce the anxiety of ambiguity. However, as discussed previously, there is a substantial problem of low employee loyalty in IJVs in China, even managers themselves are low loyal to the organizations and shift between jobs as well, with a higher rate of turnover than in SOEs. Additionally, personnel selection and promotion based on individual merit, instead of *guanxi* networks, is undermining the bases of certainty in relating to subordinates. What Chinese managers confront in IJVs is many Chinese subordinates, especially those who have technical and managerial skills that are in high demand, no longer making a long-term commitment to either them or their organizations. Instead subordinates are more ready to change companies so long as their interests are met. They are able to demonstrate various skills and ways to perform, which are different from a manager's requirement. These behaviors sometimes may make managers feel their authority to be threatened.

Such a perception of the quality of the leader-member exchange and IJV managerial practices, reinforce work values of formalization for many Chinese managers. This is likely to lead to

Trust & work values in IJVs

their belief about trust in subordinates being low on the dimensions of good faith and predictability. We therefore hypothesize that:

Hypothesis 3: High formalization for Chinese managers in IJVs will be negatively related to managerial trust in subordinate good faith and predictability.

METHODS

Sample and Procedure

The sample for this study consisted of 88 Chinese managers (71 males and 17 females), sampled from in a hierarchical range stretching from top and middle management to frontline management. The sample was developed using a variety of sources and informants. Their subordinates also represented a cross-section of employees. These managers were drawn from the capital city, Beijing and the cities of Hebei province. A questionnaire survey was conducted between March and September, 2001. The four IJVs surveyed included two Sino-Japanese joint ventures, one Sino-German joint venture and one Sino-US joint venture. They are selected based on a criterion that the Chinese partners in Sino-foreign joint ventures are all originally from SOEs in production industries. The questionnaires were distributed and collected through designated senior contacts within the firms. The response rate was 85 percent with 201 useable questionnaires for analysis.

Table 1 about here

Measurements

First, existing trust measurement scales were identified through a review of prior research. All of the items that were used in the survey were adopted and modified from standard validation measurements of trust and work values in the literature. Second, because the survey was of managers' trust, the perspective of the scales was changed from its an original peer-interpersonal relationship to one about a manager's view of his/her subordinate. So in that sense, a thoroughly replicated scale was not used. For the tested items, subjects expressed

Trust & work values in IJVs

their level of agreement with a given statement via a seven-point, Likert-type scale — from strongly agree to strongly disagree—with higher means representing a higher level of agreement. The items with opposite order were reversed.

Dependent variables. Trust was measured using three scales that were modified from the Rempel et al. (1985) trust survey questionnaire. Trust Scale 1—trust in dependability—tested the extent to which a manager believed that subordinates were dependable and reliable, and able to act competently and responsibly. Trust Scale 2—trust in predictability—tested the manager’s belief that subordinates were consistent, stable, and predictable in terms of past patterns of behavior. Trust Scale 3—trust in good faith—tested the extent to which a manager believed that subordinates would be trustworthy in the future, beyond the available evidence. In order to measure trust on the three dimensions described above, we have used the Rempel et al. (1985) validated scale.

Independent variables. Centralization and formalization were measured using the Robertson and Hoffman (2000) measurement. Although Robertson and Hoffman label their instrument as Centralization and Formalization, the actual measurement they developed does not measure the same Power Distance and Uncertainty Avoidance at the cultural level as Hofstede (1980) adopted decades ago. Instead the instrument measures preference of managerial methods: work values of formalization and centralization, which we believe is an advantage of this instrument. A sample item of their measurement is “It is important to have job requirements and instructions spelled out in detail so that employees always know what they are expected to do”. Group orientation was measured using the ‘Vertical Collectivism’ scale, which tests a view of relationship between interests of an individual and the whole group, from the Chen & Menidli (1997) ‘Vertical and Horizontal Collectivism Questionnaire’.

Control variables. Demographic data consisted of gender, age, education level and current managerial position, controlled for the potential effects on trust. Previous studies

Trust & work values in IJVs

(Birnbaum-More, Wong & Olver 1995; Ralston, Egri, Stewart, Terpstra & Kaicheng, 1999) argue that the gender, age, education level and managerial position of managers are related to the acquisition of work values centralization and formalization in China and Hong Kong, though their conclusions on the direction of some relationships are contradictory.

Analysis

The analyses involved regression on trust dimensions with scales based on 88 Chinese managers of IJVs, with *Trust in Dependability* (Cronbach's alpha = 0.75), *Trust in Predictability* (Cronbach's alpha = 0.70), and *Trust in Good Faith* (Cronbach's alpha = 0.78) as dependent variables, and the work values of *Centralization* (Cronbach's alpha = 0.71), *Formalization* (Cronbach's alpha = 0.70), and *Group Orientation* (Cronbach's alpha = 0.78), as independent variables. In the hierarchical regression analysis, trust in dependability, trust in predictability, and trust in good faith were regressed by biographical variables (Step 1); the work values of formalization, centralization, and group orientation (Step 2).

RESULTS

The means, standard deviations, and Pearson correlations for the demographic variables, trust variables, centralization, group orientation and formalization for IJVs are presented in Table 2. The results of correlations indicate that there are negative relations between the values of centralization and the three trust variables (trust in dependability, $r = -0.41$, $p < .001$; trust in predictability, $r = -0.34$, $p < .001$; and trust in good faith, $r = -0.23$, $p < .05$), and positive relationships between collectivism and all of the trust variables (trust in dependability, $r = 0.22$, $p < .05$; trust in predictability, $r = 0.38$, $p < .001$; and trust in good faith, $r = 0.42$, $p < .001$). There is no correlation between formalization and the trust variables.

Trust & work values in IJVs

The mean of formalization (mean = 5.7) is much higher than those of the other two values of group orientation (mean = 5.03) and centralization (mean = 3.1).

The results of hierarchical regression for IJVs that are reported in Table 4 demonstrate the main effects for the dependent variables of trust. Centralization had negative effects on the dependent variables of both trust in dependability ($p < .001$) and predictability ($p < .01$). Hypothesis 1, which states that low centralization for IJV Chinese managers will be positively related to managerial trust in subordinate dependability, thus, is rejected.

The main effects of group orientation were significantly related to the trust variables of predictability ($p < .01$) and good faith ($p < .001$). Therefore, hypothesis 2, stating that low group orientation is negatively related to managerial trust in the predictability and good faith of subordinates in IJVs in China, is supported.

The results of hierarchical regression indicate a significant main effect of formalization on the trust in subordinate predictability ($p < .05$) and good faith ($p < .05$) for IJVs. Therefore, hypothesis 3, which states that high formalization will be negatively related to managerial trust in subordinate good faith and predictability, is partially supported with an opposite direction of a positive relationship.

Table 3 about here

DISCUSSION

IJVs, which are typically influenced by new practices, relationships and changing perceptions, provide a unique empirical field in which to study how management attitudes to trust in subordinate dependability, predictability and good faith is either reinforced or weakened by certain work values. Our study investigated how the changing belief of managerial trust is related to organization context in transition. The findings of this research contribute empirical evidence to support the proposition that there is a relationship between certain work values and beliefs about trust in IJVs and lend support to the claim that there are

Trust & work values in IJVs

differences between IJV and SOE managers in terms of the nature and extent of their trust in subordinates and their work values.

Theoretical Implications

The study supports previous propositions that work values influence trust (Hofstede, 1980; Shane, 1993; Doney et al., 1998) with empirical evidence derived from IJVs that are experiencing change and flux. However, prior research on trust within organizations has been lacking in terms of offering specific dimensions of trust that are linked to changing work values. Our findings indicate that centralization is negatively related to managerial trust in subordinate dependability and predictability in IJVs in China. The larger centralization managers have, the lower the trust in subordinate dependability and predictability. Our findings suggest that managers, under the influence of the centralization value, tend to form trust via prediction and capability processes in the IJVs. In the leader-follower relationship, managers with high centralization will perceive that the development of trust in subordinates as less necessary compared with conformity and obedience to authority. They prefer an emphasis on control.

Our findings also indicate that group orientation is strongly and positively related to managerial trust in subordinate predictability and good faith, which again provides empirical evidence to support Doney and colleagues' proposition (1998) that trustors with values of collectivity tend to form trust via prediction and good faith processes. Group orientation prefers to establish norms to curb deviant behavior within groups, and each member is expected to demonstrate rigorous allegiance to the whole group with the obligations of members to the group emphasized. Consequentially, managers with a high level of group orientation values make efforts to develop trust in subordinates and believe that the behavior and working goals of subordinates are relatively predictable and ultimately, faithful.

Trust & work values in IJVs

Finally, the findings suggest that the work value of formalization has a positive effect on managerial trust in subordinate predictability and good faith, though the effect is modest. This supports previous arguments that high uncertainty-avoidance facilitates the development of affective-based trust (Doney et al., 1998; Chen et al., 1998) at the individual level, although it is opposite to our hypothesis within the context of IJVs in China. Past research suggests that formalization tendencies influence affective reactions in social contexts (Gudykunst & Ting-Toomey, 1988). Formalization might produce managers who anxiously shun ambiguous situations. Anxiety caused by uncertainty is likely to predisposes managers to feel that they must develop trust in someone who is predictable and loyal in order to ameliorate such ambiguity. The present findings suggest that Chinese managers in IJVs who are high in formalization tend to pursue the development of trust in subordinate predictability and good faith. They perceive that these forms of trust might provide an effective way to release anxiety in work relationships.

Practical Implications

Our findings indicate that work values of IJV Chinese managers influence on their development of trust in subordinates. These managers try to cope with hybrid cultures and may develop the work values, which are neither typical traditional SOE work values nor typical work values of foreign partners. The extent to which they trust in subordinates may reflect Chinese managers' the transit managerial practice from SOEs to IJVs, though this study does not provide the direct data for it.

Limitations and Future Research Directions

The behavioural and psychological approaches to trust can be criticized for seeing risk and trust as belonging to the dyadic relationship of leader-member exchange and not having broader consequences for the organization (Wekselberg, 1996). We have speculated that for

Trust & work values in IJVs

many of these managers, their previous SOEs are likely to represent high control contexts compared to their new work environments.

Turning to methodological issues, a potential limitation is the medium size of our IJV sample of 88 managers, which gives rise to statistical tests with relatively low power in terms of reliability and generalizability. Therefore, the results should be viewed with caution.

Another potential limitation may be the instrument used in the survey, which is developed based on Western cultural assumptions about trust and work-value dimensions. Although the results of our analysis are encouraging, meanings about trust in the three dimensions could be expressed in different ways in China and may require a modified instrument more suitable to the Chinese context. However, using the current instrument does allow comparable cross-cultural studies.

These possible limitations and the results of our study also suggest directions for future research. There is potential research direction with trying to characterize managerial behavior in terms of three value influences. Linking trust and work values to particular styles of leadership (e.g. Kennedy, 2002) could also prove insightful in terms of micro-level practices and the formation of trust in IJVs.

Additionally, drawing on IJVs that have foreign partners from different countries, requires that in future research the origin of the companies be controlled for. Separate analysis of the different host country MNCs would enrich the data and provide a necessary correction to the current theorizing.

In conclusion, this study takes an important step in a complicated area of research, seeking to explain the development of managerial trust from the perspective of work values in IJVs. Our findings clearly suggest that Chinese managers in IJVs develop degrees of trust in subordinates under the various organizational contexts and that work values are a significant

factor that must be taken into account to understand beliefs about trust in the workplace. It also opens up other avenues for further exploration.

REFERENCES

- Ahlstrom, D., Bruton, G. & Chan, E. S. (2001) HRM of foreign firms in China: The challenge of managing host country personnel. *Business Horizons*, 44 (1): 59-71.
- Bigley, G. A. & Pearce, J. I. (1998) Straining for shared meaning in organization science: Problems of trust and distrust. *Academy of Management Review*, 23 (3): 405-421.
- Birnbaum-More, P. H., Wong, G. Y.Y., & Olive, N. G. (1995) Acquisition of Managerial values in the People's Republic of China and Hong Kong, *Journal of Cross-Cultural Psychology*, 26 (3): 255-275.
- Butler Jr., J. K. & Centrell, R. S. (1984) A behavioral decision theory approach to modelling dyadic trust in superiors and subordinates. *Psychological Reports*, 55: 19-38.
- Chen, C. C., & Menidl, J. R. (1997) Testing the effects of vertical and horizontal collectivism: a study of reward allocation preferences in China. *Journal of Cross-Cultural Psychology*, 28 (1) 44-70.
- Chen, C.C., Chen, X. & Menidl, J. R. (1998) How can cooperation be fostered? The cultural effects of individualism-collectivism. *Academy of Management Review*, 23 (2): 285-304.
- Child, J., Yan, Y. & Lu, Y. (1997) Ownership and control in Sino-foreign joint ventures, pp 181-225 in P. Beamish and P. Killing (eds), *Global perspectives cooperative strategies: Asian Perspectives*. San Francisco: The New Lexington Press.
- Clark, M. S., & Waddell, B. (1985) Perceptions of exploitation in communal and exchange relationships. *Journal of Personality and Social Psychology*, 2: 403-418.
- Costigan, R.D., Itler, S.S. & Berman, J.J. (1998) A multi-dimensional study of trust in organizations. *Journal of Managerial Issues*, 10 (3): 303-317.
- Couch, L.L. & Jones, W.H. (1997) measuring levels of trust. *Journal of Research in Personality*, 31: 319-336.
- Dansereau, F., Graen, G., & Haga, W. J. (1975). A vertical dyad linkage approach to leadership within formal organizations: A longitudinal investigation of the role making process. *Organizational Behavior and Human Performance*, 13: 46-78.
- Doney, P. M., Cannon, J. P. & Mullen, M. R. (1998) Understanding the influence of national culture on the development of trust. *Academy of Management Review*, 23 (3): 601-620.
- Farh, J. L., Earley, P.C., & Lin, S. C. (1997) Impetus for action: A cultural analysis of justice and organizational citizenship behavior in Chinese society. *Administrative Science Quarterly*, 42: 421-444.
- University Press.
- Goodall, K., & Willem, B. (1998) 'Frequent Fliers', *China Business Review*, 25 (3): 50-53.
- Graen, G. B., & Uhl-Bien, M. (1995) Relationship-Based approach to leadership: development of leader-member exchange (Lmx) theory of leadership over 25 years: Applying a multi-level multi-domain perspective. *Leadership Quarterly*, 6: 219-247
- Gudykunst, W. B. & Ting-Toomey, S. (1988) *Culture and interpersonal communication*. Newbury Park, CA: Sage.
- Hewett, K. & Bearden, W. O. (2001) Dependence, trust, and relational behavior on the part of foreign subsidiary marketing operations: Implications for managing global marketing operations. *Journal of Marketing*, 10 (1): 51-66.
- Hofstede, G.
- a) (1980) *Culture's consequences: International differences in work-related values*. Beverly Hills, CA: Sage.
 - b) (1991) *Cultures and organizations: Intercultural cooperation and its importance for survival*. London: McGraw-Hill International (UK) Limited.

Trust & work values in IJVs

- Hurley, R., & Hult, T. (1998) Innovation, market orientation, and organizational learning: An integration and empirical examination. *Journal of Marketing*, 62(3) 42–54.
- Johnson-George C. & Swap, W. C. (1982) Measurement of specific interpersonal trust: construction and validation of a scale to assess trust in a specific other. *Journal of Personality and Social Psychology*, 43: 1306-1317.
- Jones, G. R. & George, J. M. (1998) The experience and evolution of trust: Implications for cooperation and teamwork. *Academy of Management Review*, 23 (3): 531-546.
- Kennedy, J.C. (2002) Leadership in Malaysia: Traditional values, international outlook. *Academy of Management Executive*, 16 (3): 15-26.
- Leana, C. R. (1986) Predictors and consequences of delegation. *Academy of Management Journal*, 29:754-774.
- Lee, H. & Choi, B. (2003), Knowledge Management Enablers, Processes, and Organizational Performance: An Integrative View and Empirical Examination *Journal of Management Information Systems*, 20 (1): 179–228.
- Lewicki, R. J., McAllister, D. J. & Bies, R. J. (1998) Trust and distrust: New relationships and realities. *Academy of Management Review*, 23 (3): 439-458.
- Li, L. and Kleiner, B. H. (2001) The legacy of 'Danwei' and job performance. *Management Research News*, 24 (3/4): 57-66.
- Mayer, R.C., Davis, J.H. & Schoorman, F.D. (1995) 'An integrative model of organizational trust'. *Academy of Management Review*, 20 (3): 709-734.
- McAllister, D. J. (1995) 'Affect- and cognition-based trust formations for interpersonal cooperation in organizations'. *Academy of Management Journal*, 38(1): 24-39.
- McKnight, D., Harrison, D., Cummings, L. L. & Chervany, N.L. (1998) 'Initial trust formation in new' organizational relationships. *Academy of Management Review*, 23 (2): 473-491.
- Ng, I. & Dastmalchian, A. (2001) Organizational flexibility in Western and Asian firms: an examination of control and safeguard rules in five countries. *Canadian Journal of Administrative Sciences*, 18 (1): 17-24.
- s in organizational research: Problems and prospects'. *Journal of Management*, 12: 531–544.
- Ralston, D. A., Egri, C. P., Stewart, S., Terpstra, R. H., & Kaicheng, H. (1999) Doing business in the 21st century with the new generation of Chinese managers: A study of generational shifts in work values in China. *Journal of International Business Studies*, 30 (2): 415-428.
- Reed, M. I. (2001) Organization, trust and control: A realist analysis. *Organization Studies*, 22 (2): 201-230.
- Rempel, J. K., Holmes, J. G. & Zanna, M. P. (1985) Trust in close relationships. *Journal of Personality and Social Psychology*, 49(1): 95-112
- Robertson, C., & Hoffman, J. (2000) How different are we? An investigation of Confucian values in the United States. *Journal of Managerial Issues*, 12 (1): 34-47.
- Rousseau, D.M., Sitkin, S.B., Burt, R.S. & Camerer, G. (1998) Introduction to special issue forum: not so different after all: a cross-discipline view of trust. *Academy of Management Review*, 23 (3): 393-404.
- Schriesheim, C. A., Neider, L. L., Scandura, T. A (1998) *DELEGATION AND LEADER-MEMBER EXCHANGE: MAIN EFFECTS, MODERATORS, AND MEASUREMENT ISSUES*, *Academy of Management Journal*, 41(3):298-319
- Smith, K. G., Carroll, S. J. & Ashford, S.J. (1995) Intra- and interorganizational cooperation: Toward a research agenda. *Academy of Management Review*, 38 (1): 7-23.
- Tayeb, M. (1988) *Organizations and national cultures: A comparative analysis*. Newbury Park, CA: Sage.
- Wang, K.Y., & Clegg, S. (2002) Trust and decision making: Are managers different in the People's Republic of China and in Australia? *International Journal of Cross-Cultural Management*, 9 (1): 30-45.

Trust & work values in IJVs

- Wekselberg, V. (1996) Reduced 'social' in a new model of organizational trust. *Academy of Management Review*, 21 (2): 333-335.
- Whitener, E. M., Brodt, S. E. Korsgaard, M. A. & Werner, J.M. (1998) Managers as initiators of trust: An exchange relationship framework for understanding managerial trustworthy behavior. *Academy of Management Review*, 23 (3): 513-530.
- Williams, L., Whyte, K., & Green, C. S. (1966) Do cultural differences affect workers' attitudes? *Industrial Relation*, 5: 105-117.
- Wong, C.S. Hui, H. Wong, Y. & Law, K. S. (2001) The significant role of Chinese subordinates' organizational commitment: implication for managing subordinates in Chinese society. *Journal of World Business*, 22 (9): 326-340.
- Wong Y. Y., Maher, T. E., Jenner, R. A. Appell, A. L. & Herber, L. G. (1999) Are joint ventures losing their appeal in China? *SAM Advanced Management Journal*, Winter: 4-20.
- Worm, V. & Frankenstein, J. (2000) The dilemma of managerial cooperation in Sino-Western business operations. *Thunderbird International Business Review*, 42 (3): 261-283.

Table 1. Demographic Characteristics for Managers in IJVs and SOEs in China.

Variable				
Gender	Male	Female		
IJV	71(80.2%)	17 (19.8%)		
SOE	95 (82.9%)	18 (17.1%)		
Age	20-30	31-39	40-49	Over 50
IJV	13 (16 %)	26 (32.1%)	34 (42%)	8 (9.9%)
SOE	5 (4.55%)	39 (35.1%)	45 (45.5%)	16 (14.4%)
Education	Elementary school	Jr. high or high school	Undergraduate or college	Postgraduate
IJV	0	12 (14.8%)	61 (75 %)	4 (6.2%)
SOE	0	23 (20.7%)	85 (76.5%)	3 (2.7%)
Mgt. year	Under 2 years	2-5 years	5-10 years	11-20 years; over 20 years
IJV	4 (5%)	24 (27%)	28 (29 %)	11 (13%)
SOE	5 (4.5%)	13 (11.7%)	32 (28.8%)	36 (32.4%); 24 (21.8%)
Mgt. position	Top management	Senior managers	Middle managers	First-line managers
IJV	4 (5%)	20 (22%)	53 (60%)	11 (13%)
SOE	2 (1.8%)	11(9.9%)	39(35.1%)	59(53.2%)

Table 2. Means, Standard Deviations, and Pearson Correlations^a for Variables for IJVs in China^a

Variable	M	SD	1	2	3	4	5	6	7	8	9	10
1. Age ^b	2.41	.87	---									
2. Gender	1.19	.39	-.132	---								
3. Education ^c	2.92	.44	.03	---	---							
4. Managerial position ^d	2.85	.72	-.31***	.10	-.41***	---						
5. Centralization	3.07	1.13	.11	-.12	.04	-.00	---					
6. Group orientation	5.03	1.95	-.11	-.20	.15	-.14	-.19 [†]	---				
7. Formalization	5.7	.88	-.06	-.09	-.05	.03	.02	-.19 [†]	---			
8. Trust - dependability	5.23	.95	-.27*	.10	.14	-.18 [†]	-.41***	.23*	.11	---		
9. Trust - predictability	4.84	1.29	-.06	.00	.16	-.20 [†]	-.34***	.38***	.10	.45***	---	
10. Trust - faith	5.16	1.13	-.17	.03	.13	-.18 [†]	-.23*	.42***	.11	.66***	.58***	---

^a [†] p < .10, * p < .05, ** p < .01, *** p < .001, (2-tailed).

^b Age was coded as 1 = 20-29; 2 = 30-39; 3 = 40-49; 4 = 50 or over

^c Education level was coded as 1 = primary school; 2 = secondary School; 3 = bachelor' degree; and 4 = postgraduate degree.

^d Management Position was coded as 1 = top management; 2 = senior management; 3 = middle management; and 4 = frontline management.

Trust & work values in IJVs

Table 3. Hierarchical Regression Analysis of Trust on Work Values for IJVs in China ^a

Variable	Trust in Dependability		Trust in Predictability		Trust in Faith	
	Model 1	Model 2	Model 1	Model 2	Model 1	Model 2
Controls						
Age	-.50**	-.57	-.35*	-2.12*	-.43**	-1.27
Gender	.07	.96	-.03	2.38*	-.00	-.01
Education	.04	-1.30	.10	1.07	.56	1.03
Mngt. position	-.27*	-.18	-.18	-.16	-.23	-.10
Main effects						
Centralization		-.36***		-.24*		-.10
Group orientation		-.02		.31**		.34**
Formalization		.16		.25*		.25*
R ²	.18	.32	.11	.44	.12	.28
Adjust R ²	.13	.25	.05	.30	.07	.21
F	3.40**	4.34***	1.91	3.6***	2.2	3.68***
Observation number	88		88		88	

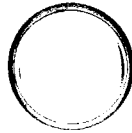
^a Standardised coefficients are reported.

* p < .05; ** p < .01; *** p < .001



MONASH University

ANZIBA 2005

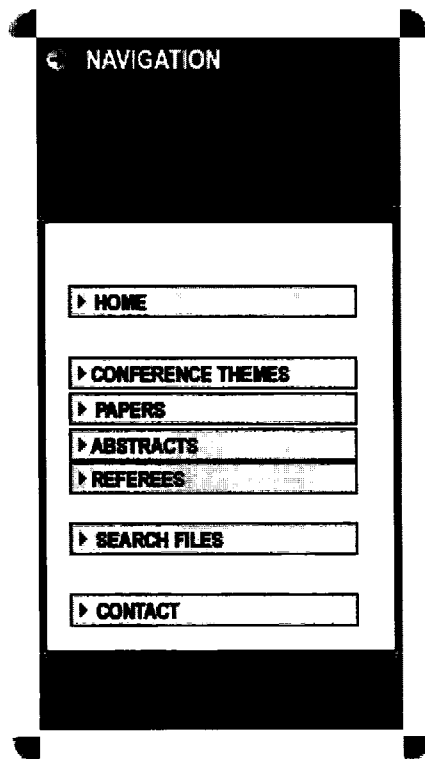


**CONFERENCE
PROCEEDINGS**

The 2005 Australia and New Zealand
International Business Academy
(ANZIBA) Conference

Melbourne, Australia,
10 - 11 November 2005

Published 2005
ISBN 0-7326-2282-4



CONFERENCE THEMES

CONFERENCE THEMES

- The impact of multinational enterprises on the business social environment
- Trade agreements in the Asian region. International trade strategy
- Joint ventures and strategic alliances
- International business and the SMEs
- WTO - implications for international business
- International trade
- Multinationals and the state
- International business and human security
- International HRM/IR and labour issues
- Cross cultural issues in international business
- Regionalisation and international business
- International business education
- International education markets
- International management