Trust in the Workplace: The Role of Social Interaction Diversity in the Community and in the Workplace

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Abstract
Extending the literature on social capital development in the community, this article examines the impact of diverse social interactions (in the community and the workplace) on the development of social trust in the workplace, and investigates whether their effects differ in individualistic and collectivistic cultures. Using survey data collected in Canada and China, the authors find that the diversity of one’s social interactions in the community is positively associated with one’s social trust in the workplace, and this relationship is not significantly different between the two cultures. Diversity of one’s social interactions in the workplace is also positively associated with one’s social trust in the workplace, though only in collectivistic cultures.

Keywords
social interaction diversity, social trust, community, workplace, individualistic and collectivistic cultures

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Over the past two decades, the literature on social capital in the community has identified an important relationship: Diversity of an individual’s social interactions in the community positively contributes to his or her social trust in others (Brehm & Rahn, 1997; Green & Brock, 2005; Letki, 2004; Nannestad, 2008; Pickup, Sayers, Knopf, & Archer, 2004; Putnam, 1993; Stolle & Rochon, 2001). Social trust is an important component of social capital. It is a unique form of trust defined as impersonal or indirect trust that does not rely on knowledge about particular individuals but is generalized to others in a social unit as a whole, reflecting an individual’s willingness to be vulnerable to others (Green & Brock, 2005; Leana & Van Buren, 1999; Letki, 2004; Nannestad, 2008; Putnam, 1993; Welch et al., 2005). This relationship has been verified across 35 countries, with different national cultures, such as the United States and Japan (Putnam, 1995).

Scholars know little about whether and how this relationship applies to the workplace setting despite an increasing interest in the mechanisms of trust development within organizations (Leana & Van Buren, 1999; Mayer & Gavin, 2005; Rousseau, Sitkin, Burt, & Camerer, 1998). In particular, three issues have not been adequately studied. First, as suggested by the literature on work–life balance, social experiences in the community can be carried over to the workplace (Edwards & Rothbard, 2000; Staines, 1980). If so, would employees’ diverse social interactions in the community affect their social trust in the workplace? Second, as diversity of social experiences is important for social trust development, would employees’ diverse interpersonal interactions in the workplace also affect their workplace social trust? Third, would the relationships between diverse social experiences (in the community and the workplace) and workplace social trust also hold across national cultures? To answer these questions, the authors developed an affect-cognition framework of social trust formation, drawing upon the research on the underpinnings of interpersonal trust (Lewis & Weigert, 1985; McAllister, 1995). The authors compared the development of workplace social trust in an individualistic culture (Canada) and a collectivistic culture (China) because the individualism-collectivism dimension of cultural variation is, arguably, “the major distinguishing characteristic in the way that the various societies of the world analyze social behavior and process information” (Bhagat, Kedia, Harveston, & Triandis, 2002, p. 208).

The remainder of this article is structured as follows. The next section reviews the relevant literature and develops the theoretical framework. Sections describing the development of hypotheses, the method, and the results of hypotheses testing follow it. The final section discusses the findings, provides suggestions for future research, and presents the conclusion.
Theoretical Background and Framework

**Trust and Social Trust**

Trust is defined as a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another (Rousseau et al., 1998). Researchers argue that there are three types of trust that are conceptually distinctive: dispositional trust, dyadic trust, and impersonal trust (Leana & Van Buren, 1999; Mayer & Gavin, 2005). Dispositional trust is a personality-based inclination to trust, also referred to as the propensity to trust (Colquitt, Scott, & LePine, 2007; Mayer, Davis, & Schoorman, 1995; Rotter, 1971, 1980; Schoorman, Mayer, & Davis, 2007). Dyadic trust (such as identification-based or instrumental trust) is often based on knowledge of, and directed toward, particular others, for example, someone one has known for years. Impersonal trust (such as social trust), in contrast, does not rely on knowledge of any particular others, but relates to people at large (Leana & Van Buren, 1999; Putnam, 1993; Thau, Crossley, Bennett, & Sczesny, 2007; Welch et al., 2005).

Dyadic trust is developed based on assessment of the trustworthiness of particular others (Leana & Van Buren, 1999; Mayer et al., 1995). Trustworthiness of others could be evaluated through repeated interactions with them, derived from their social identities, or certified by a third party (e.g., by the award of a professional designation; Cunningham & MacGregor, 2000; Lewicki & Bunker, 1996; McAllister, 1995; Oliver & Montgomery, 2001; Rousseau et al., 1998). In contrast, social trust, directed toward other people in general, is based on the confidence people have in their ability to handle social situations where opportunistic behaviors may occur or their faith in others’ genuineness (Leana & Van Buren, 1999; Stolle & Rochon, 2001; Yamagishi & Yamagishi, 1994). Whereas the majority of the existing research has focused on the development of dyadic trust, antecedents to social trust in the workplace are relatively unexplored.

The personality-based perspective on trust asserts that individuals’ dispositional trust, a trait, represents a psychological resource that is innate or primarily developed from adolescence experiences (Caspi, 2000; Rotter, 1971, 1980). Once imprinted, it is stable across time and situations (M. Lewis, 1999, 2001; Mayer et al., 1995; McCrae & Costa, 1994), and therefore may account for the baseline of social trust in a social unit. The literature on social capital in the community extends this assertion by suggesting that individuals’ social experiences acquired primarily through diverse social interactions in adulthood add to the baseline of social trust (Roberts, Robins, Trzesniewski, & Caspi, 2003; Yamagishi & Yamagishi, 1994).1
Diverse Social Interactions in the Community and Social Trust

Researchers on social capital in the community have maintained that diverse community involvement can help individuals develop emotional bonds among one another, which play an important role in their social trust development. In the seminal work of Putnam (1993, 1995) on civic engagement and social trust, he contended that community associations are normally characterized by shared responsibility and the norm of reciprocity. As a result of interactions among group members who have diverse goals, people learn to help each other, to respect and tolerate different opinions, and to collaborate for common goals. By interacting with others in various types of community associations, people get into the habit of moderating their views and develop appreciations for the joys of successful collaborations. Social interactions in community organizations are likely to help members develop the feeling of happiness and emotional connections between each other, which are important psychological resources that tend to foster social trust. One of the core arguments of Putnam (1993, 1995) and other pioneering works is that as an individual participates in more community organizations with diverse goals, the spirits of collaboration, reciprocity, and shared responsibility tend to be multiplied, and the positive affect about one group of people may be transformed into an instinct or a heuristic guiding interactions with the general public (Tocqueville, 1969; Putnam, 1993, 1995).

Researchers have also contended that diverse social interactions in the community also develop individuals’ social and political intelligence, which influence their social trust in the community. Scholars argue that diverse social experiences can inculcate a wide range of social skills (such as the ability to empathize and improvise) and political skills (such as the ability to negotiate and self-protect) that enhance individuals’ capacities and confidence in interpersonal interactions (Green & Brock, 2005; Letki, 2004; Putnam, 1993; Stolle & Rochon, 2001; Yamagishi & Yamagishi, 1994). Specifically, researchers have argued that during interactions with a particular party, individuals learn to correctly detect and interpret that party’s non-verbal and verbal social cues, to empathize with him or her, and to synchronize one’s reactions. They also learn to develop routines of responses to this particular party (Argyle, 1969; Hargie, Saunders, & Dickson, 1994). Diverse social interactions in the community provide abundant opportunities through which individuals can learn to cope with different types of people (Argyle & Henderson, 1985). They can apply, refine, and generalize their social skills through various social encounters, and develop a repertoire of both purposeful and automatic strategies for common social interactions (Argyle, 1969). People who have had social experiences in diverse social encounters are thus
likely to recognize others’ needs and intentions, to respond emotionally and behaviorally in the appropriate fashion (Yamagishi & Yamagishi, 1994), and to influence the course of social interactions as they occur (Meichenbaum, Butler, & Gruson, 1981). Furthermore, individuals can learn a series of political skills in diverse social interactions, such as understanding and utilizing rules, building relationships with influential people, resolving interpersonal conflicts, and protecting themselves from fraud (Ferris, Perrewé, Anthony, & Gilmore, 2000; Hochwarter et al., 2007; Perrewé et al., 2004). In sum, these researchers emphasize that diversified social interactions increase individuals’ capacity in handling various social encounters, including encounters with unknown and potentially untrustworthy social actors (Argyle, 1969), and thus may enable individuals to maintain a high level of social trust in the workplace (Lewis & Weigert, 1985).

The above literature on factors that influence social trust development in the community is in line with theories on the nature of trust, which highlights that trust consists of both cognitive and affective components, and that they involve distinct mental processing. The seminal works of Lewis and Weigert (1985) and McAllister (1995) distinguished between two principal forms of trust: affect-based trust, which is based upon reciprocated interpersonal care and concern, and cognition-based trust, which is based upon one’s confidence about others’ reliability and dependability (McAllister, 1995, p. 25). The theoretical underpinnings of the affect-based trust emphasize the emotional ties and resources between individuals (Lewis & Weigert, 1985). Specifically, people make an emotional investment in social relationships, express genuine concerns about others’ welfare, and believe that these sentiments will be reciprocated (Pennings & Woiceshyn, 1987; Rempel, Holmes, & Zanna, 1985). Emotions and experiences associated with particular social encounters are incorporated into heuristics, which generate almost instinctive decisions as to whether to trust in a similar social situation (Tversky & Kahneman, 1974), a mental process referred to as “fast thinking” (Kahneman, 2011).

The cognitive foundation of trust, by contrast, highlights the fact that people choose to whom to extend trust and that the choice is based on perceived trustworthiness (Lewis & Weigert, 1985, p. 970). The development of cognitive-trust involves a “slow thinking” system, which allocates attention to deliberate reasoning and conscious processing of information as it unfolds (Kahneman, 2011; Pettinelli, 2013). It is triggered when new experiences do not match any of the programmed heuristics or contradict the information conveyed by one’s emotions. Both the affective and the cognitive systems play an important role in trust development, and they can separately or jointly determine one’s reactions to social interactions (Pettinelli, 2013).
Social trust, a decision to trust others, is determined by both mental-processing systems, and it has both affective and cognitive foundations. In many cases, trusting others without sufficient knowledge to assess their trustworthiness or improvised reactions to opportunistic behavior in a particular circumstance is an instinctive decision (i.e., “fast thinking”), guided by heuristics developed from experiences in various social contexts. The “slow thinking system,” however, is triggered by unfamiliar contexts for which more careful assessments of social situations and a higher level of scrutiny of social encounters are called. The authors argue that while one’s social and political intelligence mainly provide the cognitive foundation of social trust, the emotional resources developed through prior social interactions and feelings experienced when trusting or refusing to trust in the past mainly provide the affective underpinnings of social trust.

The literature on social capital development in the community has focused primarily on interpersonal social interactions in the community (Brehm & Rahn, 1997; Green & Brock, 2005; Letki, 2004; Nannestad, 2008). While social interactions in the community organizations are largely voluntary, those in the workplace are more strictly role-based and characterized by more transactional interactions and a higher likelihood of conflicts of interest. These contextual differences could cause discrepancies in the ways that affect- and cognition-based social trust is developed in community organizations and the workplace. This article therefore distinguishes between and examines two types of social interactions, one in the community and the other in the workplace.

**Hypotheses**

Prior research has argued that the community, composed of a wide range of voluntary organizations such as alumni-, professional-, religious-, and sport-related associations, is an important venue in which individuals interact with unknown others (Brehm & Rahn, 1997; Putnam, 1993; Stolle, 1998). In various types of voluntary associations, individuals develop cognitive skills to cope with others in a variety of social situations, including both casual social contacts (e.g., conversation, networking, and friendship building) and formal “business” interactions (e.g., planning of activities, budgeting, and presentations), which help carry out the mission of an association (Letki, 2004; Putnam, 1993). Diverse social interactions in community associations also help cultivate an overall positive emotion and affect directed to others in general (Putnam, 1995).

The cognitive skills and affect developed out of community associations are likely to be transferred to the workplace. Researchers studying work–life
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and work–family balance have demonstrated a spillover effect, referred to as the isomorphism, continuation, and generalization of skills, affect, values, and overt behaviors between work and nonwork domains (Edwards & Rothbard, 2000; Staines, 1980). For example, Williams and Alliger (1994) provided evidence that moods can carry over between work and family, and Voydanoff (2005) found that community experiences provide psychological resources for comparable situations in the workplace. Arguably, cognitive skills developed in the community can be transferred to similar informal or formal social situations in the workplace (Argyle & Henderson, 1985), thus contributing to the cognitive foundation of social trust in the workplace. The positive affect resulting from successful collaboration in diverse community associations may also be generalized to the workplace. As suggested by prior research (Kahneman, 2011), a generalized positive affect can help individuals to develop favorable expectations of workplace social relationships and to interpret social experiences in a positive way, both of which provide the affective foundation of social trust in the workplace. Thus, diverse social interactions in the community may help individuals build both cognitive and affective foundations of social trust in the workplace. Therefore, the authors expect the following relationship:

Hypothesis 1 (H1): An individual’s social interaction diversity in the community is positively related to his or her social trust in the workplace.

Although the effect of social interactions in community associations on social trust in the community has been found robust across different national cultures, the literature on national culture suggests that when this relationship is applied to the context of the workplace, it may vary across cultures. In particular, researchers have argued that there is a significant difference between collectivistic and individualistic cultures with respect to how people interact with others belonging to different social circles. In a collectivistic culture, individuals tend to apply different social rules for coping with people in different circles. Individuals are expected to give preferential treatment to in-groups. This preferential treatment of members of the in-groups also extends to business decisions such as hiring and promotions (Farh, Earley, & Lin, 1997; Yang, 1993). In contrast, an individualistic society is characterized by a high degree of independence and self-reliance of its members. People are expected to interact with others using universal rules and to make decisions such as hiring and promotions based on merit and evidence of capabilities (Waterman, 1988).

Scholars have observed that in collectivistic nations such as Japan and China, the pattern of social interactions is significantly contingent on the
types of connections between individuals. Using trust as an example, individuals in collectivistic cultures are inclined to have a high level of trust in those who belong to an exclusive social circle composed of immediate family members and intimate friends. People tend to maintain a lower level of trust in others beyond the radius of this specific circle (Child & Mollering, 2003; Hickson & Pugh, 2001). In contrast, in individualistic nations such as the United States and Canada, people have the tendency to reach out beyond a specific circle and maintain a high level of trust in general (Fukuyama, 1995; Yamagishi & Yamagishi, 1994). Community organizations and the workplace are likely to be treated as more distinct contexts in collectivistic than individualistic cultures. Social experiences gained in community organizations are likely to be regarded as less generalizable in collectivistic than in individualistic cultures. Individuals in collectivistic nations may be more cautious in extending their general social skills and positive emotions into the workplace than those in individualistic nations. The authors therefore predict

**Hypothesis 2 (H2):** The effect of an individual’s social interaction diversity in the community on his or her social trust in the workplace is stronger in individualistic than in collectivistic cultures.

A good portion of an individual’s social interactions takes place in the workplace itself. Interpersonal relationships in the workplace have some unique features that are not necessarily shared by relationships in the community (Argyle & Henderson, 1985). For example, work relationships are characterized by the dominance of organizational role-based interactions, salient divisions of labor resulting from specializations of jobs, task-related demands for collaboration, and territorial and interest conflict stemming from individuals’ positions in the organization (Brown, Lawrence, & Robinson, 2005; Neuberger, 1996). Because the workplace is more business oriented, interpersonal relationships are less personal, but featuring more transaction-centered attitudes and behaviors. Compared with voluntary organizations, the workplace is a more challenging context to develop genuine care and fearless emotional closeness, which justify trusting others almost instinctively.

Researchers have argued that because the workplace has distinctive features, cognitive resources with respect to firm-specific social and political skills are needed to cope with a wide range of work-specific social situations, such as job interviews, task coordination, performance feedback, and promotions (Argyle, 1969; Fontana, 1994; Tsang & Pearson, 2001). This type of social savvy consists primarily of organization-specific knowledge, including
knowledge of not only other people’s patterns of behavior and underlying values in role-based relationships but also of the implicit rules, taboos, informal organizations, and office politics that are deeply embedded in workplace social relationships (Ferris, Witt, & Hochwart, 2001; Hochwart et al., 2007; Krackhardt & Hanson, 1993; Perrewé et al., 2004; Treadway et al., 2005). Being connected to diverse members of an organization provides opportunities to acquire such knowledge. People representing different membership groups provide information and perspectives that help an individual obtain a deeper understanding of various social situations within the organization, the intentions and behaviors of others serving different roles and affiliated with various relationship circles, and the appropriate thoughts and behaviors that are expected of individuals in different social encounters (Ferris et al., 2000; Wech, 2002). With a comprehensive understanding of the ecology of social relationships and a mastery of explicit and implicit norms within the organization, individuals become socially and politically intelligent with respect to correctly predicting others’ intentions and skillfully handling social interactions with unknown others in this specific context (Ferris et al., 2005; Hochwart et al., 2007; Perrewé et al., 2004). Individuals with diverse social interactions in the workplace, therefore, can develop and employ the cognitive capacity to anticipate and handle potential opportunistic moves made by others in the organization, and thus they maintain a higher level of trust in others in the workplace even without specific knowledge of their trustworthiness.

**Hypothesis 3 (H3):** An individual’s social interaction diversity in the workplace is positively related to his or her social trust in the workplace.

The impact of social interaction diversity in the workplace on social trust development may differ between collectivistic and individualistic cultures. As previously discussed in the arguments leading to Hypothesis 2, the distinction between the workplace and the community is more pronounced in collectivistic than in individualistic cultures. People in collectivistic societies tend to view social rules guiding interactions in different social circles as distinct, thus they are less certain about the applicability of cognitive skills developed in one social environment (e.g., voluntary associations in the community) to another (e.g., the workplace). As suggested by the literature, in collectivistic cultures, workplace-specific social and political skills are likely to be perceived as directly relevant to coping with social situations in the particular context of work (Yang, 1993). In individualistic cultures, by contrast, the perceived boundaries of contexts to which social rules can be applied (e.g., the community vs. the workplace) are more porous, and social skills acquired in one are perceived to be more applicable to the other.
(Yamagishi & Yamagishi, 1994). Thus, in individualistic cultures, the importance of workplace-specific cognitive skills is relatively lower in developing people’s confidence in handling social situations in the workplace. In sum, the association between diverse social experiences in the workplace and social trust in the workplace is likely to be more salient in collectivistic than in individualistic cultures.

**Hypothesis 4 (H4):** The effect of an individual’s social interaction diversity in the workplace on his or her social trust in the workplace is stronger in collectivistic than individualistic cultures.

**Method**

**Sample**

To test the hypotheses, the authors conducted surveys in two nations, Canada and China. On the individualism-collectivism spectrum, Canada is graded 80, indicating a very individualistic culture, while China is graded 20, indicating a very collectivistic culture (Hofstede, 2012).

In Vancouver, Canada, 125 organizations affiliated with the British Columbia Chapter of the American Marketing Association were randomly selected to participate in the survey; 57 of these organizations agreed to participate (response rate = 45.6%). A total of 300 individuals were randomly selected from these organizations; at least 5 respondents per organization were sought. These individuals were invited by phone and email to participate in an online survey; invitations were followed up by phone or email at least twice, and 209 valid questionnaires were returned (response rate = 69.7%). The number of respondents per organization ranged from one to nine. After omitting organizations with an inadequate number of observations (i.e., fewer than three respondents; Aupperle, Carroll, & Hatfield, 1985), the sample was reduced to 178 individuals in 42 organizations; on average, the number of respondents per organization was 4.2. The authors kept organizations with at least three observations because they included in the analytical models an organizational-level control variable, *perceived trustworthiness in organizational treatment of employees*, which is a construct aggregated at the organizational level. To allow a test of inter-rater reliability in assessing such a subjective measure for each organization, it is recommended by prior studies to keep only samples of at least three observations (Zhang, Hempel, Han, & Tjosvold, 2007).

Of the 42 organizations represented, 87% were for-profit; 88% were small to medium in size. The organizations belonged to the following industries: health
care (seven organizations), financial services (six), consulting and accounting (five), sales (five), social services (four), food (three), manufacturing (three), hotel/tourism (two), real estate (two), logistics (two), telecommunication (one), education (one), and hairdressing (one). Forty-one percent of the respondents were male. Age distribution of the sample was as follows: <20 years old, 6.6%; 20 to 30, 33.7%; 31 to 40, 25.9%; 41 to 50, 21.9%; >50, 11.6%. Distribution of educational backgrounds was as follows: no college education, 1.8%; some college education, 4.6%; bachelor’s degree, 39.4%; and graduate degree, 18.2%.

Before conducting the survey in China, the original questionnaire was first converted from English to Chinese through translation and back-translation. Both versions of the translation were cross-checked by two bilingual management researchers. To avoid misunderstanding, the Chinese version was pretested in Shanghai before being finalized. In the pretest, respondents showed strong resistance to answering questions about trust because they viewed such information as sensitive. To assure survey quality and increase the response rate, data were collected using personal networks. A professor at a major university in Shanghai who was not part of the research team helped to assemble a list of organizations. The list was based on the affiliations of her former MBA and EMBA students. With the help of these alumni, she then approached these organizations to enlist their participation in the survey. The authors visited each organization that agreed to participate in the survey ($N = 57$) and randomly selected at least five members per organization, inviting them to participate in a paper-based survey, and made follow-up phone calls to increase the response rate. Employees were informed (both orally and in writing) that their participation was voluntary, they had the right to withdraw from the study at any time they wished, and the individual and organizational information they provided would be kept confidential by the researchers. A total of 350 questionnaires were sent out, and 203 valid questionnaires were returned (response rate = 58%). After excluding organizations with fewer than three respondents, the sample consisted of 169 respondents in 38 organizations. The number of respondents in each organization ranges from 3 to 10 with an average of 4.4 respondents per organization.

Ninety-two percent of these organizations were in the for-profit sector, and 86% were small to medium in size. The organizations belonged to the following industries: manufacturing (eight organizations), sales (four), social services (three), automobile maintenance services (three), consulting services (three), financial services (three), food (three), construction (three), information technology (IT; two), research (two), tourism (one), real estate (one), logistics (one), and film (one). Of the individual respondents, 61% were male; 6.6% were less than 20 years old, 57.3% between
20 and 30, 27.3% between 31 and 40, 4.8% between 41 and 50, and 2.2% older than 50; 13.4% had no postsecondary education, 31.8% had some college education, 43% had a bachelor’s degree, and 11.8% had a graduate degree.

Although this data collection method helped alleviate, to a high degree, respondents’ concerns regarding the sensitivity of the topics in this survey, a potential shortcoming of using a convenience sample is that the subjects may not be representative of the population. The authors thus compared the demographic characteristics and the voluntary association memberships of the subjects with those of the population (i.e., local workforce). The authors found that the sample represented the local workforce fairly closely. For example, the proportion of respondents working for not-for-profit organizations was 9.1%, close to the ratio of the local labor force working in the not-for-profit sector in Shanghai (8.6%; Statistics Shanghai, 2003). The average age was 31 years, somewhat younger than that of the local labor force (37 years; Statistics Shanghai, 2003). In terms of gender, the proportion of male employees was 60.6%, approximating the ratios of men in the labor force in Shanghai (57.7%; Statistics Shanghai, 2003). In addition, 15% of the Chinese respondents were affiliated with political associations, close to the rate reported by other researchers (13%-19%; Bian, Shu, & Logan, 2001).

Measures

Diversity of social interactions in the community. Prior research on social capital in the community has shown that individuals’ social experience in voluntary associations is a reliable and valid measure of their social experience in the community (Brehm & Rahn, 1997; Claibourn & Martin, 2000; Letki, 2004; Pickup et al., 2004; Stolle, 1998). Following these studies, the authors used individuals’ social interactions in voluntary associations to measure the diversity of their social experiences in the community.

A measure of the diversity of social interactions in various voluntary associations should capture not only the scope of different voluntary associations in which an individual participates but also the distribution (i.e., reverse of concentration) of his or her social interactions across these associations. The authors therefore used an entropy-based index to measure the diversity of social interactions in the community, following prior research (Acar & Sankaran, 1999; Cummings, 2004; Raghunathan, 1995; Wiersema & Bantel, 1992). Entropy was calculated as a weighted average of the proportion of interaction ties in each of the voluntary associations. Respondents were asked to indicate their membership within the past 12 months in a wide range of voluntary associations,
including professional, alumni, political, religious, ethnic, charity, activist, social, sports, and other associations (Brehm & Rahn, 1997; Stolle & Rochon, 2001). They were also asked to specify the number of ties they developed in each association. The entropy index is calculated using the following formula:

\[
\text{Entropy} = \sum_{i}^{n} \left[ (P_i) \times \ln \left( \frac{1}{P_i} \right) \right],
\]

where \( P_i \) is the proportion of ties that an individual developed in association \( i \) among the total number of ties that this individual developed in all associations, and \( n \) is the total number of voluntary associations in which an individual participated. The minimum value of the entropy index is zero, when an individual participates in only one voluntary association (i.e., \( P = 1 \)). If an individual participates in 10 different associations, then the maximum value of the entropy index equals 2.30, when this individual spends his or her time evenly in each of the associations (i.e., \( P_i = .1 \)).

**Diversity of social interactions in the workplace.** Following Stolle (1998), the authors asked four questions about respondents’ social interaction diversity in the workplace. These questions measure, respectively, the percentage of time they spent at work interacting with employees of different race, gender, age cohort, and functional background. Factor analysis of these four percentages indicated one latent factor, labeled as the diversity of social interactions in the workplace (Cronbach’s \( \alpha = .76 \)). The authors then used the sum of these percentages to measure this construct.

**Social trust in the workplace.** Social trust in the workplace was measured based on the six-item scale developed by Yamagishi and Yamagishi (1994), which measures social trust in the community on a 7-point Likert-type scale (1 = strongly disagree, 4 = neither disagree nor agree, 7 = strongly agree). The scale was modified to suit the organizational context (Cronbach’s \( \alpha = .74 \)). Sample items include “I trust a typical employee in this organization” and “It is best not to share concerns or complaints with coworkers because they will probably use this information to harm you” (reverse scored). A complete list of scale items is provided in the appendix.

**National culture.** The authors created a dummy variable to measure individualistic versus collectivistic cultures. This variable equals one if a subject is from Canada (an individualistic culture), and zero if from China (a collectivistic culture).
Individual-level control variables. Because people with a high propensity to trust are inclined to trust others in general (Rotter, 1967), the authors controlled for individuals’ propensity to trust, using a measure developed by Huff and Kelley (2003) on a 7-point Likert-type scale (1 = strongly disagree, 4 = neither disagree nor agree, 7 = strongly agree; Cronbach’s α = .80). A sample item is, “I believe that people usually keep their promises.” Second, the authors controlled for individuals’ demographical characteristics, such as age and gender (0 = female, 1 = male), because people of different ages and genders may exhibit different levels of participation in voluntary associations and different views on the trustworthiness of others (Putnam, 1995; Uslaner, 2004). For example, Putnam (1995) found that older people belong to more organizations and are less misanthropic. Feingold (1994) found in a meta-analysis that females tend to exhibit higher levels of trust than males. Third, the authors controlled for employees’ socioeconomic status in terms of postsecondary education (0 = none; 1 = 1 year; 2 = 2 years; 3 = 3 years; 4 = bachelor’s degree; 5 = master’s degree; 6 = PhD; Letki, 2004); monthly income (Brehm & Rahn, 1997); and job level (1 = manager, 0 = nonmanager; Stolle, 1998), because high status may encourage individuals to trust more. For example, highly educated people are more likely to join voluntary associations and trust others because they are economically better off and have acquired important skills and resources at home and in school that equip them to trust more (Putnam, 1995). Fourth, the authors also included the respondent’s total number of interpersonal ties in voluntary associations and in the workplace, respectively, as controls for the potential influence of the intensity of social interactions on the development of social trust in the workplace. The authors derived the number of interpersonal ties in the community by adding the number of ties that an individual developed in all of his or her voluntary associations in the past 12 months. The authors measured the number of interpersonal ties in the workplace by asking the participants to indicate the number of one-to-one personal connections they had at work in the past 12 months. Finally, the authors controlled for the number of hours the respondents spent at work per week, as a reflection of their workload intensity, which may influence their attitude of trust toward one another (Cordes & Dougherty, 1993).

Organizational-level control variables. The authors controlled for organizational size (Dutta & Crossan, 2005), because having a large number of colleagues may inhibit the development of trust toward them as a group (Stolle, 1998). The authors adopted a commonly accepted measure of organizational size—the number of employees (Ahuja, 2000; Katila & Chen, 2008)—and used the natural logarithm of this number to reduce its skewness. The authors also controlled for whether an organization belonged to the for-profit or the not-for-profit sector (0 = not-for-profit; 1 = for-profit), as the ethical climate in
not-for-profit organizations normally reflects higher benevolence factors than that in for-profit ones (Brower & Shrader, 2000), and such differences in climate may produce different trust-related attitudes and behaviors among employees in the two sectors (Kasper-Fuehrer & Ashkanasy, 2001). Last but not least, the authors controlled for perceived trustworthiness in organizational treatment of employees. According to the research on institutional trust, such perceptions may influence individuals’ willingness to trust in the workplace (Zucker, 1986). This variable was measured using the six-item scale developed by Caldwell and Clapham (2003; Cronbach’s α = .85), which particularly emphasizes the extent to which an organization is honest with its employees, a decisive factor in employees’ inferences as to whether the organization is trustworthy (Butler, 1991; Larzelere & Huston, 1980; Mayer et al., 1995; Mishra, 1996). Respondents rated each item on a 7-point Likert-type scale (1 = strongly disagree, 4 = neither disagree nor agree, 7 = strongly agree). A sample item is, “The organization honors its commitments.” Because perceived organizational trustworthiness is an organizational characteristic, the authors constructed an organizational-level measurement of this variable. This variable was assigned a value equal to the average of all responses from participants belonging to the same organization, excluding the response of the individual whose level of social trust was being predicted (Robinson & O’Leary-Kelly, 1998).

To ensure that aggregating data from individual members to create organizational-level data was appropriate, the authors first calculated within-group agreement statistics ($r_{wg}$). The results of this calculation indicated that respondents exhibited a very high level of agreement on this aggregated variable, with a median of .90, exceeding the acceptable level of .70 (Janz, Colquitt, & Noe, 1997). To further justify the aggregation, the authors also calculated the value of intraclass correlation coefficients ICC[1] and ICC[2]. The ICC[1] measures the extent to which individual-level variability on a measure can be explained by higher level units (Sun, Aryee, & Law, 2007); the value of ICC[1] is based on ANOVA (Bliese, 2000). The ICC[2] estimates the reliability of group means. In this study, the group effect, or the $F$ value of the ANOVA for perceived organizational trustworthiness, was 6.21 ($p \leq .01$). Using the Spearman-Brown formula, the authors derived the ICC[2] for this variable at .78, exceeding the .60 criterion suggested by Glick (1985). Taken together, the $r_{wg}$, ICC[1], and ICC[2] justified the aggregation of perceived trustworthiness in organizational treatment of employees to the organizational level.

**Common Method Variance**

Single-sourced surveys may have the problem of common method bias. This problem may be severe when all variables are measuring perceptions on similar scales (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). As suggested by
prior studies, the authors followed several procedures in designing the survey instruments to minimize the bias and the authors used statistical methods to estimate the magnitude of the potential bias (Cote & Buckley, 1987; Lindell & Whitney, 2001; Podsakoff et al., 2003; Podsakoff & Organ, 1986). When designing the survey, the authors diversified the measurements of the key variables using subjective, objective, and aggregated constructs (Podsakoff et al., 2003). The dependent variable, social trust in the workplace, was measured using subjective ratings on a 7-point Likert-type scale. The independent variables, diversity of social interactions in the community and in the workplace, were measured using objective numbers, which are less likely to be biased. The first independent variable, diversity of social interactions in the community, was an entropy index, constructed based on the number of people with whom an individual interacted in voluntary associations. The second independent variable, diversity of social interactions in the workplace, was constructed based on the fractions of time that each respondent actually spent with various types of colleagues. In addition, the authors empirically estimated the extent to which the measures were influenced by common method bias, following the procedure recommended by prior studies (Chang, Van Witteloostuijn, & Eden, 2010; Cote & Buckley, 1987; Zhou, Brown, Dev, & Agarwal, 2007). Specifically, the authors estimated the method/trait/trait-and-method models using structural equation modeling methods.

1. Model 1 is the method-only model in which all measurement items were loaded on one factor ($\chi^2 = 1,969.688$, $p \leq .001$; comparative fit index [CFI] = .47; Tucker–Lewis index [TLI] = .34; root mean square error of approximation [RMSEA] = .159).

2. Model 2 is the trait-only model in which each measurement item was loaded on its respective scale ($\chi^2 = 696.195$, $p \leq .001$; CFI = .84; TLI = .80; RMSEA = .088).

3. Model 3 is the trait-and-method model in which a common factor linking all the measurement items was added into Model 2 ($\chi^2 = 39.420$, $p \leq .001$; CFI = .93; TLI = .89; RMSEA = .064).

Results from this test indicated that Model 3 and Model 2 fit the data much better than Model 1 and that the fit of Model 3 is only slightly better than that of Model 2. This shows that the trait rather than the common method factor explains most of the variance. Because the common factor does not sufficiently describe the data, common method bias is unlikely to be a concern for this study.

Furthermore, the authors estimated the method/trait/trait-and-method models for the Canadian and the Chinese samples separately, to examine
whether there is a significant common method bias in either of the samples. The results below indicate that common method bias is not a significant concern in the individual samples either.

1. Model 1: Canadian: $\chi^2 = 1,078.403, p \leq .001; \text{CFI} = .485; \text{TLI} = .357; \text{RMSEA} = .171$; Chinese: $\chi^2 = 839.596, p \leq .001; \text{CFI} = .534; \text{TLI} = .417; \text{RMSEA} = .15$.
2. Model 2: Canadian: $\chi^2 = 437.818, p \leq .001; \text{CFI} = .838; \text{TLI} = .789; \text{RMSEA} = .098$; Chinese: $\chi^2 = 336.565, p \leq .001; \text{CFI} = .871; \text{TLI} = .832; \text{RMSEA} = .08$.
3. Model 3: Canadian: $\chi^2 = 256.956, p \leq .001; \text{CFI} = .928; \text{TLI} = .892; \text{RMSEA} = .070$; Chinese: $\chi^2 = 228.491, p \leq .001; \text{CFI} = .931; \text{TLI} = .897; \text{RMSEA} = .063$.

Analyses and Results

Table 1 reports the means, standard deviations, and correlations of the variables that are initial checks of zero-order relationships. The correlation results are consistent with the hypotheses. For example, individuals’ social trust in the workplace is positively correlated with their social interaction diversity both in the community ($r = .143, p \leq .01$) and in the workplace ($r = .099, p \leq .10$).

The authors tested these hypotheses using ordinary least squares (OLS) regression analysis in a hierarchical procedure. The results are presented in columns 2 to 6 of Table 2. The authors found that diverse social interactions in the community was positively associated with employees’ social trust in the workplace ($\beta = .192, p \leq .01$); this finding supports Hypothesis 1. However, the interaction term between social interaction diversity in the community and national culture is not significant ($\beta = .004, \text{ns}$), indicating that this positive effect does not vary across the two national cultures. Thus, Hypothesis 2 is not supported. The authors also found that employees’ social interaction diversity in the workplace was positively related to their social trust in the workplace ($\beta = .082, p \leq .10$); thus, Hypothesis 3 was supported. In addition, the interaction term between social interaction diversity in the workplace and national culture is negative ($\beta = -.232, p \leq .01$), indicating that the effect of social interaction diversity in the workplace on social trust in the workplace is more significant in the collectivistic culture. Note that when the value of national culture equals one, the multiplicative effect of social interaction diversity in the workplace on social trust in the workplace is negative ($\beta = -.035$), which may raise a concern whether social interaction diversity in the workplace would result in less social trust in the workplace in
### Table 1. Descriptive Statistics and Zero-Order Correlations.

<table>
<thead>
<tr>
<th>Variables</th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
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<th>9</th>
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<th>12</th>
<th>13</th>
<th>14</th>
<th>15</th>
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</thead>
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<td></td>
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</tr>
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</tr>
<tr>
<td>3. Diversity of social interactions in the workplace</td>
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<td>.099</td>
<td>−.141</td>
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<tr>
<td>4. Propensity to trust</td>
<td>4.386</td>
<td>1.010</td>
<td>.447</td>
<td>.018</td>
<td>.090</td>
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<td>5. Age</td>
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<td>.044</td>
<td>.045</td>
<td>−.112</td>
<td>.177</td>
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</tr>
<tr>
<td>6. Gender</td>
<td>0.510</td>
<td>0.501</td>
<td>.002</td>
<td>.076</td>
<td>−.005</td>
<td>.006</td>
<td>.008</td>
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<tr>
<td>7. Education</td>
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<td>.096</td>
<td>−.114</td>
<td>−.148</td>
<td>.017</td>
<td>.067</td>
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<td>8. Income</td>
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<td>.057</td>
<td>−.081</td>
<td>−.019</td>
<td>.236</td>
<td>.041</td>
<td>.235</td>
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<td>9. Job level (1 = manager)</td>
<td>0.350</td>
<td>0.477</td>
<td>.056</td>
<td>.078</td>
<td>−.073</td>
<td>.120</td>
<td>.254</td>
<td>.055</td>
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</tr>
<tr>
<td>10. Work hours</td>
<td>45.970</td>
<td>12.206</td>
<td>.126</td>
<td>.019</td>
<td>.065</td>
<td>.205</td>
<td>.019</td>
<td>.148</td>
<td>−.129</td>
<td>.293</td>
<td>.102</td>
<td></td>
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<tr>
<td>11. Number of interpersonal ties in the workplace</td>
<td>62.259</td>
<td>10.706</td>
<td>−.090</td>
<td>−.064</td>
<td>.060</td>
<td>−.054</td>
<td>−.012</td>
<td>−.001</td>
<td>−.155</td>
<td>−.061</td>
<td>.043</td>
<td>.060</td>
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<tr>
<td>12. Number of interpersonal ties in the community</td>
<td>5.812</td>
<td>15.054</td>
<td>.005</td>
<td>.529</td>
<td>.022</td>
<td>.003</td>
<td>−.050</td>
<td>.100</td>
<td>.049</td>
<td>−.013</td>
<td>.019</td>
<td>−.026</td>
<td>.039</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. Industrial sector (1 = for-profit)</td>
<td>0.842</td>
<td>0.365</td>
<td>.046</td>
<td>−.094</td>
<td>−.007</td>
<td>−.126</td>
<td>−.036</td>
<td>−.015</td>
<td>.012</td>
<td>−.031</td>
<td>.039</td>
<td>−.223</td>
<td>−.070</td>
<td>−.040</td>
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<td></td>
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<tr>
<td>14. Organizational size</td>
<td>4.798</td>
<td>2.185</td>
<td>−.068</td>
<td>.009</td>
<td>.011</td>
<td>.001</td>
<td>.112</td>
<td>.094</td>
<td>.182</td>
<td>.013</td>
<td>.147</td>
<td>−.019</td>
<td>−.016</td>
<td>−.014</td>
<td>−.070</td>
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<tr>
<td>15. Perceived trustworthiness in organizational treatment of employees</td>
<td>4.450</td>
<td>0.726</td>
<td>.218</td>
<td>.019</td>
<td>.067</td>
<td>.116</td>
<td>.022</td>
<td>.025</td>
<td>−.222</td>
<td>−.091</td>
<td>.017</td>
<td>.204</td>
<td>.073</td>
<td>.054</td>
<td>.073</td>
<td>−.377</td>
<td></td>
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<tr>
<td>16. National culture (1 = Canada)</td>
<td>0.507</td>
<td>0.501</td>
<td>.000</td>
<td>.007</td>
<td>.000</td>
<td>−.008</td>
<td>−.013</td>
<td>−.009</td>
<td>.007</td>
<td>.004</td>
<td>.008</td>
<td>−.012</td>
<td>−.006</td>
<td>.003</td>
<td>−.012</td>
<td>.002</td>
<td>.002</td>
</tr>
</tbody>
</table>

Note. Correlations are significant at .1 level if they are more than |.092|, significant at .05 level if they are more than |.106|, significant at .01 level if they are more than |.138|. 
an individualistic culture. To examine this possibility, the authors ran additional analysis using the Canadian sample only. The authors found that this effect is not significant in this individualistic society ($\beta = -0.052$, ns). Overall, the results support Hypothesis 4.

The authors conducted several robustness checks to validate the findings. First, because error terms of observations belonging to the same organization may be correlated, the assumption of independent errors in OLS regression is at risk of being violated, which would result in biased estimation of standard errors. In such a situation, correcting for the autocorrelation caused by the cluster sampling is normally recommended. The authors controlled for the clustering effect in the OLS regression using STATA 9.0, a procedure that is core to cross-level data-analysis methods. Regression results based on robust standard errors (after correction) are reported in column 7 of Table 2. These results are highly consistent with the OLS regression estimates, indicating that the findings are robust to the clustering effect.

Second, because of the cross-sectional design of this study, there is a potential problem of reverse causality (e.g., social trust in the workplace may also have some influence on social interaction diversity in the community). Then a key assumption of OLS regression, that independent variables are not correlated with the error terms, is violated. To test the robustness of the results to that possibility, the authors followed a standard econometric procedure, employing a two-stage least-squares (2SLS) model in which the authors used an instrumental variable (in this case, the total number of voluntary associations in which an individual participated in the past 12 months) for social interaction diversity in the community (Heckman, 1979). The results are very robust, and are presented in column 8 of Table 2.

Third, the theoretical framework focuses on the relationship between individual-level social interactions and social trust. There is the possibility of an indirect multiplier effect whereby individuals’ social interactions in community organizations not only help raise their individual-level social trust but also contribute to an emergence of a climate of trust in the workplace that supports the social trust of other organizational members, even those who do not have direct involvement in the community organizations. It is possible, therefore, that two complementary mechanisms—one operating at the individual level where diverse interaction experiences in community organizations are transformed into social trust in the workplace, and the other operating at the workplace level where the accumulation of social trust by individuals involved in the community fosters the creation of a climate of trust that supports the internal development of social trust in the workplace—more fully explain why higher social interaction diversity in the community is likely to result in higher social trust in the workplace. The question of the relative effect of these two mechanisms in fostering social
Table 2. Regression Analyses of Social Trust in the Workplace.

<table>
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<tr>
<th>Variables</th>
<th>Controls</th>
<th>Hypothesis 1</th>
<th>Hypothesis 2</th>
<th>Hypothesis 3</th>
<th>Hypothesis 4</th>
<th>Clustering-effect controlled</th>
<th>2SLS</th>
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<tr>
<td>community</td>
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<tr>
<td></td>
<td>.192**</td>
<td>.190*</td>
<td>.215**</td>
<td>.227**</td>
<td>.227**</td>
<td>.333*</td>
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<td>-.029</td>
<td>-.029</td>
<td>-.118</td>
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<tr>
<td>community × National culture</td>
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<td></td>
<td></td>
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<tr>
<td>Diversity of social interactions in the</td>
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<td>.197**</td>
<td>.197*</td>
<td>.209*</td>
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<td></td>
<td></td>
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<td></td>
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<tr>
<td>workplace × National culture</td>
<td>-.232**</td>
<td>-.232*</td>
<td>-.241*</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Propensity to trust</td>
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<td>.427**</td>
<td>.428**</td>
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<td>-.062</td>
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<td>-.002</td>
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<td>.012</td>
<td>.008</td>
<td>.008</td>
<td>.010</td>
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<tr>
<td>Job level (1 = manager)</td>
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<td>-.015</td>
<td>-.001</td>
<td>-.006</td>
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<td>.026</td>
<td>.018</td>
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<td>-.058</td>
<td>-.059</td>
<td>-.052</td>
<td>-.052</td>
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<td>-.094†</td>
<td>-.113*</td>
<td>-.108†</td>
<td>-.108†</td>
<td>-.143*</td>
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<td>.008</td>
<td>-.000</td>
<td>-.009</td>
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<td>.009</td>
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<td>.095*</td>
<td>.106*</td>
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<td>.114†</td>
<td>.116†</td>
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<td>.164**</td>
<td>.163**</td>
<td>.175**</td>
<td>.175*</td>
<td>.175*</td>
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<td>treatment of employees</td>
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<td>-.001</td>
<td>-.001</td>
<td>-.002</td>
<td>-.002</td>
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<td>.262</td>
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<td>.0001</td>
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Note. Standardized regression coefficients are reported. 2SLS = two-stage least-squares.

†$p \leq .1$, *$p \leq .05$, **$p \leq .01$.
trust is of considerable importance. To answer this question, the authors employed multilevel analysis to examine both the individual- and the organization-level effects. The authors used the organization-average of social interaction diversity in the community as a proxy of the climate of trust, and employed the PROC MIXED procedure in SAS 9.3 to conduct the analysis. This study found that the effect of the climate of trust is not significant ($\beta = -0.047$, $ns$), while that of individual-level social interaction diversity in the community still holds ($\beta = 0.203$, $p \leq 0.01$). The authors also conducted the analysis for the Chinese sample only, where the effect of social interaction diversity in the workplace is significant. The analysis indicates that the effect of the social interaction diversity in the workplace still holds ($\beta = 0.153$, $p \leq 0.05$), but the indirect multiplier effect (i.e., the climate of trust) is not significant ($\beta = -0.18$, $ns$). These findings might be attributed to the fact that the sample size in each organization is too small for the multiplier effect to emerge. Future research would benefit from employing a larger sample and further investigating the possibility of an organization-level multiplier effect of social trust development.

**Discussion**

Extending prior research on the development of social capital in the community, the authors developed and tested hypotheses regarding the relationship between diverse social interactions and the development of social trust in the workplace. This study distinguished between two types of social interactions: those in the community and those in the workplace. This study found that diversity of individuals’ social interactions in the community is positively associated with their social trust in the workplace; this relationship does not vary between individualistic and collectivistic cultures. Social interaction diversity within the workplace, however, is associated with social trust in the workplace, only in China, the collectivistic society.

This research extends the classic literature on the development of social capital in society in both the theoretical and the empirical fronts. First, the authors enriched the social capital literature by theorizing that social trust has both cognitive and affective foundations. This theorization tightens the connection between the research on community social capital and the mainstream literature on trust in organizations. Second, the authors argued that diverse social experiences in the community help develop both cognitive skills and positive affect, which can be carried over to the workplace. The study found that community social experiences of employees foster social trust in the workplace. This relationship was found robust in two national cultures positioned in the opposite ends of the collectivism-individualism
Diverse social interactions in the workplace, in contrast, increase individuals’ workplace social trust only in the collectivistic society, China; this result suggests that workplace-specific cognitive skills may make a more significant contribution to social trust development in the workplace in societies where specific social norms are expected to be applied in different types of social circles than in societies where social norms are less targeted. The authors note, however, that other sociocultural differences can also affect social trust development. For example, workplaces in China provide more opportunities for positive affect to develop among employees than those in Canada, because work tends to be a larger part of people’s lives in China than in Canada (Bu & McKeen, 2000). Due to the influence of the collectivistic culture and communism, workplaces in China have a more dominant role in the socialization of workers and in community building than those in Canada. For instance, with the aid of their Unions and Committees of the Youth Leagues, Chinese firms organize regularly firmwide communal activities, such as sports meets, Children’s Day gatherings, and folk-festival galas, involving employees and their families. These activities encourage employees to express their interdependent selves and develop strong emotional bonds to one another (Markus & Kitayama, 1998). Given the larger scope and intensity of such activities in Chinese workplaces, it is plausible that social interactions in a Chinese firm are likely to provide a stronger affective basis for workplace social trust development in China than in Canada.

The results concerning the control variables were largely in line with the expectations. Consistent with the literature, these results show that an individual’s propensity to trust is significantly associated with his or her social trust in the workplace ($\beta = .428, p \leq .01$). In addition to what is explained by the propensity to trust, diverse social interactions (in the community and the workplace) also account for a significant proportion of the variance in workplace social trust, particularly in the collectivistic culture. For instance, the coefficients for social interaction diversity in the community and social interaction diversity in the workplace are respectively .227 ($p \leq .01$), and .197 ($p \leq .01$) in the full model (column 6 of Table 2). An important implication of this finding is that people’s trust is founded not only on personal, trait-related, psychological resources, which represent the dispositional account of trust, but also on social resources, which represent the cognitive- and the affective-account of trust.

In line with prior research, this study found that in not-for-profit organizations, where, arguably, organizational climate is characterized by higher ethical standards (Kasper-Fuehrer & Ashkanasy, 2001), employees tend to develop a higher level of social trust ($\beta = .114, p \leq .05$). These findings also echo the research on institutional trust (Zucker, 1986), showing that when an organization is perceived as being trustworthy in its treatment of its employees, a norm
of trust is formed within it, and therefore employees tend to trust others more \( (\beta = .175, p \leq .01) \).

Different from the earlier assumption, these data show that individuals’ job levels are not significantly related to their social trust in the workplace \( (\beta = -.006, ns) \). This finding seems to indicate that although bureaucratic power and managerial experience may increase one’s cognitive resources that support social trust development; the experiences associated with higher levels of organizational politics may as well induce the development of a cynical perspective that reduces trust. That is, the positive effect on social trust of high psychological resources may be reduced, if not eliminated, by a cynical attitude about the opportunistic inclinations of others.\(^7\) Future research may benefit from theorizing and empirically testing the direct links of authority—cynicism and cynicism—social trust.

The results also indicate that the numbers of ties in the community and the workplace are not significantly associated with individuals’ social trust in the workplace. Additional analyses indicated that in the Chinese sample, the number of interpersonal ties in the community is marginally negatively associated with social trust in the workplace \( (\beta = -.168, p \leq .10) \). The results seem to suggest that while the diversity of social interactions broadens one’s relational space and enriches one’s cognitive and affective resources to deal with a wide range of others, the number of interactions per se does not have a positive effect on trust. Indeed, it may represent the intensity of social interactions with a particular group of people that may narrow one’s opportunities to learn interpersonal skills and to generalize positive emotions, therefore decreasing one’s confidence in dealing with others in general (Yamagishi & Yamagishi, 1994). Such effect is probably more pronounced in a collectivistic culture where trust is often held tightly within a small circle of in-groups, while out-groups are usually not trusted. These results provide an additional support to the argument regarding the role of social interaction diversity in the development of social trust in the workplace.

**Limitations**

This research is not without its limitations. First, the authors are aware that for the purpose of drawing conclusions about causality, an experimental or longitudinal study design would be preferable to a cross-sectional design. The authors have concluded that the possibility of reverse causality is not a significant risk on the basis of rigorous econometric analyses. Nonetheless, future studies extending this research may benefit from adopting an experimental or longitudinal design to further minimize this possibility.

Another possible limitation concerns the measure of individuals’ social interaction experiences in voluntary associations. This measure does not
account for the possible loss of knowledge through depreciation of social experiences over time (Arthur & Huntley, 2005). Researchers studying organizational learning and knowledge have found that experience-based knowledge depreciates fairly rapidly (Argote, Beckman, & Epple, 1990; Epple, Argote, & Devadas, 1991). If social interactions in one voluntary association take place much earlier than those in other voluntary associations, the former experiences may not be as fresh as those obtained later, and thus may contribute less to an individual’s current cognitive skills or affective state. The effects of this potential limitation on the results may be minimal, however, because respondents were asked about their activities with voluntary associations within a relatively short time window (i.e., the previous 12 months).

The measurement of social interactions in the community is based on individuals’ self-report of the ties that they developed. It would be ideal if researchers could capture whether the other side of the ties also acknowledges the existence of the relationships. The current measure would have been problematic if ties were used as a measure of friendships because both sides of the ties may have asymmetric perception of friendships.

Another important limitation of the study was the reliance on survey data using a quantitative method of analysis. Qualitative case studies can provide a deeper appreciation of the influence of contextual variables and understanding of trust development mechanisms. Furthermore, intensive case studies with more observations in fewer organizations can ensure better representation of the trust cultures in the organizations studied. The trade-off, however, was that a larger sample of organizations instead of a smaller sample size increased the generalizability of the findings. Future research could benefit from adding intensive case studies that provide richer observations and deeper understanding of each case.

Another area that deserves future investigation is the impact of demographic homogeneity or heterogeneity on the development of social trust. One interesting question, based on the literature of relational demography (O’Reilly, Caldwell, & Barnett, 1989; Riordan & McFarlane Shore, 1997), is whether the similarity of demographic characteristics between an individual and members of voluntary associations affect the individual’s social experiences in these organizations and consequently his or her social trust. Another interesting question that deserves investigation is whether demographic heterogeneity in voluntary associations develops the cognitive or the affective bases of social trust.

In addition, this study mainly focuses on the interactions among coworkers in measuring diversity of workplace social interactions. Future research would benefit from examining whether other types of workplace social interactions, particularly those between employees and clients or vendors, also influence social trust development.
Finally, this theoretical framework, with respect to the affective and cognitive mechanisms through which social trust develops, is founded on prior research on trust and the psychology theory of mental processing. Nonetheless, this study did not directly measure these two mechanisms. Future research is needed to empirically test the separate and combined effects of these causal mechanisms in social trust development.

Managerial Implications

Prior research provides ample evidence to show that a climate of trustworthiness and a high level of interpersonal trust in the workplace benefit organizations in multiple ways. Zaheer, McEvily, and Perrone (1998), for example, showed that trust can reduce internal conflicts, while Robinson (1996) suggested that trust strengthens the psychological contract between employees and their organizations. McAllister (1995) found that trust in the workplace is a strong predictor of employees’ organizational citizenship behavior, which in turn results in enhanced employee and manager performance. Tsai and Ghoshal (1998) found that trust in multiunit organizations enhances interunit resource exchange, and significantly improves product innovation. Overall, researchers have suggested that trust, which enhances both individual and organizational performance, matters in organizations (McAllister, 1995; Tsai & Ghoshal, 1998; Zaheer et al., 1998), and that it is an important source of competitive advantage of the firm (Barney & Hansen, 1994).

Findings in this research thus provide an important message to managers who are seeking to enhance competitive advantage by developing a trust culture in the workplace. The research suggests that managers need to recognize the benefits of the social and demographic diversity of their employees’ interactions, both in and outside the workplace. Based on these findings, employees’ diverse social interactions can foster social capital in the workplace. Employees who participate in a variety of associations in the community are likely to trust others in the workplace to a greater extent. Thus, the first important take-home message for managers is that employees’ out-of-workplace social activities can benefit organizations’ internal social relationships. The second message is directed mainly to managers in collectivistic cultures. The authors suggest that these managers make an effort to create opportunities for more diverse social interactions among employees in the workplace, in particular opportunities where emotional ties between employees can more easily evolve. Such interactions are especially important for workplace trust development when the opportunities to be involved in diverse community organizations are more limited.
Conclusion

Building on the classic literature on the development of social capital in the community, this study highlights the importance of diverse social interactions in the development of social trust in the workplace. The authors found that employees’ social trust in the workplace is positively related to their social interaction diversity in the community, in both collectivistic and individualistic cultures. The diversity of social interactions in the workplace fosters social trust development mainly in collectivistic cultures. An important implication is that organizations should facilitate their employees’ participation in diverse organizations in the community to promote trusting attitudes and behaviors in the workplace.

Appendix

Measurement of the Dependent Variable and the Independent Variables

1. Diversity of Social Interactions in the Community is measured based on the following information:

Please indicate the number of one-to-one personal contacts you have in the following organizations in which you have been actively involved in the past 12 months:

Professional associations, alumni associations, political associations, religious organizations, ethnically based organizations, charity associations, activist groups, social/interest clubs, sports teams/associations, and other voluntary associations.

2. Diversity of Social Interactions in the Workplace (items developed based on Stolle, 1998):

Within your present organization, please indicate the percentage of time you spend, on average, interacting with the following groups of people:

1. People with different races or ethnicities;
2. People in different age groups;
3. People of the opposite gender;
4. People with different professional/functional backgrounds;

3. Social Trust in the Workplace (items adapted from Yamagishi & Yamagishi, 1994).
Please rate the following items concerning your current workplace on a 7-point scale: (1 = strongly disagree, 4 = neither disagree nor agree, and 7 = strongly agree)

1. I trust a typical employee in this organization
2. It is best not to share concerns or complaints with coworkers because they will probably use this information to harm you (reverse scored)
3. Most employees don’t like to work and will avoid it if they can (reverse scored)
4. Despite what they may say, managers really don’t care if employees lose their jobs (reverse scored)
5. If someone in this organization makes a promise, others within the organization will almost always trust that the person will do his or her best to keep the promise
6. There is a high level of trust throughout this organization

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Notes
1. Recent researchers have found that other individual states and traits such as psychological safety may also be associated with perceived trustworthiness of others (Roussin & Webber, 2011). Psychological safety is defined as one’s sense of being able to employ one’s self without fear of negative consequences to self-image, status, or career (Kahn, 1990). This finding is in line with the argument in the following section that social interaction experiences develop one’s social and political skills, which in turn foster the feeling of safety so that an individual can maintain a high level of social trust. The authors thank an anonymous reviewer for suggesting this argument.

2. These research findings, however, do not mean that people in collectivistic cultures are incapable of trusting others outside their immediate social circle. Indeed, while individuals in collectivistic societies are less inclined to socially interact with others who are at a large distance from their social circle, once they do so they develop the cognitive skills, and possibly emotional links (e.g.,
friendships), to deal with them. As a result, individuals are willing to take more risks in their future relations with the others and those in equivalent social circles (i.e., expanding their radius of trust; see, for example, Yamagishi & Yamagishi, 1994).

3. Workplace interactions largely take place between coworkers in the physical premises of the employer. However, they may also include other interactions between coworkers in off-premises activities mandated by the employer, such as participation in a firm retreat.

4. The two-stage least-squares (2SLS) method is used to estimate causal relationships when controlled experiments are not feasible. It allows consistent estimation when the explanatory variables are correlated with the error terms, which may occur when the dependent variable causes at least one of the independent variables (i.e., in cases of reverse causality). In this situation, ordinary linear regression (OLS) generally produces biased and inconsistent estimates. If an instrumental variable is available, consistent estimates may still be obtained. An instrumental variable is a variable that does not itself belong in the explanatory equation; it is correlated with the endogenous explanatory variables (in this case, social interaction diversity in the community) but not with the error terms. In the first stage of the 2SLS model, endogenous variables are regressed on all exogenous variables, including the instrumental variable. The predicted values of endogenous variables from the regressions are obtained. In the second stage, the regression of interest is estimated as usual, except that the endogenous variables are replaced with the predicted values from the first stage of the model. Because the predicted values are not caused by the dependent variable, nor are they correlated with the error terms, the assumption of OLS regression in the second stage is satisfied, and unbiased and consistent estimates are calculated.

5. The authors thank an anonymous reviewer for pointing out this question.

6. The authors thank an anonymous reviewer for pointing out this possibility.

7. The authors thank an anonymous reviewer for suggesting this explanation.

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