The Dynamic Nature of Trust Transfer and the Influence of Learning

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Abstract

Past studies on trust transfer have mainly relied on static theoretical perspectives. Yet, within organization and at interpersonal level, trust transfer typically develops over time. Moreover, empirical analyses on trust transfer are scarce. In this paper we use a dynamic approach to analyze the influence of a positive personal trusting history on the development of future trust transfers. Additionally, we investigate the relationship between past trust transfer reciprocations and future transfers of trust. Finally, we test the moderating influence of trustors´ learning on this relationship. Our results show that the existence of a positive personal trusting history helps explaining the occurrence of future trust transfers. We also find that the degree to which a trust transfer is reciprocated by the trustee has a positive influence on future transfers of trust. Moreover, the results suggest that the learning collected by the trustor moderates the relationship between the degree of reciprocation obtained by the trustor during previous trust transfers and the occurrence of future transfers of trust.

Key words: trust transfer, dynamic nature, learning, experimental analysis.

Introduction

Trust is a psychological state comprising the intention to accept vulnerability based on positive expectations of the intentions or behavior of another (Rousseau, Sitkin, Burt & Camerer, 1998). In this paper we focus on how trust can be transferred among agents. A transfer of trust occurs when an agent (i.e. trustor) trusts an unknown agent (i.e. trustee), who keeps a positive trusting history with a trusted third agent.

Trust transfers have received increasing attention in the literature of management (Stewart, 2003; 2006). However, empirical studies remain scarce and there have been calls in the literature for additional empirical analyses (McEvily, Perrone & Zaheer, 2003). Existing works have mainly relied on online environments (McKnight, Choudhury & Kacmar, 2002; Stewart, 2003), and only few works have addressed the transfer of trust in interpersonal contexts (Strub & Priest, 1976). In this paper we analyze trust transfers with a dynamic approach and we investigate the influence of the learning on future transfers of trust in an interpersonal context.

Henceforth, this work presents three contributions to the existing literature. First, unlike previous works, we develop a dynamic analysis of trust transfer to study how the transfer of

trust evolves over time. Second, this dynamic approach allows us to examine the influence of the learning on future trust transfers. And third, while many prior analyses of trust have assumed symmetry between the parties involved, some works have proposed that trust is not symmetrical (Castelfranchi, 2008). Therefore, this paper does not assume symmetry, but it does allow the possibility of symmetry to exist.

This paper is organized into five sections following this introduction. In the second section we give an overview on the theory about trust transfer and present the research hypotheses. Section three describes the methodology applied, and the measures. In the fourth section, we offer and interpret the results. Section five contains the conclusions as well as the limitations encountered. Finally, the sixth section offers several implications.

Key Concepts and Research Hypotheses Development

Key Concepts

Definitions of trust abound and rely on different aspects. Rousseau *et al* (1998) delimited trust as a psychological state comprising the intention to accept vulnerability based on positive expectations of the intentions or behavior of another.

With the purpose of achieving a higher degree of precision and control in the analyses, previous scholars have often treated trust as static. In this static view, the level of trust reflects a single point, rather than a distribution along an intra - or interpersonal continuum. Nevertheless, literature of trust in organizations has shown that trust starts, grows, declines, and even resurges (Miles & Creed, 1995). Recent works have stressed the importance of carrying out more empirical analyses dealing with the role of time in the evolution of trust (Tomlinson & Mayer, 2009).

Furthermore, most of previous studies have focused on the study of trust in dyads (i.e. a set of a trustor and a trustee), without giving much consideration to the social context that surrounds the dyad (Ferrin, Dirks & Shah, 2006). However, nowadays individuals are usually embedded in more than one dyad simultaneously, in which they play different roles (i.e trustor and trustee), and therefore interact with more than one counterpart. There are three ways in which a trustor and a trustee may be linked to each other via third-parties: network closure, structural equivalence, and trust transfer. In this paper we focus on trust transfer.

Prior literature has suggested several definitions of trust transfer. Doney, Cannon and Mullen (1998) proposed that a trust transfer occurs when one party (the trustor) ascribes trustworthiness to an unfamiliar exchange partner based on that partner's association with a trusted third-party. Three dimensions have been related to trustworthiness: integrity, ability and benevolence (Mayer, Davis & Schoorman, 1995). Hence, according to the definition mentioned above, a trust transfer occurs when the trustor believes an unfamiliar exchange partner to have enough levels of ability, integrity and benevolence to be trusted. However, it does not explicitly mention whether this trust between both parties finally takes place.

In this paper, we adopt a modification of Doney *et al´*s (1998) definition, according to which *a trust transfer happens when one party (the trustor) trusts an unknown agent (the trustee) based on that agent´s association with a trusted third party*. Unlike the definition proposed by Doney *et al* (1998), based on trustworthiness, ours does not rely on perceptions about certain characteristics of the trustee, but on whether the trustor displays a trusting behavior towards the trustee.

Trust, Trust Transfer, and Personal Trusting History

We begin by recognizing the idea that serves as the basis for much of the existing research in trust: that trustors will diagnose trustworthiness by referring to a trustee´s behavior in the dyad (Whitener, Brodt, Korsgaard & Werner, 1998). In this line, Kramer (1999) described

trustors as decision-makers who use information from their history of interactions with a partner to draw inferences about the partner's trustworthiness (see also Lewicki & Bunker, 1996).

Literature has proposed that trust relying on information about involved parties, which is developed through interactions over time, is knowledge-based trust. This concept refers to trust that is grounded in information about the other party collected through repeated interactions (Gefen, Karahanna & Straub, 2003). Thus, the key factor at this level of trust is the information derived out of a relationship over time that allows one partner to predict the behavior of another partner (Gefen *et al*, 2003; Ratnasingam, 2005). The assumption is that the more information based on experience one has about others, the more able one is to predict their actions: "Regular communication puts a party in constant contact with the other, exchanging information about wants, preferences, and approaches to problems. Without regular communication, one can 'lose touch' with the other - not only emotionally but in the ability to think alike and predict the reactions of the other'' (Lewicki & Bunker, 1996). This predictability decreases the perceived risk inherent to the decision of trusting the trustee.

Hence, we propose that a previous positive trusting history between a trustor and a trustee positively influences the trustor´s future trust towards that trustee. Based on what we describe above, we postulate the following hypothesis:

> *Hypothesis 1. The trust placed by a trustor in a trustee increases when both agents have a positive personal trusting history.*

Moreover, we claim that a positive personal trusting history can serve as an effective tool for promoting the transfer of trust from a trustor to an unknown trustee at interpersonal level. For this to happen, we argue that the trustor and the trustee must hold a positive personal trusting history with the same third agent. The trustor, by observing the positive personal trusting history of the unknown trustee with the third party, infers trustworthiness to the trustee. Consequently, since trustworthiness is the antecedent of trust, the positive personal trusting history of the trustee with the third agent serves to reduce the perceived risk attached to the decision of trusting an unknown trustee and therefore leads to a bigger trust between trustor and trustee. Hence, we propose the following hypothesis:

> *Hypothesis 2. The trust placed by a trustor in an unknown trustee increases when the trustee has a positive personal trusting history with a third party who also holds a positive trusting history with the trustor.*

The Dynamic Nature of Trust Transfer: The Influence of Learning

Learning is crucial in the management field since it has been recognized, in the literature on strategic management, as a tool for enhancing new product development (Adams, Day & Dougherty, 2003), joint ventures formation (Lyles, 1994), and business performance improvement (Pérez-López, Montes-Peón & Vázquez-Ordás, 2005). Furthermore, organizational learning affects organizational behavior (Ndubisi, Gupta & Massoud, 2003), and can constitute a source of competitive advantage (De Geus, 1988).

Learning at the individual level is the way in which people obtain knowledge and skills (Marsick & Watkins, 2001), through the promotion of inquiry and dialogue and the creation of continuous learning opportunities (O´Neil, 2003). Several organizational researchers have defined learning in terms of acquiring, retaining, and transferring knowledge at the individual and group levels (Robey, Boudreau & Rose, 2000).

The literature on organizations and learning has traditionally focused on the study of how trust can foster learning (Chakravarthy & Cho, 2004). Several works have pointed out that the creation of trust is a process of learning (Sabel, 1993). Moreover, the development of repeated trust interactions provides an opportunity for learning (Camerer & Ho, 1999). At the same time, gathering learning from past experiences results in an accumulation of knowledge about

the other party, which facilitates the predictability of the other´s future behavior (Lewicki & Bunker, 1995), and therefore fosters future trust interactions (Holsapple & Wu, 2008). In this paper we study how learning promotes future trust interactions, more concretely, how learning fosters future trust transfers.

Learning can be described in many ways. From the behavioral perspective, learning is based on the stimulus-response model, in which a person is taught to respond to a specific stimulus. One of the main assumptions is that learning is influenced by temporal proximity of a stimulation (Merriam & Caffarella, 1991). Taking this approach as basis, we propose that the behavior displayed by the receiver of a trust transfer plays a key role in future transfers of trust.

Despite the scarce attention paid in the literature to the dynamic nature of trust transfers, it is of great importance to know why the trust that a trustor is willing to transfer to an unknown trustee varies depending on the behavior previously displayed by the trustee. For instance, if a trustor does not get the expected feedback or reciprocation from an unknown trustee towards whom the trustor exerted a transfer of trust, future interactions with such trustee may be in danger. In other words, low degrees of reciprocations during past trust transfers lead the trustor to perceive a high risk inherent to the decision of transferring trust towards that trustee. Hence, the trustor will be less willing to put himself into a vulnerable position to the actions of the trustee, which therefore will decrease future trust transfers from the trustor towards the trustee. Contrary, positive answers from the trustee (e.g. rewarding the trustor´s transfer of trust with an equal, or even higher, degree of reciprocation) increase the trustor´s expectations about how the trustee may act in the future, which may result in a bigger willingness of the trustor to carry out more interactions with this trustee in the future. Thus, we propose the following hypothesis:

> *Hypothesis 3. The degree of reciprocation obtained by a trustor after a trust transfer towards a trustee positively determines future transfers of trust between them.*

Although the behavioral approach of learning provides interesting insights, it is limited because it fails to consider the cognitive abilities. Hence, other important approach to learning proposed in the literature is the adult learning theory (Knowles, 1984). This theory considers both physical behavior and cognitive behavior, which includes the memories of the previous experiences, thoughts, and emotions. According to adult learning theory, the learning can create knowledge because adults tend to use their experiences to learn new concepts and skills, and thus to create new knowledge.

During a trust transfer, a trustor may learn about a third-party´s level of trust in the trustee and may also learn about some of the third-party´s experiences with the trustee. Previous studies have analyzed the influence of the length of a relationship and its impact on trust (Engle-Warnick & Slonim, 2006) and they conclude that short relationships lead to less trust and long ones yield more trust.

Trustors interact with multiple unknown trustees (i.e. new workmates, sellers, buyers, etc) throughout their lives in different contexts (i.e. at work, in the supermarket, in the activities developed during their free time, etc). All these interactions provide opportunities for accumulating information and knowledge about the behavior exhibited by those trustees. This knowledge allows the trustors to create more accurate guesses about how trustees will act in future trust transfers, which reduces the trustor´s perceived risk inherent to the decision of transferring his trust to an unknown trustee. The amount of learning collected by a trustor about the trustees´ way of acting may depend on multiple factors (e.g. the characteristics of the trustor, the context). In any case, a bigger accumulation of learning will make the trustor more interested in issues that can influence future opportunities to learn, since this learning is crucial for forecasting the other party´s trusting behavior, which reduces the inherent risk perceived in the decision to transfer trust to an unknown trustee. According to adult learning

theory, trustors are self-directed in their learning; they tend to be driven to learn things, generally to serve a purpose in their lives (Knowles, 1984). This leads to the following hypothesis:

> *Hypothesis 4. The learning accumulated by a trustor moderates the relationship between the degrees of trust transfer reciprocation exhibited by the trustee in previous trust transfers with the trustor and the development of future trust transfers between them.*

Methodology

Experimental Procedures

The experimental design is a crucial element to determining what strategies people will play in certain situations under study. In this paper, since we want to measure the amount of trust placed between subjects, we chose to use the trust game (Berg, Dickhaut & McCabe, 1995). This game is played by pairs of individuals. Each pair is made up of a trustor and a trustee. In our setting, each trustor was given an initial endowment of 4 euros. Trustees received 4 euros for participating; this amount could not be used for playing the game. Moreover, participants were allowed to send and return only entire units. The trustor chooses between the action Send (S) or Don´t Send (D). If the trustor chooses D, then both players receive their endowment at the end of the game. If the trustor chooses S, then the amount the trustor passes to the trustee (s euros) is tripled and given to the trustee (e.g. reflecting a return on an investment). The trustee then chooses between the action Keep (K) and Return (R). If the trustee chooses K, then the trustee receives the amount that the trustor sent tripled ($3\times s$ euros) plus the trustee´s initial endowment (4 euros). On the other side, the trustor receives the initial endowment minus the amount he or she passes to the trustee. If the trustee chooses R, then the trustee receives the amount sent by the trustor tripled minus the amount the trustee decided to return to the trustor (r euros) plus the trustee´s initial endowment (4 euros).

More concretely, since our purpose was to investigate the trust transferred by the trustor and the trust transfer reciprocation returned by the trustee, we designed a modified trust game. In our setting, each trustor plays the trust game with three types of trustee: the trustor´s friend, the trustor´s friend of a friend, and a stranger. We used these three different types of trustees as a proxy for different levels of distance between the trustor and the trustee. Thus, each trustor was given 4 euros to play the trust game with each type of trustee. A trust transfer occurs when the trustor sends some positive amount of money to the trustee who is the trustor´s friend of a friend. Moreover, a trust transfer reaches its maximal level when the trustee who is the trustor´s friend of a friend receives, at least, the same amount as the trustee who is the trustor´s friend. In this point, the friend of a friend is treated as a friend. Symmetrically, each trustee plays the game with three kinds of trustor: the trustee´s friend, the trustee´s friend of a friend, and a stranger. We consider that the trust transfer reciprocation is maximal when the trustee who is the trustor´s friend of a friend returns, at least, the same proportion of money that the trustor sent him.

The session was run in the Faculty of Economic and Business at the University of Granada (Spain). Participants were all students belonging to the same course of Economics bachelor. We got a total of 99 observations in each round; since the trust game was played twice, we reached 198 observations. Participants received their earnings during the following week.

Measures

In this subsection we present the different variables and how they were measured in our investigation.

Future trust. This variable reflects the trust placed by a trustor in a certain trustee. It is our dependent variable for testing hypothesis 1 and 2.
Positive personal trusting history. This is an independent variable for hypotheses 1 and 2. It is a categorical variable including three categories for the trustees: friend, friend of a friend, and stranger.
Trust transfer. This is our dependent variable for hypotheses 3 and 4 and it reflects how much trust a trustor transfers to a trustee who is a friend of a friend. In order to measure it, we build the following Personal Trust Transfer Index for the j-trustor ($TTIndex_{12}^{jFF(j)}$):

$$TTIndex_{12}^{jFF(j)} = \frac{y_{12}^{jFF(j)}}{\max\left\{x_{12}^{jF(j)}, y_{12}^{jFF(j)}, 1\right\}}$$

where $x_{12}^{jF(j)}$ represents the amount sent by the j-trustor to a trustee who is the j-trustor´s friend, and $y_{12}^{jFF(j)}$ reflects the amount sent by the j-trustor to the trustee who is the j-trustor´s friend of a friend.
Trust transfer reciprocation. It represents how much trust a trustee (who is a friend of a friend) returns to a trustor. It enters the analysis as independent variable for testing hypotheses 3 and 4. We propose the following Personal Trust Transfer Reciprocation Index for the k-trustee ($TTRIndex_{21}^{FF(j)j}$):

$$TTRIndex_{21}^{FF(j)j} = \min\left\{\frac{4y_{21}^{FF(j)j}}{\max\left\{3\left(y_{12}^{jFF(j)}\right)^2, 1\right\}}, 1\right\}$$

where $y_{12}^{jFF(j)}$ is the amount sent by the j-trustor to the trustee who is the j-trustor´s friend of a friend, and $y_{21}^{FF(j)j}$ represents the amount returned by the k-trustee to the trustor, who is the k-trustee´s friend of a friend.
Trustors´ learning. The learning collected by a trustor reflects the adjustment that this trustor makes in his expectations about the trustee´s behavior across rounds. It enters into the analysis as independent variable. We asked trustors to write how much they expected to receive from each type of trustee (i.e. friend, friend of a friend, and stranger) in both rounds of the game. From this information, we selected the data referring to the cases of trustees who are friend-of-a-friend type. Hence, a trustor´s learning was calculated as the difference between the trustor´s expectations about the trustee´s behavior in the second round and the trustor´s expectations about the trustee´s behavior in the first round.
Trustor´s average propensity to trust. This variable was used as a control variable and it represents the tendency to trust inherent to each trustor. A trustor´s propensity to trust was measured as the average of the trustor´s sendings to the trustees who are friend, friend of a friend, and stranger. Prior studies have shown that people differ in their propensity to trust. Propensity can be interpreted as the general willingness to trust others (Mayer *et al*, 1995). Propensity to trust may be the key driver of the form and shape of that leap, affecting trust even in the presence of trustworthiness information. Kee & Knox (1970) argued that trust depends not just on past experience but also on dispositional factors such as personality. McKnight *et al* (1998) argued that trust propensity has taken on a new importance because cross-functional teams, structural reorganizations, and joint ventures create new working relationships more frequently. After all, trust propensity is likely to be the most relevant trust antecedent in contexts involving unfamiliar actors (Bigley & Pearce, 1998).

Results

To test our hypotheses 1 and 2, we carry out an ANCOVA test. We controlled by the trustor´s average propensity to trust and by the number of round in which they are, since the game was played twice. We observed that one of the covariates, i.e. the trustor´s average propensity to trust has a significant positive influence on the average amounts sent by trustors. However, the other covariate included into the analysis, i.e. the number of round, does not have a significant influence on the average amounts sent by trustors to trustees. Additionally, table 1 gathers the contrast results. The average amount sent to the trustees who are friends statistically differ from the average amount sent to strangers (p=.000). Moreover, the average amount sent by trustors to strangers trustees is also statistically different from the average amount sent to trustees who are friends of a friend (p=.000). Hence, we can conclude that our hypotheses 1 and 2 are supported.

Table 1. Contrast results (K matrix)

Type of trustee	Simple contrast[a]		Dependent variable: Amount sent
Friend vs Stranger	Contrast Estimate		1.50
	Hypothesized value		0
	Difference (Estimate – Hypothesized)		1.50
	Std. Error		.13
	Sig.		.000
	95% Confidence interval for Difference	Lower Bound	1.24
		Upper Bound	1.76
Friend of a friend vs Stranger	Contrast Estimate		.53
	Hypothesized value		0
	Difference (Estimate – Hypothesized)		.53
	Std. Error		.13
	Sig.		.000
	95% Confidence interval for Difference	Lower Bound	.27
		Upper Bound	.79

a. Reference category = Stranger.

The contrasts and parameter estimates described above show that there are group differences, but to interpret them we need to know the means. Table 2 provides the group means adjusted for the effect of the covariates. The adjusted means show that trustors´ donations were significantly higher to those trustees who are friends and friends of a friend compared to trustees who are strangers. The regression parameters also indicate that the donations to trustees who are friends and to trustees who are friends of a friend significantly differ (p=.000).

Table 2. Estimates

Type of trustee	Adjusted Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
Friend	2.83[a]	.092	2.651	3.015
Friend of a friend	1.86[a]	.092	1.682	2.045
Stranger	1.33[a]	.092	1.151	1.515

a. Covariates appearing in the model are evaluated at the following values: Trustor´s average propensity to trust= 2.0097, Round= .5000.

Furthermore, to test the hypotheses 3 and 4 we ran a hierarchically moderated multiple linear regression analysis. Finally, table 3 collects the summary of the hierarchically moderated multiple linear regression analysis. In model 2, we appreciate that the reciprocation obtained after a trust transfer in the past positively and directly influences future trust transfers. This result supports our hypothesis 3. Furthermore, we observe that the learning accumulated by a trustor positively and directly determines future transfers of trust. Moreover, a trustor´s learning moderates the relationship between past trust transfer reciprocations and future trust transfers. This result supports our hypothesis 4. Finally, the results exhibit a progressive increase in the R square, leading to a final adjusted R square of .66, which proves the good fit of the model.

Table 3. Results of the Hierarchical Moderated Multiple Regression Analysis[a]

Variable	Model 1	Model 2
Constant	-.08 (-.749)	.04 (.34)
Trustor´s average propensity to trust	.72 (5.83)***	.53 (4.05)***
TTRIndex in Round A		.25 (1.83)$^{+}$
Trustor´s learning		.42 (2.26)*
Moderation		
TTRIndex in Round A × Learning effect		-.29 (-1.76)$^{+}$
F	34.02***	16.13***
R^2	.52	.70
ΔR^2		.03
Adjusted R^2	.51	.66

a. TTIndex in Round B is the dependent variable. The parameters estimates are standardized coefficients. The *t*-statistic for each estimate is in parentheses.

$^{+}$ $p < .10$

* $p < .05$

** $p < .01$

*** $p < .001$

Conclusions

Trust transfer has received increasing attention in the literature of management. We defend that several contributions can be gained from our analysis. First, in this paper we seek to answer calls for filling the research gap on empirical studies analyzing trust transfer. Empirical studies remain scarce and there have been call in the literature for additional empirical analyses (McEvily *et al*, 2003). This study aims to contribute to a better understanding of trust transfer by providing an empirical examination at an interpersonal level.

Second, while previous works have often seen trust as a static phenomenon, there are recent calls for including dynamic analyses (Tomlinson & Mayer, 2009). In this context, we address trust transfer from a dynamic approach. This perspective does not contradict previous studies, but enriches them. We find that a positive personal trusting history between a trustor and a trustee positively determines the trust between them. This supports our hypothesis 1. Furthermore, the trust placed by a trustor in an unknown trustee increases when the trustee has a positive personal trusting history with a third party who also holds a positive personal trusting history with the trustor. This result provides support for our second hypothesis.

Third, this study helps to complete previous purely economic approaches (Engle-Warnick & Slonim, 2006), by incorporating into the analysis the importance of learning, which leads to knowledge-based trust. As our results show, the trustee´s reciprocations during previous trust transfers are positively related to the probability of occurrence of future trust transfers between this trustee and the trustor. Hence, hypothesis 3 is supported.
Based on this dynamicity of trust transfers, we find that a trustor´s learning moderates the relationship between the reciprocation of the trustee in previous trust transfers and future transfers of trust. Hence, our hypothesis 4 is also supported. Our results show that the reciprocations obtained from a trustee in previous trust transfers have a positive influence on the decision of a trustor to develop future trust transfers with such trustee. However, this relationship is also moderated by the learning collected by the trustor about that trustee. Thus, our work points out the differences in the roles of the behavioral approach (based on stimulus-response) and the adult theory learning (which incorporates additional elements, such as experiences, thought, emotions, etc). While both help explaining future trust transfers, the second moderates the relationship between past trust transfer reciprocations and future transfers of trust.
And fourth, while many prior analyses of trust have assumed symmetry between the parties involved, some works have proposed that trust is not symmetrical (Castelfranchi, 2008). Although there have been calls in the literature for analyzing how trust of one party influences the trust returned by the other party (Schoorman, Mayer & Davis, 2007), empirical studies addressing the trustor´s and the trustee´s trusting behaviors in a separate way are rare (Serva & Fuller, 2004). In this paper, we empirically show that trust transfer is not necessarily symmetrical between a trustor and a trustee.
Nonetheless, we are aware of several limitations which can be addressed in future research. First, our trust game is played twice. Hence, it would be interesting to develop further empirical studies including a higher number of interactions among agents to test the evolution of trust transfers dynamicity in the long-run. And second, we test out indexes with a sample of students from a Faculty of Economics and Business. Henceforth, testing them in different context and disciplines (e.g. sociology, psychology, among others) would provide comparative results of how trust transfers work across disciplines.

Implications

Several implications for managers and regulators can be drawn from this paper. At an organizational level, an awareness of trust development can help better understand how professional relationships change and evolve over time (Tomlinson & Mayer, 2009). Managers should be aware of the huge amount of organizational situations where trust transfer can be applied, such as human resources management, buyer-supplier relationships, developing of new brands from the same company, etc. Therefore, creating an appropriate environment for the development of trust transfer can be crucial.
The dynamicity of trust transfer provides an opportunity for managers to operate in their organizations on the basis of serial equity, this is, assessing the relationship as a overall instead of focusing the assessment on one specific period. By allowing the two parties (i.e. trustor and trustee) to search for the resolution of inequities across time, serial equity alleviates the need for renegotiation of agreements each time there is a change that affects the relationship and therefore reduces the likelihood that it will generate conflict and eventually lead to a breach in the relationship (Carsson, Madhok, Varman & John, 2003; Zaheer, McEvily & Perrone, 1998).
Moreover, regulators should foster trust transfers as a mechanism for strengthening interorganizational networks or alliances. These networks can help promoting

internationalization processes, in which the company must transfer trust to several unknown parties (e.g. the new country, the new consumers´ patterns of consumption, the culture, the local employees, etc). Consequently, regulations should foster the transfer of trust among the companies which arrive to the new country and the companies already located there. This would reduce the perceived risk of the internationalization processes, and therefore would lead to a bigger willingness to transfer trust.

Regulators should also be concerned about the increasing of social capital in the society. Since interpersonal trust is frequently cited as a source of social capital, our study sheds light on how individuals may acquire social capital. Therefore, this information is also useful to promote regulations which favour such acquisition.

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