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RESILIENCE OR DECLINE OF INFORMAL NETWORKS? EXAMINING THE ROLE OF TRUST CONTEXT IN NETWORK SOCIETIES

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Abstract. The nature of informal networks in various societies, and particularly whether they recede or tend to persist over time, has long been a subject of discussion in international business studies. However, empirical research on trust in network-oriented societies, where individuals typically maintain somewhat different relationships with their in-group, out-group, and non-specified others, remains limited. Drawing on insights from informal network research and intergroup contact theory to model trust relationships in network societies, 882 respondents from three network societies -- China, Russia, and South Korea -- were surveyed, and confirmatory factor and path analyses applied. The results suggest that as network importance increases, both in-group trust and out-group trust also increase. Individuals who more commonly draw upon out-group trust ties attach less importance to in-group trust ties. Increases in non-specific trust, however, are associated with increases in both in-group and out-group trust, pointing towards the boundary spanning function of non-specific trust. Consequently, rather than finding a clear indication of whether informal networks persist or recede, ambivalent trust relationships were observed. This calls for a reexamination of the conventional 'either/or' perspective on the nature of informal networks. This network heterogeneity can be attributed to individuals, especially in developing network societies, utilizing a 'both/and' approach to trust and networking, and yielding more economic opportunities.

Keywords. Informal network theory, intergroup contact theory, networking, trust, multiplicity, network society, in-group, out-group.

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Introduction

It is important for managers, and particularly those in international settings, to understand and manage the informal networks around them, as they are vital for the development of sustainable, productive relations in host markets, stakeholder management, and the building of trust with influential individuals and government officials (Ahlstrom et al., 2008; Guo et al., 2018). The international business (IB) domain has somewhat lacked a deeper understanding of the network societies with informal networks at their center. IB researchers have recently pointed toward the important role informal networks may play when managing internationally and building trust with actors in its new environment (Abosag et al., 2021; Lee at al., 2022). Minbaeva et al. (2023), for instance, suggest that understanding informal networks is the "basis for cultural intelligence and creates the managerial competencies needed to effectively lead across markets" (Minbaeva et al., 2023, p. 570). Using the example of Korea, where *yongo* and *inmaek* networks are pervasive, Lee and colleagues (2022, p. 361) state: "foreign companies may find it very challenging to compete in Korea with their local counterparts owing to [their] lack of informal, especially *yongo*-based, networks," to which they add can lead to the worst-case scenario of market exit.

Trust is not only a central force enabling social cohesion in informal networks, it has also been recognized as an important pillar in general for conducting international business (Jansson et al., 2007; Shen et al., 2021; Zaheer & Kamal, 2011; Zaheer & Zaheer, 2006). Trust has been found to play a pivotal role in enabling business transactions, negotiations, knowledge sharing, teamwork, and managing alliances, to name a few examples (Brockman et al., 2020). In China, for instance, trust is commonly embedded within key *guanxi* networks (Ahlstrom et al., 2003; Luo, 2020). *Guanxi* is described as "pervasive and all-inclusive in Chinese society and is regarded as one of the most important factors determining the success of doing business in China" (Zhang & Gill, 2019, p. 323). As trust is a major factor in the cohesion of informal networks, it plays a major role in determining whether network ties and corresponding behavioral norms will persist or recede. This, in turn, gives international managers direction on the importance of informal networks and whether they require special attention vital for managerial actions or whether they can be neglected (Ahlstrom et al., 2008; Lee et al., 2022). Indeed, informal networks exist in every country to varying degrees of importance, and they are often described using local terms. Examples include *guanxi* in China (Bian, 2018; Luo, 2020), *yongo* and *inmaek* in Korea (Georgiadou & Syed, 2021; Horak, 2014), *blat/svyazi* in Russia and in the post-Soviet Union (Karhunen et al., 2018;

Puffer et al., 2010), *wasta* in the Middle East (Ali & Weir, 2020; Alsarhan et al., 2021; Al-Twal, 2021), *jeithinho* in Brazil (Lee et al., 2018), or *jinmyaku* in Japan (Georgiadou & Syed, 2021).[1] Contrary to the commonly accepted bifurcated classification of societies into either high- or low-trust, researchers are increasingly using the term "network society" (e.g., Kim, 2000; Kumon, 1992; Lew, 2013) or "network-based society" (e.g., Park & Luo, 2001) to characterize the structure of societies and the degree to which informal networks are pervasive (Mao et al., 2012).

This paper investigates the role of trust within network societies, where informal networks are pervasive, to draw conclusions on whether informal networks will persist or recede. Drawing on intergroup contact theory (Allport, 1954; Pettigrew, 1998), we seek to integrate related theories and insights relevant to informal network research. These include in-group and out-group behaviors, as well as the conditions under which groups establish connections and trust. Both informal network research and intergroup contact theory emphasize the significance of trust in fostering relationships among individuals and groups. Thus, addressing our research question necessitates a deeper comprehension of the intricate trust attributions amongst various groups within network societies. In informal networks research and in intergroup contract theory, trust is typically regarded as a major force moderating network cohesion (Nadeem & Kayani, 2019; Ali & Weir, 2020; Park et al., 2023). We hypothesize that these trust attributions between groups, which form the foundation of informal ties and networks, explain the resilience or decline of informal networks (Minbaeva et al., 2023; Puffer et al., 2010).

As noted, societies have often been characterized as either low-trust, where general trust, including trust towards strangers, is less pronounced, or high-trust, where general trust is more pronounced and more contracts and other transactions can remain lightly monitored (Ermisch et al., 2009; Wang & Shi, 2020). In addition, combining informal network and trust research, Puffer and colleagues have noted that in China and Russia a kind of "network-based trust" prevails (Puffer et al., 2010: 448), pointing out an important, though less-researched context factor of trust ties, which in such a form are not that common in many Western countries (McCarthy et al., 2012). In fact, the literature on informal networks suggests that within informal networks (i.e., in in-groups), trust is high and the main force of network cohesion. Trust in other networks (i.e., out-groups), on the contrary, is typically non-existent (Kim, 2000). Nevertheless, intergroup contact theory (Allport, 1954; Pettigrew, 1998) explains that differences in group relationships are due to factors

[1] For a comprehensive overview, see the *Global Encyclopedia of Informality* (Ledeneva, 2018).

such as prejudices or a lack of knowledge or collaboration that leads to group segregation. Once these differences are reduced, different groups may interact more and learn to trust each other.

We seek to advance the extant knowledge on trust relationships in network societies by moving away from the typical bipolar view on trust towards a more complex and integrative view, which understands the interdependencies of different types of trust among individuals within the group better (Fulmer & Gelfand, 2012; Williams, 2001). Our approach takes relevant antecedents of the environmental context into account, that is, network importance and non-specific trust, in addition to the in-group and out-group trust context. By applying structural equation modeling to data (n=882) gathered in three network societies (China, South Korea, and Russia), this paper aims to develop a deeper understanding of informal network characteristics and trust relationships in network societies.

This study presents two major contributions to understanding the role of trust ties in informal networks. Firstly, we discovered that individuals do not strictly network within their in-groups only. They also extend their trust to out-groups, as well as to unspecified individuals, indicating a network multiplicity - the maintenance of multiple and diverse network ties. This finding is atypical in the informal network literature. Secondly, in response to our primary research question, we found that informal networks do not simply persist or recede. Instead, they exhibit characteristics of both states, illustrating the somewhat ambivalent nature of informal networks (Song & Ewoldsen, 2015). With this result, we contribute to the work on network persistence, suggesting that informal networks persist but evolve and adapt to a constantly changing environment. These findings underpin ongoing theorizing on the development and efficacy of informal networks (Minbaeva et al., 2022; Puffer et al., 2010) and, within that context, trust ties in international business (Jansson et al., 2007; Zaheer & Zaheer, 2006).

Theoretical framework – Trust relationships in network societies

Informal network characteristics and development directions

Informal networks are a way to organize and to get things done if more official channels may not be available (McCarthy et al., 2012; Horak, Klein, & Li, 2022). While in some countries informal ties and networks are predominantly used in an instrumental way for the acquisition of personal benefits [e.g., *blat/svyazi* in Russia (Karhunen et al., 2018)], in other countries they draw more on a sociocultural heritage and establish mutual affect and belonging as defining principles of a

relationship [e.g., *yongo* in Korea (Horak, 2014)]. Again, other informal networks and connections can be seen as a mix of instrumental and affective ties, such as *guanxi* in China, which are important for getting tasks going and seeing them through (Li, 2012; Wang et al., 2008). Though informal networks vary, what they all have in common is that they are difficult for the individual to escape, since using them is the local norm (Luo, 2020). Improving one's situation can be strongly influenced by the quality of the informal networks to which an actor has access (Ahlstrom & Bruton, 2006). Commenting on the Middle East country of Jordan where *wasta* is pervasive, El-Said and McDonald (2001: 77) note: "everything, no matter how simple it is [there], requires a *wasta*." Reciprocity expectations make an individual an integral actor within informal networks, leaving little room for self-exclusion; instead, one must decide with whom and within which circles to network.

The development direction of informal networks, that is, whether they persist or recede, is currently a controversially debated yet central theme in international business. To date, it has been almost exclusively examined in the context of emerging markets. Researchers tend to divide into two camps: either arguing that informal networks are institutionally driven and therefore likely to recede (Guthrie, 1998; Peng, 2003), or holding that these networks are deeply rooted in culture and likely to persist (e.g., Minbaeva et al., 2023; Chimenson et al., 2022; Chen, 2020; Bian, 2018). Advocates of the former perspective highlight the evolving institutional configuration in emerging markets. The rationale put forward is that as formal institutions progress towards effectiveness and fill institutional voids, the dependence on informal ties and networks for coordinating activities diminishes (Peng et al., 2008). This shift occurs because individuals start favoring formal means of conduct, such as formal rules that can be enforced by increasingly efficient courts, technological turbulence and increased competitive forces (Cooke et al., 2022; Guthrie, 1998; Gu et al., 2008). In contrast, proponents of the culture-driven perspective argue for the enduring nature of informal networks, largely irrespective of institutional development (Chimenson et al., 2022). They anchor this view in the notion that these networks are deeply rooted in their respective cultures (Ahlstrom & Bruton, 2002), and culture is known to be rigid and resistant to rapid change, thereby suggesting the persistence of informal networks (Horak & Klein, 2016; Guo & Miller, 2010; Anderson & Lee, 2008). Thus, emphasized is either institutional development or cultural factors to underscore their respective stances.

By integrating the latter discourse and intergroup contact theory, trust can be identified as playing a central role in both areas, as trust facilitates and guides the relationships between groups of individuals (Tropp, 2008; Turner et al., 2013). Thus, we can assume that the trust context can provide insights about the bonds between actors that allow inferences about network structure and cohesion, that is, whether they persist or recede.

Informal networks and intergroup contact theory

Popularized by Allport (1954), intergroup contact theory recognizes different trust ascriptions between in-groups and out-groups, explained by factors such as a lack of knowledge about others, prejudice, or an in-group bias, which prevent groups from developing trust with each other. Thus, the trust context is determined by the respective group affiliation. Barriers to intergroup contact, or intergroup networking, can be reduced, for example, when group members share common goals or through shared experiences with others, fostering intergroup collaboration. Pettigrew (1998) points out that societal norms and institutions shape the structure of intergroup contact and can severely limit contact. The segregation by informal institutions of societies in different informal networks has been recently pointed out in the management studies by Minbaeva et al. (2023). Informal networks, characterized by strong in-group and out-group norms, largely develop outside of organizations and are brought from there into organizations (Lee et al., 2021). Those from in-groups can, and often are, brought into the organization through, for instance, referral hiring on lower levels and via upper echelon networks at the upper management level (Horak, 2017). Research on *guanxi*, for instance, implies that it is beneficial to develop trust and reciprocal relationships with in-group members and that overall they are indispensable for doing business in China (Bian, 2018; Guo et al., 2018). Research in this field has been largely in-group oriented, that is, by exploring the characteristics and working mechanisms of a single network construct (Fan, 2002; Horak, 2014). Thus, generalizations towards theory development on informal networks in general has not yet progressed.

Since, according to intergroup contact theory, frequent exchanges between different groups lead to a reduction in bias, higher levels of reciprocity, and the development of trust (Pettigrew et al., 2011), the respective trust context between groups plays a key role in better understanding whether informal networks may be more prone to persist or recede. Network societies are characterized by trust relationships reflected in one's affiliation to a *wasta*, *yongo*, *inmaek* or

guanxi network, that is, with one's in-group (high-trust relationships), with one's out-group (low-trust relationships) (Yamao et al., 2020), and with others defined as more non-specific (Delhey et al., 2011; Jing & Bond, 2015). Since the trust context influences behavior and group attachment, broad categories such as "collectivism" -- often assumed to be a prevailing ideal in East Asian states -- are less helpful in understanding the working mechanisms of network societies.

Trust context in network societies: In-group, out-group, non-specific trust

Within network societies, members of an informal network are regarded as in-group members. In other words, persons with whom one shares *wasta* (Arab World) *guanxi* (China), *yongo* (Korea), or *blat/svyazi* (Russia) are in-group members. In-group membership can be defined by personal attributes, such as having graduated from the same university, being a member of a (larger) family (kinship), or having the same lineage or place of birth. This leads to ad hoc trust ascriptions even to people who are not known to each other but may share the same *yongo* or *guanxi*, for example. People who share different networks, that is, who are alumni of say, competing universities or who grew up in different places, are out-group members. Members of an informal network share trust, care, benevolence, and goodwill; out-group members do not, and there can even be competition, animosity, and hostility (Kim, 2000; Alsarhan & Al-Twal, 2023). Research has found that in-group bias is strong and lower trust is ascribed to out-groups compared to one's in-group (Foddy, Platow, & Yamagishi, 2009; Muethel & Bond, 2013). Reasons for this trusting behavior have been identified in less frequent interactions with out-group members and a low level of opportunities for reciprocal actions (Colquitt, Scott, & LePine, 2007), hostility towards out-groups and peer pressure from in-groups to interact with and favor in-group relationships (Kim, 2000), and general suspicion and uncertainty (Weber, Malhotra, & Murnighan, 2004).

Compared to in-group and out-group trust, which are specific in terms of clearly defining groups of people, a third dimension, which targets others in general, is non-specific. While in-group and out-group members are (to some extent) known or can be categorized by an individual, strangers in network societies are a category of people who do not fall into either the in-group or the out-group category (hence "non-specific"). Such general others are thought of in terms of quite remote others in Western cultures. In network societies, for example in East Asian countries, general others are thought of in terms of strangers, and strangers are often not relevant in one's life per se in these societies (Delhey et al., 2011; Jing & Bond, 2015). Recognizing these different

perspectives on relationships and trust ascriptions, scholars have used the term 'non-specific trust' instead of 'general trust' as it more realistically reflects the typical relationships to be found in network societies (Delhey et al., 2011; Horak & Klein, 2016; Jing & Bond, 2015; Realo et al., 2008; Welch et al., 2007).

In sum, intergroup contact theory reveals that in-group and out-group ties and related trust relationships go hand in hand and should not be seen as separate from each other. Contact with the respective other groups needs to be initiated and once done, can significantly improve out-group attitudes (Pettigrew & Tropp, 2006). More recently, research points out that trust can be extended beyond in-group circles when opportunities to collaborate emerge (Nee et al., 2018; Niu & Zhao, 2018). Hence, it can be assumed that an individual extends in- and out-group and non-specific trust possibly simultaneously and that may have consequences for the persistence or withering of informal networks.

Hypothesis development

Network persistence and in-group trust

Network persistence leads to the perception that using networks is integral and important to get things done. Consequentially, individuals in network societies will not risk losing their network accessibility as this is either seen as crucial to organize activities or perceived as valuable social capital that can be converted into tangible benefits whenever needed.

Intergroup contact theory has been used to empirically test questions of how in-group membership affects behavior towards others. Individuals cooperate more with in-group member than with others (Balliet et al., 2014). An in-group bias can lead to in-group members being treated differently from out-group members. Behavioral norms are more strongly enforced on in-group members than on out-group members (Dunne, 2018; Yuki et al., 2005). However, what has not been explicitly explored is the question of how the prevalence of networks, that is, their importance in a respective environment, corresponds to trust ascriptions to the in-group in different cultural contexts. Nevertheless, some studies have pointed towards a relationship between the importance of informal network usage and the articulation of in-group trust in certain ways.

Conventionally, trust and cooperation evolve when supported by social controls, such as network importance (Macy & Skvoretz, 1998). In network societies, behavioral ethics prompt individuals to seek support and favors from in-group members rather than out-group members.

Using China as an example, Zhang and Gill (2019, p. 323) observed: "those inside a *guanxi* network may receive special favors, and those outside may be discriminated against." In-groups are defined by those with whom one has guanxi ties and are considered trustworthy, unlike out-group members with whom there is, by definition, no substantial trust (Chen & Chen, 2009; Yuki et al., 2005). Hom and Xiao (2011) demonstrated that in China, where informal networks are prevalent (Bian, 2022; Chen, 2020), in-group behavior among employees of the same firm can lead to higher firm loyalty. Additionally, Serva et al. (2005) found that positive emotions towards a group often result from reciprocal actions predominantly occurring among its members. Finally, *guanxi* has been found to correlate with in-group trust. Bedford (2022) argues that *guanxi* integrates social and psychological elements that are central to building relationships and trust within groups in Chinese contexts. The more prevalent and commonly utilized *guanxi* is, the more related behavioral ideals are legitimized and, as a result, strengthen in-group trust. These studies highlight the premise that in societies where informal networks are significant, where leveraging networks is essential for accomplishing tasks, in-group trust correspondingly intensifies. Therefore, we hypothesize:

Hypothesis 1. *The higher the network importance, the higher the in-group trust in network societies.*

Network persistence and out-group trust

Nevertheless, while research implies that network importance leads to in-group trust, it is important to note that trust ascriptions in network societies can be complex and dynamic. Intergroup contact theory suggests, as described above, that contact with groups other than in-groups can lead over time to the development of trust (Pettigrew et al., 2011). While exchange beyond the border of one's in-group is atypical in network societies, dynamic environments in emerging economies, characterized by disruptive changes in business, politics and society, can make it beneficial to extend group boundaries. This is particularly true when, for instance, relational competition for jobs and careers increases and a variety of information channels become beneficial for one’s own progress or when economies become more open to international business activities, resulting in more frequent exchanges with foreigners (Horak, Klein, & Li, 2022).

Delhey and Newton (2005) explore factors that influence the development of out-group trust and find that opportunities arising through economic development increase the chances of individuals collaborating with others beyond their in-group members. Connected to economic development, an increase in institutional quality, that is, the effectiveness of institutions such as laws and courts, may make people not solely rely on their informal networks anymore, as trust in institutions increases. Drawing on intergroup contact theory, Hewstone et al. (2002) find that intergroup contact can reduce bias and increase trust. They highlight the importance of direct contact and knowledge about out-groups to reduce uncertainty about intergroup interactions that may hinder the development of trust. Furthermore, economic equality has been found to influence intergroup contact. According to Uslaner (2002), societies with greater economic equality tend to have higher levels of trust, suggesting that policies reducing inequality can increase trust in out-groups. China is a prime example of an economy transitioning towards being more open than in the past (Peng et al., 2017). Through WTO membership, international study, travel, and the internet, people at the same time are much more exposed to others than to in-group members. At the same time, however, research shows that *guanxi* networks still prevail (Bian, 2022; Chen, 2020). Further, empirical studies suggest that *guanxi* can serve as an ”entrepreneurial tool” to facilitate the exchange of information and resources between organizations and “outside stakeholders” (Park & Luo: 457) for mutual benefit. Consequently, in an environment where informal networking is prevalent and inherently significant, trusting out-group members is key for advancement. In sum, and in line with recent research indicating that out-group trust is increasing in China (Yao et al., 2017), we propose the following hypothesis:

Hypothesis 2. *The higher the network importance, the higher the out-group trust in network societies.*

Out-group trust drives network trust vanishing

An increase in out-group trust may have consequences for existing relationships. Research has explored whether trust in out-groups can develop within societies despite potential animosity faced by in-group members. Extending the radius of trust has several positive outcomes and is necessary for economies and organizations to progress and develop further, especially in an increasingly globalized business environment (Huff & Kelley, 2003; Nee et al., 2018a). Recent studies, most

of which have used the Chinese environment as an example of a strong focus on in-group interactions (*guanxi*), have explored the assumption that more people are open to forming trust relationships with out-group individuals. Results have shown that trust among groups is interdependent and can develop. Niu and Zhao (2018) assume that the reason why people seem to increasingly trust out-group members can be seen in the increasing popularity of the Christian religion and its ideals of empathy and care for others (Stark & Wang, 2015). Others have suggested that China's continuous and accelerating integration into international business activities as well as increased exchange through international travel and stays abroad for study and business, amongst many other examples, has led to more opportunities and experiences to engage in exchanges with others. These arguments have recently received increased empirical support (Cao, Galinsky, & Maddux, 2014; Glanville & Paxton, 2007a; Tian, 2016; Yao et al., 2017). Similar to China, in Korea, the traditional in-group ties (*yongo*) expand towards other trust domains, including work-related relationships to colleagues (Yun, 2016). The reason for the expansion is especially important for those who possess little or low-quality traditional *yongo* and see a chance to get ahead in life with expanding their trust ties. Distinct for Korea, *yongo* ties are to a great extend given by birth, but work-related ties are not, so they can be chosen and nurtured and become an option to derive benefits (Horak & Park, 2022).

As in-group trust domains expand, we are interested in how an individual's in-group attachment develops once trust relationships are developed with out-group members. Positive experiences of trusting people other than those belonging to the in-group could lead to a shift in the importance that people place on in- and out-groups. For instance, in their study on trust development in China, Yao et al. (2017) found that reciprocal helping had a positive effect on trust development with out-groups but not with in-group members. Furthermore, the assumption that individuals who increasingly draw on out-group trust attach less importance to in-group trust has been empirically significant in the study by Delhey and Welzel (2012). They argue that societal changes, such as the dynamics caused by globalization, diminish people's dependence on in-groups and open them up to cooperation with out-groups. As intergroup contact theory suggests, cooperative experiences lead to the development of trust. In a recent study, Simpson et al. (2023) focus on how reputation influences network dynamics and cooperation. The study provides insights into how context, in this case, reputation, affects in-group trust and cooperation patterns, potentially impacting trust in out-group members. The authors find that the reputation of out-group

members leads to trusting those members, which in turn reduces in-group favoritism. This reasoning leads to our third hypothesis:

Hypothesis 3. *The higher the out-group trust, the lower the in-group trust in network societies.*

Out-group trust and the boundary-spanning function of non-specific trust

Due to the complex structure of network societies and related trust relationships, there is a need to better understand what effect non-specific trust has on the development of in-group and out-group trust. Non-specific trust, as described above, referring to trust in general others that are neither local in- nor out-groups (e.g., foreigners, expatriates, business partner), is known to play a role in the flourishing of societies as it guides individuals in coping with unfamiliar situations; hence, it becomes an enabler of well-intentioned social interactions overall (Barber, 1983; Beatty, Reay, Dick, & Miller, 2011). Due to the recently observed increase in non-specific trust in China (Donglin, 2017; World Values Survey, 2018), we assume that non-specific trust plays a role in increasing in-group and out-group trust *alike*, which represents an extension to the conventional view that mainly in-group trust leads to the development of out-group trust (Stolle, 2002).

It is well known that in China, Russia, and Korea, in-group trust has always been pronounced, while out-groups have been less trusted and sometimes ignored. So, with this accumulation of in-group trust, it might be asked why it did not spill over earlier? There appears to be a missing link in explaining trust developments in network societies, and we assume that non-specific trust, since it has been largely overseen in the intergroup trust literature (comp. Crepaz et al., 2014), plays an important role in that equation. As intergroup contact theorists assume, repeated encounters and frequent exchanges with, for instance, unrelated strangers from other parts of the country or with expatriates or business partners from abroad, lead to experiences and learning and help to reduce prejudices and biases (Guthrie, 2012). Positive emotions that can emerge play a role in this process and potentially lead to friendships and trust, both domestically and across cultures (Cook, 1962; Wagner et al., 2006; Gundelach, 2014). Also, a positive influence to reduce animosities towards strangers can be seen in the presence and visibility of people from different cultures in the media and through professional exchanges (Gundelach, 2014), which is a typical scenario for emerging economies that are gradually exposed to and integrated into international business activities. Hence, increased familiarity and experience with strangers can

foster the development of trust, which may positively spill over to out-group trust, as empirically demonstrated by Glanville & Shi (2020) and Freitag & Traunmüller (2009). In the context of international business, it can be inferred that foreign managers working abroad, i.e., expatriates of all kinds, who are neither part of local in-groups nor out-groups, and thus represent non-specific others, demonstrate that once trust is established with locals, the level of trust in local out-groups also increases. Therefore:

Hypothesis 4. *The higher the non-specific trust, the higher the out-group trust in network societies.*

In-group trust and the boundary-spanning function of non-specific trust

Although the idea that in-group and out-group trust are distinct and separate categories has been indicated by prior studies, recent studies have assumed that in-group trust can be a base for learning to collaborate and to trust, which then applies to remote others once the opportunity emerges (Bicchieri, Xiao, & Muldoon, 2011; Glanville & Paxton, 2007; Horak & Klein, 2016; Nee et al., 2018). This means that forms of group trust are in principle interrelated and can influence each other. Research shows that when collaborative experiences with remote individuals are possible and perceived as positive, in-group and out-group trust may coexist and develop simultaneously (Kramer, 2017; Fukuyama, 2001). Without these experiences, only in-group trust remains evident. An unresolved question is whether non-specific trust influences in-group trust ascriptions.

Exploring the relationship between various forms of trust, Delhey and Welzel (2012) investigate the conditions under which out-group trust emerges independent of in-group trust. They found that, despite some variation, out-group trust is high when in-group trust is high, suggesting that there is a sort of symbiotic relationship between the types of trust. Research conducted with German participants reveals that there are two separate yet positively correlated aspects of trust: trust in those who are close to us and trust in those who are more distant (Freitag & Traunmueller, 2009). Similarly, non-specific trust can serve as a foundation for in-group trust. Individuals who naturally have a higher level of trust in people are likely to bring that attitude into their specific groups, fostering a trusting environment and strengthening existing in-group trust (Uslaner, 2002). When people with higher levels of non-specific trust carry that attitude into their specific group interactions, it leads to a spillover effect where their openness and positive expectations encourage others to reciprocate with trustworthiness and cooperation. This can create a positive feedback

loop, reinforcing both non-specific trust and in-group trust (Putnam, 2000). Furthermore, Delhey et al. (2005) found that trusting unrelated strangers can reduce in-group bias, which describes favoring one's own group over others. When individuals trust people outside their immediate circle, they are less likely to view their in-group as uniquely trustworthy, which can lead to a more balanced and possibly more robust form of in-group trust that is not based on excluding or distrusting others. Building on this research, it is hypothesized:

Hypothesis 5. *The higher the non-specific trust, the higher the in-group trust in network societies.*

Figure 1 depicts the overall research model.

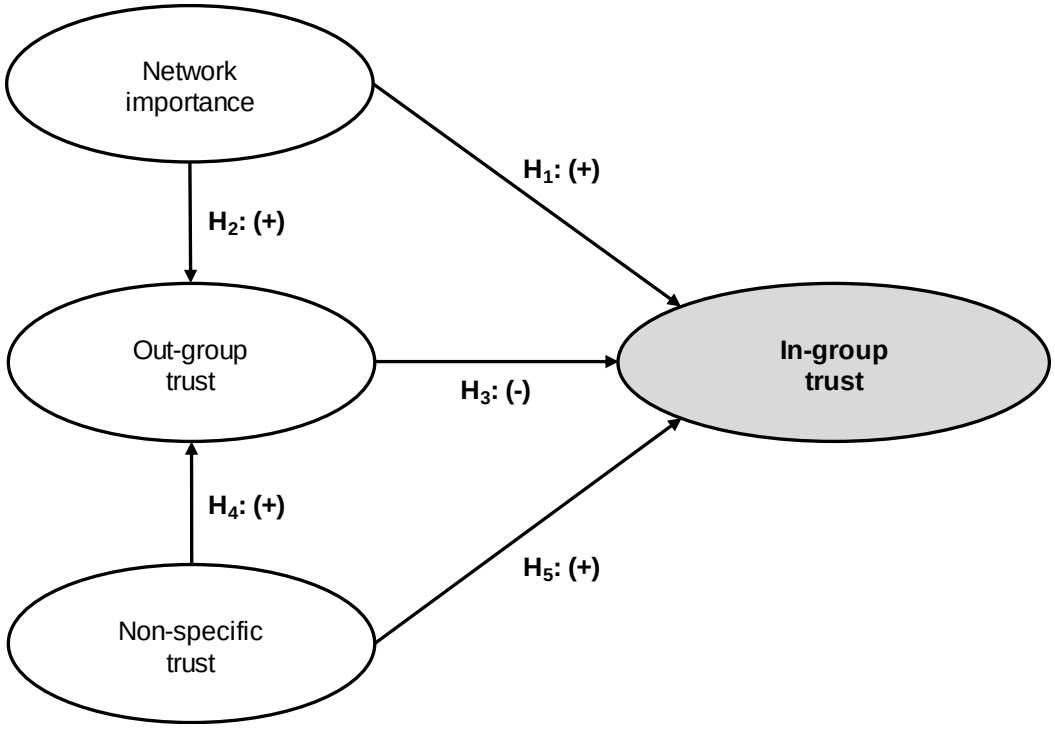

Figure 1. Research model

Methodology

Sample selection and data gathering

To test the five hypotheses, we gathered data in three waves in South Korea (greater Seoul area), Russia (Novosibirsk, Moscow, Kazan), and China (greater Tianjin area). The selection of these countries was primarily based on three key factors. First, as informal network research continues

to evolve, all three countries are typical network societies, as defined earlier. Furthermore, they also stand as the most extensively studied examples of informal networks at present. Second, the choice of these locations was made to ensure access to a diverse subject pool through established research contacts. Third, there existed a pool of supporters available to facilitate the data-gathering process, with assistance provided by local research assistants who underwent comprehensive briefings before the survey. To identify suitable respondents, a purposeful sampling technique was used (Bernard, 2002; Cresswell & Plano Clark, 2011; Palinkas et al., 2015). The desired characteristics of the target audience were defined by a minimum of four years of job experience to ensure that the respondents were familiar with interpersonal exchanges in an organizational setting as well as the relevance of networking in this context. An interviewer-administered paper-based questionnaire was used for the data collection process to obtain three sizable datasets with a comparable number of respondents. 294 fully completed questionnaires for South Korea (SK), 298 for Russia (RU), and 290 for China (CH) were received. Within a total of 882 completed questionnaires, we received a satisfactory proportion of male (46%) and female (54%) respondents, which were comparable in all three samples. Concerning the respondents' age, all subsamples were fairly well distributed. Except for China, where we gathered zero respondents above ≥ 55 years of age, respondents were within an age range between < 25 and > 64 years, with the biggest proportion being between 25–34 years in each country. Hence, we saw little tendency towards younger professionals. Overall, we considered our three subsamples comparable. Table 1 displays the demographic profile of the sample.

Country	**South Korea (SK)**	**Russia (RU)**	**China (CH)**	**Total**
N	294	298	290	882
%	(33.3%)	(33.8%)	(32.9%)	(100%)
Gender				
Male	158 (53.7%)	158 (53.0%)	156 (53.8%)	472 (53.5%)
Female	136 (46.3%)	140 (47.0%)	134 (46.2%)	410 (46.5%)
Age				
<25	48 (16.3%)	120 (40.3%)	88 (30.4%)	256 (29.0%)
25-34	160 (54.4%)	104 (34.9%)	188 (64.8%)	452 (51.2%)
35-44	26 (8.9%)	32 (10.7%)	11 (3.8%)	69 (7.8%)
45-54	43 (14.6%)	25 (8.4%)	3 (1.0%)	71 (8.1%)
55-64	8 (2.7%)	14 (4.7%)	-	22 (2.5%)
>64	9 (3.1%)	3 (1.0%)	-	12 (1.4%)

Table 1. Demographic profile of respondents (n = 882)

Measurement scales

For network persistence, we used three out of four items that already showed satisfactory results in the Chinese and Russian context concerning factor loadings and composite reliabilities (Horak et al., 2020, 2021). The scale also benefitted from one of the author's work experiences in South Korea. For our non-specific trust construct, following the interpretation of Delhey et al. (2011), we used items from Horak & Klein (2016) that were derived from the WVS (wave 6). We also used all three items from Horak and Klein (2016) for out-group trust. Further, we adapted two items from the same source for in-group trust so that it fits in the context of the three different countries researched in this study and their comparison. All items showed satisfying factor loadings and composite reliabilities as well. For all three countries, we translated the original English questionnaire back and forth following Brislin's (1986) back-translation method to obtain comparable versions in each language (Costa et al., 2014; Mullen, 1995). Following the completion of the translation and modification process of the scales, three bilingual native speakers with expertise in the field checked both versions for face validity, and we pretested the questionnaires in each country. The pilot test was conducted using three tests in each country to account for discrepancies in the understanding of any item. We interviewed the test subjects after the questionnaire was completed to ensure it was written at a native language level, clearly understandable, and free of any mistakes and potential for misinterpretation in the respective cultural context. Concerning the latter, we also applied a test for measurement invariance as generally required for cross-cultural multigroup analyses (e.g., Byrne, 2008; Putnick & Bornstein, 2016). We made changes where necessary and applied the same Likert-type scale format, ranging from "1 = disagree" to "5 = agree", in each country.

Results

Reliability and validity of scales

First, the reliability and validity of the scales were checked through a confirmatory factor analysis (CFA) using SPSS Amos 25 according to Anderson and Gerbing's (1988) two-step approach. We simultaneously tested all constructs in the survey instrument by using the maximum likelihood (ML) estimation method, which is sufficient for sample sizes of $n \geq 100$ (Hu & Bentler, 1999). The ML method is considered resilient to violations of multivariate normal distribution (McDonald & Ho, 2002). We did not remove any items to improve the measurement model estimation since

all factor loadings were significant and higher than .5 (Bagozzi & Yi, 1988). Table 2 displays factors (i.e., non-specific trust, out-group trust, in-group trust, and network persistance), corresponding items and standardized factor loadings, along with Cronbach's alpha (α), and composite reliabilities (CR) for our freely estimated baseline model (Byrne, 2004, 2008). All four factors exhibited very satisfactory (≥ .7) composite reliabilities and Cronbach's α (Hair et al., 2018). Therefore, our results demonstrated high convergent validity.

Factor	Factor Loading	α	CR	MSV	AVE
Non-specific trust					
I trust people even when I meet them for the first time.	.697	.718	.722	.320	.566
Generally speaking, I believe most people can be trusted.	.804				
Out-group trust					
I trust people of another religion.	.793	.921	.926	.164	.807
I trust people of another nationality.	.946				
I trust people of another ethnicity.	.947				
In-group trust					
People from my neighborhood can be trusted.	.601	.769	.776	.320	.540
I trust people more who graduated from the same university or high school as I did.	.776				
I trust people more who were born in the same city/region as I was.	.810				
Network importance					
Having Yongo/Svyazi/Guanxi ties is very important to get things done.	.764	.797	.799	.042	.571
Yongo/Svazyi/Guanxi ties are important for me to do my job successfully.	.809				
Yongo/Svazi/Guanxi ties are important when dealing with public authorities and bureaucracy.	.689				
CA = Cronbach's Alpha; CR = composite reliability; MSV = maximum shared variance; AVE = average variance extracted					
CMIN: 79.196 DF: 38 P: .000 CMIN/DF: 2.084 GFI: .984 AGFI: .972 RMSEA: .035 PCLOSE: .989 SRMR: .029 CFI: .991 TLI: .987					

Table 2. Confirmatory factor analysis for social network dimensions

For evaluating discriminant validity, maximum shared variance (MSV) and average variance extracted (AVE) for each latent construct were estimated (see also Table 2). Hu and Bentler (1999) set a threshold level of .5 for AVE, which we achieved for all constructs in this study (also Hair et al., 2018). By comparing MSV and AVE, we found additional support for discriminant validity since every MSV was smaller than the corresponding AVE. We finally ensured discriminant validity for our constructs by comparing the square root of the AVE and the correlations between constructs (Fornell & Larcker, 1981). Since the square root of the AVE (refer to the diagonal in Table 3) was always higher than the correlation with all other constructs, we deemed our results for discriminant validity be satisfactory.

Factor	Non-specific trust	Out-group trust	In-group trust	Network importance
Non-specific trust	**.753**			
Out-group trust	.405***	**.898**		
In-group trust	.565***	.098*	**.735**	
Network importance	.077	.130***	.204***	**.756**
Diagonal shows square root of the AVE				

Table 3. Correlation between constructs and the square root of the AVE

For evaluating the overall CFA model fit for our baseline model, we applied well-known fit indicators (e.g., Byrne, 2016; Hair et al., 2018) and observed very satisfactory results (see also Table 2). The chi-square (χ^2) statistics of goodness of fit yielded a value of $\chi^2 = 79.196$, with df = 38 and a p-value of .000. According to Byrne (2016), significant p-values for models with large sample sizes are not a cause for concern. We also tested several other fit indicators, such as χ^2/df, the goodness-of-fit index (GFI), and the adjusted goodness-of-fit index (AGFI) for overall fit, as well as the comparative fit index (CFI) and the Tucker-Lewis index (TLI) for measurement model fit (Bentler, 1990; Hu & Bentler, 1999; Jackson et al., 2009; Tanaka, 1993). The threshold level for the relative chi-square (χ^2/df) is 3.0 (Carmines & McIver, 1981). For this study, the value of χ^2/df = 2.084 was well below this threshold. For the remaining four indexes, values above .95 are evidence of very good model fit (Doll et al., 1994; Hair et al., 2018), which we obtained in this study (GFI = .984; AGFI = .972; CFI = .991; TLI = .987).

Since the use of the GFI/AGFI indexes has declined in recent years (e.g., Hair et al., 2018; Sharma et al., 2005), the root mean square error of approximation (RMSEA) is now considered to be one of the most important indicators of goodness of fit, taking sample size into account (Browne & Cudeck, 1992; Hair et al., 2018; Hu & Bentler, 1999). The RMSEA value of .035 for our model displayed a very close fit, with a threshold level of .05. The corresponding PCLOSE = .989, which is the 90% confidence interval of RMSEA $\leq$ .05, showed statistical insignificance, further indicating that our model had a close fit (Hair et al., 2018). Finally, we calculated the standardized root mean residual (SRMR), which is relatively independent of sample size (Chen, 2007). The SRMR displayed a very satisfactory result of .029, with a threshold level of SRMR $\leq$ .05 for good model fit (Hu & Bentler, 1999; Maydeu-Olivares, 2017).

To address possible common method bias (CMB), we applied techniques discussed by Podsakoff et al. (2003). First, both the questionnaires and interviewers in all three countries advised the respondents in detail that there were no right or wrong answers. Both also asked respondents to address the questions as honestly as possible. By doing so, we tried to avoid socially desirable answers. Second, we conducted a common latent factor test (e.g., Chang et al., 2010). Following Podsakoff et al. (2003), we calculated our model with and without a common latent factor (see also Podsakoff et al., 2012). Results displayed that all observed differences concerning factor loadings of each path were close to zero (see Appendix 1). Hence, CMB is not of concern (Chang et al., 2010; Podsakoff et al., 2012).

Finally, we tested our model for measurement invariance, as demanded for cross-cultural multigroup studies (Byrne, 2008; Cheung & Rensvold, 2002; Mullen, 1995; Putnick & Bornstein, 2016; Steenkamp & Baumgartner, 1998). We calculated goodness-of-fit indicators for an unconstrained and a constrained model to test whether the factor structure (configural invariance) and the loadings of respective items (metric invariance) were the same across all three countries (Byrne, 2008; Chen, 2007; Cheung & Rensvold, 2002). Results showed a mixed picture since, on the one hand, our χ^2-difference test was significant with a p-value of .021 ($\Delta\chi^2 = 26.736$, with df = 14); however, all three sample sizes in this research were large, and hence we cannot expect an insignificant χ^2-difference test (Cheung & Rensvold, 2002). On the other hand, we obtained only small differences in ΔTLI = 0, ΔCFI = .003, ΔRMSEA = 0, and ΔSRMR = .0003, which were all well below the recommended threshold levels. Hence, values displayed very satisfactory results for measurement invariance of our research model across all three groups (Chen, 2007; Cheung & Rensvold, 2002; Little, 2013; Wu et al., 2007).

According to Steenkamp and Baumgartner (1998), full measurement invariance is a reasonable ideal but not expected to be fully realized (Horn, 1991). In addition, Horn et al. (1983) hold that metric invariance is scientifically unrealistic. Following Steenkamp and Baumgartner (1998), in our model, all loadings were cross-nationally significant though the specific magnitude of the items may slightly differ. Hence, we deem our results appropriate and cross-culturally comparable for further analysis. Based on our results, we imputed group-based individual factor score weights for path analysis with hypothesis testing in the next step of our analysis. In Table 4, we display differences in fit indexes for the unconstrained and the constrained model.

Unconstrained model:
CMIN: 212.233 DF: 114 P: .000 CMIN/DF: 1.862 GFI: .958 AGFI: .927
RMSEA: .031 PCLOSE: 1.000 SRMR: .0582 CFI: .977 TLI: .966
Constrained model:
CMIN: 238.968 DF: 128 P: .000 CMIN/DF: 1.867 GFI: .953 AGFI: .927
RMSEA: .031 PCLOSE: 1.000 SRMR: .0585 CFI: .974 TLI: .966
$\Delta\chi^2$=26.736 P=.021 df=14 ΔTLI=0 ΔCFI=.003 ΔRMSEA=0 ΔSRMR=.0003

Table 4. Fit indexes for the unconstrained and the constrained model

Path analysis and hypothesis testing

In the multigroup path analysis in SPSS AMOS 25, we calculated our proposed structural model from Figure 1 with all direct, indirect, and total effects on in-group trust. Once again, we applied well-known fit indicators, as displayed in Figure 2. All indicators exhibited very satisfactory results (e.g., Byrne, 2016; Hair et al., 2018).

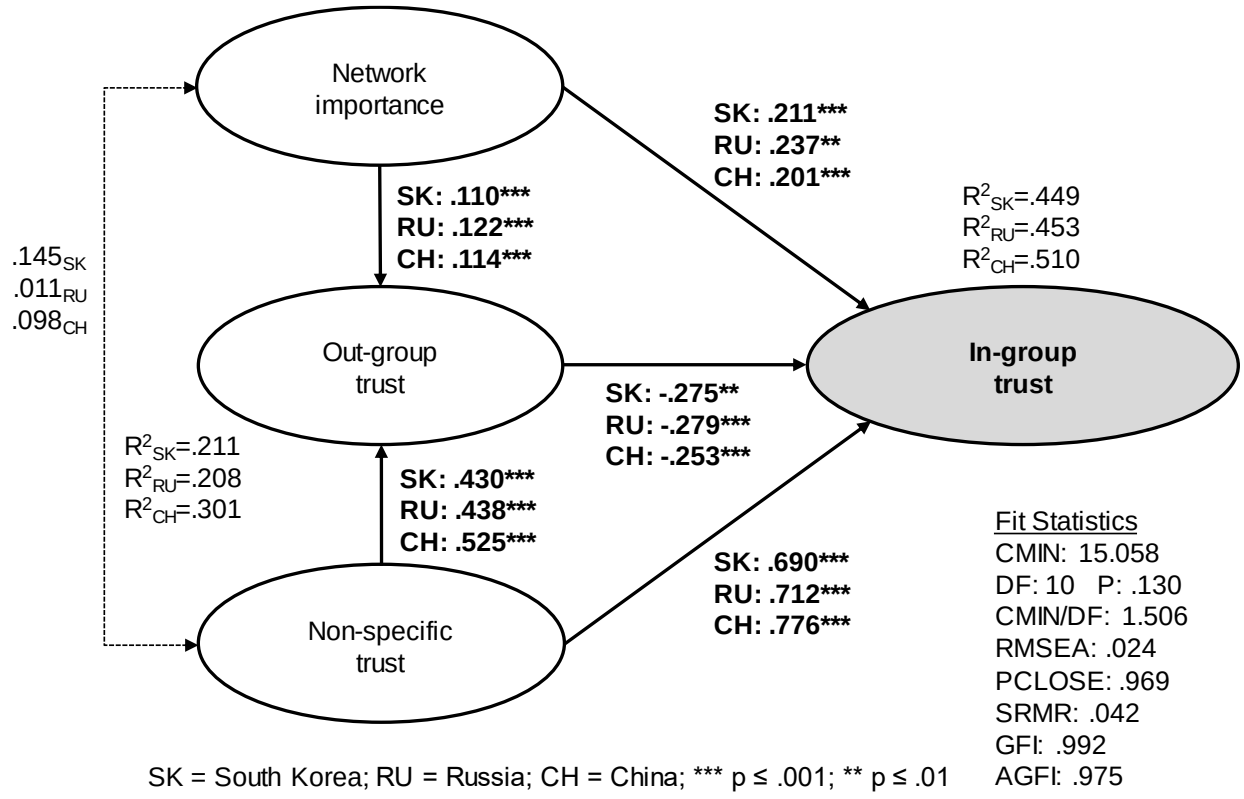

Figure 2. Path analysis with factor score weights for country comparison

To begin, the χ^2 statistics of goodness of fit yielded a value of χ^2 =15.058, with df = 10 and a p-value of .130 (Byrne, 2016). The corresponding relative chi-square of χ^2/df = 1.506 was well below the threshold level (Carmines & McIver, 1981). For GFI, we obtained a value of .992 and for AGFI the value was .975, which both displayed very satisfactory overall model fit (Doll et al., 1994; Hair et al., 2018). In addition, and as discussed above, RMSEA = .024 (PCLOSE = .969) and SRMR = .042 also indicated a close fit of our model and were well below common threshold levels (Browne & Cudeck, 1992; Hair et al., 2018 Hu & Bentler, 1999). Corresponding R-squares for out-group trust yielded R^2 = .211 for South Korea, R^2 = .208 for Russia, and R^2 = .301 for China; R-squares for in-group trust yielded R^2 = .449 for South Korea, R^2 = .453 for Russia, and R^2 = .510 for China. Altogether, this displayed satisfactory results. Nevertheless, since the focus of this study is the explanatory power of standardized β-coefficients within the interplay of our constructs, and not the functional relationship between predictor variables, adjusted R-squares received less importance (Hair et al., 2018). We also displayed correlations between the two exogenous constructs, that is, non-specific trust and network importance, with values of .145 for South Korea, .011 for Russia, and .098 for China. Hence, all three estimates offered no reason for concern regarding multicollinearity. A final post hoc power analysis showed that we obtained an observed statistical power of 1 on the .05 significance level for the given R-square values, that is, we were able to detect all significant effects of our predictor variables on out-group and in-group trust for all three subsamples (Cohen et al., 2003; Soper, 2020).

In addition, to account for all direct, indirect, and total effects, we performed a bootstrap procedure with 2,000 samples and a bias-corrected confidence interval level of .95 (Efron & Tibshirani, 1986; Léger et al., 1992; Preacher & Hayes, 2004). In addition to Figure 2, Table 5 displays the overall results with detailed standardized β-coefficients for all direct (first and second row), indirect (third row), and total effects (fourth row), as well as corresponding two-tailed significance levels (Preacher & Hayes, 2004). All β-coefficients exhibited significant results; hence, all total effects on in-group trust in all three network societies were significantly alike.

Effects	Out-group trust	Network importance	Non-specific trust
Direct on in-group trust (sign.)			
South Korea	-.275 (.002)	.211 (.001)	.690 (.001)
Russia	-.279 (.001)	.237 (.002)	.712 (.001)
China	-.253 (.001)	.201 (.001)	.776 (.001)
Direct on out-group trust (sign.)			
South Korea	--	.110 (.001)	.430 (.001)
Russia	--	.122 (.001)	.438 (.001)
China	--	.114 (.001)	.525 (.001)
Indirect on in-group trust (sign.)			
South Korea	--	-.030 (.001)	-.118 (.001)
Russia	--	-.034 (.001)	-.122 (.001)
China	--	-.029 (.001)	-.133 (.001)
Total on in-group trust (sign.)			
South Korea	**-.275 (.002)**	**.181 (.001)**	**.571 (.001)**
Russia	**-.279 (.001)**	**.203 (.002)**	**.590 (.001)**
China	**-.253 (.001)**	**.172 (.001)**	**.643 (.001)**

Sign. = two-tailed significance level

Table 5. Direct, indirect, and total effects with corresponding significance levels

Finally, Table 6 displays the results of hypothesis testing as standardized path coefficients (β) and corresponding significances for each country (in correspondence with Figure 2 and Table 5). As noted, H_1 stated that the higher the network importance, the higher the in-group trust in network societies, and H_1 was confirmed (β_{SK} = .211, β_{RU} = .237, β_{CH} = .201). We received a comparable and significant result for the second hypothesis, which asserted the higher the network importance, the higher the out-group trust in network societies (β_{SK} = .110, β_{RU} = .122, β_{CH} = .114). Concerning out-group trust as predictor, we found that the corresponding hypothesis (H_3), which indicated that the higher the out-group trust, the lower the in-group trust in network societies, was also confirmed (β_{SK} = -.275, β_{RU} = -.279, β_{CH} = -.253). Moreover, hypothesis H_4, stating that the higher the non-specific trust, the higher the out-group trust in network societies, was also confirmed (β_{SK} = .430, β_{RU} = .438, β_{CH} = .525). Finally, hypothesis H_5, indicating that the higher the non-specific trust, the higher the in-group trust in network societies, was confirmed (β_{SK} = .690, β_{RU} = .712, β_{CH} = .776). Overall, the results indicated that in all of the three researched network societies, we could see a very much comparable picture of relationships between in-group, out-group, and non-specific trust as well as network importance.

Hypotheses	Country	β	p	Result
H_1: The higher the network importance, the higher the in-group trust in network societies.	SK	.211	≤ .001	
	RU	.237	≤ .002	Confirmed
	CH	.201	≤ .001	
H_2: The higher the network importance, the higher the out-group trust in network societies.	SK	.110	≤ .001	
	RU	.122	≤ .001	Confirmed
	CH	.114	≤ .001	
H_3: The higher the out-group trust, the lower the in-group trust in network societies.	SK	-.275	≤ .002	
	RU	-.279	≤ .001	Confirmed
	CH	-.253	≤ .001	
H_4: The higher the non-specific trust, the higher the out-group trust in network societies.	SK	.430	≤ .001	
	RU	.438	≤ .001	Confirmed
	CH	.525	≤ .001	
H_5: The higher the non-specific trust, the higher the in-group trust in network societies.	SK	.690	≤ .001	
	RU	.712	≤ .001	Confirmed
	CH	.776	≤ .001	

SK = South Korea; RU = Russia; CH = China

Table 6. Overview of hypothesis testing

Discussion

Theoreticalcontributions

Our results contribute to the debate on informal networks by providing a deeper understanding of their characteristics and dynamics. This goes beyond the commonly held, predominantly negative perception of informal networks as vehicles for corruption, bribery, or nepotism, as discussed in works like those of Karhunen et al. (2018) and Luo (2008). At the same time, our results help advance intergroup contact theory by integrating insights from research on informal networks.

First, our finding that the importance of informal networks significantly drives in-group trust across all three researched samples (see H1) supports the argument for their resilient persistence and continued relevance (Bian, 2018; Horak & Klein, 2016a; Ledeneva, 2013). In the international business literature, earlier predictions that informal networks would diminish over time due to economic progress and the strengthening of formal institutions (e.g., Guthrie, 1998; Gu et al., 2008) seem unfounded based on our results. We find that informal networks are not going away but areindeed resilient; they not only persist but also evolve, adapting to environmental changes such as new laws, societal trends, or shifts in values (e.g., Bian, 2018; Horak & Klein, 2016; Ledeneva, 2013). Our findings therefore provide an empirical foundation for a theory of informal network persistence.

Second, we observe that the importance of networking also appears to elevate trust levels towards out-groups (H2), likely driven by increased domestic competition for jobs and careers, encouraging collaboration with out-groups. This insight offers a new dimension to both informal network theory and intergroup contact theory, highlighting how dynamics like guanxi, yongo, or blat/svyazi affect trust formation within and between groups.

Third, our research contributes to the ongoing development of informal network theory (Minbaeva et al., 2023) by illustrating that informal networks can operate in seemingly contradictory trust contexts (Song & Ewoldsen, 2015). However, we also note that as out-group trust increases, in-group trust may decrease, suggesting reduced reliance on and interaction with in-group members. This phenomenon, relevant to intergroup contact theory, may be driven by increased opportunities to engage with outsiders or by greater exposure to global business practices (Guthrie, 2012).

Fourth, the role of non-specific trust in shaping in-group and out-group trust dynamics marks a significant expansion of our understanding of both informal network and intergroup contact theories, which have not yet fully recognized the impact of non-specific trust in networked societies. Specifically, an increase in non-specific trust leads to an increase in out-group (H_4) and in-group trust (H_5) alike. In fact, we observe the largest explained variances (see Aguinis et al, 2010) in the relationship between non-specific trust and in-group trust for all three network societies alike (.476 for South Korea, .507 for Russia, and .602 for China). Moreover, we detect the second highest explained variances for the relationship between non-specific trust and out-group trust (.185 for South Korea, .192 for Russia, and .276 for China). The increased importance of non-specific trust in network societies has been observed recently in China (Donglin, 2017) and is explained by its positive effects on career advancement and economic opportunities. The increase of in-group as well as out-group trust is a counterintuitive observation of a relationship that we understand as the boundary-spanning function of non-specific trust, explained by the positive spillover effects towards out-group trust, which is possibly driven by potential positive experiences with trusting non-specific others.

It is important to note, however, that these results reveal the multiplicity and coexistence of different forms of trust that, we believe, characterize network societies. This finding, again, contributes to the debate on whether informal networks will persist or disappear (Bian, 2018; Guthrie, 1998; Horak & Klein, 2016; Peng, Wang, & Jiang, 2008; Van de Ven & Jing, 2012). That

disappearance scenario (cf. Guthrie, 1998; Gu et al., 2008) is only likely if important bases of trust ties, that is, in-group and out-group, and also the general importance of informal networks diminish and dissolve. This implies a radical change in a society's social architecture as network societies are defined from an individual's perspective by in-groups, out-groups, and "others", that is, non-specified groups. They should rather not be classified in high or low trust societies as conventionally done, as this classification does not do a good job in reflecting the realities of trust ties in network societies. We believe that the latter is rather unlikely to happen in the near future, given the complex ecosystem of trust ties that exist in the network societies analyzed.

Managerial implications

In the practice of managing international business, our results have implications for foreigners living and working abroad, i.e., the various groups of expatriates (McNulty & Brewster, 2017a,b) particularly for the assigned business expatriates that MNCs utilize. Research applying an outsider's view on business expatriates in network societies is currently evolving. Shen et al. (2021), for instance, believe that outsider status is a "common challenge for expatriates, and it has received inadequate scholarly attention in expatriate research" (Shen et al., 2021, p. 100855). Similarly, Yamao et al. (2020) suggest that host country nationals (HCNs) tend to regard expatriates as outsiders by default, with whom it is not worth establishing trust ties as they leave the country after a certain period. The logic of trust development in network societies puts expatriates in a special position. Nevertheless, classified as non-specific others, they may not face typical feelings of out-group animosity. However, they might not be considered worth engaging with and going through the time-consuming process of trust development. They are a group towards which host country nationals feel indifferent, as they are not part of the local relational ecosystem. Business expatriates have a predefined guest status, as their stay abroad lasts between six months to five years (McNulty & Brewster, 2017a). However, if managed proactively, this status can be an advantage because no predefined negative feelings or relational taboos are attached to them, as would be the case with out-group members. Expatriates may use their status to develop alternative in-group relationships, either by collaborating with others who possess strong in-group ties or by developing friendly ties themselves, or a mix of both (Lee et al., 2021). The management of informal ties is crucial for the effectiveness of business expatriates abroad, so firms need to train their managers to understand how to access informal networks abroad and develop trustful in-

group or related relationships. The extent to which this is possible depends on the respective network context, so country-specific approaches need to be considered and emphasized over generic approaches (cf. Jansson et al., 2007).

Limitations and future research

Finally, as with any research, this study has some limitations which suggest some future research. As commonly practiced (see Puffer et al., 2010; McCarthy et al., 2012), we aimed to generalize the data collected from various regions in Russia, Seoul (home to a significant portion of the South Korean population), and the greater Tianjin area in China. However, considering the vastness of China and Russia and the diversity in their business environments and social institutions (Cai et al., 2010; Ngo et al., 2016), variations in the importance of networking may limit the applicability of our generalizations. Future research should explore these intra-country variations to better understand their impact on networking behaviors. Further, while we controlled for age and gender and did not find a significant result relevant for the influence on trust ascriptions, future research might focus on a more equal distribution of age groups. We assured that all respondents had a minimum of four years of work experience, nevertheless, our three samples tend towards younger participants, which might have an effect on different forms of trust and their respective relationships as researched in this study. Further, we recommend future research to utilize a dataset that also allows for the control of job position and task, as well as the distinction of organizational type. This is useful because there might be differences in trust ascriptions between people working in the public or private sector or in multinational organizations. Also, the analysis of network societies could be broadened in terms of the number of societies examined, observations per country, and their geographical distribution. Other countries, such as those in the MENA (Middle East and North Africa) region where *wasta* is common (Ali & Weir, 2020; Alsarhan et al., 2021), and India, where *jaan-pehchaan* is prevalent (Berger et al., 2020), could also be considered network societies, among others.

Finally, an interesting question for future research is whether, for instance, a manager socialized in a Chinese cultural environment, familiar with the behavioral ethics of *guanxi* development, might do better at gaining in-group access in a Korean *yongo* environment compared to a manager socialized in, for example, France. It may be that cultural proximity -- both China and Korea belong to the Confucian Asia cluster (House et al., 2004) -- could in fact be an advantage

in terms of networking competence, following local or regional behavioral norms (Zhang et al., 2021). This, however, remains an empirical question for which future research should engage. To advance work on informal networks, future research designs need to address the challenge of network multiplicity (Aguinis et al., 2023; Mao et al., 2012). While trust among individuals sharing the same network ties is often rooted in factors such as attending the same school, being from the same city or region, or belonging to the same tribe, an unanswered question is which of these factors carries the strongest influence on trust ascription. Additionally, a pertinent question arises regarding how trust manifests in mixed-group ties, where individuals share a university affiliation but belong to different tribes. Luo (2020) and Mao et al. (2012) have highlighted these questions in identifying varying levels of 'insiderness.' Their research, along with our own findings, provides a theory framework suitable for guiding future research in this area.

Conclusion

By employing intergroup contact theory through defining group membership according to trust relationships, our study explores informal network characteristics following the current debate in international management studies on whether informal networks may persist or recede. We do not find an indication for either assumption exclusively. Our results show that group relationships in network societies are characterized by multiplicity, leading to antithetical trust ties that individuals maintain. While we observe that the persistence of informal networks leads individuals to stick to their in-groups, we see that an increase of non-specific trust in a society leads to increases in in-group and out-group trust alike. We conclude that while individuals will still rely upon and use their informal networks, they network outside their in-group, which causes individuals to replace singular networking ties and maintain relationships with many different groups, as heterogeneous ties may result in more opportunities and possibilities for advancement. We suggest that in network societies, a “both/and” approach to trust and networking comes with advantages for the individual. Nevertheless, traditional ways of networking and attached ideals of networking persist but allow for the development of new approaches without disappearing entirely. The boundary-spanning function of non-specific trust plays an important role as it leads to higher overall trust levels. It is experienced in interactions with strangers or non-specific others, which opens up opportunities for career advancement and other forms of economic progress. Since informal networks are formed outside of but are also taken into organizations, an internationally operating organization that is

not very familiar with the relational context of a host country needs to understand them thoroughly to develop, maintain, and manage trust ties with the firm's internal and external local stakeholders.

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Appendix

Factor	Without CLF	With CLF	Delta
Non-specific trust			
I trust people even when I meet them for the first time.	.697	.670	.027
Generally speaking, I believe most people can be trusted.	.804	.781	
Out-group trust			
I trust people of another religion.	.793	.766	.027
I trust people of another nationality.	.946	.920	.026
I trust people of another ethnicity.	.947	.920	.027
In-group trust			
People from my neighborhood can be trusted.	.601	.566	.035
I trust people more who graduated from the same university or high school as I did.	.776	.752	.024
I trust people more who were born in the same city/region as I was.	.810	.794	.016
Network importance			
Having Yongo/Svyazi/Guanxi ties is very important to get things done.	.764	.737	.027
Yongo/Svazyi/Guanxi ties are important for me to do my job successfully.	.809	.783	.026
Yongo/Svazi/Guanxi ties are important when dealing with public authorities and bureaucracy.	.689	.660	.029

Appendix 1. Common latent factor (CLF) test for CMB