

Faculti Summary

<https://faculti.net/mutual-and-exclusive-dyadic-sources-of-trust-in-interorganizational-exchange/>

This video discusses a research project aimed at understanding trust in commercial exchange relationships, moving beyond previous methods that primarily analyzed personal relationships. The researchers note that much of the existing literature on trust focuses predominantly on one side of the relationship, usually assuming equal trust dynamics between the parties. This video study employs a diadic approach, collecting mutual information from both buyers and suppliers to better understand how each party perceives trust and their relationship.

Crucially, the concept of "exchange hazards," particularly concerning asset specificity and uncertainty, is introduced as a major influence on trust. Asset specificity refers to investments made that are not easily transferable to other relationships, which can make parties more vulnerable in the event of a trust breach. This video highlights that trust dynamics vary significantly between parties, influenced by their power positions within the relationship. For instance, buyers, who often hold more power, may feel more secure due to their control over the exchange conditions, while suppliers may feel more vulnerable despite their investments.

The study also identifies both symmetric and asymmetric effects of trust between parties, revealing that while some investment-based trust relationships are mutual, others vary depending on the power imbalance. Ultimately, the findings encourage a holistic view of trust that considers both parties' perspectives rather than relying on a one-sided analysis. The research has implications for practitioners seeking to establish more trusting commercial relationships.