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### **Antecedents of trust in corporate banking in the United Arab Emirates.**

**Roudaina Kamel Houjeir**

Westminster Business School

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**ANTECEDENTS OF TRUST IN CORPORATE BANKING  
IN THE UNITED ARAB EMIRATES**

**ROUDAINA KAMEL HOUJEIR**

A thesis submitted in partial fulfilment of the  
requirements of the University of Westminster  
for the degree of Doctor of Philosophy

July 2009

## DECLARATION

I declare that no portion of the work referred to in this thesis has been submitted in support of an application for another degree or qualification at this or any other university, or other institution of learning.

Roudaina Kamel Houjeir  
July 2009

## ABSTRACT

How does an understanding of the antecedents of trust and trust building contribute to our knowledge of relationships in the corporate banking sector in the United Arab Emirates? How is trust operationalised? This thesis has 1) identified the interaction between bankers and their clients; 2) empirically studied both sides of this dyad; 3) investigated the extent to which the antecedents of trust are contextually dependent; and 4) drawn out the implications for relationship managers.

This work fills a gap in the financial services marketing literature: it provides an understanding of the antecedents of trust and insights into corporate banking in an Arab/Muslim context. It has implications for other Gulf States and Arab cultures, and finds a significant relationship between emotions and trust.

The literature on trust is vast; many surveys analyse the meanings of trust and provide typologies. Nevertheless, there is a paucity of research on the antecedents of trust. This work devises a typology of trust, classified into six antecedents: competence, reliability, integrity, benevolence, openness of communication and “antecedent” satisfaction – all with particular reference to Emirati religion, culture and shared values.

Thematic qualitative analysis was deployed here through the use of semi-structured interviews with 170 respondents. Key informants in the Central Bank of Abu Dhabi and in a multi-national oil company provided triangulation.

The antecedents of trust in the banking sector in an Arab/Muslim context fall into three clusters: “Cognitive”, “Affective” and “Religion, culture and shared values”. All were investigated in an Arab/Muslim context. It is shown here that the antecedents of trust for Emiratis are controlled by the key mediating variables of religion, culture and shared values. For non-Emiratis, antecedents of trust are predominantly cognitive, focusing on knowledge, skills and profit. This research reveals that additional antecedents of trust, beyond those in the literature, influence the building of trust.

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## GLOSSARY

### ***Benevolence***

A trusting belief that one party cares about the welfare of another and is therefore motivated to act in the other's interest. A benevolent person does not act opportunistically towards the other person (McKnight and Chervany, 2001).

### ***Client***

A client is "a person, company, etc. who seeks the advice of a professional man or woman; a customer" (*Collins English Dictionary*, 1991, p. 304).

### ***Collectivism***

Collectivism exists in a society in which people are integrated into strong, cohesive in-groups, which continue to protect them in exchange for unquestioning loyalty (Hofstede, 2001, p. 225).

### ***Competence***

A trusting belief that the other party has the ability or power to do for one what needs to be done. Here, the essence of competence is efficacy (McKnight and Chervany, 2001).

### ***Cultural similarity***

*Collins Cobuild Advanced Learner's English Dictionary* (2001, p. 1450) defines *similarities* as "features that have things which make them similar to each other (alike)".

### ***Culture***

*Collins English Dictionary* (1991, p. 387) defines *culture* as "the total range of activities and ideas of a group of people with shared traditions, which are transmitted and reinforced by members of the group".

### ***GDP (Gross Domestic Product)***

The total market value of all final goods and services produced in a country in a given year, equal to total consumer, investment and government spending, plus the value of exports, minus the value of imports. The GDP report is released on the last day of each quarter and reflects the previous quarter. It is important to differentiate Gross Domestic Product from Gross National Product (GNP). GDP includes only goods and services produced within the geographic boundaries of the country, regardless of the producer's nationality. GNP does not include goods and services produced by foreign producers, but does include goods and services produced by US firms operating in foreign countries

(InvesterWords, 2009).

### ***Integrity***

A trusting belief that the other party makes good faith agreements (cf. Bromiley and Cummings, 1995), tells the truth, acts ethically and fulfils any promises made (McKnight and Chervany, 2001).

### ***Kith and kin***

Kin are blood relatives, the co-descendants of a common ancestor. Kinship can either be patrilineal (on the father's side) and/or matrilineal (on the mother's side). Kith are persons with whom one has a close relationship, not necessarily by blood. They may be friends and acquaintances of one's ethnic background, culture or language (*American Heritage Dictionary*, 2000).

### ***Patriotism***

Sharma et al. (1995) define patriotism as love for or devotion to one's country.

### ***Perception***

Perception is defined as a way of regarding, understanding, interpreting, experiencing, conceptualising or viewing something. It is the conscious recognition and interpretation of sensory stimuli through unconscious associations, especially memory, that serves as a basis for understanding, learning, knowing or motivation of a particular action or reaction (Pearsall, Bailey and Elliot, 1999, p. 821).

### ***Reciprocal altruism***

Altruism is defined as behaviour carried out to benefit others; in extreme form, altruism involves self-sacrifice (Rushton, 1980).

### ***Tribalism***

“A tribe including many members who, from possessing in high degree the spirit of patriotism, fidelity, obedience, courage, and sympathy, were always ready to aid one another, and to sacrifice themselves for the common good, would be victorious over most other tribes, and this would be natural selection” (Darwin, 1871, p. 134).

### ***Uncertainty avoidance***

Hofstede (1985, p. 347) defines uncertainty avoidance as “the degree to which the members of a society feel uncomfortable with uncertainty and ambiguity. This feeling leads them to beliefs promising certainty and to maintaining institutions protecting conformity”. Ahmed (1993) contends that Arabs solve their uncertainty and suspicion by use of personal relations, authority and power, tradition and religion.

***United Arab Emirates (UAE)***

*Collins English Dictionary* (1991, p. 1678) defines the UAE as “a group of seven Emirates in south-west Asia, on the Arabian Gulf. It constitutes Abu Dhabi, Dubai, Sharjah, Ajman, Umm al Qaiwain, Ras el Khaimah and Fujairah.

***Wasta***

*Wasta* is the Arabic word for power, connections, influence, pull or favouritism, and may be utilised as a form of intercession or mediation (Cunningham and Sarayrah, 1993, p. 209).

## ABBREVIATIONS

B2B	Business-to-business
BMI	Business Monitor International
BSP	Basic Social Process
CBU	Central Bank of Abu Dhabi
CIA	Central Intelligence Agency
DIFC	Dubai International Financial Centre
ECSSR	Emirates Center for Strategic Studies and Research
EIU	Economist Intelligence Unit
FHI	Freedom House Index
FNC	Federal National Council
GCC	Gulf Cooperation Council
GDP	Gross domestic product
GNP	Gross national product
Majlis	Public audience held by a chieftain, monarch or other ruler to listen to the requests of petitioners
MENA	Middle East and North Africa
MOFI	Ministry of Finance and Industry
MOP	Ministry of Planning
OPEC	Organization of the Petroleum Exporting Countries
Sheikh	Commonly used to designate an elder of a tribe, a lord, a revered wise man or an Islamic scholar
SMEs	Small and medium-sized enterprises
TANMIA	National Human Resources Development and Employment Authority
UAE	United Arab Emirates
UNDP	United Nations Development Programme
WTO	World Trade Organization

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## CHAPTER 1: INTRODUCTION

This thesis focuses on the identification and analysis of the antecedents of trust in an Arab/Muslim cultural and shared values context, examining the relationships between Emirati and non-Emirati bankers and their business clients in the United Arab Emirates. Arab countries have contextual and cultural factors that differentiate them from the Western countries in which much of the research on trust and its antecedents has heretofore been undertaken. Therefore, in much of the literature previously written on the antecedents of trust, the Arab/Muslim context is largely neglected. The Arab/Muslim world is largely, but not exclusively, dominated by the social and business influences of Islam. Religion is one of the dimensions of culture, shared values and social structure that affect the behaviour and beliefs of the Arab people. The social structures in an Arab/Muslim context, which emphasise family, kin and clan networks, not only as sources of social support, but also as business networks, influence relationships between bankers and their clients.

The Arab/Muslim world comprises three distinct cultural groups, some of which may also be defined as nation states (cf. Hofstede, 1980, 1991, 1994, 1998, 2001 and the debate about nation states as political entities that are an appropriate unit for cultural analysis). First, the Gulf States, which are comprised of the United Arab Emirates, Oman, Saudi Arabia, Qatar, Bahrain and Kuwait: in these nation states, Arabs are Bedouin nomadic tribal people, and are Muslim. Second, the Middle East, the Palestinians, Lebanon, Syria, Jordan and Egypt, in which the Arab population and religions are diverse, and include Muslims and Christians. The third group comprises the general Arab world, which includes the remaining Arab countries (see table 1.1, below). In each of these nation states, there is also a percentage of international guest workers, who are granted work visas to remain in the country as long as they are employed. Their period of residence varies between two and fifteen years; however, they are not allowed to become citizens or retire there, but must return to their home countries on cessation of employment. In this thesis, UAE Arabs are all Emiratis, and the international guest workers are defined as non-Emiratis.

**Table 1.1 Arab Muslim world by total population and percentage of Muslims**

<b>Country</b>	<b>Total population</b>	<b>Percentage of Muslims</b>	<b>Number of Muslims</b>
<b>Gulf States</b>			
Bahrain	727,785	81.2%	590,961
Kuwait	2,691,158	85.0%	2,287,484
Oman	3,418,085	100.0%	3,418,085
Qatar	833,285	100.0%	833,285
United Arab Emirates	4,798,491	100.0%	4,606,551
Saudi Arabia	28,686,633	100.0%	28,686,633
<b>General Arab world</b>			
Algeria	34,178,188	99.0%	33,836,406
Egypt	83,082,869	90.0%	74,774,582
Iraq	28,945,657	97.0%	28,077,287
Jordan	6,342,948	95.0%	6,025,801
Lebanon	4,017,095	60.0%	2,410,257
Libya	6,310,434	100.0%	6,310,434
Morocco	34,859,364	98.7%	34,406,192
Mauritania	3,129,486	100.0%	3,129,486
Sudan	41,087,825	70.0%	28,761,478
Syria	20,178,485	74.0%	14,932,079
Tunisia	10,486,339	98.0%	10,276,612
West Bank	2,461,267	75.0%	1,845,950
Yemen	23,822,783	99.0%	23,584,555

Source: CIA *World factbook*, 2009

Because little research has been carried out to date on the Arab/Muslim context, the present examination of the nature and antecedents of trust, and how they may differ in this

context, provides a basis for claiming originality in this work. Although there is a well-developed conceptual framework for trust, it is not clear that it would apply in differing cultural contexts. This indicated the need for a context-specific exploratory work using qualitative thematic analysis. This is reinforced by noting that ultimately the work identifies religion and shared cultural values as a specific antecedent of trust based on a comparison of Emirati and non-Emirati bankers/clients. All the antecedents of trust in the UAE are determined contextually by religion and shared cultural values, and may be important to every Arab/Muslim context, or indeed, to every country that has a high-context culture.

Das (2009, p. 339), in his review of relationship marketing research, notes that “there is a need for more research in the area of industry applications”, and a “need for doing extensive research work with respect to various untapped industries/sectors” (p. 340). He notes that the majority of the research has been done in the USA, UK and China. In addition, Kingshott and Pecotich (2007, p. 1053) note, “there still appears to be a distinct paucity of empirical studies devoted to this important area”. They note that trust, trust building and the antecedents of trust are central to this body of literature.

Research that leads to an understanding of the operationalisation of Emirati religion and shared cultural values has also been identified as timely, important and relevant by the UAE government and banking industry (Pech, 2009), educational institutions (Baron, 2008), and the quality press (*The Times*, 18 March 2010, p. 35). Pech (2009) investigates why Emiratis find working for international banks difficult, and the Emirates’ high rate of attrition in financial services, while Baron (2008) examines the problems in designing a shared curriculum between local and international educational institutions. *The Times* (18 March 2010, p. 35) reports incidents of cultural clashes between local Emiratis and the foreign population, who, although they are welcome in the UAE, are often accused of not respecting Emirati traditions. The UAE relies heavily on foreign expertise to develop its oil, gas and financial services, as the indigenous Emirati workforce is small and underskilled in proportion to industry requirements (Pech, 2009, p. 57). This creates social discrepancies and tensions. Therefore, this research provides a further basis for originality, which may be relevant in additional social contexts.

This thesis examines the antecedents of trust in financial services business relationships that relate primarily, but not exclusively, to an Arab/Muslim context in the Gulf States, and may have wider implications. This chapter provides an introduction as well as a précis of the thesis.

## **1.1 Research background**

The main, but not exclusive, theoretical underpinning of the study is to be found in the literature on services marketing and the marketing of financial services to business, as well as in marketing and management literature on trust and the antecedents of trust, and the sociological literature on culture. Although the main theoretical context is the business and management marketing literature on the antecedents of trust, the literature review is multi-disciplinary and draws on the behavioural sciences (cf. Håkansson, 1982; Håkansson and Snehota, 1995).

In the marketing of services, studies have considered the dynamics of buyer–seller relationships. Gummesson (1987), Grönroos (1996, 2000) and Tyler and Stanley (2007) have carried out pioneering work in this area, concentrating on the initiation of business relationships. In the marketing of financial services, no previous study has focused on the antecedents of trust – culture and shared values, affective antecedents and cognitive antecedents – in an Arab/Muslim cultural context. The present thesis concentrated on this neglected research area by investigating and analysing the antecedents of trust in banker–client relationships in the UAE. The UAE, as an Arab/Muslim country, is a cultural group that has also not been sufficiently investigated by previous studies on the marketing of financial services.

Trust in financial services business markets has received little attention (Sheedy 1997; Tyler and Stanley, 2007), yet it is arguably the key variable in business interactions and relationships. The antecedents of trust are the pre-requisites for building trust in these relationships. As trust is a complex construct, this research is limited to analyses of the antecedents of trust, and the theoretical context of trust and its antecedents.

## **1.2 Literature review on trust and the antecedents of trust**

Despite a large and fast-growing body of literature (Ebert, 2009), there is no agreement on the dimensions, antecedents or consequences (behavioural outcomes, willingness to act and conative variables) of trust.

In fact, two of the seminal studies, Anderson and Narus (1989) and Morgan and Hunt (1994), “confirm, for example, that their research does not agree. Anderson and Narus (1989) maintain that the respecification of cooperation as an antecedent rather than a consequence of trust is specifically found in a B2B relationship. In contrast, Morgan and Hunt (1994) demonstrate that the consequences of trust are cooperation, functional conflict, and less uncertainty, in a B2B relationship” (Ebert, 2009, p. 81). In effect, then, Anderson and Narus, and Morgan and Hunt have agreed to disagree. Scholarly opinion is

divided and diverse on the complex constructs of trust, its antecedents and consequences. This is due not only to the complexity of the constructs, but also to the ontological and epistemological perspectives of the research, the context and the temporal assumptions.

Trust is defined in the literature in different ways. Some researchers see it as a perception of the trusting character of another individual only (Anderson and Narus, 1989; Coulter and Coulter, 2002; Doney and Cannon, 1997; Larzelere and Huston 1980; Schurr and Ozanne, 1985), whilst other researchers add the willingness to trust another to the definition of trust (Ganesan, 1994; Moorman et al., 1992). The present research into the literature on the antecedents of trust concluded that a consensus emerged in the marketing literature, which is that the antecedents of trust encompass two essential elements: credibility and benevolence. Trust in a partner's credibility is based on the premise that an exchange partner should stand by their word and fulfil promised role obligations. Trust in benevolence is a belief that the partner is interested in the other's welfare. The trust literature also suggests that trusting parties must be vulnerable to some extent for trust to become operational. Thus, trust is viewed as a behavioural intention, or as behaviour that reflects reliance on a partner, and which involves vulnerability and uncertainty (Coleman, 1990; Moorman et al., 1993).

The literature disagrees on the definitions and on the antecedents of trust. However, it is in agreement that trust is 1) complex, 2) situational, 3) context specific and 4) dependent on how it is operationalised by the parties. Therefore, trust is implicitly defined by the parties involved, the situation and the context. For the purposes of this thesis, Ganesan's (1994) definition of trust has been adopted: "Trust is the willingness to rely on an exchange partner in whom one has confidence" (p. 60). There are four key reasons for adopting this definition.

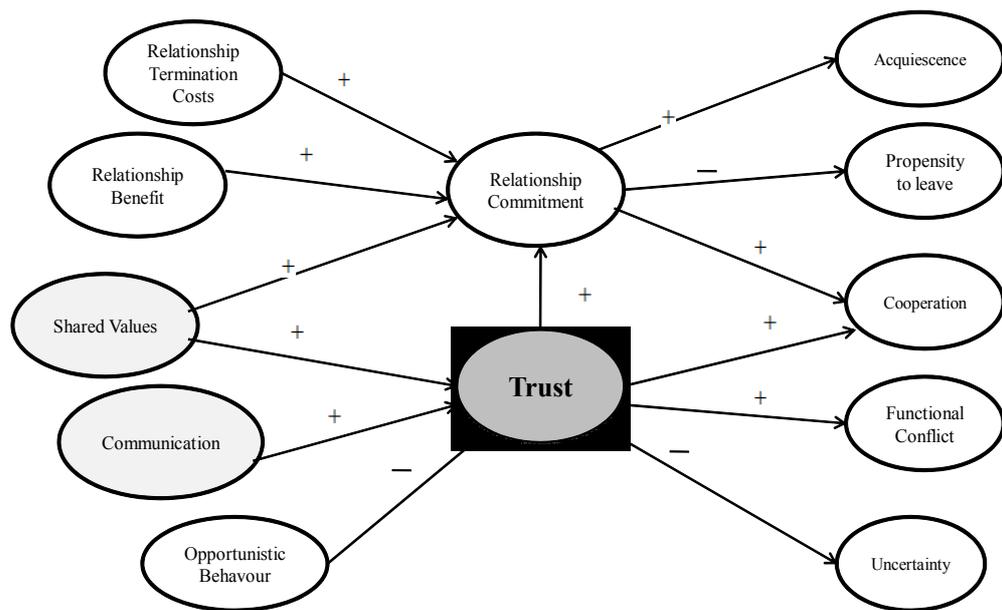
1. "Willingness" signals the notion of benevolence through the indication of free will to perform an act (benevolence is one dimension of trust investigated here).
2. "Reliance" and "confidence" are largely the result of the skills of a party, which reflects the amount of credibility it possesses (credibility is the other dimension of trust investigated).
3. The wide acceptance of the definition within business-to-business relationship studies involving trust (see, for example, Doney and Cannon, 1997; Nicholson et al., 2001).
4. The study was conducted in a business-to-business, relationship marketing context. Trust in a relationship marketing context is delineated in the seminal work of Morgan and Hunt (1994), who investigated independent tyre distributor relationships in the United

States. Morgan and Hunt (1994) found that commitment and trust are key mediating variables in the process of relationship marketing, which they define as “all marketing relationships directed toward establishing, developing and maintaining successful relational exchanges” (p. 22). Their model provides an insightful introduction to this thesis, as they posited the importance of “shared values” as the only antecedent to both trust and commitment (see figure 1.1).

However, the term “shared values” has a specific and limited definition in Morgan and Hunt’s work. It is limited to organisational and inter-organisational values, and shared values among groups of employees, or employee–organisational “fit” – which describes the employee internalising the values of the organisation (Morgan and Hunt, 1994, p. 25). This is not related to the wider context of the national culture or the culture of the country in which these relationships are embedded (Morgan and Hunt, 1994). In addition, Morgan and Hunt (1994), focusing on trust as a mediating variable in relationship commitment, only discuss communication and shared values as a direct antecedent of trust, as opportunistic behaviour has a negative correlation. The literature on the antecedents of trust had been explored before 1994, but Morgan and Hunt chose to limit their antecedents to these two. Morgan and Hunt (1994) also limited their study to one side of the counterpart relationship, and to issues involving only the marketing department, with a primary focus on relationship marketing. The present thesis could also have examined the perspective of relationship marketing, but it was decided that the focus would be placed on an in-depth analysis of the antecedents of trust.

Levin (1999) suggests that three dimensions could be used to structure an integrative trust perspective: cognitive trust, affective trust and cognitive–affective trust. Extending this, empirical evidence suggests that trust might have at least a cognitive, affective and behavioural intention basis (Albrecht and Stevastos, 1999, 2000; Bromiley and Cummings, 1995; Clark and Payne, 1997).

Ennew and Sekhon suggest, in line with marketing studies, that the antecedents of trust are viewed in terms of cognitive or low level trust, and affective or high level trust. Cognitive or low level trust is based on knowledge and/or expertise, competence, capability, technical competence and fiduciary responsibility, and includes calculus-based trust (Ennew and Sekhon, 2007, p. 63–4). Affective or high level trust, is based on emotion, liking, similarity, benevolence, openness and social bonding (Ennew and Sekhon, 2007, p. 63–4).



Shaded areas show focus of this thesis. Reproduced from Journal of Marketing, Vol. 58, (July 1994) page 22

**Figure 1.1 The KMV model of relationship marketing**

### 1.2.1 Cognitive-based trust

Cognitive or low level trust is “based around notions of reliability and dependability” (Ennew and Sekhon, 2007, p. 63). Cognitive trust is the confidence or willingness to rely on a service provider’s competence and reliability (Moorman et al., 1992; Rempel et al., 1985). It arises from an accumulated knowledge that allows predictions to be made with some level of confidence regarding the likelihood that focal partners will live up to their obligations. It is what Rempel et al. (1985) call “predictability”, and Johnson-George and Swap (1982) call “reliableness”. Williamson (1993) argues this viewpoint by suggesting that trust between partners is best labelled calculative trust, since partners can minimise uncertainty and opportunistic behaviour through due diligence and contractual safeguards.

### 1.2.2 Affective-based trust

High level or affective trust is “based around notions of being concerned with the best interests of customer ... Cognitive trust can lead to affective trust” (Ennew and Sekhon, 2007, p. 63). Expanding on the cognitive–affective view, Fine and Holyfield (1996, p. 25) suggest that “one not only thinks trust, but feels trust”. As stated earlier, a number of trust researchers have incorporated affective elements into their research and writing (Albrecht and Sevastos, 2000; Clark and Payne, 1997; Cummings and Bromiley, 1996; Fox, 1974;

Gibb, 1964; Gillespie and Mann, 2004; Mayer et al., 1995; Rempel et al., 1985; Tan and Tan, 2000). Rempel et al. (1985), Fox (1974) and Gibb (1964), for example, define trust in terms of feelings of confidence in another person.

Affective trust is the confidence placed in a partner on the basis of feelings generated by the level of care and concern the partner demonstrates (Johnson-George and Swap, 1982; Rempel et al., 1985). It is characterised by feelings of security and the perceived strength of the relationship. Affective trust is closely related to the perception that a partner's actions are intrinsically motivated (Rempel et al., 1985).

In summary, cognitive trust provides a base for affective trust and should therefore exist before affective trust develops (Lewis and Weigert, 1985). But as affective trust matures, the potential for decoupling trust dimensions and reverse causation increases (McAllister, 1995). In the literature, cognitive trust is a positive antecedent of affective trust; in this thesis, affective trust also precedes cognitive trust.

For further discussion, refer to the literature review on trust and the antecedents of trust in chapter 3.

### **1.2.3 Culture and shared values**

In order to examine the antecedents of trust in the Arab/Muslim world, it is necessary to define the concept of "culture" that underpins this thesis. Scholars define culture from different viewpoints and there is no agreement in the literature; therefore, defining culture becomes complex, although its usage is widespread (Inglis, 2004).

Culture is a generic term for the patterns of thinking, feeling and acting that have been acquired and learned during one's lifetime, which could be referred to as mental programmes, or the "software of the mind" (Hofstede, 1991, p. 4). Hofstede's work, while providing insight, is not only parsimonious, as it is based on only five variables, but it is also based on extreme polarities, which makes it less nuanced and explanatory. However, there are as many replication studies of Hofstede's work as there are criticisms (see chapter 3). Among those criticisms pertinent to this thesis are well-founded ones, for example, that culture does not equate to "nation-states", which are political boundaries and do not necessarily delineate groups or cultures. This thesis, however, provides one of the rare examples in which this is the case, which strengthens its contribution to knowledge. It also provides a basis for future research on the differences in influence of religion and culture, which in such a cohesive group on both constructs may provide for comparison of diverse other Arab cultures.

Schwartz's (1992, 1994, 2007) work on shared values is more relevant to this thesis.

Schwartz and Rubel-Lifschitz (2009) define values as “broad, transsituational goals that vary in importance as guiding principles in life. The crucial content aspect differentiating among values is the motivational goals they express” (Schwartz and Rubel-Lifschitz, 2009, p. 171; see also earlier research by Schwartz). These values are “power, achievement, hedonism, stimulation, self-direction, universalism, benevolence, tradition, conformity, and security” (Schwartz, and Rubel-Lifschitz, 2009, p. 171; see also chapter 3 of the present work for a critical review). Schwartz’s theory states that the values are related in a dynamic structure: “actions expressive of any value have practical, psychological, and social consequences that may conflict or be compatible with the pursuit of other values”, that is, they are inter-twined (Schwartz, 2004, p. 231).

Although it is commonly accepted that people of different national backgrounds have different expectations about business relationships (Koeszegi, 2004; Nooteboom, 1999), there are few studies that specifically and empirically study culture and shared values as an antecedent of trust in a business-to-business context (Athanasopoulou, 2009, pp. 593–87, p. 596). This is a notable omission in the literature, particularly in the decade following the new millennium, with the intensive and extensive growth in globalisation, cross-cultural trade and alliances, and the credit crunch. Most studies deal with culture and shared values in a tangential way, such as the “environment uncertainty” noted by Kuman et al. (1995, p. 588), which relates to the economic environment, not the cultural environment. Boles et al. (2000) focus on the cognitive antecedents of trust in business service domain expertise, but ignore culture or shared values in the domain. Sanzo et al. (2003) find that cultural market orientation is an antecedent of loyalty. Doney et al.’s research (2007), however, is more relevant to this thesis. They investigate the cultural antecedents of trust, which they define as the buyer’s national wealth and collectivism (Doney et al., 2007). They also claim that “social behaviours seem to dominate the trust building process” (Doney et al., 2007, p. 1109), and that these behaviours are culturally driven. Theron et al. (2008, p. 1006) provide one of the few studies of relationship managers and their clients in the financial services industry. They find that “business values” need to be aligned, and that “cultural differences” need to be taken into account; they note the provision of “unique financial services to Muslims” (p. 1006), although they do not specify what these are. They equate culture and shared values with religion. However, the impact of culture and shared values has not been studied separately from that of religion (Schwartz and Huisman, 1995). It may be possible to gain insights into these variables based on the results of this study and further research into the Arab/Muslim world.

In summary, few studies focus on culture and shared values as an antecedent of trust.

Most of the work that considers these variables focuses on the economic environment, or the service environment (expertise), or on organisational culture. There is a need for more research on specific culture and shared values contexts, and how this frames the interactions of counterparts, which is the gap this thesis addresses (for further details on culture, see chapter 3).

### **1.3 Context of the thesis**

#### **1.3.1 UAE background analysis**

The UAE, the context of this thesis, is a federation of seven previously autonomous Emirates – Abu Dhabi, Dubai, Sharjah, Ajman, Ras Al Khaimah, Fujairah and Umm Al Qawain – which united as a single country in 1971 under the leadership of the late Sheikh Zayed Bin Sultan Al Nahyan (Al Abed and Hellyer, 2001). The UAE is a sheikhocracy, where power and decision-making capabilities are held by elite families with extensive resources and wealth (Al Abed et al., 2003).

Formed thirteen years after the initial discovery of commercial oil, the UAE has evolved from a collection of subsistence desert sheikhdoms with “a precarious base of fishing and pearling, together with some local agriculture, to an oil-based, high-income economy” (Al Sadik, 2001).

The UAE has one of the most open business environments in the Middle East and the Gulf area (Hamed and Elhiraika, 2001), while, paradoxically, the culture of the UAE is rooted in the tradition and heritage of the Bedouin and their deeply held Islamic beliefs (Beblawi and Luciani, 1987). The UAE is a tribal society, where people retain these ties and behave according to their customs (UNDP, 1999). Hence, this society is open to economic forces but is, at the same time, socially closed.

The UAE has an unusual demographic distribution because Emirati nationals are estimated to represent only around 20 per cent of the 4.5m population, while the rest is composed primarily of migrant labour, mainly from South Asia and other Arab states (HSBC, 2004). Approximately 98 per cent of private sector workers in the UAE are non-UAE nationals (Al Sharyani, 2002). Emiratisation of the UAE workforce remains a national objective.

#### **1.3.2 The banking sector in the UAE**

The banking sector in the UAE is a dominant player in the economy. As of 31 December 2008, there are 52 banks operating in the UAE, of which 24 are Emirati banks and 28 non-Emirati, with a total of 672 branches and head offices (see table 1.2).

**Table 1.2 The number of banks operating in the UAE**

	<b>End of Dec. 2004</b>		<b>End of Dec. 2005</b>		<b>End of Dec. 2007</b>		<b>End of June 2008</b>	
	No. of Head Offices	No. of Branches and Pay Offices						
Emirati Banks	21	383	21	412	22	508	24	589
Non- Emirati Banks	25	112	25	113	27	81	28	83

Source: Central Bank of UAE, Annual Reports, 2006, 2008

The development of the banking sector in the UAE has been enhanced by the availability and acquisition of modern Information Technology facilities, but more importantly through the marketing and promotion of the services it provides (Howcroft et al., 2004). This growth has been mainly in the corporate banking segment, which accounts for over 70 per cent of the volume of business of the banking sector in the country (Economist Intelligence Unit, 2005). A survey of marketing and promotion expenditure on the development of banking services in the region supports this trend, as can be seen in table 1.3.

**Table 1.3 Marketing expenditure on development of UAE banking services (2001)**

<b>Expenditure item</b>	<b>Banking segment</b>	
	Corporate banking	Retail banking
Customer opinion research	80.7%	19.3%
Advertising	73.0%	27.0%
Other promotions	65.0%	35.0%

Source: *Gulf News*, 24 April 2001, p. 26

The UAE has a rapidly growing retail banking sector because of the country's expatriate population. However, UAE banks are focused on corporate customers because they are

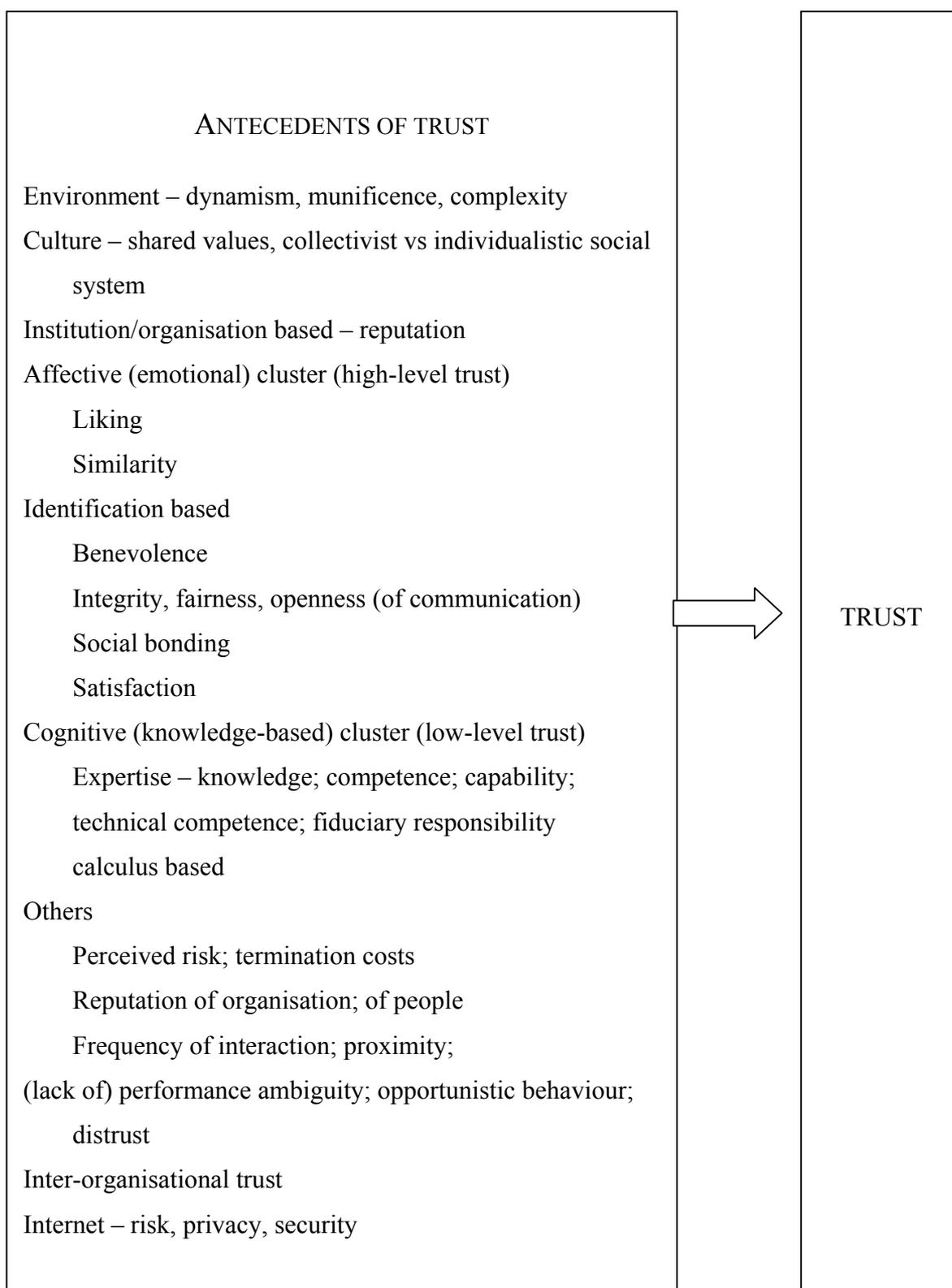
considered low risk and lucrative. The reluctance by most UAE banks to become heavily involved in the personal loan market can perhaps be explained by the absence of consumer credit reports and a lack of trust towards a non-Emirati workforce that does not have long-term residency status (Central Bank of the UAE, Annual Report, 2005). As a result, business loans have been increasing at the expense of personal loans, but retail deposits are still vital as they provide capital for the banks (Central Bank of the UAE, Annual Report, 2005).

The UAE banking sector benefits from high levels of government support for Emirati banks, which takes various forms – ranging from acting as a strong shareholder base to most banks through majority ownership, and restricting the number of branches that non-Emirati banks can operate, to providing a clear and transparent regulatory environment that sports an implicit guarantee to the system against fallout from bank failures (Central Bank of the UAE, Annual Report, 2005).

#### **1.4 Research objectives**

This section outlines the research objectives from which the research questions were derived. The antecedents of trust were derived from the literature review (see chapter 3, section 3.2). There are many antecedents of trust in the literature, and these were first analysed to create a typology of the antecedents of trust, which are presented in appendices D1 (previous findings of trust antecedents) and D2 (a typology of the five antecedents of trust). These antecedents were then further analysed and grouped into clusters that were most relevant to the research context and limited to those most relevant to the context and research questions; a reasonable number for in-depth examination was selected. This conceptual framework provided the blueprint for understanding the antecedents of trust in a financial services business-to-business context, which deserved greater attention than it had received to date. The initial conceptual model of research assumptions derived from the literature is shown in figure 1.2.

It was decided to delimit the thesis to antecedents that were operationalised by individuals in the buyer–seller relationship, with the focus only on affective and cognitive clusters. Therefore, the vast numbers of other antecedents in the literature, which comprise the remainder of the interpersonal, calculus-based, and organisational and inter-organisational antecedents, have not been included in this thesis. Similarly, the conative cluster, which includes the outcomes of trust, behavioural intentions, and motivation and willingness to act, are excluded from this precise focus on the determinants of trust. These



**Figure 1.2 Conceptual model for research**

areas will provide a rich base for future research in this context.

This background provided the impetus and foundations for the research objectives of this thesis, which are:

1. to identify and analyse the antecedents of trust in the interaction between corporate bankers and their clients in an Arab/Muslim context, and to focus on the specific antecedents that are important in this region (see figure 1.2);
2. to use empirical methods to study both sides of the dyad in financial service business markets from the perspective of the antecedents of trust. There is currently a paucity of empirical studies analysing both sides of the dyad. Many studies focus only on the buyer or supplier side;
3. to use empirical methods to investigate the extent to which the antecedents of trust are contextually and/or situationally important in corporate banking in an Arab/Muslim cultural context. To determine which antecedents are more important in Emirati Bedouin shared values and culture, and to derive explanations for this importance. Specifically, the pilot study showed that cultural variables, such as Bedouin tribal society, the importance of family, hierarchical sheikhdom, *wasta* and patriotism are important themes that permeate business interactions in an Arab/Muslim cultural context;
4. to identify the managerial implications for marketing financial services to businesses in an Arab/Muslim cultural context.

### **1.5 Research questions**

The research questions were derived from the research objectives. These research questions are further deconstructed into the research propositions, for further clarity and explanation, and are addressed in full in the methodology presented in chapter 4. The overarching research questions are derived from the objectives stated above, and a précis is given here:

1. *What are the antecedents of trust in the interaction between corporate bankers and their clients in the UAE? How do these compare to antecedents derived from the literature?*
2. *What are the antecedents of trust from both sides of the dyad? From the perspective of Emirati and non-Emirati bankers and clients? What are the similarities and differences in the dyadic perspectives?*
3. *Are the antecedents of trust contextually or situationally referenced or determined? If so: how? What is the extent of cultural influence?*

4. *How important is trust in corporate banking interactions in the UAE? What are the attitudes of Emiratis and non-Emiratis to trust?*

### **1.6 Research methodology**

An investigation of opinions, beliefs and attitudes about the antecedents of trust in financial services business markets has not previously been conducted in an Arab/Muslim context. A qualitative approach was chosen to provide an investigation of these constructs, as qualitative research provides insight through the depth of data collected, “rather than from the weight of numbers of a statistical approach” (De Ruyter and Scholl, 1998, pp. 7–14).

There are interconnected activities that define the qualitative research process (Denzin, 1989). They go by a variety of different labels, including theory, method, analysis, ontology, epistemology and methodology (Denzin, 1989). Behind these terms stand the personal biography of the researcher, who speaks from the perspective of a particular class, gender, culture and ethnic community (Denzin, 1989). The gendered, multi-culturally situated researcher approaches the world with a set of ideas and a framework (theory, ontology) that specifies a set of questions (epistemology) that s/he then examines in specific ways (methodology, analysis). That is, the researcher collects empirical materials bearing on the question and then analyses and writes about them (Denzin, 1989). Every researcher speaks from within a distinct interpretive community that configures the multicultural, gendered components of the research act (Denzin, 1989). I am an Arab Palestinian in exile living in the UAE, and my “outsider” status added to my objectivity (Miles and Huberman, 1994, p. 263). It enabled me to be aware of bias and to attempt to overcome it (cf. Miles and Huberman, 1994, pp. 262–3; Schutz, 1962, p. 5). The Arab Bedouins are a closed society and this presented problems in collecting the dataset, which were overcome without jeopardising data quality (see chapter 4, methodology).

This thesis is a context-specific exploratory work, for which thematic qualitative analysis was chosen for the research methodology. Thematic qualitative analysis has been derived from the work on grounded theory developed by Glaser and Strauss (1967), Strauss (1987) and Corbin and Strauss (1990) for comparative studies of social processes in which the people studied are “derived from the research question and thus defined *a priori*” (Flick, 1999, p. 87). In thematic qualitative analysis, the approach is hypothetico-deductive, guided by the literature and a conceptual model of the research framework, which can be compared against the results of the study. Additionally, in this thesis, the conceptual framework and research questions were further deconstructed into research

propositions, which were used to further clarify and determine the results. It can then be determined whether the findings are consistent with the literature and conceptual framework, or whether they differ, and in what respects. Data are obtained in the form of in-depth interviews, which may be guided by an interview protocol or open-ended interviews. Data collection is guided by purposive sampling to include a diversity of groups. Data are transcribed, sorted and coded, word by word, so that “more general conceptual themes can be the ordering principle” (Miles and Huberman, 1994, p. 131).

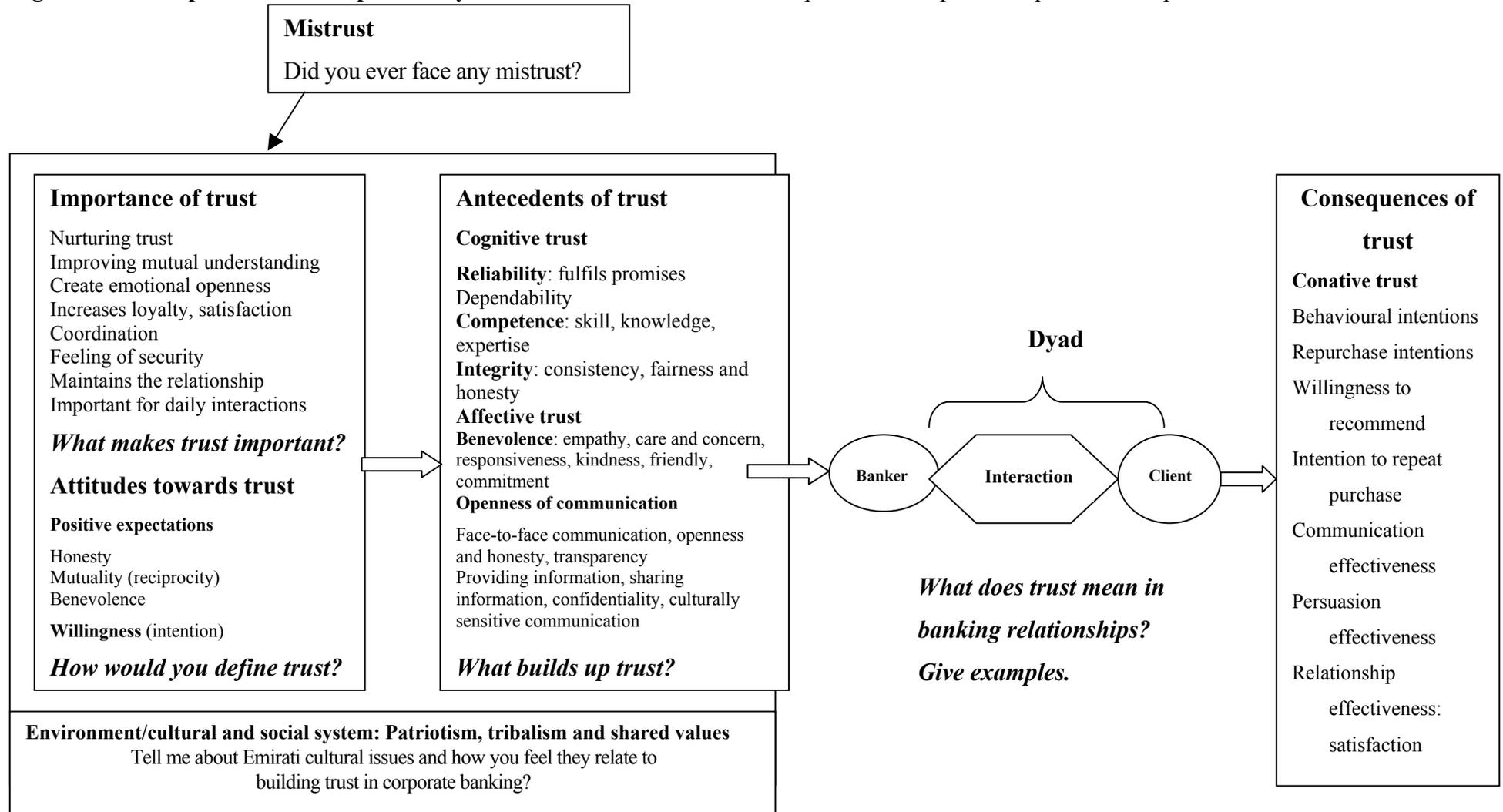
The research design provided for triangulation in four steps, through respondent validity, and key informants for both bankers and their clients. It was decided to collect data from both counterparts, and the dyadic or “two party” approach is an essential feature of this thesis. Business relationships and their development are always a bilateral matter. The smallest meaningful unit for building a trust relationship between the banker and the client is therefore a dyad of two parties, approached from the perspective of each individual (see Bonoma, 1976; Czepiel, 1990; Halinen, 1994).

The initial conceptual model (shown in figure 1.2) was derived from the literature and used as the basis for the pilot study. The pilot study, conducted in 2004, was designed according to the conceptual model given in figure 1.3. The purpose of the pilot study was to clarify and confirm the research design and processes, to design and explore responses to a provisional interview protocol, to identify unforeseen problems in access, data collection, analysis and triangulation, and to reflect critically on the research. The research experience gained through the pilot study significantly influenced the development of the final research.

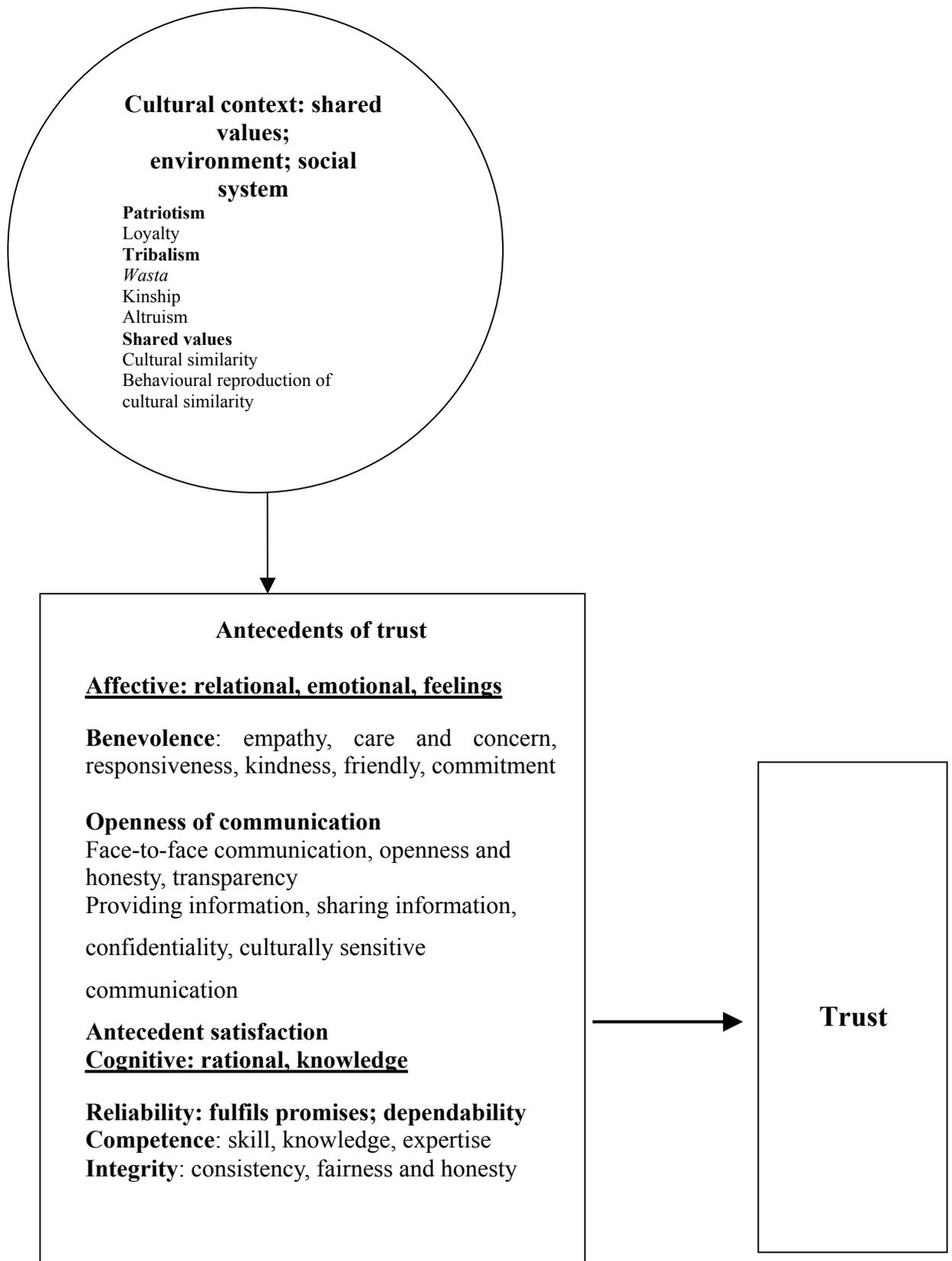
The pilot study consisted of many stages: designing the interview protocol, determining the triangulation processes, purposive sampling, data collection, data analysis and critical reflection on the results. The results were then compared to the initial conceptual model of research assumptions (figure 1.2). The outcome was a modified conceptual model, which incorporated the results of the pilot study, as shown in figure 1.4.

**Figure 1.3 Conceptual model for pilot study**

Example interview protocol questions are presented in *bold italics*



**Figure 1.4 Conceptual model of research with results of the pilot study**



In the main study, access was provided to new cohort of 80 dyadic relationships (160 individuals – paired counterparts in the banker/client relationship) and 10 individual respondents (5 bankers and 5 clients in companies with responsibility for the banking relationship), who were interviewed as individuals, not in a dyadic relationship. The Arab/Muslim cultural context presented many difficulties in collecting the data, and it was methodologically challenging to overcome these difficulties without compromising data quality. A summary of the research process is given below.

### **1.7 The research process**

The thesis began in September 2003, with a study of services marketing and marketing of financial services literature. It evolved into an investigation of the antecedents of trust between bankers and their clients in the UAE. The research process consisted of seven main phases (see also figure 1.5, below).

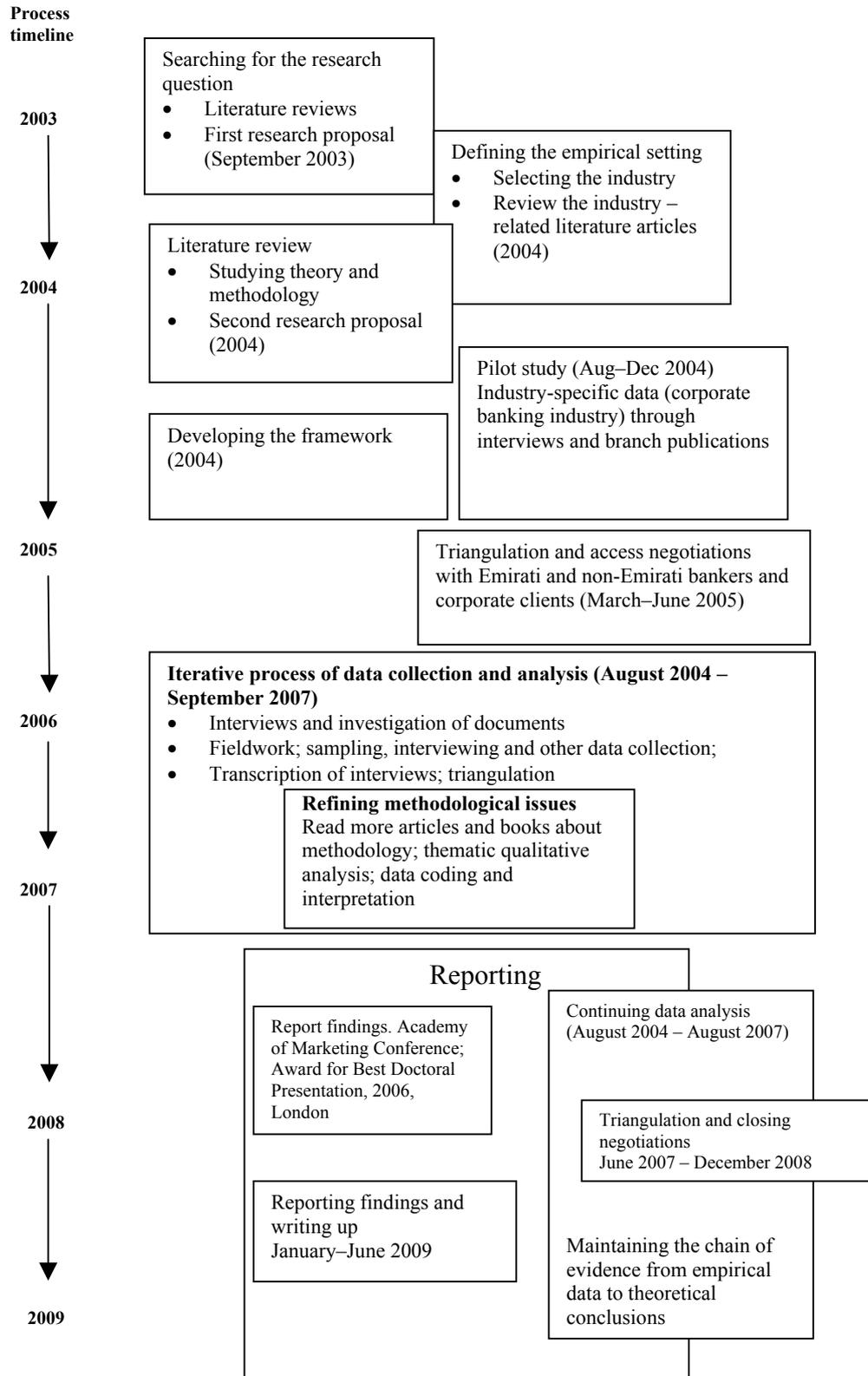
1. Choosing and defining the empirical process – a thematic qualitative analysis of the antecedents of trust in banker–client interactions in an Arab/Muslim cultural context.
2. Pilot research was carried out from August 2004 to December 2004, and this included five dyads and data collection of supporting documents from bankers, clients and sector publications. The purpose was to assist in problem definition and in the planning of the empirical investigation. The pilot study also provided an opportunity to ensure the theoretical and practical relevance of the research problem, to become familiar with field research in financial services business markets, to test triangulation processes and to practice interviewing.
3. A literature review was undertaken on the antecedents of trust from the perspectives of services marketing and marketing of financial services, the refinement of the research methodology, and the design of the research and interview protocol.
4. Triangulation was performed with key informants (March–June 2005), including four interviews with key informants from a bank, an oil company and the Central Bank of Abu Dhabi, and collection of data about specific bankers and their clients. The objectives were to find suitable bankers and clients for the study, to motivate them to participate by offering information about the study, and to assist with personal access to bankers and clients before interviews. Background data for the research was gathered on banks and businesses. This stage also concerned checking the data collected, ascertaining acceptable data collection methods from bankers

and clients, checking available documents, obtaining other key informants, and establishing the banker/client requirements for confidentiality, non-attribution and anonymity.

5. The main study was carried out, through interviews and an investigation of documents (July 2004 – May 2007), including 170 interviews, discussions and document collection. Documents were used to complement and validate the data. Data were also collected concerning the interaction of bankers and clients from the perspective of the antecedents of trust.
6. Triangulation was performed with key informants (June 2007 – December 2008), including eight interviews with key informants from Central Bank of Abu Dhabi, a bank, an oil company and an insurance company. The objective was to receive confirmation and feedback about the data from the respondents. A multiple triangulation design was employed, combining triangulation of data sources with confirmation re-interviews and the cross-checking of data with key informants from banking and business sectors.
7. Analysis, reporting and writing (January–June 2009) was undertaken: to increase construct validity, triangulation of data sources was used, which consisted of further interviews. Validation was also obtained by using multiple informants, which increases data validity (Yin, 1994). In the pilot and main studies, informants were given the opportunity to read and comment upon their interview transcripts. This activity resulted in no significant changes to conclusions.

Figure 1.5 describes the research process as a dialogue between theoretical and methodological knowledge and empirical reality. It describes the stages and events of the research in its seven main phases.

**Figure 1.5 The research process: Empirical design, theory and methodology**

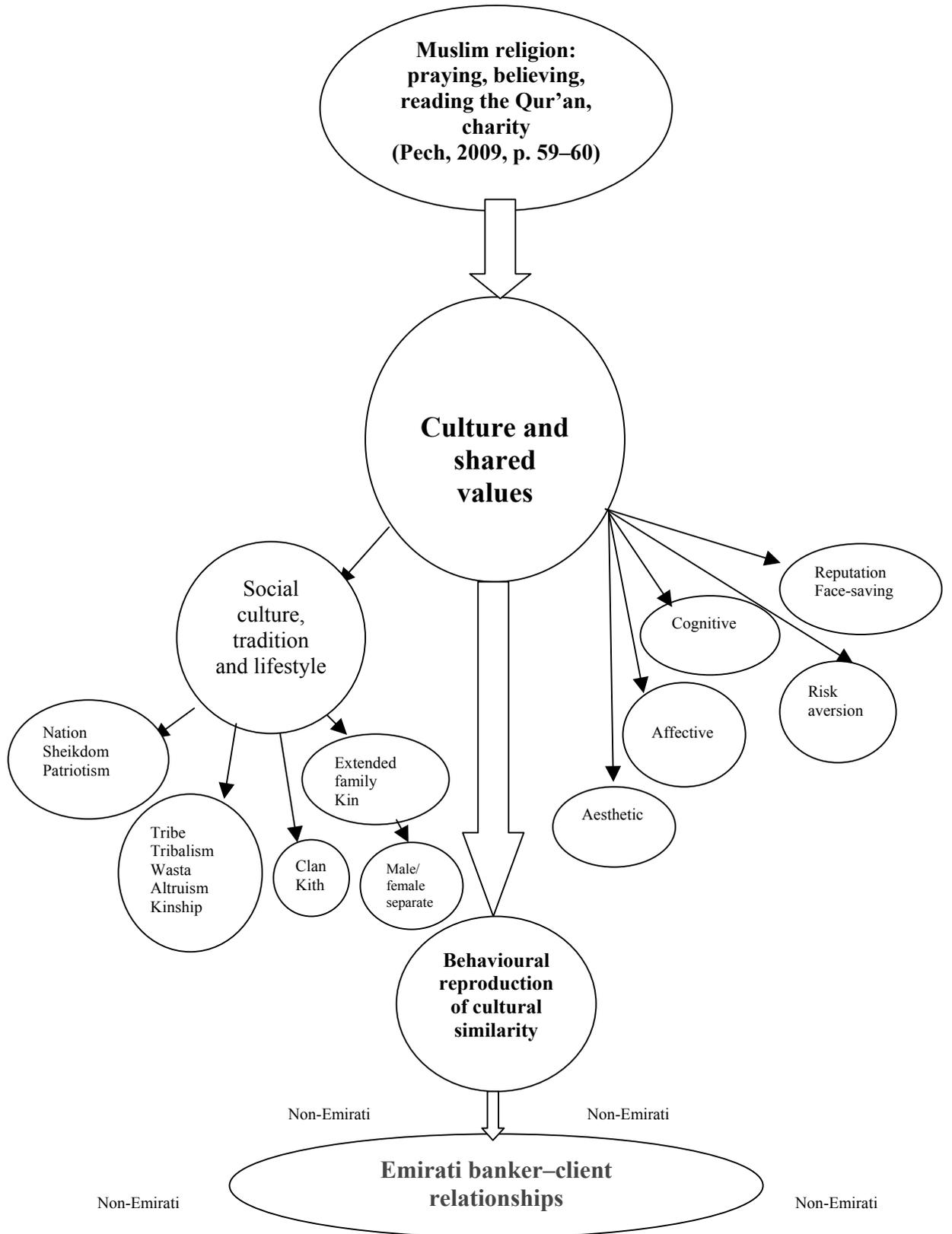


## 1.8 Discussion of results

The results show that Emiratis and non-Emiratis have very different perceptions of the antecedents of trust in banker–client relationships. In addition, the antecedents have different salience for Emiratis and non-Emiratis. These differences are shown diagrammatically in the following models for each of the counterparts. Figure 1.6 (below) shows the results for Emiratis, in which religion (with its emphasis on praying, believing, reading the Qur’an and charity) is the over-arching and fundamental aspect in their lives (cf. Pech, 2009). The next strongest factor is culture and shared values, which have been forged through centuries of desert survival into social culture, tradition and lifestyle. This is characterised by patriotism, a strong love of the nation, sheikdom and the ruling tribes. The Emirati Bedouins are tribal, and the tribe and tribal system are fundamental to altruism, kinship, *wasta*, the importance of clan and kith, and the family and extended family. The extended family lives together in a compound, with strict segregation of the sexes in every aspect of life except for married couples’ sleeping arrangements.

The important values for Emiratis are aesthetic, affective and cognitive, and concern risk aversion and reputation/face-saving. The affective value is more salient than the cognitive, as the Emiratis are very emotional. They have strong relational ties and invest time and effort in relationship building and relationships.

**Figure 1.6 Emirati culture and shared values**



In contrast, non-Emiratis are difficult to classify. They are international foreign guest workers, mainly from developed countries, who are required to provide the skills and capabilities needed to manage the newly industrialised UAE. Table 1.4 shows the percentage of non-Emiratis who are resident in the UAE, alongside their religion. This table is for background information only, and does not represent the nationality, distribution or religion of respondents in this research, as it was not possible to ask the non-Emiratis personal questions.

**Table 1.4 Non-Emiratis resident in the UAE, by percentage and by religion**

<b>Nationality</b>	<b>Percentage</b>	<b>Religion</b>
American	0.3%	Christian, Buddhist
Indian	51%	Christian, Hindu, Sikh, Buddhist
Filipino	2.5%	Christian, Buddhist
Pakistani	15%	Muslim
Bangladeshi	10%	Muslim, Christian
Sri Lankan	1.5	Muslim, Christian, Buddhist
European and East Asians	8.0%	Christian, Buddhist
Other Arabs and Persians	50.7%	Muslim, Christian, Farsi

Source: CIA *World factbook*, 2010

Non-Emiratis are precluded from citizenship, and their work visa determines their length of residence, which is usually between three and fifteen years. Their lifestyles are various, depending on their cultural background. They live in nuclear families and spend time in social clubs, participating in mixed-gender activities. They spend their free time travelling. It is not possible to generalise about their culture and shared values. The only known factor about their culture and shared values is the culture of the international bank in which they are employed. The primary driver is an economic one, with profitability, productivity, an economic mentality, planning and annual income as key factors (Pech, 2009). As bank or business employees, they are normative and rule bound, and their salient attribute is cognitive (see figure 1.7). Further discussion of results can be found in chapter 8.

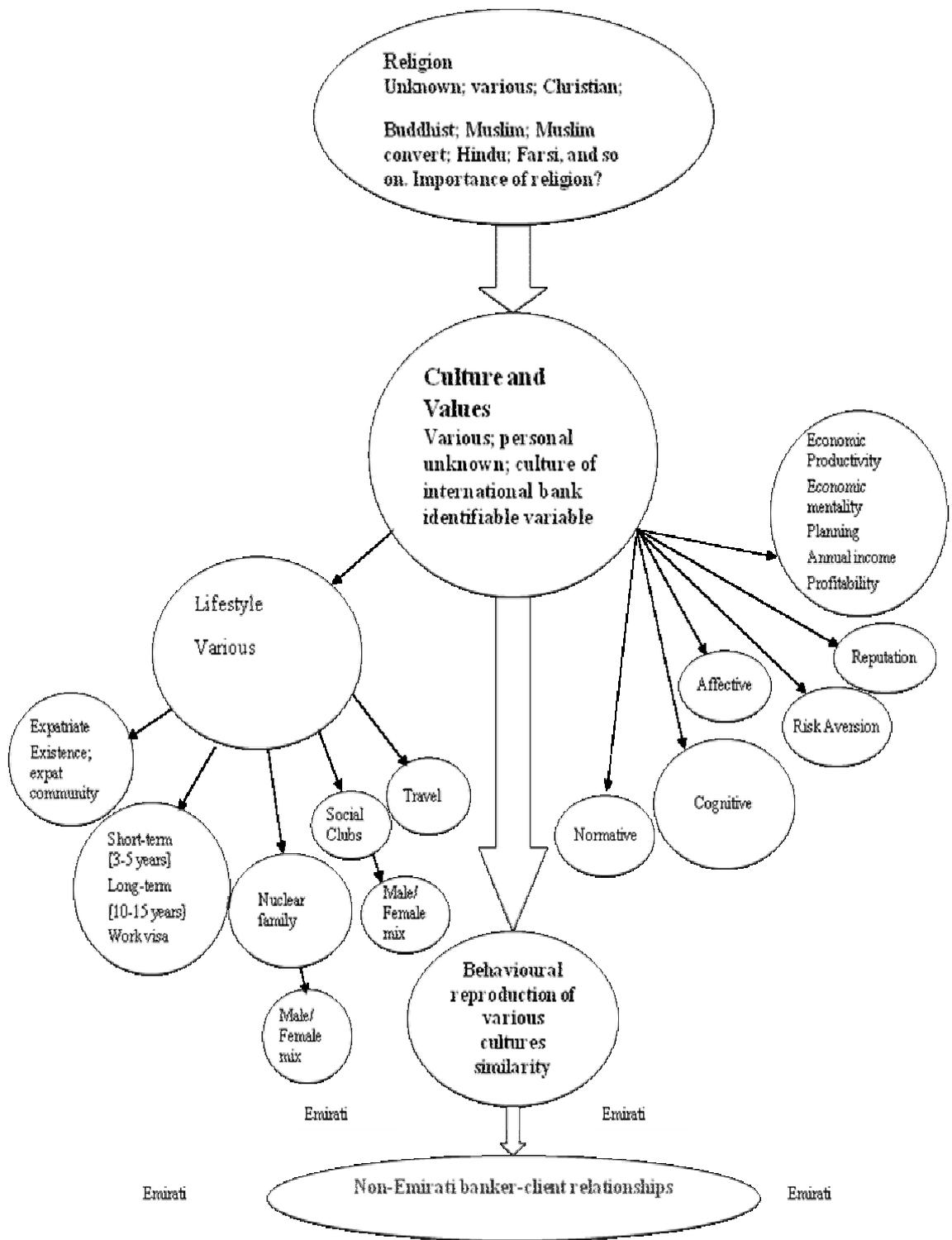


Figure 1.7 Non-Emirati culture and shared values

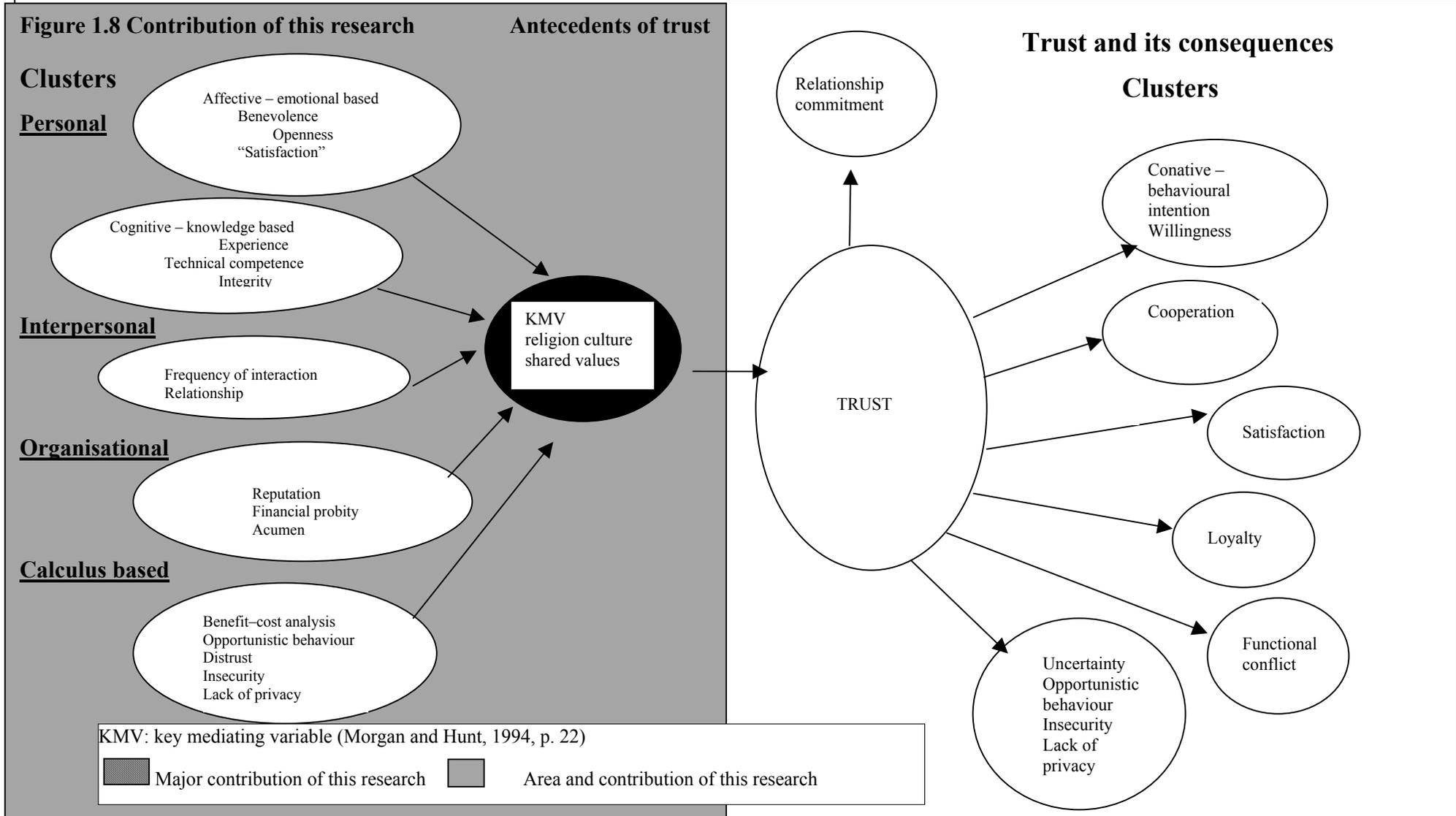
## 1.9 Contributions to knowledge

The contributions to knowledge made by this thesis are summarised below.

1. The most important contributions to knowledge concern the role of trust, its importance (chapter 5, section 5.5) and the antecedents of trust in the banking sector in an Arab/Muslim context (chapters 6 and 7). This work fills a gap in the literature of marketing in services and in financial services business markets (chapter 3, section 3.1.5).
2. This thesis provides an understanding of the antecedents of trust as perceived by the dyads. It uses empirical methods to determine the nature and extent of the antecedents of trust. The major contribution of this study lies in the simultaneous consideration of the perceptions of bankers and clients in a single empirical study. Most empirical research has been limited to one side of the dyad; however, in this research, the majority of the interviews were dyadic.
3. This research makes a further contribution to the study of the antecedents of trust in relationships. Some insight is provided into corporate banking in an Arab/Muslim cultural context (chapter 2, section 2.9). The work examines bankers' and clients' perception of the antecedents of trust in an Arab/Muslim cultural context. These perceptions differed across the dyads and the relationship matrices researched. This is a particularly valuable contribution, as trust is context specific (chapter 6). The research
  - a. *analyses and identifies the antecedents of trust specific to an Arab/Muslim context;*
  - b. *identifies the importance of culture as an antecedent of trust in the UAE.*
4. This thesis has implications for the Arab/Muslim world, other Gulf States and Arab cultures more broadly, with regard to trust and the antecedents of trust in financial services business markets (chapter 9, section 9.8)
5. Despite their importance, the relational bases of trust have been largely neglected (e.g., Burke et al., 2007; Colquitt et al., 2007; Dirks and Ferrin, 2002; Mayer et al., 1995). In particular, more research is needed to examine the affective base of trust, which this thesis shows to be particularly significant in the Arab/Muslim world.
6. This thesis is the first on the Arab/Muslim world to contribute to the literature by finding a significant relationship between affective antecedents (emotions and feeling) and the antecedents of trust. It confirms that once Arab/Muslim clients become emotionally attached to their bankers, it becomes harder for them to change bankers.

7. This thesis determines that in the Arab/Muslim world, culture and shared values are operationalised by the Bedouin Emirati as a key mediating variable for the antecedents of trust. This is not the case for the non-Emiratis (international expatriates, mostly Westerners or from the developed world), who perceive the cognitive antecedents of trust as more significant.

In conclusion, originality and contribution to knowledge can be linked to the results and the conceptual framework of this thesis. Figure 1.8 shows that the antecedents presented in the results chapters are determined as being important for Emirati culture and shared values, which in turn creates a foundation for the emergence of trust. Religion, culture and shared values are the key mediating variables in the Arab/Muslim context. Thus, religion, culture and shared values differentiate Emiratis from non-Emiratis, and show their effects in bankers' and clients' perceptions of the antecedents of trust.



## 1.10 Managerial implications

1. This research provides some evidence of behaviours that bankers should adopt to successfully build up a trust relationship for the long term. As an important underpinning of relationship building, trust should be developed explicitly, strategically and consciously through the adoption of behaviours likely to encourage trust.
2. This study suggests that clients must take the initiative in finding solutions for dissatisfaction with their bankers. They should also seek a more rational basis for their expectations of bankers. In addition, clients should be prepared to take action when confronting an unsatisfactory relationship.
3. Bankers and clients are encouraged to include reliability issues in their mission statements, to set reliability standards, stress the importance of reliability, measure error rates and reward error-free service.
4. The results indicate that a strategy change seems essential to encourage the sustainable market growth associated with retaining clients, motivating them to buy services and recommend services. Marketing staff in the UAE should pay more attention to developing trust in the marketing of financial services.
5. Skills and aptitude in understanding clients, and in the provision of appropriate services, must be considered in the design of a sales force formation programme.
6. Trust-building behaviours and the operationalisation of trust are currently achieved through the informal approval of actions by bankers, often over the telephone, before formal paperwork has been completed. This is usually based on experience and knowledge of the client, and is an informal operationalisation of trust. It was not official, legitimate bank policy. This is a costly approach because it involves trial and error.
7. In the UAE, non-Emirati relationship managers should pay attention to culture, and especially to *wasta*, which plays an important role in building trust.
8. To build upon the foundation of trust in the banker–client relationship, it is imperative that bankers follow guidelines during interactions. While they have the right to offer an honest opinion, bankers always should act within the influence of fairness and truthfulness, and in the client’s best interests.
9. Although bankers remain highly regarded and widely trusted by the majority of clients, there is work to be done in order to inspire a greater sense of trust and to further improve the dynamics of the client–banker relationship.

10. Emiratis place strong emphasis on personal relations and less emphasis on documentation; non-Emiratis place strong emphasis on documentation, but less on relationships. Thus, the advice to bankers is relatively straightforward and supports a powerful, stable interpersonal relationship between bankers and clients. Close and effective relationships of this type encourage clients to perceive services in a way that creates a positive attachment to their banker.
11. Corporate relationship managers need to understand the importance of relationship building. They can learn from relationship managers at smaller banks, who focus more on the relational aspects and seem to succeed better in terms of retaining loyalty. Because of this stronger sense of attachment, clients with greater relational trust in their bankers are more likely to be satisfied with the relationship, and are more likely to resolve emerging problems within them.
12. This research confirms that relationship managers may need to pay more attention to client emotions if they wish to maintain a competitive edge.
13. Non-Emirati bankers' efforts to enhance client satisfaction need to be accompanied by an effort to increase their familiarity with the Emirati client's culture.
14. A non-Emirati banker will find it difficult to cultivate trust based on goodwill without understanding the background elements of Emirati culture.
15. Trust is a complex construct that remains important within business-to-business banking and needs to be studied thoroughly. Both clients and bankers must consider the role of trust intentionally instead of relying on knowledge of the counterpart.

### **1.11 Structure and outline of the thesis**

The aim of this thesis is to contribute to knowledge about the antecedents of trust in an Arab/Muslim cultural context, particularly in the context of analysing relationships between corporate bankers and their clients in the UAE.

The results of this exploration into the *antecedents* of trust in UAE banking are organised across three chapters, as shown in figure 1.9, below. However, the respondents were first interviewed about the *importance* of trust and their *attitudes* towards trust, which formed the background for the research. Respondents' answers are presented in italics in the three results chapters. Each main theme is supported by sub-themes from Emirati and non-Emirati respondents.

In chapter 5, the themes that comprise the importance of trust, and the attitudes towards trust that provide the antecedents of trust, are analysed. The respondents of both

sides of the dyads, Emirati and non-Emirati bankers and clients, declared that trust is a vital element in the banker–client relationship. However, Emirati bankers and clients added that such relationships support the UAE national income and make the counterparts feel more comfortable and secure. Interpretations of trust by bankers and their clients were used to understand how bankers and their clients perceived trust.

The results (shown in chapter 6) reveal the presence of two relevant and significant antecedents of trust: cognitive and affective antecedents. Data revealed that, specifically in an Arab/Muslim context, religion and culture and shared values are the key mediating variables (see chapter 7).

The specific contents are shown diagrammatically in figure 1.9, and are also listed below.

Chapter 1 provides a background to the research and defines the context in which the research takes place, thereby leading to the research questions. It presents the aims and objectives of the research, explains the rationale for undertaking it and identifies the contributions to knowledge of the thesis.

Chapter 2 gives an overview of the industry context and the banking sector in the UAE. It provides a background for the work on the UAE, presenting a contextual analysis and aspects of the UAE economy and financial sector.

Chapter 3 presents the literature review of the antecedents of trust in corporate banking. The main theoretical underpinning of the thesis is to be found in services marketing, marketing financial services to business, and interaction approaches, as well as marketing and management literature on trust and the antecedents of trust. In addition to this, the specific cultural context has been analysed and defined here, with the importance of Emirati culture presented as the controlling variable for the antecedents of trust.

Chapter 4 outlines the empirical research and the methodology. The issues of data collection and analysis are addressed. This research uses modified grounded theory to analyse the antecedents of trust in corporate banking in the UAE, between the banker and the corporate client. The interviews were semi-structured and triangulation of the data was undertaken with the key informants.

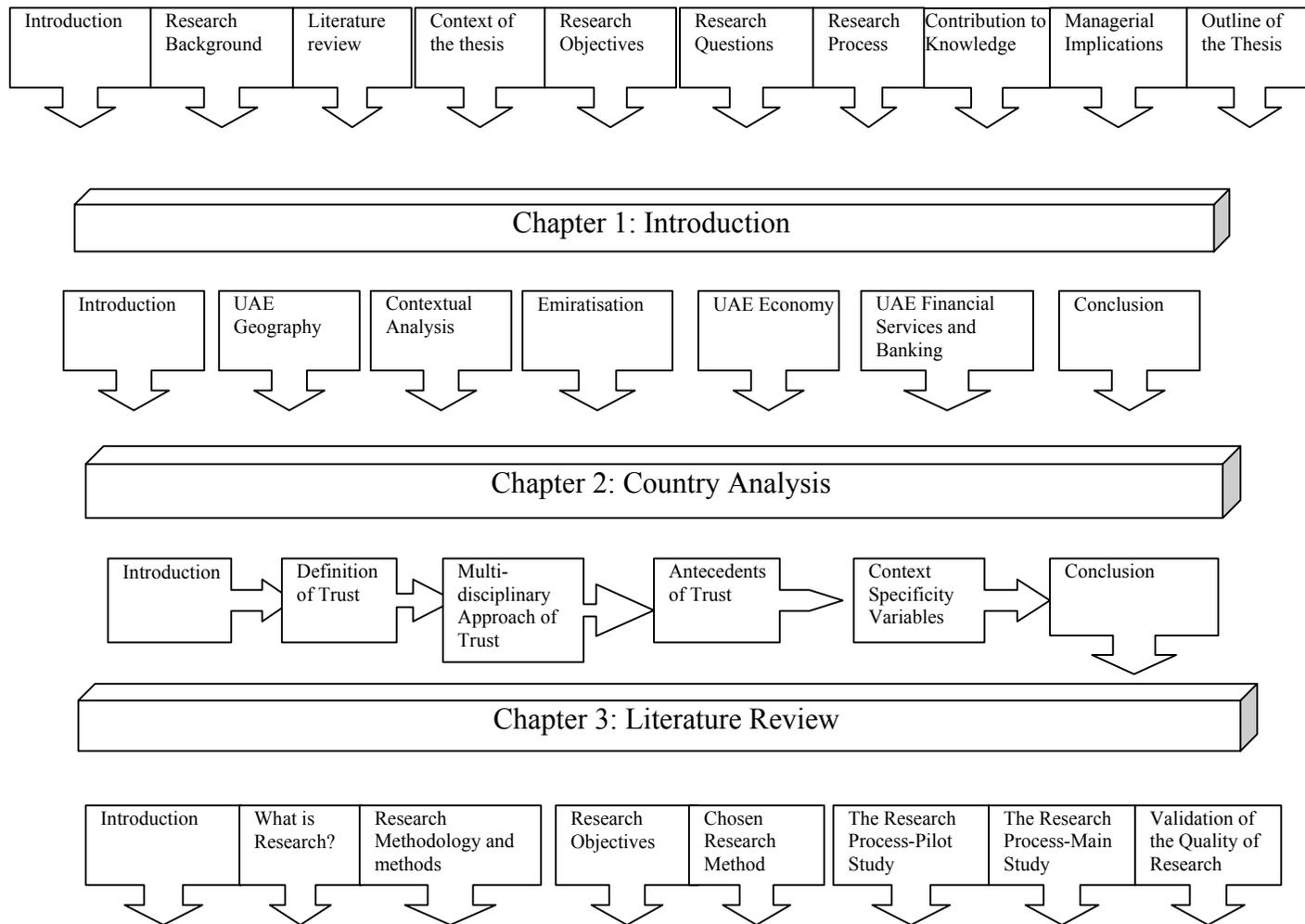
Results are presented in chapters 5, 6 and 7. Chapter 5 analyses the background themes comprising the characterisation of trust and its importance from the perspective of the respondents. Chapter 6 analyses the antecedents of trust in the corporate banking industry in the UAE as they emerge from the interviews. The notion of trust is complex and has multiple components. A variety of antecedents of trust influence the building of trust in corporate banking relationships in the UAE. Chapter 7 analyses Emirati culture,

which plays a significant role in determining the most important antecedents of trust. All the antecedents of trust explored in chapter 6 are determined to be important by Emirati culture.

Chapter 8 relates the results back to the discussion of the literature in chapter 3, and compares the findings to the literature. It thereby presents an analysis of the results and their meaning for the research areas considered, as well as reflecting upon the lessons learned from the research process.

Chapter 9 concludes the research findings and identifies some strengths and weaknesses of the process, as well as providing some suggestions for further research. It suggests a number of managerial applications as well as some of the limitations of the research; it makes some recommendations for relationship managers.

**Figure 1.9 Thesis structure**



Chapter 4: Research Methodology

Introduction

Background Themes  
to Trust Antecedents

Chapter 5: Results: Background Themes for Trust Antecedents

Introduction

Cognitive  
Antecedents

Affective  
Antecedents

Chapter 6: Results: Antecedents of Trust in the UAE

Introduction

Business  
Behaviour

Emirati  
Culture  
Code

Conclusions

Chapter 7: Results- Results-Emirati Culture and Shared Values

Introduction

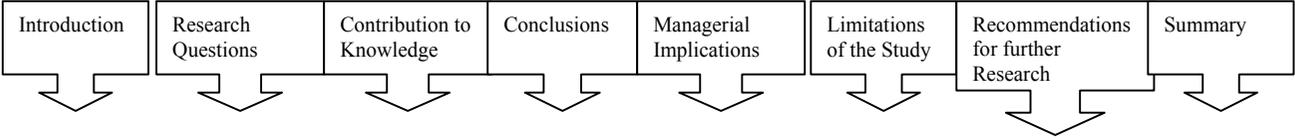
Background  
Themes

Antecedents  
of Trust

Emirati  
Culture

Summary

Chapter 8: Discussion



Chapter 9: Conclusions, Managerial Implications, Indications for Future Research

## CHAPTER 2: COUNTRY ANALYSIS – THE UAE AND THE BANKING INDUSTRY

The United Arab Emirates (UAE), a former British colony, is a federation of seven formerly separate Emirates on the Arabian Gulf, which united in 1971 under the leadership of the late Sheikh Zayed Bin Sultan Al Nahyan. The UAE is a “sheikhocracy”, where power and decision making are concentrated within elite families with extensive resources and wealth (Al Abed et al., 2003). Sheikh Khalifa bin Zayed Al Nahyan, the ruler of Abu Dhabi and federal president of the country, rules by the motto “God, Nation and Royal Family” (Al Nowais, 2004).

The UAE is an important oil producer with the fifth largest proven oil reserves in the Middle East (International Monetary Fund, 2005). It has been a member of the Organization of the Petroleum Exporting Countries (OPEC) since 1967 (International Monetary Fund, 2005). The Emirate of Abu Dhabi is the centre of the oil and gas industry, followed by Dubai, Sharjah and Ras al Khaimah. The UAE is a high-income, stable federation, with the second largest Arab economy in the Middle East (Al Abed and Hellyer, 2005). It is the third largest Arab community, with one of the highest incomes per capita in the world (Kawach, 2003).

The UAE is a member of the Gulf Cooperation Council (GCC) and its place on the Gulf waters makes it a regional hub. It joined the GCC Customs Union in January 2003 (International Monetary Fund, 2005) and it has been identified as one of the least cumbersome countries for setting up a business, the cost being comparatively lower than anywhere else in the Middle East and North Africa (MENA) region (Al Abed and Hellyer, 2005).

The UAE is characterised by deep cultural tensions that are evidenced in the superficially conflicting goals and behaviours of Emiratis. The present contextual analysis is structured around an analytical perspective of the region’s demographics, and the political and cultural heritage that are relevant to the research. This chapter covers the following topics:

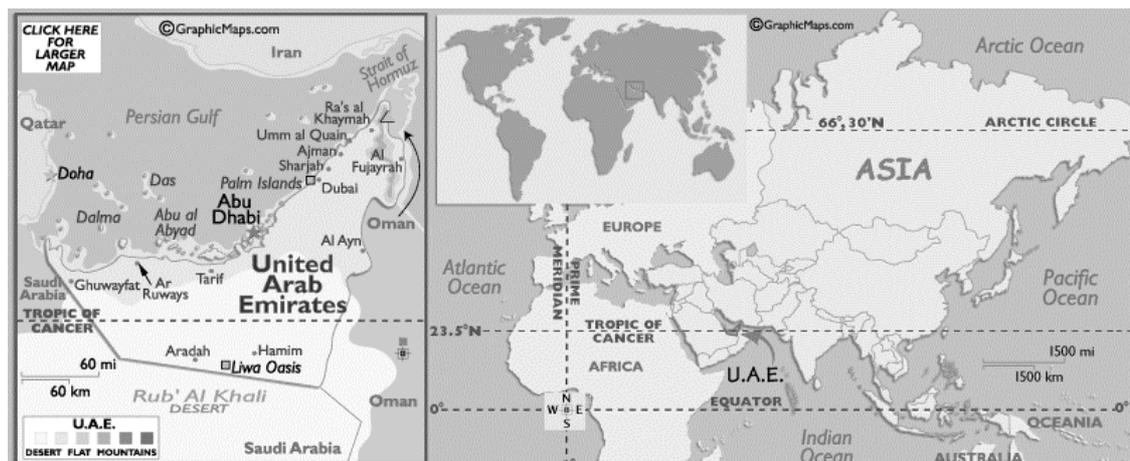
- Geography
- Demographics
- Politics
- Culture
- Emiratis and non-Emiratis

- Emirati workforce
- Emiratisation
- Economy
- Financial sector and banking

## 2.1 The geography of the UAE

The UAE is situated on the south-western side of the Arabian Gulf (Heard-Bey, 2005). It is located in the north-eastern part of the Arabian Peninsula, sharing borders with Qatar to the north-west, with Saudi Arabia to the west and south, and with Oman to the east and north-east (see figure 2.1). It occupies a total area of about 83,600 square kilometres (32,400 sq. miles) and is located at the tip of the Strait of Hormuz. It has 700 km of coastline: 600 km along the Arabian Gulf and 100 km bordering the Gulf of Oman (National Media Council, 2007). Its long coastline and strategic location have facilitated the development of an open, merchant economy (for further information, see appendix A).

**Figure 2.1 Outline of the United Arab Emirates (UAE)**



Source: *World Atlas*

## 2.2 Demographic analysis

### 2.2.1 Religion and language

The UAE is an Islamic country (Findlow, 2000). The religious composition is 96 per cent Muslim, while the remaining 4 per cent are Christian, Hindu and others (Shihab, 2001). The UAE is tolerant to other religions, for which it is widely respected (CIA *World factbook*, 2007). Arabic is the official language, although other languages are widely spoken, including English, Hindi, Urdu and Persian (Findlow, 2000).

The liberal steps that the UAE has taken towards transformation and modernisation have contributed to its evolution as a country with large urban areas in each Emirate.

However, its roots remain strongly embedded in Islam and in Muslim cultures and traditions (Shihab, 2001).

### 2.2.2 A young population

One third of the population are under twenty years of age, from a total population of 4,621,399 (CIA *World factbook*, 2008): Emiratis make up 825,495 of the population – around 20 per cent. The country’s populace is dominated by the 15- to 40-year-old age group, which exceeds two million people; there are 955,000 children under 15 (Al Abed et al., 2008).

The UAE has been ranked twenty-seventh in the world in terms of life expectancy at birth and ranked at 132 in terms of the combined education enrolment ratio (UNDP, 2008). Historically, the region has had one of the highest population growth rates in the world. The non-Emirati population originate from South Asia (64 per cent), other Middle Eastern countries (15 per cent) and Western countries (1 per cent). The result of this mix of Emiratis and non-Emiratis is a population that “represents one of the most socially, ethnically and religiously mixed to be found anywhere” (Heard-Bey, 2005, p. 360).

The presence of over 200 nationalities here, including Indians, Pakistanis, Iranians, Southeast Asians, British people, Americans, Africans and Australians, creates one of the most diverse workforces in the Middle East (World Bank, 2002, p. 44). Table 2.1 provides details of population numbers of Emirati and non-Emirati people for selected years in order to give a clear picture of these population characteristics.

**Table 2.1 UAE population – by gender and nationality, 1975–2004 (thousands)**

Year	Emiratis			Non-Emiratis			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
1975	105	97	202	281	75	356	386	171	558
1980	151	140	291	569	182	751	720	322	1042
1985	202	194	396	693	290	983	896	484	1379
1995	297	290	587	1310	514	1824	1607	804	2411
2004	464	442	906	2465	949	3414	2929	1391	4320

Source: ECSSR, Human Development Report, 2005, p. 9

### **2.3 Political analysis**

To have a clear understanding of the banking industry here, it is necessary to appreciate the political framework of the region. The UAE has had a stable political regime since 1971. It is a partial monarchy headed by Sheikh Khalifa bin Zayed Al Nahyan, who succeeded his father, Sheikh Zayed, in November 2004. The UAE consists of seven Emirates, and much of the political power lies in the hands of the ruling families in each individual Emirate: “the UAE is very much a confederation: power lies not at the federal level but instead in the ruling families of the larger Emirates” (Herb, 1999, p. 135).

Each Emirate has its own ruler and unique political subsystem formed by complex tribal and family relationships (UAE Government, 2002). Hudson stresses the importance of kinship groups in Arab society and especially in Emirati society. The tribe, and increasingly the family, plays an important political as well as social role. It has been a tradition that the most powerful or “best” families ruled an area, and that one of their senior members is the leader, often called “sheikh”; although this does not happen automatically, “patrimonial respect is the rule” (1977, p. 85). The rise of these family regimes has been closely connected to oil revenues; dynastic monarchies only exist in states in this region with plenty of oil.

The political structures arise from this tribal society, and the distribution of huge oil revenues in the form of social and economic infrastructure, high salaries and a high standard of social services, such as health and education, have raised the standard of living for all citizens and reduced the potential for internal political and social instability (UAE Government, 2002). The driver to put aside conflict and form the current union was the commercial development of profitable oil fields, and the realisation by the sheikhs of the dangers innate in small, separate, oil-rich states (ECSSR, 2002).

The political and financial influence of each Emirate is manifested in the distribution of positions in the federal government (US Department of State, 2008). This, in turn, is determined by tribal loyalties, dynastic positions and economic power (Freedom House Index, 2007). Thus, power remains within the large ruling families, despite the fact that interfamily relations can be fractious. Moreover, there is no formal legal structure for determining claims to power (Economist Intelligence Unit, 2007); the rules for hereditary succession are obscure, raising concerns about long-term stability. However, for the time being, the monarchy enjoys strong support nationwide (BMI, 2008).

The ruler of each Emirate was the leader of the most powerful tribe; rulers kept their positions of authority as long as they were able to keep the people’s loyalty and support. A guiding principle is that people should have free access to their sheikh, who frequently

holds *majlis*, or councils, in which fellow tribesmen can convey their opinions (United Nations Development Programme, 2008).

The UAE uses the oil economy as an instrument to retain political stability. The economic welfare of the citizens is closely related to the area's dependence on oil revenues (Ahmad and Mottu, 2002). The late Sheikh Zayed pursued liberal economic and social policies, while ensuring universal free access to education and health care. This brought him much popularity, and his country the stability necessary for its development (Al Nowais, 2004).

Sheikh Khalifa bin Zayed Al Nahyan established his authority during his first year as ruler following the death of his father (Economist Intelligence Unit, 2008). Sheikh Khalifa is supported by the rulers of the other Emirates; increasingly influential is his brother, Sheikh Mohammed bin Zayed Al Nahyan, crown prince of Abu Dhabi (CIA *World factbook*, 2006). Sheikh Khalifa continues the relatively liberal economic policies of his predecessor, including privatisation of some government assets, provision of incentives for foreign and domestic private investment, avoidance of a national income or sales tax, and curtailment of both money laundering and the use of the banking system to foster terrorist activities (Central Bank of the UAE, Annual Report, 2007).

This political stability has attracted investors who view the UAE as being a prime business location (DeNicola, 2005). For the financial sector, especially the banking sector, this is beneficial as it ensures the safety of clients' savings; the banks can also operate with ease when the peace and stability of a region is ensured.

## **2.4 Cultural analysis**

The UAE population is still tribal and, to some degree, nomadic. Its characterising trait is clan loyalty, which is a dominant influence in Emirati society. Blood ties within the extended family or tribe determine group loyalties and identifications (Beblawi and Luciani, 1987).

Only forty-one years ago, this was an area populated by nomadic desert tribes. After the discovery of oil, there was a profound transformation from small, impoverished desert principalities or sheikhdoms, surviving on pearling, fishing, herding and agriculture, to a modern federation with a high standard of living and an ample trade surplus (Business Monitor International, 2008).

The United Arab Emirates is an oil-rich nation; 80 per cent of the nation's revenue is derived from oil sources (Bhattacharya, 2006). However, the diversified economy of the UAE, the tolerant business environment and the multi-cultural, multi-ethnic population has

introduced complexities into the marketing of products and services. For example, Western attitudes and lifestyle may influence some of the population (El Akel et al., 2006), yet the UAE remains conservative – the culture is rooted in Arab traditions of family and collectivism.

Emiratis tend to be proud of themselves, independent, and even suspicious of strangers; they have great respect for each other, however. UAE society is diverse, in its languages, ethnicities, religions, classes and cultures. People uphold tribal ties, with Islamic traditions and Bedouin values playing a significant role in daily life (Economist Intelligence Unit, 2005; UNDP, 2005). Emiratis value both authority and personal relationships, and often base decisions upon sentiment and religious beliefs (Abdalla and Al Homoud, 1995; Dakhil, 1988).

UAE culture seems to conform to Arab culture more generally (Abdalla and Al Homoud, 1995; Dakhil, 1988) and it plays a significant role in shaping organisational structures and decision making, both within Emirati organisations and for individuals (Biggart and Hamilton, 1984). In a UAE context, preference is given to strong visible leadership and paternal–autocratic styles (Politis, 2003), which are largely regarded as benevolent (Hofstede, 1991).

The UAE's private sector is dominated by a number of large family-controlled corporations that typically have a range of interests, which may include manufacturing, construction, trading, retailing, property, distribution and financial services (Emirates Banks Association, 2006). Business owners tend to be greatly influenced by the national culture, which is itself influenced by religion. The family is the strongest social unit in the UAE; family loyalty and paternalism permeate all aspects of life, both at home and at work (Hofstede and Bond, 1988). For instance, the recruitment of managers is often based on kinship relationships and tribal ties, rather than on experience, ability or qualifications (Hofstede and Bond, 1988).

## **2.5 Emiratis and non-Emiratis**

Despite economic growth, Emirati society remains closed; Emiratis prefer to deal with Emirati counterparts and feel insecure about dealing with non-Emiratis. The business culture is based on friendship as a precursor to developing a business opportunity. This is in contrast to many non-Emirati approaches, where an opportunity may be identified and a business relationship formed, which need not necessarily lead to any type of closer friendship.

Social behaviour and business practice are influenced by religious and cultural norms,

which, in the UAE, mean that business negotiations are typically held among families, bearing social contacts and status in mind. Befitting the tribal nature of Emirati society, individuals typically subordinate personal aspirations for the good of the collective (Clarke and Otaky, 2006; Richardson, 2004).

An important consideration for a non-Emirati company setting up in the UAE must be the interpersonal skills of the manager (Clarke and Otaky, 2006; Richardson, 2004). Emirati business clients expect to deal with senior-level managers who are able to maintain professionalism and personal contacts. Another important factor is that business meetings need to be conducted in a social setting where managers are expected to open with small talk and ask about the family of the Emirati businessperson. Only after a personal level of interaction has been accomplished can the business deal be negotiated (Clarke and Otaky, 2006; Richardson, 2004).

Each Emirate shares a common goal – the development of its people and its businesses. Despite the policy of Emiratisation (see below, section 2.7), non-Emiratis have become significant in UAE business life (Welch, 2003). In the early 1990s, the UAE's council of ministers adopted Emiratisation to apply to both public and private sectors; it is the shared responsibility of the Ministry of Labour and Social Affairs, of policy matters, and the National Human Resources Development and Employment Authority (TANMIA), which implements development opportunities (TANMIA, 2006) and provides UAE nationals with employment and training.

## **2.6 The Emirati workforce**

Emiratis make up less than 10 per cent of the country's labour force, 51.1 per cent of which are under the age of 20. Of the UAE nationals in employment, 81 per cent are employed by the government sector, whereas in the private sector UAE nationals account for less than 2 per cent of the workforce – despite the fact that the majority of jobs are in the private sector (Economist Intelligence Unit, 2008).

As noted above, the UAE population ratio is around 80 per cent non-Emirati to around 20 per cent Emirati – the highest in the wider Gulf region. In addition, the UAE's workforce is further skewed towards non-Emiratis, with around 90 per cent non-Emirati workers to 10 per cent Emiratis (UNDP, 2008). Of the employable base of UAE nationals, more than 88 per cent are working in the public sector, thereby reaching saturation point, while the private sector offers more than 52.1 per cent of the jobs in the country (Al Abed et al., 2008).

Economic growth has been greatly beneficial to UAE citizens; it has been fuelled by

importing skilled non-Emirati workers attracted by the “oil boom” wages (Al Abed et al., 2008). Thus, with economic growth has also come growth in the labour market (Al Abed et al., 2008).

For non-Emiratis, unemployment is practically non-existent, while for Emiratis it is relatively high at 15 per cent (CIA *World factbook*, 2005). Research undertaken by the UAE government indicates that it is at this level because Emiratis tend to favour the public and semi-public sector, citing “high salaries, greater benefits, job security and shorter working hours” as their motivation (Goyal, 2003). Thus, unemployment among Emiratis remains high despite a long-running Emiratisation programme that aims to boost the number of Emiratis working in private businesses (Goyal, 2003).

Against a background of fast development since the 1970s, graduate unemployment amongst Emiratis has been rising. To counter this, one of the country’s main priorities has become securing employment for Emirati workers. Under UAE labour law, work is now an inherent right for Emiratis. If Emirati employees are not available, preference in employment must be given to Arab workers and only then to workers of other nationalities (*Gulf News*, 2005, p. 2). The UAE’s capacity to generate jobs in the public sector has become limited; therefore, there is no alternative but to look to the private sector with policies of incentives and encouragement (Al-Shamsi, 2005).

In order to build Emirati nationals’ leadership and management potential for future development, the public service followed a new strategy by forcing young graduates to seek work in the far less beneficial private sector (Abdelkarim and Haan, 2002; Freek, 2004; TANMIA, 2006). The public sector’s attractions include lower knowledge and experience requirements for recruits, a traditionalist environment, Arabic as the preferred language, and an opportunity to practice *wasta* (Abdelkarim and Haan, 2002; Freek, 2004; TANMIA, 2006) – the using of connections (see chapter 3, section 3.3.3.3).

The Abu Dhabi government initiated steps towards privatisation in April 1997. Undertaking privatisation carries with it the implications of *wasta* in Arab culture (Hutchings and Weir, 2006a), which involves “social networks of interpersonal connections rooted in family and kinship ties and implicating the exercise of power, influence, and information sharing through social and politico-business networks” (Hutchings and Weir, 2006a, p. 143). The negative connotation of *wasta* is that it gives undue preference to family and friends to circumvent rules (Dobie et al., 2002). Certainly, those who do not understand the implications of *wasta* are disadvantaged here (Dobie et al., 2002).

Such cultural practices have often taken precedence over established laws and

regulations (Cunningham and Sarayrah, 1993, p. 1). The intent of the move towards privatisation is to increase productivity levels as businesses move to operate more efficiently and effectively (Godwin, 2006; Kapiszewski, 2003; TANMIA, 2006).

## **2.7 Emiratisation**

*Emiratisation* is an affirmative-action quota-driven employment policy that ensures UAE nationals' employment opportunities in the private sector (Godwin, 2006, pp. 1–14).

Emiratisation is the government's policy of replacing non-Emirati workers with Emiratis; it was introduced to direct national labour markets and support employment among young nationals (Jarrah, 2006).

Emiratisation is not a recent development in the policy agenda: since 2000, the Gulf Cooperation Council, and the UAE in particular, have had an economic policy of helping qualified UAE nationals to find employment (Kapiszewski, 2003; TANMIA, 2005). Emiratisation is reaching its targets in public organisations. The private sector is, however, having difficulties in the task of encouraging a work ethic in young Emiratis, and the government has resorted to direct policies aimed at certain industries (TANMIA, 2006).

### **2.7.1 Emiratisation of banks**

Emiratisation is noticeably changing the banking and finance sectors, where 50 per cent of the workforce was Emirati by 2007 (World Bank, 2008). The Labour Ministry is encouraging Emiratisation among banks by rewarding achievement of mandated levels with permission to expand through new locations or new products (Emirates Banks Association, 2006).

All banks operating in the UAE have been urged to employ more UAE nationals as part of a government strategy to create more employment for the indigenous population. As a rule, banks are required to increase the proportion of UAE employees to 40 per cent within 10 years (TANMIA, 2006).

While a steady increase has been seen since 1996, the Ministry of Labour and Social Affairs has admitted that some banks are not adhering to Emiratisation demands, and are failing to provide adequate training and development for those Emiratis who have been recruited (UNDP, 2007). As can be seen in table 2.2, however, the percentage of Emirati banking sector employees increased by 14 per cent between 1997 and 2002. More recent statistics reveal that the increase of 3,500 Emirati workers in the banking industry between 1999 and 2004 (Al Abed and Hellyer, 2006) resulted in an overall increase in the total Emirati workforce representation in this sector of 26.4 per cent.

**Table 2.2 Change in the number of Emiratis employed in banking, 1997 to 2002**

	<b>1997</b>	<b>2002</b>	<b>% increase</b>
Total number of banking employees in the UAE	13,615	15,848	16.4
Number of Emirati employees	1,278	3,700	189.5
% of total industry employees who are Emirati	9.4	23.4	14

Source: Adapted from data cited in Al Abed and Hellyer, 2007, p. 228

In a 2001 banking sector survey, banks commented upon some of the frustrations caused by the quota, which placed Emirati employees in an unusually high bargaining position. They claimed that the demand was higher than the need, especially because of the mobility of Emiratis from banking to other sectors (Al Abed and Hellyer, 2006). Qualifications are an important recruitment factor for banks, and remuneration is generally based upon qualifications and experience, although 74 per cent of the banks offered a higher salary and allowance structure to Emiratis than to non-Emiratis. Non-Emirati banks were more likely to offer a standard package regardless of nationality (Abdelkarim, 2001).

## **2.8 The economy of the United Arab Emirates**

Since its federation in December 1971, the UAE has developed rapidly. It has the world's fifth largest conventional oil reserves and the fifth largest natural gas reserves; as a result, it is a significant player in world energy markets.

This is a rich and open economy with a high per capita income and high trade surplus. Petroleum accounts for nearly 30 per cent of the Gross Domestic Product (GDP) (UAE Handbook, 2006, p. 4). Economic development has seen real GDP growth rates of 11.8 per cent in 2003 and 7.4 per cent in 2004, which translates to a GDP per capita of around \$US20,000 (Al Abed and Hellyer, 2006).

While much of this growth can be attributed to rising oil prices, governments have been working to lessen reliance on oil revenues. Overall, economic growth has resulted in the UAE being ranked 32<sup>nd</sup> out of 125 world economies, making it the highest among the Gulf Cooperation Council (International Monetary Fund, 2006, p. 1). The developments here, and the adoption of free market policies and regulations, have led to significant growth rates and a trend towards sustainable and diversified development (Al Suwaidi, 2001).

The strategy of diversification and integration has been the guiding principle for all major national economic initiatives (Freedom House Index, 2007). To achieve this diversification, the UAE has looked to foreign imports to compensate for a lack of highly developed industrial and agricultural sectors and is positioning itself as a gateway to trade with the Middle East. The country has also developed modern infrastructure and a well-managed banking system (CIA *World factbook*, 2007).

The UAE has succeeded in creating an attractive, secure and safe investment environment, which is constituted not only by economic factors but goes further to include political, security and legislative stability. This means it is a focus for many types of investment, which is reflected in the form and quality of economic life (CIA *World factbook*, 2006).

The UAE corporate sector began to develop in the mid-1970s, a period that witnessed the creation of many companies. However, since 2003 this sector has enlarged, gained strength and become more vigorous. The governments have also participated in this boom, at both federal and local government level, with state projects in real estate (for example, the Sheikh Zayed Housing Project) supplementing the activities of major companies in this sector (Ministry of Planning, 2003).

In most industrialised countries, small and medium-sized enterprises (SMEs) are recognised as vital contributors to economic growth and job creation. SMEs used to be neglected in the UAE (Ministry of Planning, 1999), but this sector is now of great importance and receives attention from both banks and the government (HSBC, 2004). The government now supports programmes for SMEs, which are available mainly or exclusively to UAE nationals. Existing government programmes for UAE nationals include the following:

- TANMIA – established by the federal government to encourage skills development, employment and entrepreneurship of UAE nationals (TANMIA, 2005)
- The Abu Dhabi Chamber of Commerce and Industry – in cooperation with private companies this network operates the Intilaaqah programme, under which UAE nationals may receive advice and mentoring to develop their businesses (TANMIA, 2005)

It seems clear, then, that both federal and Emirate governments are supporting SMEs with specific incentives and initiatives (TANMIA, 2006).

## **2.9 Financial services and banking in the UAE**

The UAE banking and financial services system has made progress in recent years due to the Central Bank's strict control of financial institutions. Over the last thirty-four years (1974–2008), both the financial sector and the UAE economy as a whole experienced growth at the rate of 6.2 per cent (Central Bank of the UAE, Annual Report, 2008).

The UAE financial services sector is large, complex and covers a wide range of activities (International Monetary Fund, 2007). It is characterised by several desirable features, including relatively low levels of default risk, and a high degree of economic openness and market liberalisation (De Gregorio and Guidotti, 1995; Rioja and Valev, 2004).

The UAE has developed in the last ten years to become the financial centre of the Middle East (World Bank, 2002), supported by active government measures to create a sound legal framework and a well-developed technology infrastructure. Dubai in particular takes the lead, with progressive policies that have resulted in it becoming a leading trade centre for the region, with a business-friendly environment that triggered the development of the modern banking and finance sectors (International Monetary Fund, 2003). Financial projects here usually win government backing, which makes them particularly attractive to foreign investors (Economist Intelligence Unit, 2003). The sector is dominated by a number of well-known banks (International Monetary Fund, 2007).

### **2.9.1 The UAE banking sector**

In order to understand the banking industry it is important to know the number of banks operating in the country, along with their size and performance. Banking is the backbone of the country's financial sector and is one of the most developed and least monopolised in the region. In 2004, the UAE was host to 46 commercial banks – 21 UAE-owned banks with 383 branches in the UAE and abroad, 25 non-Emirati banks with 112 branches, 1 restricted license bank, 2 investment banks and 49 representative offices. These banks are registered with the United Arab Emirates Central Bank (Central Bank of the UAE, Annual Report, 2006).

Besides these conventional banks, four of the commercial banks in the UAE operate as Islamic banks. The number of non-Emirati banks operating in the country had reached 28 by the end of June 2008, compared to 27 at the end of 2007. The number of branches rose during the same period from 81 to 83, electronic banking services units from 30 to 35, in addition to one pay office (see table 1.2).

Banking has had an impact on the national development process; it has played a

primary role here since the start of Emiratisation (Central Bank of the UAE, Annual Report, 2005). The federal government encouraged growth in the sector after the discovery of oil (Taryam, 1987); before this, in 1960, there was only one non-Emirati bank here and no Emirati banks. Despite attempts by the Abu Dhabi government to encourage other non-Emirati banks, none was willing to enter the market at this time (Mahate et al., 2004). However, the discovery of oil changed this and the main shift towards the growth of banking took place after the first OPEC rise in 1967. The large oil revenues allowed the government of Abu Dhabi and some of the other Emirates to establish Emirati banks in order to recycle surplus funds (MOFI, 1992).

The government shareholding in Emirati banks has not hampered the entrance of non-Emirati banks into the market, even though the non-Emirati banks were each limited to only eight branches until 2003. The main factors leading to the growth of non-Emirati banks have been the need to service the high number of non-Emiratis and the ability to earn high profits. Moreover, Emirates such as Dubai have actively encouraged non-Emirati banks to establish branches through the creation of financial ‘free zones’, such as the Dubai International Financial Centre (DIFC, 2006).

While it is an Islamic country, Islamic banking has not predominated in the UAE. A “niche” market in the 1990s (Wilson, 1995), Islamic banking is expanding to countries other than Islamic states (Kowsmann and Lane, 2007; Wright and Yuniar, 2007), but still claims only a small segment of the UAE’s banking industry. Al Tamimi and Al Mazrooei (2007) quantified Islamic banks’ share of total UAE commercial bank assets at 11.1 per cent in 2004.

The Emirati banking system differs from other banking systems within the Arab and non-Arab world. For a relatively small population of approximately four million, the UAE tends to have a large number of banks as well as bank branches (International Monetary Fund, 2004). The UAE’s banking industry is maturing and moving closer to Western trends, where banking is perceived as a whole package of services that go beyond mere lending (Budd, 2006).

The increase in the number of banks has been accompanied by a significant expansion of their services (ECRSS, 2005). However, the UAE is over banked (ECRSS, 2005) because some are either majority owned by the governments of the various Emirates, who still see a vital role for themselves in the sector, or by high-net-worth families (ECRSS, 2005). The largest non-Emirati banks, such as HSBC and Standard Chartered, compete with the top five local banks (Central Bank of the UAE, Annual Report, 2008).

The UAE banking sector is the largest in the Gulf Cooperation Council (GCC) in

terms of banking assets. Total assets stood at US\$335.6 billion in 2007, compared to US\$286.9 billion in Saudi Arabia, making the contribution of UAE banks to aggregate GCC figures (excluding Bahrain) 40.5 per cent at the end of 2007, with that of Saudi Arabia at 34.7 per cent. By the end of the third quarter of 2007, the bulk of the assets continued to be held by Emirati banks (77.4 per cent), while the rest was accounted for by non-Emirati banking institutions (Central Bank of the UAE, Annual Report, 2008).

The banking sector was at the centre of a number of key development and reform initiatives in 2004. The UAE Central Bank indicated that it would move towards enforcing global practices, as well as amending current legislation regarding minimum capital requirements, enforcing equal taxation among local, GCC and non-Emirati banks, and permitting GCC and non-Emirati banks to expand their existing branch networks. Furthermore, World Trade Organization requirements have placed pressure on the UAE government to limit its support to Emirati banks, which has traditionally been in the form of strong shareholding positions and restrictions on the operations of non-Emirati banks competing for the same asset pool (Central Bank of the UAE, Annual Report, 2004). Increasing competition and innovation are also forcing banks to adopt attitudes that are more professional: most have now instituted controls and systems borrowed from British and American banks (*Gulf News*, 2008).

According to Central Bank regulations, all banks must be majority owned by UAE nationals; they must be registered as a Shareholding Company (under the Companies Law) and must be registered with the Federal Ministry of Economy and Trade (Central Bank of the UAE, Annual Report, 2005).

Emirati banks provide a full range of financial services covering retail and investment banking (Central Bank of the UAE, Annual Report, 2004). Corporate banking products refer to traditional financial products used by corporate bodies – cash accessibility, remittances, loans, deposits, and investment and related advice. With a track record of over 40 years in managing relationships with corporates and financial institutions, UAE banks have financed a diverse range of companies in trade, manufacturing, construction, leisure, tourism, real estate and utilities (*Gulf News*, 2008).

All sectors of the economy were performing well in 2007 (Economist Intelligence Unit, 2007). Oil prices have remained high, infrastructure projects continue and trade flow is constantly improving; the oil industry is investing substantial sums to upgrade and expand its facilities (Central Bank of the UAE, Annual Report, 2007). All this is contributing to the growth of banking. In this part of the world, non-Emirati banks have not really moved into the project finance business yet, but they are interested in oil, gas and

aviation projects – sectors that suit this part of the world (Economist Intelligence Unit, 2007).

### **2.9.2 A comparison of Emirati and non-Emirati banks**

Emirati banks are those that are incorporated in Abu Dhabi, Dubai, Sharjah and in the northern Emirates of Fujairah, Ras Al Kahima, Umn Al Qaiwain and Ajman. Despite the growth of electronic banking services, UAE banks are increasing their branch networks. Between 2002 and 2003, Emirati bank branches increased by 10 per cent to 334 (see table 2.3). Meanwhile, non-Emirati bank branches totalled 87. Thus, there is a population of 8,653 per bank office, which means the number of branches is low compared with developed countries, such as the United States, which has a population of approximately 3,500 per bank office (Spieker, 2004). Moreover, most of the bank offices are concentrated in Dubai, Abu Dhabi and Sharjah.

**Table 2.3 Bank head offices and branches in the UAE**

	<b>1991</b>	<b>1998</b>	<b>2002</b>	<b>2003</b>
Emirati banks – Head Office	21	20	21	21
Emirati bank branches	160	264	324	334
Non-Emirati banks – Head Office	28	27	26	25
Non-Emirati bank branches	91	83	86	87
Population per office	6,406	7,003	8,214	8,653

Source: Central Bank of the UAE, Annual Report, 2004

Looking at the number of non-Emirati banks, it might be felt that Emirati banks are having a difficult time in sustaining their current position in the UAE market. However, this is not the case when the growth composition of UAE banks' balance sheets is taken into consideration. The market share of Emirati banks increased from 75.9 per cent in 2003 to 80.5 per cent by the end of March 2006, whereas the market share of non-Emirati banks in terms of total assets declined from 24.1 per cent in 2003 to 19.5 per cent in first quarter of 2006. By the end of this period, Emirati banks had a market share of 81.7 per cent in terms of credit and 80.5 per cent in terms of assets (Central Bank of the UAE, Annual Report, 2007).

As discussed earlier, non-Emirati banks were initially restricted to eight branches

each: until 2000, Emirati banks had 321 branches; non-Emirati banks had 109 (International Monetary Fund, 2003). Only seven non-Emirati banks had reached the maximum number of branches, while seven others had only one branch. These limitations acted as an indirect form of government support to Emirati banks (International Monetary Fund, 2003) and the sector more generally remains weighted in favour of Emirati banks (Shoulder, 2004, pp. 20–3).

Emirati banks have access to UAE government surplus funds and face no restrictions on branch networks. There are close links here between banks and the government or key members of the ruling families, and there is a record from past crises suggesting that these banks will not be allowed to fail (CIA *World factbook*, 2006). The ruling families are closely involved with the banks, which also means they have good reason to ensure that the banks remain financially sound (CIA *World factbook*, 2006).

Emirati banks benefit from high levels of government ownership, participation in large government-sponsored projects and a strong and stable macroeconomic environment (Beckett et al., 2000). The high levels of profitability for Emirati banks, coupled with their low-risk balance sheets, are clear indicators of the UAE's favourable banking environment (Rao, 2002). However, non-Emirati banks operating in the UAE, with the support of their large consolidated balance sheets, global reach and strong asset management and investment banking activities, are better able to use their additional resources to leverage the UAE commercial banking environment in their favour (International Monetary Fund, 2003). Accordingly, non-Emirati banks are able to generate about a 24 per cent higher return per unit of risk compared to Emirati banks (Central Bank of the UAE, Annual Report, 2003).

Over recent years, Emirati banks have moved closer to Western banking models, introducing new products and services beyond traditional banking activities of attracting deposits and using them to provide loans (Central Bank of the UAE, Annual Report, 2007). Emirati banks have a comfortable domestic position (Central Bank of the UAE, Annual Report, 2001), as their assets surpass those of non-Emirati banks. Emirati banks have high levels of inter-bank deposits and are net lenders to banks overseas (Mahasneh, 2004); the expansion of non-oil sector revenues over recent years has resulted in high levels of profits (Mahasneh, 2004).

Emirati banks have high liquidity; high oil prices and the increased revenues earned by the government of Abu Dhabi have pushed up client deposits significantly (Elhiraika and Hamed, 2003). Smaller Emirati banks have no difficulties in raising funding, although they may pay a slightly higher rate to attract depositors (Elhiraika and Hamed, 2003). In

conclusion, Emirati banks are capable of competing with the non-Emirati major financial entities planning to enter the region (*Gulf News*, 2005, p. 2).

Most of the non-Emirati banks currently operating in the UAE were set up during the early 1970s; they lend to both non-Emiratis and Emiratis, although most Emirati banks prefer to extend credit mainly to citizens of the country, who are perceived to have a better risk profile (Economist Intelligence Unit, 2007). Following the banking crisis caused by accumulated bad debts after the oil boom in the mid-1980s, however, the Central Bank stopped giving licenses to new non-Emirati banks; the National Bank of Bahrain was the last to set up a presence (Central Bank of the UAE, Annual Report, 2005). Since then, the influence of non-Emirati banks has waned. It first declined in the early 1980s when they were forced to limit their network; from 2003, however, when these laws were changed, banks have been allowed to open more than eight branches, with special permission (Central Bank of the UAE, Annual Report, 2005).

In 2004, the Central Bank considered allowing non-Emirati banks to set up new branches if they undertook to employ UAE nationals (Economist Intelligence Unit, 2004). By the end of 2004, there were thirty-six representative offices throughout the Emirates; these new branches allow non-Emirati banks to provide a wider range of banking services (Economist Intelligence Unit, 2004). A decision to grant banking licences to non-Emirati banks wishing to enter the market indicated the confidence of the government in the strength and stability of Emirati banks, as well as signalling its commitment to opening up the sector in line with entrance to the WTO (Economist Intelligence Unit, 2004).

Banks incorporated in Abu Dhabi and Dubai hold more than 90 per cent of total Emirati assets, divided almost equally between Abu Dhabi and Dubai banks (Central Bank of the UAE, Annual Report, 2005). (A list of all Emirati and non-Emirati banks operating in the UAE is provided in appendix B.) National Bank of Abu Dhabi is by far the leading deposit recipient, followed by Emirates Bank International and Abu Dhabi Commercial Bank (Shoulder, 2004, pp. 20–3).

Non-Emirati banks account for about 25 per cent of the total assets of banks in the UAE (Economist Intelligence Unit, 2003). The three largest non-Emirati banks – HSBC Middle East (HSBC), Standard Chartered Bank (SCB) and Citibank – account for nearly 60 per cent of the net profit before tax of all non-Emirati banks (Central Bank of the UAE, Annual Report, 2004). Most non-Emirati banks concentrate on trade-related activities in the country and some of the major banks are actively involved in consumer lending (Central Bank of the UAE, Annual Report, 2004). Larger non-Emirati banks are usually better able to achieve economies of scale and surpass smaller Emirati banks, whose

overhead costs increase when they try to retain and improve their image and technology base (Economist Intelligence Unit, 2003). Hence, Emirati banks need to enhance efficiency and competitiveness in order to withstand the effects of liberalisation (Economist Intelligence Unit, 2003).

## **2.10 Conclusions**

The United Arab Emirates is a politically stable country, in the sense that there have been no major changes in the political organisation since the foundation of the federation in 1971. Each of the seven Emirates has a large degree of autonomy and natural resource endowments; oil revenues dominate, yet only 2 per cent of the labour force is involved in its production. However, the economy has become more diversified during the last decade, although it remains dependent on non-Emirati workers. The rapid development and growth as a result of oil production would not have been possible without the availability of this non-Emirati labour. It is worth remembering that the Emirati population is characterised by its youth – one third are under 20 years of age.

The UAE banking and finance sectors are growing strongly. Both non-Emirati and Emirati banks have seen major growth over recent years and record profits, which have been related to more general economic growth and the contribution of high oil prices. The UAE has achieved improvements in many social and economic development indicators over the past three decades, due to the successful implementation of human development policies alongside industrialisation, urbanisation and Emiratisation.

The government has made an effort to provide all UAE nationals with jobs. The result is that the level of public sector employment has reached saturation. An increase in unemployment is therefore becoming a key issue in the Emirates, like its counterparts in the Gulf. Although the problem is not as pressing for the UAE, the Emiratisation process remains a national objective.

## CHAPTER 3: LITERATURE REVIEW

This chapter reviews the literature that underpins the thesis. In any literature review, decisions have to be made about which streams to analyse, the extent of multi-disciplinary focus and where to draw boundaries: there is much literature that could be applicable in some way. The choices here were difficult, and after attempts to review a body of knowledge, the decision was taken to limit the research on trust to the management and marketing literature. Within this, only the literature most relevant to this thesis has been assessed.

The literature review is structured around trust and the antecedents of trust, which are shown in chapter 1 (see figure 1.2). There are six main antecedents listed in the diagram for completeness in the model, which are as follows:

- Affective
- Cognitive
- Cultural
- Interpersonal
- Organisational
- Calculative

The dataset focuses on the affective, cognitive and cultural antecedents and, therefore, these are the antecedents that will be discussed, while the interpersonal, organisational or calculative antecedents are areas that will need to be examined in future research.

The literature review is mainly, though not exclusively, bounded by the following literature streams:

- Marketing and management on trust
- Services marketing
- Marketing financial services to business
- Arab/Muslim Emirati Bedouin culture; culture and psychology literature

Therefore, the following review is not exhaustive, but concentrates only on literature directly relevant to the antecedents of trust in Emirati/non-Emirati banker–client relationships in an Arab/Muslim cultural context. Trust has psychological, sociological, ethical, political and historical dimensions, and important implications, both academic and managerial, for marketing and business. Indeed, the complexity of the concept of trust has

resulted in a significant amount of multi-disciplinary research.

The volume of literature has grown enormously since 1993 (Ebert, 2009). One of its features is that trust is often considered as an underpinning variable in research focused on a trustworthiness index for financial service providers (Ennew and Sekhon, 2005, 2007); a replication of Ennew and Sekhon's work (2007) was carried out in India by Roy and Shekhar in 2009. These studies include: relationship marketing and trust performance (Katsikeas et al., 2009), relationship marketing (Das, 2009), development of trust in NPD teams (Dayan and Di Benedetto, 2010), cross-national perspectives (Abosag et al., 2006), inter-organisational trust (Sappänen et al., 2005); brand trust and the climate of mistrust (Lantieri and Chiagouris, 2009), and trust and credibility in the sales-marketing interface (Malshe, 2010).

Das reviews the relationship marketing (RM) literature from 1994 to 2006, during which there were 209 RM papers published, in which less than a fifth focused on defining the constructs of RM, namely, trust and its antecedents and outcomes (Das, 2009). Das (2009) concludes, "RM literature has become a 'melting pot' of various theories and schools of thought indicating a clear lack of common understanding" (p. 329). He states the "need for more [empirical] research in industry applications" (p. 339).

The recent literature has become even more splintered and differentiated. There is disagreement about the boundaries of the categories, which are flexible and not mutually exclusive. It is debatable whether satisfaction is an antecedent of trust, or an outcome of trust, or even whether it is considered to be related to trust. Satisfaction may be said to be affective and emotion based, or an outcome arising from interpersonal experience and interactions. In this review, lower order has been examined as an affective antecedent, for which there is some support in the literature. In this thesis, affective antecedents are examined and outcomes are excluded.

The main literature review concerns the antecedents of trust but an initial discussion is presented here of the literature on trust more generally in order to understand this complex construct. The following section looks at the literature on trust as follows: definitions, the multi-disciplinary approach, management and marketing literature, business-to-business marketing, and services and financial services literature.

### **3.1 Literature on trust**

The question "What is trust?" is as confounding to the layperson as it is to the academic – it seems to elude consensus and, indeed, definition (Couch and Jones, 1997). There are several reasons for this: first, the interdisciplinary nature of trust research has encouraged

an approach to the topic from different viewpoints. These different perspectives produce different definitions. See, for example, the comparison by Herington et al. (2009, pp. 1099–1100), in which a table showing that the marketing and non-marketing literatures focus on different variables of relationships. The marketing literature focuses on commitment, trust, communication and shared values/norms, while the non-marketing literature focuses on these to some extent, but also on power/dependency, cooperation, mutuality, routinisation, attraction, equity and conflict, to name just a few. Secondly, the concept of trust is itself complex and multi-layered. A common trait in the literature is to present a vast list of different definitions of trust by different authors (Blomqvist, 1997; Blomqvist and Ståhle, 2000; Burke et al., 2007; Mayer et al., 1995). Salmond (1994) has summarised many of these definitions. Thirdly, the most recent definitions arise with an understanding that trust is dependent on situation and context, and definitions will vary accordingly (Ennew and Sekhon, 2003, 2005).

### **3.1.1 Definitions of trust**

Despite this research attention, and the fact that trust is a vital and essential ingredient in business relationships, the term itself is not a tangible concept and is elusive. Operational definitions of the term are sometimes contradictory (Zaltman and Moorman, 1988). There are, however, common threads to most of the studies in their definition of trust, which focus on conformity and expectation (Tyler and Stanley, 2007). Trust occurs in a risky environment between the trustor and the trustee. Because many interactions are characterised by uncertainty, trust is perceived as desirable (Barney and Hansen, 1994).

Most researchers define trust in terms of positive expectations that allow a “leap of faith” towards trust (Mayer et al., 1995; Möllering, 2006, p. 191; Rousseau et al., 1998) and separate it from its antecedents and outcomes (Pavlou, 2002). Some define it as a belief in the motives or intentions of another (Salam et al., 2005).

Trust is also defined as a motivation, outcome, value or even attitude (Ambler 1997, p. 287; Gächter et al., 2004; Roth, 1994, p. 127; Salam et al., 2005, p. 75; Serva et al., 2005); it is seen as a behavioural outcome based on the evaluation of *trustworthiness* (Mayer and Davis, 1999). McAllister (1995) distinguishes affect-based and cognition-based characteristics of trust, where (1) cognition-based characteristics are related to competence and reliability and (2) affect- or emotion-based characteristics are connected to openness and benevolence (Saparito et al., 2004).

All definitions of trust suggest that it involves one party having confidence in or relying on another to fulfil its obligations (Anderson and Narus, 1989; Moorman et al.,

1993; Morgan and Hunt, 1994; Nicholson et al., 2001; O'Malley and Tynan, 1997). Within business-to-business relationships, this multi-dimensional approach (Ganesan, 1994; Zaheer et al., 1998) is usually divided into affective and cognitive determinants. Trust is identified as a construct exhibiting “different elements of cognitive and affective abstractions of trust” (Bhattacharjee, 2002, pp. 211–41). These affective and cognitive elements can be found in aspects such as enthusiasm, shared visions, association, forgiveness and within new entrepreneurial ventures (Ali and Birley, 1998, pp. 749–63).

The extensive literature on relationship marketing views relationship quality as hierarchical – a second order factor comprised of trust and satisfaction – where satisfaction is an outcome of a series of successful encounters, and trust is the key determinant of quality in buyer–seller relationships (Rajaobelina and Bergeron, 2009, p. 362). This literature tends to adopt the definitions of Ganesan (1994) and Doney and Cannon (1997) in which trust has two dimensions:

1. objective credibility is defined as the belief that the other has the expertise to perform the job; and
2. benevolence is defined as the belief that the other has motives beneficial to the target when new conditions arise for which a specific commitment was not made (Rajaobelina and Bergeron, 2009, p. 362).

The literature is in agreement from 1994 to 2009 in citing the two antecedents, affective and cognitive, as the key (but not sole) components of a definition of trust.

The literature is also in agreement, however, that trust is 1) complex, 2) situational, 3) context specific and 4) dependent on how it is operationalised by the parties. Therefore, trust is implicitly defined by the parties involved, the situation and the context. For the purposes of this research, Ganesan's (1994) definition of trust has been adopted: “Trust is the willingness to rely on an exchange partner in whom one has confidence” (p. 60). The following are the prime reasons for adopting this definition.

“Willingness” signals the notion of benevolence through the indication of free will to perform an act (benevolence is one dimension of trust investigated here).

“Reliance” and “confidence” are largely the result of the skills of a party, which reflects the amount of credibility it possesses (credibility is the other dimension of trust investigated).

Wide acceptance of the definition within business-to-business relationship studies involving trust (see, for example, Doney and Cannon, 1997;

Nicholson et al., 2001).

This study was conducted in a business-to-business context.

The definition offered by Ganesan (1994) is based on the key notion of trust as a belief, a sentiment or an expectation about an exchange partner that results from the partner's expertise, reliability and intentionality. Ganesan (1994) studies trust in the development of both customer and supplier relationships, so his conceptualisation is based upon both behavioural (represented by benevolence) and cognitive (represented by credibility) elements. Consequently, his work takes a comprehensive approach to the investigation of trust, where not only does he investigate cognitive and behavioural aspects, but he also covers both customer and supplier perspectives.

### **3.1.2 The multi-disciplinary approach to trust**

The literature on trust has been growing rapidly since 1993 (Arnott, 2007a; Ebert, 2009). It is extensive and begins with the ancient Greeks (Bailey, 2002), with more recent studies spanning disciplines from psychology to sociology, from information systems to marketing (Arnott, 2007b, pp. 1203–40; see also appendix C). Key studies on trust in the fields of organisational behaviour and marketing include Moorman et al. (1993, pp. 81–101) and, specifically on organisational trust, Mayer et al. (1995, pp. 709–34) and Schoorman et al. (2007, pp. 344–54), but trust is also widely recognised as an important concept in interpersonal and commercial relationships (Cheung and Lee, 2001; Choudhuri and Holbrook, 2001; Hoffman et al., 1999; Steinauer et al., 1997). It is included in areas of social psychology (Lewicki and Bunker, 1995), sociology (Coleman, 1990), economics (Williamson, 1991), management and marketing (Ganesan, 1994; Ganesan and Hess, 1997), and philosophy (Baier, 1986). It is multi-disciplinary and has received attention in anthropology, medicine, finance, economics and biological sciences, to name but a few of the areas involved. The multi-disciplinary nature of the concept of trust leads to differing views from each of these perspectives.

### **3.1.3 Trust in management and marketing literature**

From 1993 onwards, trust became “an important research field”, with 109 publications released in 2003 alone (Ebert, 2009). This is reflected in the academic literature by an increased interest in trust, evidenced in the proliferation of research, and in two special issue journals – one in the *European Journal of Marketing* (2007) on trust, and the other in the *International Journal of Bank Marketing* (2010), on trust in financial services. This increased interest has also been demonstrated in the meta-analyses or literature reviews on

trust or trust-related concepts (Arnott, 2007a, 2007b; Athanasopoulou, 2009; Bhattacharjee, 2002; Blois, 1999; Ebert, 2009; Gefen and Straub, 2004; Geysken et al., 1998). Ebert (2009) has synthesised eight hundred highly ranked trust articles published between 1966 and 2006. Over that time, the literature became more precise and specialised. The number of consumer trust dimensions measured increased from one, “trust”, in 1966, to four, which are, variously, “benevolence, integrity, ability, and predictability” (Gefen and Straub, 2004), and “calculus based trust, knowledge based trust, reference based trust, and identification based trust” (Van Den Berg and Van Lieshout, 2001). It is noteworthy that the literature is not in agreement about the conceptualisations of trust, the dimensions of trust, or the antecedents of trust, or about how to measure them across different disciplines and research, or even within the same discipline (Ebert, 2009, pp. 65–66). There is, therefore, disparity and disagreement in the literature. One of the problems is that trust is usually a minor part of another study focused on either an outcome, such as loyalty or satisfaction, or a particular context, such as internet banking. In this significant but disparate literature, there is no agreed overall model of trust, and no overall model for the antecedents of trust.

Ebert (2009) attempted to build an overall model of trust by aggregating the literature down to forty variables, and finally to nine clusters. Ebert (2009) notes, “The cluster labelled ‘environment’ covers the variables time, industry and culture (cf. Hofstede, 2001; Schein, 1985)” (p. 77). This wider conceptualisation includes time and industry, while “environment” usually includes related concepts such as culture, dynamism, social systems and munificence (Ebert, 2009, p. 77). The eight clusters are security/risk, transaction costs, future intention, dependency, environment, person, satisfaction and reputation. The final cluster is of all the different characterisations of trust, which are “belief, trustworthiness, attitude, motivation and confidence” (Ebert, 2009, p. 78). Note that many of these “clusters” appear to contain unrelated concepts or variables. This makes it difficult to see how they could be useful as a basis for research without further rationalisation.

A criticism of this approach is that the clusters are not sorted in any way into antecedents, consequences or dimensions, and some of the clusters contain all these elements. The clusters reflect the appearance of a variable in the literature, but do not help significantly with an understanding of it (Ebert, 2009, p. 75). In addition, the clusters’ categorisation overlaps with the generally agreed approach in the literature towards labelling antecedents as affective and cognitive, so there is no way of deconstructing and re-assessing these for research purposes. Suggested antecedents for an enhanced B2B model are: dependency, security/risk, reputation, person and environment (Ebert, 2009, p.

81). Again, these are over-lapping and unhelpful clusters, as “person”, meaning social demographics, may be more relevant for research purposes allocated to the “environment” cluster. Ebert’s (2009) pool of journals is multi-disciplinary, with only two marketing journals, the *Journal of Marketing Research* and the *Journal of Consumer Research*. The others are in the fields of organisational behaviour, human resource management, psychology, economics, operations research, economics, finance and accounting, innovation, public administration, entrepreneurship and communications. Four research areas – human resource management (HRM), marketing, strategy and psychology – accounted for 72 per cent of the articles, demonstrating the centrality of trust in those fields.

The researchers also agree that trust is a complex and multi-dimensional construct (Bromiley and Cummings, 1995; Laing, et al., 2005; Mayer et al., 1995; McAllister, 1995; Strickland et al., 1968). While there is agreement about the role of trust and commitment as key components of trust (Morgan and Hunt, 1994), there is no agreement about what might constitute the antecedents of trust (Herington et al., 2009). There is also a wide variation between the marketing and the non-marketing (social psychology and behaviourist) literature on the antecedents of trust (Herington et al., 2009, p. 1099).

Much literature considers the functions of trust in commercial exchange, marketing, supplier–buyer and partner relationships (see Blois, 1999, p. 197; Coulter and Coulter, 2002; Marsh and Dibben, 2005, p. 29). Further research on trust from a marketing perspective is recommended (Arnott, 2007a) because trust is a source of competitive advantage (Barney and Hansen, 1994): it reduces transaction costs (Andaleeb, 1992), limits uncertainty and opportunism (Achrol, 1997; Busch and Hantusch, 2000) and creates flexibility (Nooteboom et al., 1997). Trust may help to bind relationships (Ring, 1996) and build commitment (Warrington et al., 2000). It may also improve communication (Anderson and Narus, 1989), facilitate risk taking (Wetzels et al., 1998), cooperation and mutual adaptation (Hewett and Bearden, 2001; Mayer et al., 1995). Trust can increase satisfaction with an interaction (Geysken et al., 1998; Wetzels et al., 1998; Zand, 1997).

Trust – a belief in the reliability of a counterpart – lies at the heart of the marketing concept (Moorman et al., 1993). This component of trust, which Ganesan and others describe as credibility or reliability (Andaleeb, 1996; Doney and Cannon, 1997; Ganesan, 1994; Garbarino and Johnson, 1999), is based on the extent to which the buyer believes that the supplier has the expertise to perform the activity effectively and reliably. Any successful relationship, from friendship to partnerships and business transactions, is dependent to some extent upon the degree of trust between the counterparts.

Despite the apparent centrality of trust in marketing and marketing relationships, there is still a dearth of published work on trust in marketing (Arnott, 2007a). However, marketing scholars have now recognised the importance of trust in developing and managing business relationships (Arnott, 2007a). Much of the business and marketing literature on the concept of trust has its roots in psychological and, to a lesser extent, sociological literature (Arnott, 2005). Again, there is no consensus on definition (Blois, 1999) but trust is often seen as summarising the customers' willingness to put themselves in uncertain situations where they risk unfavourable outcomes in future interactions with their counterpart (Moorman et al., 1993).

#### **3.1.4 Trust in business-to-business marketing**

The importance of trust in dyadic relationships has been the subject of much research. Athanasopoulou (2009) has analysed this research from the perspective of relationship quality, which views trust and commitment as central constructs. Of the 64 studies conducted from 1987 to 2007, 41 directly consider trust (usually accompanied by commitment) to be a prime relationship quality dimension, and the remainder imply the centrality of trust with trust-related under-pinning dimensions (Athanasopoulou, 2009, pp. 587–96).

Significant contributions to the conceptualisation of trust can be found in studies of inter-organisational relationships and in business-to-business marketing (Blois, 1999; Ferrero, 1992). Ganesan (1994) proposes two dimensions of trust, similar to those identified by Andaleeb (1992):

1. credibility – which depends on the buyer's belief that the supplier has the required expertise to carry out his role effectively and reliably;
2. benevolence – based on the buyer's belief that the supplier acts on the basis of intentions that are beneficial to the buyer.

Trust in the other's benevolence is the confidence that one's interests and well-being will not be harmed (Kumar et al., 1995; Swan et al., 1999); that the other will not exploit one's vulnerability; and that one can rely on the other's good will (Dwyer et al., 1987). The intentions and actions of others should result in positive outcomes that are beneficial to the consumer (Bhattacharya et al., 1998; Ganesan, 1994) and avoid negative outcomes (Anderson and Narus, 1989; Bhattacharya et al., 1998).

#### **3.1.5 Trust in services and financial services marketing literature**

Trust has important business and marketing implications, particularly evident when the concept of trust is related to the corporate banking market. Trust in financial services has

received an enormous amount of attention both in the public domain and in the literature. This may be a reflection of consumer mistrust in financial service providers. Ennew and Sekhon (2007, p. 62) find “evidence to suggest that levels of trust may be a cause for concern”, and although their comments are directed at consumers and financial services institutions the UK, there is a wider application when they note “declining levels of consumer trust in financial services; perceived industry malpractice ... and the impact of stock market difficulties in the early part of the current decade [... These] are thought to have had a significant negative impact on consumer trust and confidence”. Sekhon (2010, p. 1) states that the “purpose of this special edition [*International Journal of Bank Marketing*, Special Edition on trust] is to explore the nature of trust in financial services specifically because during the last 18–24 months there has been a perceived lack of it across various national boundaries, as the phrase ‘credit crunch’ became embedded in languages worldwide”.

The field of financial services is a good area from which to investigate long-term relationships between bankers and clients, because the principle of attributing value to long-term relationships, rather than transaction-based relationships, has prevailed. The literature on marketing financial services to businesses has been growing (Tyler and Stanley, 1999). The business-to-business banking market is larger, by value and by volume, than the more frequently examined retail banking market (Tyler and Stanley, 2007).

The literature on services business markets developed and changed its focus over time from 1974 to 2007 (Axelsson and Easton, 1992; Håkansson, 1982). This thesis contributes to the literature on the antecedents of trust, particularly culture and shared values, in marketing financial services, another under-researched area.

Relationships exhibiting trust involve benevolence – the emotional security and bonds that users may develop, for example, if a client (affectively) trusts his/her counterpart, and believes the counterpart will work honestly and with good intentions. If the client does not trust their counterpart, the client will not trust the services offered because of the potential for risk. When examined closely, competence (McAllister, 1995) and credibility (Ganesan, 1994; Siguaw et al., 1998) comprise the cognitive basis for trust, whereas benevolence (McAllister, 1995) is its affective basis.

Such findings suggest that financial markets need to be characterised by high levels of trust, affective and cognitive, at interpersonal, organisational and inter-organisational levels. It is clearly a context where trust has deep significance. Zineldin (1995) notes: “Trustworthiness dominates ... Banking services may involve more risk and uncertainty

than other businesses” (p. 33). Knights et al. (2001) go further: “Financial services can be said to be in, or even to be, the business of trust” (p. 318). The creation and maintenance of trust relationships is a fundamental condition for financial services.

### **3.1.6 Summary**

Many examinations of trust conclude that there is a remarkable variety of meanings with no consensus on a generic definition. Financial services and services marketing literatures have been examined here to identify the critical role trust plays in gaining and maintaining clients. Financial services and services marketing literatures recognise the critical role of trust in gaining and retaining clients.

The next section will examine the antecedents of trust as analysed from the literature; it will also look at the affective and cognitive antecedents and culture, with reference to the specificity of the Arab/Muslim world.

### **3.2 Antecedents of trust**

An antecedent is defined by the *Oxford English Dictionary* (1989) as something “that existed before or precedes another”. Focusing on trust, Huemer (1998) argues that antecedents are issues that can be linked to trust but cannot be substitutes for it.

Antecedents are “underlying dimensions, determinants or principles” of trust (Wang and Emurian, 2005, p. 112. For further details of the antecedents of trust found in the literature review, see appendix D1). In this research, antecedents are considered to be *determinants* of trust, a construct that precedes and causes trust. Trust itself has numerous constituent parts, which are referred to as *dimensions*.

While there is general agreement in the literature that commitment and trust are the key mediating variables between a number of antecedents and relationship outcomes, following Morgan and Hunt (1994) there is wide disagreement about what these antecedents might be. Antecedents in the marketing literature are given variously as communication, shared values/norms, power/dependency, cooperation, termination costs, relationship benefits/satisfaction and so on (see appendix D).

Some of the literature on organisational “trustworthiness” views the construct of trust as a hierarchical order/relationship, with the lower, first-order trust being cognitive, or calculus-based trust, which is represented by the “organisation doing what it says it will do”, and in relationship marketing it is based on the antecedent variables of dependability, reliability and honesty (Ennew and Sekhon, 2005, p. 5) The second, higher-order trust is “affective or relational trust ... in which customers believe that an organisation [or counterpart] shares their best interests and can be expected to engage in behaviour that

results in positive outcomes for them” (Ennew and Sekhon, 2005, p. 5). Therefore, and this is important, “these two forms [dimensions] of trust *imply that the antecedents of trust are likely to be varied and context specific*” (Ennew and Sekhon, 2005, p. 5; my emphasis).

### **3.2.1 Literature review on the antecedents of trust**

There is a growing amount of research on the antecedents of trust (Aulakh et al., 1996; Doney and Cannon, 1997; Ganesan, 1994; Smith and Barclay, 1997; Tyler and Stanley, 2002; Zaheer et al., 1998) and on building inter-organisational trust (Halinen, 1994; Sydow, 1998). Business-to-business services markets and financial services business markets are also receiving more research attention.

First, there seems to be little consensus in the field, although a number of antecedents have been suggested. Butler and Cantrell (1984) find that trust is built through integrity (defined as honesty and truthfulness), competence (technical and interpersonal skill), loyalty (benevolent motives towards another), consistency (reliability, predictability, good judgement) and openness (willingness to share information and mental accessibility). Swan et al. (1985) and Gabarro (1978) conceptualise trust as having facets of honesty/integrity, reliability/dependability, responsibility, competence, likeability, judgement and motives/intentions.

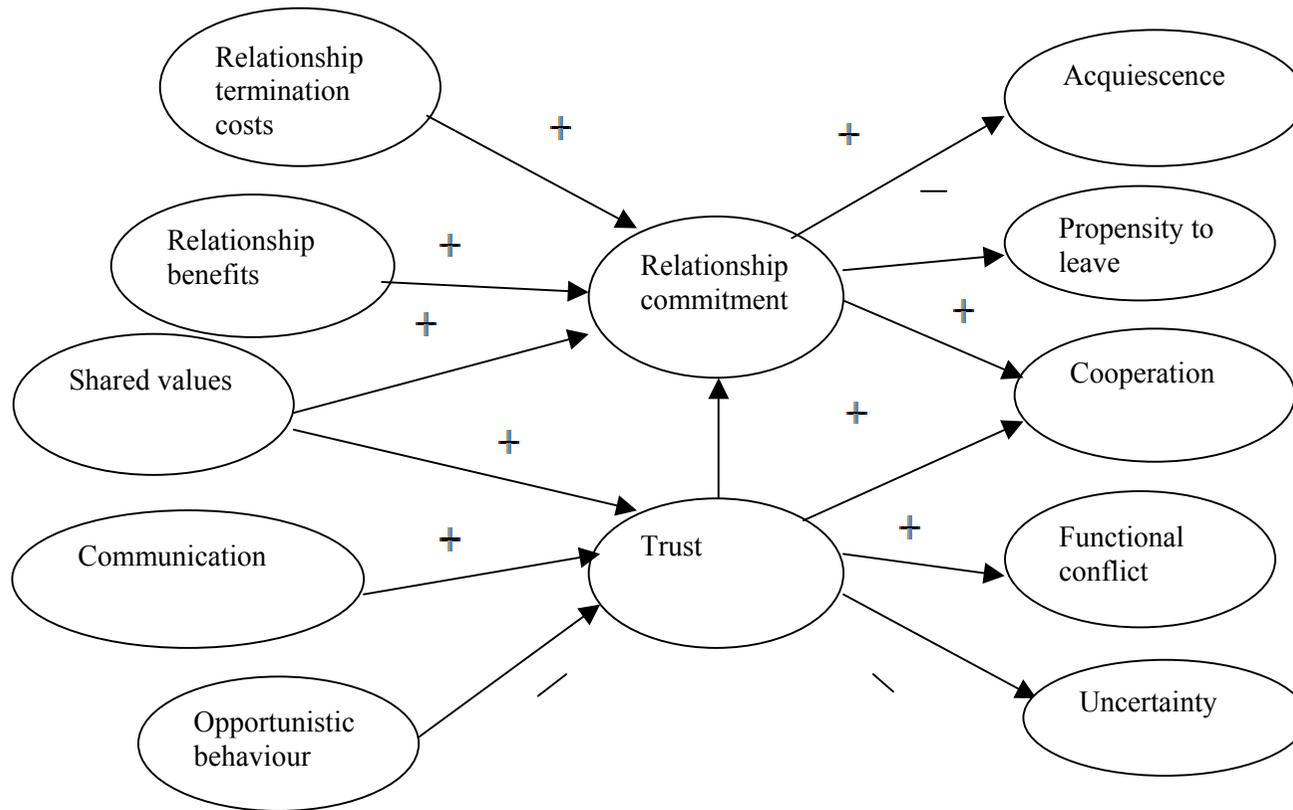
Some management literature specifically discusses the antecedents of particular types of trust; for example, repeated interactions (Shapiro et al., 1992) and the alignment of interests (Bhattacharya et al., 1998) are seen as causes of deterrence-based trust. Predictability (Shapiro et al., 1992) and choosing partners wisely (Bhattacharya et al., 1998) are offered as antecedents of knowledge-based trust. Shared identity (Bhattacharya et al., 1998) and an increase in perceived similarities (Creed and Miles, 1996) are proposed as antecedents of identification-based trust. Others focus on antecedents of trust in general and include discussion of cognitive cues indicating a trustee’s integrity, competence, loyalty, consistency and openness (Sheppard and Sherman, 1998; Whitney, 1994). Similarly, Mayer et al. (1995) argue that trust involves belief in ability, benevolence and integrity; others report on the role of reliability and fairness (Whitney, 1994), whereas Dodgson (1993) focuses on good relationships and effective communication.

The focus here is on business-to-business marketing. According to Doney and Cannon (1997) and Ganesan (1994), trust is increased by the perception that a salesperson has made investments on the buyer’s behalf, such as the customisation of products. The buyer’s past experience with the vendor organisation was identified as a significant antecedent of trust in an early study (Anderson and Weitz, 1989).

Morgan and Hunt's seminal research (1994) sees relationship marketing in terms of "establishing, developing, and maintaining successful relational exchanges" (p. 20); they study these aspects in relation to independent automotive tyre retailers in the USA. They see trust and commitment as *key mediating variables* central to the relationship and, importantly, they evaluate the antecedents of trust as shared values, communication and opportunistic behaviour (which has a negative correlation), and call their model the KMV Model of Relationship Marketing (p. 22), as shown here in figure 3.1.

Morgan and Hunt believe that commitment and trust are the *key mediating variables* that determine relationship marketing success, because of the following points:

1. acquiescence and propensity to leave flow directly from relationship commitment;
2. functional conflict (positive correlation) and uncertainty (negative correlation) are the direct results of trust;
3. co-operation arises directly from both relationship commitment and trust (p. 25).



**Figure 3.1 Morgan and Hunt's KMV model of relationship marketing**

Morgan and Hunt (1994) find that “shared values” are the antecedent of both trust and commitment in relationships. However, they define “shared values” through the narrow lens of organisational behaviour (that is, as part of the culture of the organisation only), rather than in the wider, national or larger group sense of the USA as a whole. They only study one side of the relationship at a single point in time, and their findings are directed only at marketers and marketing activities (p. 34) within the organisation. The study does not include much of the work of researchers outside the USA on relationships. Nevertheless, this work has provided the foundation for the conceptual framework of this thesis, which extends the concept of “shared values” to the Arab/Muslim world.

Much marketing research has investigated the role of the salesperson in establishing trust in relationship marketing. Doney and Cannon (1997) found that the expertise and likeability of the salesperson, the similarity of the salesperson to members of the buying firm, and the frequency of the business contacts between the salesperson and the buyer had a significant effect on the buyer’s trust. Swan and Trawick (1987) similarly found expertise (competence) and likeability to be important, as well as dependability, honesty and customer orientation. Morgan and Hunt (1994) note, however, that trust is decreased by perceptions of opportunistic behaviour.

Antecedents of trust have been identified in previous studies and a typology of the antecedents of trust has been created for this thesis (see appendix D2); seven antecedents come under two core categories – the cognitive and the affective. Conative core categories are the outcome of the two classes of trust antecedents – cognition and affection. These core categories are the outcome of the successful development of trust, which may then support further trust development.

Appendix D2 presents the sources for each antecedent in the literature, and illustrates the extensive research in this area. In brief, the following antecedents seem appropriate for building the concept of trust: credibility (competence and reliability), integrity, benevolence, openness and behavioural intention. Trust is similar to an attitude in that it is composed of affective, cognitive and behavioural intention components (Barber, 1983; Kramer, 1994; Lewis and Weigert, 1985).

Clients and bankers have been conceptualised as having these antecedents (Lewis and Weigart, 1985; McAllister, 1995), where cognitive and affective core-categories are the main components; however, conation connects cognition and affect to behaviour. For this reason, it would not be simply listed on a par with cognitive and affective categories. Cognitive trust refers to the rational, objective dimensions of the decision to trust; it is based on the evaluation of others’ dependability, credibility and competence (Lewis and

Weigart, 1985). Affective trust refers to the subjective elements of the decision to trust others; it is based on emotional bonds and concern for others (McAllister, 1995). Ganesan (1994) and Siguaw et al. (1998) index trust with “credibility” and “benevolence”, corresponding to cognition-based and affect-based trust, respectively (McAllister, 1995).

In summary, antecedents from the literature can be categorised into (1) affective categories, concerned with emotions and feelings, such as (a) benevolence and (b) communication/openness, among others and (2) cognitive categories, consisting of (a) competence (b) reliability/dependability and (c) integrity. The other clusters of antecedents, interpersonal, organisational and calculus-based, are not the focus of this research and are not reviewed here.

### **3.2.2 Affective antecedents**

Affective-based trust is the confidence of one party in another, based on the feelings and emotions generated by the caring, empathy, politeness, similarity and concern for the other party, which is demonstrated in their interaction (Johnson-George and Swap, 1982; Rempel et al., 1985). Personal qualities grounding affective-based trust are important in creating an emotional bond, which strengthens and reinforces the economic and structural bonds (Nicholson et al., 2001; Svensson, 2004). Coulter and Coulter (2003) found that affective-related factors (similarity, empathy and politeness) have greater impact on trust when parties are unfamiliar with each other.

Affective-based trust is characterised by “feelings of security and perceived strength of the relationship” (Johnson and Grayson, 2005, p. 501), interpersonal liking (Nicholson et al., 2001), and a “leap of faith” beyond the expectations that reason and knowledge would warrant (Wicks et al., 1999, p. 100). This means the relational context acts as a moral control on behaviour (Granovetter, 1985); building trust is a social process that takes time and is based on experience (Håkansson, 1982).

This emotional bond is essential in driving the relationship, nurturing trust mutuality (Nicholson et al., 2001), improving mutual understanding and creating emotional openness without fear of vulnerability (Chowdhury, 2005). It is motivated by a partner’s goodwill (Ring and Van de Ven, 1992), behaviour (Rempel et al., 1985), shared values (Morgan and Hunt, 1994), norms (Gundlach and Murphy, 1993; Heide and John, 1992) and benevolence (Doney and Cannon, 1997; Ganesan, 1994; Kumar et al., 1995).

Mutuality refers to an expectation that the other party will act sincerely and at the same level of commitment, to mutual advantage, and that actions will be reciprocated (Barney and Hansen, 1994; Butler, 1991; Dwyer et al., 1987; McAllister, 1995; Sabel,

1993; Wilson, 1995). In a reciprocal exchange, one party extends certain benefits to another and in turn receives the same or similar benefits. Reciprocity refers to these mutual attempts to balance giving and receiving. The drive to reciprocate reflects gratitude and giving in return through appreciation.

A number of studies refer to this as “benevolence trust”, which includes both friendship between parties and making sacrifices for the other (Ganesan, 1994). An important factor here is empathy (Bowles and Gintis, 2003); it is arguably one of the most important socio-emotional experiences because it provides the impetus for the mental processes involved in “the effort to understand the internal mental and emotional events of other human beings” (Rosenberg, 1990, p. 8).

### **3.2.2.1 Benevolence**

Benevolence is a perceived propensity to do good (Mayer et al., 1995, p. 718). Johnson and Grayson (2005) suggest that a benevolent supplier is perceived as positively disposed towards the buyer and willing to make short-term sacrifices. In other words, sellers concerned about buyer outcomes will be trusted to a greater extent than those only interested in their own welfare (Smeltzer, 1997).

For the purposes of this research, benevolence is conceptualised as including good will, openness, fairness and loyalty and it can be seen as a basis for trust (Das and Bing-Sheng, 2001; McKnight et al., 1998; Sheppard and Sherman, 1998). It focuses on the motives and intentions of the trustee (Ganesan, 1994) and involves the giver showing consideration and sensitivity to the needs of the receiving party, protecting their interests and refraining from exploitation (Sirdeshmukh et al., 2002).

### **3.2.2.2 Openness of communication**

Communication in business relationships is “defined as the formal as well as informal sharing of meaningful and timely information” (Anderson and Narus, 1989, p. 44). As such, communication fosters trust, but it is communication’s aspects of openness and sharing that constitute trust antecedents, and which are examined in this thesis. Mukherjee and Nath (2007, p. 1178–79) note that communication is a multi-dimensional construct, comprising:

- openness
- quality of information
- quality of response (cf. Mukherjee and Nath, 2003).

Of these constructs, openness builds trust, that is, it is an antecedent of trust. Openness is an affective mental attribute. Communication is found as an antecedent of trust in

Anderson and Narus (1989), Morgan and Hunt (1994) and Mukherjee and Nath (2003). Morgan and Hunt (1994) found that communication has a positive and direct impact on the retailer–supplier relationship commitment in the motor vehicle tyre industry, and that communication directly influences trust. Coote et al. (2003) claim that communication is “the glue that holds industrial marketing relationships together” (p. 596). The importance of “openness of communication” has been cited in a stream of research from 1982 to 2009 (for example, Anderson and Narus, 1989; Anderson and Weitz, 1989; Doney et al., 2007; Herington et al., 2009; Moorman, et al., 1993; Morgan and Hunt, 1994; Saxe and Weitz, 1982; Smith, 1989). Herington et al. (2009) point to the importance of open and frequent communication. Openness as an aspect of communication is also emphasised by de Jong and Klien Woolthuis (2009), who conducted research in the context of high technology business relationships. They argue, “Trust that derives from affection is key and outweighs cognition based trust and trust propensity. Openness [of communication] increases success that in turn fosters the development of affect based trust” (p. 1).

Affect-based trust includes care and concern, openness, a capacity for listening and understanding and a belief that sentiments are reciprocated (Mayer et al., 1995; McAllister, 1995; Mishra, 1996). Emotional trust is borne out of strong positive affect for the object of trust. This trust is based on a strong liking for the trustee. It is loyal, open and receptive to the other person. It entails openness of communication with the other party. Trust grows from communication in which shared meanings develop to provide the necessary foundation for non-opportunistic behaviour (Lane and Bachmann, 1996). Effective communication is developed through open, clear, honest, face-to-face, culturally sensitive and timely communication (Lane and Bachmann, 1996).

Interpersonal communication seems necessary to build trust (Granovetter, 1985; Hallowell, 1999; Langfield-Smith and Greenwood, 1998; McCune, 1998). Face-to-face exchange is critical in developing effective communication at an early interaction stage. Davis and Lawrence (1977) relate trust to coordination among partners, and Butler (1991) offers empirical support for openness as one of several separate conditions of trust.

Theron et al. (2008) investigated business-to-business financial services in South Africa, studying relationship managers and their clients. They found that it was important to have “effective communication to reduce uncertainty and thus also risk perceptions” in financial services (p. 1005), where effective communication meant “sharing relevant information” (p. 1005). Central to this thesis is their finding that culture and shared values are an antecedent of trust, in that “clients prefer that the financial service provider’s business values should be aligned with their own” (p. 1006).

Abosag et al. (2006) found in a study of industrial markets cross-culturally between Saudi Arabia and the UK that “communication is an important element of the dynamic of relationship development in both countries” (p. 17). However, British people focus on the instrumental/calculative aspects, while the Saudis focus on the affective aspects of the relationship (p. 17).

The literature almost universally finds that open communication, which is affect based and occurs between counterparts with shared values, is an effective, and affective, antecedent of trust.

### 3.2.2.3 “Antecedent” satisfaction

Satisfaction is considered here from the perspective of being an antecedent of trust. To distinguish it from overall global satisfaction, which is an outcome or consequence of trust, this thesis has differentiated these terms as “antecedent satisfaction” and “outcome or consequence satisfaction”. The literature does not distinguish between satisfaction as an antecedent or outcome, and appears to use the term “satisfaction” indiscriminately in both senses. In the ensuing discussion, the terms “antecedent” and “consequences or outcome” satisfaction are the researcher’s own.

Satisfaction has a temporal dimension, whether it is “antecedent” or “outcome”, as it is the result of perception, reflection on behaviour, or experience. This temporal dimension of satisfaction is recognised as the basis for Ebert’s following classification (2009, p. 78):

The cluster labelled “satisfaction” covers the variables satisfaction and experience, since *satisfaction is the result of the perception of experience* with a product or service, or an interaction with a trust partner (e.g., Customer Satisfaction Theory – Hom, 2002; Taylor, 1996). Consequently, satisfaction (with prior experience) seems to be the right label for the cluster (my emphasis).

However, although Ebert recognises the temporal dimension of satisfaction, she does not distinguish between satisfaction that may occur as an antecedent of trust, that is, in trust-building, and satisfaction as a consequence or outcome of trust.

As antecedent satisfaction is an affect, relational-based concept, this thesis has allocated it to a position in affective-based antecedents, although its consideration as affect-based and an antecedent is not supported in the literature and may be contentious. Satisfaction is usually seen as arising out of an interaction, or a series of interactions, in the marketing relationship. The wider trust-related literature views satisfaction as both an antecedent and a consequence of trust. “Antecedent” satisfaction is a complex, multi-

dimensional attribute and would be dependent on the context and temporality of the interaction. It would be possible to experience “antecedent” satisfaction during minor interactions in an antecedent phase, or have overall, global satisfaction as an outcome of trust – that is, an “outcome or consequence” satisfaction.

In a critical review of the dimensions of relationship quality (in which trust and commitment are central, according to Morgan and Hunt, 1994), classified by antecedents, dimensions and consequences, Athanasopoulou (2009, pp. 587–96) evaluates sixty-four studies published between 1987 and 2007. Of these, thirty-one find satisfaction to be a dimension of trust/relationship quality, five find it to be an antecedent and five find it to be a consequence. These are all quantitative studies, which focus on relationship marketing in business-to-business markets and products, and use survey data to determine causal relationships. However, they only research relationships from the customer point of view, and not from a joint, or dyadic, perspective. In addition, they only analyse either US or European markets. Athanasopoulou notes that there needs to be more research using a qualitative approach, “to capture the subtle differences between contexts”, and to “validate existing conceptual frameworks across countries and contexts” (2009, p. 583), which is a goal of the present thesis.

As a dimension of relationship quality, satisfaction could be either an antecedent or consequence of trust, as it is usually not specified or discriminated in temporal terms where it fits in terms of its relationship to trust. The point is that few studies find satisfaction to be an antecedent of trust (Bennett and Barkensjo, 2005; Ganesan, 1994; Garbarino and Johnson, 1999; Henning-Thurau and Klee, 1997; Selnes, 1998). It is, however, critically reviewed here as an antecedent for completeness.

Ganesan (1994), Selnes (1998) and Garbarino and Johnson (1999) all studied satisfaction as one of the antecedents of trust within the context of long-term relationships. Ganesan (1994) views “antecedent” satisfaction as an important antecedent of a two-dimensional approach to trust, benevolence and credibility, which leads to relationship continuity in buyer–seller relationships. He views “antecedent” satisfaction as a soft equity that is a result of satisfactory social and economic behaviour over several episodes of exchange.

Hence, according to Ganesan (1994), “antecedent” satisfaction increases the perception of benevolence and credibility. “Antecedent” satisfaction affects benevolence because it indicates a concern for equitable outcomes and joint welfare. “Antecedent” satisfaction affects credibility because it leads to effective role performance through greater reliability and expertise.

“Antecedent” satisfaction is therefore viewed by Ganesan (1994) as a common antecedent to both credibility and benevolence. It is cumulative – a variable built up over time through many interactions between buyers and sellers. To summarise, this perspective views “antecedent” satisfaction as a continual process within the antecedent framework; it therefore has a temporal element. The temporal element of “antecedent” satisfaction has not been a specific focus of study in this thesis, but was revealed in the course of analysis. It may be a fruitful area of future research into antecedents of trust.

Similar to Ganesan (1994), Selnes (1998) describes “antecedent” satisfaction as an important antecedent of trust and associates higher levels of “antecedent” satisfaction with higher levels of trust. Given the objectives in relationship marketing of continuity and enhancement of the buyer–supplier relationship, a significant finding in Selnes’s (1998) study is the strong positive effect of “antecedent” satisfaction on trust levels. Garbarino and Johnson (1999) similarly propose that “antecedent” satisfaction is one of the antecedents that lead to trust and future interaction.

In the general marketing literature, “antecedent” satisfaction has been divided into transaction-specific “antecedent” satisfaction and overall global “consequence or outcome” (Jones and Suh, 2000) satisfaction. “Antecedent” satisfaction, particularly in the service industries, is therefore hierarchical and transaction- or service-encounter specific, which underpins and moderates overall “consequence or outcome” satisfaction. In relation to trust antecedents and consequences, it is therefore possible for time-based, experiential “antecedent” satisfaction to operate as an antecedent of trust, while “consequence or outcome” satisfaction is a consequence of trust. Findings from this research give credence to this interpretation (see results chapters 5, 6 and 7).

### **3.2.3 Cognitive antecedents**

Cognitive trust derives from the confidence, willingness or intention to rely on a partner’s competence, reliability and promptness in meeting obligations (Anderson and Weitz, 1989; Moorman et al., 1992). Trust emerges from predictions regarding a partner’s future behaviours in fulfilling promises made (Zaheer et al., 1998). These predictions are based on cumulative knowledge gained through interaction (Harris and Dibben, 1999), or on reputations from other relationships (Johnson and Grayson, 2005). Because trust is, in part, knowledge driven, incomplete knowledge creates the need to trust (McAllister, 1995). Knowledge that builds up over repeated interactions where expectations are fulfilled leads to a reputation for trustworthiness, which facilitates and reinforces trust. Trust decisions are therefore driven by available knowledge and “good reasons” to trust (Mayer et al.,

1995).

Cognitive trust has been seen as important in initiating parties' commitment to the economic aspects of the relationship (Coutler and Coutler, 2003; Ganesan, 1994; Johnson and Grayson, 2005). Parties' expectations are a good indicator of the level of trust. When the level of trust is high, expectations can be held with confidence, since parties feel secure in the interaction. When trust is low, however, expectations will be clouded by uncertainty. In the present research, the most common categories of cognitive trust are competence, reliability and integrity.

### **3.2.3.1 Competence**

Competence-based trust is insufficient in itself to secure long-lasting relationships. Most researchers focus on the antecedents of this dimension, described by Nicholson et al. (2001, p. 3) as "a common value system and frequency of interaction". They also point out that "less attention has been paid to the role played by more personal and emotional factors" (Nicholson et al., 2001, p. 3). It is especially important in the financial industry context, however, and relates to the partners' perceptions of the other's knowledge and skills (Coulter and Coulter, 2002). Competence is often described in terms of knowledge, expertise and ability (skill), and is regarded at least as highly as integrity.

Skills (ability) involve technical ability and knowledge of the partner, markets, competitors and industry (Cravens et al., 1993). The relationship between skill and trust is noted by many; Cook and Wall (1980), Jones et al. (1975) and Sitkin and Roth (1993) all consider skill an essential element of trust. Butler (1991), Butler and Cantrell (1984) and Kee and Knox (1970) use the word "competence" to characterise skill. In this context, the skills of the banker are crucial in understanding the needs of the Emirati client.

Knowledge about the counterpart is significant here: it "thickens or thins as a function of their cumulative interaction" (Kramer, 1999, p. 575). The important outcome of such interaction is predictability (Sahay et al., 2003). However, gaining rich knowledge about partners is difficult and emerges only after long-term interaction (Rousseau et al. 1998).

### **3.2.3.2 Reliability**

Reliability, or dependability, combines predictability with benevolence; thus, in a situation of interdependence the individual can be counted on (Butler and Cantrell, 1984; Mishra, 1996; Rotter, 1967). The need for reliance on the service provider is critical in information-based relationships, such as banking (Parasuraman et al., 1988).

A trustee must fulfil their promise in order to sustain the relationship (Butler, 1991). Moorman et al. (1992) suggest that confidence in the partner is a result of the trustee's

reliability. Trust, as noted, is a response to uncertainty, risk and dependence (Zineldin, 1995); thus, reliability is central to corporate banking relationships (Smith, 1989; Turnbull and Moustakatos, 1996). The trustworthiness of managers is explicitly defined in terms of their reliability (Kirkpatrick and Locke, 1991; Ouchi, 1981); during a crisis, reliability is particularly significant. It is based on the extent to which the buyer believes that the seller will keep their promises (Ganesan, 1994). The sub-categories emerging from the data for the present research include reliance and the fulfilment of agreements.

### **3.2.3.3 Integrity**

Integrity refers to the extent to which the trustee is committed to an acceptable set of principles, such as honesty and fairness; it is a personal characteristic that signals trustworthiness (Zucker, 1986). To date, the construct of integrity remains vague and ill defined. Butler and Cantrell (1984) and Mayer et al. (1995) view integrity as a commitment to some kind of principle. However, they are not clear about what kind of principles individuals with high integrity would follow, leaving room for moral relativism and subjectivism (Becker, 1998).

### **3.2.4 Summary**

This research determines the antecedents of trust that are relevant in an Arab/Muslim context. A typology of the antecedents of trust was developed from the relevant literature. The affective, cognitive and cultural antecedents of trust in the literature were reviewed critically, and their relevance to this research has been examined. In the next section, the context specificity variables, the shared values, culture and environment of the Arab/Muslim world will be reviewed.

## **3.3 Context specificity variables: Shared values, culture and environment**

Culture and shared values are particularly “important for many aspects of business life, especially when a business must interface with people, either as customers, employees, suppliers or stakeholders. Cross-cultural research has had most value therefore when it has been able to provide substance to modern management practices and techniques” (Jones, 2007, p. 2). One of the objectives of this thesis is not only to be able to provide useful theoretical insights into the influence of shared values and culture, but also useful managerial guidelines in this context.

Emirati shared values and culture and the antecedents of trust in business are indissolubly linked. The literature concerning this is reviewed through an analysis of the literature on culture, and on Arab/Muslim/Emirati Bedouin culture and trust, as follows:

- Critical evaluation of culture and shared values
- Culture as an antecedent of trust in the business literature
- Arab/Muslim/Emirati Bedouin cultural antecedents of trust
- Management style in the Arab/Muslim world

### **3.3.1 Critical evaluation of culture and shared values**

A first challenge in conducting research involving shared values or culture is arriving at an understanding of what culture is, given the myriad definitions, conceptualisations and dimensions used to describe this concept (Straub et al., 2004). Groeschl and Doherty (2000, p. 14) point out that culture is complex and difficult to define, as it “consists of several elements of which some are implicit and others are explicit. Most often these elements are explained by terms such as behaviour, values, norms, and basic assumptions”.

As shared values and culture are central to this thesis, it is essential to critically review the literature on shared values and culture to understand how these complex constructs may apply.

In 1952, Kroeber and Kluckhohn identified more than 160 definitions of culture; by 1994, the number of definitions had reached approximately 400 (Ferraro, 1994). Culture is an essential but difficult concept in behavioural and social sciences; hence the many conceptualisations and definitions that have arisen (Smelser, 1992). In sociology, it includes an integrated set of learned behavioural patterns shared by, and characteristic of, the members of a society, including what the group thinks, says, does and makes, its shared beliefs, attitudes and feelings (Ambler and Styles, 2000; Bandura, 1997; Blau, 1988; Hofstede, 2001; Malhotra and Miller, 1998; Peterson, 1994; Richardson, 2004; Smith and Bond, 1999; Taylor et al., 2008; Triandis, 1995; Triandis and Suh, 2002; Trompenaars and Woolliams, 2003).

In their review article, Taras et al. (2009) identified 121 quantitative research instruments to measure culture, and found agreement in the literature definitions for four common elements:

1. culture is a complex, multi-level construct
2. culture is shared among individuals belonging to a group or society
3. culture is formed over a relatively long period
4. culture is relatively stable (p. 358).

An examination of Emirati shared values and culture indicates that all four factors are present, but not uniformly present to the same degree across the diverse Arab/Muslim world. This provides a broad framework but it does not tell us what these shared values or

culture actually are, or how influential they are in this research context. Some further answers are provided in work carried out by two key researchers – Hofstede and Schwartz.

### 3.3.1.1 Hofstede's research on culture

The first major quantitative study to measure culture was Hofstede's *Cultures Consequences* in 1980, which was originally based on an 'Employee Attitude Work Survey' for IBM. As a staff psychologist, Hofstede had access to the data from which he later extracted the cultural items that made up the *Cultural Survey Module* (Hofstede, 1980, 2001). These data formed the basis for his work and books, *Culture's Consequences: International Differences in Work-related Values* (1980), *Culture and Organisations: Software of the Mind* (1991), *Culture's Consequences: Comparing Values, Behaviors, Institutions and Organizations Across Nations* (2001) and related works (Hofstede, 1994, 2006; Hofstede and Bond, 1988; Hofstede et al., 2002).

Hofstede (1994) defines culture as a set of shared assumptions resulting in a common frame of reference among members of a society. Culture is viewed as the "mental software" people carry and use when, for example, forming a specific belief (Veiga et al., 2001, pp. 145–85). For Hofstede (1994), culture is the specific pattern of thinking that affects, and is reflected in, the meaning people attach to behaviour.

Hofstede's original study of IBM employees was a work-values survey covering more than fifty countries. It revealed common groupings, though with different solutions, around the following areas:

1. social inequality; the relationship with authority
2. the relationship between the individual and the group
3. concepts of masculinity and femininity; the social institutions of being a boy or a girl
4. ways of dealing with uncertainty, control of aggression and expression of emotions
5. long-term orientation to life versus short-term orientation (added by Hofstede and Bond, 1988).

Hofstede analysed these areas by factor analysis in the following five dimensions, which are followed here by explanations taken from his work:

1. Power distance (from small to large)

Power distance is defined as the extent to which less powerful members of society expect and accept power to be distributed unequally (Hofstede, 1980).

2. Collectivism versus individualism

Collectivism occurs when people are integrated into strong, cohesive groups in which there is loyalty. Individualism occurs when ties between individuals are loose, and people look after themselves (Hofstede, 1980).

3. Femininity versus masculinity

Femininity refers to societies where gender roles overlap, and both men and women are modest and concerned with the quality of life. Masculinity refers to the dominant values of a society being assertive and competitive, with gender roles strongly defined (Hofstede, 1980).

4. Uncertainty avoidance (from weak to strong)

“[T]he extent to which members of a culture feel threatened by unknown situations and try to avoid them”, leading to a need for written and unwritten rules

5. Long-term orientation versus short-term orientation

Confucian dynamism, or long-term orientation, which orders relationships by status, persistence, thrift, sense of shame; and the opposite pole, short-term orientation, which ‘saves face’, has respect for tradition, personal steadiness and offers a reciprocity of favours and gifts (Bond, 1988; Hofstede and Bond, 1988; Hofstede et al., 1993).

These terms were taken from the social sciences, and Hofstede argued that together they form a model of differences among national cultures (Hofstede, 1980, 2001).

The scores for the Arab/Muslim world, compared to the US and the UK, are shown in table 3.1, which illustrates the scoring and ranking of the countries and regions (including Arab countries) in the IBM set.

Table 3.1 shows that, in comparison to the United States and Great Britain, Arab countries have a very high power distance score, with a PDI score of 80, which ranked them seventh of the fifty countries and three regions studied, after Malaysia, Guatemala, Panama, the Philippines, Mexico and Venezuela. This ranking means that in Arab countries there is a large power distance: inequalities among people are expected/desired; authoritarian values prevail; and in the workplace, relevant to this research, there is a hierarchy that reflects the inequality between higher-ups and lower-downs; centralisation is the norm; subordinates expect to be told what to do; the ideal manager is a benevolent bureaucrat; and privileges and status symbols for managers and leaders are both expected and popular. People expect power to be distributed unequally (Hofstede, 2000, p. 500).

**Table 3.1 Index scoring and ranking of 50 countries and 3 regions**

Country	Power Distance		Uncertainty avoidance		Individualism /collectivism		Masculinity/ femininity		Long-/Short-term orientation	
	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank
Great Britain	35	42–44	35	47–48	89	3	66	9–10	25	28–29
United States	40	38	46	43	91	1	62	15	29	27
Arab countries	80	7	68	27	38	26–27	53	23		

Source: Hofstede, 2001, p. 500

On uncertainty/avoidance, Arab countries rank 27<sup>th</sup> in of the sample, with a relatively strong uncertainty avoidance score of 68. This means that life is felt to be uncertain and a constant threat; there is high stress and a feeling of anxiety; there is a fear of ambiguous situations and unfamiliar risks. These cultures are normative and rule bound (Hofstede, 2000, p. 500).

On individualism/collectivism, the USA ranks first with a score of 91, as highly individualistic; Arab countries are ranked at 38, co-equal with Brazil, as more collectivist. This translates as Arab countries having a collectivist mentality, with extended families and networks of kin offering protection in exchange for loyalty. Identity is achieved through social networks; harmony must always be maintained and confrontation avoided. There is high-context communication concerned with shared meanings and relationships; the employer–employee relationship is seen in moral terms, as a family connection; hiring and promotion take account of employees in groups; management is the management of groups, not individuals (Hofstede, 2000, p. 500).

On the masculinity/femininity index (MAS), Arab countries are ranked 23<sup>rd</sup>, with a score of 53, compared to a ranking for the UK and USA, respectively, of 66 and 62. For Arab countries, the score verges more on the femininity scale, with the dominant values in society being caring for others and preservation of the existing norms; people are warm and relationships are important; everybody is concerned with relationships; managers use intuition and strive for consensus; there is an avoidance of conflict and a resolution of conflict through compromise and negotiation.

Although this provides an insight and serves as a benchmark for comparison with Arab countries, in this example, for the USA and UK, these data must be viewed with extreme caution. Although “Hofstede’s work on culture is the most widely cited in existence” (Jones, 2007, p. 1), there is a large body of literature criticising his epistemology, ontology and methodology. For examples of articles critical of Hofstede’s work, see Jones’s (2007, pp. 4–6) summary. Key points include the following: a survey is not the appropriate unit for measuring values (cf. Schwartz, 1999); issues around assumptions of cultural homogeneity, that is, the assumption that the members of the national population measured are all the same; national divisions – nations are political not cultural units; political influences – the measures do not take political instability into account; the data are mostly focused on white marketing and salesmen from IBM; it is outdated – based on 1968 and 1972; the factor analysis has telescoped all cultural values into five dimensions; and questions about the statistical integrity of the analysis and questionnaire. In support of Hofstede’s work are arguments that he was a pathfinder in cultural studies, at a time when the social sciences were becoming interested in culture; his study was based on rigorous statistical methods for its time; and the majority of replication studies confirmed or partially confirmed Hofstede’s results (Jones, 2007, p. 6). However, Oyserman et al.’s (2002) meta analysis on “Rethinking individualism and collectivism” finds that “replications are rare, and often domain of research, sample, method and design go hand in hand” (p. 43), and that the “current evidence cannot shed light on the quality or nature of the distinction between country-level individualism-collectivism, individual idiocentrism-illocentrism, and situationally elicited independence-interdependence”.

For a debate about these issues, see the detailed criticisms of McSweeney (2002a, 2002b) about Hofstede’s “deterministic notion of national cultural causality”, which has an “exclusive cause with an invariant outcome” (McSweeney, 2002b, p. 1366). McSweeney also accused Hofstede of rigidity in relation to “the notion of a mono-causal link between national cultures and actions within nations” (McSweeney, 2002a, p. 109). Hofstede’s rebuttal in the same issue states that he uses the term “mental programs to include both values and culture”, and that these are useful constructs to “predict behaviour” (Hofstede, 2002, pp. 1358–59).

In order to predict behaviour, a recent pragmatic study by the University of Adelaide, in a joint educational project with the University of Sharjah in the UAE, attempted to replicate Hofstede’s work on the Arab world in order to design a joint course for female dental students at the university (Baron, 2008). The scores for the Sharjah study are given below, in comparison with Hofstede’s results for the Arab world.

**Table 3.2 Female dental students (University of Sharjah) compared with Hofstede's results**

	<b>PDI</b>	<b>UAI</b>	<b>IDV</b>	<b>MAS</b>	<b>LTO</b>
Sharjah	13.4	58.1	89.7	12.4	54.4*
Hofstede	80	68	38	52	

Source: Baron, 2008, p. 4

Table 3.2 shows that the only similar score was for Uncertainty Avoidance (UAI), which was a high score, indicating that the respondents disliked uncertainty and required structure and structured situations, and were more emotional. A high UAI score indicates that a society is highly rule oriented, risk averse and does not readily accept change (Baron, 2008, p. 3; Hofstede, 2001, p. 88). The low Sharjah score for Power Distance (PDI) of 13.4 may be explained by the fact that these were educated dental students, and that higher educational levels produce low PDI values (Hofstede, 2001, p. 88). However, Baron claims that Sharjah's "relatively high Individualism (IDV) score (89.7) and low PDI score (13.4) supports Hofstede's findings of a negative correlation between these two indexes (Hofstede, 2001, p. 216)"; this high Individualism score is explained by the wealth of the UAE. The Masculinity (MAS) score is 12.4, substantially different from Hofstede's result for the Arab world at 52. The differences may be accounted for by the Sharjah sample, of which 88 per cent were female and training to work in a caring profession. However, the discrepancies highlighted by Baron's (2008) study indicate that Hofstede's results for the Arab world should be viewed critically and with caution. However, it should also be noted that there are larger issues here than detailed criticisms of Hofstede's findings, which concern the way Hofstede's work has shaped cross-cultural research and narratives from a Western perspective.

A pertinent criticism by Fougère and Moulettes (2006, pp. 15–16) is that Hofstede's work provides an ethnocentric discourse from a Western, "modernist" viewpoint, and that the "binary oppositions construct the world as characterized by a division between 'a developed and modern side' and a 'traditional and backward' side ... which greatly undermines the burden of history, especially the colonial and neo-colonial facts, and thus tends to point to the idea that inequalities should be blamed on the people's 'collective programming of the mind'" (Hofstede, 2001, p. 9).

Carbaugh (2007, p. 4), summarises the central issues in this debate, and demonstrates

how they “can transform our views of discourse and cultures”:

“Reviewing Hofstede’s research sets an intellectual stage for at least three things:

- 1 studies of cultures that rely on methods beyond surveys
- 2 social units other than nations
- 3 dimensions ... that go beyond internal processes of cognition.

Reading Fougère and Moulette’s critique suggests, further, that culture

- 4 is to an important extent discursive
- 5 is inextricably tied to valued resources
- 6 can be understood not just as internal but as part of practical action, and
- 7 we must honour the variety of ways of being active in the world rather than abstracting from them into generic, binary categories”

(Carbaugh, 2007, p. 4).

Soares et al. (2007) conclude that there are advantages in using Hofstede’s work, but that “Individual values are more appropriate predictors of individual behaviour ‘unless collective Cultural Values are strongly shared by the members of the cultural group’ ... Thus, research should study cultural values at the individual level, using individuals’ perceptions of group” (Soares et al., 2007, p. 282). This thesis largely examines culture from the perspective of the individual.

In a study on the influence of culture upon perceptions of corporate social responsibility (CSR) in Korea, Kim and Kim (2010) found that cultural values were not identical to those of Hofstede’s (1984) study on Korea. In addition, their study suggests that “different cultural values have hierarchical effects on the perceptions of CSR ... even though Hofstede’s cultural values have some explanatory power” (Kim and Kim, 2010, p. 497). Although Kim and Kim (2010) were studying a different industry and country, their results appear to indicate that culture does not have a “blanket” influence but is subtle, and differentiated according to the different values expressed; it has an explanatory power to differing degrees, in a hierarchical effect. They also found that Hofstede’s dimensions needed to be supplemented with individuals’ perceptions of their social traditions (Kim and Kim, 2010).

### **3.3.1.2 Schwartz’s research on values**

Schwartz (2004) proposes another perspective by focusing on a theory of human values, in

which he postulates that there are ten basic values in all societies, which are determined by motivations, and which are recognisable within, between and across cultures (p. 231). Schwartz defines values as “broad, transsituational goals that vary in importance as guiding principles in life. The crucial content aspect differentiating among values is the motivational goals they express” (Schwartz and Rubel-Lifschitz, 2009, p. 171; see also earlier research by Schwartz).

These values are shown in table 3.3, below, and they consist of “power, achievement, hedonism, stimulation, self-direction, universalism, benevolence, tradition, conformity, and security”. Schwartz’s theory argues that values are related in a dynamic structure: “actions expressive of any value have practical, psychological, and social consequences that may conflict or be compatible with the pursuit of other values”; that is, they are inter-twined (Schwartz, 2004, p. 231). Schwartz explains his theory thus:

The theory of basic human values (Schwartz, 1992, 1994) derived the ten motivationally distinct types of values from three universal requirements of the human condition: needs of individuals as biological organisms, requisites of coordinated social interaction, and survival and welfare needs of groups. The theory holds that groups and individuals represent these requirements cognitively, as specific values about which they communicate in order to coordinate with others in pursuing the goals that are important to them. The structural aspect of the theory (the circumplex model) specifies relations of similarity and dissimilarity among those values (Schwartz, 2004, p. 234).

The theory of human values is therefore carefully constructed from previous theory, combined with Schwartz’s research, on the basis of individual, human motivations (see table 3.3). The theory was tested and supported by data from sixty countries and every continent. However, in the Middle East, the dataset was only collected and tested in Israel, “occupied Palestine” and Turkey. There are, therefore, no data for the Arab/Muslim context. Turkey is not an Arab country, although it is Muslim. This thesis does not consider the influence of religion separately from shared values, which is a fruitful area for further research.

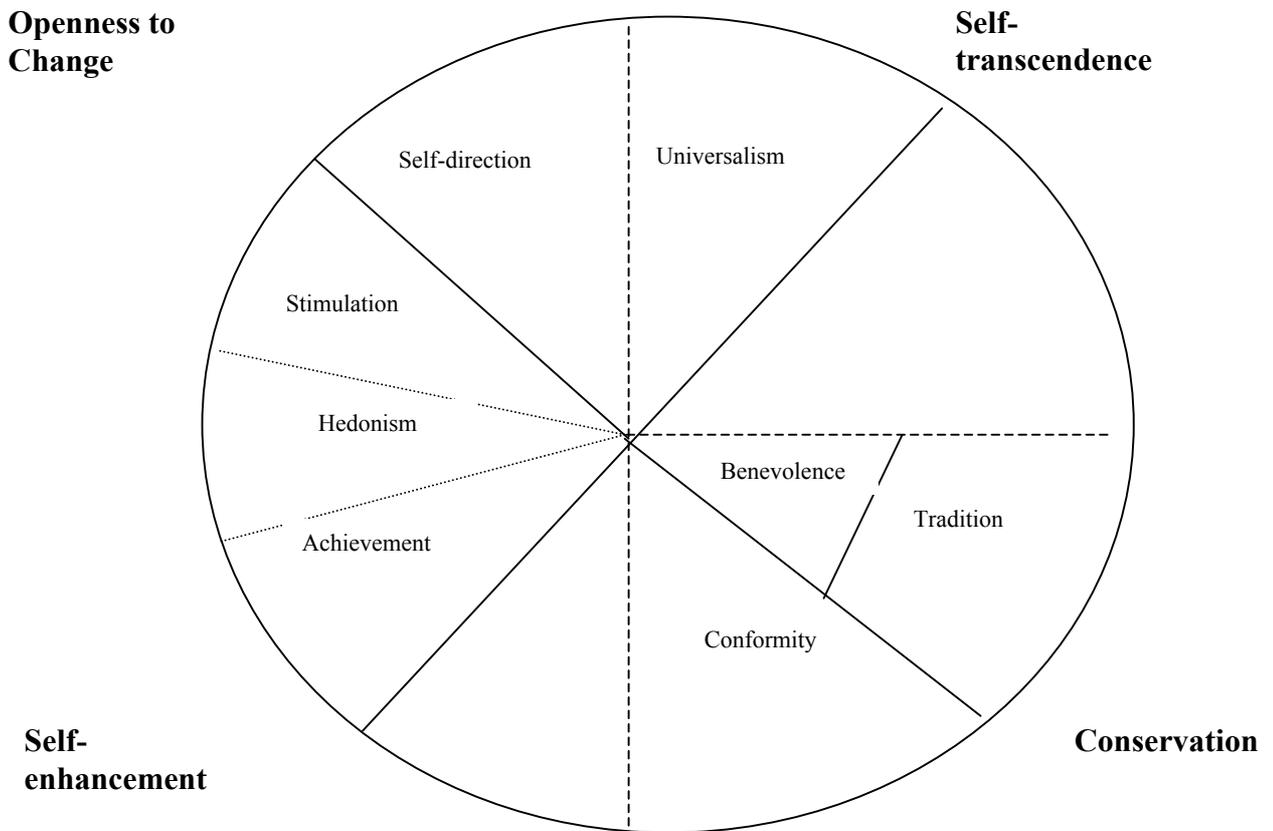
These values are inter-twined and indissolubly linked in interdependency, as shown in the circumplex model given below in figure 3.2. Any change in one value will have an impact on other values.

**Table 3.3 Ten basic values in the Schwartz (1992) model**

<b>Value</b>	<b>Defining motivational goal</b>	<b>Exemplary items</b>
Power	Social status and prestige; control or dominance over people and resources	Authority, wealth, controlling others, social power
Achievement	Personal success through demonstrating competence according to social standards	Success, ambition and admiration for one's abilities
Hedonism	Pleasure and sensuous gratification for oneself	Pleasure, enjoying life, fun, spoiling oneself
Stimulation	Excitement, novelty and challenge in life	Exciting life, adventure, risk, daring
Self-direction	Independent thought and action-choosing, creating, exploring	Creativity, freedom independence, curiosity
Universalism	Understanding, appreciation, tolerance, and protection for the welfare of all people and for nature	Social justice, equality, wisdom, world peace, protecting the environment
Benevolence	Preservation and enhancement of the welfare of people with whom one is close	Helpful, caring, loyal, supportive
Tradition	Respect, commitment and acceptance of customs and ideas	Respect for tradition, humility, devoutness, modesty
Conformity	Restraint of actions, inclinations and impulses likely to upset or harm others and violate social norms	Following rules, obedience, honouring parents and elders
Security	Safety, harmony and stability of society, of relationships, and of self	Family security, social order, cleanliness, avoiding danger

Source: Schwartz and Rubel-Lifschitz (2009, p. 172)

**Figure 3.2 Structural relations among ten values and two dimensions**



*Source: adapted from Schwartz and Sagiv, 1995, pp. 99–101*

The Schwartz values theory and framework have twice been rigorously tested in the European Survey Research Association across-country, across-time comparison, and have been confirmed (Davidov, 2008; Davidov et al., 2008). Davidov states, “These value measurements may now be used by researchers to study relationships among values, attitudes, behaviour, and socio-demographic characteristics across the 14 nations” (Davidov, 2008, p. 33). This is significant because values are increasingly important in comparative research in the social sciences (Davidov, 2008). For example, Schwartz and his co-authors have studied law and corporate governance from a values and cultural perspective, and found that it provides a “framework for understanding the relations between fundamental institutions” (Licht et al., 2007, p. 659; see also Licht et al., 2005). Values and cross-cultural comparisons are becoming increasingly important in research in marketing, management and business, but they are still under-researched areas.

### 3.3.1.3 A critical evaluation of the research of Hofstede and Schwartz

There has been a stream of research comparing and evaluating Hofstede and Schwartz's approaches to find similarities and differences (see, for example, Drogendijk and Slangen, 2006; Gouveia and Ros, 2000; and Ng et al., 2007). Most examine a single variable, for example, cultural distance (Ng et al., 2007), or Dutch MNE's expansion abroad through the development of greenfield sites or acquisition (Drogendijk and Slangen, 2006), or individualism–collectivism (Gouveia and Ros, 2000).

Drogendijk and Slangen (2006) find that “the explanatory power of the Hofstede and Schwartz-based measures is comparable” (p. 361). Ng et al. (2007) find that cultural distances based on Schwartz's values are “superior” (p. 164). They also state, “Schwartz's value dimensions offer several potential advantages compared to Hofstede's dimensions (Schwartz, 1994), namely:

- Schwartz's values are theoretically derived
- They are more comprehensive sets of value dimensions
- They have been tested with more recent data (collected between 1988 and 1992) with two matched samples (student and teacher samples)
- The samples were obtained from diverse regions (Ng et al., 2007, p. 166).

Furthermore, Hofstede's dimensions are stringently bi-polar and parsimonious, squeezing all human culture into five dimensions. Schwartz argues that his value dimensions include all of Hofstede's dimensions (1994). In addition, Hofstede's insistence that “culture” is contained and defined by “national boundaries” or nationality is misleading in the case of most, if not all, countries. This may also be true in the case of the UAE, where all Emiratis are Arab Muslims. Therefore, the UAE is a unique test case for an examination of the cultural antecedents of trust in the Arab/Muslim world, as Emiratis are a homogenous population. However, it must be noted that a high percentage of the UAE population are non-Emiratis and therefore excluded from citizenship.

Carbaugh (2007, p. 4–5) extends his argument to a call for further research in cultural studies:

We need a general approach to discourse and culture that is general theoretically, yet, when used, yields an understanding of local discursive practices. The view must demonstrate an understanding of discourse generally, then use that knowledge in order to see how discourse works particularly locally, prior to its critical assessment. In other words, the approach must work in one direction towards a generalising theory (to avoid ethnocentrism), and in the other toward the particularising of practice (to avoid too abstract views of

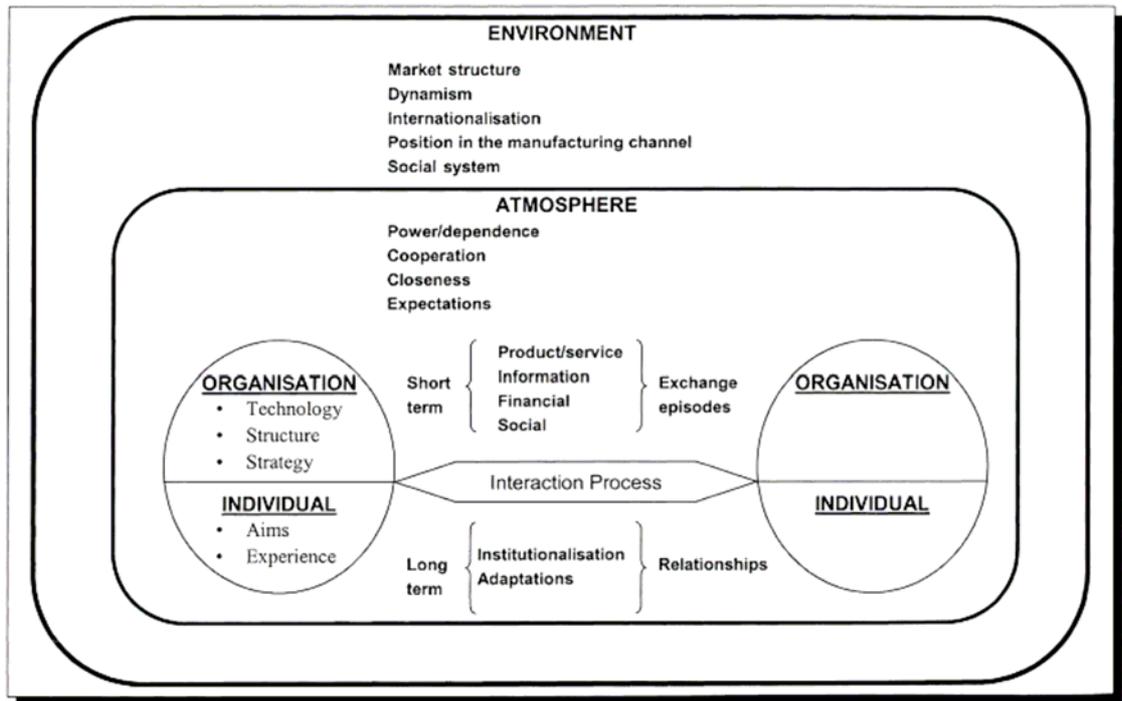
social and cultural lives). Such an approach will enable a general theory of discourse and culture to be built, while keeping our specific understandings of discourses and cultures close to those who use it – in the first instance, before levelling our own evaluations (Katriel, 2004; Philipsen, 1992) ... Onward, then, in understanding the cultural variety in discursive ways, through a carefully conceptualised approach, honouring local wisdom, reflecting upon the best each has to offer, from cultures in cognition, to cultures in conversation.

This thesis is written in the spirit of Carbaugh's proposals. It focuses on the individual and on individual practices in their social setting, to analyse the relationship between shared values and the antecedents of trust.

### **3.3.2 Culture as an antecedent of trust in the business literature**

The IMP model of 1982 (see figure 3.3) lists "environment" as an over-arching variable that influences buyer–seller interactions, but there has been little follow-up in the literature focusing on the investigation of environment as an antecedent of trust. In the IMP model, environment is an all-encompassing term that includes market structure, the dynamism of the firm, internationalisation, position in the manufacturing channel and "social system". It therefore includes external variables in an all-inclusive category. It does not specify culture or shared values, which arguably should be included under "social system".

There are a few studies that find environment factors (culture and shared values) are antecedents of relationship quality, or that cite environmental factors as antecedents (Athanasopoulou, 2009, pp. 587, 593, 596). Kumar et al. (1995) note that environmental uncertainty (p. 588) is a cultural antecedent to trust, in that unstable environments probably generate lower trust, and environmental munificence is related to relationship quality (pp. 588–89), although the correlation is complex. They are referring here to the economic not the social environment. Again, Boles et al. (2000) discuss service domain expertise (p. 591), and replicate the study in a business environment rather than a consumer environment, although this is a focus on the cognitive antecedents of trust, rather than a focus on culture or shared values. Sanzo et al. (2003, p. 593) show that "a buyer firm's cultural market orientation acts as an indirect antecedent to the degree of loyalty shown to its main supplier". Doney et al. (2007) found in a study of 42 countries that cultural antecedents for trust include the buyer's national wealth and collectivism, that "social behaviors seem to dominate the trust building process" (p. 1109), and that these behaviours are culturally driven.



**Figure 3.3 The IMP interaction model**

(Source: Ford, 1990, p. 22)

Theron et al. (2008) provide one of the few studies of relationship managers and their clients in the financial services industry. Their study conducted in South Africa confirms four important antecedents for relationship commitment:

1. Trust is the key driver of relationship commitment
2. Effective communication is important for relationship commitment – to reduce uncertainty and perceived risk, and to share information
3. The need for similarity of shared values and relationship commitment, which means that “business values” are aligned. In addition, “cultural differences” need to be noted; as an example, they cite the provision of “unique financial services to Muslims” (p. 1006)
4. Attractiveness and comparison of alternatives were important, as clients considered the width and service range of the financial service providers.

Theron et al. (2008) equate culture and shared values with religion, as they note the provision of services unique to Muslims. It is noted in the literature that the impact of culture and shared values has not been studied separately from religion (Schwartz and Huisman, 1995). It may be possible to gain insight into these variables based on the results of this study and further research into the Arab/Muslim world.

Rosenbloom and Larsen (2003) find that in their study of internet communication

between US exporters and their distributors, there is a positive relationship between “cultural distance” and internet communication. That is, there is a greater frequency of facsimile, email, telephone and business letters when cultural distance is greater, and internet communication alone does not fill this gap. Their work was based on that of Hall (1983, 1990, cited in Rosenbloom and Larsen, 2003, pp. 310–11), a cultural anthropologist, who stated, “culture is communication”, and communication has to be “decoded” by someone from another culture for the message to be understood properly. Over the process of this de-coding, two people from different cultures may interpret a message differently, consistent with their own values. The less these values converge, the more distant the person’s culture is, and the more likely that communication and understanding will not be clear. Hall termed this a low-context (LC) and high-context (HC) dichotomy. In a low-context culture, most of the information flowing between the sender and receiver is in the message itself, that is, the message is detailed, specific and factual. In a high-context culture, less explicit and detailed information is carried in the message, and more in the context of the communication process. Rosenbloom and Larsen (2003, pp. 310–11) argue that the cultural context (LC vs HC) has an impact on how many messages of what type are necessary to achieve effective communication. They found that there was more telephone and facsimile usage between LC and HC exporters and distributors.

In summary, few studies focus on culture and shared values as an antecedent of trust. Most that consider these variables focus on the economic environment, the service environment (expertise), or on the organisational culture. There is a need for more research on specific culture and shared values contexts, and how this frames the interactions of the counterparts.

### **3.3.3 Arab/Muslim/Emirati Bedouin cultural antecedents of trust**

Patrick (2009) notes the tensions that exist between modernisation and the “cultural past”, which is very much part of the “cultural present” in the UAE: “The emphasis on a Bedouin-style cultural past even as nationals are overwhelmingly part of settled communities is interesting, given the importance of tribal alliances that remain important features of the authority of local emirate rulers” (Patrick, 2009, p. 17). The Bedouin Arabs were desert nomads who traded and took their flocks from water hole to water hole. The cultural past is also the “cultural present”: the researcher’s Bedouin Emirati neighbours, who ostensibly live in a house, “really” live in a tent in their garden. Similarly, modern office workers in Dubai who live in houses in the city, take their holidays in tents in the desert. The Arab/Muslim Bedouin Emirati culture runs deep and is pervasive.

Pech (2009) conducted research to “find solutions to the problem of young Emiratis’ high rate of attrition in financial workplaces” (p. 57), specifically banks. Pech (2009) found that the education and training provided by banks for young Emiratis needed to be aligned with their culture and values, instead of the banks’ current primary focus on economic values, “including productivity, economic mentality, planning, annual income and profitability” (Pech, 2009, p. 60). In contrast, the students’ first value was religion, followed by cognition, political values, aesthetics, social customs and, finally, economic values. This cultural displacement between the values hierarchy of the banks, and that of the young Emiratis, caused anxiety and insecurity, to the point where “physical as well as emotional withdrawal became a preferred option [for the Emiratis]” (Pech, 2009, p. 59). Pech’s (2009) research highlights the tensions between Emiratis and non-Emiratis, financial services institutions and individuals, which is caused by differences in culture and shared values – the focus of this research.

Zakaria et al. (2003) note that “Arabic cultures tend to know more about each other than Westerners [know about themselves]” (p. 17), because in Arabic cultures extensive networks are created by socialising, and connections are important parts of Emirati daily life.

The society of the UAE is tribal; its most outstanding traits are clan loyalty and importance of the family. Decision-making capability in the UAE relies on intuition, instincts, personal contacts, social position and family relations (Bakhtari, 1995; Muna, 1980). In this context, once relationships have been formed, there are strong cultural reasons not to break them. Extending these concepts to business and management, once formed, relationships are solid, and it is rare for a banker or a client to seek a replacement.

UAE culture is influenced by Islamic tradition as well as by Bedouin tribal values. Personal observation combined with the literature shows Bedouin values expressed in a closed and tribal society. Islam is perceived by its adherents to be a complete way of life; it is necessary to understand the religion in order to understand the business environment (Schuster and Copeland, 1996).

Emiratis tend to be reluctant to take risks with people they do not know (Bohnet and Zeckhauser, 2004); conversely, well-founded trust as a mechanism for uncertainty reduction is highly valued. UAE culture has high levels of uncertainty avoidance, expressed by rule following and a preference for business stability; members of the culture try to explain and minimise life’s intrinsic uncertainties (Hofstede, 1980).

Uncertainty-avoidance cultures place a high value on security (Hofstede, 2006). They resist change because adjustments are seen as threatening. They prefer formal rules,

organisations and relationships that make situations interpretable and predictable.

Uncertainty avoidance cannot be reduced to calculable risk avoidance; rather, it refers to how people feel towards uncertain or unknown situations (Hofstede, 2006).

Emirati people operate by first giving serious consideration to potential counterparts; they feel more relaxed when dealing with other Emiratis. They prefer to remain with existing relationships and are reluctant to develop new ones with non-Emiratis, however good their reputation may be. UAE culture teaches the value of accepting things as they are and Emiratis display a strong in-group preference. Usunier (1996) comments that “Loyalty is a key concept in collectivist cultures, which spreads from people to product or service, in as much as they are extensions of the self” (p. 114).

### **3.3.3.1 Patriotism**

A significant cultural sub-category of the antecedents of trust in the UAE is patriotism. There is broad agreement on its meaning along the lines of “a deeply felt affective attachment to the nation” (Conover and Feldman, 1987, p. 1) and “pride in one’s nation” (Kosterman and Feshbach, 1989, p. 271). As such, patriotism represents a source of legitimacy, as well as social support (Balabanis et al., 2001). Several authors describe patriotism as comprising two main dimensions: attachment to and love of the country and its leaders, and commitment and citizen involvement. It is constituted by affective concerns. As Tamir (1993) states, patriotism refers to a complex form of devotion. In this sense, patriotism expresses attachment to the nation – a particular value that may be ranked as a priority.

### **3.3.3.2 Tribalism**

The concept of tribalism and kinship networks is embedded in the UAE; most tribes trace their roots to an individual ancestor who serves as the bond of the tribal relationship (Dadfar, 1993). The sheikh’s family assume roles as representatives of the ruling body and they are expected to act in accordance with the tribe’s leadership (Hitti, 1985).

Dadfar (1993, pp. 15–16) describes the structure of a UAE tribe as follows: the first level is the tribe itself (*quabileh*), which consists of several sub-tribes; these consist of clans, with their different families; all relations and loyalties are concentrated in the family. It is every member’s duty to look after the interests of their fellow tribe, clan or family members. The head of the tribe in his turn owes loyalty to a sheikh, who owes his loyalty to the head of a larger unit (Hitti, 1985).

Tribal tradition and clan loyalty have a dominant influence in Emirati society. Blood ties are significant and determine group loyalties and identities, which have evolved into

institutional social welfare and political machinery in the modern Gulf (Dadfar, 1993). Tribalism lies at the core of the value system and structure and serves as a unifying factor of loyalty in the construction of Emirati identity and ideology (Hitti, 1985). Sheikh Khalifa is the prime tribal leader and is seen as an opinion former of great influence (Bennett, 2000). One of the most important cultural terms of the Emirati tradition of tribalism is *wasta*. *Wasta* forms the foundation on which almost everything in Emirati societies is accomplished (Cunningham and Sarayrah, 1993, p. 209).

### **3.3.3.3 Wasta**

*Wasta* is an important cultural concept. Although there is no exact English translation, it entails reciprocal favours or assistance: in literal translation it equates to mediation. *Wasta* is Arabic for connections or “pull” and may be utilised as a form of intercession or mediation. *Wasta* is difficult to investigate because it takes very subtle forms and is “widely practiced and simultaneously denied by its practitioners and beneficiaries” (Cunningham and Sarayrah, 1993, p. 4).

*Wasta* has changed over time from its tribal roots to become a national and organisational norm (Al Rayis and Al Fadli, 2004, p. 75). In a tribal setting, *wasta* mediation binds families and communities with the common aims of peace and well-being in a hostile environment. *Wasta* benefits communities as well as individuals; however, intercessory *wasta* involves a central character intervening on another’s behalf to obtain an advantage – for example, a job, a government document, a tax reduction or admission to a prestigious university (Cunningham and Sarayrah, 1993, p. 209).

Cunningham and Sarayrah (1993) explain that *wasta* remains an underlying problem for the region. Excessive *wasta* creates dependency relationships, preventing the development of self-esteem through challenge and failure, while rewarding “sycophancy and risk avoidance” (Cunningham and Sarayrah, 1993, p. 191). In recent years, it has come to mean the seeking of benefits from government. Although *wasta* pervades the culture of all Arab countries and is a force in all significant decisions, it is not mentioned by most writers, nor is it openly discussed by Arabs themselves (Sawalha, 2002).

Emiratis tend to use their *wasta* networks in different aspects of life: Hutchings and Weir (2006b) state that they develop mainly through family ties and social connections. Such an important concept is highly influential when it comes to decision making, because it is utilised to help people enter a specific school, college, organisation or to make a business deal. Indeed, Cunningham and Sarayrah (1993) argue that *wasta* is considered as a force in every significant decision. It has gained such power because of its roots in Arab

culture and history.

It is important to note here that although *wasta* is embedded in Arab cultures, it is inconsistent with Muslim teachings, which stress the importance of hiring based on qualification and merit (Abbas, 2005). In spite of its violation of such teachings, however, using *wasta* when applying for positions is common practice in the UAE.

The present research explores the effects of *wasta* on trust in Emirati banker–client relationships. *Wasta* plays a critical role in hiring and promotion decisions in UAE organisations and banks. A person with poor qualifications but influential *wasta* will be favoured over a more qualified person who does not have it. This is, of course, economically inefficient and may lead to poor job performance and economic decline (Kilani and Sakijha, 2002)

Although there are no exact figures, a study conducted by Whiteoak et al. (2006) showed that young UAE citizens believe *wasta* is more useful than do older citizens, which might imply it is strengthening rather than diminishing over time. Thus, conducting simple tasks (such as getting a driving license) without *wasta* can become an exercise in frustration. *Wasta* is seen by some as a facilitator, however; this includes not only knowing *how* to get something done but also, more importantly, it includes knowing to *whom* one should turn. Even if *wasta* has such power and unspoken recognition, it is never discussed in business conversations; it is an implicit verbal assumption between the counterparts. *Wasta* is never mentioned in writing, in business letters or memos.

### ***Similarities between wasta and guanxi***

There are many similarities between *guanxi* in China and *wasta* in the Arab world. *Guanxi* has been defined variously as networks, connections, contacts and even nepotism, in both social and business relationships. In the sense applied to business relationships, it is defined as a “*guanxi* state”, indicating “the qualities of a relationship between individuals”, which can be close or distant, “good” or “bad” (Zhuang et al., 2010, p. 138). In empirical research on distribution channel relationships in China, *guanxi* was found to have “constructive effects of both emotional closeness and interactive state on marketing ... behaviors in China” (Zhuang et al., 2010, p. 137). *Guanxi* is therefore regarded as being all-pervasive in Chinese business and social activities (Michailova and Worm, 2003).

*Wasta* represents emotional and affective closeness; as with *guanxi*, it is seen as a force in every significant decision in Arab life and, indeed, a force in all decision making (Cunningham and Sarayrah, 1993). It has been called *The Hidden Force in Middle Eastern Society* (the title of Cunningham and Sarayrah’s 1993 book). In the Arab world, one needs

*wasta* in order to accomplish anything. *Wasta*, unlike *guanxi*, “has not been adequately researched, nor has there been any substantive literature examining the similarities and differences between interpersonal connections in the two regions” (Hutchings and Weir, 2006a, pp. 141–42). Although *wasta* has important implications for management, no empirical studies have been carried out in the HRM context, and very little research has been done in either Arabic or English (Mohamed and Hamdy, 2008, p. 1).

In both Chinese and Arabic cultural contexts, business is conducted by creating a relationship first and building connections; only much later will a discussion be started about the anticipated business (Weir and Hutchings, 2005, p. 92). Therefore, in both cultural contexts, the process of building relationships prior to transacting business is time consuming. Often the premise of starting a new business relationship is the opposite of that in the West. In the West, a new business start-up may focus on the business first, and only subsequently look for contacts and relationships in order to develop it. In China and the Arab world, the relationships often come first and then the network of friends will search for a business opportunity.

In Chinese and Arabic cultural contexts, once a relationship has been established, verbal contracts are absolute and an individual’s word is their bond (Weir and Hutchings, 2005, p. 92). These bonds are rarely broken. A failure to meet verbally agreed obligations would lead to the termination of the business, as well as the social, relationship.

Like *guanxi*, *wasta* also involves a social network of interpersonal connections rooted in family and kinship ties. Involving the exercise of power, influence and information sharing through social and politico-business networks, *wasta* is intrinsic to the operation of many valuable social processes, and central to the transmission of knowledge and the creation of opportunity. Just as *guanxi* has positive connotations of networking and negative connotations of corruption, so too does *wasta*; Arabs refer to both “good” and “negative” *wasta*.

Family is of vital importance in both China and the Arab world. Not only do people feel a sense of responsibility towards their family, they also feel a responsibility to save and maintain “face” (personal and social status) and honour for their family and extended networks. Reciprocal obligations are not limited to family and kinship, but also extend to non-kin ties in which people are expected to help each other as if they are fulfilling obligations to their family members (Bian and Ang, 1997). Thus, there are “extensive relations of loyalty and obligation, not just blood and kinship ties” (Feghali, 1997, p. 353). This reciprocity is further extended to the repayment of business and social accomplishments (Seligman, 1999, p. 36). Although originally based upon family loyalty,

*wasta* relationships have expanded to encompass the broader community of friends and acquaintances, as has *guanxi* in China (Feghali, 1997).

However, family and hospitality form the basis of business organisation even more strongly in the Arab world than in China (Muna, 1980). Just as Chinese business culture revolves around banqueting, it is impossible to undertake any kind of meeting in an Arab organisation without having coffee or tea. Such aspects form strong and enduring cultural bonds for the Bedouin Arabs, which include “Nomadic hospitality or *diyafa* [which] dates to pre-Islamic times and emerged as a coping mechanism in the desert ... individuals were utterly dependent on ... others during travel or for protection from avengers or oppressors” (Feghali, 1997, p. 353).

In both China and the Arab world, the notion of favours is tied to *guanxi* and *wasta*. In China, the value of *guanxi* depends upon the element of affection that is tied to favours (Kiong and Kee, 1998), as does that of *wasta*. Just as “*guanxi* lies at the heart of China’s social order, its economic structure” (Andersen et al., 2009, p. 821), so *wasta* “influences all social interactions throughout life” (Feghali, 1997, p. 352).

The ability to work with *guanxi* and *wasta* is essential for business success in China and the Arab world. This is a more complex area than simply establishing good business relationships, for in the Arab world, there are “unmentioned and subtle cultural rules” and any social or business occasion is “vague, complex, [and] defined by context” (Feghali, 1997, p. 353). Therefore, it is important that international managers understand and use *guanxi/wasta* not only as a means of business networking, but also as complex, subtle and unspoken cultural specific norms that underpin all social ties and decisions in both regions.

#### **3.3.3.4 Kinship**

There are cultural and biological reasons for kin to be supportive and reciprocating suppliers of social capital; the promotion of family welfare encourages kin to share resources, urges them to give other kin privileged access to these resources, and embodies a long-term reciprocity (Schneider, 1984). Kin are also the most likely network members to be densely interconnected, fostering communication about the needs and norms of providing help.

#### **3.3.3.5 Altruism**

Altruistic behaviour ranges from everyday kindnesses, through sharing scarce resources, to giving up one’s life to save others (Rushton, 1980). Altruism may be a characteristic of the close relationships of kith and kin and so a matter of genetic endowment, but also of clan loyalty, which in turn may lead to patriotism. The key point about altruism is that it is

selfless, caring only for the good of society and driven only by concern for others.

### **3.3.3.6 Shared values**

Shared values play an important role in creating high levels of trust (see section 3.3.1.2 on Schwartz's research). Jones and George (1998) argue that shared values are the primary vehicle through which individuals experience the highest "unconditional" form of trust. Shared values are the fundamental, inherent standards to which people aspire to maintain "loyalty, helpfulness and fairness" (Tschannen-Moran, 2004, p. 49). Understanding shared values is a starting point from which trust can grow. People will generally offer trust to those whom they believe uphold the same sense of obligation and cooperation (Tschannen-Moran, 2004). Abrams et al. (2003) emphasise that it is easier for people with similar goals and mentality to form closer bonds and understand each other's expertise and communication.

Coulter and Coulter (2002) argue that similar backgrounds allow clients to identify with their counterparts on a personal level. This identification reduces interpersonal barriers, raises comfort levels and contributes towards building trust. It is expected, then, that perceived similarities between Emirati clients and Emirati bankers will contribute towards initial feelings of empathy and, hence, play a significant role in building initial relationships. Woodside and Davenport (1974) found that relationship managers who are perceived as similar to their counterparts are more influential in changing attitudes and opinions.

In the present research, shared values are a multi-dimensional construct; they symbolise the extent to which banker and client share common beliefs in ethics, security and privacy (Morgan and Hunt, 1994). Shared values are significant as an antecedent of trust; they lead to increased commitment and enhance associations, developing a bonding and nurturing associative long-term relationship. Thus, in order to develop a trust-based relationship, the banker must strive to foster a culture with his counterpart of privacy, security and ethics, and instil a sense of positive shared values.

Within UAE culture, everyone has a clear understanding of what their role is, what their obligations are, and the roles and obligations of others (Caldwell and Karri, 2005). This shared understanding of norms, values, goals and expectations promotes the establishment and maintenance of trust relationships. Shared values, then, comprise cultural similarity and the behavioural reproduction of cultural similarity.

### **3.3.3.7 Cultural similarity**

Trust is created by shared backgrounds – religion, language, values and traditions –

amongst bankers and clients (Collins, 2004; Hall, 1992). Such similarities facilitate communications regarding specific service attributes (Morgan and Hunt, 1994), increase confidence in the expected service outcomes and, as a consequence, serve as the basis of building trust. Hall (1959) equates culture with communication: “Culture is communication and communication is culture” (p. 169). Thus, communication is an antecedent of trust (Anderson and Narus, 1989); it fosters trust by assisting and resolving disputes and by aligning perceptions and expectations (Moorman et al., 1993).

Communication, as Hall (1959) states, is also a key element of culture; it provides a mechanism for transmitting and interpreting messages relating to the world around an individual (Hall, 1959). Language provides an organising schema for interpreting and understanding the world (Gudykunst, 2002). Hence, in order for communication to be effective, there needs to be interaction between the partners in the exchange, and the more bases there are for cultural similarity, the more likely the communication will be understood.

Repeated communication “increases trust in one another’s competence” (Abrams et al., 2003, p. 68). Moreover, the quality of the interaction is also important. Abrams et al. (2003) emphasise the value of face-to-face contact, making interactions meaningful and memorable, and the development of close relationships. Face-to-face communication between people of different national cultures gives rise to numerous issues of which differences in language constitute but one barrier (Gudykunst, 2002). Differences in cultural background, values, mores and self-identities may also act as impediments to effective communication. Ways of expressing emotions, perceptions of self, others and of phenomena may also differ and give rise to problems of miscommunication. As a result, communication between peoples of different cultures is fraught with difficulties (Abrams et al., 2003).

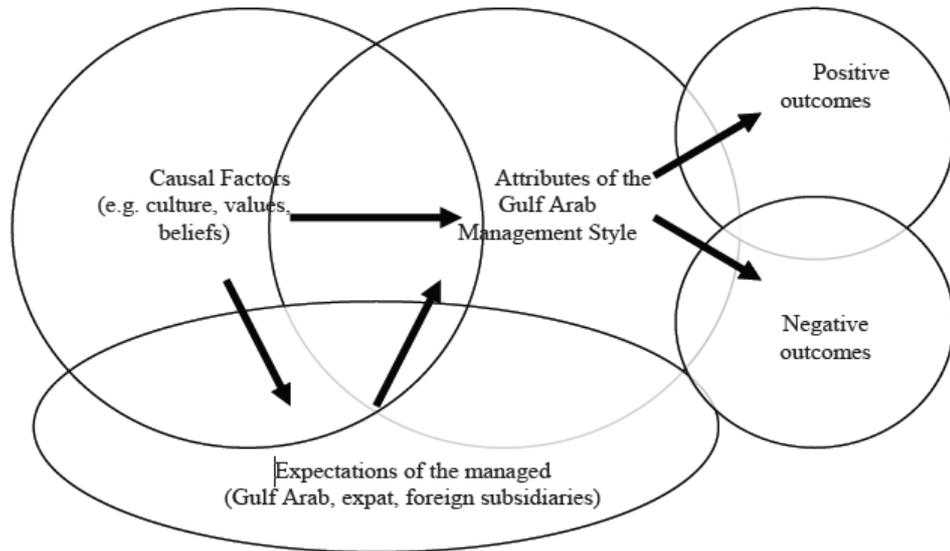
### **3.3.4 Management style in the Arab/Muslim world**

All these cultural antecedents of trust underpin and feed into the management style of the Arab/Muslim world. Scott-Jackson (2010, p. 4) notes that not only has there been little published about Arab management style, but also there is “very little research on the utility or ‘worth’ of the gulf Arab management style, other than a general assumption of negative worth”. Nevertheless, there may be both positive and negative outcomes of Arab management style (see figure 3.4).

Examples of positive outcomes might include the sharing of knowledge, the avoidance of conflict and the support of the wider Arabic/Bedouin community. In terms of

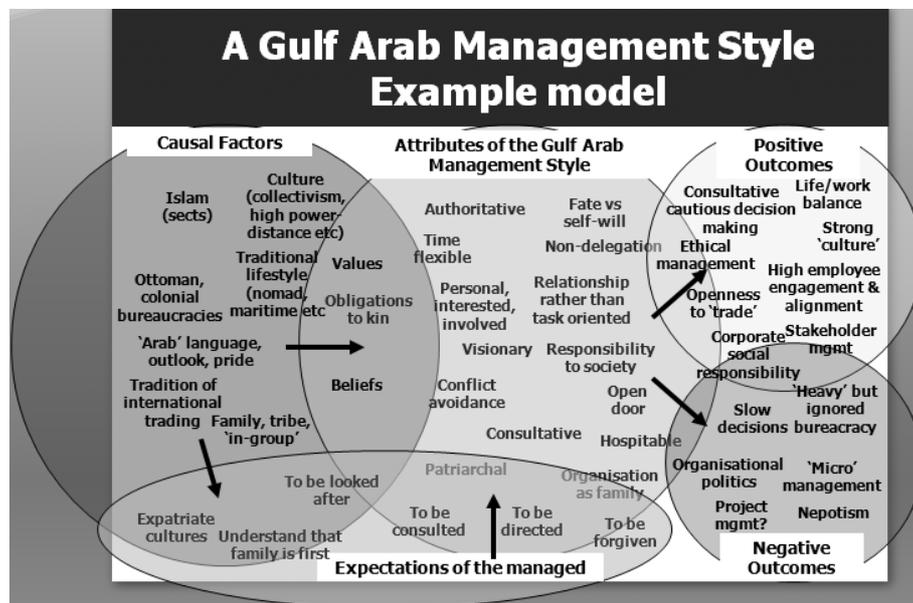
management style, these may be positive outcomes as long as the management implications for both Emiratis and non-Emiratis are clearly defined.

**Figure 3.4 Gulf Arab management style: causes and effects**



Source: Scott-Jackson, 2010, p. 4

**Figure 3.5 Gulf Arab management style: An example model**



Source: Scott-Jackson, 2010

Scott-Jackson (2010) has further identified some of the cultural and shared values that he terms “causal factors”; these underpin the Gulf Arab management style, and have been examined in preceding sections (see figure 3.5). Certainly, there are many positive

outcomes of Emirati shared values, such as high levels of corporate and social morality, cautious and consultative decision making, a tendency to take all views into account (especially those of Emiratis), an openness to business and ‘trade’, and to foreigners living and working in the UAE.

That the consequences of culture can be viewed as “positive” or “negative” begs comparisons of national cultures and a criticism that goes to the heart of Hofstede’s work, which is that he is comparing cultures with each other, and against a discursive “modern” and Western intellectual framework (for a compelling argument, see Fougère and Moulettes, 2006, discussed above).

Certainly, cultural factors not only underpin but also mediate the antecedents to trust in the Arab/Muslim world. One of the objectives of this thesis is to identify the significance of the relationship between culture and the antecedents of trust in a business and managerial context.

### **3.4 Conclusion**

The literature on trust and its antecedents has been explored here, and the main antecedents that underpin this thesis have been investigated. Trust has been defined in a variety of ways, dependent on the environment and the actors involved, and this reflects its multi-faceted nature. This thesis has adopted Ganesan’s (1994) definition, based on trust as a belief, a sentiment or an expectation about an exchange partner that results from the partner’s expertise, reliability, honesty and intentionality, and is derived from a business-to-business context.

Moreover, the literature on Arab/Muslim culture has also been analysed. Culture and shared values play a key role in the antecedents of trust in a financial services business-to-business context in the Arab/Muslim world. The contribution of this thesis is to explore specific antecedents of trust, with a focus on culture and shared values, to determine the theoretical and practical implications for trust building in this context. The role of these antecedents of trust will be explored in the following chapters.

## CHAPTER 4: RESEARCH METHODOLOGY

This chapter describes the research methodology for the thesis; that is, the following work can be seen as the formulation of the research design. In short, this section outlines the aims and objectives, which involved the challenges of choosing an appropriate methodology capable of examining the antecedents of trust in a specific cultural context.

The methodology chosen for the research is thematic qualitative analysis. A justification for this choice follows these introductory remarks, along with an examination of both the impact of conducting the research in an Arab/Muslim context, and the ways in which the quality of the research has been validated.

The means to analyse the antecedents of trust in an Arab/Muslim cultural context are best served through qualitative methodology, and the following work discusses this research philosophy and methodology under following sections:

What is research?

Research objectives

Research method

The research process: Part I – pilot study

The research process: Part II – main study

Validation

Ethics

### **4.1 What is research?**

It is important to begin with an understanding of what research actually is. “Research” has been defined as “[a]n investigation directed to the discovery of some fact by careful study of a subject; a course of critical or scientific inquiry” (*Shorter Oxford English Dictionary*, 1970, p. 1712). A “researcher” is “[o]ne who devotes himself to scientific or literary research” (*Shorter Oxford English Dictionary*, 1970, p. 1712). Research is therefore careful, critical and deep study, involving a search for knowledge of something by a person/researcher engaged in this activity. However, research is often about questions rather than answers (Yin, 1994), and research design may take many different forms that are integral to both the questions being asked and the context in which they are asked.

This thesis is a context-specific exploratory work for which thematic qualitative analysis was chosen for the research methodology. Thematic qualitative analysis has been

derived from the background work on grounded theory as developed by Glaser and Strauss (1967), Strauss (1987) and Corbin and Strauss (1990), for comparative studies of social processes in which the people studied are “derived from the research question and thus defined *a priori*” (Flick, 1999, p. 87). In thematic qualitative analysis, the approach is hypothetico-deductive, guided by the literature and a conceptual model of the research framework, which can be compared against the results of the study. It can then be determined whether the findings are consistent with the literature and conceptual framework, or whether they differ, and in what respects. Data are obtained in the form of in-depth interviews, which may be guided by an interview protocol or open-ended interviews. Data collection is guided by purposive sampling, to include a diversity of groups. Data are transcribed, sorted and coded, word by word, so that “more general conceptual themes can be the ordering principle” (Miles and Huberman, 1994, p. 131). The methodology and methods are discussed below, alongside an explanation of the difficulties of collecting the dataset in this context, and the consequences for the quality of the data.

Janesick (1983, cited in Denzin and Lincoln, 1998, p. xii) places the researcher firmly in the empirical world, stating that four basic questions structure the issue of research design:

1. How will the design connect to the paradigm being used? That is, how will empirical materials be informed by and interact with the paradigm in question?
2. Who or what will be studied?
3. What strategies of inquiry will be used?
4. What methods or research tools will be used for collecting and analysing empirical materials?

However, Janesick (1983) has omitted the first basic question, which is “Who is the researcher, and what is the researcher’s relationship to the research question?”

Three interconnected generic activities define the qualitative research process (Denzin, 1989). They go by a variety of different labels, including theory, method, analysis, ontology, epistemology and methodology (Denzin, 1989). Behind these terms stands the personal biography of the researcher, who speaks from a particular class, gender, cultural and ethnic community perspective (Denzin, 1989). The gendered, multiculturally situated researcher approaches the world with a set of ideas – a framework (theory, ontology) that specifies a set of questions (epistemology) that s/he then examines in specific ways (methodology, analysis). That is, the researcher collects empirical materials bearing on the question and then analyses and writes about them (Denzin, 1989). Every researcher speaks from within a distinct interpretive community that configures the

multicultural, gendered components of the research act (Denzin, 1989).

Therefore, before addressing Janesick's (1983) four other research questions, as the researcher, I will discuss my relationship with the present research act (Denzin, 1989).

#### **4.1.1 The researcher and the researched**

My family are Palestinian refugees; my grandparents left Palestine for Lebanon in 1948, when my parents were eight years old. About a million Palestine Arabs became refugees in 1948, leaving behind property, country and a sense of belonging. Most went to Lebanon, and were issued the Lebanese De-Voyage passport. Upon reaching adulthood and completing his education, my father worked for the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), which provided healthcare, education, emergency relief and infrastructure development for ex-Palestinians living in Lebanon. My father worked for UNRWA for twenty-five years as a Camp Services Officer and Transport Officer. I was born and educated in Lebanon, but we had to leave once more because of the Civil War in 1987; we emigrated to the UAE, where we hold conditional visas, renewable annually. I am officially stateless: the Arabic name for Palestinians in exile is "Al Lajeen alfalastineen", and the Arabic word for exile is "ghurbah", which means living "outside". The Palestinian refugees form a community who look after each other as much as they can. Although we share a Middle Eastern Arab heritage, I am an immigrant in the UAE, and the Bedouin Arabs are different from Palestinian and/or Lebanese Arabs. I am therefore an outsider in the UAE, experiencing statelessness, displacement, exile, and the loss of family money and property.

My "outsider" position in the UAE enabled me to be aware of bias, and to attempt to overcome it (cf. Miles and Huberman, 1994, pp. 262–63; Schutz, 1962, p. 5). It also added to my objectivity as I was outside Emirati culture (Miles and Huberman, 1994, p. 263). My position also engaged my curiosity because I did not understand the Bedouin Arabs – the Emirati – and their business relationships with non-Emiratis, whether other Arabs or Westerners. Therefore, my unfamiliarity with my host country was a driver for this research.

Personal assistance with this research was gained from a Palestinian in the Central Bank in Abu Dhabi, who provided access to clients and bankers, and who acted as the primary key informant to provide triangulation during the research process. There was, therefore, a powerful supporter of the research process who provided access, contacts and advisory support. This was essential for the study, as access to business markets is extremely difficult due to issues of confidentiality and the competitiveness of sensitive

information, which can lead to difficulty in accessing both companies and customers (Turnbull and Gibbs, 1987; Tyler, 1996).

The key informant's initial advice (discussed in detail in 'Research design and processes', below) informed the contextual aspects of the research and necessitated changes in the original research design, in terms of my dress, language, conduct, interview processes and data confirmation. He advised that when conducting the fieldwork, in order to make the Emiratis feel comfortable, and as a mark of respect, I should wear the Islamic dress of Emirati women: the *abaya* is a long black garment covering all parts of the body except the face and hands; the *sheila* is a head-covering traditionally worn by many Muslim women. I usually dress conservatively, showing only my face and hands, but I do not wear this national costume. For the interviews with Emiratis, I always wore the *abaya* and *sheila* as a mark of respect for Emirati culture, and to make the Emiratis comfortable in my presence and in speaking to me.

It was suggested that the interviews must take place in a neutral public place, not in the office. The key informant additionally advised that all interviews must be conducted in Arabic, to put the interviewees at ease, and to ensure that they could understand the questions and answer fully, clearly and accurately, without misunderstandings due to translation from Arabic to English and back into Arabic. Therefore, translation from Arabic into English was a requirement for transcription of the interviews. It was also made clear that, while some in-depth questioning would be permitted, the respondents would need to have the interview protocol submitted in advance of the interview.

In this way, I was able to gain access to and interview the Emirati businesspeople referred to throughout this thesis, and they spoke to me comfortably and freely. It is unlikely that Emiratis would be either accessible or forthcoming with a non-Arab researcher, or with an Arab researcher who did not follow these constraints.

These constraints, and my position as the researcher, introduced problems with data quality (see section 4.6.2) and validation (see section 4.6).

#### **4.1.2 Triangulation**

Triangulation, originally used by surveyors to take multiple points of measurement to increase accuracy, was adapted by Denzin (1989, p. 236) for the social sciences in order to provide rigour, and he defined triangulation as "the use of multiple methods in the study of the same object". He advised on the use of four types of triangulation (see also Flick, 1999; Smaling, 1992; Smith, 1981).

1. Data sources triangulation, including people, time and space in the study, which

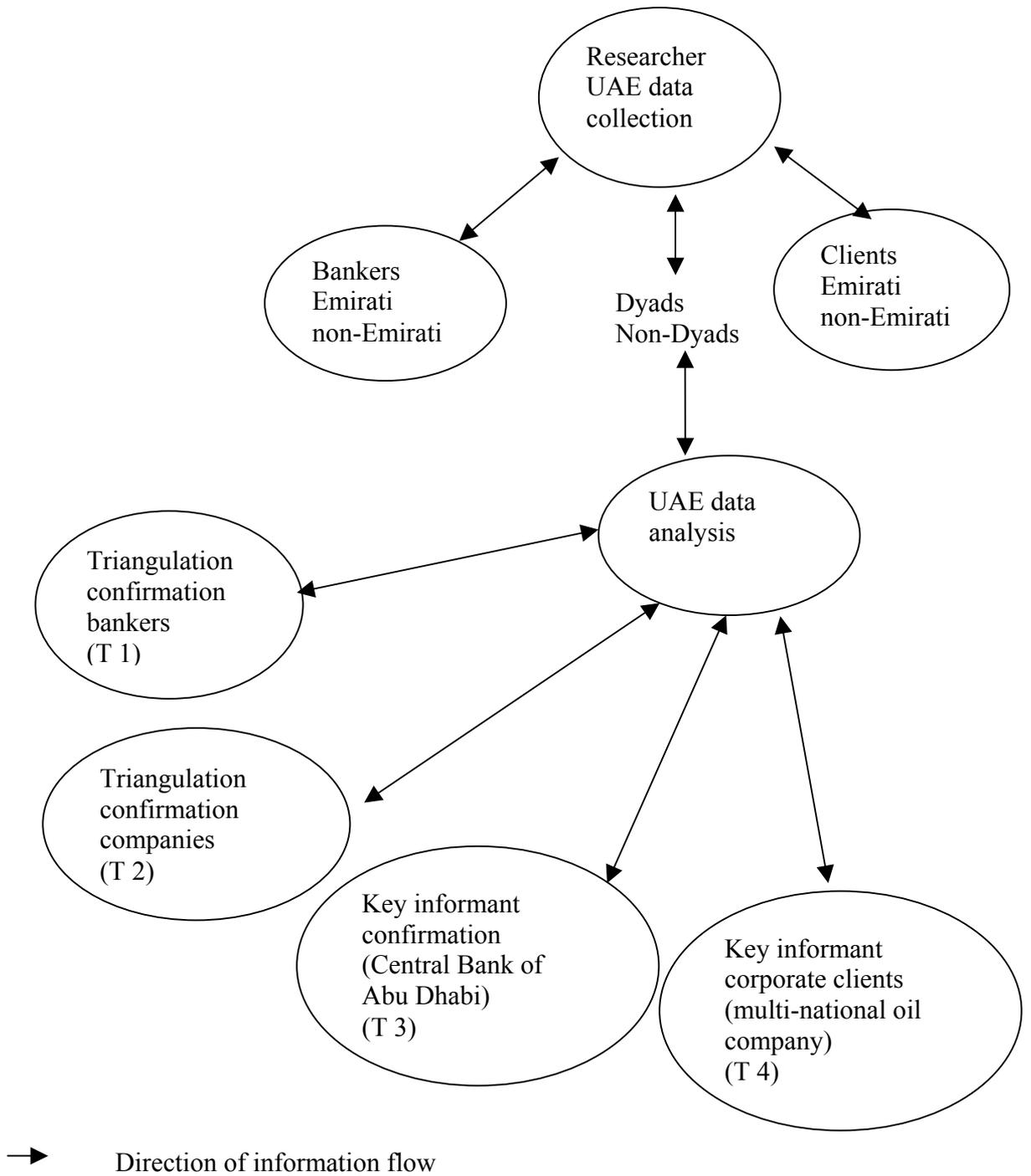
- means multiple data sources, or multiple interviews from the same organisation.
2. Researcher triangulation, which involves using more than one researcher or coder for the same study.
  3. Theory triangulation, which involves using more than one theoretical perspective.
  4. Methodological triangulation, which involves using mixed methods or multi-method research (see also Tashakkori and Teddlie, 2003. Erzberger and Kelle, 2003 also argue for triangulation between inferences, pp. 457–90).

Triangulation using both quantitative and qualitative (mixed) methods, and multi-theoretical approaches, is now used frequently in social science research (Tashakkori and Teddlie, 2003), but it also carries the warning that it can be overly complex and can add to the weaknesses of each of the methods rather than combining to produce multiple strengths (Tashakkori and Teddlie, 2003). Triangulation in itself may or may not increase the rigour or validity of a research project, as it may compound weaknesses rather than offset weaknesses with strengths (Tashakkori and Teddlie, 2003). This matter was considered carefully within the context of the research design and process, and the triangulation processes are outlined in section 4.1.2. The multiple stages of the triangulation process are shown in figure 4.1, below.

In practice, there were four steps in the triangulation processes, which were operationalised in this thesis as follows:

- a) respondent validity – returning the transcript to the respondent to check and approve it for accuracy, and a re-interview for queries or confirmation;
- b) establishing key informants for both banks and companies. The primary key informant worked at the Central Bank of Abu Dhabi, knew the Emirati and non-Emirati banking and business community, and scrutinised the bank interviews. The key informant for the business clients worked in a multi-national oil company, and scrutinised the company interviews. Both key informants provided access, scrutinised a selection of anonymous transcripts, provided additional information and answered questions;
- c) Triangulation confirmation for companies – respondents for each sector agreed to read anonymous summaries for confirmation;
- d) Triangulation confirmation for bankers – a respondent agreed to scrutinise anonymous summaries.

**Figure 4.1 A model of the research process using triangulation and key informants**



## 4.2 Research objectives

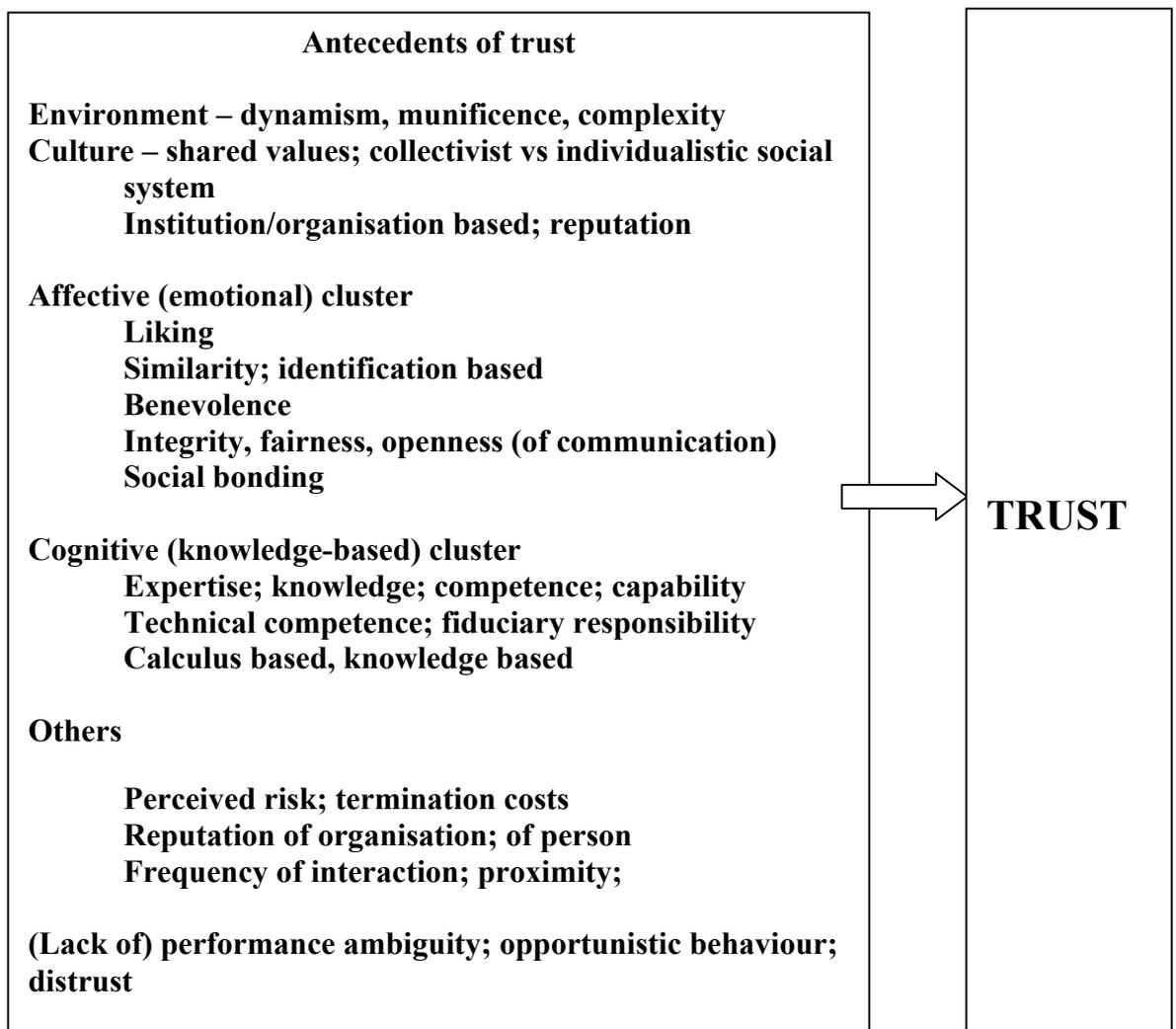
### 4.2.1 The research focus

The aim of this thesis is to contribute to knowledge about the antecedents of trust in an Arab/Muslim cultural context, within the framework of analysing buyer–seller relationships between corporate bankers and their clients in the UAE. This section outlines the research objectives, research questions and hypotheses developed from them.

### 4.2.2 The conceptual framework

The antecedents of trust and their themes were derived from the literature review (see chapter 3). This conceptual framework provided the basis for understanding the antecedents of trust in a financial services business-to-business context, and in the Arab/Muslim context, which deserves greater investigation than found in the current literature (see figure 4.2).

**Figure 4.2 Conceptual model for this research derived from the literature**



It is important to have a conceptual framework in order to explain, “either graphically or in narrative form, the main things to be studied – the key factors, constructs or variables – and the presumed relationships among them. Frameworks can be rudimentary or elaborate, theory-driven or commonsensical, descriptive or casual” (Miles and Huberman, 1994, p. 18). A conceptual framework determines the relationships among the theoretical or conceptual constructs, and is a foundation for the methodological approaches upon which the methods are based. It forms the research objectives and questions, and provides a reasoned basis for the relationships between them (see Cresswell, 1994, p. 97).

The methodological conceptual framework shapes the research design (Sayer, 1992) and informs methodological decision making. It requires the researcher to consider the triangular relationships between theory, empirical data and the conceptualisation of methods when choosing research objectives and questions. In this thesis, the context had an impact on the methods for acquiring the dataset. This theoretical background provided the foundation for the crucial decisions that informed the research design, and the decisions necessitated by the research context. The matters raised are summarised in the following five points.

1. The need for awareness that my background was indissolubly linked to the research design and processes, and the need to remain aware of this effect, as well as the possible bias involved in being a woman, an immigrant, a Palestinian refugee and a novice researcher.
2. The concerns surrounding the choice of a qualitative research paradigm, with its consequent questions about empirical rigour, the implications for the validity and quality of the data, the transcription of the interview data into text, and issues of interpretation. The translation from Arabic to English raised problems of loss of meaning from an Arabic translation to a Western and English context.
3. The issues around the use of thematic qualitative analysis.
4. The advantages and disadvantages of triangulation to increase research strengths and limit weaknesses.
5. The requirement for the researcher to keep an open mind and to be able to use theoretical conceptualisations in order to adjust to the changing demands of the research context.

With such foundations in mind, the research objectives and research questions were formulated.

### 4.2.3 Research objectives

This background provided the impetus and foundations for the research objectives of this thesis, which are as follows.

1. Identify and analyse the antecedents of trust in the interaction between corporate bankers and their clients in an Arab/Muslim cultural context (the UAE); focus on the antecedents that are important in this cultural context; determine the significance of the cultural context.
2. Use of empirical methods to study both sides of the dyad in financial service business markets from the perspective of the antecedents of trust. There is currently a paucity of empirical studies analysing both sides of the dyad. Many studies focus on only the buyer or supplier side, or are conceptual in theoretical positioning, not dyadic.
3. Use of empirical methods to investigate which antecedents of trust are contextually and/or situationally present in corporate banking in an Arab/Muslim cultural context; that is, in Emirati religion, culture and shared values. Specifically, the pilot study showed that religion, culture and shared values – such as Bedouin tribal society, the importance of family, hierarchical sheikhdom, *wasta* and patriotism – are major cultural themes that permeate business interactions.
4. Identify the managerial implications based on the antecedents of trust discovered in this research.

### 4.2.4 Research questions

The overarching research questions were derived from the research objectives stated above. The literature addressing each research question is given after the question, and the questions are further broken down and framed as propositions to be investigated, thereby providing further soundness and clarity. To provide a foundation for the research, it is necessary first to determine:

1. *How trust is perceived in corporate banking interactions in an Arab/Muslim context?  
What are the attitudes of Emiratis and non-Emiratis to trust?*

Proposition 1

- a. Trust is a major moderating variable in corporate banking interactions in the Arab/Muslim world.
- b. Attitudes to this trust differ between, for example, Emiratis and non-Emiratis.

2. *What are the antecedents of trust in the interaction between corporate bankers and their clients in an Arab/Muslim cultural context? How do these compare to antecedents derived from the literature?*

(Al-Ali, 2008; Anderson and Weitz, 1989; Bendapudi and Berry, 1997; Blois, 1999; Cannon, Achrol and Gundlach, 2000; Moorman et al., 1993; Doney and Cannon, 1997; Ebert, 2009; Feghali, 1997; Ganesan, 1994; Geysken et al., 1998; Mayer et al., 1995; McAllister, 1995; McKnight and Chervany, 2001; McKnight et al., 1998; Smith and Barclay, 1997.)

#### Proposition 2

The antecedents of trust in the corporate banker/client relationship in an Arab/Muslim context differ from those identified in the extant literature on the antecedents of trust in general.

3. *What are the antecedents of trust from both sides of the dyad? From the perspective of Emirati and non-Emirati bankers and clients? What are the similarities and differences in the dyadic perspectives?*

(Anderson and Weitz, 1989; Blois, 1999; Cannon, Achrol and Gundlach, 2000; Dayan and Di Benedetto, 2010; Doney and Cannon, 1997; Ganesan, 1994; Geysken et al., 1998; Mayer et al., 1995; McAllister, 1995; McKnight et al., 1998; Moorman et al., 1993; Smith and Barclay, 1997.)

#### Proposition 3

Antecedents of trust will, or may be likely to, differ between

- a. Emiratis and non-Emiratis
- b. bankers and clients

4. *Are the antecedents of trust contextually or situationally referenced or determined? If so: how? What is the extent of cultural influence?*

(Alden, He and Chen, 2010; Hofstede, 1980, 1991, 1994; Jarvenpaa et al., 1998; McAllister, 1995; Triandis, 1995; Trompenaars and Woolliams, 2003.)

#### Proposition 4

If antecedents of trust are contextually and situationally determined, that is, they may be culturally conditioned, then antecedents in an Arab/Muslim context will be context-

specific.

The research propositions were used to provide a further basis for comparison with the results to add clarity and soundness (see chapter 9).

These research objectives, questions and research propositions, critically reviewed within the context of the research design and methodological choices, led to the choice of thematic qualitative research, triangulated by a primary key informant from the Central Bank of Abu Dhabi, with an additional key informant from the oil industry, as well as other bankers and clients who agreed to act in this capacity.

### **4.3 Research method**

The chosen research method was thematic qualitative analysis and this was derived from grounded theory as developed by Glaser and Strauss (1967), Strauss (1987) and Corbin and Strauss (1990), for comparative studies of social processes in which the people who are studied are “derived from the research question and thus defined *a priori*” (Flick, 1999, p. 87).

The underlying assumption for both grounded theory and thematic qualitative analysis is that “in differing social worlds or groups, differing views can be found” (Flick, 1999, p. 187). However, there are several key differences between grounded theory and thematic qualitative analysis. It is worth exploring them in order to fully understand qualitative thematic analysis and how it was employed in this thesis. The basic tenets of grounded theory are that the researcher remains “theoretically sensitive” by conducting the literature review after the data are collected and analysed, which occurs simultaneously. Data analysis is directed through “theoretical sampling”, in which the analysed data directs the in-depth questions asked at the subsequent interviews; interviewing continues until no new data are discovered. Grounded theory is primarily an inductive process, although its authors state that both inductive and deductive methods are used in data analysis. The purpose of grounded theory is to form a hypothesis to guide further research. Awareness of “theoretical sensitivity” is common to both grounded theory and thematic qualitative analysis, and was an important part of data collection and analysis for this thesis.

However, in grounded theory, data collection is guided by “theoretical sampling”, that is, sampling guided by data interpretation, rather than comparability of groups with differing ways of experiencing the world. Thematic analysis, as used in this thesis, modifies Strauss’s approach to increase the diversity of the empirical material, and to “develop a theory of such groups’ specific ways of seeing and experiencing” (Flick, 1999, p. 187). Therefore, in thematic analysis, as used in this thesis, sampling is purposive in

order to produce a diversity of groups, and it is directed towards the groups “whose perspectives on the issue seem to be most instructive for analysis, and which therefore are defined in advance, and not derived from the state of interpretation, as in Strauss’s procedure (Flick, 1999, pp. 187–88).

In thematic analysis, the approach is hypothetico-deductive, guided by the literature, and by a conceptual model of the research framework, which can be compared against the results of the study. It can then be determined whether the findings are consistent with the literature and conceptual framework, or whether they differ, and in what ways. In this thesis, the literature provided the basis for a conceptual model, and from this model research objectives, questions and propositions were derived. Data were obtained in the form of in-depth interviews, which were guided by an interview protocol or open-ended interviews. Data collection was guided by purposive sampling to include a diversity of groups.

In thematic qualitative analysis, the data are sorted and coded, word by word, so that “more general conceptual themes can be the ordering principle” (Miles and Huberman, 1994, p. 131). The “piles of coded segments” are then scrutinised until “the patterns become clear” (Miles and Huberman, 1994, p. 131). In the data analysis, the researcher is “blending inferences drawn directly from the displayed data (tactics: seeing patterns, themes and factoring – that is, seeing a few general variables underlying many specifics), with illustrative comments drawn from elsewhere in the case” (Miles and Huberman, 1994, p. 131–32). The patterns are often displayed in tabular form with rows and columns, assigning “categories” and “labels” to data segments (Miles and Huberman, 1994, p. 133). Miles and Huberman (1994, p. 133) give advice to the researcher about the processes of data analysis: “You ask for distinctive features of the sorts of objects [categories] being ‘taxonomized’ and aim to find the smallest group of features that discriminates them clearly, thus producing a ... table”. The issue in thematic analysis is one of “focusing on the person’s real meanings, how they actually think about the phenomena involved” (Miles and Huberman, 1994, p. 133).

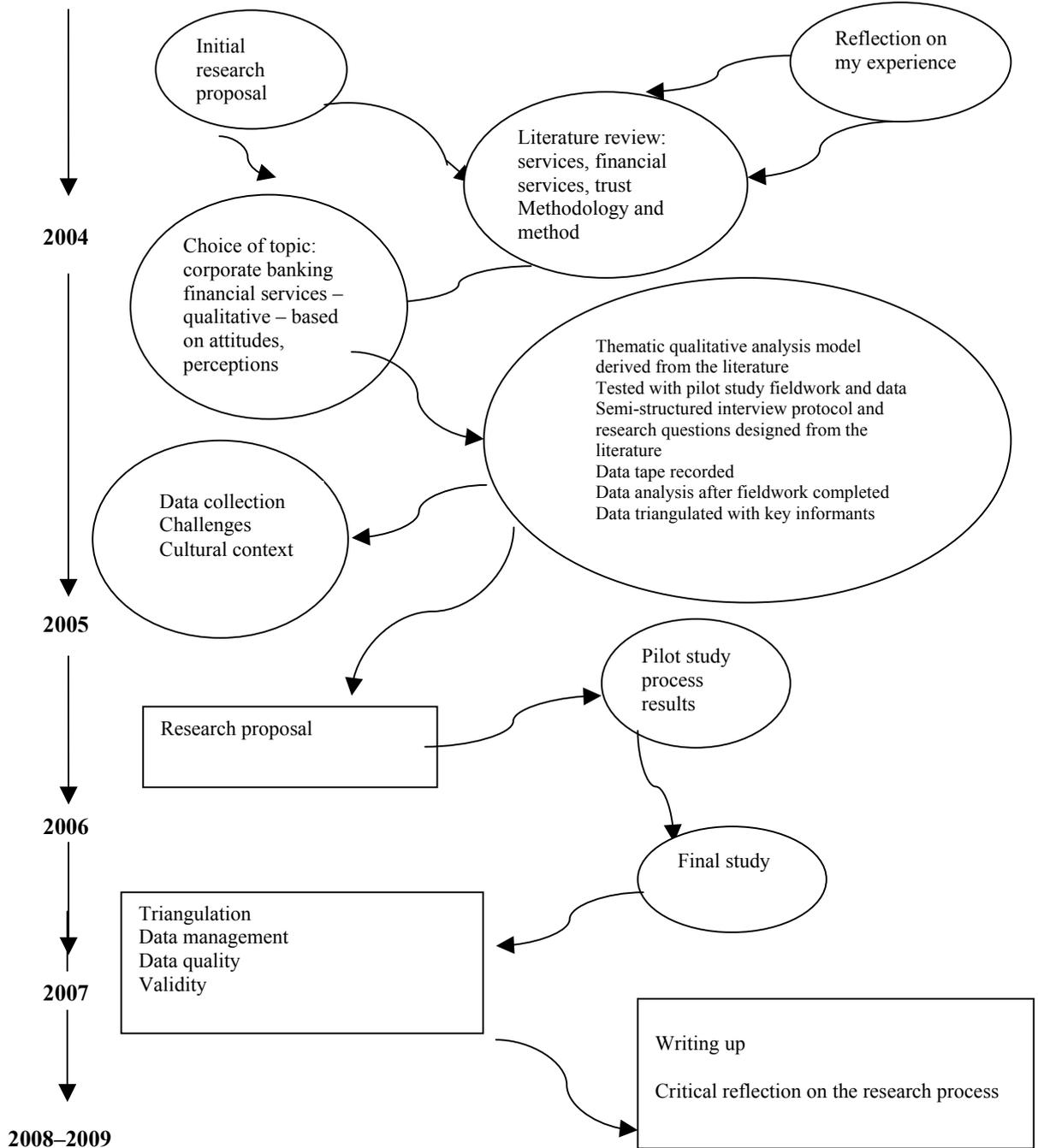
Therefore, thematic qualitative analysis tends toward confirmation, guided from an existing theoretical framework, with purposive sampling and data analysis, through pattern-matching after all the data collection has been completed (see figure 4.3, below, for a summary outline of the research heuristics). The guidelines of Miles and Huberman (1994) have been followed for data analysis in this thesis.

The use of thematic analysis in data analysis procedures is discussed in detail in the section below on data analysis.

**Figure 4.3 Research heuristics**

Process timeline

**2003 – INITIATION OF RESEARCH**



#### **4.4 The research process: Part I – pilot study**

The pilot study preceded the main fieldwork. The purpose of this phase was to clarify and confirm the research design and processes, to design and explore responses to a provisional interview protocol, to identify unforeseen problems in access, data collection and analysis, and to reflect critically on the research. The pilot study, conducted with Emirati and non-Emirati bankers and clients, significantly influenced the development of the final research.

##### **4.4.1 Preliminary interviews, August–December, 2004**

As preparation for the Pilot Study, six preliminary interviews were conducted with the primary key informant from the Central Bank in Abu Dhabi. Some of the results of these interviews are reported in the section on my background at the beginning of this chapter. These interviews helped to define further the research design and processes, in that the key informant confirmed his own discussions with Emiratis, who had some additional requirements.

1. Emiratis would not accept open-ended questions but wanted to have an interview protocol sent at least two days before the interview so they knew what questions would be asked.
2. Arabic national dress was worn; Arabic language was spoken throughout, with no English; the interview was to take place outside the office.
3. Reading and approval of the interview transcript in Arabic.
4. Confirmation of findings by key informants.

The non-Emiratis did not pose these requirements but I adhered to them in order to keep the research process uniform. If the interviewee was a non-Arabic speaker, however, the interview was conducted in English.

These preliminary and pilot interviews preceded the main fieldwork; they are not counted in the total interviews for the main study, and the data are not included in the results chapters.

The pilot study interview protocol went through several stages of refinement to ensure that the questions were clear and allowed scope for respondents to reflect and reply. Even so, as can be seen in the data analysis, some questions were unambiguous in an Emirati context but not as readily understood by non-Emiratis, especially when talking about such phenomena as *wasta*, “tribal issues” and loyalty to the royal family. The pilot study consisted of five stages: designing the interview protocol, sampling, data collection, data analysis, results and the heuristic decisions formulating the main research.

#### 4.4.2 Sample

The primary key informant from the Central Bank of Abu Dhabi provided the names of bankers and clients from whom he obtained prior agreement. The bank relationship managers were telephoned to set up appointments. Interviewees were guaranteed anonymity, confidentiality and non-attribution of any data. Two days before the interview, the relationship manager would be sent the interview protocol. The meetings with bankers and clients took place outside the bank and company premises, at their request. Interviews were conducted between dyads in Emirati and non-Emirati banks, and with their corporate clients; there were 10 dyads (bankers and their clients) for a total of twenty interviews. To increase the likelihood of participation in the research, a copy of results was offered to all interviewees. Several shorter discussions and telephone conversations were also conducted to complement data collection and provide triangulation; these are not counted in the final interview totals. The interview transcripts and documents were saved in the database.

A sample of twenty top-level management personnel from banks and their client companies (ten dyads) was selected, which ranged through five categories of senior management. These were chosen to provide a range through the hierarchical levels of management in order to:

- a. provide an understanding of an area previously unknown to the researcher;
- b. understand the banking and organisational cultures;
- c. understand how these people conceptualise trust;
- d. gain an understanding of organisational trust;
- e. gain more practice interviewing and to improve access.

The distribution of the sample is shown below in table 4.1.

**Table 4.1 Pilot study: Bankers and their clients, by job title**

<b>Category of personnel</b>	<b>Number from banks</b>	<b>Number from corporate clients</b>	<b>Total</b>
Policy maker (chair, director general)	2	2	4
Executive decision maker (managing director, executive director, general manager)	2	2	4
Decision recommender (head of division or department)	2	2	4

Financial manager	2	2	4
Relationship manager/corporate client	2	2	4
Total	10	10	20

The five banks (three Emirati and two non-Emirati) are the largest in their divisions. The five corporate companies (three Emirati and two non-Emirati) were chosen randomly from a list of companies with over Dh200 million in paid-up capital in 2004, and then accessed through the key informant.

The clients represented different sectors and sizes of operation based on GNP (see table 4.2).

*Table 4.2 Pilot study: Corporate clients, by sector/size*

<b>Sector \ Size</b>	<b>Large</b>	<b>Medium</b>	<b>Small</b>	<b>Total</b>
<b>Oil</b>	1	1		2
<b>Construction</b>	1	1		2
<b>Services</b>	1	1		2
<b>Manufacturing</b>		1	1	2
<b>Others</b>		1	1	2
<b>TOTAL</b>	3	5	2	10

#### **4.4.3 Interview protocol and process in the pilot study**

The conceptual model for the pilot study is shown below in figure 4.4. This model shows how the pilot study was conceptualised, the antecedents of trust derived from the literature and the initial research assumptions that were used to conceptualise the research process and to frame the questions in everyday managerial language. This resulted in the interview protocol, which was derived from theoretical assumptions from the literature and from the six preliminary interviews with the primary key informant. The interview protocol contained both semi-structured and open-ended questions designed to explore the respondents' perceptions, attitudes and beliefs about the antecedents of trust, as derived from the research questions (see appendix E).

Initially, only one interview was scheduled with each participant. However, the participants were informed that follow-up interviews might be necessary to clarify data. Interviews were scheduled at a time and place convenient for the participant, outside the office context.

The interview process began with the semi-structured interview protocol, distributed in advance, in accordance with the wishes of bankers and clients. The interview itself opened with semi-structured questions, which then led to open-ended questions, and graduated to in-depth probing. The interviewees were guided through the interview protocol and asked to give specific examples from experience about what they perceived to be the antecedents of trust.

The interviewees sometimes asked questions indicating that they considered the interviewer as someone with whom they had shared interests. After introducing the topic, the interviewer actively listened to the participant in a relaxed manner. When participants feel calm and safe, particularly in an out-of-office environment, they are likely to be more communicative. Barry (1996) notes that participants may find it difficult to share experiences if they feel frightened or embarrassed.

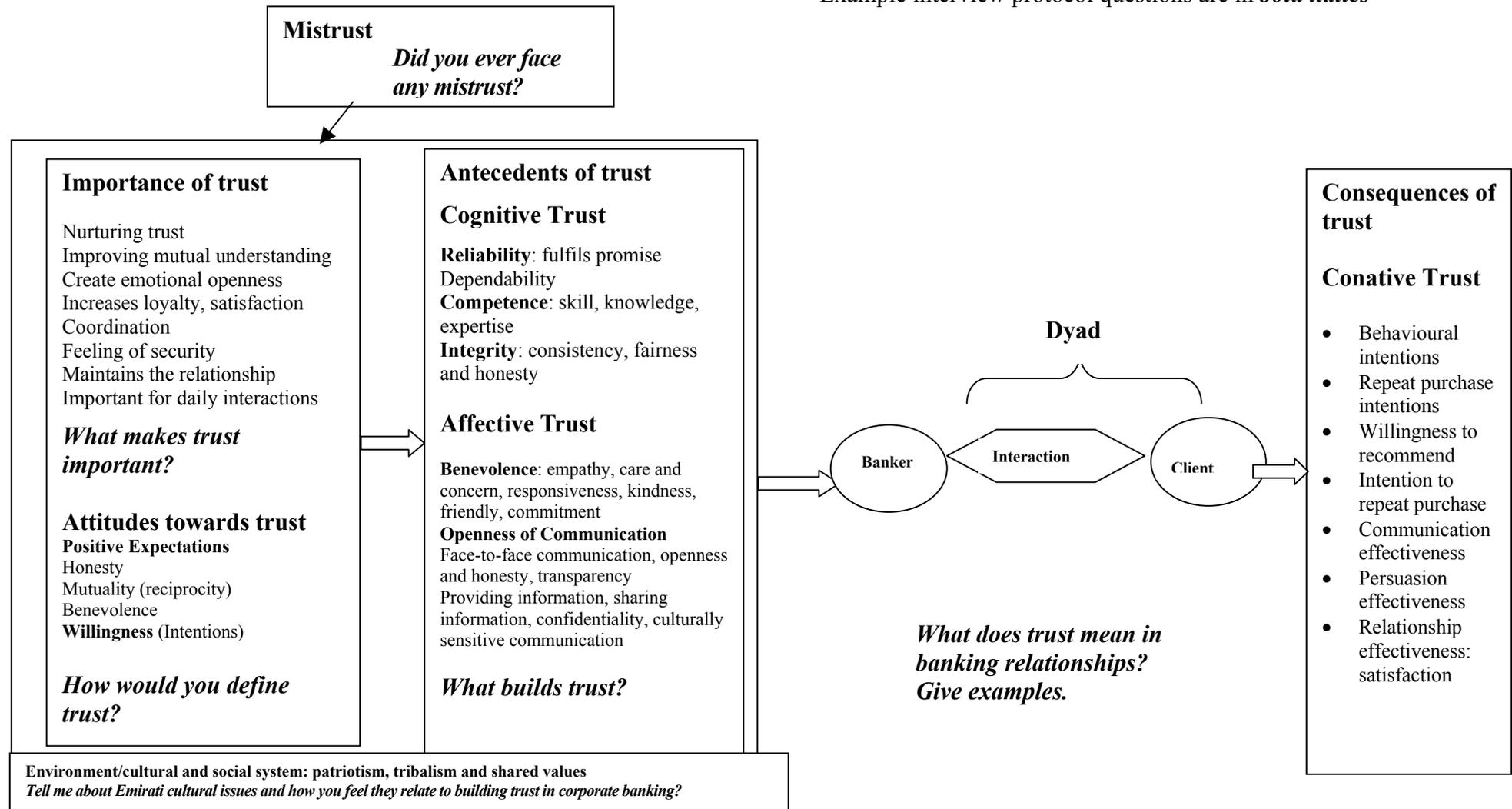
Each interview lasted between one and one-and-a-half hours. Towards the end of the interview, respondents were given an opportunity to express their views, comments and opinions within the broad domain of trust-based business-to-business relationships.

Most of the interviews were tape recorded to increase accuracy of data transcriptions. The protocol of informed consent was followed before commencing the tape recording. Some respondents requested not to be recorded in this way; in these cases, notes were taken and a second meeting or telephone call was arranged with the respondent to verify the accuracy of the notes. All audiotapes were transcribed verbatim as soon as possible after interviews, and within twenty-four hours (Miles and Huberman, 1994). Lastly, each interview transcript was compared with the audiotape and/or notes to ensure accuracy. The interviews were conducted in Arabic with Arabic speakers, because they could express personal views more freely in their native language. In more general terms, the bankers and clients tended to trust the impartiality of PhD research for an academic institution. However, it was essential to use everyday language rather than academic terminology, so that the subject and the interviewer were approachable.

It was impossible to gain access to companies or banks without an introduction from the primary key informant, who had established business and personal relationships within the Emirati and overseas banking and business communities, and persuaded companies and banks to participate and to provide access. The bank and the company key informants were known to the interviewees, which made the research process and multiple triangulations easier.

**Figure 4.4 Conceptual model for the pilot study**

Example interview protocol questions are in *bold italics*



A number of problems were encountered while conducting the fieldwork: some respondents had difficulties expressing themselves, and there was also sensitivity around discussions of *wasta*. The similar cultural understandings and experiences of interviewer and interviewees were significant facilitators, however. The Emirati style of communication is indirect, and respondents occasionally relied on the interviewer's ability to interpret unspoken intentions, meanings or shared cultural background, without their having to give explicit expression to certain ideas. In addition, some data items might have been missed here, which were unfamiliar for non-Emiratis, but which Emirati researchers may have been able to distinguish. Indeed, when some of this research material was presented to a conference, non-Emirati academics asked about *wasta* and "tribal issues", which are known to Emiratis, who are already aware of their importance and significance in relationships, but unfamiliar to outsiders.

Multiple interviews were conducted with the same person in order to clarify the transcripts and follow-up responses as part of the data quality and validation process. These are not counted as additional interviews.

#### **4.4.4 Data analysis**

This section describes how the data analysis was undertaken and outlines the procedures and methods used; it gives details of the codes, patterns, themes and display methods developed. It should be noted that the data analysis was an integral part of this thesis. Indeed, as Miles and Huberman (1994) note, data analysis is an ongoing task providing direction and input for further development of the thesis – it is impossible to analyse what has not been collected. Hence, in the analysis of this data, consideration was given to different views about the relationships studied and how these views contributed to the development of antecedents of trust in the interaction between banker and client, but within the context of the overall research questions. It also analyses the research decisions, which were made in an ongoing process, and how these decisions shaped the final research.

Qualitative research deals with data as words, and the data collected must be transcribed, ordered and analysed. The 170 interviews, in Arabic for Arabic speakers, were tape recorded (only three refused permission to tape record, and notes were taken for these) and transcribed within 24 hours into Arabic or English. The transcripts then went through a series of steps in the verification and triangulation process. They were given 1) to the original respondent in Arabic, and then again to the original respondent in English; 2) to the primary key informant in the Central Bank; 3) to the key informant for business if the respondent was a business client. At each stage, the objective was to ascertain "truth",

correctness, deviancy or misunderstandings in meaning or transcription. For an example of a transcribed interview with an Emirati banker, see appendix I.

Miles and Huberman (1994) provided the main guidance for the data analysis, as they present detailed instructions for analysis, coding, development of categories and themes, construction of data tables, and writing up (see especially chapter 4, pp. 50–89; chapter 5, pp. 90–142 and chapter 10, pp. 245–87).

#### **4.4.4.1 Initial coding of bankers and clients**

Respondents were guaranteed confidentiality, anonymity and non-attribution in the study, so in order to maintain careful data records and send files to respondents and key informants to triangulate and check for accuracy, the bankers and their clients needed to be assigned codes. This coding was done as follows:

Coding for banks

Emirati bankers – E A, E B, E C ...

(Emiratis are citizens of the United Arab Emirates, and represent 19% of the population. See appendix A.)

Non-Emirati bankers – NE A, NE B, NE C ...

(Non-Emiratis are expatriates or workers from overseas who live and work in the UAE temporarily or permanently, and represent 81% of the population.)

Coding for clients

Emirati clients – E 1, E 2, E 3 ...

Non-Emirati clients – NE 1, NE 2, NE 3 ...

The dyads interviewed were denoted as follows, corresponding to the codes of the bankers and clients:

E A, E B, E C – refers to the interviewee in the relevant bank (E A, E B, E C)

E 1, E 2, E 3 – refers to the interviewee in the relevant client company (E 1, E 2, E 3)

These codes represent the names of participants when referring to any quoted material from the transcripts. Thus, the anonymity of respondents cannot become compromised through the use of direct quotations throughout the thesis. However, to ensure that respondents consented in a fully informed manner to use of their material, and to ensure the accuracy of the transcript, respondents were given the opportunity to review the final transcripts and were invited to modify them or withdraw any or all of their responses. The final transcript was not modified in any instance. This coding was then combined to

indicate dyadic relationships, as illustrated in table 4.3.

**Table 4.3 Pilot study: Matrix of dyads (banker–client) interviewed**

<b>Clients</b>  <b>Bankers</b>	<b>NE 1:</b> <b>Non-Emirati</b> <b>client</b> <b>(NE 1)</b>	<b>NE 2:</b> <b>Non-Emirati</b> <b>client</b> <b>(NE 2, NE 3</b> <b>and NE 4)</b>	<b>E 1:</b> <b>Emirati</b> <b>client 1</b> <b>(E 1, E 5</b> <b>and E 7)</b>	<b>E 2:</b> <b>Emirati</b> <b>client 2</b> <b>(E 2, E 4</b> <b>and E 6)</b>
Emirati banker A (E A) and (E C)	E A – NE 1	E C – NE 2		E C – E 4
E B and E E		E B – NE 3	E E – E 1	
NE A: Non- Emirati banker A (NE A), NE D, and NE F	NE A – NE 1		NE D – E 5	NE F – E 6
NE B and NE K		NE B – NE 4	NE K – E 7	

The clients were selected to represent different sectors and sizes of operation across the UAE. This was based on the Emirates GNP by sector.

Table 4.3 gives an example of how the bankers and clients were coded, which is an example for description, not for quantification. All coding of interviews was then done in this way, to differentiate Emirati and non-Emirati bankers and clients.

#### **4.4.4.2 Coding and analysis of data**

“Codes are tags or labels for assigning units of meaning to the descriptive or inferential information compiled during a study. Codes are usually attached to ... words, sentences, phrases or whole paragraphs, connected or unconnected to a specific setting” (Miles and Huberman, 1994, p. 56). The purpose of coding is to start to analyse the data by breaking it up and re-sorting it according to the data codes. Data are reviewed word by word, line by line and paragraph by paragraph, in order to start the analysis.

The methods for coding are “arranged from earlier to later in the data collection, and from simple to complex” (Miles and Huberman, 1994, p. 51). The interview protocol was

used to note the respondent’s personal data to classify the interview. The interview protocols for the pilot study and main research can be found in appendices E and H.

First level coding was derived from the interview protocol and codes from the literature, either consciously or semi-consciously, from antecedents of trust, outcomes of trust or dimensions of trust. These codes were simple and obvious; for example,

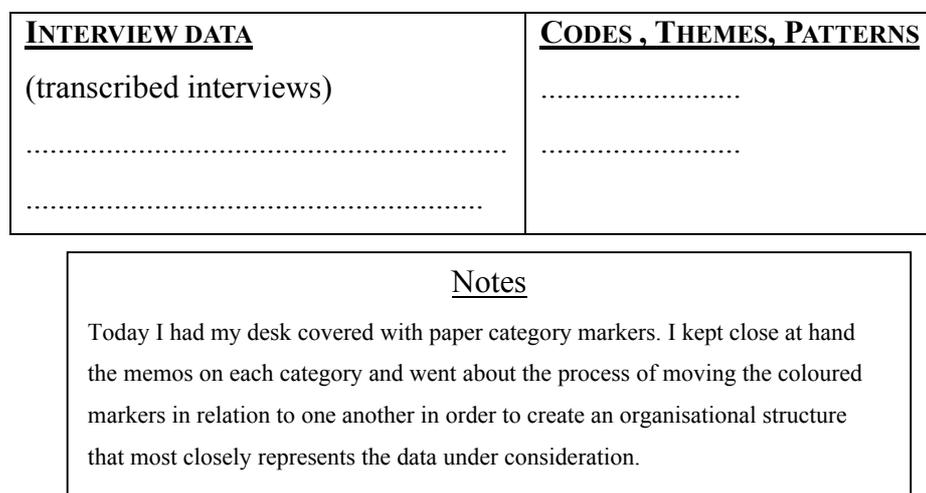
Antecedents of trust	ANTTR
Competence	COMPE
Reliability	REL
Truthfulness	TR
Benevolence	BEN
Attractiveness	ATR

It was then possible to work through the transcripts with coloured pens and highlighters and code the data to the first-level coding. All codes were also noted with the respondents’ codes, as noted above. One set of interview transcripts was literally “cut up” so that the codes could be sorted into piles of patterns and themes. During this process, as the patterns and themes became clearer and the process continued, the researcher wrote memos about the process and the development of the analysis. For examples of memos, see appendices F and G.

It was then possible to re-classify the data chunks into patterns and themes, and re-order it to determine the occurrence of these patterns and themes within the three dyadic relationships. For examples of the subsequent stages of analysing the data into patterns, themes and sub-themes, see appendices J, K, L, M and N.

A diagrammatic illustration of how interview data, codes, themes, patterns and memos were organised is given in figure 4.5. (For further examples of memos, see appendix F.)

**Figure 4.5 Data analysis**



#### 4.4.5 Results I: The pilot study

The results of the pilot study are as follows:

1. A variety of antecedents of trust influence the building of trust in corporate banking relationships in an Arab/Muslim cultural context. These antecedents are grouped into two groups: company characteristics, such as the reputation of the company and its profit track record, and personal, interpersonal and cultural characteristics (see table 4.4, below). These antecedents appear to be culturally specific to this context and will have to be examined further to determine whether they are a contribution to knowledge, as are the personal characteristics noted below in (3).
2. Results from the pilot study influenced the final research design. They revealed that trust is contextually and situationally dependent (cf. Lewicki and Bunker, 1995).
3. In comparing the antecedents of trust from the literature with the preliminary results of the pilot study, it is notable that the antecedents of trust in an Arab/Muslim context depend to a great extent on personal, social and cultural issues.
4. The possibility of bias and the mimetic processes of interpretation were acknowledged and the data represented as objectively and accurately as possible.
5. The themes were used to modify the interview protocol used in the main research. As a result of the pilot study, the model of research assumptions was revised as shown here in table 4.4. This resulted in a new conceptual model of research, as shown in figure 4.6, below.

**Table 4.4 Pilot study results: Themes for dimensions and antecedents of trust**

<b>Company characteristics</b>	<b>Personal and interpersonal characteristics</b>
Reputational	Antecedents of trust (variables about trust)
Reputation of the company	Loyalty
Reliability	Reliability
Market value of company; size of the company	Truthfulness
Financial	Honesty
Track record with the bank/company	Sincerity
Profit track record	Genuineness
	Commitment

<b>Company characteristics</b>	<b>Personal and interpersonal characteristics</b>
Social Social status of the owner/sponsor of the company Tribe/family ranking of the owner of the business	Benevolence Integrity Interpersonal Tribe/family ranking of the owner of the business (cultural) Social relationship (friends, peers) Sheikh – member of the ruling family

#### **4.4.6 Modifications to the interview protocol**

Following confirmation in the pilot study that the Arab/Muslim cultural context was an important determinant of the antecedents of trust, the interview protocol for the main research project was modified. The modifications included an expanded section on the antecedents of trust from the pilot study and the literature, and seven questions on the Arab/Muslim cultural context. The interview protocol for the final study can be found in appendix H.

#### **4.4.7 Modifications to sampling**

The sampling was found to be adequate for the purposes of the research and no changes were made to the sampling process.

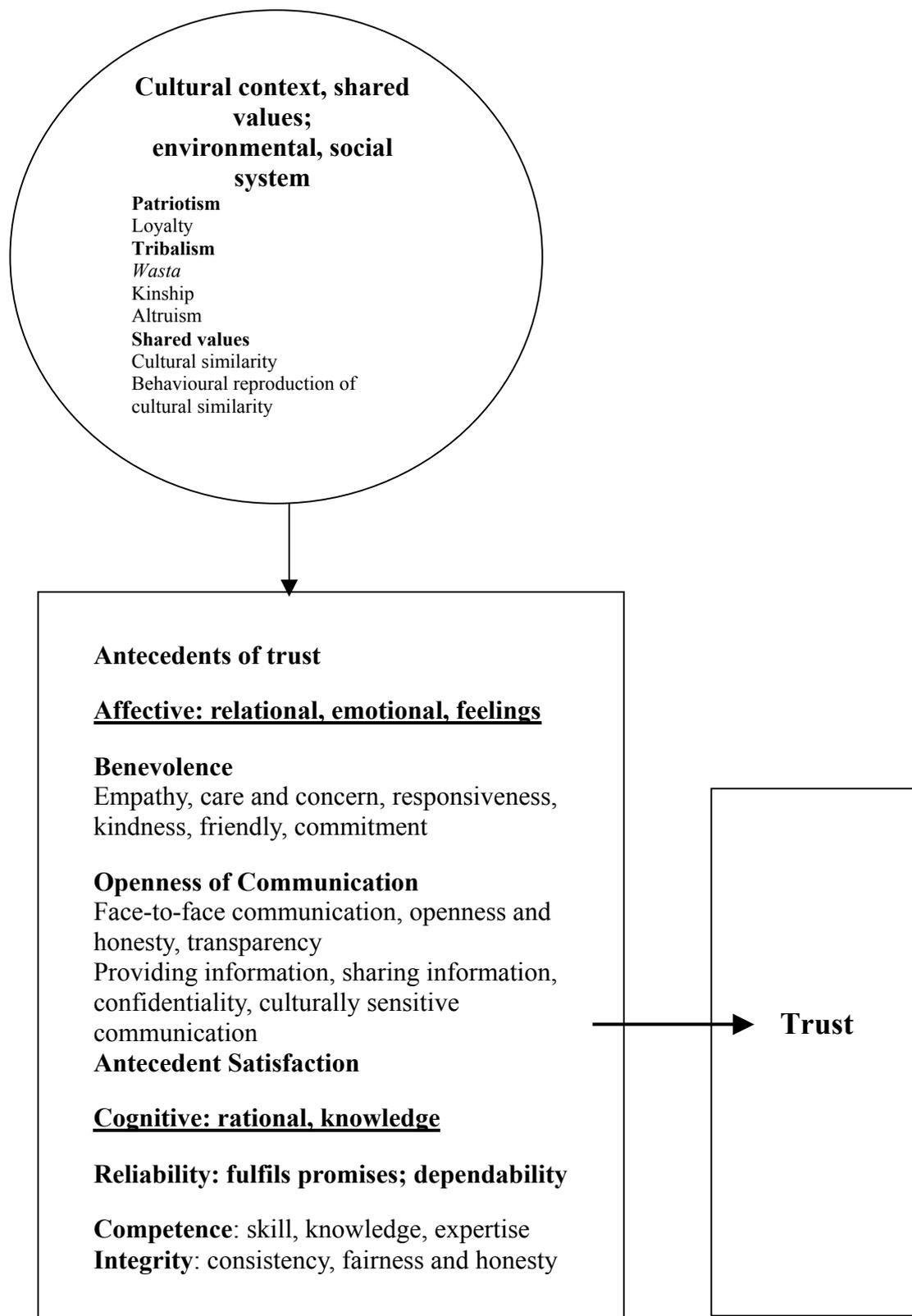
### **4.5 The research process: Part II – the main study**

The research design and process was devised and tested during the pilot study. Similarly, as in the pilot study, the field research process consisted of a number of key stages: access, sampling, data collection, data analysis and writing up.

#### **4.5.1 Sample**

Access was provided to the new cohort of 80 dyadic relationships (160 individuals – paired counterparts in the banker/client relationship) and 10 individual respondents (5 bankers and 5 clients in companies with responsibility for the banking relationship) who were interviewed as individuals and not in a dyadic relationship. The breakdown of dyads by banker/client and Emirati/non-Emirati is shown in table 4.5.

Figure 4.6 Conceptual model of research with results of the pilot study



**Table 4.5 Dyadic counterparts in the research**

<b>Dyads</b>	<b>Number of dyads</b>
Emirati client/non-Emirati banker	25 dyads (This means 25 of each, for 50 people, of which 25 are Emirati businessmen and 25 are non-Emirati bankers)
Emirati client/non-Emirati banker	33 dyads (33 of each, for 66 people, of which 33 are Emirati businessmen and 33 are non-Emirati bankers)
Non-Emirati client/non-Emirati banker	22 dyads (These are ex-patriots, most of them Westerners, 22 of each, for 44 people, of which 22 are non-Emirati businessmen and 22 are non-Emirati bankers)
Non-Emirati client/Emirati banker	0 (could not find any examples)
<b>Total</b>	<b>160 dyadic interviews (80 dyads)</b>

There was a total of 170 respondents. However, there were many more interviews, as this number does not include the initial interviews with the primary key informant, the pilot study, nor the additional cross-checking and triangulation interviews.

The research was carried out among a cross-section of Emirati and non-Emirati corporate clients, small and medium-sized enterprise (SME) clients and UAE corporate bankers. Many in this 170-respondent data set comprised not only dyads, but also clusters of individuals who were known to each other. There are 46 commercial banks operating in the UAE, of which 21 are Emirati and 26 are non-Emirati, and numerous Emirati and non-Emirati companies. The sample is analysed in tables 4.6 and 4.7. The business clients were from oil, construction, services and manufacturing sectors, including a range of company size – large, medium and small – within the sectors.

**Table 4.6 Corporate bankers**

<b>Respondents' job title</b>	<b>Emirati bankers</b>	<b>Non-Emirati bankers</b>	<b>Total</b>
Relationship managers	33	47	80
Individual interviews with relationship managers	2	3	5

**Table 4.7 Distribution of business clients by company sector/size in the main research**

<b>Sector \ Size</b>	<b>Large companies</b>	<b>Medium companies</b>	<b>Small companies</b>	<b>Total</b>
Oil	15 respondents (8 Emiratis; 7 non-Emiratis)	6 respondents (3 Emiratis; 3 non-Emiratis)	No small oil companies	21
Construction	10 respondents (5 Emiratis; 5 non-Emiratis)	8 respondents (4 Emiratis; 4 non-Emiratis)	5 respondents (3 Emiratis; 2 non-Emiratis)	23
Services	9 respondents (5 Emiratis; 4 non-Emiratis)	7 respondents (3 Emiratis; 4 non-Emiratis)	5 respondents (2 Emiratis; 3 non-Emiratis)	21
Manufacturing	5 respondents (3 Emiratis; 2 non-Emiratis)	5 respondents (3 Emiratis; 2 non-Emiratis)	5 respondents (3 Emiratis; 2 non-Emiratis)	15
Others (individual interviews)	3	1	1	5
<b>TOTAL RESPONDENTS</b>				<b>85</b>

#### **4.5.2 Data collection: August 2004 – September 2007**

Many respondents were interviewed more than once; many, but not all, were re-interviewed during the data transcription, triangulation, data analysis and writing-up phases of the research. As in the pilot study, access, data triangulation and validity was granted and confirmed by the primary key informant, a senior staff external examiner of the Central Bank of Abu Dhabi. The key informant for the client side was a senior manager from a multi-national oil company.

The interview protocol was modified as a result of the pilot study to include results based on the Arab/Muslim cultural context as an underpinning for the antecedents of trust (see appendix H). It was composed of semi-structured questions, as required by the interviewees but also to provide uniformity in data collection. As in the pilot study, the researcher was required to provide the interview protocol a minimum of two days before the interview, as the interviewees were under time-constraints and required prior knowledge of the interview; it was necessary for the researcher to observe national customs in this way. The interviews were conducted primarily in Arabic for Emirati and Arab respondents, who preferred Arabic in order to express themselves more comfortably.

All respondents were guaranteed confidentiality, anonymity and non-attribution, approval of their anonymous interview transcript in Arabic and English translation, and results from the research as a benefit of participation. They were told that their transcripts would be cross-checked for accuracy (triangulation), and they would be re-interviewed for accuracy and further queries.

Demographic data were collected informally from each respondent at the commencement of the interview. This was found to be an effective “ice breaker” – a facilitating time to establish rapport between participant and interviewer before the start of the interview. The researcher used probing and open-ended questions once the interview process was established, whenever possible. Respondents were encouraged to answer questions freely and give examples from experience (see example interview, appendix I). Within the strictures imposed by the cultural context, respondents were encouraged to talk about their experiences with minimal “topic control” (Chenitz, 1986, p. 69). Initially, the researcher was granted limited access time, which ranged from 30 to 45 minutes; in fact, the interviews went well and lasted an average of 45 minutes to one hour.

#### **4.5.3 Data analysis**

The data analysis process was carried out as in the pilot study, with the exception that the quantity of data was substantially larger and more difficult to manage.

The main focus of the research was “antecedents of trust”. Recurrent themes within “antecedents of trust” were also identified, and were similar to those discussed in the literature review. Many of the themes identified in the literature were also identified in the empirical research. It was decided to present the results in the form of a commentary upon the themes identified in the literature review.

From the thematic analysis of the coding, codes were generated for each question for Emiratis and non-Emiratis. These were then classified into patterns and themes, with the words in each group reflecting instances when respondents were discussing the same dimension of trust. For instance, whether the word isolated was “trust”, “trustworthiness” or “mistrust”, the respondents would be discussing their conceptualisation of trust, their concept of what it is to trust or the importance of trust. These were then combined and condensed into data display tables (Miles and Huberman, 1994). Appendices J and K illustrate a refined coding of the patterns for the importance of trust and conceptualisation of trust. Appendix L shows refined coding of patterns and themes of the antecedents of trust, both cognitive and affective.

#### **4.6 Validation of research quality: data**

The requirements of data collection had an impact on data quality in terms of objectivity, reliability, and on internal and external validity. Each of these will now be discussed in terms of how they were addressed here, followed by a short section on the utilisation and application of the research data.

Assessment of quality in qualitative research is a complex process because the researcher is measuring social phenomena and perceptions. In addition, there is no agreement among researchers on validity measures because the different streams of qualitative research have different views on validity and reliability (Cresswell, 1994, p. 157; Miles and Huberman, 1994, pp. 277–87; Silverman, 2000, p. 284).

Silverman (2000, p. 284) defines four ways of assessing research quality in qualitative research, through critical awareness and seeking answers to the following questions.

1. How far can we demonstrate that our research has mobilised the conceptual apparatus of our social science disciplines and, thereby, helped to build useful social theories?
2. How can our data, methods and findings satisfy the criteria of reliability and validity?
3. To what extent do our preferred research methods reflect careful weighting of the alternatives or simple responses to time and resource constraints, or even an

unthinking adoption of current fashions?

4. How can valid, reliable and conceptually defined qualitative studies contribute to practice and policy by revealing something new to practitioners, clients and/or policy makers?

Miles and Huberman (1994, pp. 277–87) offer practical approaches to dealing with the quality of conclusions in terms of five key over-lapping issues. Each of these issues has been considered and evaluated in terms of this research and the impact of the requirements on the research process. The issues surrounding data collection and translation were particularly important in this thesis. The applications to this thesis are given after each of the following points, in parentheses.

#### **4.6.1 Objectivity/confirmability**

This category concerns external reliability, and whether sufficient detail has been provided so that the study could be replicated by others. Miles and Huberman (1994) note that relevant issues here include “the study’s research methods and processes described in detail? ... Has the researcher been self-aware about assumptions and bias?” (p. 278).

(A detailed account is given of the requirements of the context for data collection so that this study is capable of replication. The research objectives, questions and research design are given in detail. In qualitative research, there is a close relationship between the researcher and the researched. The researcher has been self-aware about the influence of background, assumptions, research stance and possible influence on the data. The influence of the researcher as a woman added to the potential for gender bias, which has been considered in the literature (Fontana and Frey, 2000, pp. 645–72, esp. p. 658), in that the gender of the interviewer and interviewee “make a difference” (p. 658) because “gender filters knowledge” (Denzin, 1989, p. 116, cited in Fontana and Frey, 2000, p. 658). The interviews took place within a cultural context in which women have a strictly defined place and role. The researcher had to obey these strictures in order to collect the data. The researcher attempted to achieve empathy, openness and shared understanding in order to collect the data, and at the same time remained aware of bias. This added to the burdens of data collection and triangulation, as discussed below.)

#### **4.6.2 Reliability/dependability/auditability**

Miles and Huberman (1994, p. 278) state that relevant queries here include the integration of the research design, processes and questions; the basic constructs must be clearly stated and linked to theory; data collection should be made across a full range of respondents.

(The research design, processes, questions and interviewing processes had to be

carefully tailored to fit the requirements of the research context. These have been fully explained in this chapter. The research questions have been linked back to the relevant theory.

Data collection took place across a full range of respondents over the course of 170 interviews with 80 dyads. The sample of clients was selected by sector and size so that it was as representative as possible across the range of businesses. However, it should be noted that it was not possible to find an example of an interview dyad consisting of an Emirati banker with a non-Emirati client; it appears that this relationship may not exist, so this represents a gap in the data.

Data quality may be compromised by the respondents' insistence from the outset that the questions be semi-structured and sent at least two days in advance of the interview; this meant that interviewees had a certainty about the nature of the interview and negated the researcher's initial preference for open-ended, in-depth questions. The respondents therefore had ample time to reflect on the questions, and to consider what they "ought" to be saying. This was a necessary condition for data collection, however. Nevertheless, when the interviews began, and the respondents were confronted by a no-nonsense professional woman in national costume speaking Arabic, they appeared to relax; it is to be hoped that their inhibitions were reduced and that the data accurately reflects their perceptions.)

#### **4.6.3 Internal validity/credibility/authenticity**

The issue here is "truth value" – whether the findings make sense; whether triangulation took place; and whether the respondents considered the conclusions to be accurate (Miles and Huberman, 1994, pp. 278–79).

(The findings make sense when used to explain the buyer–seller relationships in corporate banking in an Arab Muslim context. The findings indicate useful areas for further research.

Triangulation was carried out in this study at several levels (see section 4.1.2). First, all interviews were read and checked several times by the respondents themselves for accuracy. Secondly, the primary key informant for banks, and the key informant for business, read the transcripts for sense and accuracy, answering questions about any unclear points.

There were several steps taken to ensure respondent validation (internal validity). The respondents were guaranteed anonymity, confidentiality and non-attribution, and all identifiers were erased from the transcripts, which were then coded for respondents' background information. This encouraged respondents to answer fully and "truthfully".

There were also procedures put in place to help provide interpretive validity. As the researcher is a native Arab speaker, and Arabic is an implicit, subtle language, there is scope for loss of meaning in translation. The Arabic respondents insisted on being interviewed in Arabic. Possible data corruption was overcome by tape recording the interviews in Arabic, transcribing them within twenty-four hours of interviewing, and re-interviewing the respondents to check meaning. The interviews were then translated into English and meaning was checked again with the respondent wherever possible. There may be an impact on data quality due to these translations, but every possible care was taken to address the issue and correct it. The respondents signed off the findings and conclusions as accurate.)

#### **4.6.4 External validity/transferability/fittingness**

The relevant queries here are: “Do the findings ‘fit’ the population? Can they be transferred or connected to other cases or other theoretical networks?” (Miles and Huberman, 1994, p. 279).

(The findings “fit” the population, as determined from respondents and key informants. The findings may possibly be transferred, partially and with care, to other countries where there is an Arab/Muslim culture, such as the Gulf States.)

#### **4.6.5 Utilisation/application/action orientation**

The questions here are as follows: “Is the research capable of helping the respondents achieve higher levels of understanding? Could it be applied in a useful sense?” (Miles and Huberman, 1994, p. 280).

(The research has been circulated to the respondents, the primary key informant for bankers and clients, and the key informant for industry. The initial feedback is that it is useful, particularly in the context of the government’s Emiritisation programme, which wants to educate Emiratis in order to expand their number in senior positions in industry. This is discussed in chapter 2).

#### **4.7 Ethics**

In the social sciences, ethics is always significant, and especially when confidential business relationships are involved. Before the interviews started, all interviewees were guaranteed confidentiality, anonymity and non-attribution, by both the researcher and the key informants. Additionally, permission was sought, and granted, from each interviewee for the use of their data. Most interviews were tape recorded and transcribed. When interviewing, it was explained that the information would become part of the data for the

process of analysis, and it would not be published except as analysed data, without identification.

#### **4.8 Conclusions**

This chapter has explored and justified the research methodology of the thesis – thematic qualitative analysis. The means to analyse the antecedents of trust in a specific context are best served here through the use of this methodology, which provides significant insight through the depth of data collected.

A pilot study preceded the main fieldwork in which interviews were conducted with Emirati and non-Emirati bankers, and with business clients from a range of business sectors and sizes. The results confirmed the sampling and data analysis methods, and significantly influenced the development of the interview protocol. As a result, the interview protocol for the main study focused on the cultural antecedents of trust in an Arab/Muslim context.

The main study consisted of a dataset of 170 interviews, of which 80 were dyads, with Emirati and non-Emirati bankers and their clients. The cultural context presented many difficulties in collecting the data, and it was methodologically challenging to overcome these difficulties without compromising data quality.

## CHAPTER 5: RESULTS – BACKGROUND THEMES FOR TRUST ANTECEDENTS

The aim of the thesis is to analyse the *antecedents* of trust in the context of the perceptions of corporate clients and bankers in an Arab/Muslim context. As a first step, it was necessary to discuss with respondents the *importance* of trust and *attitudes* towards trust. Where the first few chapters have analysed the importance of trust and its conceptualisation in the corporate banking industry through a review of the literature, this section undertakes an empirical investigation through interviews with 170 bank relationship managers and their clients in the UAE. This was comprised of 80 dyads (i.e., 160 interviews) and 10 individuals – a combination of individual bankers and clients who did not work directly with each other.

The research was conducted in the UAE, interviewing Emirati and non-Emirati bankers and clients. The interview data were analysed using thematic qualitative analysis. Quotations from the interview transcripts are used extensively throughout these results; they helped in the building of a series of explanations and highlight the relevant themes (Miles and Huberman, 1994). Respondents' quotes are represented in italics and each of the themes is coded and presented in tables 5.1 to 5.11, below. These themes comprise the importance of trust and attitudes towards trust, which provide a background for the antecedents of trust.

### **5.1 Importance of trust**

This section analyses the data collected to determine the importance of trust in business-to-business relationships and, in particular, in services marketing. Trust is a key factor in the establishment of long-term relationships between bankers and clients. The needs of corporate clients are complex and most bankers face a dynamic market currently experiencing rapid change in a competitive environment that affects profitability and survival. Therefore, it is necessary for relationship managers to build trust to retain clients and get new business in the market. Most of the clients and bankers agreed on the importance of trust in this process and that it allows for coordination without the expense of formal administrative procedures or time-consuming negotiations and meetings.

As the literature review has shown, the importance of trust has been widely recognised from many different perspectives. From a marketing perspective, it is considered a key factor in establishing successful long-term relationships, and includes loyalty, cooperation,

conflict reduction, the enhancing of relational longevity and increasing commitment to the business relationship.

The results show that the majority of clients had long-term relationships with their bankers that made them feel relaxed, comfortable and confident. This suggests high levels of trust, sufficient to maintain the exchange relationships that characterise UAE business-to-business models in the banking industry. However, many clients were not completely satisfied with all services offered – noting that bankers did not always respond to questions – especially some SME clients. Basically, then, when the level of trust is high, the expectation is that the interaction will be secure; when levels of trust are low, levels of uncertainty will increase.

The research started by asking the following question: “What makes trust important?” A significant number of respondents argued that without trust there could be no relationship; a significant failure of trust would lead them to exit a relationship. Respondents agreed that trust makes it easier to resolve problems and creates a more friendly exchange. A seminal element of this was the ability to rely on a continuity of positive behaviour from the banker; although this did not ensure future bank benevolence, it did build client confidence in future planning:

*Because of the confidence that I have in him, it's going to take me too long to foster that in another banker. I have been dealing with my banker for a long time and this makes dealing with him easier due to the trust and confidence I have in him. Consequently, this reduces fear and risk when dealing with him (E 6).*

*Further, if I didn't have such a good relationship with my partner, if I didn't like dealing with him, I would have left him, and now we are good friends. This, of course, led to more cooperation between us and as a result a good track record (NE 3).*

*Reduces risk, increases profits, developing a mutual relationship, finding solutions to the problems and building a long-lasting relationship (E D).*

Corporate banking services, because they are linked to money, are perceived on both sides of the exchange as involving risk, despite the formal framework in which financial services operate. When considering the role of trust in financial services markets, it is important to note that corporate banking provokes particular concerns for bankers and clients. A trust relationship is perceived to be profitable, which makes the relationship stronger.

Respondents agreed that trust should be mutual:

*Banking services are related to money and money is very important in life but it destroys many relationships between bankers and clients, so trust is very important (NE 22).*

*In our relationship, trust is the key for our successful relationship. It begins at the very start of your relationship ... if you don't have trust, you shouldn't be doing business with your counterpart (E N).*

*Yep, it is very important. As a bank relationship manager for a well-known bank, trust is non-negotiable, so I need to trust that clients that were asking for suitable requests were not attempting to exploit us. We have to trust our clients if we would like to have long relationships, and if we would like our counterparts to be committed to doing good work with us and if we were looking for more profits (NE H).*

Quotations in table 5.1 provide a summary of the data relating to the importance of trust in banker–client relationships from the perspective of Emirati bankers and Emirati clients.

**Table 5.1 Themes for the importance of trust (Emirati bankers and clients)**

Concept	Data segments
<p>No trust, no banking</p> <p>Trust the members of the royal family</p> <p>Facilitates communication</p> <p>Shares sensitive information</p> <p>Increases profits</p> <p>Makes the relationships easier</p> <p>Increases the feeling of security and comfort</p> <p>More commitment to the relationship</p> <p>Facilitates cooperative behaviour</p>	<p><b>Bankers</b></p> <p>“Trust is very important; without trust, no banking; it is important in the daily interaction” (E A)</p> <p>“Trust is important, especially when dealing with the members of the royal family, who support the projects with which these bottom people are associated, has won the best confidence of the banker” (E T)</p> <p>“The core and the main issue between the bankers and the clients” (E B)</p> <p>“Trust maximises profits and supports the Emirati economy of the country” (E A)</p> <p>“We are fulfilling our commitments to our shareholders. We are doing our best to succeed. But the key factor for our success is the leadership and support we have received from our Chairman, X. We are loyal to our</p>

<b>Concept</b>	<b>Data segments</b>
Strengthens relationships	<p>country, we love our country and this Emirati pride pushes us to work hard to increase the Emirati income” (E D)</p> <p>“It enhances sharing of sensitive information and enhances communication” (E K)</p> <p>“Makes the relationships easier” (E Y)</p> <p>“More commitment to the relationship; facilitated the cooperative behaviour in the relationship” (EH)</p> <p>“Relationships will be stronger and your business will be better” (E J)</p> <p>“If you want to maintain in the industry, you need to be able to build relationships. For that, trust is very important” (E P)</p> <p>“Yeah, trust is very important. It makes you feel more comfortable, relaxed and secure” (E Y)</p> <p>“For me, trust makes the relationships easier and dealing with my counterpart more comfortable. I think with the presence of trust, we find ourselves more committed to the relationship. It also facilitates the cooperative behaviour in the relationship, and because we have good and strong relationships with our counterpart, they refer their friends to us because they trust us, and in return we trust them” (E G)</p>
<p><b>Clients</b></p> <p>Good for both</p> <p>Increases loyalty</p> <p>Repeat purchases</p> <p>Increases the national income</p> <p>The base of any relationship</p> <p>Increases faith in the partner</p>	<p><i>“Trust is important – the most important bond between the client and the banker. So, if you have trust in your banker, it is definitely good for both; it makes the relationship stronger and increases faith and loyalty in the partner” (E 2)</i></p> <p><i>“Trust is strongly needed in all aspects of life and not only in business relationships” (E 11)</i></p> <p><i>“I think that if someone intends to repeat purchase or</i></p>

Concept	Data segments
Leads to trusting behaviour More profits Gives more security No trust, no collaboration Strongly needed The most important bond Strengthens the ties Has the same importance as the formal documents	<i>to refer people to you, then it is sort of a measure that they're happy with what you do and how you treat them; if they don't trust me, I don't think that they would refer others to me" (E 8)</i> <i>"Gives you a little more security" (E 7)</i> <i>"Emirati banks are strong banks because they are supported by the government. When you deal with a national banker, trust is there, thus, to increase the national income" (E 1)</i> <i>"Trust is the secret of our success. Without trust there will be no business, no relationships. Trust is the base of any relationship" (E 5)</i> <i>"A strong bond and its importance is exactly as the formal documents" (E 12)</i>

Quotations in table 5.2 provide a summary of the data relating to the importance of trust in banker–client relationships in the UAE from the perspective of non-Emirati bankers and non-Emirati clients.

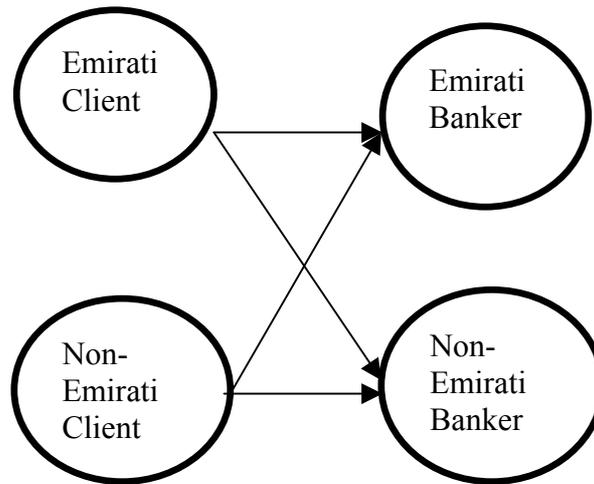
**Table 5.2 Themes for the importance of trust (non-Emirati bankers and clients)**

Concept	Data segments
<b>Bankers</b> Leads to long-term relationship Cooperation Creates confidence Increases loyalty More commitment Long-term gains Important for the success of business Maintain the relationship	<i>"Trust is important for the banker and will lead to more profits and long-term relationships and to more cooperation" (NE C)</i> <i>"Trust keeps and maintains the relationship and leads to more collaboration in the future. It leads to more commitment, and leads to more profits for both partners" (NE D)</i> <i>"Without trust there is no relationship. So, it is very important to have good relationships with your dyad. It is very important for the success of business and in general to be successful in your life" (NE F)</i>

Concept	Data segments
Mutual trust	<i>“Absolutely, it is very important. When there is trust, the relationship will last for a long time” (NE G)</i>
<b><i>Clients</i></b> Very important More cooperation Gives security Leads to satisfaction Increases profitability Good track record Reduces risk Reduces transaction costs Gets new business in the market	<i>“Trust leads to more cooperation and profits for both partners. Trust is important because it gives you a little more security” (NE 1)</i> <i>“If there is no trust then we will not be able to work in this area” (NE 2)</i> <i>“I believe that trust is very important if you are thinking of a long-term relationship” (NE 3)</i> <i>“Good for satisfaction” (NE 15)</i> <i>“Without trust there would be no interaction” (NE 7)</i> <i>“Yep, it is an important factor, but trust is both important and dangerous. It is important because it allows us to form relationships with others and to depend on others for help or advice. But trust always involves risk. But in general, trust relationships increase profitability and lead to more collaboration in the future” (NE 20)</i>

Furthermore, as illustrated in figure 5.1, this work investigated trust and the antecedents of trust from the perspectives of Emirati bankers and clients, and the other three possible “dyads”. The reason for presenting the material in this way is to account for the different structure of banking in the UAE (compared to Western systems). As will be seen, it is more important here whether the respondent is Emirati or non-Emirati than whether they are a banker or a client. In the course of the research, I was able to analyse three out of four possible dyads, the exception being the non-Emirati client/Emirati banker dyad. This does not mean that non-Emirati clients do not deal with Emirati bankers, but there are fewer of these dyads and I was not able to locate any to carry out interviews.

**Figure 5.1 All the possibilities of dyadic relationships**



***Emirati bankers/Emirati clients***

UAE culture is based on personal relationships and a sense of local commitment. Trust in terms of security and confidentiality are key factors, especially in selecting a bank's services. Sixty out of the sixty-six Emirati respondents, bankers and clients, felt comfortable and secure when dealing with an Emirati partner, especially if they were from the same tribe or family. They felt safe partly because the banks are supported by the government, which is represented and supported by the royal family:

*When I deal with an Emirati banker, I feel safe and secure. For instance, if I need any help I would go to Majlis or Sheikh and ask for help. I have never gone there and found the doors closed; it is open for all Emiratis. The Royal Family is taking care of all Emiratis in the same way as parents deal with their kids and take care of them (E 2).*

There is deep reverence for the royal family and loyalty to the government; fifty out of fifty-eight Emirati clients claimed that one reason they would continue to purchase from existing service providers is because they wanted to support the Emirati economy. The Emirati respondents were proud of themselves and of the country to which they belong; they were patriotic and loyal:

*Trust is important to both partners ... and this as a result will maximise profits, improve the track record and support the Emirati economy (E A).*

Trust motivates Emiratis to do a good job and fulfil their commitments: they wish to work towards the welfare of their country. The data showed that where there is a long-standing relationship, levels of trust appeared to be higher, partly through the exchange of ideas

over time. Hence, trust facilitated communication:

*My clients trust me to keep their information secret, that is, I don't talk about so-and-so to anyone (E D).*

*My banker trusts me and provides me with all the information I ask him for (E 10).*

*We are honest and trustworthy people; I usually keep the secrets of my partners. This makes our relationship with our clients strong, as we are trustworthy (E S).*

Thirty out of thirty-three Emirati bankers argued that a significant failure of trust would lead them to exit a relationship. They identified trust as a significant variable in the relationship, especially at the early interaction stage. Emirati bankers indicated that trust allowed them to discern the “client’s agenda” and financial requirements:

*I don't have any good evidence to prove it, but I would imagine that. I have certainly seen lots of clients who for one reason or another didn't fully trust their bankers and therefore did not do what they were advised to do and as a result got into trouble (E M).*

Similar views were expressed by an Emirati banker in Abu Dhabi:

*I would imagine that the answer is that trust makes a difference to client outcomes. I would also say that if trust is not there then you are certainly not going to have any information (E O).*

Client trust in bankers has a historical perspective here: for a long time, there were few banks in the UAE, but all had good financial standing. The UAE banking industry was stable, and players changed only when mergers occurred. As a result, people developed lifelong relationships with banks and learned to trust in the stability and constancy of the industry.

Emirati bankers and clients have contractual commitments. The people behind the bank – sheikhs, or other prominent tribal family members – support the banks both with capital and by association, so they are strong enough to compete in the market: they will not allow their banks to fail. This support, alongside government-backed projects such as INTILAQA and TANMIA, motivates Emirati bankers to fulfil promises and commitments and to be loyal to the country’s leaders and decision makers who support the bank:

*My Emirati banker is fulfilling his commitment to his shareholders. The key*

*factor for the success we have achieved is the leadership and support we have received from our banker who is a very important and trustworthy person (E 27).*

Trust promotes loyalty because it reduces uncertainty and leads to long-term relationships. Clients were more likely to repeat purchase and refer friends where there was trust; the interviews showed it was vital to relationship success, business growth and profitability.

*Trust enhances loyalty. Loyalty means continuing to use what they used to get before. We have given some major jobs to other bankers simply because they are more competent than this banker in handling such work. However, we have dealt with this bank for over 30 years and we do not want to lose the connection. There are other legal and ethical dilemmas too if we dissolve the relationship (E 7).*

Forty-eight out of fifty-eight Emirati clients suggested that even the *intention* to trust included a behavioural aspect; a trusting client may continue to make repeat purchases over an extended period. Several elements of these relationships (including development of confidence or trust, preferential treatment and commitment) seem relevant, as the following statements indicate:

*Long term is the key. It is not about getting something in a preferred sense at any time. It's about having a relationship with banker over a reasonably long period of time, where the elements of trust are there; they are reliable, but overriding all of that, you know that you are comfortable having a relationship. It's about having the promise that they would deliver at the end of the day. As a result of this, clients will repeat the visits to the bank for more business (E 5).*

Emirati bankers had confidence in Emirati SME clients; they trusted them and helped them to succeed by supporting them and fulfilling their requirements. This led SME clients to prefer dealing with Emirati bankers:

*Even though we are a small company, my Emirati banker trusts me and he always supports me; and as a result, I rely on him (E 7).*

#### ***Emirati clients/non-Emirati bankers***

Trust was important to non-Emirati bankers, but they did not rely on it completely, even when dealing with Emirati clients. Despite considering themselves trustworthy, they were hesitant to trust clients, especially in relation to risk. Hence, bankers emphasised trust in

the “honesty” of partners, in terms of accuracy and completeness of information supplied. Forty-two out of forty-seven non-Emirati bankers were clear that without trust there would be no interaction, “no relationship”, “no business” and no “gains”:

*Without trust, there is no work, no business, no money (NE I).*

*Trust is an important factor, but you can't depend upon that a hundred per cent (NE A).*

Due to this lack of complete trust, forty-nine out of fifty-eight Emirati clients preferred to deal with their Emirati counterparts, as articulated here:

*I trust my Emirati banker as he gives me all the facilities I ask him. We understand each other; we respect each other. On the other hand, the non-Emirati banker is professional, but he always sticks to rules and if I ask him to finish the formalities on the second day, he refuses. So, his trust in me is not a blind trust (E 27).*

#### ***Non-Emirati bankers/non-Emirati clients***

Non-Emirati bankers stressed the importance of trust for developing long-term relationships and maximising long-term profitability. They added that trust increased satisfaction and facilitated communication, which in turn led to more interaction. Trust led to future commitment and collaboration, reduced risk and so increased profitability:

*Yeah, trust is very important because, if you didn't trust the person, you wouldn't take your business there. For me, trust makes the relationships easier and dealing with my counterpart more comfortable (NE R).*

*I think with the presence of trust, there is more commitment. On the other hand, trust facilitated the cooperative behaviour in the relationship and because we have good relationships with our counterpart, they refer their friends to us (NE G).*

For forty-two out of the forty-seven non-Emirati bankers, trust was built on the confidence that comes from the fulfilment of commitments. Five out of forty-seven non-Emirati bankers stated that trust in the UAE context was more important than formal documents:

*It is very important. Sometimes I don't care for the guarantees given by the client, but I care more for my confidence and trust in the counterpart, for his loyalty, and for his fulfilment of his promises. Trust is more important*

*than formal documents sometimes. I am from the USA but I have been working in this position for fifteen years and I know the importance of trust to the Emirati people; they are trustworthy people (NE B).*

Thirty out of forty-four non-Emirati respondents agreed that trust was important because it led to continuity of the business exchange; they relied on documentation and reputation – the latter was viewed as an antecedent of trust.

## **5.2 Attitudes towards trust**

Respondents' conceptualisations of trust varied: their levels of satisfaction and commitment also differed. Since trust is employed differently in different disciplines, respondents were asked for their definition of trust. They used experience to illustrate their understanding of the concept.

Defining trust was a difficult process and this section explores what the data reveals about respondents' attitudes towards it: they defined trust according to need, context and socialisation. Conceptualisations of trust varied, especially when analysed from the different dyadic perspectives.

Analysis of the data revealed a number of variables contributing to an understanding of trust. The two key concepts that emerged from interviews are as follows:

- Positive expectations
  - Reliability
  - Honesty
  - Mutuality (reciprocity)
  - Benevolence
- Willingness/intention

### **5.2.1 Positive expectations**

The literature review identified expectation factors, including pre-suppositions about the process of (and satisfaction with) the relationship, as well as interactions within the relationship. Basically, expectation factors refer to the satisfaction and completion of exchange, in terms of both capability and outcome. Reliability is a seminal element of all parties' conceptualisation of trust as a positive expectation factor. At a similar level is the expectation of honesty in a mutually beneficial relationship. Benevolence is also highlighted as a factor throughout the literature.

Trust has been defined from the literature review as an expectation of, or belief in, a partner's honesty, benevolence, reliability and credibility: it is defined in different, context-dependent ways, and this reflects its multi-faceted nature. The definition offered by

Ganesan (1994) is based on ideas about trust as a belief, a sentiment or an expectation about an exchange partner that results from the partner's expertise, reliability, honesty and intentionality.

Here, trust is defined in terms of positive feelings that lead to reduced uncertainty, increased security and a supportive atmosphere. There was wide agreement among respondents that trust was a belief in the partner's reliability, honesty, mutuality (reciprocity) and benevolence (see appendix L).

### **5.2.1.1 Reliability**

Reliability assumes a well-ordered relationship where obligations and responsibilities between the counterparts are explicit and usually contracted (Andaleeb, 1996; Doney and Cannon, 1997; Dwyer et al., 1987; Geysken et al., 1998; Gill and Butler, 1996; McAllister, 1995; Morgan and Hunt, 1994; Schurr and Ozanne, 1985; Wilson and Möller, 1995). Reliability was an important element in all partners' conceptualisation of trust as an expectation variable.

Most interviewees stressed the importance of trust in relation to the reliability of relationship counterparts. Reliability was described as "doing what was said would be done". Thus, if the banker was reliable, the client could feel secure. This type of trust facilitated a sense of confidence and comfort between client and banker. Here, reliability was an expectation that the counterpart could be relied upon to fulfil promises: it included responsibility, a duty of care of one partner towards their counterpart, and a commitment to act ethically.

Reliability exists as a driver towards trust at a lower level of perceived necessity than dependence. For all respondents, reliability was the ability to have one's word accepted and respected, and for actions to be authorised without written confirmation, mostly by phone (thus saving time and effort). Examples of this type of authorisation would be the ability to arrange short-term credit facilities without resort to central committees, or the facilitation of a quick reply to queries raised. Authorisation by phone is allowed according to levels of trust, risk and perceived benefit, within limits set by practice and the policy of the UAE's banking regulator.

Bankers saw trust as a long-term relationship that develops over time. However, trust was understood by clients as implying confidence in the counterpart and a commitment to maintaining this confidence without taking advantage of the relationship. It also meant reliance on the banker for support through provision of a good service:

*Trust is confidence in each other and commitment to keep this confidence*

*and that they will not use this commitment to take advantage of the relationship. It is the relationship which develops over a period of time (E C).*

*Trust is commitment to do good work (NE K).*

Larger corporate clients were given authorisation and facilities not open to SMEs because the perceived risk was lower (with the former) and the perceived benefit for the bank was greater. For example, most corporate clients had significant permanent credit facilities that the banker could access without referring to credit committees; most SMEs had access to fewer facilities for a shorter time and this, in turn, tended to lead to dissatisfaction among SME respondents.

One aspect of risk for the corporate clients was associated with human capital breakdowns: clients needed to be able to trust their bankers' abilities. Ability had to be proven by "getting things right" and "doing what was agreed" upon. SME clients had a similar conceptualisation of trust in relation to banker competence. Corporate clients, however, were more likely to complain about, and take business away from, an unsatisfactory relationship manager. The principal risk perceived by SMEs was the inability to access credit. This is not to say that banks did not provide credit for SMEs, but that these clients could not assume that they would do so: the result was an ongoing insecurity. There was also concern among all small business non-Emirati clients, and among a few Emirati SMEs, that credit lines, once given, might be withdrawn. The many levels of security that banks insisted upon during credit agreements reinforced a belief that credit was never given on the basis of trust:

*We can borrow money from the bank, we have overdraft facilities, but any time I ask for renewing those facilities, I have to fill in many forms and I have to sign on a letter that I have to pay the money whenever they ask me to pay (NE 11).*

*It is a long procedure. I need to sign many papers to get the money; it seems they don't trust us (E 17).*

Bankers and clients used trust as a means to modify any perceived risk that threatened financial loss. Indeed, there is a duty to minimise risk by keeping tight control of lending. To facilitate the effectiveness of these policies, bankers must be able to rely on client information. Therefore, bankers conceptualised trust as connected with issues of "honesty".

### ***Emirati bankers/Emirati clients***

Emirati bankers and clients considered that not “doing what was said would be done” damages personal credibility:

*It is important for bankers not to say things that they cannot deliver. They need to be clear when talking to their counterparts and not to say something today and after few days or weeks you tell your clients that you didn't mean what they have understood (E 24).*

*It is very important to be a reliable person; it makes you feel comfortable and increases the confidence of your client in you. I haven't promised what I can't do (E C).*

For Emirati bankers and clients, being responsible meant being honest, especially when dealing with financial information and other confidential issues; thus, they tended to value a good track record, facilitated by bankers' abilities to provide client requirements:

*Trust means a responsibility of care towards my counterpart, to keep the secrets of my client and to do what was agreed on between us as relationship managers (E H).*

*We have a good track record and good performance that result from the ability of our banker to provide us with our need to be more competitive in the market (E 10).*

Trust was construed in the UAE banking sector as a positive emotional outcome of normal banking transactions. Bankers who were able to show their actions in a trustworthy light might expect to gain loyalty and increased emotional attachment from clients:

*It really depends. Trust in general means I can give anything to this guy without thinking twice. So, trust is what you feel. It is an emotion, of course (E A).*

Thirty out of the thirty-three Emirati bankers tended to be emotionally attached to their clients, as established throughout this thesis. Corporate clients and SMEs were confident in the honesty and loyalty of their bankers, and they felt able to refer to them for help or to answer queries. At the same time, fifty-two out of fifty-eight Emirati clients considered Emirati bankers to be honest and loyal to them, as Emiratis tended to be emotional and to relate to trust as an affective category (see table 5.3).

**Table 5.3 Themes for positive expectations/confidence – reliability (Emiratis)**

Code/concept	Data segments
<p><b>Reliability</b></p> <p>Doing what was said would be done</p> <p>Doing things “properly”</p> <p>Actions to be authorised without written confirmation</p> <p>Facilitates a sense of confidence and comfort</p> <p>Can be relied upon</p> <p>Fulfils promises</p> <p>Duty to act ethically</p> <p>Confidence in partner’s honesty and loyalty</p> <p>Honesty in providing information leads to cooperation</p>	<p><b>Bankers</b></p> <p><i>“Trust is good performance; it is meeting the expectations of the counterpart, which makes me feel relaxed and not worried” (E I)</i></p> <p><i>“My client is a reliable person; he never promised me things that he can’t do. He always pay on time” (E I)</i></p> <p><i>“It is important for bankers and clients to say things that they can deliver” (E O)</i></p> <p><b>Clients</b></p> <p><i>“My banker didn’t promise me with things he can’t do; for this reason, I rely on him” (E 14)</i></p> <p><i>“Even though we are a small company but my Emirati banker trusts me and always supports me, we are both Emiratis and I could rely on him” (E 7)</i></p> <p><i>“I always do my best to achieve good work and I always do what was agreed on between me and my banker” (E 26)</i></p>

***Emirati clients/non-Emirati bankers***

Trust for non-Emirati bankers was often calculative rather than affective. Thus, these bankers rarely fulfilled the idealised expectation of Emiratis for a warm, affective relationship. The outcome was a sense of insecurity among many SME respondents in relation to non-Emirati bankers. Larger Emirati corporate clients also dealt with non-Emirati bankers but were less worried when problems arose: their bankers supported them and provided further facilities. Despite this, fifty-six Emirati clients out of fifty-eight preferred to deal with Emirati bankers:

*We are big enough and my banker trusts the information I give him. He is always supporting me and I can get money and more facilities easily (E 4).*

*I have relationships with three non-Emirati bankers, but I have*

*relationships with twelve Emirati bankers (E 30).*

### ***Non-Emirati bankers/non-Emirati clients***

Eighteen non-Emirati clients out of twenty-two stated that bankers had become more reliable over time. However, those with longer experience of bank markets felt that the nature of trust in banking had changed considerably in recent years. Seven out of twenty-two non-Emirati clients felt there had been a decrease in trusting behaviours by bankers due to the increased use of technology. Non-Emirati respondents expressed concern about this change. One experienced non-Emirati client gave the following advice to bankers wanting to retain client trust:

*I would like to give the bankers a suggestion to train their relationship managers on how to deal with their clients, how to behave with them when giving them facilities or advice. They should be trained to be good bankers and to do good banking in order to be able to satisfy their clients so that they could rely on them (NE 6).*

Ten out of twenty-two non-Emirati clients claimed that trust was grounded in a good reputation, in doing things “properly” and in promising only what was achievable. If something could be done, it should be declared upfront: partners should always be told the truth:

*We are a medium-sized company working in the UAE in the services industry. We have a good reputation in the Emirates regardless that we are a non-Emirati company. We have good relationships with our clients and our counterparts in the bank. For this reason, they rely on us (NE 2).*

*I rely on verbal approval from my banker; my banker always fulfils his promises, and I always provide my banker with reliable information on time (NE 9).*

Non-Emirati corporate clients with diverse banking needs develop trust quickly and easily through their network of contacts. A company with a large turnover can access finance more easily than a smaller company. This could be described as a form of calculative trust, although respondents did not interpret it in this way, but they were powerful enough (having access to professional relationship managers and sufficient staff) to solve any problem. In general, however, this study shows that bankers did not treat SME clients more sceptically than larger company clients. No client would be given significant credit lines without fulfilling all the bank’s information requirements.

Non-Emirati SME clients were at some disadvantage because they could not always access finance easily. They felt that bankers were hesitant to rely on them and trust the information provided. They said that in the past, the situation had been different and bankers used to invest more effort in supporting financial requests from clients with whom they had a close relationship. However, there was little evidence to suggest this had a significant influence on credit committees. Nowadays, bankers' relationships with their counterparts were felt to be calculative. SME clients were dissatisfied with the level of trust shown from their bankers; this was connected to clients' anxieties regarding their banker's support:

*My banker doesn't want to issue me a certain document within the bank. It seems that he doesn't trust us. He wants one week to issue this paper (NE 6).*

*In the past, a relationship manager was making his recommendations on the facilities to approve, and how much money he can lend the client. I think, at the end of the day, it was his decision, which was based on the personal relationship and on the trust that he might have built up with the client. Today, I feel it's a calculative trust that depends on calculations and numbers. They only think about money (NE 3).*

It is worth mentioning that it was not only smaller company clients who expressed concern with the decision-making processes implemented by the banks; non-Emirati corporates were also worried that credit committees might take decisions that would be unhelpful to their businesses. However, their concerns did not rouse the same sense of mistrust as it did among the SME clients.

Non-Emirati bankers were unwilling to assume honesty and integrity in clients. Indeed, there was a persistent fear that clients would attempt to mislead:

*I never accept what they have told me and I don't take it for granted (NE 1).*

Bankers sought trust to minimise risk and would not act until confident about information supplied. Corporate clients dealt with many banks to spread risk, and left relationships if there was a lack of trust. However, five out of seven non-Emirati SMEs were unable to multi-bank as a risk avoidance measure:

*I am happy with my banker; I have good relationship with her. For this reason, I would prefer to stick with her. I can't risk and look for another banker as I know most bankers like to deal with clients of large companies.*

*Moreover, I am loyal to my banker as she is a good person (NE 23).*

Thus, trust for non-Emirati bankers seldom led to cooperation and contained little “faith”. Moreover, eleven out of twenty-two non-Emirati clients did not appear to see the need to rely on trust to resolve problems; instead of relying on their bankers, they multi-banked to avoid risk (see table 5.4).

**Table 5.4 Themes for positive expectations/confidence – reliability (non-Emiratis)**

<b>Code/concept</b>	<b>Data segments</b>
Calculative trust Not emotional Deals with documentation Withdraws from unsatisfactory relationships Unwilling to assume honesty in the partner Cannot always access finance easily	<p><b>Bankers</b></p> <p><i>“My banker will do what he has told me; he will fulfil his promise” (NE T)</i></p> <p><i>“I don’t believe what I’m told; I feel worried and I always have a fear of being cheated – especially when I deal with a client of a small company” (NE W)</i></p> <p><i>“In my relations with my clients, I look for a long relation. For this reason I am committed to do good work” (NE I)</i></p> <p><b>Clients</b></p> <p><i>“I am a reliable person and I always give my banker reliable information; I don’t lie and I pay on time” (NE 27)</i></p> <p><i>“Getting things right is my goal in my relations with my partner” (NE 20)</i></p> <p><i>“Because I am a client of a small company, my banker doesn’t believe what I am telling him. He refused to give me more facilities. I feel worried and I am thinking to deal with another banker” (NE 24)</i></p>

### **5.2.1.2 Honesty**

Sixty out of eighty bankers were clear that without honesty there would be no interaction. Twenty bankers out of eighty acknowledged that minor mistakes must be tolerated, but confirmed that trust and relationship closeness suffered even with slight

deviations from full disclosure. One banker cancelled all business dealings with clients whom he felt to be dishonest:

*If I suspect his honesty – that is he is not providing me with correct information – then he will lose my trust and I will delete all my dealings with him (NE T).*

*I am willing to give others more than one chance to demonstrate they can be trusted (E F).*

There was little evidence here to suggest that clients attempted to mislead their bankers by providing them with inaccurate information. Clients believed that bankers were competent, but they were hesitant to trust information given by them. They were confident that the bankers sought to answer their needs, that information would remain confidential and that complaints would be dealt with. Moreover, the multi-banking strategy allowed them to balance risks within any one relationship through the maintenance of alternatives.

Clients were also greatly concerned about how their bankers handled confidential information, although this was less of a concern among SMEs; they understood the delivery of sensitive information to be a trust behaviour developed over time, predicated on confidence that the information would be treated properly:

*Trust means having good relationships and a feeling of comfort where we talk freely, especially when talking about similar things (NE H).*

*Because of the confidence I have in my banker, there is cooperation between us (E 12).*

### ***Emirati bankers/Emirati clients***

Fifty-six out of sixty-six Emirati respondents characterised trust with reference to openness: this facilitated the sharing of sensitive information. Trust in confidential interactions was highlighted by the majority of bankers, who not only understood fully the importance of confidentiality, but also that clients expected bankers to be consistent and fair in dealing with issues arising and in the handling of information:

*Trust is honesty, by not telling others my secrets. In this case, my clients will not suspect me and will have confidence in me (E K).*

*We are honest people; I usually keep the secrets of my partners. This makes our relationship with our clients strong, as we are trustworthy (E S).*

Fifty-eight out of sixty-six Emirati bankers and clients discussed trust as a confident

expectation in the trustworthiness of the counterpart, particularly in terms of openness and honesty. They perceived trust as a strong social relationship based on faith and confidence in the counterpart. In interviews, Emiratis placed great importance on open communication, transparency and honesty, because these factors lead to security, comfort and reduced uncertainty in a supportive atmosphere:

*If he doesn't believe what I'm telling him, then I don't expect him to work harder or work a little differently. He is not going to be as receptive to change unless he understands and trusts that what I was talking about is in fact true (E H).*

*Trust in banking relationships is a feeling of security – to be confident that your counterpart is working for your benefit. Trust is when you feel that your banker will always tell you the truth and if there is a mistake or some kind of issue, he will tell you and he would correct it (E 26).*

For bankers, trust encompassed a belief in the honesty of the counterpart, an absence of anxiety and the ability to feel secure and comfortable. Trust existed when the counterpart was prepared to do the work, and when they had the ability to help and provide a good quality of service:

*There is no place for suspicion in our relationship. Our relationship is tied by a strong bond that brings a feeling of security (E D).*

*Trust is having a strong belief in your counterpart and confidence in his honesty (E S).*

*Trust is a feeling of security and comfort. Trust exists when there are similar values and a common background between the counterparts (E J).*

Being from the same tribe or clan increased the feeling of comfort and security between Emirati bankers and clients (see chapter 7). They were from the same culture and shared the same language, religion, values and traditions, and had blood relations. For these respondents, trust generated feelings of comfort, security, confidence, openness and respect, and such feelings reinforced trust. A feeling of comfort in a relationship was an important driver for trust for forty-five out of fifty-eight Emirati clients; taken together with evidence of basic honesty, this enabled relationships to work efficiently (see table 5.5, below):

*I deal with my counterpart on the basis of trust. I could, for example, ask my banker to pay my staff their salaries without the need of the documentation*

*immediately because I am busy, and the second day I finish all the paperwork. For this reason I feel comfortable when I deal with an Emirati banker because he knows me and he trusts my honesty and truthfulness (E 26).*

**Table 5.5 Themes for positive expectations/confidence – honesty (Emiratis)**

<b>Code/concept</b>	<b>Data segments</b>
<p><b>Honesty</b></p> <p>Confidentiality</p> <p>Openness</p> <p>Transparency</p> <p>Doesn't take advantage</p> <p>Absence of suspicion</p> <p>Absence of anxiety</p> <p>Reduces uncertainty</p> <p>Feeling secure and comfortable</p> <p>Creates a supportive atmosphere</p> <p>Works efficiently and quickly</p>	<p><b>Bankers</b></p> <p><i>“If he doesn't have confidence in the information that I gave him, then there will be no interaction” (E X)</i></p> <p><i>“I don't suspect my client; he is an honest person” (E U)</i></p> <p><i>“Trust means confidence. It is the absence of suspicion. Trust is the feeling that you are not worried and that you like the person you are dealing with” (E N)</i></p> <p><b>1.1.1 Clients</b></p> <p><i>“Trust means openness and transparency in providing the information whether from the client's side or the banker's side. I have confidence in him, and I talk freely with him” (E 14)</i></p> <p><i>“Having similar values and a common background is another reason for being honest with my banker. As a result, this makes me feel relaxed and open when talking with him. There are many things in common” (E 24)</i></p>

**Emirati clients/non-Emirati bankers**

All forty-seven non-Emirati bankers saw themselves as honest and trustworthy; they respected confidentiality. In turn, they expected their counterparts to be reliable and to fulfil their commitments on time:

*We are honest and trustworthy people. When I deal with my client, I am dealing with him for a long time and I am looking for long-term gains, so I have to be honest and keep his secrets. I also expect my counterpart to be reliable (NE E).*

Relationship managers are expected to have personality traits that enable them to build trust relationships successfully – clients should feel valued and well treated:

*To have a trust relationship with my clients, it is very important to have good personality traits; I mean, transparent when communicating with your clients, efficient, honest and loyal and to deal with clients in a good way to make them feel respected and valued (E 23: NE R).*

One Emirati client claimed that he felt relaxed and secure with his non-Emirati partner – so much so, he declared that if his banker were to move to another bank, he would follow him. This was an exceptional case for him, as he had dealt before with non-Emirati bankers and was unhappy with them. However, he had established a good relationship with this banker (NE G), although it took time for them to trust each other. The non-Emirati banker had been working in the UAE for twelve years; he understood Emirati culture and the needs of Emirati clients:

*Trust is a comfortable relationship; it means confidence, openness and respect. When I trust my counterpart, then this means that this person shares my thoughts and feelings, and there is respect between us. I have been dealing with my banker for 12 years and we had many successful business transactions (E 24: NE G).*

#### ***Non-Emirati bankers/non-Emirati clients***

Non-Emirati clients were willing to trust in the honesty of bankers. While it took time and experience to come to trust in their abilities, clients did not doubt they would be honest. Bankers placed particular emphasis upon being honest. However, there were instances when bankers failed to respond to questions – especially those asked by SME clients. This led to some misunderstandings of bank practice among SMEs.

*When there is honesty, there is trust. When I feel that the person whom I am dealing with is an honest person, there is no place to suspect this person. For me, trust could mean confidence, and honesty (NE R).*

Sixteen out of twenty-two non-Emirati clients identified trust as transparency in information exchanges, the provision of correct information, and openness and honesty about the client's financial standing with the bank.

*Trust means to be open in communication, no lies. When you feel that your banker is consistent in his dealings, this means there is a trust relationship (NE 20).*

Non-Emirati bankers and clients declared that small mistakes could be tolerated in a trusting relationship. In building relationships, it was accepted that there needed to be

tolerance and a degree of forgiveness shown towards mistakes:

*If something goes wrong, then starting to blame is very wrong. We have to accept that things go wrong and people are human and could make mistakes. We should focus on how the problems are to be solved (NE G).*

For clients, then, the honesty components of trust were operationalised primarily in connection with the confidentiality of the bankers' handling of sensitive information. None of the clients interviewed expressed fears that their bankers would ever break confidentiality. As one banker noted, *"people trust bankers because bankers are honest people"* (E T). Very few clients admitted to failing to fulfil bank demands for information exchange, though some SME clients complained about the extent of information demanded by their bankers (see table 5.6).

**Table 5.6 Themes for positive expectations/confidence – honesty (non-Emiratis)**

<b>Concept</b>	<b>Indicators</b>
<p>Not providing correct information</p> <p>Biased information</p> <p>Not honest in their dealings</p> <p>Open communication</p>	<p><b>Bankers</b></p> <p><i>"If I feel that my client is not providing me with correct information, then I will cancel all my business with him and I will not deal with him anymore"</i> (NE R)</p> <p><i>"I like my clients to be open in communication, and when I feel that my clients are not telling the truth, I will stop my business relationship with them and they will lose my trust"</i> (NE S)</p> <p><b>Clients</b></p> <p><i>"I see my role as a relationship manager as trying to take the business into the future and to take care of my counterparts. I am honest with my banker, I have never deceived her"</i> (NE 1)</p> <p><i>"I am afraid of being deceived by my clients"</i> (NE 22)</p>

### 5.2.1.3 Mutuality

Mutuality (or reciprocity) refers to client expectations that bankers will act sincerely, with commitment, to mutual advantage, and that actions will be reciprocated (Barney and Hansen, 1994; Butler, 1991; McAllister, 1995; Sabel, 1993; Schurr and Ozanne, 1985; Wilson, 1995). It refers to a mutual exchange of privileges or favours. In a reciprocal

exchange relationship, one party extends certain benefits to another and in turn receives similar benefits. Reciprocity refers to mutual attempts to balance giving and receiving. To increase trustworthiness requires a gradually expanding capacity for such reciprocal trust and mutual understanding to take place.

Reciprocity is inspired by empathy and reputation. It requires knowledge and understanding of the partner's reputation, feelings, desires, ideas, actions and motives; such empathy leads to reciprocity. It occurs through the social exchange of obligations incurred as a result of services received, and entails obligations not specified in advance; the exact nature of the return is left to the judgement of the respondent (Blau, 1988, pp. 93, 113).

Mutuality is built upon the identification of points of harmony and feelings of familiarity. This sense of mutuality is sometimes described as a sense of connection that explicitly acknowledges the relations and ties between individuals and encourages ongoing interactions. To build upon mutuality and create continued interaction, partners need to feel that the social environment is safe.

In the data, feelings of safety are often characterised by notions of comfort arising from mutuality. Results from the research indicate that these social relational mechanisms facilitate profound interactions. As the ties between individuals become stronger, their relationships become warmer as familiarity develops.

Despite stressing the importance of mutual trust, bankers' conceptualisation of trust was generally calculative and connected principally to the minimisation of bank risk. Emirati clients agreed with non-Emirati clients on the mutuality of trust, but they commented that trust was typically present when dealing with Emirati counterparts.

*It is a feeling that your counterpart is a trustworthy person (E 2).*

### ***Emirati bankers/Emirati clients***

In the UAE, the evolutionary psychological basis for exchange behaviour would be reciprocal altruism, which is defined as providing benefits to another individual that are returned in the future (Trivers, 1971). For the majority of Emirati bankers, the principal cause of reciprocity was mutual support. People exchanged different types of help based on their relationships.

Reciprocity in the UAE appears to be driven primarily by altruistic norms. For instance, if clients extended trust to their banker, the banker was likely to reciprocate this trust. It is reciprocal when counterparts gain from a relationship where neither is being truly altruistic and both expect to gain benefits.

All eighty Emirati respondents conceptualised trust with reference to culture. Reciprocal altruism was shown to be central to the trusting relationship; an Emirati understanding of trust was different from the Western notion (see table 5.7, below):

*The leaders of our government support all the Emiratis and consider them as their children. For this reason I am ready to sacrifice even with my life to help my country and help my brothers in the UAE (E 18).*

*Trust is a feeling that somebody cares for you and is ready to sacrifice for the sake of his partner (E 5).*

*I trust people from my family, from my tribe, people from my country or town (E 17).*

**Table 5.7 Themes for positive expectations/confidence – mutuality/reciprocity (Emiratis)**

Code/concept	Data segments
<p><b>Mutuality (Reciprocity)</b></p> <p>Mutual exchange of privileges or favours</p> <p>Exchange behaviour</p> <p>Expectation of acting sincerely</p> <p>Kind behaviour rewarded</p> <p>Getting something back for something given</p> <p>Mutual loyalty</p> <p>Mutual cooperation</p> <p>Friendly relationship</p>	<p><b>Bankers</b></p> <p><i>“It is a reward for acting sincerely” (E P)</i></p> <p><i>“It is meaningful that there is mutual trust in both ways; if you think about the banker–client relationship that they can both trust each other” (E U)</i></p> <p><i>“All for the community” (E H)</i></p> <p><i>“Our approach is to serve the society” (E K)</i></p> <p><i>“Hoping that this community can be developed more successfully, more expanded – able to contribute to this community” (E G)</i></p> <p><i>“When there is mutual respect and loyalty to each other, then there is cooperation. This enhances trust” (E U)</i></p>
<p><b>Altruistic reciprocity</b></p> <p>Kinship attitude</p> <p>Tribalism</p> <p>Self-sacrifice</p> <p>Clan loyalty</p> <p>Emotional loyalty</p> <p>Caring attitude</p>	<p><b>Clients</b></p> <p><i>“Trust is reciprocal kindness” (E 11)</i></p> <p><i>“Our relationship is a strong one and it is based on loyalty to each other” (E 21)</i></p> <p><i>“My banker is a kind person; he helps me a lot; he cares for me and shows interest and concern in my</i></p>

Code/concept	Data segments
Altruistic benevolence Positive attitudes Doing things for others	<i>business. He cares for our relationship” (E 22)</i> <i>We do things for each other as if it is for ourselves, and without being asked to do it (E 2)</i> <i>“I trust people with whom there is a blood relationship; there is a mutual support between us” (E 14)</i> <i>“Trust is a strong friendship; I will support my friend and in return, he will help me” (E 20)</i> <i>“We are loyal to each other and fulfil our obligations without being asked. We have ethics; it is a moral thing” (E 14)</i>

#### ***Emirati clients/non-Emirati bankers***

Ten out of the twenty-two Emirati clients and twelve out of the forty-seven non-Emirati bankers defined trust as a friendly relationship. These non-Emiratis had been in the UAE for a long time, understood the business environment and the cultural context. They understood that in order to gain trust it was important to have a friendly relationship to facilitate reciprocity. They understood the need to have a personal relationship, or to know somebody of authority and power with whom they could have *wasta*, to facilitate business exchange. These non-Emirati respondents sought people with the power and authority to maintain a good personal relationship:

*Trust is a strong friendship tie; when there is a friendly relationship, our trust in one another will increase and will be stronger (E 14).*

*I look for people who have influence and authority in the country to be my friends. I could need them later on to have *wasta* via them (NE U).*

When Emirati clients dealt with non-Emirati bankers they tended to see trust as a mutual interaction that, in turn, made the partners feel secure. They exhibited trust in other people’s willingness to offer reciprocal behaviour in the future. Emirati respondents and non-Emirati bankers sometimes understood trust as a “reciprocal relationship” or “marriage relationship”:

*Trust is a two-way street; we help each other (NE J).*

*I consider banker–client long-term relationships as a marriage relationship,*

*where each counterpart takes care of the other. This relationship is different from other relationships; it is unique (E 29).*

As trust developed, many aspects of the relationship were involved: mutual support to stimulate business growth; reciprocal integrity; and mutual intention to rectify violations of fairness and misunderstandings. The most fundamental component of trust, then, was mutuality of commitment to caring for each other and for the relationship:

*Whenever mutuality of caring and commitment are there, there is trust (E 10).*

### ***Non-Emirati bankers/non-Emirati clients***

Thirty-five out of forty-seven non-Emirati bankers stated that repeated interaction with a client allowed for reciprocal behaviour. Mutual cooperation could be established and maintained if the counterparts signalled willingness to cooperate on the basis of reciprocity:

*I am doing a good action today, hoping that it will come back to me at another occasion (NE P).*

Fourteen out of twenty-two non-Emirati clients did not trust bankers to act mutually, or to support them in difficult times – a feeling that was sometimes expressed emotionally. This response was primarily linked to the size and experience of the client company. Large companies accepted bankers' varied responsibilities, which limit mutuality since bankers do not have full authority to do whatever they might wish. Large companies were important to the banks; for this reason, such limitations rarely affected these clients.

Large company clients did not seem to seek mutual behaviours to the same extent as SME clients; they did not expect the bankers to assume risk. Six out of seven non-Emirati SME clients did not trust bankers to act mutually in all cases, however, and they (and some larger company clients) exhibited concern that credit could be withdrawn without reason and that bankers did not really care about clients of smaller companies because they were not financially significant.

All seven non-Emirati SME clients were dissatisfied with the level of mutual trust. Most relationships require one-sided giving for certain periods but, over the long term, trustworthiness cannot be maintained without mutual concern for the well-being of the relationship (see table 5.8).

**Table 5.8 Themes for positive expectations/confidence – mutuality (non-Emirati)**

Code/concept	Data segments
Mutual reciprocity Maximising profits Calculative commitment No expectation of affective feeling Don't have confidence in their clients	<p><b>Bankers</b></p> <p><i>“It is a mutual reciprocity. I help and support my clients if they fulfil their commitments; otherwise, I will not help them” (NE K)</i></p> <p><i>“I am not willing to offer any help to my client for nothing. I could help if he fulfils his promises and was honest with me. I work with my clients according to rules and contracts” (NE S)</i></p> <p><b>Clients</b></p> <p><i>“There is a mutual help with my banker. If my banker abide by the regulations and gave me correct information, I will be honest with him and abide by the regulations and I will provide him with the correct information; it is a mutual reciprocity” (NE 14)</i></p> <p><i>“My main concern is to improve my track record and maximise my profits from this relation. However, I would like my banker to fulfil his commitments as I am doing my part” (NE 2)</i></p>

In conclusion, reciprocal responsibility means that each partner is responsible to the other for actions taken and for their impact on the collaboration. This requires that each partner should have access to the others’ performance information. When communication becomes two-way, there is an opportunity to develop mutuality or reciprocity, which is an important precondition for the development of more advanced relational states. Non-Emirati respondents accepted that trust had to be “reciprocal”, but only Emiratis tended to emphasise altruism.

#### **5.2.1.4 Benevolence**

Benevolence is the expectation by one party that the other will act in its best interests, but without the explicit stressing of reciprocation, although it is clearly implied (Creed and Miles, 1996; Doney and Cannon, 1997; Geysken et al., 1998). All clients defined trust in terms of benevolence. They wanted their bankers to take care of them through support,

advice and problem solving.

***Emirati bankers/Emirati clients***

Emirati respondents referred to trust in terms of concern for the wellbeing and interests of the counterpart. Clients perceived trust as a feeling of comfort: they trusted bankers when they took care of their business and advised them well. If things went wrong, bankers would resolve issues satisfactorily. Emirati clients tended to consider trust as a feeling of security and confidence that the counterpart would work for the partner’s welfare and would always tell the truth. If a mistake was made, it would be admitted and rectified:

*Trust is to feel confident that you can trust another person. Trust means to have faith in the person you are dealing with that he is a good person and that he will do his best to help you (E 13).*

Eighteen out of sixty-six respondents saw their role as looking after their counterpart and taking their business into the future (see table 5.9).

***Table 5.9 Themes for positive expectations/confidence – benevolence (Emiratis)***

<b>Code/concept</b>	<b>Data segments</b>
<p><b>Benevolence</b> Concern for wellbeing A feeling of care Support Giving advice, help, assistance</p>	<p><b>Bankers</b></p> <p><i>“When you feel that you are not worried about the confidence that you have put in your client, then there is trust” (E O)</i></p> <p><i>“A feeling that somebody cares for you and is ready to sacrifice for the sake of his partner creates trust” (E N)</i></p> <p><b>Clients</b></p> <p><i>“Trust is when you feel that you can trust your banker due to the care that your are receiving from him” (E 18)</i></p> <p><i>“Trust is your feeling that things are fine. Trust is when you place your confidence in others so that they will be supportive and help you. they are honest people who will not cheat you” (E 10)</i></p>

***Non-Emirati bankers/non-Emirati clients***

Non-Emirati clients agreed with Emiratis that trust is a feeling that someone cares and would do their best to satisfy requirements in a supportive way. These clients wanted their

bankers to take care of them (see also table 5.10):

*Trust means to take care of the partner and keep the secrets, and give him advice (NE 9).*

**Table 5.10 Themes for positive expectations/confidence – benevolence (non-Emiratis)**

<b>Code/concept</b>	<b>Data segments</b>
No expectation of banker benevolence No expectation of affective feeling Don't have confidence in their clients	<i>"I don't believe in sacrificing for nothing. I could help them if they help me by paying what they have to pay on time, by being clear and not deceiving me"</i> (NE V)  <i>"I care to increase our profits. I do my best and fulfil my commitments to the bank and in return I expect my banker to fulfil his commitments"</i> (NE 22)

It appeared to these clients that bankers' trust was primarily calculative rather than affective; they felt that their bank relationship managers seemed unprepared to fulfil their need to be trusted. The outcome was a sense of insecurity among many non-Emirati SME respondents.

### **5.2.2 Willingness/intention**

A hundred and ten out of a hundred and sixty respondents saw trust as involving conation: this means an intention or commitment to behave according to a certain goal. This intention is defined by Oliver (1997) as a deeply held commitment to re-buy; it takes loyalty beyond affect to include the motivation or desire to act. The same number of respondents regarded trust as involving personal feelings of pleasure, which create an individual's attachment to the product or service. This feeling was likely to lead to client repeat purchase intentions.

As a result, clients often developed lifelong relationships with their bankers, and learned to trust in the stability and constancy of the banking industry. Bankers themselves regarded the maintaining of trust as beneficial for the whole industry and in the common interest of all banks.

Clients were more likely to refer friends to the business lender if trust was present. Word-of-mouth is probably the oldest mechanism by which opinions on products and services are developed, expressed and spread (Lau and Ng, 2001). File, Judd and Prince (1992) define word-of-mouth as recommending the banker/client to others, which was

found to be crucial to relationship success and business growth and profitability.

***Emirati bankers/Emirati clients***

All Emirati clients who were satisfied with the service they were getting from their bankers were looking for a long-term business relationship. Satisfaction led to repeat purchases and recommendations of the counterpart to others:

*They both mention my name to their friends. So I think that's successful. If someone refers business to you, then it shows that they're happy with what you do and how you treat them. If they don't trust me, I don't think that they would refer others to me (E F).*

*I would make positive recommendations about my banker; he is a trustworthy person (E 16).*

The Emirati banking sector has changed and competition has grown stronger as more non-Emirati banks have entered the market. It would be especially difficult for banks unfamiliar with people in this region to establish themselves in the UAE.

*I trust the Emirati professional bankers. I will repeat the business with my banker (E 13).*

***Non-Emirati banker/non-Emirati client***

Twenty-six out of forty-two non-Emirati respondents saw trust as supported by positive word-of-mouth recommendations (see table 5.11). Client satisfaction with the services of the banker stimulated repeat purchase and recommendations to others:

*I would make positive recommendations about my banker (NE 7).*

*Repeated purchases and large orders of services mean that the client is satisfied, and that satisfies us (NE J).*

***Table 5.11 Themes for willingness (Emiratis and non-Emiratis)***

<b>Code/concept</b>	<b>Data segments</b>
<b>Willingness/Intention</b> Behavioural intention Repeat purchase Intention to repeat purchase	<b><i>Bankers</i></b> <i>“We get satisfied when the client shows that he is satisfied by re-ordering the service and deals with me again” (E R)</i> <i>“I am satisfied with my relationship with my client. For this reason, I will deal with him again” (E B)</i>

Code/concept	Data segments
Satisfaction Repeated purchases Positive word-of-mouth	<p><i>“I am pleased and satisfied in my relationship with my client”</i>            (NE V)</p> <p><i>“I have no problems with her, and I am glad to deal”</i> (E A)</p> <p><i>“I trust him; he is a trustworthy person, I would be more than happy to deal with him”</i> (NE S)</p> <p><b>Clients</b></p> <p><i>I trust my banker and I have recommended his name to three of my friends in the business market</i> (E 16)</p> <p><i>“I will deal again with my banker and purchase more services from him. I am happy to deal with him again”</i> (E 7)</p> <p><i>“I am planning to deal with her again. She is supportive and helpful”</i> (NE 14)</p> <p><i>“Because of the good relationship between us, I don’t hesitate to recommend my banker to my friends. I trust him; he is a trustworthy person”</i> (E 23)</p>

Both non-Emirati and Emirati clients intended to deal with their counterparts over the long term. Emirati clients and bankers tended to be more loyal to their counterparts, however, as they were attached to clans and families and actively sought long-term business relationships.

### 5.3 Conclusions

This chapter has provided an analysis of two background themes: the importance of trust and attitudes towards trust, which provide a context for the antecedents of trust. The data reveal the importance of trust in the business relationship between banker and client; it enhances understanding, facilitates communication and increases profits for both sides, which in turn reduces risk and leads to further cooperation. Bankers and clients must show that they will honour confidentiality; banker respondents believed that maintaining trust was beneficial for the whole industry. It works towards the common interest of all banks.

Results show that trust promotes loyalty, which reduces uncertainty and leads to a long-term business relationship, repeat purchases and referrals. Interviewees reported that trust evolved through positive experiences during the development of a relationship. There was, however, a sophisticated appreciation of the need to foster trust through behaviour likely to encourage its development across the dyad: positive experiences helped in this.

Analysis of the data reveals a number of variables that contribute to an understanding of trust. The two concepts that emerged are positive expectations/confidence, which are comprised of reliability, honesty, mutuality, benevolence and intention to trust. Respondents defined trust according to need, context and socialisation.

Corporate clients (both non-Emirati and Emirati) with many banking needs developed trust through their networks of contacts. A company with a large turnover could access finance easily, and trusted in the ability and reliability of their banking teams, which have the experience and knowledge to provide good service and fulfil commitments made. Clients of smaller companies had a similar conceptualisation of trust, but tended to focus concern on their relationship manager, whereas respondents from the larger companies focused on the ability of the whole banking team – although the relationship manager was still a significant figure.

Bankers were seen to supply two levels of service: routine financial services and resolutions for specific problems within a company. There was a level of uncertainty about such provision because these services were so important to the clients concerned, who could not presume the banker would be able to deliver them. The anxieties and risks associated with this uncertainty may be moderated by a perception of trust allowing for some degree of predictability and security to be established in the present, and to be applied, through planning, in the future.

## CHAPTER 6: RESULTS – ANTECEDENTS OF TRUST IN THE UAE

In this data analysis, it is important to separate the antecedents of trust (the necessary preconditions conducive to the development of trust) from the constituents of trust (the different aspects that comprise trust); it is also necessary to separate these aspects from the outcomes of trust (the desired results of the existence of trust in a relationship). Thus, the present work will maintain clear lines among these three factors.

The research was carried out to analyse trust antecedents in corporate banking in an Arab/Muslim context, and it indicated that a trustor's affective and cognitive perceptions about a trustee are likely to influence the development of trust between them.

Most studies to date have examined the antecedents of trust from the perspective of either managers or clients (Butler and Cantrell, 1984; Ganesan, 1994; Houston and Rothschild 1978; Johnson and Grayson, 2005, p. 501; Keller and Richey, 2006; McKnight and Chervany, 2001, p. 35; McKnight et al., 2002, p. 234; Moorman et al., 1992, p. 314; Parasuraman et al., 1988, p. 420; Rempel et al., 1985, p. 95), whereas this research examines both perspectives in a dyadic relationship. Antecedents of trust are analysed here according to categories derived from the literature and confirmed from the data.

Data revealed two themes upon which trust was based: cognitive (rational knowledge) themes and affective (emotional responses) themes. Each theme has multiple sub-themes, as can be seen from the tables summarising the data (see appendices M1, M2 and M3 for cognitive sub-themes; and appendices N1 and N2 for affective sub-themes), which highlight the differences in response between Emiratis and non-Emiratis.

In the following analysis of the results, themes, sub-themes and patterns are presented as follows:

- Cognitive themes, sub-themes and patterns (rational, knowledge-based antecedents of trust)
  - a. Competence: skill, knowledge and performance
  - b. Reliability
  - c. Integrity
- Affective themes, sub-themes and patterns (rational, emotion-based antecedents of trust)
  - a. Benevolence

b. Openness of communication

In addition to the two main themes indicated here, data revealed that religion, culture and shared values are the key mediating variables – which mediate the antecedents of trust (see chapter 8).

### 6.1 Cognitive themes

The cognitive theme (see figure 6.1) is defined as “the confidence, willingness or intention of a partner to rely on his counterpart’s competence, reliability/credibility, and promptness in meeting their obligations” (Moorman et al., 1992, p. 314).

**Figure 6.1 Cognitive themes**

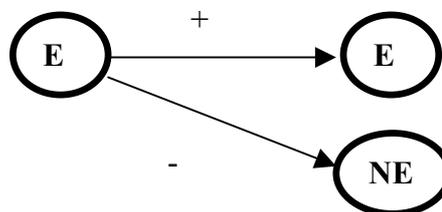


Figure 6.1 shows the relationship between Emirati bankers and Emirati clients, which is a balanced or symmetrical relationship, and that of Emirati bankers to non-Emirati clients – an asymmetrical relationship: there is a mismatch between the constructs, which the counterparts regard as important.

Data revealed the importance of cognitive themes in building up trust, although some were more important in the initial stages of the relationship, whereas others required numerous interactions (and hence time) for trust to develop. All clients emphasised that the competence, reliability and integrity of their bankers were important cognitive antecedents of trust. These antecedents were considered to be at the heart of business relationships by a large majority of respondents.

Trust relationships are characterised by the trustor having positive expectations regarding the competence of the trustee, and the belief that they will work in their best interests. In an Arab/Muslim context, analysis of data from bankers and clients showed the most common sub-themes of cognitive trust were competence, reliability and integrity.

#### 6.1.1 Competence

Competence is defined as “the ability to do for one what one needs done” (McKnight and Chervany 2001, p. 35) and refers to the knowledge and capabilities of the trustee (Butler and Cantrell, 1984). In the context of financial services, the evidence suggests this sub-

theme includes confidence in competence, as well as whether the trustee is working in the trustor's best interests.

Competence-based trust was seen here as the most important sub-theme in initiating commitment to the economic aspects of the relationship. It was related to partners' perceptions of the other's knowledge and skills. Despite this important outcome, competence-based trust was not always enough to help secure long-lasting relationships. Clients relied heavily on perceptions of bankers' ability, because being competent meant being professionally capable and confident. The banker, on the other hand, might look at a client's earning power, income, cash flow and sales.

Emirati and non-Emirati clients repeatedly framed their positive and negative feelings about bankers in terms of professional competence. When a respondent was confident in the ability of their counterpart, they were more likely to place trust in the relationship. Three distinct sub-categories arose in analysing which bankers' characteristics led clients to judge them as capable: skills, knowledge and performance.

#### **6.1.1.1 Skills**

This category is an important antecedent of trust; it relates to the skill/ability characteristics of the trustee – here, the banker – and their competence to carry through the services agreed upon.

Skills included issue management, or “acceptance of mistakes”, where the client was informed immediately and relevant information was gained in a single contact to resolve problems arising. It was accepted by respondents that mistakes would be made by both parties; it was expected that the banker would handle them swiftly and professionally. With regard to minor errors, clients favoured tolerance as a response.

All bankers referred to skills in a way that indicated this as a significant pattern in the antecedents of trust. They added that clients had high expectations of their competence and the data revealed that all clients relied on their bankers and expected to receive customised services; service quality was mentioned by all clients in relation to efficient credit and remittance services. Bankers felt confident when able to develop and create trust through use of their skills:

*I know what I am doing; I have a lot of confidence in myself and my abilities*  
(NE V).

*I am well known in the country for my knowledge of banking* (E C).

Client respondents demonstrated willingness to proceed with the partnership by giving bankers further opportunities to demonstrate that they could be trusted, especially if it was

perceived that they were otherwise good at their job. Bankers had to be seen to have done their best to resolve problems, but it was felt to be important to focus on sustaining relationships that had taken time and effort to develop:

*If things go wrong, I don't quit from this relationship. I am willing to give others more than one opportunity to show me that they can be trusted. I will give them a second, third, even fourth chance before I decide to end our relationship. I am not trying here to say that I am a perfect person. I behave in this way as I feel it is more important to focus on keeping the relationships which have taken time and efforts to develop (NE H).*

*Yep, at this point I feel like I have to trust my banker. I do trust him because if things go wrong, he will figure them out and do something about it and if he makes a small mistake, I will forgive him because it took time to build our relationship (E 3).*

Corporate clients commented on bankers' trustworthiness and competence, which were seen as aspects of fulfilling commitments ("doing for one what one needs done"): in this, they focused on the bankers' abilities. SMEs had similar conceptualisations but focused concern on their relationship manager, whereas larger company clients did not wholly rely on their bankers; they were confident in their own ability to manage uncertainties and risk.

Corporates did not feel powerless in the face of risk, uncertainties and perceived inefficiencies, for three reasons (evident from the responses delineated throughout):

1. Clients of large companies multi-banked – some had as many as fifteen different banks, used for different financial strategies. Thus, risk and uncertainties associated with one banker were moderated by alternative bank facilities.
2. Company profits were high, which gave clients confidence that bankers would maintain relationships over the long term.
3. Clients of large corporations have financial capability. They were able to manage their own finances to resolve problems.

SME clients had the most varied experiences of skill and trust. Five non-Emirati clients and three Emirati clients claimed their bankers did not have the skill-set to provide good services and stated that their bankers were incompetent and incapable of advising them:

*My banker is not an expert (E 10).*

*I have to be cautious about acting on the advice of my banker because his opinion is doubtful and wrong. I feel he is not professional and doesn't have enough experience (NE 8).*

SMEs did not require credit services and therefore were not concerned about loans. Thus, dealing with one bank was sufficient, provided they were satisfied with existing services and the skills of their banker:

*As a relationship manager for a small enterprise, I don't need much credit service and therefore I don't need to worry about loans from banks. One bank is enough, especially if I am dealing with a professional banker who is helping you and provides the best service (E 4).*

#### ***Emirati banker/Emirati client***

For twenty-nine out of thirty-three Emirati bankers, however, banker competence was not cited as a key influence on trust because a professional skill-set was taken for granted as a necessary contributor. It was recognised that for trust to emerge it required willingness by the banker to deliver on promises. Skill, therefore, was considered a necessary (but not, in itself, a sufficient) contributor to trust:

*I build a trust relation with my client by making them feel that I understand their needs and I know what they are talking about, by giving them the feeling that I am professional in my work (E Q).*

Emirati bankers knew it was important to do their best for clients; one articulated this in saying,

*It's a natural thing. It comes from inside, that I expect my clients to know that I'll always do my best, that decisions I make are in the best interests of them (E W).*

This was clarified by another, contending that it was not sufficient to be warm and friendly to earn trust; such attributes had to be accompanied by competence (see appendix M1).

Twenty-four out of thirty-three Emirati clients felt that their Emirati bankers were qualified and experienced, providing expert advice on products and services. They were generally regarded as well trained; if they lacked a particular skill, they knew to direct clients to someone with appropriate expertise:

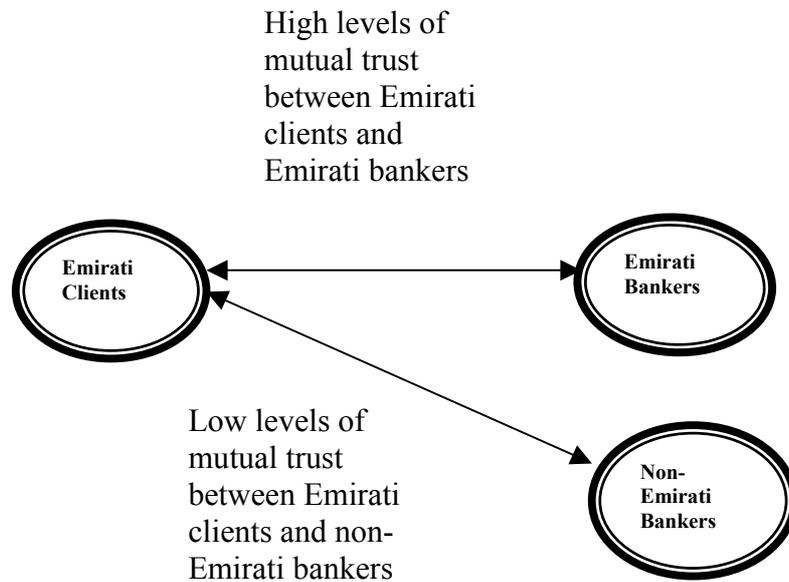
*In the UAE, we take care of each other; we are honest and professional and if my Emirati banker hasn't the required skills, he would tell me and advise me to deal with someone who has the required skills (E 10).*

Emirati clients appreciated the competence and professionalism of non-Emirati bankers; however, they preferred dealing with Emirati bankers. This shows that although a banker's skill was important to Emirati clients, they perceived that Emirati bankers provided higher credit facilities and better service than non-Emirati bankers. This may have been due to the

influence of *wasta*.

*As a relationship manager for a large industrial corporate, I consider my banker as one of the best bankers. I am saying this because my banker is qualified and has a good experience in this field. He provides me with expert advice on banking products and services. In UAE, I prefer to deal with Emirati bankers because they provide me with a good service and higher credit facilities than the ones given by non-Emirati banks (E 13).*

**Figure 6.2 Trust between Emirati clients, and Emirati and non-Emirati bankers**



Emirati bankers had specific skill-sets based on cultural similarity, enabling them to tailor services to Emirati clients. For this reason, the level of mutual trust between Emirati clients and Emirati bankers was high; however, the level of trust between Emirati clients and non-Emirati bankers was low (see figure 6.2).

*Non-Emirati bankers have their reputation for professionalism with quality, they are clever, and smart. Also, they got efficient training systems, and hand over their work efficiently; however, I prefer to deal with an Emirati banker, as they know our needs and customise their services to suit our needs (E 9).*

Thirty out of thirty-three Emirati bankers considered trust, in this area, to be the outcome of their traditional strengths in relationships combined with more recent upgrades to the product and service levels of non-Emirati banks, and their ability to satisfy sector-specific needs. Emirati banks had begun to hire professional bankers, training managers in specific

corporate skills, and they felt this enabled the provision of excellent service and advice:

*We naturally have the ability to service our clients with lots of different products, not only in the UAE but outside the country as well. Nowadays, we are hiring very professional relationship managers and training them to have the necessary skills to serve our clients by giving them their needs and advice (E G).*

Emirati bankers were felt to have the specific skill-sets required to address client needs quickly, because the decision had been taken to tailor all products to the Emirati market:

*We have the skills and knowledge of our clients. This is an Emirati market and it's a matter of survival for Emiratis (E J).*

*This is our market and it's a matter of survival for us. We know our clients and their needs and we tailor the products according to their needs (E S).*

#### ***Emirati clients/non-Emirati bankers***

Non-Emirati bankers felt their clients had high expectations of their competence. For example:

*We should be able to make decisions, be significant, and you should do all these sorts of things that the clients hope that the banker can do. We should have a certain amount of knowledge and understanding and skills that go with our work as relationship managers in the bank (NE N).*

Emirati clients trusted their bankers' competence and considered it important to the business relationship (see appendix M1):

*When my banker tells me to do something, I have some feeling that it will make a difference, which means that I trust the competency and professionalism of my banker (E 19).*

These clients appreciated the competence and professionalism of non-Emirati bankers, showing that skill is an important aspect of the banking relationship. On its own, however, skill was not considered a sufficient basis for trust:

*She's a clever lady; she is aware of everything. She goes deep to know and understand the problem and does her best to find solutions to problems that I face. When I call her, asking for advice, she advises me and guides me to do things that are good for my business. She is professional and she knows what she is doing (E 17).*

Forty-six out of fifty-eight Emirati clients preferred to deal with Emirati bankers, yet stated that non-Emirati bankers were professional, practical, more realistic and reliable. Eleven out of fifty-eight Emirati clients noted that non-Emirati bankers were careful planners, exact with details, kept to schedule and were well organised. Non-Emirati bankers were careful about what they promised and how they expressed themselves:

*Non-Emirati bankers and clients are professional, practical and don't put too much emphasis on the social relationships. However, our Emirati bankers are professional too, but they emphasise more the social relation. They budget more for this stuff, especially for important corporate clients (E 12).*

*Non-Emirati bankers have their reputation for professionalism with quality; they are clever, and smart. Also, they have got efficient training systems, and hand over their work efficiently (E 9).*

Thus, non-Emirati bankers were seen by some Emirati clients as flexible and fair in the sense that they shared responsibility and, if something went wrong, they took responsibility. It is important for bankers not to make too many demands in this context, however, as it could lead clients to lose trust in the relationship:

*Demanding difficult commands leads me to lose faith in my banker, and so the relationship will weaken (E 23).*

*Being more flexible if we need a few extra things, more money at the end of the month; it doesn't seem to be a problem with him because he understands the business (E 18).*

*If something goes wrong, and you start blaming and punishing, then this is very wrong. We have to accept that things go wrong and people are human. We should focus on how the problems are to be resolved (E 18).*

Forty-two out of forty-seven non-Emirati bankers believed that the UAE market was small; to maintain a presence each player had to be strong in their key market skill-set. They preferred to deal with clients of large corporations rather than with SMEs, who were perceived to have less financial knowledge and as unable to use the kinds of strategies that large corporate clients employed. They worked with some SMEs, whose managers were professional and able to minimise mistrust by adopting purchasing strategies that suited their market area:

*I like to deal with large companies rather than dealing with SMEs, but on*

*the other hand, I don't mind to deal with SMEs on condition that their managers are professional and able to minimise ... mistrust (NE E).*

*For small to medium-sized businesses, we offer a full range of commercial financial and lending services, to finance business, manage the cash flow. I have experience, I know him, I can give him a facility and pass the cheque for him, then he can come next day and pay it (NE I).*

### **Non-Emirati bankers/non-Emirati clients**

Non-Emirati clients emphasised that bankers had to be professional and they had high expectations that they would be. They wanted bankers to understand their requirements for banking services and be able to help, advise and take quick decisions when necessary. These clients wanted bankers with expertise and competence; good technical knowledge was expected. Clients wanted bankers to know about banking in detail, and to be able to answer their questions immediately. If things went wrong, they wanted them to have the skill-set to propose and implement solutions:

*I like my relationship manager to be professional. If he is professional and has skills, then I can trust him and would consider him as trustworthy person because he will do his best to help me (NE 3).*

Thirty-two out of forty-seven non-Emirati bankers described themselves as knowledgeable, competent, assertive, cooperative and accountable: they acknowledged the need to develop trust:

*I am assertive. I am a kind of person who has critical thinking and I don't wait for other people to get you the answers you need. That is what made me a successful person (NE R).*

*I have got a certain amount of knowledge and understanding and skills that go with my job (NE F).*

In conclusion, the clients developed relationships on the basis of trust, which was driven by the extent to which they trusted their bankers to make competent, skill-based decisions. Emirati bankers considered themselves to have specific skill-sets based on cultural similarity, which enabled them to tailor services to Emirati clients.

### **6.1.1.2 Knowledge**

Emirati clients wanted their bankers to have the following areas of competence: experience and knowledge of banking; understanding client needs and businesses; ability to provide

high quality services; and good presentation and performance skills:

*My banker is professional and competent; he has a lot of experience in the banking business. This gives me a feeling of confidence when dealing with him (E 2).*

The more a client encountered their banker, and the more information they accumulated about that banker, the more knowledge was gained about their particular services within the industry. Bankers and clients alike wanted technical competence as a necessary condition for the banking relationship. In addition to this, Emirati clients wanted to establish a personal relationship with their bankers:

*I have been dealing with my banker for a long time; we know each other – he knows everything about my business, even about my family. During this time, we maximised our profits and our relationship becomes stronger. This relationship is important to me (E 28).*

Forty-eight out of fifty-eight Emirati clients confirmed that knowledge of the person was important – and this is a pattern in the antecedents of trust. One Emirati banker (E U) in Abu Dhabi said, “*When I know that a client is very good at doing his job, I do my best to help him*”. The key role played by the banker was stressed by two clients, (E 18) and (NE 6), who stated that if the banker were to move, they would take their business to that other bank.

*He knows me very well and believes in me, being supportive in my financial needs; I will be happy to follow him instead of building up a new relationship with another bank manager (E 18: NE 6).*

Clients wanted knowledge about their bankers’ reputation and financial status in order to be able to deal with them without being worried about future outcomes:

*If the banker has done well and worked hard for his client, then he knows that he has created trust. Trust emerges from what you have done and how you have acted. My relationship with my banker is an old relationship ... My banking relationship manager knows everything about me and my small company and he knows my needs and obligations. I prefer to stay with ... this person who is giving me the best quality of service (NE 6).*

*To earn trust, it is not enough to be a friendly and polite person; one needs to have the professionalism and knowledge of the counterpart. This is what I want from my banker (E 15).*

### ***Emirati bankers/Emirati clients***

Emirati bankers aimed to influence the client's buying decisions (through earning their trust and confidence) and, by demonstrating an in-depth knowledge of the client's financial needs, the relationship manager established credibility.

*We offer our banking products through dedicated relationship managers who not only understand the requirements of the clients but also guide them from the banking perspective. Efficiency and accuracy are the hallmarks of our service. It is our dedication to efficiency and accuracy that allows us to stand out among the more than forty-seven banks in the country. We believe in being with our clients not just for one transaction but to build a long-lasting relationship with them (E L).*

Forty-seven out of fifty-eight Emirati clients emphasised the importance of perceiving their bankers as knowledgeable; they described this as involving familiarity with them as individuals. Demonstrating knowledge takes time and assumes close contact between the trustee and the trustor:

*My banker knows about my case; she puts me at ease since we have a long relationship (E 7).*

Emiratis seek to build personal relationships; technical knowledge is a necessary condition in this context, however, as clients need to establish that their banker is knowledgeable in the relevant business area.

### ***Non-Emirati bankers/non-Emirati clients***

All twenty-two non-Emirati clients declared trust in the productivity and performance of their counterparts, without expressing a need to know them personally; they were not concerned about forming social relationships in this context. They were only concerned about the partner's knowledge and performance:

*I don't mind the social part. I am very professional in my work, so I don't need a lot of interaction with my counterpart. It is hard for me when people want to talk to me about how things are going, and when they ask me about my family. I feel it is a waste of time because I am busy person and I want to finish my work (NE 23).*

Thirty-eight out of forty-seven non-Emirati bankers claimed that knowledge of the client and their reputation could bring about trust. Non-Emirati bankers dealt with all clients on the basis of good reputation:

*First of all, I need to know enough about the operating environment of the firms; for example, knowledge of their business, industry and market. So, the reputation of the client may bring trust (NE E).*

In conclusion, it was important for the banker to know both the client and their company's operating environment. This pattern is important for Emiratis because they want to build social relationships; technical skills are important, but establishing knowledge and generating a relationship are more important than they might be elsewhere.

### **6.1.1.3 Performance**

Cognitive trust in this context depended on the success of past interactions (track record, reliability and performance). Professional documentation and track record were important factors in the development of trust, whereas (because trust is built up gradually over time) reliability and performance required repeated exchanges:

*My track record is good, and I have no doubts about acting on his advice (E 6).*

*I am a relationship manager for a well-known, medium-sized enterprise and what is important to me is the technical ability that my counterpart should have and to show me a proven track record. These are important and essential to me (E 13).*

*As you get to know people, it gets easier; past experience is important (NE 13: NE Z).*

*I have a history of success records with my corporate clients. Through my experience, I found that the clients that I have the most success with are the people I get on well with because I think there is a personal side to dealing with people (E H).*

In terms of performance, clients agreed that availability of the banker was important, especially when problems were encountered, or in unforeseen emergencies when they needed their bankers to resolve issues or answer questions. One Emirati client said that he trusted his banker *because* he was available all the time. Thus, the ability of bankers to meet clients' performance expectations – in terms of reliability, dependability, prompt availability and service delivery – was seen as further serving to reduce costs and enhance banker–client relationships:

*I am here to help my counterparts and give them the necessary help and*

*support and necessary advice. I am available anytime to help them (NE H).*

*My banker listens to my problems and requests carefully, and I can call her any time and talk to her (NE 19).*

*Sure, I trust the relationship manager of my main bank because he is available all the time, and it is easy to contact him when I need to talk to him to ask him for a service or advice (E 28).*

### ***Emirati bankers/Emirati clients***

The data show that trust was built on strong relationships arising from good performance and successful business transactions: this included trouble-shooting and meeting financial requirements. Thus, to succeed here, it was important for bankers to understand client requirements:

*We have worked hard to build this trust and confidence and we have earned them after a good experience with my client. For example, I have not left a corporate client in trouble. Whatever he needs, if it is important for him, I will support him with his needs if I can (E H).*

*We have built this on strong relationships and we have earned them not in school but on successful cases (E K).*

Bankers with relevant experience provided clients with services promised, dealing promptly with business requirements. Their awareness of client needs helped them to ask the right questions and provide the right documentation:

*As a relationship manager of a small corporate, I judge bankers by their ability to help us solve our business problems. So, bankers should provide us with the necessary help and advice (E 12).*

Client feelings of confidence and comfort led to trust: such feelings were the outcome of successful business transactions. Clients wanted to have confidence in bankers' skills and knowledge to be able to help and advise them. When clients dealt with bankers whose reputation for such performance was good, they felt confidence about the outcome. Demonstrating performance competence takes time and pre-supposes close contact between the parties. Such contact increased understanding between the partners, at which point competence-based trust developed more easily:

*I feel very confident about the skills that my banker has (E 2).*

### ***Non-Emirati bankers/non-Emirati clients***

Non-Emirati bankers believed that building trust takes time; they felt the need to meet socially for trust to be established:

*Trust is built up with time ... for me, I can't trust anyone from the first time. You can't give anybody anything from the first time you meet him, not only the closest relatives, not only in banking. So, it is really time. It is important for me to meet my partner and know him (NE A).*

*I have been working in the UAE for over eighteen years. There are many Arab and Emirati clients who were hesitant to deal with me, but gradual dealing with me, they learned to be more open and communicate with me even though we were from different cultures. They trust us after their successful experience with us (NE D).*

All twenty-two non-Emirati clients believed trust to be the result of good performance. They tended to deal with bankers with whom they had worked well in the past and whom they knew to have a good track record.

*I trust my banker due to his performance, which is evident from the good track record. I have a good experience with him as I am maximising my profits. I have been dealing with him for eight years and I am happy with our relationship; he is aware of my needs and he is always available to help me and he has supported me in many cases (NE 7).*

#### **6.1.2 Reliability/dependability**

Reliability is defined as “the ability to perform the promised service dependably and accurately” (Parasuraman et al., 1988, p. 420) and is based on the extent to which the buyer believes the seller will fulfil their commitments (Ganesan, 1994). All respondents believed reliability to be important in building up trust. Dependability (Morgan and Hunt, 1994) is also important in this context: clients tended to use the term “depend”, while bankers referred to “relying” on people:

*The larger jobs go to people who have provided good service, who we do depend on, so a lot more money goes their way (NE 5).*

*It's important to me that people can depend on what I say (E Y).*

*I also expect my counterpart to be reliable and offer me a good service since I am looking for long-term gains and not short-term ones (E E).*

Reliability, or dependability, combines predictability with benevolence. In a situation of interdependence, the individual can be counted on to provide necessary input. Clients required a sense of confidence that their needs would be met for trust to develop; this was judged on reliability, which translated into how easily partners could predict the other's actions. To succeed at building trust, clients and bankers were aware of the importance of selecting the right people and that trust building requires cooperation (i.e., they must trust each other to act in a reliable fashion):

*My counterpart can be relied upon and he fulfils promises (E 22).*

*My counterpart's promises are reliable (NE 13).*

Trust influences the quality of such interactions but it should be noted that reliability over time is critical in information-based relationships such as banking. The patterns that emerged from the data are reliance/dependability, promise keeping and confidentiality (see appendix M2).

“Keeping promises” was another aspect of reliability in this context. Having formed a relationship, a net of mutual obligations and responsibilities was formed: “keeping promises”, or fulfilling commitments (predictability), demonstrated a partner's commitment to the relationship. Partners who could not rely on each other in this way were unlikely to develop trust. Both Emirati and non-Emirati respondents emphasised the importance of reliance upon the counterpart to keep promises – it is an important pattern in the antecedents of trust:

*My client is a person whom I can rely on and makes things happen by paying on time. He is a friendly and pleasant person whom you like to sit with for a long time and to have a relationship with him (E C).*

*One should never promise what he cannot deliver; I do not mislead my banker with false promises (NE 8).*

All clients were concerned with the reliability of the bank and the bank relationship manager. The important component of reliability here was “doing what was agreed on”:

*I relied on the verbal 'okay' from my banker (E 29).*

### ***Emirati clients/Emirati bankers***

Twenty leading Emirati banks launched innovative financial solutions for SMEs. The government established TANMIA and INTILAQA programmes – low-cost licensing systems for small businesses run from homes in Dubai.

*Our Emirati clients are relaxed and not worried; they rely on us especially as we are applying a credit limit and turnover cut-off for SME businesses, because we are aware of the complexity of their financial needs (E A).*

Moreover, Sheikh Khalifa heads a number of corporations and authorities formed to supervise this SME development process, including the Abu Dhabi Investment Authority. With all this support from a dependable source – the government – Emirati SME clients felt less worried by the challenges facing them:

*As a relationship manager of a small Emirati enterprise, I could say that we are different from the rest of the SMEs in other countries, especially after the issuance of the Council of Ministers' Resolution No. 259/1 for 2004 to support SME clients and to develop a proposal for establishing an SME council (E 31).*

A further example of positive experience and trust was given by an Emirati banker (E K), who claimed that he had one client who did not cooperate in matters of documentation. However, he always promised verbally to provide funds, or bring the invoice, or the cheque, and he never betrayed this trust. He was always on time, and if he was not able to deliver items on time, he always apologised and asked for an extension. Such a person, who could be depended upon to fulfil promises in this context, would be trusted.

#### ***Emirati clients/non-Emirati bankers***

Seventeen out of fifty-eight Emirati clients stated that non-Emirati bankers were generally reliable in fulfilling commitments, transparent in dealings and transactions, and careful to make accurate claims:

*My non-Emirati banker does things exactly as promised to me. He never lies (E 7).*

*The client has to fulfil his promises and the banker has to fulfil his promises, otherwise he will lose the client's trust. I build a trust relationship with my clients by committing myself to serve them (NE C).*

Emirati clients stated that reliance on the banker to keep to what was promised was an important factor in building up trust:

*My banker always fulfils her promises; I rely on her (E 19).*

Non-Emirati bankers considered that they offered reliable services, creating mutual trust. If a client called a banker asking for help, or for a certain service, the banker would bypass

formal procedures and give informal approval before the paperwork was completed. This could be done because it was based on experience and knowledge of the corporate client:

*I offer my clients a reliable service. That is when I deal with my clients in a trust relationship; I am not concerned in doing business with them just for the short term. We have been dealing with each other for a long time, and there is mutual trust. If my client called me over the phone to help in a certain service, I will not hesitate to give my client informal approval of actions even before formal paperwork was completed, based on experience and knowledge of a partner (NE K).*

### ***Non-Emirati bankers/non-Emirati clients***

Trust in partner reliability created a sense of confidence and comfort and reduced uncertainty. If bankers failed to complete actions as agreed (this applied equally to all business activities, from sending out a chequebook to providing finance), or promised actions that were consequently not approved, trust swiftly turned to mistrust. Bankers understood this danger and the importance of not promising things that could not be delivered:

*My client depends upon me as I usually facilitate things for them and make things happen; I don't put sticks in their road (NE G).*

Non-Emirati clients declared that building relationships with others required the partner to be reliable. For these clients, failure to keep to what was promised was a violation of trust, or a betrayal. "Doing what was said would be done" was important and led the partner to rely on their counterpart:

*I rely on verbal approval from my banker; she is a reliable person (NE 6).*

Non-Emirati SME clients saw switching costs as low; a large proportion had recently changed banks. A good relationship with the main bank was identified as important, but was insufficient to overcome the perceived risks of relying upon one bank. For this reason, and to lessen these concerns, many SME clients idealised trust and wanted bankers to be reliable and predictable:

*As a client for a medium enterprise, I look for a long time. For this reason, in my business relationship with my banker I am a reliable and honest person. Similarly, I expect from my banker to be reliable and to offer me support (NE 6).*

Thirty-six out of forty-seven non-Emirati bankers faced difficulties in lending to SME clients and so approached them somewhat differently, including the requirements for high levels of collateral, developing long-term relationships with clients, and pricing for risk. Thus, a close relationship between bankers and clients generated trust, which in turn provided the banker with a degree of confidence that the client would use the loan in the right way.

Clients, then, relied on the banker's honesty in terms of the quality of service and price. Emirati clients had good relations with their non-Emirati business partners, and non-Emirati cultures were not usually a barrier for Emiratis in developing a good relationship, although Emiratis must understand cultural and behavioural differences when it comes to interactions with non-Emirati counterparts.

### **6.1.3 Integrity**

The next dimension of cognitive trust – integrity – has strong ethical connotations. It is defined as a “belief that the other party makes good-faith agreements, tells the truth, acts ethically and fulfils promises” (McKnight et al., 2002, p. 234).

Sixty-eight out of eighty dyads referred to a common understanding of ethical attributes and behaviours rather than one single trait. Integrity referred to the extent to which the trustee was committed to such principles as honesty, fairness and “playing by the rules”. A banker with integrity would not reveal anything said in confidence. For example,

*Having a good character, courage, dependability, all these embody trust.*

*These traits show that the partner is trustworthy (E 27).*

*My partner is very honest; she loves people, she is considerate of others and respectful (NE 19).*

Trust requires the partner to have integrity, that is, the counterparts must reject cheating, abuse and opportunistic behaviour. Clients perceived evidence of integrity to be located in honesty and in their experience of being treated fairly. These were seen as meaningful predictors of future unselfish behaviour; thus, trust was likely to be built upon if integrity was present.

After the financial scandals of 2008/09, which may have further undermined clients' confidence in financial organisations' fairness and ethical credibility, many non-Emirati clients stopped dealing with their non-Emirati bankers. However, Emirati clients continued dealing with Emirati bankers as they were perceived to be reliable, honest, supportive and consistent in telling the truth and in their behaviour; even after the recent financial

troubles, they remained supportive:

*After what happened, I am not going to trust the integrity and reliability of my banker. He was not sincere and didn't help me to solve my financial problems. He didn't advise me on what to do (NE 28).*

*My banker is a person of integrity; he has ethics and he is consistent in his behaviour. He never promises things that he can't fulfil. And overall, he always tells the truth; he doesn't hide any piece of information. He is committed to doing a good job and even when this financial problem happened, he didn't leave me alone (E 13).*

Respondents gave examples of positive behaviours contributing to integrity, showing that integrity creates a significant pattern in the antecedents of trust. The pattern emerging from the data is as follows: consistency between words and actions, which includes honesty and frankness (see next section and appendix M3).

#### **6.1.3.1 Consistency between words and actions**

Consistency between responses and actions was seen as an essential element of trust. Although the respondents described the issue of consistency differently, the theme emerged from statements in the following ways: “action consistent with words”; “behaviours consistent with words”; and “consistent positive behaviour over time”.

*I trust my banker when he behaves consistently, such as telling the truth, and managing agreements (E 30).*

*It is costly to tell the truth, but I have always tried to conduct myself with high values, honesty and personal veracity (NE H).*

One hundred and ten out of one hundred and sixty respondents, both clients and bankers, built their reputation on the basis of consistency of behaviour. Both Emirati and non-Emirati respondents discussed the behaviour of their bankers and/or clients in terms of the correlation between words and actions:

*Bankers have to do what they say they are going to do. I will trust my banker if he is reliable, dependable and shows consistent behaviour when he deals with me (NE 27).*

*Integrity is the most important quality to me. My banker always keeps promises, which demonstrates commitment to the relationship. He never promises what he can't deliver (E I).*

*It's important to me that people can depend on what I say (NE P).*

### ***Emirati bankers/Emirati clients***

Consistency, fairness and giving reasons for actions were considered important in maintaining trust. Most interviewees commented that if they made a commitment they would always see it through. The trust that the client had in the banker was looked at closely, to see how the banker actually dealt with this particular issue:

*My clients will look at their trust in me by asking whether I have listened to them and to their requests, and whether I have done something about it (E W).*

Emirati clients claimed to have good relations with their bankers because they were consistent in their behaviour with them:

*Well, consistency in doing work and in relationships builds up trust (E 8).*

Emirati bankers believed that the quickest way to destroy trust was not to carry out or adhere consistently to agreements. One Emirati banker described carrying out promises or agreements as follows:

*An essential dimension of trust is being consistent, is acting on your words. Whether those words are pleasing or displeasing to the receiver, acting upon what you say (E A).*

Twenty-nine out of thirty-three Emirati bankers believed that consistency between words and actions in terms of confidentiality was a significant aspect of the trust relationship. When confidentiality was promised or assumed, it had particular importance for respondents because it involved a partner taking a risk (in offering confidential information). When Emirati bankers were asked about potential for breach of confidentiality, the majority denied that there was any mistrust. However, four Emirati bankers declared there was a lack of trust in a small percentage of cases; they had broken off contact with some clients because they felt they were trying to mislead them for their own advantage. The bankers felt there was a risk in dealing with them further.

*Being consistent creates trust, which means a responsibility of care for the partner and keeping the secrets of my client and to do what was agreed on between us (E K).*

*Sure, there was mistrust, but it is a small percentage. In general, ninety per cent. I was able to build up trust with my clients; ten per cent there was*

*mistrust. I can't give you an example because confidentiality is very important and it is one of the factors that builds up trust (E A).*

### ***Non-Emirati bankers/non-Emirati clients***

When one non-Emirati banker was asked to evaluate the level of trust in him held by his clients, in terms of consistency between words and actions, he stated:

*I would say that our level of trust with our clients is pretty good. The reason for that, we do what we say. If we say we are going to have it on the 12th, we have it on the 12th. If something would prevent that from happening, we warn them up front (NE P).*

Clients perceived that bankers have integrity and follow acceptable business practices. Being consistent enhanced the trust environment:

*For me, bankers should have clearly stated goals and intentions. Moreover, I would like to see these through to completion; this leads to trust (NE 16).*

Thirty-nine out of forty-seven non-Emirati bankers perceived that they were trusted because of their consistency in carrying out and completing promises or certain actions:

*I'm consistent, predictable, in some situations. So, it's the habit of your consistency and your valuing people (NE T).*

The bankers identified this consistency as being critical to the level of trust, as illustrated here:

*I'm consistent, almost predictable, in some situations. I'm certainly not predictable in others, in terms of years. I think that it's never the big things that you do that actually establishes and nurtures trust; it's the habit of your consistency and your valuing people (NE D).*

Integrity in terms of consistency between words and actions – what might also be termed “honesty”, “frankness” or “truthfulness” – showed up in interviews as one of the most important foundations of trust. Counterparts were judged on their honesty, and the outcome of that judgement determined the willingness to trust. A lack of honesty in transactions involves failing to fulfil obligations and distorting information with the intent to mislead a partner. In the financial services context, integrity is related to the intention to provide unbiased and complete information.

## **6.2 Affective themes**

The results of this research suggest that clients move through different phases of creating

trust: cognitive and affective. Affective trust is defined as “the confidence one places in a partner on the basis of feelings generated by the level of care and concern the partner demonstrates” (Rempel et al., 1985, p. 95). Affective-based trust is characterised by “feelings of security and perceived strength of the relationship” (Johnson and Grayson, 2005, p. 501; see also Rempel et al., 1985, p. 95).

In the UAE context, while reputation influences affective trust, it is generally more restricted to personal experiences with the main partner than cognitive trust. Affective trust is closely related to the perception that a partner’s actions are intrinsically motivated (Rempel et al., 1985). A simple example mentioned by a banker was the act of recommending to a first-time client a product that saved them transaction fees, demonstrating that they were concerned about the clients’ interests.

**Figure 6.3 Affective themes**

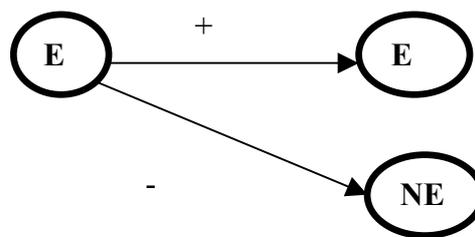


Figure 6.3 shows that affective themes were the most important antecedents of trust in this Arab/Muslim context. Hence, the level of mutual trust between Emiratis was high. However, the level of mutual trust between Emiratis and non-Emiratis was low.

In this section, the affective themes, and the patterns that underpin the themes, are presented as follows (see also appendices N1 and N2):

- Benevolence
- Openness of communication

### **6.2.1 Benevolence**

Mayer et al. (1995, p. 718) define benevolence as “the extent to which a trustee is believed to want to do good to the trustor”. Thus, it is important that each partner considers the other and acts accordingly; without this effort, trust may not be created.

All individuals have personal motives and intentions for engaging in a relationship. Respondents described benevolence as the intention to “do good”. The reciprocity of trust indicates that the extending of trust ensures that trust is returned in some form. In this research, benevolence involved the banker showing consideration and sensitivity to client

requirements, showing care, concern and empathy, and acting in a way that protected their interests and did not exploit them.

Benevolence is shown when the trustee takes into account the welfare of the trustor; it is the acceptance of the other as a person and is expressed in a variety of ways: listening, showing understanding, not being judgemental. Benevolence can also be expressed as support, and the willingness to help beyond the degree expected by the professional role. Behaviour perceived by respondents to be benevolent had the potential to build lasting trust:

*When my clients have confidence in me, there's got to be some type of level of trust; that they can actually trust me and that they're having personal issues, something beyond the job, that they feel that they can speak in confidence with me and they are confident that I am going to listen to them, advise them, help them, and still be the same way the next day. In general, this is how one can verify trust in people because if people change their attitudes at the time when you needed them, then they are not trustworthy (E J).*

This research indicates that benevolence is a significant factor in the trustworthiness of a banker. As appendix N1 shows, all respondents indicated that benevolence was an important factor in the trust relationship.

#### **6.2.1.1 Care and concern**

The bankers believed that clients trusted them to demonstrate their concern through hard work, loyalty and commitment; these factors helped them make financial gains. Such care and concern led bankers to be willing to understand the needs and expectations of clients, who then trusted them and acted accordingly. Thus, when a client experienced the care and empathy of their banker, trust could be built.

Clients and bankers shared beliefs regarding the specific terms of exchange when they agreed on their interpretation of the commitments each party made and accepted. They shared reciprocal commitments – the degree of agreement about reciprocal exchange – given that commitments or contributions made by one party obliged the other to provide an appropriate return.

All respondents felt that trust and care must be mutual. They defined trust as a “good relationship”, leading to cooperation resulting from the confidence they had in their partners. A key characteristic of trust here is that it was reciprocal:

*Reciprocal commitments are very important to create trust. Trust looks like*

*a marriage relationship where spouses hold each other accountable for each other's motives (E E).*

### ***Emirati bankers/Emirati clients***

Central to the trusting relationship was reciprocal altruism. Sixty-four out of sixty-six Emirati respondents claimed willingness to sacrifice for the other's welfare without waiting for reward. Emiratis were seen to be altruistic, to trust in others and to reciprocate the benevolence of others:

*My banker has made sacrifices for us; he cares for us, deals with us like a friend. He is always on our side and taking care of us (E 12).*

Emirati bankers believed that “caring” and “benevolence” were more important in building trust than “knowledge” or “competence”. Innate in the concept of benevolence was forgiveness and acceptance of mistakes:

*I am doing well in my business and this is due to the help and support I am getting from my banker. I like my banker; he takes care of me and of my business. This creates an open frame of negotiation rather than a biased one and makes me loyal to him. For this reason, my intention is to repeat dealing with him, and to do more business with him (E 11).*

*My banker always shows me a great care; he helps and supports me to be always satisfied and happy with the results. He even asks about my kids and how they are doing in school (E 27).*

*I think the trust factor is that you have to take care of your clients and to make them feel that you really care for them. I have many responsibilities towards my clients. That's an amazing responsibility, to let them trust me and to have confidence in me and that I really care for them and for their future. My single goal is to make sure that those clients are getting their needs and that they are happy and satisfied. That's all part of this trust issue (E P).*

Emirati bankers stated that they cared about client welfare – they considered it an important antecedent of interpersonal trust:

*We care for our relationship with our corporate clients to build up trust. So, we provide them with a good service to keep them satisfied and to comfort them to stay with us; the absence of suspicion regarding his motives or*

*practices (E G).*

### ***Emirati clients/non-Emirati bankers***

Emirati clients trusted non-Emirati bankers if they showed care and concern, were open, honest, transparent and aware of cultural sensitivities:

*My banker cares for me and he acts as I expect him to act (E 15).*

Bankers believed that trust should be mutual; they needed to establish good relationships with clients and reciprocal commitments:

*There should be a good relationship, or I can say a friendship with the partner to support each other and take care of one another. This thing will build up trust; it is important to have a good personal relationship with the counterpart (NE I).*

Emirati corporate clients dealt with non-Emirati bankers on the basis that they were competent and professional. When they dealt with Emirati bankers, they dealt with them on the basis of affective feeling. Non-Emirati bankers, however, worked on the basis of calculations and followed rules and regulations, not feelings.

*We are a well-known governmental corporate and every banker would like to deal with us. We are dealing with ten Emirati bankers and two non-Emirati bankers; we don't deal with our non-Emirati bankers on the basis of emotions and feelings and they deal with us on the basis of documentations and following rules. It is a calculative relationship (E 25).*

Respondents had personal motives and intentions for engaging in a relationship, leading to enthusiasm and hard work. They saw benevolence as an important factor leading to trust:

*It is a two-way street. I take care of my clients by helping them and they show care by being honest and not exploiting this relation for their own benefits (NE L).*

*It is nice to have a feeling of care. When you feel that someone cares for you and will do his best to satisfy your needs and support you, then you trust him (E 18).*

### ***Non-Emirati clients/non-Emirati bankers***

Nine out of fifteen non-Emirati respondents from large corporate companies perceived that bankers had responsibilities towards them but overestimated the extent of risk:

*My relationship with my bankers is not based on emotions and I don't ask them to take care of me. We are big enough and we are dealing with 12 non-Emirati bankers and 8 Emirati bankers. So, our decisions are not based on feelings, they are based on reciprocal commitments and what benefits we could get from each other (NE 16).*

All seven non-Emirati respondents from SMEs did not have an expectation of trust behaviour from their bankers, nor of benevolence, nor of decisions taken on the basis of affective feeling:

*Recently, there have been a couple of times when he has left me feeling very exposed and I feel that to be very disconcerting. It caused me to be much more cautious. I am less likely to count on him that I used to be (NE 19).*

*I care for maximising our profits and I trust only documentation. I have no time for socialising and talking about emotions (NE T)*

#### **6.2.1.2 Empathy**

Another sign of an existing willingness to cooperate was empathy. Being empathetic meant that bankers gave clients individual care and attention, operated at convenient hours, showed personal attention and interest, understood clients' specific needs and tailored services or products accordingly. The ability to be responsive to client requirements was a result of empathy and went beyond a sense of responsibility.

Empathy requires that the banker should see things from the client's perspective. Empathetic bankers strove to please their clients and felt a sense of blame for failure to meet expectations. They worked hard to improve and customise services and products as required. As such, empathy is a particularly important antecedent of trust in risky decision-making processes; here it means full appreciation of, or sensitivity to, another's feelings or motives.

#### ***Emirati bankers/Emirati clients***

Emirati bankers and clients noted that empathy flows from understanding another's concerns. This required learning about the concerns and situation of the client through conversation.

*In order to show my client that I am interested in his case, I have to put myself in his place and to think that it is my problem when I listen to his business concerns, and do my best to help him (E J).*

*My banker would not mind to sit with me to discuss and understand my problem; he doesn't leave me alone; he cares for me in all the situations when I am gaining profits; he is happy for me and when I have problems he sympathises with me and supports me (E 17).*

Clients wished to have confidence that requests would be dealt with immediately: for example, provision of feedback within an hour for missing payments and resolution within the same day. Responsiveness was closely linked to empathy:

*They make me feel very relaxed and comfortable. They answer all my questions. If there is something wrong, they don't hide it. They would tell me (E 12).*

*We are a big company and the banks that we deal with are happy with us. We are happy because our banker is providing us with the best service. He responds to our requests immediately. I trust my banker because he makes me feel comfortable. He answers all my questions, and if there is something seriously wrong, he does not hide it from me. There is confidence and satisfaction in our relationship (E 1).*

*My banker tailors his products and services to suit my needs and to satisfy me. He cares for me and wants to see me always happy; he is responsive and empathetic (E 29).*

Emirati bankers expressed care that the client relationship should be built on feelings of security and satisfaction. When clients felt bankers were concerned about satisfying requirements, they felt comfortable; this helped to build a strong relationship.

*We care for our relationship with our corporate clients to build up trust. So, we provide them a good service to keep them satisfied and to comfort them to stay with us (E J).*

*My counterpart is supportive, helpful and always gives me advice (E 17).*

*My counterpart recognised my feelings of frustration or happiness and could tell if I am happy or frustrated (E Q).*

### ***Emirati clients/non-Emirati bankers***

For Emirati clients, empathy was a seminal component of benevolence. It was important to them to feel that bankers would do their best and that they would be warm, polite and friendly:

*My manager is polite and down to earth; he is always willing to listen and can answer me properly (E 21).*

Non-Emirati bankers placed less emphasis on empathy towards clients, but cared for clients and supported them on a reciprocal basis. This was noted by some clients, who felt that the majority of non-Emirati bankers were not empathetic:

*He was making things difficult for her (E 30).*

*I think I am doing a good job. I have good relationship with my clients and this is important to me. I have commitment and responsibilities towards my clients (NE T).*

### **6.2.2 Openness of communication**

Openness of communication is another affective pattern that emerged during analysis of the interviews, coupled with the perception of care and sincerity. There was a direct link to trust in many of the responses, which has been categorised here as openness in communication. Note that the two constructs, communication/openness, appeared to go together in the responses (appendix N2):

*In the beginning of the relationship, I understand that the key to success and to building up a trust relationship is communication and openness. To me it is a normal part of business (E P).*

*Always try to be open when communicating with your counterpart. It may seem silly to you but if you share information, it only takes twenty minutes, and it makes a big step to build that trust relationship because you're sharing that information (NE 22).*

Bankers and clients discussed trust extensively in terms of being open and transparent; as a means of maintaining trust, this was seen as critical, so that clients knew what was going on and there were felt to be no hidden agendas. All respondents highlighted the importance of sharing accurate, reliable and unbiased information: provision of this information was deemed to encourage easy interpretation of the exchange partner's behaviour, enhancing the prediction of future intentions:

*If they do not believe what I'm telling them, then I don't expect them to work a little harder or to do good work, unless they understand and trust that the things that we're talking about are in fact true (NE P).*

*Frankness in communication makes me trust my client (E J).*

Open communication is the sharing of important information in a straightforward and appropriate manner through easily accessible channels. One non-Emirati banker (NE G) did not personally know the client (NE 11) of the large corporation he worked with, but the fact that the client did not “seem to be hiding anything” contributed to her forming a positive and trusting view of them. Bankers and clients were most likely to be trusted when taking a caring approach – transparency was seen as an important part of this:

*It helps create trust and it helps ensure that the counterpart knows exactly where he stands. Without transparency, you don't trust your counterpart; he will not trust you (E Y).*

*I communicate with my banker and we openly express our differences and our feelings of encouragement or disappointment regarding the service (NE 9).*

*I usually supply my client with accurate information (NE G).*

Clients claimed that face-to-face interaction with bankers made them feel sufficiently at ease to ask questions openly. In other words, transparency and openness in communication fostered the relationship between the counterparts, and made them comfortable working together; thus, they felt able to face any problems together.

#### **6.2.2.1 Face-to-face communication**

Face-to-face (direct) communication was seen by most as a critical element of effective communication, especially in the early stages. Bankers often visited clients at their companies and sometimes had to ask for sensitive financial data, in addition to formal documents.

As several bankers intimated, clients needed to trust their bankers before they would provide this data; bankers had to promise confidentiality. Thus, the bankers needed to work closely with their clients, continuously analysing and judging client ability and integrity. While judgement on financial and other resources is fairly objective, assessment on management capability and integrity is largely subjective:

*If there isn't sufficient face-to-face interaction, then things are not going to go on very smoothly (E 2).*

*Face-to-face meetings are very important, especially at the beginning of the interaction; eye contact means you can build up understanding and a relationship (NE 19).*

### ***Emirati bankers/Emirati clients***

Bankers and clients noted the vital importance of open and transparent communication – it is a trust antecedent. Communication refers here to a two-way information flow that means not only keeping the counterpart informed of developments but also providing opportunities for the contribution of ideas. If the bankers were confident about information, they made it available to clients:

*I like to be clear in my dealing with my clients. I usually put my cards on the table, and I hope that my clients do that in return (E F).*

*The biggest thing is communication; it is a very important. So, if you don't communicate with your banker then I think everything fails (E 19).*

This openness was necessary for clients to be able to rationalise the decision-making processes and outcomes. When this open communication process existed, the counterparts were comfortable working together:

*I think it is important when you communicate with your counterpart to have transparency, openness and honesty in the dealings. I think you have to be honest about what you want and where you are going and what you want to get out of it, and I think it's very important to have a clear and transparent sharing of information, and aims and goals (E U).*

Twenty-nine out of thirty-three Emirati bankers hoped their clients would feel that they could discuss anything with them. They saw courteous communication as vital in a trusting relationship and in articulating goals and intentions. One Emirati banker (E A) linked trust and communication by stating,

*When things happen, that you can see there's a fault; all of a sudden there's a breakdown in communication. To me a breakdown in communication is a breakdown of trust. Communication and trust go hand in hand. Without a doubt (E A).*

A banker who was honest, straightforward and kept in regular contact increased the likelihood of being trusted by the client: trust made communication easier and more effective. That is, clients tended to be more open with their bankers if trust was present:

*Communication leads to liking and to having a friendship relationship; it's all a big circle. I suppose it has got to start with communication first because without communication, well, no one meets anyone. There's got to be some sort of communication first for the trusting relationship to happen*

*and the friendship thing to happen (E 3: E K).*

Bankers and clients stressed the importance of having an open mode of communication and clients trusted bankers to communicate with them appropriately in all meetings. Clients needed to be able to trust that communication and interactions would be respectful, dignified and courteous:

*I'm sure that my client knows that I would always treat him positively and with respect and if he has any issues he would like to discuss with me, it will always be discussed in private (E H).*

*Communication is the key. I always look at ways to improve communication (E R).*

Fifty-two out of fifty-eight Emirati clients declared that their open communication with Emirati bankers was effective and fostered their trust relationship; they mentioned a sense of being “heard” and understood. They assessed this in terms of personal issues of “feelings” and “impressions” and felt it was important to have the opportunity to ask questions and express concerns:

*I like my banker and I feel comfortable to communicate with him (E 1).*

*I am worried about my financial situation. So, I talked to my non-Emirati banker about it; he didn't care or show any interest to listen to my worries.*

*I think bankers irrespective of whether he is local or non-Emirati must listen to our problems and try to solve them (E 23).*

Emirati clients acknowledged a high level of face-to-face interaction with bankers, whether Emirati or non-Emirati. Bankers made them feel at ease by answering their questions fully; they believed that bankers worked on the basis of full disclosure when problems arose:

*They treat me nicely. They just asked me what happened and I tell them, and if I am stressed, they try to calm me down (E 16).*

*I can call her now and talk to her; she listens to me, and that is the reason I like her. It is very important that my counterpart is listening to me (E 7).*

In general, communication was found to be a critical antecedent of interpersonal trust, especially at the early interaction stage of the relationship:

*It was sort of slow and not working that well because we weren't having the face-to-face, heart-to-heart discussions (E X).*

*I think one of the key issues is to communicate with my counterpart clearly.*

*I don't think about what I am going to get out of this relationship. I just think to solve any problem that I might face (E 20).*

Clients valued banker accessibility and availability, which were seen by clients as important variables. When clients felt their bankers were physically accessible, they were likely to see them as emotionally accessible, which in turn indicated this as an important component of trust because it communicated a banker's interest and concern.

Finally, respondents felt that transparency of communication was critical; this meant that there should be no secrets and no hidden agendas. For these respondents, transparency helped to create trust and ensured that the counterpart knew exactly where they stood. One Emirati client considered "transparency" to be the same as a "proof" of trust.

### ***Emirati clients/non-Emirati bankers***

Twenty out of fifty-eight Emirati clients said that most non-Emirati bankers were willing to share information:

*He talked to me and explained what he would be able to do to help and support me (E 30).*

*Trust means confidence. Trust is the absence of feeling worried; it is the absence of suspicion. It is the feeling that I like the person I am dealing with. If I like my counterpart, and he likes me, then my counterpart may think that he can trust me in whatever he tells me because we like each other (NE S).*

However, thirty-six out of fifty-eight Emirati clients stated that communication with non-Emirati bankers was sometimes ineffective. There were several barriers to good client–banker communication in which a friendly discussion might be held, including how they were greeted, poor attention and eye contact, interrupted meetings, lack of privacy, lack of encouragement to ask questions and paucity of information exchange.

Emirati clients expected to be welcomed cheerfully, with some introductory talk, but this was not always done by the majority of non-Emirati bankers. Moreover, they said that most non-Emirati bankers rarely paid attention to, or looked at them, during meetings: they were taking notes and doing calculations on their laptops. They said that use of laptops during meetings consumed time at the expense of direct banker–client interaction:

*The whole meeting time is not for us because most bankers are busy doing calculations (E 15).*

*Yes, bankers greet us, only hello. They are not warm and not relaxed (E 9).*

*I expect to meet a kind banker who greets with a smile, asking me about my needs or if I have any problems. This encourages me to express my concerns (E 22).*

The client considered the banker to be accessible if they were available in a timely manner and easy to contact. Bankers claimed to be accessible to clients and acknowledged that clients must be able to contact them by phone. However, thirty-four out of fifty-eight Emirati clients claimed that their non-Emirati bankers did not encourage them to ask questions during meetings, which made the meetings more banker-centred and less friendly.

*My Emirati banker is always there for me, so if I need to talk to my banker and ask him for advice or help, I could call him at any time. He gave me all his numbers. However, my non-Emirati banker is always busy and doesn't answer all my questions. I feel neglected, and he doesn't pay me any attention during our regular meetings (E 17).*

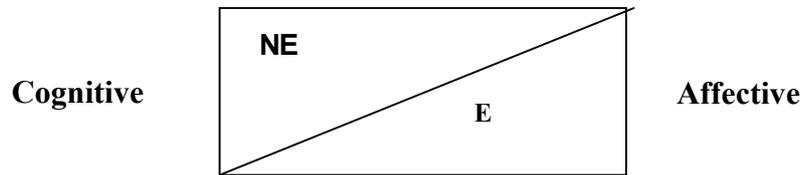
In conclusion, affective themes emerge from the data as important antecedents of trust, the most significant of which are benevolence and openness of communication. Benevolence was defined in terms of the degree to which a corporate manager was concerned with the clients' interests. Trust emerged when the banker showed care, concern and empathy towards the needs of the clients. For the clients, it was important to be able to trust the banker to act favourably towards them, and not in their own interests. Empathy was considered a vital element of benevolence, which ought to be reflected in the suitability of the services offered and the customising of products to suit client requirements.

The data show that the presence of all the antecedents creates a necessary foundation for the emergence of trust. Trustworthiness is, in essence, accumulated positive experience that leads to trust. Quotations presented in appendix N demonstrate that bankers and clients from different regions are sometimes looking for different things. For instance, Emirati bankers/clients ranked affective themes as most salient (see chapter 7 on the effect of Emirati culture), whereas non-Emiratis tended to position cognitive themes as most salient. Non-Emiratis valued professionalism highly; if they made a mistake, nobody would support them. Emiratis have significant, in-built business advantages in terms of conducting business in the UAE (see figure 6.4).

This chapter has also addressed antecedents of cognitive trust – an important theme. The three sub-themes emerging from the data are competence, reliability and integrity. The data show that the presence of all three cognitive antecedents creates a necessary basis for

the emergence of trust. The antecedents of trust derived from the literature have been independently confirmed from the analysis of the data.

**Figure 6.4 Trust for Emiratis and non-Emiratis (bankers/clients)**



For all interviewees, the following themes were important: competence, integrity, reliability and professionalism. However, the Emiratis always favoured transactions with an Emirati counterpart. The Emirati respondents appreciated non-Emiratis and were aware of their competence and trustworthiness, but affective antecedents of trust were more important for Emiratis, who not only wanted technical skills but also relationship building.

All clients considered bankers to be competent, which was established by their focus on good work, delivered on time. Clients wanted their bankers to evolve and improve the banking procedures provided, especially with regard to technological developments. They also expected their bankers to advise them on ways of improving their own financial systems, procedures and structures.

Good performance evidenced by successful experience was important for both Emiratis and non-Emiratis. All corporate clients declared that they had good relationships with their bankers; SMEs, however, claimed their bankers were inconsistent in the working relationship. Bankers tended not to trust SMEs because they did not have the financial power of larger company clients; this tended to be reflected in clients who were less successful. Thus, bankers seemed reluctant to deal with SMEs and preferred working with large corporates, to the extent that they expressed concern that SMEs might mislead them.

Consistent behaviour over time contributes to trust because it increases the predictability of future behaviour – reducing uncertainty and risk. All respondents appreciated the value of personal interaction over the long term.

## CHAPTER 7: RESULTS – EMIRATI CULTURE

This research indicates that Emirati culture plays a significant role as an antecedent of trust between bankers and clients in the corporate banking industry in the UAE. All antecedents of trust are contextually determined by culture and may be seen as important to every Arab country, or indeed to any country with a high-context culture (Hofstede, 1998). This finding is one of the contributions to knowledge of the present work: the discovery of the fundamental importance of context specificity on trust building.

This chapter analyses the antecedents of Emirati culture and the effect of these antecedents on the business behaviours of bankers and clients.

### **7.1 Business behaviour**

People's behaviour is a reflection of values and priorities. Almaney (1981) finds that Bedouin traits exert influence on the behaviour of all Emiratis irrespective of education level, economic status, political philosophy or religion. The way people think and understand the world determines how they act because there are assumed truths on which they base decisions. If they believe that people are, in general, moral, and do not seek to mislead others, they are more likely to demonstrate trust behaviour.

Emirati bankers reported that they adhered to values and rules that told them what was right and wrong, what they should and should not do, and what was more and less important; hence, they were concerned about how they behaved in relationships. Emirati bankers and clients tended to have the same goals – primarily supporting the economic wellbeing of the UAE. This made it easier for them to trust each other and, as a result, to help each other.

The study of business behaviour is concerned with how individuals make decisions. Each client or banker possesses a unique combination of mental and emotional characteristics. The influence of culture on Emirati behaviour and beliefs with regard to the antecedents of trust in business relationships cannot be ignored, however. Religion has a strong effect on the behaviour of Emirati bankers and clients because it is seen as a guide for all social behaviour. Emiratis stress competence and trustworthiness from a religious point of view because it is mentioned in the Qur'an. Despite the fact that it goes against the teachings of Islam, however, *wasta* (see chapter 3, section 3.3.3.3) is widespread in the UAE, so it is clear that different aspects of culture may drive contradictory preferences.

Social class is influenced by factors like education, occupation, property ownership and income. Social classes are of particular interest to marketers and researchers because this factor contributes to the shaping of purchasing behaviour. Emiratis and non-Emiratis of similar social class can, then, understand each other's behaviour and use their experience to judge whether the other will be trustworthy. The Emirati clients and bankers in this study had common experiences from working together on the same projects, for example, or from having been to the same university, even if at different times:

*We have been working together for a long time. We are educated, graduated from the same university and we could understand each other better (E 19).*

It appears that non-Emirati and Emirati relationship managers build on the behavioural component of trust through different means. For the non-Emirati respondents, tangible economic benefits were a significant source of trust, indicating a calculative approach. Non-Emiratis were generally considered by the Emiratis to be "strict" and "exact" over formal details. Non-Emirati clients and bankers were used to a "harder" business culture, which can result in difficulties in penetrating this market. This is not related to basic communication difficulties (language barriers) as much as it is to problems understanding the business culture and the modes of cooperation. Emiratis may be expected to adapt to the more formal way of doing business:

*It takes time for Emirati partners to build a trust relationship, especially with non-Emiratis. However, when dealing with non-Emirati agents, building the relationship takes less time to cultivate trust; they depend on documentations. For us, as non-Emiratis, we care about calculations, money. Documents are the most important thing; we are very strict in this respect (NE 12).*

*I think personal relationships are less important for non-Emiratis. As long as they have the right numbers, that's all they care about (E 22).*

*In our relationships with our bankers, we are flexible and tolerant. If you are not tolerant towards differences, if you don't accept others as you accept yourself, there is no space for mutual trust (E 17).*

Non-Emirati clients were often inflexible in meeting bankers' requirements, preferring their own way of doing business. Hence, when non-Emiratis deal with Emiratis, they have to be aware of the fact that differences exist between the cultures. Negotiations in the UAE demand a degree of sensitivity and knowledge about the culture: for example, Emirati

people seldom say “no” directly, but prefer to say “yes” or “maybe”.

The following section analyses the themes of Emirati culture that have an effect on the behaviour of banker–client relationships of trust.

## **7.2 Emirati culture and shared values**

Emirati culture and shared values have a significant influence on the antecedents of trust in an Arab/Muslim context. The shared values that underpin the antecedents of trust are patriotism and tribalism, within which patterns of kinship, altruism and *wasta* are discernable.

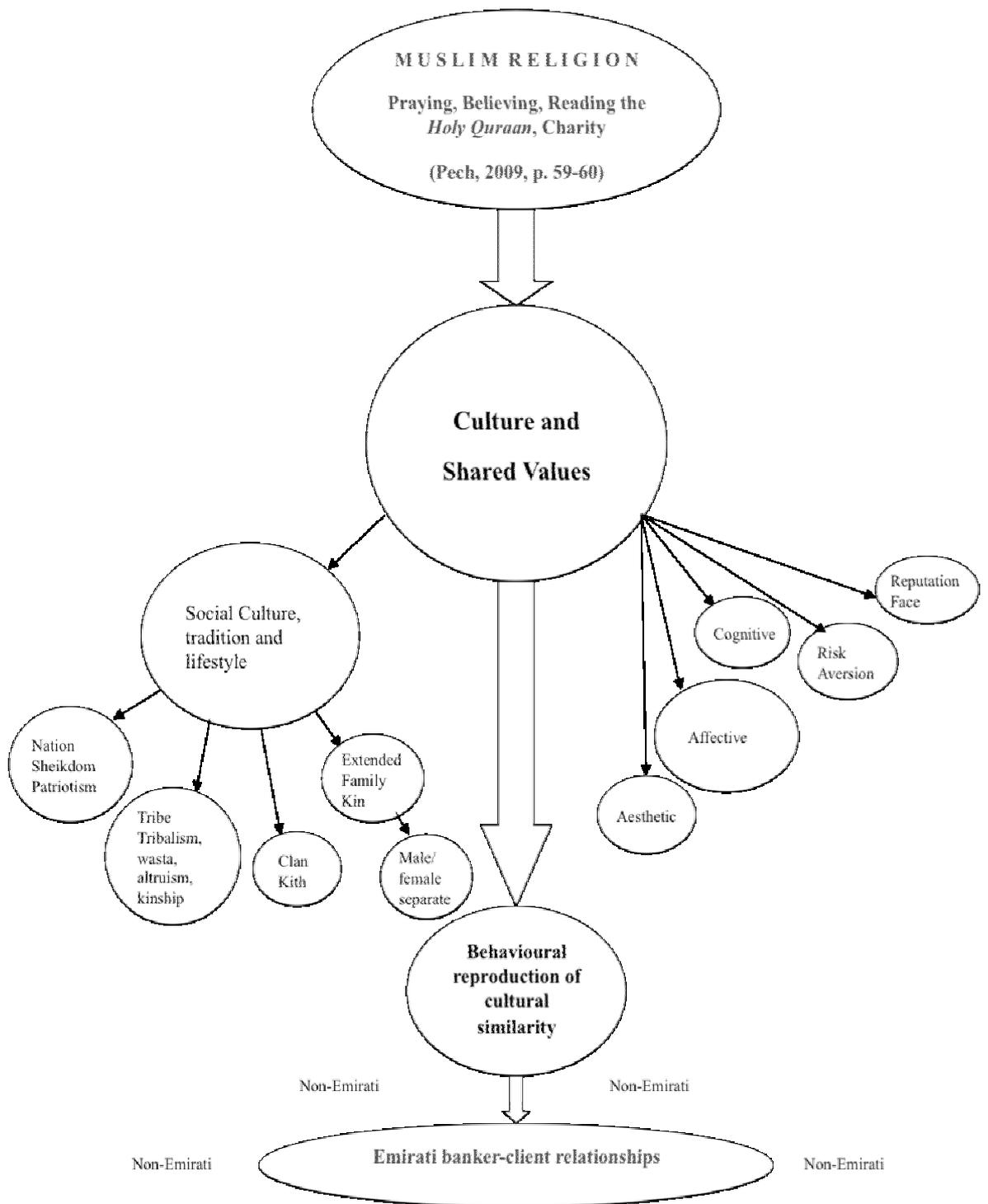
Figure 7.1 is drawn from the findings of this research and shows that culture and shared values control the antecedents of trust for Emiratis. They permeate political, social and business relations. The social constitution of the nation, tribe, clan and family generates cultural similarity and the reproduction of cultural similarity, which in turn has an impact on business behaviour. Therefore, culture and shared values are of fundamental importance in the antecedents of trust and in trust building in business relationships.

### **7.2.1 Patriotism**

The most important cultural antecedent of trust in the UAE is patriotism. Several interesting issues with regard to trust emerged from the data on this. Emirati respondents expressed loyalty and deep love both for their country and for the royal family that heads the government, which was said to support the projects of Emirati clients and bankers. The majority of Emirati respondents said something along these lines: “*One of the reasons that they would still continue to deal with the Emirati bank is to support the Emirati economy*” (E 18). The Emiratis saw patriotism as an important indication of cohesion and solidarity:

*I am proud that I am Emirati; I love my country and its rulers. I am sure that our unity and love of our country has made UAE a strong country (E 18).*

*We love our country and we feel that we have obligations and responsibilities towards our country (E U).*



**Figure 7.1 Conceptual model: Emirati religion, culture and shared values**

***Emirati banker/Emirati client***

The interviewees’ statements highlighted trust as grounded in reverence for the royal family and loyalty to the government, especially to the late Sheikh Zayed bin Sultan Al Nahyan and the late Sheikh Rashid bin Saeed Al Maktoum, who formed a federation among the Trucial sheikhdoms. UAE government holdings are also a significant driver of UAE client–banker behaviour; the majority of respondents considered this the most

influential factor in their investment decisions.

Reverence for the royal family is deeply embedded in UAE culture; the Emirati political system is a combination of the traditional and the modern – the ruler of an Emirate, the Sheikh, is the leader of the most powerful tribe in a given area. For Emiratis, loyalty is something they uphold as a core value. They adhere to their leaders and have been known to bind themselves to a course of action to accomplish something they believe was given by God. The typical response of an Emirati to disloyalty is to leave the relationship and not trust the other again unless loyalty or trustworthiness is guaranteed in some manner. This was shown in the following responses, for example:

*As a relationship manager for a large Emirati corporate, I prefer to deal with an Emirati bank. The Emirati bank is supported by the government, and the central bank provides Emirati banks with greater advantages regarding their services, which are offered to the public. I want my country to develop and progress and I will do my best to support my country (E 10).*

*I love my country the same as I would love my family members. I am loyal and would die for the sake of my country (E P).*

*I am loyal to my country. I will do my utmost to support the UAE (E W).*

The Emiratis described their patriotism and willingness to sacrifice for the sake of their country (see table 7.1, below). They expressed love for their country and a strong attachment to members of their own group. In this sense, patriotism expresses an attachment to the nation as a particular value that the Emiratis ranked as a priority, which in turn motivated the defence of values or policies viewed as contributing to the country, even when the country did not support them. Patriotism not only refers to loyalty towards the country, but also to a complex form of devotion to the country and its leaders. Accordingly, patriotism for Emiratis was seen here as a fundamental element of individual and group life, and as such it fulfilled a basic need – similar to the need for security.

*When I deal with Emirati bankers, I feel safe and secure, and if I need any help, I would go and speak with the Sheikh and ask for help or advice (E 2).*

*We have the same blood that flows in our veins. This strong bond leads to better understanding of each other (E 23).*

*I love my country. I love everything in my country, even the sands of the desert, and I will do my best to participate in the progress of my country. For this reason, I prefer to deal with Emirati people from my country (E*

30).

All thirty-three Emirati dyads (66 respondents) had the same goals, which made it easier for them to trust each other and, thus, to offer and accept mutual help and support. Emiratis tended to be more affective and less calculative than non-Emiratis, offering help without expectation of return and working for the benefit of all:

*Because I love my country, which is represented by the royal family, I have supported many projects in the country. I supported not only large national corporate clients, but also small and medium corporate clients because both are working to towards one goal, which is to raise the income of the country (E J).*

*Giving help unconditionally, no one calculates. Everybody keeps forging ahead for one's own future and bliss (E 8).*

*Everyone intends to help others; everyone comes here for this (E E).*

*I am proud to be Emirati. I like my country and my main goal is to maximise our profits to support the economy of the country (E A).*

Emirati clients believed that Emirati banks had increased relationship-specific training for their Emirati staff in both Emirati and non-Emirati banks, especially after the decision to “Emiritise” all governmental and private sectors jobs (see chapter 2, section 2.7).

**Table 7.1 Themes for UAE culture – patriotism (Emiratis)**

Code/concept	Data segments
National pride Deep reverence for the royal family Affective attachment to the in-group Love of country Attachment to national values Obligations to the royal family or government	<p><b>Emirati bankers</b></p> <p><i>“We are brothers in Islam and the blood in our veins is the same blood, so we should defend each other and help our Emirati clients” (E S)</i></p> <p><i>“I will do my best to support my country with money, even my soul. I will sacrifice it for the sake of my leaders and country” (E E)</i></p> <p><i>“Maximise profits and support the national economy are my main goals” (E A)</i></p> <p><i>“I am a banker in a large bank and I don't hesitate to help any Emirati client. I have done this with E 5 and E</i></p>

Code/concept	Data segments
<p>Adherence to the leaders</p> <p>Sincerity</p> <p>Brothers in Islam and in blood</p> <p>Clan loyalty</p> <p>Altruism</p> <p>Self-sacrifice</p> <p>Supporting the national economy</p> <p>Preferring to deal with Emiratis</p> <p>Reputation – based on tribal origin and Sheiks</p> <p>Non-calculative</p>	<p>22” (E O)</p> <p><i>“I consider the government and the royal family as my parents – they like us, they support us and I am ready to sacrifice my life and my kids for the sake of my country. For this reason, I give Emiratis all the help and support”</i></p> <p>(E Q)</p> <p><b><i>Emirati clients</i></b></p> <p><i>“I am attached to my country and I like to deal with Emiratis so that our efforts and work will go to our country”</i> (E 22)</p> <p><i>“I trust my government, its decision makers. I am ready to do anything to support my country. Whatever the government needs, I will give”</i> (E 2)</p> <p><i>“If my leader asks me to give him ... my son ... I am happy to do that”</i> (E 25)</p> <p><i>I trust my government, my decision makers, I am ready to support and defend the Emirates with my blood</i> (E 16)</p> <p><i>“We prefer to deal with national banks rather than foreign banks, as there is a common goal between us, which is supporting the economy of the country”</i> (E 1)</p> <p><i>“The leaders of our country support all Emiratis”</i> (E 19)</p> <p><i>“I am ready to make any sacrifice for my government. I am a rich man and I have supported the government on many occasions”</i> (E 25)</p>

***Non-Emirati banker/non-Emirati client***

Non-Emiratis appeared to take a calculative attitude to business. They might love the UAE, or have loyalty to their own country and not to the country where they are working, and they might speak Arabic, but they might also feel no particular responsibility towards the UAE government, which, after all, does not support them. Non-Emirati bankers dealt with

their counterparts on the basis of documentation, contractual agreements, formal procedures and routine practices:

*I like the UAE, but I am not willing to sacrifice with my position for its sake and to maximise the profits of the country. My goal is to maximise our profits and to be promoted. I am a realistic person, I am not from this country and I am here for a short time. We are doing well but according to regulations (NE 17).*

*I value the loyalty of the Emirati people to each other, but I am not Emirati, so I am not willing to minimise my profits to help them. I feel relaxed that I don't have any obligations to break the rules to support the Emirati people. I follow only rules. So, if they are not happy with us, they could leave us (NE T).*

Non-Emiratis did not need to know their Emirati counterpart's reputation before entering into a contract – the legal system protects them against material loss:

*I don't care whether my clients are loyal or not. I care to pay what they have to pay and do their part (NE U).*

Typically, non-Emirati bankers and clients had little affective feeling for the culture, which was then operationalised as business behaviour. Their responses tended to be cognitive, calculative and aimed at maximising profit. Forty out of the forty-two non-Emirati respondents tended not to show any special appreciation for the internal culture of the UAE. Emiratis claimed that they did not blame non-Emiratis for this, because they would behave in the same way when doing business in London, New York or Paris (for more examples, see table 7.2, below):

*If I were in their place, I would do the same. For instance, I have business in London, but I do not behave like the British people who are used to their culture. I am an Emirati; I respect other cultures. The British people in UAE show little appreciation of the culture, which is normal since they are not Emiratis. This could be applied to me and to other Emirati businessmen who are working in foreign countries – we respect the other cultures, but we don't show great appreciation of these cultures (E 18).*

**Table 7.2 Themes for UAE culture – patriotism (non-Emiratis)**

Code/concept	Data segments
<p>Cognitive and calculative</p> <p>No affective feeling for the culture</p> <p>Formal documentation</p> <p>Maximising profits</p>	<p><b>Non-Emirati bankers</b></p> <p><i>“Of course I would like to have a good relationship with my clients, but on top of that I look forward to increasing our profits. I have no problem in dealing with Emiratis, but I don’t want to waste my time with social relationships and giving them more than the time assigned to them” (NE P)</i></p> <p><i>“I have good relationships with my clients, but I work with my clients according to documents and the bank’s policy and regulations” (NE R)</i></p> <p><i>“I am not Emirati. I like the UAE, but I don’t offer sacrifices to the country; I am here to work and maximise our profits and to make more money for my family, otherwise I would not be here” (NE O)</i></p> <p><i>“I am here to work and gain money, and not to make sacrifices. However, I follow the rules and the policy of the bank and abide by the regulations of the country” (NE I)</i></p> <p><i>“If I have the chance to deal with an Emirati client from whom I will increase my profits, I will deal with him. I know that he is supported by the government and they will not let him fail” (NE R)</i></p> <p><b>Non-Emirati clients</b></p> <p><i>“I care for documents in my relationship with my partners” (NE 17)</i></p> <p><i>“What I care about is increasing my profits, making more money” (NE 22)</i></p> <p><i>“I am not interested to know whether my banker has honour or not, whether he is loyal or disloyal. I care for increasing my profits” (NE 20)</i></p> <p><i>“Why do I have to lose and my Emirati partners gain? They are not my relatives, not from my country. I am here to maximise our profits and earn more money for our company” (NE 16)</i></p>

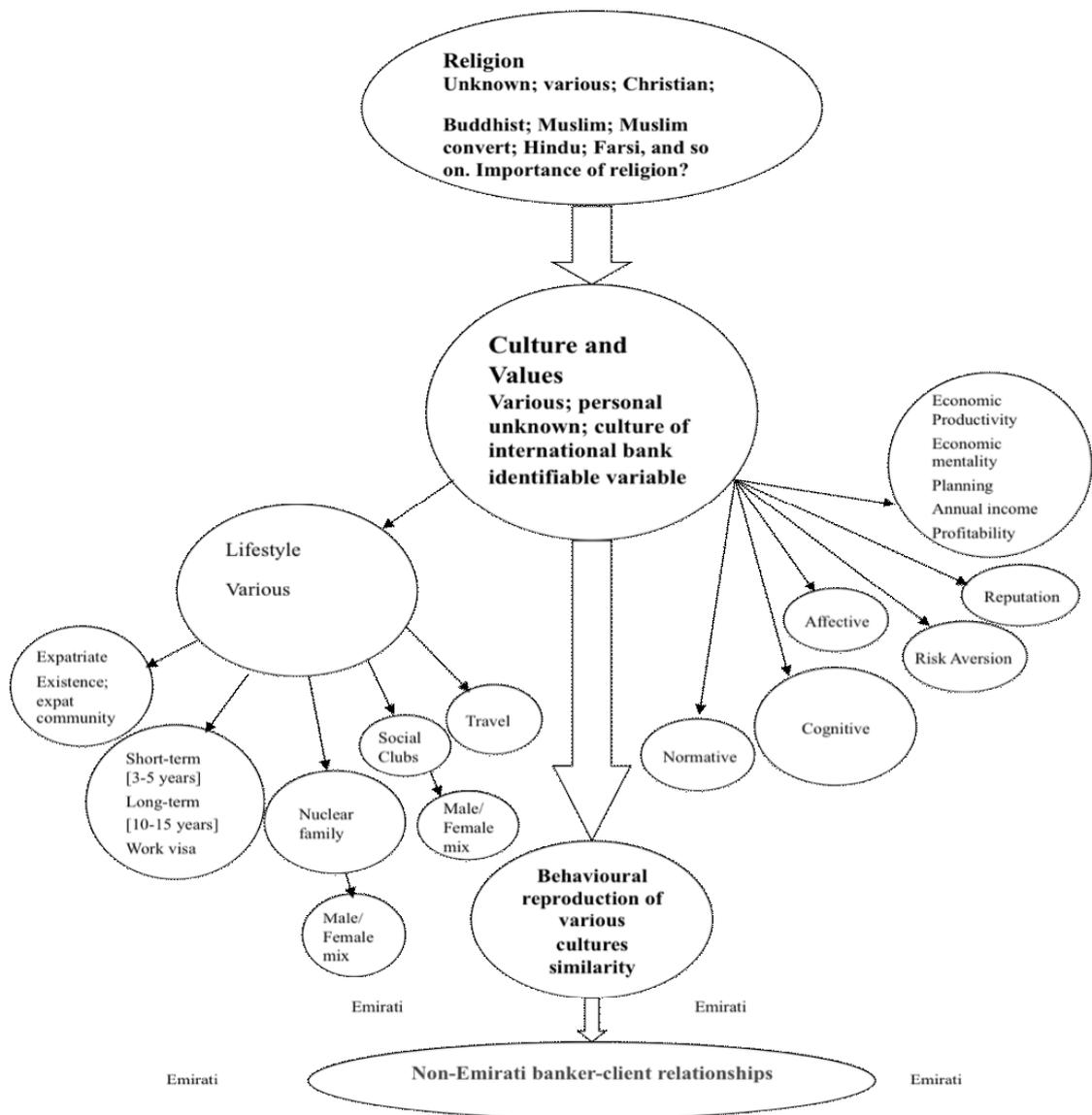
However, two non-Emirati dyads (four respondents) seemed to have acquired some affective feeling for Emirati cultural mores, stating that Emirati partners were trustworthy,

which was “*more important than formal documentation*”. This indicates respect and admiration for the Emirati people on the part of some non-Emirati bankers:

*Trust is more important than formal documents sometimes. I am from the USA but I have been working in this position for 15 years and being familiar with Emirati culture, I know the importance of trust to the Emirati people. Emirati people are polite, respectful, conservative and trustworthy (NE B).*

*My concern from this relationship is gaining money and maximising our profit, but I do trust Emiratis. They have ethics, respect and they are professional. They like to learn and develop themselves, and they have changed the desert into a green land. I respect them and I like dealing with them on the basis of trust (NE S).*

The non-Emiratis were composed of ex-patriots living in the UAE on work-based visas. The average stay was between 2 and 15 years, although some stay longer. They are only allowed to reside in the UAE while they are working. As soon as they retire or lose their jobs, they are required to return to their own country. Non-Emiratis are a diverse group of international people from the USA, UK, Ireland, Canada, Australia, Iran, Pakistan, India, Lebanon, Palestine and Jordan. The Arab non-Emirati respondents were either Muslim or Christian. The Arab non-Emirati respondents who shared cultural values found it easier to build business relationships with the Emiratis than those who did not have such shared values. The conceptual model for non-Emirati shared values, drawn from the findings of this research, is given in figure 7.2.



**Figure 7.2 Conceptual model: Non-Emirati culture and shared values**

### 7.2.2 Tribal traditions (tribalism)

In the following section, the patterns of tribalism will be analysed. The most important cultural antecedents of trust in the UAE that emerged from tribalism are kinship, altruism and *wasta*.

#### 7.2.2.1 Kinship

Emirati society is family orientated; tribal kinship units play a significant role in social identification. Families prefer to live in the same neighbourhood as their kin, and family is the centre of social life and the main source of values. Family ties are centred on blood ties and Emiratis value loyalty to the tribe, which tends to override all other social obligations. The Emirati relationship managers showed concern for friendly relationships and harmony within the group, but they also demanded mutual loyalty:

*I trust people from my country, from my tribe, people who have the same blood (E 12).*

Personal relations and face-to-face meetings are most effective in resolving problems and clinching business deals in the UAE, as opposed to regions where formal communications play a stronger role. In fact, the culture of the UAE gives pride of place to personal ties. Because of the Emirati belief in harmony, and because most Emiratis run their businesses through a network of personal relationships, conflict resolution is almost always accomplished through informal channels. This can be seen in the following response:

*I like to deal with my relatives, with people with whom I have close family relationships. When I deal with my people with whom there is a kinship, we feel relaxed, not worried, as we are both loyal and working hard to support each other (E 2).*

Building trust with Emirati partners takes more time than might be expected elsewhere. Emirati partners spend time and effort building relationships, so the bonds between them are strong. Emiratis appreciate investment in friendships to facilitate business transactions. Like ties to family, these bonds are emotional and geared towards loyalty, affection and social support. Emiratis provide assistance to their kin first, then to non-kin Emirati, and they prefer to deal with them rather than with non-Emiratis (see table 7.3).

**Table 7.3 Themes for tribalism – tribal kinship among Emiratis**

Code/concept	Data segments
<p><b>Kith and kin</b></p> <p>Family ties</p> <p>Loyalty to the clan, the tribe and the nation</p> <p>Blood ties</p> <p>Close cultural bonds</p> <p>Same language</p> <p>Emotional ties</p>	<p><b>Emirati bankers</b></p> <p><i>“I am an Emirati. I have an Oxford business degree, and I feel I must still deal with a highly personalised and family-oriented business environment in which personal trust is as important as efficient cost accounting” (E Y)</i></p> <p><i>“Due to the strong relationship with my counterpart, I trust him. In particular, if you have a strong relationship with someone, that person is likely to perceive you as trustworthy person” (E T)</i></p>
<p><b>Kinship</b></p> <p>Friendly relationships: same</p>	<p><b>Emirati clients</b></p> <p><i>“I trust people from my tribe, people that have the</i></p>

Code/concept	Data segments
lifestyle, same education Respect, politeness <b>Personal ties</b> School alumni Social bonding, strong bonds Emotional intensity Cultural bonding Affective trust	<i>same blood” (E 22)</i> <i>“What we can trust is only our blood relations” (E 18)</i> <i>“I prefer to stay with my Emirati banker, and I intend to do more business with him in the future. I prefer to deal with people I know, people from my family or country” (E 22)</i> <i>“The way he deals with me builds a friendly relationship. For example, if I want to deposit an amount of money, I don’t want to negotiate with him for days, so the first day I ask him if he will give me a good rate and I can feel immediately that this guy is giving me the best rate. So, it is a feeling built on my experience that this guy is trustworthy and is honest and he will not lie” (E 2)</i> <i>“My manager is polite and down to earth, always willing to listen and can answer my queries properly” (E 22)</i> <i>“I like dealing with people whom I know, especially from my old school. We have common memories, we understand each other, it is a friendly relation and not a formal one” (E 30)</i>

The data reveal that Emirati tribal society is based on long-term relationships that reduce the social uncertainty involved in trust. Within groups, repeated interactions and social relationships help to maintain commitments and increase people’s loyalty to each other, which in turn brings about high levels of reliability reported here:

*All my experiences with my counterparts were successful because trust is based on kingship bonds (E 12).*

*Our loyalty to our country and to one another is a kind of tribalism (E 25).*

An observer in the UAE is bound to find family members (extended family and relatives, whether they are close relatives or related by marriage) employed in the same business organisation, holding high positions and dealing with each other on the basis of trust. This

indicates that Emirati society is a closed one, based on culture, even though individual Emiratis may try to be more open. One Emirati banker described the situation in this way:

*Objective considerations are of a secondary importance in determining the selection of counterparts. It is common to see many friends and relatives of top officials working together in their ministries, departments and banks. It is common also to see many friends from the same tribe working together and having business relationships with each other (E V).*

Inevitably, some Emirati respondents did business with non-family members, and indeed with non-Emirati counterparts, where some level of trust was involved:

*I am a banker of a small bank and I don't hesitate to help any Emirati client. I have supported E 5 and NE 22 by giving them additional facilities (E O).*

In essence, Emiratis feel that they have a responsibility to help each other without expecting anything in return. Thus, it is a selfless concern for the welfare of other Emiratis. This is an issue of trust, coupled with a strong feeling of kinship and honour towards the community (i.e., if the bankers are Emiratis, that is sufficient reason to trust them; the bankers, in return, want to help Emirati clients). Hence, this altruistic reciprocity requires parties not only to fulfil their duty, but also to go beyond contractual obligations to meet the partner's expectations:

*The partners have to respond to each other again and help each other without being asked (E I).*

#### ***Non-Emirati banker/Emirati client***

Two out of forty-seven non-Emirati bankers who did business with Emirati clients claimed that a "premium name" was important to them. The non-Emirati bankers did not fully trust their Emirati clients, and asked for guarantees and documents, even if the Emirati clients were important people. The non-Emiratis had been in the UAE for a long time, and were aware of Emirati culture and the importance of an influential backer (see table 7.4, below):

*Family name is important in this country. For example, the royal family and the kinship relationships in the Emirates are important, but 100 per cent should not be based on this; it is not a blind trust (NE U).*

*Providing documents and abiding by the regulations are more important than the family name (NE 18).*

Ties between Emiratis and their non-Emirati counterparts tended to be weak, entailing little time, emotional attachment or reciprocity. Partners with stronger ties were more likely to believe in the validity of information, and embedded ties gave partners the flexibility to solve problems because of the trust and mutual understandings that were developed.

**Table 7.4 Themes for tribalism – tribal kinship (non-Emiratis)**

Code/concept	Data segments
<p>Weak ties</p> <p>Little emotional attachment</p> <p>Calculated risk</p> <p>Formal documents</p>	<p><b>Non-Emirati bankers</b></p> <p><i>“When people behind the company are well known, of course this will be taken into consideration when taking the decision, but that doesn’t mean that there are no exceptions. For me it is important but I can’t build my decision on that”</i> (NE D)</p> <p><i>“Family name is important for Emiratis but not for me”</i> (NE N)</p> <p><i>“I have a friendly relationship with my Emirati counterparts, but when it comes to business and our work, I am a different person. My goal is increasing my profits and I am not willing to lose for the benefit of my counterpart”</i> (NE J)</p> <p><b>Non-Emirati clients</b></p> <p><i>“Providing documents is more important than the name of the counterpart. I don’t care for social bonds with my bankers”</i> (NE 20)</p> <p><i>“I know that Emirati culture is different from our culture, but our friendships are one thing and our business relationships are something else”</i> (NE 18)</p> <p><i>“When I build a trust relationship with Emirati, it takes time. However, building trust with non-Emirati agents take less time, as we both depend on documentation”</i> (NE 12)</p>

#### **7.2.2.2 Altruism**

Emirati bankers are emotionally involved in business relationships; they tend to develop a caring attitude towards exchange partners and behave altruistically towards them. This altruistic benevolence did not seem to involve expectation of immediate payback, but the recipients of altruistic benevolence were likely to form positive attitudes towards the

benevolent party, to have feelings of gratitude and to feel a moral obligation to reciprocate (for more evidence, see table 7.5, below):

*The key factor in the success we have achieved is the support we have received from our counterpart, His Highness Sheikh X. As a result, we need to thank our counterparts for their support and help by caring about them and supporting them when they need it (E D).*

Sixty-four out of sixty-six Emirati respondents asserted that this culture of caring, in a society where they “manage” from the heart and work with each other, was a key element in fostering a positive business spirit. For them, this translated into a habit of involvement that was close and supportive. Due to strong cultural and religious bonds between Emiratis, they were ready to help those in need in the tribe:

*For us as Emirati bankers, it is not at all necessary that we expect anything in return; it is only important that we do generally benefit in the long run from reciprocal acts of kindness (E W).*

**Table 7.5 Themes for altruism (Emiratis)**

Code/concept	Data segments
Self-sacrifice	<b>Emirati bankers</b> “All for the community” (E I) “Hoping that this community can be developed more successfully, more expanded, able to contribute to this community” (E G)
Clan loyalty	“Our relationship is a strong one and it is based on loyalty
Emotional loyalty	to each other” (E Z)
Caring attitude	<b>Emirati clients</b>
Altruistic benevolence	“My banker is a kind person, he helps me a lot; he cares for
Moral obligation	me and shows interest and concern in my business. He cares
Offering help	for our relationship” (E 22)
Doing things for others	“The leaders of our government support all the Emiratis as if they are their children. For this reason I am ready to sacrifice even with my life to help my country and help my brothers in the UAE” (E 18)
	“A feeling that somebody cares for you and is ready to

Code/concept	Data segments
	<i>sacrifice for the sake of his counterpart creates trust” (E 5)</i>

Data reveal that for Emirati relationship managers, altruism was central to the trusting relationship, which is different from the Western notion of trust based on mutual reciprocity:

*When somebody cares for you and you feel that he will do something for you as if he is doing it for himself, this behaviour creates trust. For instance, I care for my partner and support him and, in return, if I need support in the future, I am sure he will do his best to help me. So, when I help my partner, I do this out of a feeling that I have a moral obligation to help (E 7).*

*There is a mutual support between us. If my clients abide by the regulations and give me correct information, I will support them and help them (NE 14).*

Mutual reciprocity plays an important role among non-Emiratis, and it has started to play a role among Emiratis. Moreover, non-Emiratis have begun to lend more credence to the influence of “kith and kin” (see table 7.6).

**Table 7.6 Data indicators for altruism (non-Emiratis)**

Code/concept	Data segments
Mutual help Reciprocity Calculation Maximising profits Calculative commitment	<p><b>Non-Emirati bankers</b></p> <p><i>“It is mutual reciprocity. I help and support my clients if they fulfil their commitments; otherwise I will not help them” (NE K)</i></p> <p><i>“I don’t believe in sacrificing and helping my clients for nothing. I could help them if they help me by paying what they have to pay on time, by being clear and not deceiving me” (NE S)</i></p> <p><i>“I know the importance of family relationships in the UAE. For this reason, in my dealings with Emirati clients, I have started to give it more weight” (NE U)</i></p> <p><b>Non-Emirati clients</b></p> <p><i>“There is mutual help between us. If my clients abide by the regulations and give me correct information, I</i></p>

Code/concept	Data segments
	<p><i>will support them and help them” (NE 14)</i></p> <p><i>“I care to increase our profits, I do my best to fulfil my commitments to the bank and in return I expect my banker to fulfil his commitments. It is a calculative commitment” (NE 22)</i></p>

### 7.2.2.3 Wasta

*Wasta* refers both to the acts of compromising and finding solutions, and to the person who performs this act (Cunningham and Sarayrah, 1993, p. 4). It plays a significant role in decision making and employment, and in business relationships in the UAE. It probably originated with tribal leaders interceding or mediating to solve problems and disputes.

Although a sensitive topic, all Emiratis and five non-Emirati respondents agreed that it was almost impossible to work without *wasta* in the UAE, although a range of attitudes and strategies regarding *wasta* prevails in UAE society. Its use is an integral part of the culture, where decisions are taken on the balance of influence and access to sources of power.

*Wasta* involves social networks of interpersonal connections, often rooted in family and kinship ties, and involves the exercise of power, influence and information sharing through social and political business networks. It is essential to the operation of social processes, the transmission of knowledge and the creation of opportunity.

#### ***Emirati banker/ Emirati client***

Emiratis themselves explained the widespread use of *wasta* in cultural terms. They related it to respected values, such as shared aims and loyalty, and referred to Emirati traditions of tribalism. Emirati bankers suggested that their clients retained the use of *wasta* for cultural reasons:

*In an Arabic society, you have to find wasta. It is something tribal (E C).*

*Even if a person is okay and his documents are okay, he brings a wasta with him when he comes here (E L).*

*It is not a favour, it is a duty to do something for your tribe. If you do not grant wasta, you are considered weird and without honour (E 28).*

*Wasta is more widespread because of the tribal mentality and inheritance*

(E 2).

Tribalism is a pre-Islamic tradition, which is especially strong in societies that have a nomadic background. The problem with tribalism in this sense is that it strengthens harmony among relatives but not with others. Many interviewees affirmed this:

*Emiratis feel and think that they have obligations towards each other. They have to help their families first, then their clan, then their tribes and then the region (E 20).*

Sixty out of sixty-six Emirati respondents stated that they felt under social pressure to help their families and fellow tribe members. For instance, one Emirati banker said:

*If I have a cousin who asks me to help him, I do. If not, they think I am a bad person (E G).*

During interviews, *wasta* was largely confirmed as being used extensively to hasten the process of document handling, achieve access to decision makers or influencers, and to gain priority among clients. For both bankers and clients, *wasta* was used to a large extent, but most Emirati respondents denied its existence:

*Are you waking up the sleeping lion? No one will answer your question (E 3).*

*It is a way of life, but no one admits this openly. It is hidden (E T).*

*Yes, I know it is necessary and I use it if I need to (E G).*

*Wasta* was felt to be useful in saving time and money in this context, because it ensures that people are given timely information regarding changes to administrative rules and procedures:

*You need personal connections so that someone tells you about the changes. It will slow things down at your company if you don't know about the changes (E 4).*

Sixty out of sixty-six Emirati respondents stated that they used *wasta* to speed up procedures, and mainly justified it as a rational decision to exploit an advantage. As the client of a manufacturing company stressed:

*We have a system, but if you are able to step ahead, of course you do it, and there are lots of people who can do it (E 30).*

*Sometimes you need people to push your case (E R).*

*People who do not grant *wasta* will face problems. People will consider you as a bad person (E T).*

Sixty-two of the sixty-six Emirati respondents said that the use of *wasta* had positive aspects. Often, people asked for help in this way to obtain contact with the relevant decision makers. Many had friends or relatives in the government:

*If you know someone, he will speed things up for you. Every business needs someone to do that for them (E 11).*

*Some people's documents are handled faster because they have relatives in the ministry (E 7).*

Four out of ninety-one Emirati respondents said *wasta* had existed in the past but no longer did so, while others maintained that its influence remained prevalent. One government client said:

*"Without *wasta*, we cannot live, we can't work!" (E 22).*

*The success of the relationship and winning a contract or getting more services and facilities is normally supported by the big guys. Know-who rather than know-how (E 5).*

*Everything in UAE requires *wasta*. With *wasta*, you can speed up procedures. This is normal and happens everywhere in the world. Yet, having *wasta* can also mean that you get something that someone else would not get at all. This is the difference to other countries (E 29).*

In addition, *wasta* was also used by Emirati managers to influence legislation and policymaking in their favour. Emirati bankers took *wasta* into consideration, which in turn affected their decisions and attitude. For instance, they sometimes felt obliged to break bank policy to help clients with *wasta*:

*If a certain client comes to me with *wasta* to give him more facilities, of course I am going to give him a low rate because he has *wasta*. For this reason, sometimes I feel obliged to break the bank policy (E 3).*

*In many Emirati families, there is often one branch that goes into big business and another branch that goes into politics (E Z).*

Moreover, offering *wasta* was regarded as adding positively to reputation. An Emirati client who worked at a larger government corporate emphasised this:

*When I am *wasta* for someone, many people listen to me because I am*

*respected* (E 12).

However, people who do not provide *wasta* cannot expect to receive help from others, should they ever be in need. This contributes to the pressure that each individual faces and tends to prompt people to grant *wasta*.

Respondents indicated that there were specific instances when *wasta* was considered useful – when someone had the opportunity to receive training, or a position they would not otherwise have gained, or in the securing of medical treatment normally out of reach because of cost:

*Any client who has a back will not be hit on his stomach; he is supported and has wasta and he will be given all the help and support* (E G).

*For me trust is wasta, which helps me a lot. With wasta, getting things becomes faster and easier* (E 17).

There is less *wasta* in the private sector than the public sector, because businesses prioritise efficiency and profit over concerns that are more personal. It was the existence of familial and clanship bonds that sometimes led Emirati bankers to break rules and grant facilities before formal documentation was ready. *Wasta* is, then, a hidden cultural force determining choice and action:

*Wasta is the bond that binds families and their wellbeing. Family name, the people who are supporting the bank are important to me and I take this factor into consideration before I decide to deal with the banker* (E 12).

Emirati respondents had mutual interests gained over time to help develop status, position and connections. *Wasta* met a fundamental need to feel connected and powerful; like other behaviours and attitudes, it occurs globally in some form. In the West, for example, it is common for owners to pass a business on to their descendants. As one respondent observed:

*I could say that wasta is a form of influence exercised by individuals. This wasta can “oil the wheels” of business through making use of established connections* (E 19).

Attempts to regulate traditional forms of networking (particularly Arab *wasta*) by legal or juridical constraints usually fail because the networks are intrinsically tied to trust, social structures and family connections (Weir, 2003). Two Emirati clients claimed that they had joined a campaign against the use of *wasta* with some non-Emiratis in Dubai. One Emirati client said that his Lebanese friend had a higher degree from the United

States, but had been rejected for employment because he had no *wasta*, while somebody else was given the job even though he was not qualified because he had “*big wasta*”. This rejection shattered his friend’s confidence, especially as he could see no reason for it. In this case, *wasta* was destructive and actions should arguably be taken to reduce its use.

*I finally understand the power of vitamin waw or wasta and how destructive that power can be (E T).*

Emiratis do not “earn” *wasta* with money: that would be considered a bribe and could result in ethical and legal difficulties. Money is indirectly involved, however, according to respondents, in developing *wasta* through gifts, meals and entertainment, which are used to establish credibility or goodwill. The trustee might give something concrete to the trustor, or might offer confidential information, so that if trust was violated the trustor could retaliate. For the non-Emirati partners in this context, gift exchange was acceptable and they used it to establish credibility or goodwill (see table 7.7).

**Table 7.7 Themes for *wasta* (Emiratis)**

Code/concept	Data segments
Authority/power Influence (the ability to bend decisions) Social exchange Hasten the process of document handling Achieve access to important decision makers or influencers Stronger than formal bank policy Based on family or social ties Interceding or mediating to solve problems	<p><b>Emirati bankers</b></p> <p>“I think <i>wasta</i> is the ability to get things done that would be difficult to achieve otherwise” (E I)</p> <p>“If you have <i>wasta</i>, then your work is done” (E P)</p> <p>“<i>Wasta</i> is all about social exchanges” (E Y)</p> <p>“By having <i>wasta</i>, you could get whatever you want. I mean by having a higher-level position in the private or government sector, or by having a rich network of contacts” (E W)</p> <p>“Well, <i>wasta</i> is also important and has an effect on taking decisions. It is a way of life and anyone who tells you that he doesn’t accept <i>wasta</i> is not telling you the truth” (E G)</p> <p>“Referring to a person who can pull strings or use influence to help someone” (E T)</p> <p>“If the client comes to me and has <i>wasta</i>, I will give him more facilities, and I will do my best to help him” (E T)</p> <p>“I consider <i>wasta</i> as a legal tool to reach our business</p>

Code/concept	Data segments
<p>Strengthens the family relationship</p> <p>Hidden cultural force</p> <p>Hasten the process of document handling</p>	<p><i>goals</i>” (E H)</p> <p><b><i>Emirati clients</i></b></p> <p>“<i>Wasta is to mediate or go between</i>” (E 24)</p> <p>“<i>Seek who you know, so that your needs will be fulfilled</i>” (E 11)</p> <p>“<i>If you needed to get approval for a business permit, then you might utilise the services of someone who has wasta, knowing who to see and what to do, thus saving you time and energy</i>” (E 26)</p> <p>“<i>You get wasta by being a member of a family with high social status (e.g., one that is wealthy or famous)</i>” (E 9)</p> <p>“<i>The quickest way to lose wasta is for you to not ‘return the favour’</i>” (E 28)</p> <p>“<i>The success of the relationship and winning a contract or getting more services and facilities is normally supported by the big guys</i>” (E 5)</p> <p>“<i>Everyone gets a large piece of the cake!</i>” (E 13)</p> <p>“<i>If I need to get more facilities I would go to my banker and take him a letter or a card from a VIP. By doing so, I could get access to more finance and get more facilities and better services. Of course, there is trust between me and my counterpart but this wasta makes our trust stronger and makes things move faster</i>” (E 2)</p> <p>“<i>Wasta is used to speed up processes, but it should be normal that a process is quick</i>” (E 23)</p>

***Non-Emirati banker/non-Emirati client***

Non-Emiratis were less likely to have used status and position to gain *wasta*, but could acquire it through their networks and contacts. Thirty-one out of thirty-three non- Emirati clients and bankers claimed they did not accept *wasta* but dealt with counterparts according to law and regulations, reflecting the reputation non-Emiratis have for respecting the law. They dealt with counterparts on the basis of trust, but not blind trust, as documentation was important. The bankers interviewed had a good reputation and worked for global banks; they were not willing to break the rules for the sake of *wasta*. Only four

non-Emirati respondents claimed that they used *wasta* if they needed more support from their bankers (see table 7.8).

*In UAE, wasta is seen as a legal instrument to reach business goals under the given circumstances. As for us, we use wasta if we want more support from our bankers (NE 10).*

**Table 7.8 Themes for wasta (non-Emiratis)**

Code/concept	Data segments
<p>Law and documentation</p> <p>Belief in professionalism</p> <p>Belief in good qualifications</p> <p>A risk</p> <p>Not acceptable</p> <p>Legitimate instrument</p> <p>Corruption</p> <p>Only with big names</p>	<p><b>Non-Emirati bankers</b></p> <p><i>“I don’t accept any wasta even if it is from a big name. I work according to the law and documentations” (NE O)</i></p> <p><i>“I don’t deal with wasta. We are professional, qualified and do good business” (NE D)</i></p> <p><i>“If it is a wasta from a well-known family or tribe, then I will give more facilities on the basis of this wasta, but I would not break the rules” (NE G)</i></p> <p><i>“I don’t know anything else other than the law. We are famous for this and I am not ready to destroy our good reputation and accept wasta” (NE S)</i></p> <p><i>“Wasta is a corruption” (NE V)</i></p> <p><b>Non-Emirati clients</b></p> <p><i>Wasta clears the way, but when you get to the core, you still have to fight (NE 7)</i></p> <p><i>“Why do I have to take the risk and look for wasta? I trust my counterpart when everything is documented, otherwise I will be worried all the time” (NE 14)</i></p> <p><i>“We have been profitable from the moment we arrived here and we have used wasta as much as possible from the very beginning” (NE 15)</i></p> <p><i>“In UAE wasta is seen as a legal instrument to reach business goals under the given circumstances. As for us, we use wasta if we want more support from our bankers” (NE 10)</i></p> <p><i>“I am against the use of wasta” (NE 27)</i></p>

For Emiratis, this attitude indicated a kind of cultural blindness to the internal environment of the UAE. It was also seen as indicating that non-Emiratis were honest and had moral principles, however, making them trustworthier in the eyes of Emirati counterparts. Non-Emiratis spoke of *wasta* in terms that negated its traditionally positive role in mediation:

*I can only recommend that one should always respect the law and not even start doing anything illegal. I know its importance, but I don't accept wasta* (NE H).

However, four non-Emiratis claimed *wasta* was important: they understood its cultural significance in relation to trust. For instance, a French client with long experience in the area remarked,

*If I need more facilities for my project, for example, I know exactly whom to use for wasta and I will have it tomorrow. If I want the same service in the UK, I need a long time of going through various stages of bureaucracy and I might still not get it”* (NE 10).

*It is important to have documentation, but if a premium name needs more facilities he should be given what he asks for, even if there will be shortcutting* (NE P).

### **7.2.3 Shared values**

Culture and shared values are defined as a shared set of beliefs, values and norms. Shared values engender trust and link partners together through cultural similarity and the behavioural reproduction of cultural similarity. The most important patterns that underpin cultural similarity are similar background, customs and traditions. The behavioural reproduction of cultural similarity operates through experience, reputation, life style, social class and level of education.

One side effect of the area's loyalty to tradition, religion and family is that change is hard to implement, even for Emiratis returning from being educated in the West. They fear failure and change, which hinders creativity and innovation. They tend to be uncomfortable with uncertainty (exhibiting uncertainty avoidance) and seek to avoid threats, using opportunities to remove uncertainty. The Emirati respondents felt unhappy at the prospect of an uncertain outcome: they did not like to take risks, nor deal with people they did not know:

*I would like to stay working with my Emirati clients, because we have the*

*same values, we know each other and we are familiar working with each other. For this reason I feel comfortable when I deal with them, and I don't feel any danger (E Y).*

There appeared to be a great deal of fear among Emirati clients and bankers of being exploited by non-Emiratis; this made them unwilling to disclose prices or technical capabilities to someone they did not know personally. The majority of non-Emirati relationship managers, in return, did not understand this position:

*If they do not want to do business, I will not push them. I am not willing to take the first step and give him a lot of time to discuss his concerns. I am busy and for me I believe that time is money (NE I).*

### **7.2.3.1 Cultural similarity**

Trust is based on value similarity and can be formed by interactions amongst bankers and clients through shared backgrounds and traditions that facilitate communication, increase confidence that the expected service outcomes will be achieved and, as a consequence, that serve as the basis for building trust.

Cultural similarity includes sharing the same ethnic background, the same work values and speaking the same language; it assumes a lack of cultural barriers in communication and exchange, and achieves a greater degree of closeness in relationships (Swift, 1999). It allows prediction of how others will behave, including how trustworthy they are. Similarity allows the transfer of beliefs between persons. For instance, if one person is kind and assumes their counterpart is like them, the assumption is that they must be kind too. Similarly, as respondents demonstrated, if one partner is trustworthy, the other must also be trustworthy:

*To have a trust relationship with another person is to have confidence in the other person, especially when there are signs of similarity between me and my banker (E 11).*

*Different cultural and religious backgrounds could be a barrier. I like to deal with people who have the same culture, same religion and the same traditions; we can understand each other more than dealing with people from a different culture (E 8).*

In the UAE context, face-to-face communication is important for the development of positive feelings of attraction (Argyle, 1991; Lorenz, 1988). Shared language increases mutual trust (Argyres, 1999): because language differences represent a basic barrier to

communication (Wenger et al., 2002), they may influence the effectiveness of communication. Emirati respondents claimed that shared language between clients and bankers played a critical role as an antecedent of trust. When counterparts spoke the same language, they felt secure and relaxed and could understand each other (see table 7.9). Even though Emiratis speak English, most expressed the view that another language was a barrier to trust:

*Even though my English is very good, sometimes I feel that there are certain expressions that have hidden meaning and I don't understand. Due to the strong relationship with my counterpart, I trust him. In particular, if you have a strong relationship with someone, that person is likely to perceive you as a trustworthy person (E 6).*

**Table 7.9 Themes for cultural similarity for Emiratis**

<b>Code/concept</b>	<b>Data segments</b>
<p><b>Shared backgrounds and traditions</b> Same religion, same customs and traditions</p> <p><b>Similar values</b> Loyalty, justice, generosity, status</p> <p><b>Personal traits</b> Respect, politeness, empathy, warm and friendly Emotional bond</p> <p><b>Respect</b> Respecting authority Respecting values Feeling secure and relaxed Culture differences: barrier to trust</p> <p><b>Shared language</b> Same language (Arabic) Respectful communication</p>	<p><b>Emirati bankers</b></p> <p><i>“I have a strong relationship with my counterpart; I trust him. My partner trusts me and considers me as a trustworthy person. We have a shared background; maybe that is the reason we understand each other and feel secure. We have also common shared values; we are empathetic and friendly people” (E K)</i></p> <p><i>“I believe the main purpose of communication in any situation is to develop relationships. Without sustainable relationships, which result in trust and respect, any information is useless” (E K)</i></p> <p><i>“I prefer to meet my partner face-to-face. My door is always open to my counterparts. It's the only way to build trust and have effective communication” (E J)</i></p> <p><i>“I think if you don't speak the same language then you have a problem” (E L)</i></p> <p><i>“I create a trust relationship with my Emirati clients by respecting them, especially when we have the same values and common interests. We build our relationship with our clients on certain values that we stick to” (E V)</i></p>

Code/concept	Data segments
<p>Facilitates communication</p> <p>Increases confidence</p>	<p><b><i>Emirati clients</i></b></p> <p><i>When doing business in culturally similar markets, there is no question about money because we trust them and they trust us for our long relationship (E 4)</i></p> <p><i>“I trust my counterpart; we have the same background, culture, language and religion and we share the same perspective about things” (E 17)</i></p> <p><i>“My Emirati banker is polite and down to earth, always willing to listen and can answer my queries properly” (E 22)</i></p> <p><i>“We have similar values and I have the personal traits that people in my society like and my partner likes. I am loyal, reliable and respect people. For this reason my partner doesn’t feel worried and enjoys dealing with me” (E 19)</i></p> <p><i>“I feel confident and more comfortable when I deal with people who speak Arabic. We can express our ideas easily without thinking twice whether I am expressing my ideas correctly or not” (E 19)</i></p> <p><i>“For me, language barriers can be a source of anxiety for us” (E 27)</i></p>

Fifty-eight out of sixty-six non-Emirati respondents struggled with the cultural differences between them and their counterparts. One particular type of difficulty arose when a counterpart said that they understood instructions but, in fact, they did not, which can cause problems in a business environment. Moreover, cultural differences were sometimes felt to hamper proper dialogue, and language differences were sometimes seen as a barrier (see table 7.10).

**Table 7.10 Themes for (non-)cultural similarity for non-Emiratis**

Code/concept	Data segments
Different language (an	“Second-language English speakers often respond

<p>obstacle) Foreign language: a barrier to trust Hampers proper dialogue</p>	<p><i>better if their home language is used to communicate with them, especially on things of importance” (NE L)</i> <i>“Language is an obstacle, especially if my Emirati counterpart can’t express his thoughts. In this situation we will not be able to understand each other” (NE 23)</i> <i>“Communication is important to build a satisfactory relationship. I think Emirati people like to deal with each other because of the language problem” (NE 6)</i></p>
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Cultural similarity facilitates communication, which in turn facilitates the trust-building process. Emirati bankers and clients emphasised the direct implications of cultural similarity for trust in the banker–client relationship.

### 7.2.3.2 Reproduction of cultural similarity

The shared culture of a particular class influences, and is influenced by, people’s attitudes and lifestyle. Cultural reproduction often results in social reproduction, or the process of transferring aspects of society (such as class) from generation to generation. When applied to culture, it is the process by which aspects of culture are passed from person to person, or from society to society. The interaction between individuals, resulting in the transfer of accepted cultural norms, values and information, is accomplished through the process of socialisation.

Similarities between Emirati clients and Emirati bankers (in terms of lifestyle, social class, education level) were felt to contribute to feelings of confidence. People from the same social class and occupation may have different lifestyles, expressed in their activities, interests and opinions. Similarity allowed clients and bankers to identify with their counterparts on a personal level. This identification reduced interpersonal barriers, raised comfort levels and contributed to the creation of trust.

For Emiratis, the relationship preceded any transaction and was an ongoing process. The non-Emirati client or banker may need to maintain the relationship actively to do further business with an Emirati. In other words, in Western economies, transactions create and develop relationships, whereas in the UAE the relationship precedes, facilitates and develops the transaction.

If a business relationship was maintained over time, with regular meetings, the partners came to identify with each other and established a mutual emotional bond. This permitted an ongoing relationship to develop further. Partners were then in a position to

accumulate knowledge about each other, which also reinforced the relationship in a cyclical process.

Moreover, the success of the collaboration meant that calculative factors would not threaten the relationships; over time, there was a tendency to identify increasingly with the other's interests, as well as for emotional ties to grow. Bonding formed in this way, which is a significant requirement for the successful building of trust (see table 7.11).

**Table 7.11 Themes for behaviourally reproduced cultural similarity for Emiratis**

Code/concept	Data segments
<p><b>Same social class and occupation</b></p> <p>Common identity</p> <p>Race, sex, national origin, lifestyle</p> <p>Social class</p> <p>Level of education: same school, same university</p> <p>Respect</p> <p>Friendship, interpersonal interaction</p> <p>Mutual emotional bonds</p> <p>Reinforcing the relationship</p> <p>Maintenance of social relationships</p> <p>Shared life experiences</p> <p><b>Good reputation</b></p> <p>Long-standing relationships</p> <p>Socialisation and learning about a specific cultural repertoire</p> <p>Successful cases</p> <p><b>Prominent and</b></p>	<p><b>Emirati bankers</b></p> <p><i>“Being from the same class makes me able to talk openly about anything and this reinforces that this must be a trusting environment” (E Q)</i></p> <p><i>“People trust us ... We have a long and honourable association with economic development. In today’s world, we are a bank with a premium name” (E I)</i></p> <p><i>“A premium name is important in building up a trusting relationship, especially if we are supported by the government or influential people” (E S)</i></p> <p><i>“I respect people with authority and this makes me trust them” (E K)</i></p> <p><i>“I respect the royal family and have no suspicions about their decisions, which in turn creates a feeling of confidence and trust” (E L)</i></p> <p><b>Emirati clients</b></p> <p><i>“We’ve got a pretty close relationship in the sense that we talk about similar things” (E 5)</i></p> <p><i>“We have been working together for a long time. We are both educated and we can understand each other well” (E 19)</i></p> <p><i>“I trust others when I feel that their motives are real, genuine. My counterpart was always real, we are from the same country and there are common interests, objectives” (E 24)</i></p>

Code/concept	Data segments
<b>influential people</b> Royal family Particular status	<p><i>“My Emirati banker supports me with facilities and advice because he knows that we are supported by the government. My counterpart respects me and as a result trusts me because we also represent authority” (E 20)</i></p> <p><i>“My banker works in an Emirati bank where more than 80 per cent is owned by His Excellency Mr X. This person will not let the project or the bank fail” (E 20)</i></p> <p><i>“It is very important that relationship managers, bankers and clients, get to know each other step by step, but there should be documents, especially if we are dealing with non-Emirati partners” (E 10)</i></p>

Five Emirati clients declared that they appreciated business relationships with non-Emiratis. They thought that non-Emirati counterparts would understand them better and customise their services effectively. Moreover, dealing with them was felt to be more straightforward: they were professional and did not waste time. For these non-Emiratis, time is money and the goal was to maximise profit:

*I prefer dealing with bankers I could work with and who could understand me, with people who have the same level of education and lifestyle. I don't like to waste my time with socialising, as the Emiratis do here. I am an Emirati, and what I am telling is a fact. I would like our Emirati people to stop socialising and to focus only on doing business. For this reason, most of my business is with non-Emirati bankers (E 16).*

Cultural similarity among Emirati counterparts is independent of tribal ties and can be produced by shared life experiences and repeated interaction, which in turn create trust. The motivation for such long-standing relationships and repeated interactions is a good reputation. This was expressed, for example, as follows:

*If you trust your counterpart, then he/she will trust you. People decide how trustworthy you are based on the nature of the relationship with you and on your reputation and past experience (E 17).*

In a collectivist country such as this, Emiratis spend resources to acquire information on a partner's past behaviour and only consider as trustworthy a partner who has rewarded trust

in the past.

When asked whether Emiratis can be trusted as much as non-Emiratis, one non-Emirati client replied: “*Eventually the same but differently*”. He explained that in the West a handshake, a contract and a rough check of the other’s creditworthiness were enough to provide confidence. However, this was not felt to be applicable in the UAE where, according to Emiratis, even “a signed contract” was not enough:

*To trust someone, you need to get to know him better in some informal atmosphere. That takes time! It is very important to see how he behaves towards others, especially when he is in his natural environment and unforeseeable incidents occur (E 7).*

In this research, respect was one of the most important shared values on which trust was built. Trust for the Emirati bankers interviewed meant respecting authority – including respect for government, the royal family and tradition. The UAE is an authoritarian culture and failure to recognise and adhere to power can damage cross-cultural relationships. Treating people the way you would like to be treated is a basic principle involving respect and politeness, and this was raised repeatedly in interviews:

*I have a simple philosophy: treat others as I would like to be treated. My counterpart speaks and treats me with respect and from my side it is automatically the same. We work well together (E 8).*

Three out of forty-seven non-Emirati bankers said that in the UAE context trust is “*more important than formal documents*” (NE R).

*I trust my clients. At the beginning of our relationships, I dealt with my clients according to contract and documents, but after dealing with them for five years, they proved to be trustworthy. Since that time I have dealt with them on a trust basis. These people have ethics, they are honest and if they ask me for any service, I will do it. For instance, my client (E 22) asked me to pay his employees their salaries. I did that and we then completed the documentation the next day (NE T).*

*I am from the USA but I have been working in this position for 15 years and I know the importance of trust to the Emirati people. They are trustworthy people (NE B).*

### **7.3 Conclusions**

Culture and shared values appear to be the foundation for the antecedents of trust in this

Arab/Muslim context. Emiratis prefer to work with fellow Emiratis because of the pervasive cultural and shared values. Results in this thesis resonate with Simadi's (2006, p. 59–60) work on young Emirati's value structures, in which he found their perceived importance of values formed a hierarchy of six items, ranked from highest to lowest:

1. Religion: praying, believing, reading the Qur'an, charity
2. Cognition: success, aspiration, smartness, achievement, technology, discovery
3. Political values: unity, nationality, freedom, voting, partisanship
4. Aesthetics: elegance, tidiness, poetry, drawing, music, ornamentation
5. Social customs: obedience, friendship, forgiveness, volunteering, generosity, company of friends
6. Economic values: productivity, economic mentality, planning, annual income, profitability.

The significant point here, corroborated by the findings of the current study, is that religion is the first and most important denominator of culture and shared values, and it is the foundation from which most other values derive their expression. The least salient value for these young Emiratis is the economic one, which encompasses productivity, an economic mentality, planning, annual income and profitability. These values are the top priority for banks and other financial institutions (Pech, 2009, p. 60), however. Pech (2009), in his analysis of the difficulties young Emiratis encounter in working for non-Emirati (i.e., Western) banks, does not make clear whether these values are expressed in the same way in Emirati and non-Emirati banks.

Being a qualitative study, the findings do not rank values in order of perceived importance for Emiratis. What the findings demonstrate is that there is tension and a mismatch between personal culture and shared values, on one hand, and, on the other, organisational culture and shared values between an Emirati and a non-Emirati counterpart or organisation. The most important shared value for Emiratis is the Muslim religion.

Emiratis have a strong sense of community and place emphasis on the welfare of people from the same family or tribe. Tribal *wasta*, family name, the sheikh and family connections all have a significant effect on the antecedents of trust in the UAE.

Emirati bankers deal with other Emiratis on the basis of trust as a means of demonstrating mutual support for both the individual and the society: patriotism is one of the antecedents of this trust relationship; tribal traditions form another. Trust is contextually determined by the high-context culture in which Emiratis have, historically, come to trust only other Emiratis. They predict the behaviour of others not by experience

but in the belief that they will follow the same rules and values that they follow themselves.

The necessary social bonds for trust to take place remain strong because of the tribal culture in the Arab/Muslim context among the Bedouin Arabs. Emiratis are risk averse, communitarian and collectivist – all factors that contribute to the formation of trust relationships, alongside similarities of appearance, lifestyle, language, religion, culture and tradition. Emiratis are culturally homogenous and risk averse, and therefore prefer, given a comparison of options, to deal with other Emiratis where possible, to the exclusion of non-Emiratis.

*Wasta*, the hidden network of reciprocal favours and favouritism, was viewed very differently by Emiratis and non-Emiratis. The Emirati perspective of *wasta* is one of shared and deep-seated cultural obligation and reciprocity, derived from thousands of years of desert traditions, where mutual help and advantage were necessary for survival. Emiratis, for the most part, see *wasta* as a facilitator and a catalyst for advantage in business relationships. Non-Emiratis working for global banks take seriously the use of contracts, documentation, organisational rules and regulations, and the rule of law in their country of origin and country of operation. Many view *wasta* as corruption or nepotism, or the use of *wasta* as unfair, unfavourable or unnecessary. It would, in any case, be very difficult for a non-Emirati to gain *wasta*, although some claim that they have been able to gain sufficient Emirati confidence and trust to work their way into a *wasta* network over time.

Time is very important to Emiratis, who expend considerable effort maintaining social relationships within their extended networks of relationships. They also invest considerable time in the development of their business relationships, particularly with non-Emiratis. This may be because Emiratis place a higher value on affective antecedents than cognitive antecedents. Therefore, the time taken by Emiratis in affective, trust-building behaviours, such as meetings, having coffee, lunch, visiting among families, and taking part in shared social activities, is not only extremely important, but also necessary. For the non-Emirati, who places a higher value on cognitive-based trust, and who may rely on the reputation of his financial services institution, financial products, contracts and documentation, these affective-based activities may appear to be a waste of time, unnecessary or meaningless. There is considerable tension and mismatch between the importance Emiratis attach to affective antecedents, which are very time consuming, and the importance that non-Emiratis attach to cognitive antecedents, which are (relatively) quick to implement, and which follow rules and routines. The mismatch in approach to time constraints causes frustration and impatience in the relationships between Emirati and non-Emirati

counterparts.

A non-Emirati banker or client finds it difficult to establish trust with an Emirati counterpart without a thorough grounding in Emirati culture and shared values. The findings here show that Emirati culture, shared values and the Muslim religion are so pervasive that they permeate all aspects of business relationships for Emiratis (as seen in figure 7.1). Emiratis therefore have a very different perception of relationships, affective approaches and behaviours, temporality, risk aversion and trust-building behaviours, to name but a few variables, when compared to their non-Emirati business counterparts. Emirati perceptions are so bounded by these variables that they may find it difficult and uncomfortable, if not impossible, to try to understand or modify their perceptions to accommodate non-Emirati or Western business practices. In developing banker–client relationships, it is therefore incumbent upon non-Emiratis to understand, respect, adopt and adapt their business practices to include and embrace those aspects of Emirati culture and shared values which may be beneficial in business practice. These points will be explored further in chapter 8.

## CHAPTER 8: DISCUSSION

This empirical study of 170 interviewees has explored the antecedents of trust in the financial services industry in an Arab/Muslim context. The objectives have been to investigate the antecedents of trust in a financial services business-to-business context, for bankers and their clients, in order to contribute to theoretical and practical knowledge in this context. This chapter discusses the results of the research in relation to the literature review provided in chapter 3.

The results demonstrate the importance of trust and the attitudes towards trust that provide a background for the antecedents of trust. These antecedents of trust in corporate banking in an Arab/Muslim context demonstrate that individual affective and cognitive perceptions about a trustee are likely to influence the development of trust between them. Results show that Emirati religion, culture and shared values are key mediating variables in the antecedents of trust in this context.

### **8.1 Background themes**

In this section, the importance of trust and the partners' attitudes towards trust will be discussed.

#### **8.1.1 Importance of trust**

This research explores the importance of trust for bankers and clients in Emirati business markets. The importance of trust is revealed by large numbers of studies focusing on the construct of trust (Anderson and Weitz, 1989; Dwyer et al., 1987; Moorman et al., 1992, 1993). Trust is a key factor in building long-term relationships between clients and bankers (Ganesan, 1994), as the present research indicates, and its importance can be explained by the fact that it is viewed as contributing to the strength of interpersonal relationships in business dyads (Grönroos, 2000; Morgan and Hunt, 1994).

The results reveal that clients tend to deal with their counterparts over the long term. However, Emirati clients and bankers, from a society structured according to tribes and extended family, tend to be more loyal to their Emirati counterparts. It was found that the majority of Emiratis trust each other, the royal family and the government, and support the projects of corporate clients and Emirati banks. In this environment, based on personal relationships, they feel safe and secure.

Empirical research on relationships in the UAE demonstrates the importance of trust in business interactions and reflects the key role trust plays in Emirati culture. It has been revealed here that trust is significant in the UAE due to the pervasive role of Emirati culture in business affairs. For most of the non-Emiratis, while trust was important, it was not weighted so heavily.

Most of the Emirati clients were more inclined to trust Emirati partners due to prevailing business norms formed at cultural and societal levels. Many of the non-Emirati respondents recognised that when they met expectations regarding knowledge of Emirati culture, and demonstrated willingness to abide by Emirati business norms, they were better able to interact in this high-context business setting. To the extent that non-Emiratis addressed cultural concerns, Emiratis developed greater confidence in their positive motivations and benevolence, since key barriers to communication and harmonious relations are reduced. Such non-Emiratis not only gained authenticity, but also achieved the social fitness required for smooth and productive interactions with Emiratis (see also Adler, 1997).

Trust for Emiratis is important because of the environment in which a client and banker interact. All respondents strongly believed in the concept of trust and in creating a trusting environment, but Emirati respondents perceived trust as the core of any relationship. Thus, it is important to understand how trust is affected when the partners involved are unfamiliar with each other's abilities and motives, and how this trust evolves as the partners work together. People are "mutually dependent on one another" (Cook et al., 2005a, p. 57), and the reciprocity of trust was evident in the results for all situations discussed by Emirati bankers and clients.

Having someone they could speak to in confidence was important for respondents. It is evident from the findings that respectful trust relationships amongst bankers are changing. One banker spoke of a loss of social contact and friendly relationships; a client referred to his bankers as not being as professionally trustworthy as in the past. It is evident that different levels of relationships occur in all contexts.

The majority of Emirati bankers served as providers of information to their counterparts. All respondents agreed that trust is the key to cooperation where relevant and critical information is shared. Here, trust plays the same role as formal documentation, giving Emirati clients a feeling of security, which makes them feel comfortable in dealing with Emirati bankers. A trusting relationship allows clients to share sensitive information in confidence and bring forth their underlying agendas. Thus, trust promotes open communication and sharing of information. This supports literature that suggests accurate

and open communication would be expected when levels of trust are high (Ellram and Hendrick, 1995; O'Reilly et al., 1987). Communication between counterparts who do not trust each other tends to be weak, supporting the literature suggesting that there are hardly any collaborative actions between non-trusting partners (Schurr and Ozanne, 1985).

Partners who do not trust each other tend not to learn from each other, nor do they often engage in financial or emotional transactions involving the other party (Cassell and Bickmore, 2000). The need for a client's trust in a banker is well established in the literature. A banker's effectiveness depends on the ability to earn trust and develop relationships with clients. Of significance in this research was that bankers and clients were prepared to make the decision to trust (Zand, 1997). Without this trust, the true potential of clients would go unrealised and the quality of service, collaboration and commitment could have been compromised.

The results show that trust leads to commitment, cooperation, reduction of risk, increase in confidence and coordinated social interactions. In the presence of trust, clients were more committed to the relationship, confirming the literature that suggests trust is important (see Kramer, 1999; Rousseau et al., 1998). Trust increases the levels of interpersonal assistance and coordination-enhancing behaviour (McAllister, 1995).

The present research reveals that the importance of trust for financial services providers includes the ability to maximise profits by reduced risk, improved information flow, more satisfied clients and enhanced loyalty. Results also reveal that positive behaviour on the part of bankers has a significant effect on quality and the subsequent satisfaction of clients (Ennew and Binks, 1996; Tyler and Stanley, 1999; Zeithaml et al., 1996). Thus, in these relationships, trust can bring long-term stability to the banker–client relationship (Tyler, 1996).

Trust also enables individuals to tolerate uncertainty through expectation that a trusted person will seek to reduce vulnerability to unpredicted contingencies. The long-term perspective of Emirati relationship managers enhances confidence that partners will credibly fulfil obligations and act in a receptive and benevolent manner to maintain strong relationships (Ganesan, 1994). Hence, trust promotes loyalty and reduces the uncertainty of the relationship with the counterpart. This supports the literature suggesting that lower levels of uncertainty lead to higher purchase intentions because clients try to minimise perceived risk when buying a product or a service (Mitchell, 1999).

Trust can lead partners to be more committed and satisfied with the outcomes of the relationship, so that cooperation and satisfaction will be determinants of desirable outcomes, such as repeat purchase and recommendation to others. Satisfied cooperative

partners are more likely to give positive word-of-mouth recommendations, creating favourable attitudes towards the counterpart and attracting new relationship managers. In this context, it has been found that when UAE clients build up trust based on positive experiences, they are more likely to revisit the bank and not switch to competitors.

### **8.1.2 Attitudes towards trust**

The conceptualisation of trust here is consistent with extant research in that trust is defined in terms of a client's perceptions of banker confidentiality, honesty, integrity and ethical standards. The results agree with the literature that trust is something that has to be constantly worked at to maintain a positive relationship. Trust is, after all, a relational not an individualistic concept in the UAE, providing security, harmony and welfare for individuals, family members and the community. Many of the Emirati bankers adopted a paternalistic model and expected loyalty, sacrifice and hard work from their clients. Similarly, clients expect the same behaviour from their bankers, as they are both Emiratis and have the same goals.

Trust in this sector is considered an emotional perceptual construction connected to the ability to manage risk (Tyler and Stanley, 2007). For bankers, trust involves a belief in the honesty of the counterpart and the absence of anxiety. Non-Emirati partners typically focus on rational self-interested individuals, however, and promote release from established, ascribed relationships. This may represent the success of rationality over emotionality, and individuality over groups. Non-Emirati partners are more open and provide greater opportunities to individuals; these are the benefits of an individualistic and open society. They emphasise individual rationality, freedom of choice and movement, but sacrifice long-term relationships in which personal emotions can be shared.

The present work reveals that within a culture of trust there are different relationships and different levels of trust between individuals (or situational trust). These levels of trust were evident when bankers spoke of having someone with whom they had a close professional relationship. Trust is conceptualised according to partner needs (Tyler and Stanley, 2007); for instance, SME clients' requirements may differ from the needs of larger corporate clients and this may be reflected in the different ways in which they conceptualise trust. Thus, need is typically context specific (Tyler and Stanley, 2007). What is interesting is that bankers perceived that there were different levels of trust relationships. Some people could be trusted with certain knowledge or to do certain things, for example. This confirms the literature that suggests trust is conceptualised by both partners in different ways (Crane and Eccles, 1993). Trust, therefore, is both situational *and* contextual

(Tyler, 1999), and the results of this research provide strong support for the multidimensionality of trust (Ganesan, 1994; Mayer et al., 1995; Shaw, 1997).

Respondents used their experience to exemplify their understanding of trust and, as a result, two common variables emerged: positive expectations and willingness/intention.

#### **8.1.2.1 Positive expectations**

Trustworthiness is accumulated positive experience that leads one partner to trust another. Positive expectations as recognised in this research involve reliability, honesty, mutuality/reciprocity and benevolence. Reliability was a determining element of all parties' conceptualisation of trust as a positive expectation factor. For all respondents, reliability was the ability to accept and respect what was promised and to authorise actions without written confirmation. Larger corporate clients were given authorisations and facilities not always open to SMEs; confidence in ability and reliability was based on performance track record.

The results of this research agree that trust is a belief in another's reliability, integrity, credibility, honesty and benevolence (Doney and Cannon, 1997; Ganesan, 1994). Essentially, trust is confidence in another's goodwill and integrity, as well as the belief in another's ability and credibility, and is associated with such qualities as being honest, faithful and truthful. In this research, trust is defined as a belief in the benevolence and credibility of a trading partner (Ganesan, 1994; Kumar et al., 1995). In the Emirati context, trust involves both a non-Emirati banker's concern for the Emirati client's best interests and welfare (benevolence), and a non-Emirati's competence in conducting business tasks effectively and reliably (Sako and Helper, 1998).

The link between reputation (based on elements of reliability, business skills and dependability) and trust has been researched within business-to-business relationships (Anderson and Weitz, 1989; Blois, 1999; Ganesan, 1994; McKnight et al., 1998; Smith and Barclay, 1997). Reputations are important here because they inform decisions relating to tangible and intangible exchanges, and are considered as strong antecedents of cognitive trust (Anderson and Weitz, 1989).

Blois (1999) places more importance on reputation than skill and contractual governance within business-to-business relationships, positing that good reputations (based on time-keeping, relevant knowledge possession and timely exchange of useful information) are as reliable, if not more so, than watertight contracts. In his opinion, reputation results from past behaviour and shapes anticipation of the other's behaviour (Kreps, 1996). A good reputation encourages reliance on the partner's promises: it is in

their interests to maintain that reputation.

Blois (1999) points out that the difference between having a good reputation and being trusted is important. While people with a good reputation can be relied upon to take action to protect that reputation, this does not mean that they will under any circumstances go beyond what their reputation would lead us to expect. Thus, if bankers/clients are to be regarded as trustworthy, they must be expected to show goodwill and kind intent. Such expectations will usually be based on experience: “the evidence suggests that reputation is important but no substitute for experience” (Lorenz, 1988, p. 206). While people take action with the intention of establishing and maintaining their reputation, it is the trustor who makes a personal interpretation of the situation and decides by which criteria to judge the other’s trustworthiness. Such interpretations will be influenced by their experience – particularly of the other party’s behaviour.

Ganesan (1994) looks at the relationship between reputation and credibility as it relates to trust, and states that by making sacrifices and showing concern for the partner, bankers and clients develop a reputation for fairness within the banking industry (Anderson and Weitz, 1989). Therefore, reputation is built on the edifice of reliable and consistent behaviour (indicating good performance) over time (Ganesan, 1994); reputation based on performance is transferable across partners and enhances the credibility of the service provider (Doney and Cannon, 1997).

This thesis finds that most bankers, Emirati and non-Emirati, placed an emphasis on honesty. Neither the Emirati nor the non-Emirati clients expressed concern that bankers might break confidentiality. This thesis, contrary to some findings elsewhere (Das and Bing-Sheng, 1998, p. 493), shows that trust is not used by bankers as an alternative to other control systems; rather it complements control systems, making them more effective and secure.

This thesis also reveals the expectation that bankers should have good personality traits, such as loyalty, transparency and efficiency. Such traits mean that bankers are able to build trusting relationships successfully with their partners. Openness of communication is crucial to this (Gabarro, 1978, pp. 104–8). The majority of respondents reported that they were transparent and frank and had open communication with their counterparts. Butler (1991) has given empirical support for openness as one of several separate conditions of trust. In addition, Larson and Starr (1992) state that communication is a seminal characteristic of trusting dyadic relationships. Herington et al. (2009) state the importance of open and frequent communication. The importance of openness as an aspect of communication has been emphasised by de Jong and Klien Woolthuis, who conducted

research in the context of high technology business relationships: “Trust that derives from affection is key and outweighs cognition based trust and trust propensity. Openness [of communication] increases success that in turn fosters the development of affect based trust” (de Jong and Klien Woolthuis, 2009, p. 1). Affective antecedents are the most salient for Emiratis. Of the affective antecedents, openness of communication has high perceived salience for Emiratis. Openness of communication for Emiratis is based on the foundation of their cultural affinity for relationships and social bonds, and especially for language, which they view as being as important actions (Feghali, 1998; Pech, 2009). An Emirati views his word as his bond, and believes that saying something with the intention of doing it equates to actually carrying out the action. The non-Emirati respondents believed in actions rather than words.

Many of the respondents see mutuality as another component of trust. Reciprocity is motivated by empathy and reputation; it requires understanding of the partner’s situation and motives. Thus, empathy leads to reciprocity, which occurs through a social exchange of obligations. Emirati respondents also understand trust by reference to culture. Hence, for all Emiratis, tribalism and trust are related; they define trust as mutual loyalty to the royal family, patriotism, sincerity and loyalty to both country and government.

Most of the Emirati respondents believed that in order to have trust in the partner, it is important to have a friendly relationship to facilitate reciprocation. A personal relationship is seen as necessary for *wasta* to operate as a facilitator. Such exchange behaviour is recognised as reciprocal altruism – providing benefits to another that are returned in the future (Trivers, 1971). A few respondents went further and claimed that when supporting their country they did not expect anything in return. It was claimed to be a selfless concern for the welfare of other Emiratis.

Some clients did not trust bankers to act mutually. Larger corporate clients accepted that bankers had many obligations and they did not seem to seek mutual behaviours to the same extent as SME clients; if necessary, they could move to another bank. In other words, if the banker breaks trust, larger corporate clients do not hesitate to leave. SME clients tended to react differently and did not always trust bankers to act mutually in all cases. Some SMEs feared that bankers might withdraw credit lines without reason or without informing them.

Most of the Emirati respondents believe benevolence has a seminal significance in building up affective trust (Mayer et al., 1995) and they regard trust in terms of concern for the well-being and interests of the counterpart. They recognise trust as a feeling of comfort; if things go wrong, the banker will find a solution. Results of the present research suggest

that benevolence can be seen as a basis of trust (see also Das and Bing-Sheng, 2001; McKnight et al., 1998; Sheppard and Sherman, 1998); the banker who is willing to make short-term sacrifices for the sake of the client is a benevolent person. In other words, non-opportunistic bankers concerned about client outcomes will be trusted to a greater extent (Tschannen-Moran and Hoy, 2000). Such care and concern leads the trustee to share the needs and expectations of their counterpart and act accordingly. This confirms the literature, which contends that if the trustee is perceived as benevolent, trust is likely to occur (Wicks et al., 1999).

It is clear from this research that benevolence involves the banker showing care, concern and empathy for the needs of the client, and acting in a way that protects their interests. It also focuses on the motives and intentions of the partner (see Ganesan, 1994). Non-Emirati clients saw that trust for bankers was primarily calculative rather than affective; this resulted in a sense of insecurity among many non-Emirati SME respondents. By contrast, most Emirati SMEs feel secure because Emirati bankers support them due to the strong bonds between Emiratis, especially since the start of Emiratisation.

#### **8.1.2.2 Willingness/intention**

The majority of respondents saw trust as confirmed and re-enforced by intention to repeat purchase, which in turn confirms the sincerity of a client in maintaining an ongoing relationship with a particular banker. Such intention confirms reliance on the partner and comes about as a result of the cognitive and affective factors of trust. Word-of-mouth recommendation is another factor here, and respondents see intention to trust as a combination of repeat purchase intention and willingness to recommend the banker/client to a friend or other people (File et al., 1992). This is evaluated here from the perspective of antecedents of trust, as behavioural outcomes as a consequence of trust are beyond the scope of this thesis.

The next section provides further insights into the research results and addresses specific issues relating to important antecedents of trust. The antecedents facilitate the development of trust in the UAE context and are consistent with those found in the West.

### **8.2 Antecedents of trust**

Trust is clearly a multidimensional construct in which the presence of all the antecedents of trust creates a necessary base for its emergence. These results allow a better understanding of trust in banking and financial services in an Arab/Muslim context. The many determinants of trust in this context include the two main themes upon which trust is based – cognitive and affective antecedents. These antecedents of trust are contextually

determined by religion, culture and shared values in an Arab/Muslim context.

The affective component of trust between banker and client proved to be more important than cognitive antecedents in an Arab/Muslim context. This specific result demonstrates that the actual decision to trust is driven in large measure by the affective aspect of trust – on the basis of believing that the counterpart is benevolent and fair (McKnight and Chervany, 2002).

### **8.2.1 Cognitive themes**

Cognitive factors of trust, such as professionalism, competence or abilities, good work performance, integrity and dependability/reliability, are cited significantly more frequently by non-Emirati respondents than by Emiratis. For Emiratis, cognitive antecedents of trust are generally held to be less important than affective antecedents of trust. This thesis finds that cognitive factors were more salient for non-Emiratis, and affective factors less salient. For Emiratis, the reverse was the case. This is shown in chapter 7, figures 7.1 and 7.2. This mismatch may lead to tension, and may contribute to young Emiratis' lack of success in the financial services industry (Pech, 2009, p. 57). The findings of this thesis have significant implications for the government's Emiratisation programme (see chapter 2).

The relatively high average evaluation provided by these respondents for this construct may indicate that, in the financial services industry, competence is a necessary antecedent for building up trust, but it is not of itself a sufficient driver for trust in an Arab/Muslim context. In other words, clients may recognise their banker's competence, while remaining uncertain about the relationship motivation. This scepticism may have been fortified recently (2008/09) by the global financial scandals, which may have further undermined clients' confidence in financial organisations' fairness and ethical credibility. Many non-Emirati clients lost confidence in their non-Emirati bankers and many stopped dealing with them.

However, the situation with Emirati clients is different. Emiratis are supported by their leaders and government: even if a bank fails, the leaders who support the banks have guaranteed support for the clients. For instance, after these recent global events, Emirati clients retain confidence and trust in their banks because they are supported in this way. Because of government support, Emirati bankers and clients feel safe and secure in the face of the global financial crisis (see chapter 7, sections 7.2.1, and 7.2.2).

Emirati clients trusted Emirati bankers. Emiratis perceived that the affective antecedents of trust were more significant than the cognitive ones. However, they also attached importance to cognitive antecedents of trust. They perceived that Emirati bankers

were capable, in terms of skills, relationship building and successful past experience, when the bankers demonstrated all three cognitive antecedents: competence, reliability and integrity. Nevertheless, Emiratis perceived that the affective antecedents of trust and of the relationship were paramount.

### **8.2.1.1 Competence**

Expertise is an important factor since it has an impact on the client's levels of trust, which in turn affects client repeat purchase intentions and positive recommendations. This is consistent with Ganesan's (1994) study, which explains that a banker must demonstrate expertise in order to enhance the client's feeling of trust. However, the present results seem to suggest that a banker's expertise may not always be the most significant element for client trust (chapter 6, section 6.1).

As discussed, competence builds mutual confidence, which triggers repeat purchases, satisfying counterpart expectations in mutual honesty and the ability to fulfil commitments made. This is significant because trust not only depends on the partner's ability to deliver as promised, but also on their intention to do so. Most of the Emirati respondents generally signalled a preference to deal with people they know and trust; at first sight, this may not seem significantly different from doing business elsewhere but, in reality, the heavy reliance on relationships in the UAE means that non-Emiratis would have to make themselves known to Emiratis before any business could take place. Getting to know each other may involve sharing personal information and stories. This confirms the literature that suggests forgoing formalities was described by many Emiratis as critical to issues of trust in financial services relationships (Rousseau et al., 1998).

From the Emirati partner's perspective when dealing with non-Emiratis, the emphasis is more likely to be placed on competence-based trust because non-Emirati partners are more likely to possess technical expertise. The majority of Emirati bankers and clients believe that non-Emirati partners are generally well organised; they have accurate delivery schedules and reliable order processing. But dealing with them brings a sense of insecurity, since they feel unable to maintain confidence only in relation to business practices.

The non-Emirati partner is likely to place more emphasis on both contractual and goodwill antecedents, especially because of the high levels of uncertainty in the environments of many developing countries. Precedent research reporting on trust antecedents that identified similar behaviours to those described here in relation to bankers' competencies, have included antecedent factors such as skill, interpersonal competence and expertise (Butler, 1991; Doney et al., 1998; Gabarro, 1978; Mayer et al., 1995; Mishra,

1996).

Bankers' competencies are important factors in the client's trust analysis, and are comprised of clients' responses based on their perception of banker's technical skills and business decision-making competencies. The absence of competency-based factors suggests that client insights into bankers' competence is not founded on relationship development, but rather on their calculation of the possibility that the bankers would meet obligations, as demonstrated by competence, ability and expertise (Doney et al., 1998; Kramer, 1999; McKnight et al., 1998).

The perception of risk involved in the initial phase of calculative trust is reduced through a positive experience of working together. This explains the common finding that business people tend to attach less importance to the terms of formal contracts the longer they have been dealing with each other. At this point, the counterparts have built up more knowledge about each other; they are likely to develop common ways of thinking through sharing experience and information – thus reducing uncertainty and risk.

Respondents confirmed that the extent of cognitive trust depends on the success of past experience, such as a good track record, good performance and reliability. Respondents believed that building trust takes time; bankers need to meet counterparts socially, allowing the development of similar shared values and attitudes. In general, competence is related to the individual's perceptions of the other's knowledge and skills in completing a relationship and satisfying the needs of the individual (Coulter and Coulter, 2002).

#### **8.2.1.2 Reliability**

All respondents saw reliability as an important factor. It would seem that reliability or dependability combines a sense of predictability with benevolence. There is a sense of confidence that needs will be met. The trustworthiness of partners can be judged by how reliable they are (chapter 6, section 6.1.2).

The need to rely on a counterpart is considerable in information-based relationships such as banking. The sub-categories that have emerged from the data are reliability and promise keeping. All bankers claimed awareness of the needs of clients and, as a result, their clients could rely on them. Confidence in reliability leads to a sense of comfort that may reduce uncertainty. This finding was confirmed by all bankers and is consistent with previous research showing that reliability bears a positive relationship to trust (Michell et al., 1998).

### **8.2.1.3 Integrity**

Many of the respondents discussed the importance of integrity: honesty and keeping promises are the key features here (Tschannen-Moran, 2004). The bankers in the present research identified honesty as an essential component of trust in its own right and felt that not only did clients have an expectation of honesty and integrity in actions and responses, but also that clients appreciated these factors (Butler and Cantrell, 1984; Ganesan, 1994; Rotter, 1971).

In this research, integrity is related to the previously identified trust antecedent of promise fulfilment (Butler, 1991; Gabarro, 1978; Mayer et al., 1995). Integrity and promise fulfilment were associated with a perception of honesty in the relationship, and consistency between what was said would be done and what was, in fact, achieved. Respondents asserted that being honest concerned being trustworthy, having sincerity and the ability to motivate others. Carrying out stated intentions and taking responsibility are indicators of faithfulness and honesty (Butler, 1991; Gabarro, 1978; Mayer et al., 1995).

### **8.2.2 Affective themes**

While cognitive trust is grounded in individual beliefs about reliability, dependability, integrity and competence, affective trust is grounded in emotional bonds of reciprocal interpersonal care and concern between the counterparts. Ennew and Sekhon (2007, p. 63), although speaking about a different market (in their case, consumer trust in an organisation), note that antecedents of trust may be “low level or cognitive (that is, based around notions of reliability and dependability) or high level or affective (that is, based around notions of being concerned about the best interests of the customer”. It appears that an emotional bond is essential for driving the relationship and nurturing trust mutuality (Barney and Hansen, 1994; Butler, 1991; Nicholson et al., 2001; Wilson, 1995). This improves the partners’ understanding of each other as individuals and creates emotional openness without concern for vulnerability (Chowdhury, 2005). Emiratis universally agreed that affective themes were significantly more important to them than cognitive themes, and this finding is closely aligned to their religion, culture and shared values.

The majority of respondents claimed that trust could emerge if the client recognises that the banker is caring, helpful and acts in the client’s interests. Thus, the positive feelings that are associated with behavioural trust mostly result in the continuity of the relationship, creating an opportunity likely to give rise to long-term orientation. If bankers can prove to clients that they will take care of their welfare and interests, clients are more likely to develop enough confidence in bankers’ motives to rely on them in the future

(Ganesan, 1994).

Cognition-based trust can be a precursor to the development of affective-based trust (McAllister, 1995). Hence, trust building may be based on expectations of technical competence, reliability and dependability before further investment is made in the relationship. The Emirati respondents maintained that a trust relationship in the interaction context is characterised by significant investments of time and emotion; it begins with personal relationships or friendship. For most of the Emirati clients, the affective antecedents of trust are crucial in shaping relationships. Some earlier studies seem to arrive at the same conclusion (see, for example, Anderson and Kumar, 2006).

This section elaborates on the affective categories of the antecedents of trust in an Arab/Muslim context. The most important affective categories, as shown in the results, are benevolence and openness of communication, both of which are fundamental attributes of Emirati religion, culture and shared values.

#### **8.2.2.1 Benevolence**

Benevolence has been determined in this thesis to be a significant factor in the trustworthiness of a banker. This supports the results of previous studies (Butler, 1991; Gabarro, 1978), indicating that empathy, supportiveness, care and concern are important elements in building a trust relationship. Emirati bankers are expected to represent their benevolence in terms of intention to provide clients with accurate information, treating all clients' interests equally and not being motivated by self-interest. Clients expect managers to act benevolently; they expect that bankers will care about their well-being. Overall, benevolence stands out as a component of trust that affects knowledge sharing. This finding is consistent with earlier research that includes benevolence as a component of trust (Tschannen-Moran, 2000, pp. 314, 318).

Respondents claimed that benevolence is significant in building up affective or relational trust (see also Mayer et al., 1995). For many of the Emirati respondents, being benevolent meant that the individual focused on the motives and intentions of the partner (see also Ganesan, 1994). Benevolence reflects the belief that one party is interested in the well-being of the other. Indeed, a benevolent attitude is expected to condition the behaviour of the other party in the event that unforeseen circumstances arise (Ganesan, 1994). Most Emiratis suggested that a benevolent person is one who is willing to make short-term sacrifices. In other words, bankers concerned about client outcomes, as well as their own concerns, will be trusted to a greater extent than those who only act in an opportunistic manner.

The perception of trust in the banker largely depends on how the banker shows care and concern, which is the second most important affective factor for trust building. If clients experienced bankers sharing their concerns and worries, trust tended to be established. These findings are in line with previous research (Butler, 1991; Mishra, 1996; Sheppard and Sherman, 1998).

Benevolence, it would seem, is related to qualities, intentions and characteristics attributed to the relationship partner rather than just to their specific behaviour (Rempel et al., 1985). The two dimensions are relevant in business marketing since when buyers perceive some risk in a transaction, they are more likely to choose a supplier who is both credible and benevolent (Doney and Cannon, 1997).

This thesis finds that empathetic attitudes are important antecedents of trust. Empathy should be reflected in the suitability of existing services offered and in the customisation of products (Hoffman, 2000; Parasuraman et al., 1988). Empathy is defined as the degree to which the service provider possesses a “warm, considerate and caring” attitude (Parasuraman et al., 1988). Thus, personal qualities sometimes interpreted as trivial have a great effect on trust in the absence of direct experience of more concrete aspects (such as reliable or prompt delivery).

Similarity between banker and client connotes the presence of common values and interests. Social psychology researchers have found that in social relationships individuals tend to show higher levels of attraction towards people they perceive as having attitudes similar to their own. Byrne et al. (1971) suggest that this link occurs as a result of the detection of similarity (attitudes) in others, which confirms an individual’s interpretation of their environment. Accordingly, it can be concluded from the findings in this thesis that when a client detects elements of similarity in a banker, an “affective” response may result, leading to development of a cooperative and accommodating attitude towards the banker.

Respect is considered by the majority of Emirati bankers and their clients to play a significant role in creating trust. Acting respectfully and being respected is important; in an Arab/Muslim context, this reciprocity was expected (Cook et al., 2005b). Here, being respected is linked to having credibility, and this is an essential component of being trusted both as a professional and at a personal level. Therefore, benevolence, respect, integrity and honesty were all attributes that bankers saw as essential antecedents of trust relationships (see also Tschannen-Moran, 2004).

#### **8.2.2.2 Openness of communication**

From the results, providing information was an important factor in building trust and one

of the features that allowed easy interpretation of the exchange partner's behaviour, thus enhancing the prediction of future intentions (Mukherjee and Nath, 2003; Sabel, 1993). This is in line with research in which open and frequent communication and information is positively related to trust (Anderson and Narus, 1989; Anderson and Weitz, 1989; Morgan and Hunt, 1994; Mukherjee and Nath, 2003, 2007). Thus, the more the partner is open and transparent, the higher the perception of trust. This confirms the literature that suggests that openness is necessary to develop and preserve a shared understanding and thus preserve trust (Anderson and Narus, 1989; Anderson and Weitz, 1989).

This research shows that great importance is given to interpersonal communication in building up trust (Granovetter, 1985); partners must communicate to develop trust. In an interpersonal relationship, trust grows from a communication process in which shared meanings develop to provide the necessary foundation for non-opportunistic behaviour. Bankers acknowledged that clients expect them to have a culture of openness that allows communication to flow freely.

A culture of openness is desirable for conflict resolution, which in this thesis refers to the sharing of personal information. Bankers viewed openness and transparency as integral to building up trust but, while it was important, they also understood that there are times when information cannot be shared – for instance, if someone stands to be disadvantaged by this action.

Therefore, a trusting environment facilitates openness and transparency of words and actions. One of the bankers claimed that it is important for clients to understand the work in hand and this can be achieved only through open and transparent interaction. This confirms findings elsewhere in the literature and suggests that individuals who work in a culture of trust and openness are also open and willing to share information (Zand, 1997). In the present research, openness is reflected in the ability to share information and, thus, the preparedness to risk vulnerability (Kirkpatrick and Locke, 1991).

Trust is closely linked with confidentiality because of the risks taken; at a personal level, this is critical in situations of trust. Participants saw confidentiality as a non-negotiable aspect of trust. Most of the bankers recognised that trust was reciprocal and the relationship managers interviewed discussed trust extensively in terms of openness and honesty. In the literature, Butler (1991) provides some empirical support for openness as one of several separate conditions of trust.

Deutsch (1960, p. 268) states that being trustworthy “implies that the trustworthy person is aware of being trusted and that he is somehow bound by the trust which is invested in him”; the present results are congruent with this view. At the foundations of

trust and trustworthiness, respondents believed that communication directly affects the level of trust within the UAE financial services industry.

Open communication must be culturally appropriate and incorporate both verbal and non-verbal styles that participants perceive as suitable to each party's roles and the context of the interaction. This research confirms that a culture of openness is desirable. The bankers perceived that consistency and keeping promises are essential for their clients to trust them. One noted the desirability of being seen as predictable. This has been seen in the literature as positive when it is combined with the will and intention to look after another person (Mishra, 1996; Tschannen-Moran, 2004).

However, effective communication is developed through open, clear, honest, face-to-face, culturally sensitive and timely communication (Lane and Bachmann, 1996). Although both counterparts believed in openness of communication, the most successful interactions were between culturally similar counterparts. The most successful relationships were between Emirati bankers and Emirati clients. This presents a problem for the UAE, as it lacks skilled personnel among Emiratis to take up posts in financial services (Pech, 2009). The least successful interactions were between non-culturally similar counterparts, for example, non-Emirati bankers and Emirati clients. The results show that there was a mismatch between the Emiratis' high expectations of affect in interpersonal relationships and trust building, including openness of communication, and non-Emiratis' more cognitive, less affective, approach to business relationships. This is in line with Abosag et al.'s (2006) results, which found that the British focused on the instrumental and calculative aspects of "relationships, while the Saudis focused on the affective aspects of the relationship" (p. 17).

### **8.3 Emirati religion, culture and shared values: The key mediating variables**

Religion, culture and shared values are demonstrated in this thesis to be the most important over-arching themes that control the antecedents of trust in an Arab/Muslim context.

This is in partial agreement with Morgan and Hunt's (1994) key mediating variables model of relationship marketing (see figure 8.1 below), which finds that shared values are of central importance, being the only variable which is a direct antecedent of both trust and relationship commitment. However, Morgan and Hunt (1994) viewed shared values from the limited perspective of the organisation or employee.

This thesis views shared values from the larger perspective of culture and shared values, which are basic human values as defined by Schwartz (1992, 1994, 2004, 2007). This thesis found that religion, culture and shared values were the key mediating variables

as antecedents of trust in an Arab/Muslim context.

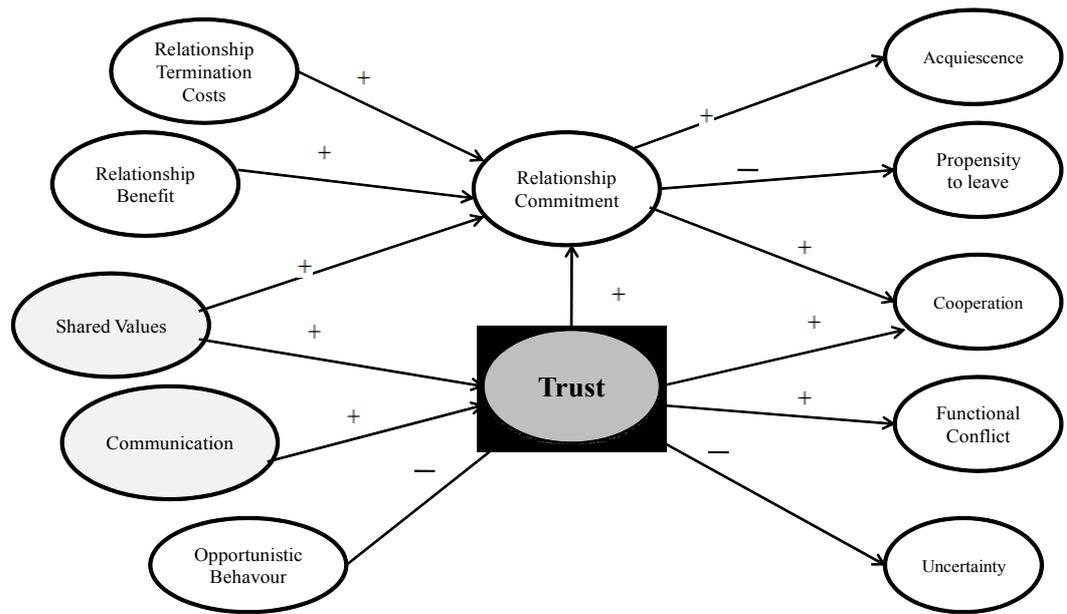
This thesis extended the KMV model of relationship marketing in three ways, as shown in figure 8.2, below. First, it has created a typology of the antecedents of trust derived from the literature, and grouped them into four main clusters after suggestions by Ebert (2009), which are 1) personal, 2) interpersonal, 3) organisational and inter-organisational and 4) calculus-based and other, including the growing body of literature devoted to internet and e-commerce antecedents, such as privacy and security. This grouping is based on convenience, derived from each body of literature, and has shortcomings as a classification system, as the categories are over-lapping and not logical in themselves (see appendices D1 and D2 for the antecedents of trust, and the bodies of literature from which they were derived). However, it helps to position the antecedents of trust and may be a useful guide for further research. This thesis has analysed in depth the personal and inter-personal antecedents of trust in an Arab/Muslim context. The examination of organisational, inter-organisational and calculus-based antecedents of trust was tangential, although mentioned by respondents.

Second, this thesis found that the key mediating variables functioning as antecedents of trust in the Arab/Muslim context were religion, culture and shared values. This is also shown in figure 8.2, below. For Emiratis, who are all Arab Muslim Bedouin, the Muslim religion is the fundamental and dominant force in their lives. It is integrated indissolubly with culture and shared values that are determined by centuries of nomadic desert existence.

Thirdly, this thesis has derived a series of clusters of the outcomes or consequences of trust from the literature, which are: 1) conative outcomes, behavioural intentions, willingness, referrals and word-of-mouth; 2) cooperation; 3) satisfaction; 4) loyalty; 5) functional conflict; and 6) uncertainty, opportunistic behaviour, security and lack of privacy, which have a negative correlation.

This thesis may have contributed to the theory of human values (Schwartz, 1992, 1994, 2004, 2007), as the theory was supported and tested by data from 60 countries and every continent. However, the dataset was not tested in an Arab/Muslim context. While not designed to replicate or advance Schwartz's work, this thesis adds to the understanding of shared values in an Arab/Muslim context.

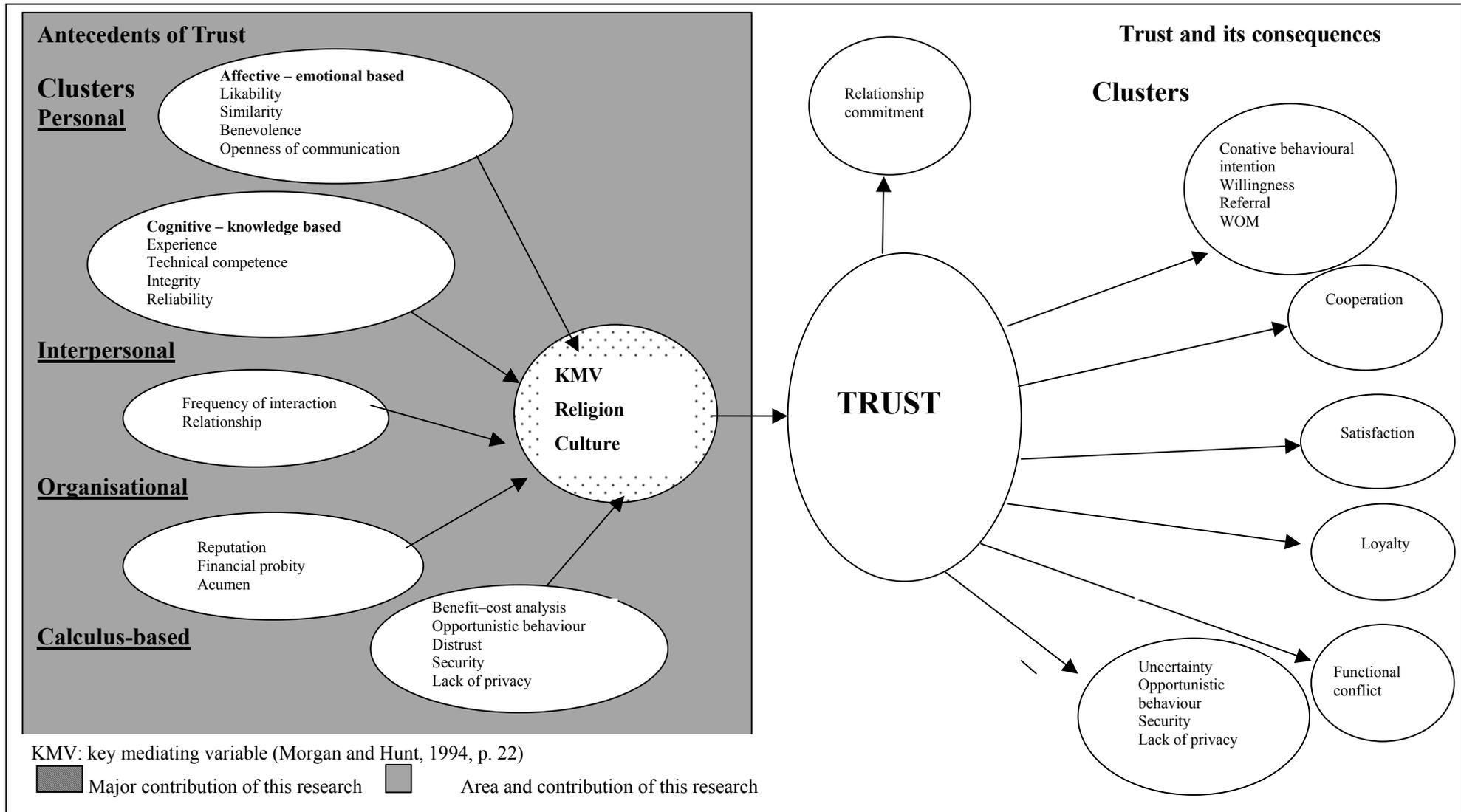
The following sections explore Emirati religion, culture and shared values as the key mediating variables that act as antecedents of trust in an Arab/Muslim context.



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**Figure 8.1 The KVM model of relationship marketing**

Figure 8.2 Research contribution



In an Arab/Muslim context, the social bonds are strong among Emiratis, due to their tribal cultural inheritance. Social bonding between Emirati bankers and clients in the UAE provides customised services that develop relationships, allows the clients to trust and to be satisfied with the bankers' services, and assists in understanding and learning about the client's needs and expectations. Emirati counterparts have strong bonds with each other; they are close to each other and supportive. They are empathetic and responsive on the basis of religion, culture and shared values.

Emirati business culture is based on social bonds and personal contacts – a precursor to developing a business opportunity. This can be contrasted with many non-Emirati approaches in which an opportunity may first be identified, and then a business relationship formed; seldom does this lead to any type of close friendship. In an Arab/Muslim context, however, business competence relies on perception, instincts, personal contacts, social position and family relationships (Bakhtari, 1995; Muna, 1980).

Social bonds are an important antecedent of trust in an Arab/Muslim context. The importance of the social bond is derived from business-to-business services marketing literature, where it is used to indicate good personal relations (Rodríguez and Wilson, 2002; Smith, 1989). There is a strong emphasis on social relations and a strong belief in the relational aspects of UAE society. Thus, business clients and bankers build relationships by developing one or several types of bonds. In the UAE, affective-based factors are often more salient than cognitive-based factors, especially between Emiratis. This suggests that respondents place greater emphasis on affective antecedents of trust that facilitate the development of trust in their working relationships. These affective antecedents are personal relationships, openness, openness of communication, mutual help, frequency of contact and mutual understanding. Personal relationships and mutual understanding provide emotional ties that serve as the affective foundations for trust. The Emirati respondents' perception that trust in the work context is developed through personal relationships or friendship, constituting a first condition that is necessary for trust to be established, is in agreement with the literature (McAllister, 1995).

Emirati business culture is based on friendship, which is seen as an antecedent to developing a trusting relationship. With non-Emirati partners, actions often “speak louder than words”. However, in Emirati culture, an oral promise has its own value, independent of whether an action is taken which supports the words. The tension between the counterparts' perceptions of “words” vs “actions” leads to feelings of discomfort with the relationship. For non-Emiratis, in business relationships, the focus was on the project; there was, generally, no personal interaction or communication, no self-disclosure and no

familiar knowledge base about the counterpart.

Social bonds are particularly important in professional service contexts, where the service is embodied in the service professional. In this thesis, Emirati client respondents believed that broadening the social bonds within the relationship served to strengthen the relationship itself (cf. Håkansson and Snehota, 1995). Emirati bankers interacted with Emirati clients in informal settings, which enabled them to understand their clients' problems, and to display their own core competencies.

Several interesting issues with regard to trust emerged from the data. The majority of Emirati people show loyalty and deep love for the royal family that heads the government; the government supports Emirati projects. Thus, a vital cultural antecedent of trust in an Arab/Muslim context is patriotism. All the Emirati respondents' statements repeatedly pointed to trust as grounded in loyalty to the royal family and the government. Emirati cultural heritage places high value on the extended family and tribe as a source of identity, support and loyalty. It also legitimises a paternalistic authority structure that accords great influence to the father-figure role, and supports benevolent autocracy with ethical underpinnings (Hofstede and Bond, 1988).

This thesis found that ties between Emirati counterparts are strong, as they are blood and social bonds. On top of this, Emirati counterparts will have spent time and effort in building relationships. This confirms the literature suggesting that the strength of ties can be determined by the amount of time, emotional intensity, intimacy and reciprocity of a relationship (Granovetter, 1985). Emirati culture and shared values prioritise group goals and outcomes over those of the individual, and defines people in terms of their tribal and extended family membership. As a result, Emiratis may be willing to make sacrifices for their own in-group. With this typical collectivism, Emiratis place high value on maintaining social relationships and harmony.

However, many non-Emiratis believe that competition fosters creativity and contributes to high performance. They may focus on the individual, and one person is usually given power to make the final decision and bear all responsibility. However, most Emiratis believe that everything must be in harmony for the world to function well, and that competition can lead to disharmony. Emiratis tend to be group oriented; although the highest authority in the group usually takes the final decision, responsibility for that decision is borne by the entire group.

Minimising the possibility of ambiguity and uncomfortable situations emerges as another dimension of "uncertainty avoidance" (Hofstede, 1991). This is particularly important for the relationship between banker and client, where the banker is considered

the main source of security and knowledge. The client considers the banker to have power and knowledge, and to be responsible for his welfare and security.

Uncertainty avoidance plays an important role in the attitude towards information and communication in an Arab/Muslim context (Shoib and Jones, 2003). Results for this thesis reveal that affective antecedents are the most salient for Emiratis, and that Emiratis are emotional when dealing with their counterparts. Emiratis avoid confrontation and loss of face, and strive for harmony. Within Emirati groups, repeated interactions maintain commitment, and loyalty brings high levels of reliability. Emiratis rely on dealings within the family, tribe or clan and seldom trust strangers, even in a business context. In contrast, non-Emiratis are much more likely to trust strangers in a business context, depending on the reputation of the financial services institution.

The majority of Emiratis are sensitive to differences in opinion, prefer to stay safe and do not take risks; they are highly risk-averse. It is clear that such cultural strategies have a profound impact on clients' perception and behaviour, which influences the formation of trust in this area. Uncertainty avoidance in an Arab/Muslim context is related to anxiety, the need for security and dependence upon experts (Hofstede, 1980).

Many of the Emirati clients interviewed have close relationships with Emirati bankers, which are based on religion, culture and shared values, as well as language, laws and regulations. Past or repeated interactions also promote the emergence of trust at the interpersonal level. This confirms the literature highlighting that through past interactions individuals know their partners and are better able to determine their trustworthiness, with cognition-based trust leading to affective-based trust (see McAllister, 1995).

In pursuit of harmony, most Emiratis run their businesses through a network of personal relations, and conflict resolution is generally accomplished through informal channels. Emiratis try to avoid confrontation when they feel it is not helpful in realising their goals. They believe that bilateral negotiation and conversation are often more successful than, for example, formal legal action.

Another important Emirati concept is that of *wasta*. Although there is no exact English translation for this, it entails reciprocal favours or assistance. It also forms the foundation on which almost everything in an Arab/Muslim context is accomplished. The importance of *wasta* stems from an Emirati emphasis on interdependent personal relationships. When one person does a favour for another, they expect that person to provide some type of unspecified assistance in return. This action is automatic, and may be performed without asking.

Non-Emiratis may think of *wasta* as a negative practice, which in turn causes

frustration, resentment and possibly de-motivation. In undertaking research for this thesis, it was necessary to be conscious of the sensitivity of the subject of *wasta*, which is known to all, and practised by many, but not discussed openly with foreigners.

All the respondents agreed that *wasta* is still present in the field of business, recruitment selection, development and promotion in an Arab/Muslim context. Many business activities depend upon *wasta*, and in order to gain good business contracts, people may need to depend upon the use of *wasta*. *Wasta* is considered by all Emirati respondents to be an important antecedent of trust that may lead to developing a business opportunity. It is worth mentioning that *wasta* is not based on Islamic law (and indeed may conflict with sharia), but on the cultural and shared values of the Bedouin Arabs who inhabit the Gulf States. While “connections” and “the old boy network” may also play a role in Western business and hiring practices, most non-Emirati employers hire, promote or accept business based on individual skills and performance. As a result, *wasta* is likely to be seen by non-Emiratis as, at best, favouritism and, at worst, nepotism or corruption. For the Bedouin Arabs, it is a deeply embedded cultural and shared value.

This research shows that religion, culture and shared values are key mediating variables in the antecedents of trust, and it is argued here that many aspects of trust are culturally specific. For example, non-Emirati clients may be more likely to be attracted to the major multinationals because the size of the bank and brand image instil confidence, as is the case with Standard Chartered and HSBC, the latter being especially well represented in the UAE. On the other hand, some non-Emiratis with extensive business dealings with Emirati bankers believe it is diplomatic to be seen to have an account with a national institution such as National Bank of Abu Dhabi, or Dubai Islamic Bank, because then they are more likely to be viewed as part of the local community.

It is important for non-Emiratis, both bankers and clients, to develop cultural sensitivity and particularly to understand what factors have an impact on the development of trust. Non-Emiratis need to understand Emirati customs and traditions. By doing so, they are better equipped to avoid potential conflicts or, in cases where conflicts are unavoidable, come to a compromise. For instance, in an Arab/Muslim context, it is important to understand the significant role religion plays in the conduct of business, especially in areas like sharia banking. In order to build trust relationships in an Arab/Muslim context, it is critical for businesspersons to be aware of religion, culture, shared values, Islamic laws and regulations.

## 8.4 Conclusions

This chapter has discussed the results that emerged from the research on the antecedents of trust between bankers and their clients in an Arab/Muslim context.

It is clear that trust is an important and interesting component of this relationship. Significant emphasis was placed on levels of trust between the counterparts in an exchange. Clients need to trust in the ability of the bankers who design the customised agreements; banker competency formed the foundation for this trust, including their ideas for increased profit, high levels of computer literacy, accounting, mathematical skills and the ability to translate these skills into complicated financial mechanisms.

This research has analysed the importance of trust and the antecedents of trust for Emiratis and non-Emiratis in the banker–client relationship. If a client has potential to stay in the relationship over the long term, it is worth having a long-term orientation towards that client. This research shows how bankers can better understand and relate to perceived client behaviours, beliefs and intentions. Credibility and benevolence are the fundamental dimensions of trust, where credibility refers here to the client’s belief in the banker’s expertise and ability to do the work effectively, while benevolence is based on the client’s belief in the positive intentions of the banker. Non-Emirati bankers and clients rely less on feelings and emotions, prioritising instead cognitive factors. Non-Emirati clients declared that purchase intention motivated counterparts to take reciprocal actions. Non-Emirati clients perceived that satisfying clients’ needs was the goal of every business, as it has an impact on repeat purchasing behaviour and consequent revenue. Non-Emirati clients viewed loyalty to a banker as a long-term relationship, as they made a series of purchases over time. This is because client satisfaction was not the result of a single business deal, but of the whole assessment of the relationship history between the banker and the client:

These results also reveal that trust is a complex construct and is context dependent. The counterparts appear to make an evaluation of trustworthiness based on the ability, benevolence and integrity of the other party, which are factors effected by the length of the relationship, shared interests, frequency of interactions, culture and shared values. The status, size and capabilities of large corporates may remove the necessity for trust building.

Non-Emirati bankers and clients realised the value of personal interaction over the long term. Thus, consistent behaviour over time contributes to trust because it increases the predictability of future behaviour.

The results in this thesis indicate that clients perceive that their bankers’ competence, knowledge and credibility are important antecedents of trust. Results also revealed that between Emirati counterparts, trust compensated for incompetence.

In summary, this research shows that affective antecedents of trust are stronger than cognitive antecedents of trust in banking relationships in an Arab/Muslim context. The thesis has examined three dimensions of cognitive trust (reliability, competence and integrity) and affective trust (benevolence, openness of communication and “antecedent satisfaction”) (see Mayer et al., 1995; McAllister, 1995).

The results demonstrate that Emirati religion, culture and shared values act as the key mediating variables in determining antecedents of trust in an Arab/Muslim context. Although this research was not conducted from the perspective of relationship marketing, these results have added to the theoretical understanding of the function of the key mediating variable in another cultural context.

## CHAPTER 9: CONCLUSIONS AND MANAGERIAL IMPLICATIONS

This final chapter will first address the research questions. Next, the contributions to knowledge and a research summary are presented. The possible managerial applications of the results will be proposed. The limitations of the study will be explored, and recommendations will be made for further research into the antecedents of trust emerging from these results.

### 9.1 Research questions

The research questions posed in chapter 1 were derived from the research objectives. A literature review then provided a conceptual model of research assumptions (see figure 1.2), which was used to design the pilot study and initial interview protocol (see figure 1.3 and appendix E). Results from the pilot study (see figure 1.4) provided the basis for re-framing the research questions and a final interview protocol (refer to appendix H).

It is now appropriate to revisit the research questions posed in chapter 4 (section 4.2.4) in order to draw conclusions from the results. In addition to answering the research questions and comparing the data to the conceptual model, the research propositions will be further investigated for soundness and to clarify the results. The literature that addresses each research question is listed after the question where this is appropriate to locate the theory within the literature:

To provide a foundation for the research, it was necessary first to determine

1. *How trust is perceived in corporate banking interactions in an Arab/Muslim context. What are the attitudes of Emiratis and non-Emiratis to trust?*

Proposition 1 (P1)

- a. *Trust is a major moderating variable in corporate banking interactions in the Arab/Muslim context.*
- b. *Attitudes to this trust differ between, for example, Emiratis and non-Emiratis.*

This research indicates that not only the perceptions but also the antecedents of trust vary according to religion, culture and shared values, as well as in particular situations. In this thesis, data have been collected and analysed from the perceptions of both sides of the

dyad, Emiratis and non-Emirates, in order to show the two different perceptions of the antecedents of trust between the counterparts. The respondents' perceptions of trust itself differ from one person to another and from one situation to another. The absence of one feature of trust in a relationship does not exclude a partner's positive experience of other features. In this thesis, it has been found that trust is therefore contingent, situational and context specific (see results chapter 5)

The data set here includes bankers and clients working in high trust situations, and outlines their perceptions, attitudes, values and beliefs about trust in corporate banking in an Arab/Muslim context. They all perceived that trust was of paramount importance in corporate banking, and accepted this unquestioningly and unanimously as a fundamental characteristic of the industry. This result suggests, as Baier (1986) also argues, people accept that trust is there: they do not consciously think about it but live with and use it as they work. This is normally the case until a "trigger" incident (words, actions, errors of commission or omission) causes them to reflect and reconsider trust, levels of trust or mistrust. However, the differing levels of trust within client/banker relationships provided evidence of actions that indicate mistrust. This research highlights the need for consideration to be given to trust as a complex construct in order to gain a fuller understanding of the concept and how it influences business-to-business relationships, especially in this context.

The importance of trust in the development of long-term relationships between clients and bankers can be revealed with an identification of the connection between client trust and their intention to maintain long-term relationships with bankers. Counterparts appear to assess trustworthiness based on the ability, benevolence and integrity of the other. Therefore, trustworthiness is necessary to ensure that the bankers successfully represent their ability to manage and act with integrity and consistency. The relationship between banker and client is created by the bankers' ability, benevolence, reliability, integrity and predictability, which are important antecedents of trust. Bankers and their clients, especially SME clients, build and maintain long-term relationships by trial and error. This research reveals that trust is of paramount importance in an Arab/Muslim context, due to the determining role of Emirati religion, culture and shared values that permeate business relationships (see chapter 7).

P1a was found in the data – that trust is a major moderating variable in corporate banking interactions in an Arab/Muslim context. P1b was also demonstrated in the data – Emiratis perceived the determinants of trust differently from non-Emiratis. For Emiratis, the determinants of trust are based on religion, culture and shared values, and trust for

another Emirati is unquestioning until proven otherwise, which rarely happens. The determinants of this unquestioning trust are affective and personal, with cognitive antecedents playing a lesser role. For non-Emiratis, trust is calculative and cognitive, relying more on the systems, procedures, reputation and normative organisational culture of the international bank for which they work. For non-Emiratis, trust may also be personal, but it is more cognitive than affective. There is, therefore, a basic mismatch and pre-existing tension between Emiratis and non-Emiratis in their fundamental perceptions of trust and the importance of trust.

2. *What are the antecedents of trust in the interaction between corporate bankers and their clients in an Arab/Muslim context? How do these compare to antecedents derived from the literature?*

(Al-Ali, 2008; Anderson and Weitz, 1989; Bendapudi and Berry, 1997; Blois, 1999; Cannon et al., 2000; Moorman et al., 1993; Doney and Cannon, 1997; Ebert, 2009; Feghali, 1997; Ganesan, 1994; Geysken et al., 1998; Mayer et al., 1995; McAllister, 1995; McKnight and Chervany, 2001; McKnight et al., 1998; Smith and Barclay, 1997.)

#### Proposition 2

The antecedents of trust in the corporate banker/client relationship in an Arab/Muslim context differ from those identified in the extant literature on the antecedents of trust in general.

Answering this question may help to address limitations or indications for future research that have been noted in the literature:

- “Scholars may also investigate how organizational structure and/or culture, or extraneous factors such as environmental uncertainty and/or competitive intensity may affect this phenomenon [marketers’ credibility as construed within the sales-marketing interface]. Testing the findings of this study within new contexts such as services will also be helpful” (Malshe, 2010, p. 18).
- “although social bonds positively influence openness of communication and trust, a substantial proportion of variance in communication and trust remains unexplained. Therefore, it would be valuable to examine what the other antecedents are to trust and communication since trust, especially, plays a key role in continuing the relationship” (Cater, 2007, p. 54).
- “there is a need to focus on the theoretical level, and only then carry out

empirical studies” (Steppanen, 2008, p. 54).

- “more qualitatively oriented studies are needed before quantitative work” (Steppanen, 2008, p. 54).
- “researchers need to pay attention to level of analysis” (Steppanen, 2008, p. 54).
- the body of literature needs “replication in different contexts” (Steppanen, 2008, p. 54).
- “there is need for more [empirical] research in industry applications” (Das, 2009, p. 339).
- it is necessary to study both counterparts of the dyad, and to evaluate these data separately. Studies that only focus on either the buyer or seller are incomplete (Halinen, 1997).
- the “need for doing extensive research work with respect to various untapped industries/sectors ... research has been largely concentrated in countries like the UK, the USA, and China. In fact, there are too many countries which have not witnessed any significant RM [relationship marketing] activity” (Das, 2009, p. 340).
- “there still appears to be a distinct paucity of empirical studies devoted to ... the nature of the interaction between parties with specific attention on the complex dynamics associated with interdependent marketing relationships” (Kingshott and Pecotich, 2007, p. 1053).
- “there is limited research on how to build trusting international buyer–seller relations” (Katsikeas et al., 2009, p. 132).
- “recent theoretical advances focus on specific aspects of trust, such as antecedent processes ... they have outpaced empirical attempts to verify theoretical predictions” (Katsikeas et al., 2009, p. 133).
- “there are still some unclear causalities regarding some ... antecedents in trust research” (Ebert, 2009, p. 65).
- “there is a need for more research into cross-border [here, Emiratis and non-Emiratis in a wider sense] relationships and the important influence of cultural traits such as the ones proposed by Hofstede (1983, 1994) that differ between countries ... the issue of culture and specifically the difference of cultural traits and its significance for relationship quality is only evident in [one 2006 study, from] Leonidou, Barnes and Talias” (Athanasopoulou, 2009, p. 583).

The main contribution in response to this research question lies in revealing the limitations

of prior studies, such as the lack of empirical research, research limited to one side of the dyad, research limited to the responses of participants who agreed voluntarily to participate, the impossibility of replication, the tiring and time-consuming nature of data collection, memory bias, and focus on restricted or preconceived antecedents, as seen in the above statements.

The results show that the presence of all the antecedents creates a foundation that is necessary for the emergence of trust. Behaviours that exhibit professional competence, integrity and benevolence promote trustworthiness. Trustworthiness is accumulated positive experience that leads a person to trust others. The findings from this study correspond with findings and conceptualisations from existing literature in that they confirm the multi-dimensionality of trust antecedents.

Finding an answer here required a systematic and critical analysis of prior research on the antecedents of trust, which were then analysed in an Arab/Muslim context.

Consequently, the first two sub-questions to be answered were:

- a. *What are the antecedents of trust in an Arab/Muslim context?*
- b. *Does this differ from the literature?*

(Anderson and Weitz, 1989; Blois, 1999; Ganesan, 1994; McAllister, 1995; McKnight and Chervany, 1995; Moorman et al., 1993).

Several conclusions can be drawn here. Firstly, the trustor is an individual and not an organisation, and trust in the other party within an organisation may be a matter of the sum or mean of the trust of its members towards the counterpart. This finding is in line with research conducted by Blois (1999). Secondly, the findings strongly support the empirical results of research by Ganesan and Hess (1997) and Zaheer et al. (1998), namely, that trust can be targeted on the key boundary persons. In addition, the results of this thesis confirm the results in the literature that antecedents of trust are competence and benevolence (e.g., Blomqvist, 1997; Doney and Cannon, 1997; Mayer et al., 1995; Ring and Van de Ven, 1992; Sako, 1992).

Although there is consensus in the literature that trust is a multi-dimensional phenomenon, the literature lacks agreement about its conceptualisation and the number and content of its determinants and dimensions. Therefore, a further goal of this study was to identify the antecedents of trust from a dyadic perspective for both Emirati and non-Emirati bankers and clients. Accordingly, the third question was:

3. *What are the antecedents of trust on both sides of the dyad? From the perspective*

*of Emirati and non-Emirati bankers and clients? What are the similarities and differences in the dyadic perspectives?*

(Anderson and Weitz, 1989; Blois, 1999; Cannon, Achrol and Gundlach, 2000; Dayan and Di Benedetto, 2010; Doney and Cannon, 1997; Ganesan, 1994; Geysken et al., 1998; Mayer et al., 1995; McAllister, 1995; McKnight et al., 1998; Moorman et al., 1993; Smith and Barclay, 1997.)

### Proposition 3

Antecedents of trust will, or may be likely to, differ between

- a. Emiratis and non-Emiratis
- b. Bankers and clients

These results provide an understanding of the antecedents of trust in banking and financial services in an Arab/Muslim context. First, as far as could be ascertained, no previous research has investigated the antecedents of trust in an Arab/Muslim context. The antecedents of trust have been examined under the standard five dimensions: the “reliability”, “integrity” and “competence” components form the construct of cognitive trust, and the “benevolence” and “openness of communication” components form the construct of affective trust. These antecedents of affective and cognitive trust are important contributions of this thesis in an Arab/Muslim context. Although these antecedents have been studied in different contexts, they have not previously been examined empirically as antecedents of trust in dyadic relationships between bankers and clients.

Secondly, the affective component of trust on the bankers’ side of the relationship proved to be the most important antecedent of trust for Emiratis. Thirdly, Emirati religion, culture and shared values have been shown in these data to play an important role in cementing trust between the Emirati banker and Emirati client. Because of these key mediating values, trust is a “given” between Emiratis; it is automatic. Therefore, religion, culture and shared values are of fundamental importance to Emiratis. Emirati bankers and Emirati clients seek affective, long-term relationships. Therefore, the manner in which clients are treated by the banker during the relationship is highly relevant, and reinforces shared values, such as friendliness, respect, dignity and kinship. This finding may extend to other Gulf Arab nation states in particular, and the Arab/Muslim world in general, but may not be the case in non-Arab cultures.

Lack of understanding of the fundamental importance of religion, culture and shared values, and failure to adapt accordingly, has led to distrust and relationship failure between

non-Emirati bankers and Emirati clients. Inability to understand and operationalise the affective antecedent of trust has also led to relationship failure in Emirati/non-Emirati banking relationships (see chapter 6, section 6.2).

This thesis provides valuable insight into the differences in religion, culture and shared values between Emiratis and their non-Emirati, international, temporary guest workers, who are mainly from the Western developed world. This thesis provides evidence of Emirati religion, culture and shared values as key mediating variables that shape not only the Emirati social context but also banker–client relationships (see also below, P4).

Clients who trusted their bankers referred to experience, reputation, contracts and regulation. Clients felt that their positive experiences and the reputation of the organisation were of paramount importance in leading them to trust a banker. Less important were contractual or legal avenues of recourse. One specific behaviour that clients paid close attention to was whether the banker shared information with third parties. In addition, respondents felt good relationship management was important, as were personal contacts. The data from this study suggest that a trust enhancement approach is effective, which can be achieved by building a reputation for fairness by communicating information-sharing policies and stressing relational benefits, and by constantly informing clients of attempts to serve them better.

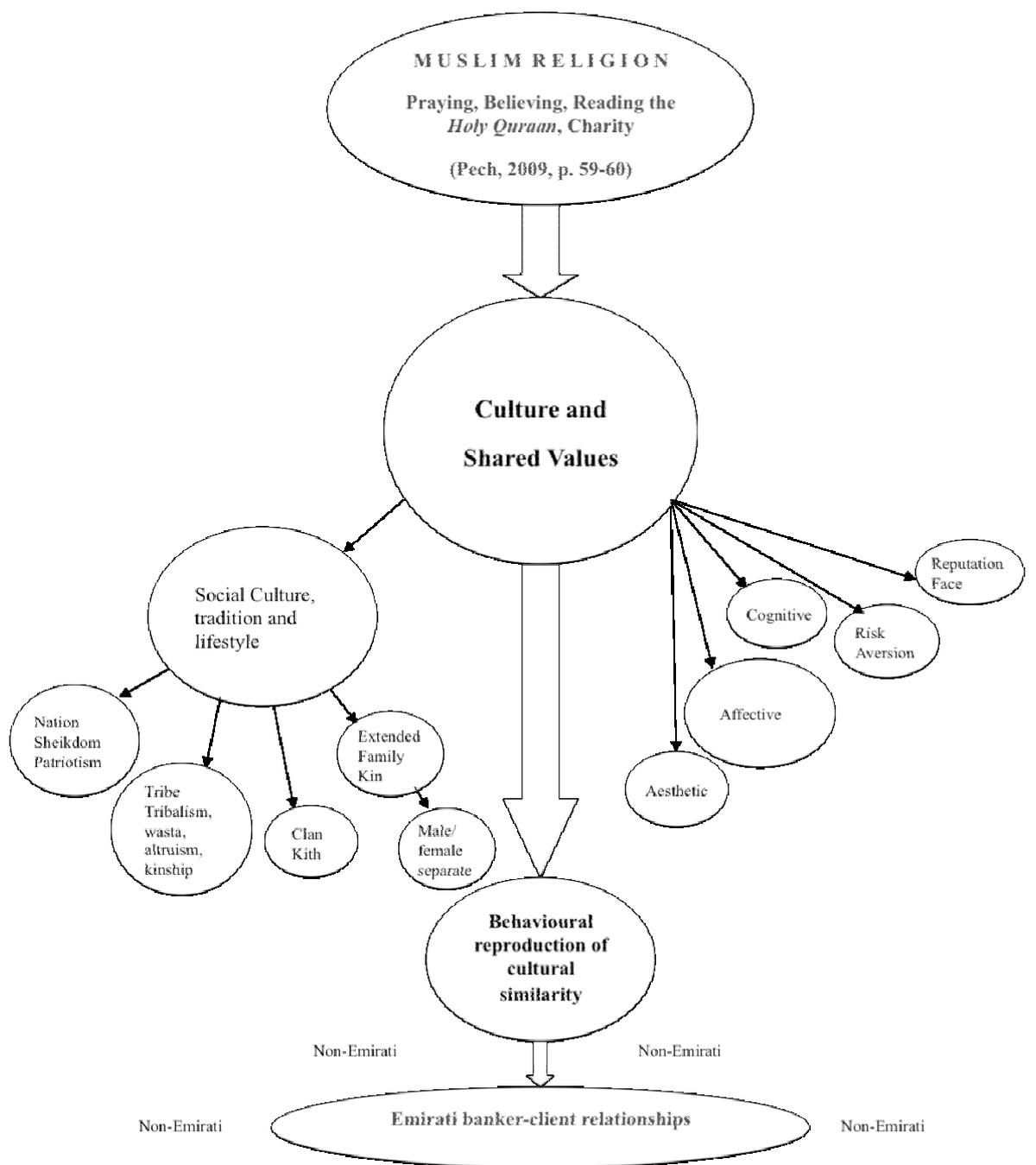
In relation to P3a, it was found that although both Emiratis and non-Emiratis may perceive the same antecedents of trust, the salience of these antecedents differed from each perspective. Emiratis perceived the affective aspects of trust to be more salient, the cognitive aspects less so. Non-Emiratis perceived the cognitive and calculative aspects of trust as more salient, the affective aspects less so. This is shown clearly in figures 9.1 and 9.2, below.

Figure 9.1, below, shows the conceptual model for Emiratis, with the overarching influence of the Muslim religion, which moderates all other cultural and shared values. The immediate core values associated with the Muslim religion are praying, believing, reading the Qur'an and charity (Pech, 2009, pp. 59–60). For Emiratis, this influence of culture and shared values moderates the antecedents of trust, shown on the right-hand side of the model, which are affective (and consist of benevolence, openness of communication and “antecedent” satisfaction) and cognitive (consisting of competence, reliability and integrity). Additional antecedents are Emirati risk aversion, and the importance attached to reputation and “saving face”, which is especially important in a collectivist culture. The affective antecedents are far more salient for Emiratis than the cognitive antecedents, as represented by the sizes of the circles. Aesthetic and language constructs are also important

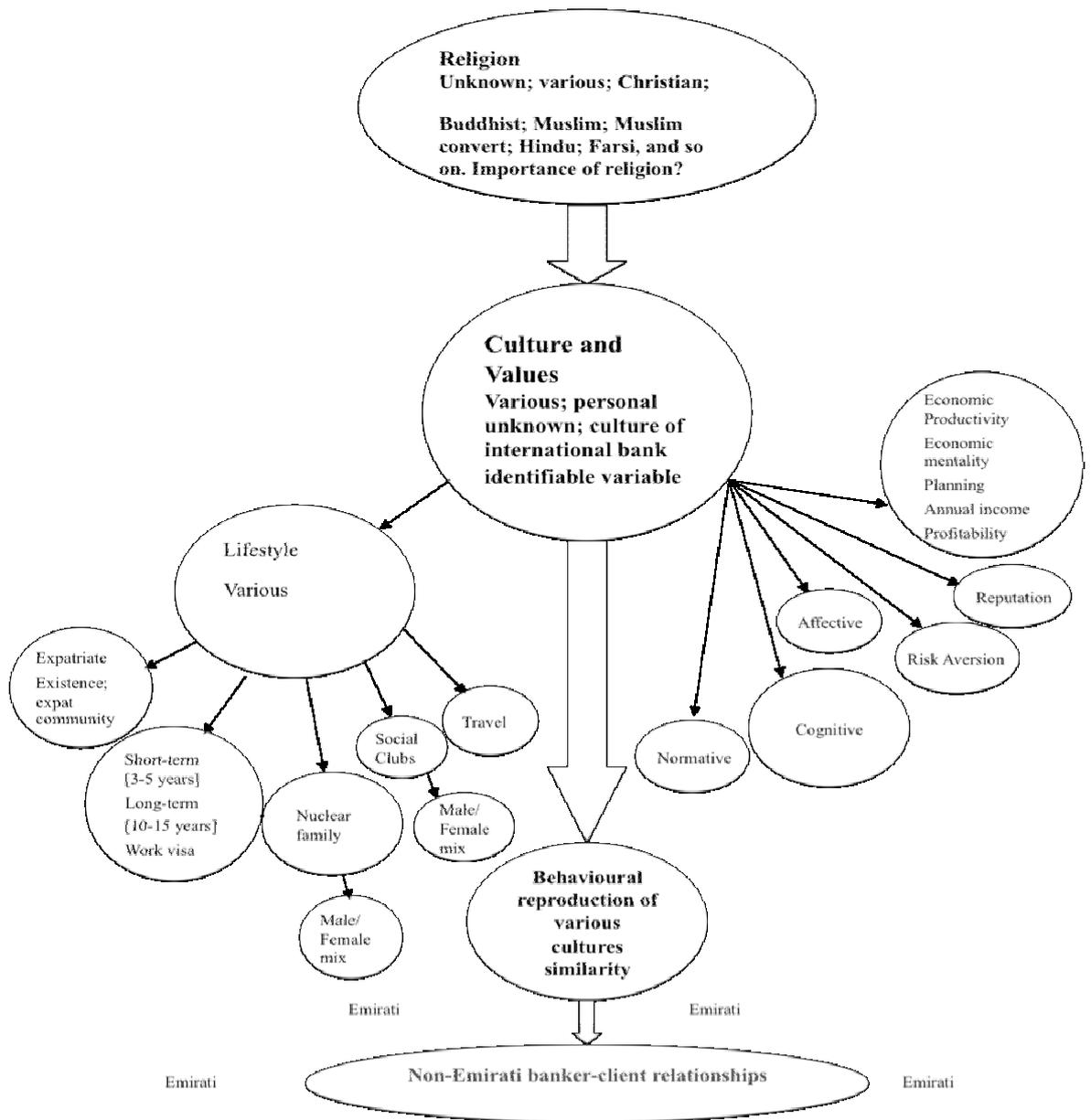
to Emiratis. For Emiratis, their “word is their bond”, and a feature of Emirati culture is that “saying equals doing”, that is, importance is attached to talking and language, which may or may not be followed through with actions.

The culture and shared values of the Bedouins strictly segregates the sexes, even in the midst of the extended family. The extended family, kin, kith and tribalism provides a network of relationships that are assiduously cultivated over time, with attention, resources and reciprocal favours given and received. The reciprocal favours known as *wasta* may transcend external, geo-politico rules and regulations, and may be seen by non-Emiratis as corruption or nepotism.

Figure 9.2, in contrast, provides a conceptual model of non-Emirati religion, culture and shared values. It was not possible to ask non-Emiratis from the West and developed countries personal questions about their religious beliefs; they indicated via the key informants for industry that they were not willing to talk about their religious beliefs. In contrast, it was possible to interview the Emiratis about their religion, perhaps because I am also an Arab and a Muslim.



**Figure 9.1 Conceptual model of Emirati religion, culture and shared values drawn from the findings of this research**



**Figure 9.2 Conceptual model of non-Emirati religion, culture and shared values drawn from the findings of this research**

The religion, culture and shared values of the non-Emiratis were variable and not identifiable. Culture for this group was the culture of the international bank or industry for which they worked. This culture was predominantly normative, rule-bound, based on regulations and procedures. It was predominantly cognitive and knowledge-based, and the antecedents of trust were predominantly, but not exclusively, cognitive and calculus-based, rather than affective. The primary value for non-Emiratis was economic activity, with associated values of economic mentality, planning, annual income and profitability (Pech, 2009, pp. 59–60). Therefore, the religion, culture and shared values of non-Emiratis stand in sharp contrast to those of Emiratis.

The lifestyles of non-Emiratis are based on the ex-patriot community, the nuclear family and mixed gender socialising within the ex-patriot community social clubs, and on travel in the region. There were no examples of socialising outside the work environment between Emiratis and non-Emiratis. The men would presumably be able to socialise together, but the strict Emirati sexual segregation means that there could never be any family or mixed-gender group socialising. As the Emiratis place such a high value on affective antecedents of trust and relationships, this means that it is impossible for these values to be met or fulfilled in business relationships with non-Emiratis. In relationships between Emiratis and non-Emiratis, this underlines a lack of comfort, undermines similarity, generates tension and may result in withdrawal, mistrust, sub-optimum relationships or relationship failure. In the case of an Emirati banker with a non-Emirati client, it means that the relationship may not be possible in the first place.

There is, then, a fundamental mismatch in the determinants of trust, which leads to less successful banker/client relationships, or to mistrust and relationship failure. It is notable that not a single instance could be found of a non-Emirati client in a corporate banking relationship with an Emirati banker.

In P3b, it was found that the banker/client relationship, between the non-Emirati banker and non-Emirati client, which was non-context dependent, reflected that found in the literature. The relationship between bankers and clients depended on the size and reputation of the bank, and the size of the business. Multi-national corporations multi-banked and used specific bankers for specific aspects of their business. SMEs had more personal, affective relationships with their bankers. The non-Emirati relationships were in agreement with the literature.

4. *Are the antecedents of trust contextually or situationally referenced or determined? If so, how? What is the extent of cultural influence?*

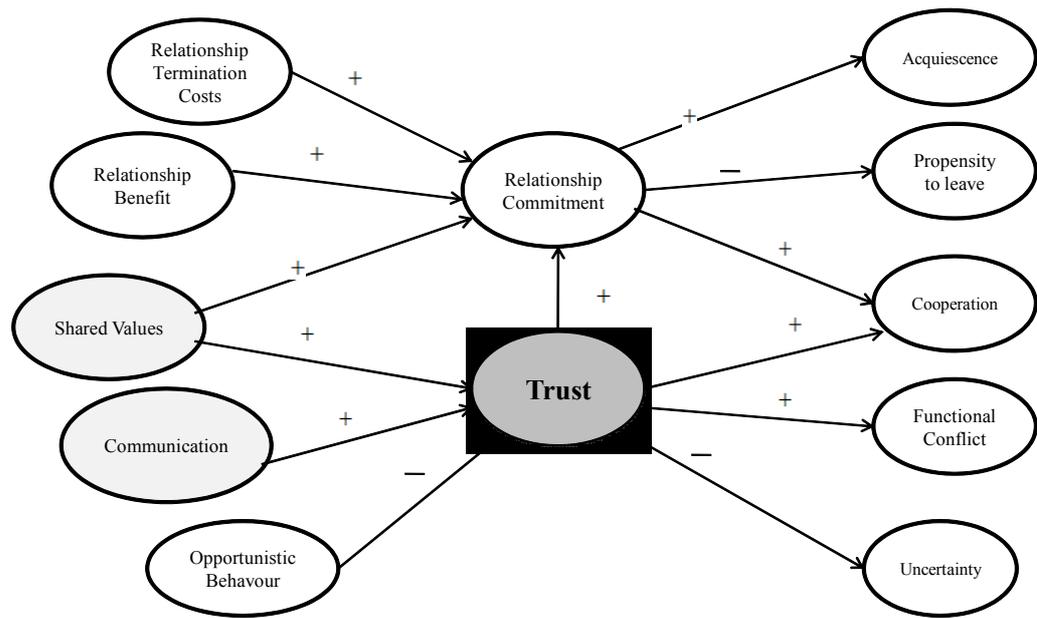
(Alden et al., 2010; Athanasopoulou, 2009; Hofstede, 1980, 1991, 1994; Jarvenpaa et al., 1998; McAllister, 1995; Schwartz, 1992, 1994, 2007; Schwartz and Rubel-Lifschitz 2009; Theron et al., 2008; Triandis, 1995; Trompenaars and Woolliams, 2003.)

#### Proposition 4

If antecedents of trust are contextually and situationally determined, that is, if they may be culturally conditioned, then antecedents in an Arab/Muslim context will be context specific.

In the Arab/Muslim world, the antecedents of trust are determined by the context, which combines religion, culture and shared values. The role of religion, culture and shared values in the antecedents of trust is addressed here. Duranti and Goodwin (1992) believe that context is important. The present results demonstrate that religion, culture and shared values are over-arching influences, which are much stronger than the culture of an organisation – in this case, an international bank or company. An array of contextual factors has been noted to affect trust; some authors understand context in a broad sense and equate it with culture. Fukuyama (1995), for example, argues that levels of trust and opportunism differ across cultures. Hill (1995) also shows that the context of culture affects trust. Wicks et al. (1999) argue that the cultural context may add a new dimension to the trustor's choices. They suggest that a larger context may make decisions to trust unwise (Wicks et al., 1999). Granovetter (1985) developed the notion of embeddedness to show the influence of social settings on trust. It can be seen in this thesis that in an Arab/Muslim context, religion, culture and shared values are embedded in the social fabric of the Bedouin. This thesis found that trust among non-Emirati partners was minimal in relation to their own kind, and to Emiratis. In contrast, Emirati respondents claimed that they trusted people whom they knew, that is, only fellow Emiratis (chapter 7).

The results show that P4 is demonstrated in these data, and that the antecedents of trust in an Arab/Muslim context are context specific. The main finding of this thesis is the overarching influence of religion, culture and shared values, which act as key mediating variables on the antecedents of trust. This has been modelled conceptually and derived from the Morgan and Hunt (1994, p. 22) model of key mediating variables, which is shown in figure 9.3.



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### Figure 9.3 The KMV model of relationship marketing

It should be noted that shared values is the only antecedent of trust that influences both trust and commitment. Morgan and Hunt (1994) define “shared values” in the limited sense of “organisational”, or “employee to organisation”. This is a more limited definition than that of Schwartz and Rubel-Lifschitz (2009). Schwartz defines values as “broad, trans-situational goals that vary in importance as guiding principles in life. The crucial content aspect differentiating among values is the motivational goals they express” (Schwartz and Rubel-Lifschitz, 2009, p. 171; see also earlier research by Schwartz, 1992, 1994, 2007). The value of Morgan and Hunt’s (1994) theory of key mediating variables is its explanatory power and parsimony.

Figure 9.4, below, shows the model of the contribution of this research. It is based on the underlying principles of the Morgan and Hunt (1994) KMV model of relationship marketing (see figure 9.3, above). The model was constructed through a consolidation of the antecedents of trust as derived from the literature and classified by a modified “cluster” approach (see Ebert, 2009), based upon the empirical level of analysis. This resulted in five main clusters: personal, interpersonal, organisational and inter-organisational. The last cluster is calculus based. This includes mistrust and cost benefit analysis, opportunistic behaviour and two categories derived from internet and e-commerce – lack of security and lack of privacy. The first four clusters have a positive correlation with trust; the calculus-

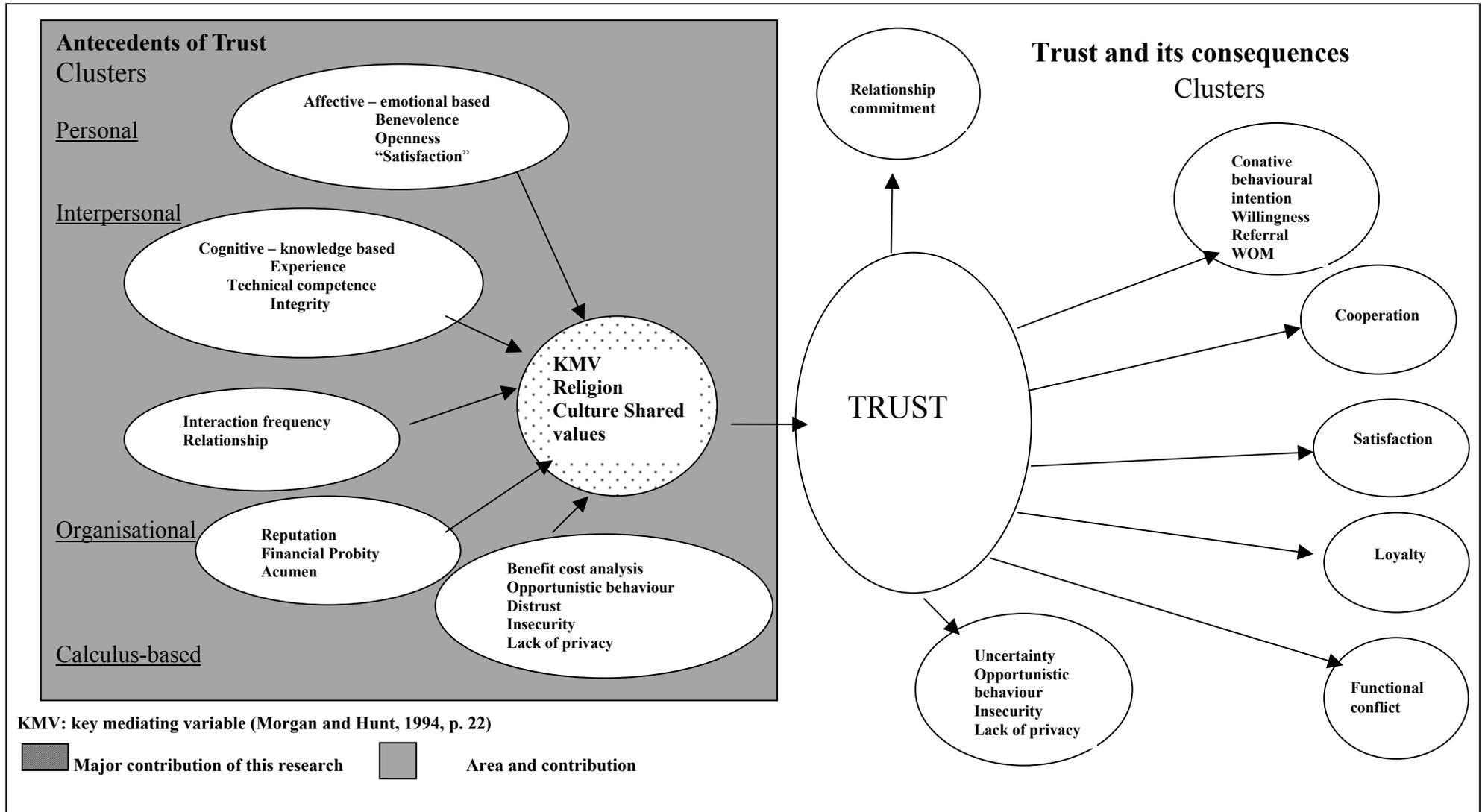
based cluster has a negative correlation with trust. Within these clusters are the main antecedents of trust as derived from the literature and this research. There is some overlap between the personal and interpersonal cluster. In this research, the personal was perceived as “self”, while the interpersonal comprised the self interacting with others. The focus of this research was on the personal and interpersonal antecedents of trust. There are some tangential results on organisational, inter-organisational and calculus-based trust, but these were not intended to be analysed in depth here.

The results show that for all these clusters in an Arab/Muslim context, religion, culture and shared values were key mediating variables for the antecedents of trust. That is, for Arab/Muslims, all business interactions are conducted through the mediating effects of religion, culture and shared values. It was found that these key mediating variables are deeply embedded in the individual and collective social psyche. In the interactions with non-Emiratis, it appeared to be impossible for the Emiratis to modify these deep archetypal values, interwoven with religion and culture. In dealing with Emiratis, it appears that the understanding must come from non-Emiratis.

The clusters for the consequences of trust have also been derived from the literature, and are therefore expanded from the Morgan and Hunt (1994) model. Although the consequences of trust are outside the scope of this thesis, they are included in the model for completeness.

In conclusion, the major contribution of this research is the model shown in figure 9.4, which shows that in an Arab/Muslim context the key mediating variables are religion, culture and shared values.

Figure 9.4 Contribution of this research



## **9.2 Contribution to knowledge**

This thesis has made some theoretical contributions to knowledge and, in addition, there are managerial applications.

The research findings supporting the following claims can be found in chapters 5, 6, 7 and 8. The strength of the contribution to knowledge made by this study lies in the wide range of these contributions in terms of further development of the understanding of the antecedents of trust in marketing financial services to businesses and services marketing in an Arab/Muslim context.

1. This research identified and confirmed the important influence and role of trust in the relationship between banker and client in an Arab/Muslim cultural context (see chapter 7). Thus, understanding the way in which the nature and antecedents of trust may differ in the Arab/Muslim cultural context provides a basis for a claim to originality. This thesis identifies religion, culture and shared values as specific antecedents of trust, based on a comparison of Emirati and Non-Emirati bankers and clients. This has broadened the scope of banker–client knowledge in that trust in the Arab/Muslim context required further exploration. Thus, the most important contributions to knowledge are concerned with the role of trust, its importance, and the antecedents of trust in an Arab/Muslim context (see chapters 5, 6 and 7). Similarly, these results fill a gap in knowledge about the nature of trust and the antecedents of trust in the Arab/Muslim context (see chapter 3, section 3.3). Since bankers play a significant role in cultivating trust in their relationships with clients, their role in developing business–client trust needed to be investigated in an Arab/Muslim context.

The body of literature on trust, the antecedents of trust, business services and services marketing, and culture and shared values has been reviewed, and subsequent conceptualisations have been developed in certain areas (see chapter 3). For instance, the description of services marketing and marketing of financial services literature aims to unravel the complexity surrounding this perspective and contributes significantly to an understanding of the antecedents of trust (see chapter 3, section 3.2). There is considerable research on trust in a Western context, and less in an Arab/Muslim context; thus, this work is necessary to understanding that the antecedents of trust in this context differ from the Western context.

2. This thesis provides an understanding of the antecedents of trust as perceived by dyads. This thesis used thematic qualitative research to determine the perspectives of these dyads in relation to 170 Emirati and non-Emirati bankers and clients (see chapter 4). The

major contribution of this study lies in having considered the perceptions of both bankers and clients in a single study. Most of the literature on buyer–seller relationships is limited to one counterpart, which presents a one-sided perspective.

The bankers were drawn from Emirati and non-Emirati international banks, and a range of business sectors. This thesis confirms that the antecedents of trust are contextually and situationally dependent on the influence of religion, culture and shared values in an Arab/Muslim context.

Trust has become an important component of buyer–seller relationships (Bidault and Jarillo, 1997; Sako, 1992; Young and Wilkinson, 1989). Existing research within business-to-business relationships suggests differences exist between buyer and seller perceptions of trust-based relationships (Ganesan, 1994; Langerak, 2001; Svensson, 2001). The lack of trust-based studies of banker–client relationships in a business-to-business context provided an additional impetus for this research.

3. There is little research on corporate banking relationships from a marketing interaction perspective in an Arab/Muslim context. It was not known which antecedents were more, or less, important in order to determine trust in this context. This thesis provides a data set in an Arab/Muslim context.

This research makes a further contribution to the study of trust in relationships, and insight is provided into corporate banking in an Arab/Muslim context (see chapter 2, section 2.9). The perceptions of trust are found to be different across the dyads. Emiratis perceive the affective antecedents to be more salient. Non-Emiratis perceive the cognitive and calculus-based antecedents to be more salient.

Previous research on similar topics mainly focused on one or few antecedents of client trust in the banker (e.g. switching behaviours: Colgate and Hedge, 2001; word of mouth: Ennew et al., 2000; Wangenheim and Bayón, 2004; cross-selling: Farquhar, 2004). This thesis examined the most important antecedents of trust in depth, however.

Therefore, in an Arab/Muslim context, this thesis makes a significant contribution to the literature by investigating the antecedents of trust. It provides empirical evidence for the antecedents of trust, and contributes to an understanding of how Emirati and non-Emirati bankers and clients cultivate trust. It demonstrates differences between Emirati and non-Emirati perceptions of trust. The thematic qualitative methodology provides a deeper understanding of the antecedents of trust between bankers and their clients in an Arab/Muslim context.

The study of trust antecedents in relevant financial services business markets and marketing contexts is another contribution of this study. First, the research identified the

cognitive and affective aspects of banker/client trust. This conceptualisation of trust takes a more integrative approach than previous studies in services marketing, where primarily the cognitive aspect (confidence, in Morgan and Hunt, 1994; promise, in Schurr and Ozanne, 1985), or only the affective and cognitive aspects (credibility and benevolence, in Doney and Cannon, 1997; Ganesan, 1994; Swan et al., 1988), have been considered.

The most important contributions in this area concern the significance of the context specificity of trust building and trust antecedents. There is a gap in the literature here, so this is an important finding and a key element of the thesis (see chapter 7).

This thesis suggests that in an Arab/Muslim context, religion, culture and shared values are key mediating variables for the antecedents of trust. This is an extension and application of the Morgan and Hunt (1994) theory of relationship marketing. All antecedents of trust are determined by religion, culture and shared values in this Arab/Muslim context.

Although the antecedents of trust have been studied before, the literature varies in its conclusions (Coulter and Coulter, 2002). It has been argued that cultural differences affect trust, and that trust is culturally specific (Doney et al., 1998; Johnson and Cullen, 2002). This thesis suggests that religion, culture and shared values are key mediating variables in the antecedents of trust, and provides insights into which antecedents are more or less salient to Emirati and non-Emirati dyads.

Furthermore, this thesis identifies the religion, culture and shared values of the Emirati and non-Emirati bankers and clients. There is little literature that considers culture and shared values in an Arab/Muslim context (see chapters 3 and 7).

4. This thesis has implications for other Gulf States and Arab cultures more broadly with regard to the antecedents of trust in financial services. It is suggested here that an identification of the key mediating variables of religion, culture and shared values will be a useful finding, which may perhaps be generalised to Arab/Muslim contexts in the Gulf States, and may be more or less applicable to other Arab cultures.

5. The relational bases of the antecedents of trust have been largely neglected, despite their importance (Burke et al., 2007; Colquitt et al., 2007; Dirks and Ferrin, 2002; Mayer et al., 1995). In particular, more research is needed to examine the affective base of trust – for two key reasons. First, “affect” is important for the antecedents of trust in high-context cultures, such as the Arab/Muslim context. For instance, benevolence, openness, openness of communication and “antecedent” satisfaction are important for Emiratis. While cognitive and calculus-based antecedents of trust are essential to reactive trust-as-attitude, affect-based trust is central to proactive trust-as-choice (cf., Dietz and den Hartog, 2006;

McAllister, 1995). Affective antecedents are most salient in an Arab/Muslim context and, paradoxically, the most difficult antecedents to operationalise.

Additionally, affect as an antecedent of trust has been neglected in the research on trust (Colquitt et al., 2007; Dirks and Ferrin, 2002; Schoorman et al., 2007). Among the antecedents of trust, least is known about the affective antecedents. For example, in an Arab/Muslim context, friendship, tribalism, familism and *wasta* are characterised by strong affective bonds and relationship-based trust. Giddens (1990) points out, “friendship has rarely been studied by sociologists, but it provides an important clue to broad-ranging factors influencing personal life” (p. 118).

This thesis has broadened the concept of the role of “affect” as an antecedent of trust. Affective antecedents influence clients’ perceptions of risk, and suggest that benevolence is important for successful relationships in an Arab/Muslim context.

6. This thesis is the first on the antecedents of trust in an Arab/Muslim context and contributes to the literature by establishing the significance of affective antecedents. There is a limited body of literature on the affective antecedents of trust in different cultures and business contexts. This thesis confirms that once Emirati clients become emotionally attached to their Emirati bankers, it becomes harder for them to change to another bank. The affective antecedents of trust have a significant impact on the extent to which partners are able to initiate a relationship and then maintain it. Positive and negative emotions shape actors’ behaviour, while simultaneously conditioning their perceptions of the trustworthiness of each other (cf. Geysken et al., 1998). In other words, emotions have a powerful impact on the level of cooperative behaviour exhibited by individuals (Jones and George, 1998).

Thus, because the affective antecedents of trust are psychological and emotional, bankers should be benevolent, demonstrate openness of communication and strive to satisfy their clients in small, incremental ways, thus building “antecedent” satisfaction. This thesis contributes to previous theories of trust with an argument that places priority on the affective antecedents of trust. It highlights the differences and similarities of bankers’ and clients’ perspectives on the antecedents of trust, for both Emiratis and non-Emiratis (see chapter 6).

### **9.3 Research summary**

This research has focused on the antecedents of trust in an Arab/Muslim context. It examines three main attributes for both affective and cognitive trust. The dataset comprised 170 in-depth qualitative interviews with Emirati and non-Emirati bankers and

their business clients. The business dataset includes a large sample of business sizes and sectors. The banking dataset includes Emirati (local) and non-Emirati (international) banks of different sizes. The dataset is larger than most qualitative studies. The study used thematic qualitative analysis to examine the perceptions, attitudes and beliefs of both counterparts, in three banking relationships of Emirati and non-Emirati bankers and their business clients. The main finding was that religion, culture and shared values are the key mediating variables of the antecedents of trust in an Arab/Muslim context.

The antecedents of trust between banker and client in the UAE banking industry have been summarised here. All these antecedents are determined to be important by Emiratis. The key mediating variables in an Arab/Muslim context are religion, culture and shared values. Trust has been found to be multi-dimensional, multi-situational, contingent and multi-layered.

Key areas that non-Emirati bankers and clients need to accommodate emerged from this research. The first difference was the significance of the affective antecedents of trust, such as the degree of friendliness and closeness considered appropriate in the business relationship. Emirati relationship managers described their way of doing business as warmer, more personal, friendlier, more relaxed and informal. Non-Emirati business managers were perceived as more rigid and formal than Emiratis, and the Emiratis' relationships with non-Emiratis was seen as "cold", because they are based on profit maximisation. These results indicate the importance of affective antecedents and their greater influence on the building of trust in banker–client relationships in an Arab/Muslim context than in Western cultures.

#### **9.4 Managerial applications**

This thesis provides many managerial applications for practitioners in services marketing and marketing of financial services to business. It demonstrates the importance of understanding the role of the antecedents of trust in building relationships between bankers and clients in an Arab/Muslim context. The thesis has focused on the antecedents of trust in a financial services business-to-business relationship context in respect of bankers and their business clients. Therefore, the results may offer applications not only for bankers and their clients, but also for managers in businesses operating internationally or in an Arab/Muslim context.

Managerial applications derived from the antecedents of trust are:

1. Trust is the foundation for establishing long-term relationships; however, banks and bankers often have no explicit strategy or staff guidelines for developing trust. The banks

have not generally recognised and accepted definitions of trust, trusting behaviours or how trust should be operationalised. As an important underpinning element of relationship building, trust should be developed explicitly, strategically and consciously through the adoption of employee awareness, education and training about the antecedents of trust, and how to operationalise these factors in order to build long-term relationships.

This study provides clients with behaviours that bankers should adopt to successfully build a trust relationship over the long term. First, the general managerial implication is that clients willing to build and foster long-term relationships with their bankers should facilitate the implementation of these behaviours from their bankers. Secondly, clients should design training programmes specifically aimed at helping bankers to develop those skills, abilities and competences necessary for successfully adopting trustworthy behaviours.

From a managerial perspective, the thesis highlights for relationship managers the importance of developing trust relationship activities between banker and client. Specifically, managers should be aware that employing both social and structural bonds is necessary to enhance the quality of relationships. They also should keep in mind the need to increase the benefits obtained from social and structural interactions, as clients may be aware of the benefits that other competitors offer.

Moreover, providing information was found to be important to building client trust. Bankers need to know what clients want and, in turn, satisfy these requirements. Bankers could adopt methods to provide information to clients, such as workshops. Improving their communication skills should be another important priority for bankers as they strive to make the relationship healthy, strong, pleasurable and worthwhile.

The research summarises characteristics of trust from banker and client perspectives. Thus, after understanding the importance of trust, bankers and clients should develop and operationalise these characteristics and behaviours.

2. My research suggests that clients must take the initiative in finding solutions to any dissatisfaction with their bankers. They should develop a rational basis for their expectations of banker trust. In addition, clients should be prepared to take action when confronted with an unsatisfactory relationship.

Bankers should uncover the reasons for any dissatisfaction, especially among non-Emirati SMEs, and take necessary action. In reality, bankers are getting things right in many areas, but extensive mistrust of non-Emirati bankers among Emirati SMEs remains. This should be dealt with by taking actions such as increasing information provided to clients regarding credit decisions.

3. Bankers and clients are encouraged to include reliability issues in their mission statements, to set reliability standards, stress the importance of reliability, measure error rates and reward error-free service. Neither has explicitly addressed or understood the fundamental role of trust in providing a basis for service satisfaction and relationship building. Both tend to leave this to chance and the individual: they refer to the importance of “chemistry” and “likability” as a means of achieving a mutually beneficial, reciprocal trusting relationship, which is also profitable. This has also been the case in the worldwide market, where “chemistry” and “likability” are essential for business relationships. Personnel are changed frequently through lengthy trial-and-error processes to try to achieve this (cf. Tyler, 1996).

4. The results indicate that a strategy change is required for the sustainable market growth associated with retaining clients and motivating them to buy and recommend services. Marketing staff in the UAE should pay more attention to developing trust in the marketing of financial services. It has been strongly demonstrated that early in a financial services relationship, or when prospecting for new clients, bankers may need to emphasise to clients’ their capacity to customise – to fulfil business needs by providing tailored financial services.

In the UAE, client trust is built on strong relationships that result from successful experiences in helping the client to problem-solve and satisfy requirements. Thus, it is important for Emirati bankers to understand client needs and this was the philosophy of most of the Emirati bankers interviewed. Besides being friendlier, bankers need a better understanding of their clients’ religion, culture and shared values in order to better accommodate requirements and concerns, while still showing respect for their values and beliefs.

5. Skills and aptitudes in understanding the client and providing the appropriate service must also be considered in the design of a sales force education and training programme. The importance of the long-term relationship reinforces the argument that the relational skills of bankers can be crucial. “Ability” also refers to clients’ ability to make enough money to repay loans. It is the client’s commitment to repay money borrowed that may, in turn, create confidence in the client. Bankers in the UAE should first build affective trust through showing care, honesty, transparency, empathy and fairness, and through establishing policies that create a sense of security.

6. Trust-building behaviours and the operationalisation of trust are presently achieved through informal actions by bankers, often over the telephone, before the formal paperwork has been completed. This is usually based on experience and knowledge of the

client and is an informal operationalisation of trust. It is not official, legitimate bank policy, and is a costly approach involving trial and error.

7. In the UAE, non-Emirati relationship managers should pay attention to religion, culture and shared values, and especially to *wasta*, which plays an important role in building trust (see chapter 7, section 7.2.2.3). Also, if the partners are from the same tribe and have the same shared values then the approval of actions by bankers will be faster, communication will be easier and, as a result, they will feel secure and relaxed.

*Wasta* plays a major role in the business negotiation process. Non-Emiratis should understand the importance of this networking concept in an Arab/Muslim context because it influences many business activities. For example, negotiating with one company at a time after receiving quotes might be common in the West. However, Emiratis negotiate with several partners and choose those they will work with based not on the contract contents, but on the company with the strongest *wasta* connections.

It is crucial for non-Emirati managers to understand the importance of connections in the UAE. *Wasta*, or mediation, is active in many important decisions. Therefore, strong connections are recommended to ensure a successful business relationship; it would be naïve for a non-Emirati manager to ignore the significance of connections in Emirati culture and to attempt to enter the market independently.

8. To build upon a foundation of trust in the banker–client relationship, it is imperative that bankers follow guidelines during interactions. While they have the right to offer an honest opinion, they should always act with fairness and truthfulness and in the client’s best interests.

Accomplishing this is likely to produce two benefits. First, by displaying real concern and interest in the client as an individual, the banker may make the client feel more at ease and reduce their fear and anxiety. The second and potentially most significant benefit may be to foster continuity in regularly seeking help and care, encouraging the client to adopt a more active role in maintaining the relationship.

9. Although bankers remain highly regarded and widely trusted by the majority of clients, there remains work to be done to inspire a greater sense of trust in clients and to improve the dynamics of the client–banker relationship. For a relationship to be based upon mutual trust and communication, counterparts must accommodate each other’s needs and demands for equal roles in the process. Bankers should abandon some control and take an active role in understanding and valuing their clients as individuals. Moreover, to ensure a successful relationship and continuity in the interaction process, bankers need to focus on building a strong sense of trust that encompasses all aspects of banker–client interactions.

10. Emiratis value personal relationships above documentation; for non-Emiratis, the reverse is true. Thus, the advice to bankers is relatively straightforward and supports a powerful, stable interpersonal relationship between bankers and clients. Close and “affective” relationships of this type encourage clients to perceive services in a way that creates a positive attachment to their banker; this would not be the case outside such a relational context.

Non-Emiratis must make an effort to develop relationships with Emirati counterparts before any business can take place, because this is the norm in an Arab/Muslim context. Emiratis prefer to deal with people they know and trust, and while it may appear to be similar to doing business in the Western world, the reliance on relationships in an Arab/Muslim context means that non-Emirati counterparts need to develop the necessary skills in maintaining long-term relationships. They need to be transparent when they communicate with Emirati people. Transparency is desirable so that clients can be well informed, but this implies providing relevant information in a helpful manner and not simply providing a confusing mass of detail.

Relationship managers of larger banks need to understand the importance of relationship building. They can learn from relationship managers of smaller banks about how to deal with their clients. Relationship managers of smaller banks focus more on relational aspects and seem more successful at reaping the benefits of loyalty. They are able to anticipate reactions and know what type of behaviour enables an amiable relationship. Common goals and shared values are the basis for this, and calculative aspects do not play such an important role here.

Because of a stronger sense of attachment, clients who have greater relational trust in their bankers are more likely to be satisfied with their relationships and resolve emerging problems within them. Thus, it is important for management to analyse the reasons for common switching behaviour. Lack of loyalty costs a lot of money since new clients have to be acquired.

Relational trust leads to a preference to remain in a relationship rather than seek what might even be an economically favourable alternative. Therefore, a shift in the thinking of relationship managers of larger banks is required to establish the trust needed for a long-lasting, mutually beneficial client–banker relationship (Reicheld, 1996).

11. The research confirms that relationship managers may want to pay more attention to client emotions if they wish to maintain a competitive edge. That is, knowing how clients feel about their relationships will help managers to develop appropriate strategies that focus on social and structural bonds. When managers know which strategies they need

to adopt and update, they will be able to enhance the positive emotions that lead to client loyalty.

Emirati clients in SMEs have a primarily emotional focus. Larger corporate clients often seem more economically motivated, but frequently retain a strong emotional element. Emotional factors are less salient in relationships with non-Emirati large corporates; however, they are very salient in relationships with Emirati SMEs and Emirati large corporates.

The relationship is not confined to the pre-sales period but is an ongoing process. The non-Emirati client or banker has to maintain the relationship if they want further work with an Emirati counterpart. In some non-Emirati societies, transactions may create and develop the relationship – in an Arab/Muslim context, the relationship creates and develops the transaction.

12. Previous studies indicate that relationship satisfaction can be enhanced by increasing the competency, ability and close communications of the counterparts (cf. Oliver, 1980; Oliver and Swan, 1989). Relationship satisfaction increases benevolence only when there is cultural familiarity between the counterparts. This implies that non-Emirati bankers' efforts to enhance client satisfaction needs to be accompanied by an effort to increase their cultural familiarity with the UAE.

When bankers and clients from different cultures engage in direct and interpersonal relationships, perceived cultural familiarity is significant. Cultural familiarity can be improved by close communications, face-to-face interactions and mutual visits. Training to enhance cultural familiarity can also help improve cultural familiarity with the client culture (see Harich and LaBahn, 1998; Kale and Barnes, 1992). Clients with high cultural familiarity are more likely to be responsive to the conditions of their bankers. On the other hand, Emirati bankers and clients need to develop a favourable attitude towards their non-Emirati partners to turn the transactional relationship into a benevolent and beneficial one.

Given the many fundamental differences between Emirati culture and non-Emirati culture, it is crucial for non-Emiratis in the UAE to be sensitive to the unique set of cultural forces influencing the behaviour of Emiratis. The ability of non-Emiratis to overcome cultural barriers and develop close relationships is extremely important for success. Such familiarity is critical to gaining legitimacy in the UAE and reflects a non-Emirati's intention to engage in a culturally effective exchange with Emiratis. In this way, familiarity with Emirati cultural practices authenticates the non-Emirati's benevolent motivations and demonstrates their underlying concern for Emiratis. Similarly, Emiratis operating in other cultures are expected to be equally sensitive to those cultures.

13. A non-Emirati banker would find it difficult to cultivate trust based on goodwill without understanding the background of Emirati culture. To maintain a culturally sensitive presence in the UAE, non-Emirati bankers must be able to establish and maintain close personal contacts with Emirati clients. They are not expected to fully understand Emirati culture, but they are expected to respect the main cultural norms. On the other hand, non-Emiratis should also expect guidance from Emiratis on how to behave. Emiratis like non-Emirati partners to be culturally sensitive and, of course, Emiratis should expect to be sensitive to their partner's culture.

Relationship-building skills are especially crucial for non-Emiratis operating in the Emirati marketplace because business is conducted at a personal level, requiring bankers to have close relationships with their clients. Also, cultural factors such as uncertainty avoidance and high-context communication lead Emirati clients/bankers to require in-depth working relationships and personal familiarity with their counterparts, further emphasising the need for culturally tailored strategies for relationship building (cf. Griffith et al., 2006). Thus, non-Emirati bankers must possess outstanding relationship-building skills if they are to attain the sensitivity and familiarity with Emirati culture required to operate successfully in the UAE.

14. Trust is a complex construct that remains important in business-to-business banking and it needs to be studied thoroughly. Both clients and bankers must consider the role of trust intentionally instead of relying on knowledge of the counterpart.

15. In the larger social context, these results may help to “sensitize the Ministry of Education” (Pech, 2009, p. 62) so that education and training can be provided that is “better attuned to the needs of the UAE”. At the moment, there are tensions between expatriates and Emiratis, and a demographic imbalance between the skills needed by industrialisation and Emirati skill levels (Pech, 2009, p. 62). Research that helps in understanding the influence of religion, culture and shared values may help to provide a foundation for government policy, education and the social acculturation of Emiratis and non-Emiratis.

### **9.5 Limitations of the study**

This is an investigation of the antecedents of trust in financial services business-to-business markets and services marketing – a subject that has been under-investigated. Several issues had to be considered in analysing the antecedents of trust.

While the thesis contributes to knowledge about the antecedents of trust in an Arab/Muslim context, it has several limitations that need to be identified – the strength of

any research is to recognise its limitations. Although considerable effort has been made to ensure the robustness of the study, recognition of the limitations may provide guidelines for future investigations.

1. Due to the innate nature of qualitative research, replicating the original conditions under which the data were collected is nearly impossible because in the real world “events and happenings follow a natural course” (Glaser and Strauss, 1967, p. 266). In order to obtain high levels of reliability and validity, I have explained the steps used in the data gathering and data analysis process, and I have provided details about the research plan. Nevertheless, another researcher seeking to undertake similar research may not be able to reproduce this work. It would be difficult for a non-Arab researcher to gain access, collect data and replicate this study. There were inherent difficulties in data collection from Arabs and non-Arabs alike in a specifically Arab cultural context. These related to cultural specificity and gender issues. While every attempt was made to overcome bias and data quality issues, it must be noted that these are significant in an Arab cultural context. Data quality may be influenced by a female researcher, and by an Arab, speaking Arabic, conducting the interviews. Replication of this study by a non-Arab would be difficult, and may have implications for data quality in a replication study. Sensitive issues of a personal nature about religion, beliefs or lifestyle may influence data quality for reticent interviewees. Data quality issues were addressed by multiple means: awareness of bias; cultural sensitivity in words, actions and dress; triangulation; in-depth interviewing; and large numbers of interviews from the same groups. In summary, the data quality was as sound as possible given the circumstances of the research.

2 This research is limited to a single industry – corporate banking. Hence, cross-validation across different financial services and other service industries is required. There was a suggestion within the interviews that different market segments would respond differently to issues of trust.

The major limitations of the current study relate to its relatively small (in quantitative terms; for a qualitative study, the sample is larger than most), non-random sample. This study focuses on analysing the antecedents of trust in financial services business markets. This limits the generalisability of the findings across service contexts. The analysis only takes the corporate banking industry as a research subject; therefore, the result cannot be generalised to other industries.

3. Like all such studies, this is contextually situated. As a beginner qualitative researcher, I was unprepared for the amount of data required and, hence, many lessons have been learned. This required familiarisation with the research area’s philosophy,

various traditions and methodologies. It was challenging and rewarding work, but it was also tiring and time consuming.

4. Research in general is limited to one side of the dyad; however, in my research, 160 out of 170 interviews were dyadic. A further goal of this study was to identify the antecedents of trust for both sides of the dyad from the perspective of Emirati and non-Emirati bankers and clients. As a result of perceived difficulty in collecting a large volume of information from a single respondent about the antecedents of building trust, two protocol interviews were prepared, addressing banker and client relationships separately. Additionally, in order to study the banker–client trust relationship and the antecedents of trust for each respondent, ideally a dyadic relationship should have been investigated.

5. The focus of my research is limited to preconceived antecedents. Many antecedents were discussed in the literature, yet this research only focuses on antecedents of trust identified as important in the literature review, as it was necessary to define boundaries for the research.

6. Limitations regarding generalisability are typical of qualitative studies (cf. Lindloff, 1995). A qualitative study speaks specifically for the population that participated in the study. Therefore, the results of this research have deep descriptive applicability, rather than generalisability.

The sample is limited to 170 respondents. Participation in this research was voluntary, which means that it included the narratives of respondents who felt comfortable in revealing their emotions and talking about their experiences. Although varied experiences and attitudes towards trust were revealed, the findings derived from a different sample of participants might differ from the results obtained from the sample in the research.

7. The use of interviews in which bankers and clients reflected on past events may have caused bias in memory or perception. The data were collected through semi-structured interviews; it was not possible to directly monitor the actual relationship between clients and bankers. As a result of this restriction, the researcher had to accept the statements made in interviews by bankers and clients. Moreover, because the beliefs and attitudes of respondents had to be translated from Arabic into English, in the process of translation some concepts may not have been conveyed correctly.

8. The banking industry is extensive. Access to all banks was not possible; indeed, access to any of these banks was difficult. The results, therefore, pertain to the banks mentioned in chapter 4 (see sections 4.4.2, 4.4.3, 4.5.1). It was also difficult to gain access with the bank relationship managers who were the real decision makers.

## 9.6 Recommendations for further research

Research in an Arab/Muslim context deserves more focused consideration. In particular, not all antecedents of trust and their outcomes have been considered here. A range of theoretical developments have been suggested by the findings of this research and although it has made a number of contributions, further research is needed in order to:

1. address the limitations stated here;
2. address the lack of empirical qualitative research;
3. reconcile differences between these findings and those reported by other researchers (see chapter 3).

There are many areas in which further research would be challenging and add to existing knowledge. A list of possible future research areas is given below.

1. The antecedents of trust and how they are used in trust building deserve further research. My research analyses the antecedents of trust using a qualitative approach, which has provided insight into the complex and multi-dimensional phenomenon of trust. However, further empirical research needs to be done from a dyadic perspective in financial services business markets across a wide range of antecedents.
2. Cross-cultural and international differences in the antecedents of trust are also areas for future research. Are the antecedents of trust different; do they have different impacts on trust in high- versus low-context cultures? Are the consequences of trust different in different cultural contexts? These issues could be usefully addressed.
3. As this thesis has examined a developing country in an Arab/Muslim context as an overlooked area in the extant academic research, this provides some insight and direction for non-Emirati business academics for future research.
4. There is an opportunity here to conduct a broader qualitative investigation based on in-depth interviews into the complex, multi-dimensional and context-specific phenomena of trust. In other words, a comparative study with a large sample of bankers and clients may be a constructive approach for future research.

The present research has verified the existence of multi-dimensional trust, identified the behaviour required to build trust and the roles of trust, and distinguished between different understandings of trust and its antecedents from banker and client perspectives. However, further research might explore trust and its antecedents to a deeper and broader extent in an Arab/Muslim context. It may be possible to address the significance of religion, culture and shared values in an Arab/Muslim context in other Gulf States and in the Arab world more generally. This may provide some basis for determining the significance of religion as a key mediating variable, as not all Arabs are Muslim.

5. The conclusions of this research emphasise the need for researchers to focus on the theoretical level first and only then to carry out empirical studies. It also concludes that more qualitative studies are needed to explore trust in depth. While I investigated the client and the banker sides of the banking relationship, future research might seek to assess dyadic studies in other industries and contexts (cf. Ganesan, 1994).

6. These findings may be generalisable to the Gulf States and may probably apply to other Arab countries, but they will not be generalisable to other countries. Hence, this study provides a data set in an Arab/Muslim context, for which future research into other Gulf States and Arab countries on the antecedents of trust would provide a comparison.

7. There is scope for future research on all the antecedents of trust that have not been studied here. As has been previously recognised, there is a need for more studies on the antecedents of trust (cf. Jap and Ganesan, 2000; Narayandes and Rangan, 2004). It would be valuable to investigate the extent to which the antecedents of trust vary across and within business contexts and cultures, and in cross-cultural, international businesses of various kinds.

To further enhance the generalisation of the results beyond a single time-frame, longitudinal research could allow for tracking and assessment of the evolution of the antecedents of trust over time.

8. The concept of trust did not appear to be specifically addressed through professional development for relationship managers in the UAE, yet this would seem to be critical in understanding and developing positive relationships within the banking industry. One of the goals of this research has been to provide empirical results that are useful to the banking industry. Thus, the link between understanding the antecedents of trust and being a professional relationship manager is worthy of further investigation and consideration.

### **9.7 Concluding remarks**

The aim of this thesis has been to analyse the antecedents of trust in the context of the perceptions of corporate clients and bankers in an Arab/Muslim context. It has examined the dyadic relationships between Emirati and non-Emirati bankers and their business clients in the United Arab Emirates. The Arab/Muslim world is largely, but not exclusively, dominated by the social and business influences of Islam. Religion is one of the dimensions of culture, shared values and social structure that affect the behaviour and beliefs of the Arab people.

The antecedents of trust in the business banking sector in an Arab/Muslim context fall into three clusters: cognitive, affective, and religion, culture and shared values. It has been

shown that the antecedents of trust for Emiratis are controlled by the key mediating variables of religion, culture and shared values. For non-Emiratis, it has been confirmed that the antecedents of trust are primarily cognitive, focusing on knowledge, skills and profit maximisation. The present research reveals that additional antecedents of trust, beyond those in the literature, influence the building of trust in this context.

Since little research on the antecedents of trust has been carried out in an Arab/Muslim context, understanding the way in which the nature and antecedents of trust may differ provides a basis for the originality of the present thesis. This originality can be reinforced by noting that ultimately the work identifies religion, culture and shared values as a specific antecedent of trust based on a comparison of Emirati and non-Emirati bankers/clients. All antecedents of trust in the UAE are determined contextually by religion, culture and shared values. This may be an important finding, which may be relevant to every Arab/Muslim context, or indeed, from the perspective of shared values, to every country with a high-context culture. In addition, this thesis extends and develops the Morgan and Hunt (1994, p.22) model of key mediating variables to establish that religion, culture and shared values are the key mediating variables of all determinants of trust in an Arab/Muslim context.

Finally, my thesis identifies some strengths and weaknesses of the research process, as well as providing suggestions for further research. It indicates a number of policy implications, managerial applications, limitations of the study, and makes recommendations for further research.

## APPENDICES

## APPENDIX A

### Comprehensive overview of the UAE

#### Geography

Total area	83,600 sq km
Population	4,444,011 (2007 estimate)
Total median age	30.1 years
Ethnic groups	Emirati 19%, other Arab and Iranian 23%, South Asian 50%, other expatriates (includes Westerners and East Asians)

#### Ethnic groups

Religions	Muslim 96%, other 4% (includes Christian, Hindu)
Literacy	77.9 % (total population age 15 and over can read and write)
Life expectancy at birth	75.69 years (total population)

#### Political structure

Official name	United Arab Emirates
Form of state	Federation of seven emirates: Abu-Dhabi, Dubai, Sharjah, Ajman, Ras al-Khaimah, Umm al-Qaiwain and Fujairah
Legal system	Based on the 1971 constitution
National legislature	Unicameral Federal National Council of 20 appointed and 20 elected members representing the separate emirates; it has a consultative role only
Head of state	The president is elected from among its number by the Supreme Council of Rulers, which is formed by the hereditary rulers of the seven states. Sheikh Zayen bin Sultan al-Nahyan of Abu-Dhabi was re-elected for a seventh five-year term in December 2001. He died in 2004 and his son (and ruler of Abu-Dhabi), Sheikh Khalifa bin Zayed Al-Nahyan, was elected as UAE president in 2004

Judiciary	Court rulings are reviewed by the UAE's political leadership. The UAE has a dual system of sharia (Islamic law) courts and secular courts
National government	Council of Ministers (cabinet) led by the Prime Minister, all appointed by the Supreme Council of Rulers. Each state is represented by at least one minister, with senior posts allocated to the larger emirates. The Council of Ministers initiates legislation for ratification by the Supreme Council or Rulers, which is also a policymaking body and meets formally about once a year

### **Economy**

GDP (2006 estimate)	\$163 billion
Annual growth rate (2006 estimate)	9.7%
Per capita GDP (2006 estimate)	\$37, 000
Inflation rate (2006 estimate)	10–13%
Natural resources	Oil and natural gas
Petroleum (2005 estimate)	36%
Manufacturing (2005 estimate)	13%
Services (44% of 2003 GDP)	Trade, government, real estate
Agriculture (2005 est., 2% of GDP)	<i>Products</i> – vegetables, dates, dairy products, poultry, fish

## APPENDIX B

### Banks operating in the UAE

Emirati Banks	Non-Emirati Banks
1. Abu Dhabi Commercial Bank	1. ABN Amro Bank
2. Abu Dhabi Islamic Bank	2. Al Ahli Bank of Kuwait
3. Arab Bank for Investment and Foreign Trade	3. Arab African International Bank
4. Bank of Sharjah	4. Arab Bank
5. Commercial Bank of Dubai	5. Bank Melli Iran
6. Commercial Bank International	6. Bank of Baroda
7. Dubai Bank	7. Bank Saderat Iran
8. Dubai Islamic Bank	8. Banque Du Caire
9. Emirates Bank International	9. Banque Libanaise Pour Commerce
10. First Gulf Bank	10. Credit Agricole Indosuez
11. InvestBank	11. Banque Libanaise Pour Le Commerce
12. Mashreqbank	12. BNP Paribas
13. Middle East Bank (A subsidiary of Emirates Bank International)	13. Barclays Bank
14. National Bank of Abu Dhabi	14. Citibank NA
15. National Bank of Dubai	15. El Nilein Bank
16. National Bank of Fujairah	16. Habib Bank AG Zurich
17. National Bank of Sharjah	17. Habib Bank Limited
18. National Bank of Umm Al Qaiwain	18. HSBC Middle East
19. RAKBank	19. Janata Bank
20. Union National Bank	20. Lloyds Bank PLC
21. United Arab Bank	21. National Bank of Bahrain
	22. National Bank of Oman
	23. Rafidain Bank
	24. Standard Chartered Bank
	25. United Bank Limited

Source: Central Bank of Abu Dhabi, Annual Report, 2005

## APPENDIX C

### Summary of the definitions of trust

Authors	Theoretical positioning	Definition of trust
Deutch (1958)	Analytical conceptualisation attempting to capture the various everyday connotations and permitting experimental research on conditions affecting trust	An individual may be said to have trust in the occurrence of an event if s/he expects its occurrence and that expectation leads to behaviour that is perceived to have greater negative motivational consequences if the expectation is not confirmed, than positive motivational consequences if it is confirmed
Blau (1964)	Analytical conceptualisation emphasising parties' interaction and gradual growth	Parties can gradually build trust in each other through social exchange, demonstrating a capacity to keep promises and showing commitment to the relationship
Giffin (1967)	Following the work by Deutch, Giffin delineates the elements he sees as essential in a trusting person	Reliance upon information received from another person about uncertain environmental states and their accompanying outcomes in a risky situation
Rotter (1967)	Analytical conceptualisation, where trust is equated with reliance on another's honesty	An expectancy held by an individual or a group that the word, promise, verbal or written statement of another

<b>Authors</b>	<b>Theoretical positioning</b>	<b>Definition of trust</b>
		individual or group could be relied upon
Zand (1997)	Management – trust building in a working relationship as an interactive process in which two individuals learn about each other’s trustworthiness in different situations	Trust can be defined as increasing one’s vulnerability to the risk of opportunistic behaviour of one’s transaction partner, whose behaviour is not under one’s control in a situation in which the costs of violating the trust are greater than the benefits of upholding the trust
Frost et al. (1978)	A longitudinal questionnaire study of 59 undergraduate students about the influence and trust levels in the group	An expectation held by one individual (verbal or nonverbal) of another individual or group of individuals would be altruistic and personally beneficial to him
Swan and Nolan (1985)	A theory-in-use methodology was employed in an attempt to construct a general model of trust building. An empirical study of interviews with 42 medical salespeople	Belief in a salesperson’s promises where failure to be reliable will cause problems for the customer
Baier (1986)	The author analyses the various forms of trust and approximates the concept	The reliance on another’s competence and willingness to look after, rather than harm, things or persons one cares about, or which are entrusted to their care
Good (1988)	The author studies trust in the psychological literature concerned with the conditions creating trust and the factors	Trust is based on an individual’s theory as to how another person will perform on some future occasion, as a function

<b>Authors</b>	<b>Theoretical positioning</b>	<b>Definition of trust</b>
	that effect the durability of trust	of that target person's current and previous claims, either implicit or explicit, as to how they will behave
Herzberg (1988)	Trust is compared to reliance and the nature of trust is seen as a primitive reaction understood in relation to a person's needs and wishes. To rely on someone is again to exercise one's judgement concerning them. Herzberg's paper is a philosophical discussion with some illustrations	Trusting another means having a trusting attitude towards the other person, without specifying where they are trusted, as it could be said that, after judgement, somebody is relied upon only in certain aspects. Thus, trust is implicit and is never a rational option
Lorenz (1988)	Lorenz draws on psychological literature, especially on Deutch, in order to define the concept of trust for the purpose of interviewing French subcontractors	Trusting behaviour consists of actions that 1) increase one's vulnerability to another whose behaviour is not under one's control, and 2) take place in a situation where the penalty suffered if the trust is abused would lead one to regret the action
Anderson and Weitz (1989)	A descriptive field study on building long-term relationships in conventional channels. Authors tested the hypotheses about the continuity of relationships on a sample of 690 relationships involving manufacturers and their independent sales agents	One party's belief that its needs will be fulfilled in the future by actions undertaken by another party

<b>Authors</b>	<b>Theoretical positioning</b>	<b>Definition of trust</b>
Hawes et al. (1989)	Marketing – this research analyses building trust in buyer–seller relationships and differentiates between trust at three levels: contractual trust, competence trust and good-will trust	Reliance upon information from another person about uncertain environment statistics and outcomes in a risky situation
Magrath and Hardy (1989)	The authors build a conceptual framework to study trust through promises, and develop a trust audit	A belief that another person or thing (company) may be relied upon with confidence
Anderson and Narus (1989)	An empirical study of distributor–manufacturer working partnerships. A dyadic perspective was used and trust was modelled as an outcome of cooperation	A firm’s belief that another company will perform actions that will result in positive outcomes for the firm, as well as not take unexpected actions that would result in negative outcomes
Crosby et al. (1990)	Study of 151 relationships between insurance policy buyers and sales agents (from the perspective of the buyer)	A confident belief that the salesperson can be relied upon to behave in such a manner that the long-term interest of the customer will be served
Sabel (1990)	Sabel discusses the role of trust and the possibility of trust creation when building new forms of cooperation	The mutual confidence that no party to an exchange will exploit the other’s vulnerability
Morgan (1991)	A composition of the propositions and findings of other researchers; a basis for empirical research in Morgan’s	The belief that another party a) will not act in a way that is harmful to the trusting firm, b) will act in such a way that

<b>Authors</b>	<b>Theoretical positioning</b>	<b>Definition of trust</b>
	dissertation	it is beneficial to the trusting firm, and c) will act reliably
Lagerspetz (1992)	A philosophical discussion with illustrations	Trust seems to involve beliefs which are not accepted on the basis of evidence, and beliefs that in some cases might be resistant to evidence that runs counter to them
Moorman et al. (1992)	Represents a definition and a proposed model of antecedents and outcomes of trust, including characteristics of the trustor, the trustee and the role of risk. Factors of perceived trustworthiness that influence trust are ability, benevolence and integrity. Trustor's propensity is to be a moderator of trust in the proposed model	Trust is defined as a willingness to rely on an exchange partner in whom one has confidence
Noorderhaven (1992)	Noorderhaven discusses personal and situational trust and whether organisations can be trusted. He also presents some preliminary hypotheses	Trust denotes a willingness to engage in a transaction in the absence of adequate safeguards
Sako (1992)	A comparative study of British and Japanese buyer–supplier relationships in the electronics industry. The author argues that the trust and interdependence present in	One party's confidence that the other party in the exchange relationship will not exploit its vulnerabilities

<b>Authors</b>	<b>Theoretical positioning</b>	<b>Definition of trust</b>
	the Japanese ‘obligation contractual relationship’ approach, based on trust, can be very competitive	
Moorman et al. (1993)	The authors build a theory of the antecedents and consequences of trust in market research relationships. An empirical study of 779 market research users	A willingness to rely on an exchange partner in whom one has confidence
Morgan and Hunt (1994)	The authors develop a model that positions trust (and commitment) as key variables that mediate outcomes favourable to relationship marketing success. An empirical study of 204 independent tyre retailers and their suppliers	One party has confidence in an exchange partner’s reliability and integrity
Ganesan (1994)	Buyer–seller relationships; trust in long-term orientation	Willingness to rely on an exchange partner in whom one has confidence
Mohr and Spekman (1994)	Study of 102 vertical relationships between personal computer retailers and their suppliers (from the perspective of the retailers)	The belief that a party’s word is reliable and that a party will fulfil its obligation in an exchange
Lewicki and Bunker (1995)	Developing relationships from theory to measurement. Data for this study was collected from 629 undergraduate students enrolled in a management course in a university	A state involving confident positive expectations about another’s motives regarding oneself in situations of risk. These expectations may be based on the rewards of

<b>Authors</b>	<b>Theoretical positioning</b>	<b>Definition of trust</b>
	in Singapore	punishments that guide the other's behaviour (i.e., calculus-based trust), the predictability of the other's behaviour (i.e., knowledge-based trust), or a full internalisation of the other's desires and intentions (i.e., identification-based trust)
Mayer et al. (1995)	Management – in their research they develop a trust model based on a number of trustee and trustor attributes	The willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party
McAllister (1995)	Trust between members because of their ability and competence to ensure accuracy, soundness and reliability of the information that members give and receive	The confident expectation that, in a situation relevant to the trustor, another party (the trustee) will act in the trustor's best interest, and the willingness to rely on and be vulnerable to the trustee
Andaleeb (1996)	The objective of this article is to identify the major determinants of trust in the context of industrial buying behaviour among ethnic Chinese buyers and sellers in	Willingness for a party to rely on the behaviours of others, especially when these behaviours have outcome implications for the party bestowing trust

<b>Authors</b>	<b>Theoretical positioning</b>	<b>Definition of trust</b>
	Malaysia	
Aulakh et al. (1996)	Inter-organisational relationships; trust and performance	Degree of confidence the individual partners have on the reliability and integrity of each other
Das and Bing-Sheng (1998)	Management – the authors report on an experiment to test whether the two types of trust are indeed distinct. Their results show a surprising finding – that they are very much related and hence not distinct	Trust is the degree to which the trustor holds a positive attitude towards the trustee’s goodwill and reliability in a risky exchange situation
Chow and Holden (1997)	Buyer–seller relationships: loyalty and trust in the circuit board industry	The level of expectation or degree of certainty in the reliability and truth/honesty of a person or thing
Doney and Cannon (1997)	Buyer–seller relationship: trust building in industrial manufacturing	The perceived credibility and benevolence of a target of trust
Nooteboom et al. (1997)	Trust and governance of the risk perceived by agents of firms’ manufacturer–supplier alliances	Trust as a significant source of cooperation, along with coercion and self-interest
Smith and Barclay (1997)	Trust in selling partnerships in the computer industry	Action that reflects a willingness to accept vulnerability in the face of uncertainty
Bhattacharya, Devinney	The author describes the construct of organisational trust as	Trust is an expectancy of positive (or non-negative)

<b>Authors</b>	<b>Theoretical positioning</b>	<b>Definition of trust</b>
and Pillutla (1998)	the positive expectations that individuals have about the intent and behaviours of multiple organisational members based on organisational roles, relationships, experiences and interdependencies. The development and testing of a five-dimensional model of organisational trust (competence, openness and honesty, concern for employees, reliability and identification) is presented	outcomes that one can receive, based on the expected action of another party in an interaction characterised by uncertainty
McKnight et al. (1998)	This study examines whether some types of dispositional trust/distrust concepts are better than others at inducing consumers to trust a web advice provider. They propose and test a model in which dispositional trust and distrust concepts are given separate roles. Finding of high initial trust levels in new organisational relationships	Trust means that one believes in and is willing to depend on, another party. High-level trust can be broken into two constructs: (1) trusting intention –meaning that one is willing to depend on the other person in a given situation, and (2) trusting beliefs – meaning that one believes the other person is benevolent, competent, honest and predictable in a given situation
Nielson (1998)	Study of 163 relationships between manufacturers and distributors of intermediate products such as component parts and raw materials (from the perspective of the seller)	Trust refers to the supplier’s perception that the customer will perform as promised in the relationship with honesty and integrity

<b>Authors</b>	<b>Theoretical positioning</b>	<b>Definition of trust</b>
Sako and Helper (1998)	Trust between supplier and manufacturer organisations in automotive industry – Japan and USA	An expectation held by an agent that its trading partner will behave in a mutually acceptable manner
Selnes (1998)	Study of 177 relationships between restaurants and their suppliers (from the perspective of the buyer)	A generalised expectancy of how the other party will behave in the future
Zaheer et al. (1998)	Study of 107 relationships between electrical equipment manufacturers and their component suppliers, both at interpersonal and inter-organisational levels, and from the perspective of both the members of the dyad	The expectation that an actor: 1) can be relied on to fulfil obligations; 2) will behave in a predictable manner; 3) will act and negotiate fairly when the possibility for opportunism is present
Young-Ybarra and Wiersema (1999)	Organisational trust: strategic alliances in information technology	Trust is based on three components: dependability (an expectation that the partner will act in the alliance's best interest), predictability (consistency of actions), and faith (partner will not act opportunistically)
Dyer and Wujin (2000)	Theories of inter-organisational cooperation. Social interactions perspective, process-based perspective, economic perspective	Trust is one party's confidence that the other party in the exchange relationship will not exploit its vulnerabilities
Tschannen-Moran and Hoy (2000)	This study was undertaken to explore the relationship of trust to student achievement	Trust is an individual or group willingness to be vulnerable to another party, based on the confidence that

<b>Authors</b>	<b>Theoretical positioning</b>	<b>Definition of trust</b>
		the other party is benevolent, reliable, competent, honest and open
Osterloh and Weibel (2001)	The aim of this study is to examine whether formal control, depending on its characteristics, can also have a positive effect on trustworthiness. Formal control may strengthen the intentions of the trustee to act in the interests of the trustor and thereby contribute, in conjunction with trust, to organisational effectiveness	Trust means risking an input (action) based on an expected trustworthiness of a person (expectation)
Shockley-Zalabak et al. (2000)	The research was conducted in an intra- and inter-organisational environment	Positive expectations that individuals have about the intent and behaviours of multiple organisational members based on organisational roles, relationships, experiences and interdependencies
Gambetta (1998)	This study measures trust and trustworthiness in British society with a newly designed experiment using real monetary rewards and a sample of the British population. The study also asks the typical survey question that aims to measure trust, showing that it does not predict 'trust' as	When we say we trust someone, or that someone is trustworthy, we implicitly mean the probability that s/he will perform an action that is beneficial or at least not detrimental is high enough for us to consider engaging in some form of cooperation with them

Authors	Theoretical positioning	Definition of trust
	measured in the experiment	
McKnight and Chervany (2001)	This research justifies a parsimonious interdisciplinary typology and relates trust constructs to e-commerce consumer actions, defining both conceptual-level and operational-level trust constructs	To willingly become vulnerable to the trustee, whether another person, an institution or people generally, having taken into consideration the characteristics of the trustee
Sirdeshmukh et al. (2002)	The authors develop a framework for understanding the behaviours and practices of service providers that build or deplete consumer trust and the mechanisms that convert consumer trust into value and loyalty in relational exchanges	The expectations held by the consumer that the (service provider) is dependable and can be relied on to deliver its promises
Abrams et al. (2003)	Trust between members because of their ability and competence to ensure the accuracy, soundness and reliability of information that members give and receive	The confident expectation that, in a situation relevant to the trustor, another party (the trustee) will act in the trustor's best interest, and the willingness to rely on and be vulnerable to the trustee
Coote et al. (2003)	Mail survey (sample size approximately 1000): 152 returned questionnaires	Trust exists when one party has confidence in the honesty, reliability and integrity of their partner
Coulter and Coulter	Study of the moderating effect of a customer's knowledge	Their conceptualisation of trust is consistent with extant

<b>Authors</b>	<b>Theoretical positioning</b>	<b>Definition of trust</b>
(2003)	of, or familiarity with, the service industry in question on the antecedents of trust. The small-business owners provided data about their relationships with their health insurance, management consulting, telecommunications or travel industry service providers. The results demonstrate how service representatives and firms can work towards the establishment of trust with their clients under varying market conditions	research in that they define the construct in terms of a customer's perceptions of service, representative honesty, integrity and ethical standards
Gillespie (2003)	The research explores the advance and distinctive approach to trust. This distinctive approach is an attempt to decentralise trust	Trust is the positive expectation (as opposed to a negative expectation that leads to suspicion) a person expects from another, despite uncertainty about another's motives and behaviour

## APPENDIX D

### Antecedents of trust

#### D1 Previous findings of trust antecedents

Authors	Antecedents
Barbarino and Johnson (1999)	Actor satisfaction, actor familiarity attitudes, play attitudes, theatre facility attitudes
Barber (1983)	Technical competence, fiduciary responsibility
Butler (1991)	Consistency, integrity, fairness
Butler and Cantrell (1984)	Integrity, competence, consistency, loyalty, openness
Cook and Wall (1980)	Trustworthy intentions, ability
Crosby et al. (1990)	Similarity, service domain expertise, relational selling behaviour
Deutsch (1960)	Ability, intention to produce
Doney and Cannon (1997)	Salesperson expertise, power, similarity, likeability, frequent contact
Gabarro (1978)	Character-based (integrity, motive and intentions, consistency, openness, discretion) Competence-based (functional competence, interpersonal competence, general business sense) Judgement (ability to make good judgements)

<b>Authors</b>	<b>Antecedents</b>
Ganesan (1994)	Reputation of the vendor, perception of specific investments by vendor, retailer's experience with the vendor, satisfaction with previous outcomes
Garfinkel (1967)	Persistence, regularity, order, stability
Giffin (1967)	Expertise, reliability as information source, intentions, dynamism, personal attraction, reputation
Hovland et al. (1953)	Expertise, motivation to lie
Jones et al. (1975)	Ability, behaviour is relevant to the individual's needs and desires
Mayer et al. (1995)	Ability, benevolence, integrity
McKnight et al. (1998)	Personality-based, institution-based, cognition-based
Moorman et al. (1993)	Perceived integrity, willingness to reduce search uncertainty, confidentiality, expertise, tactfulness, sincerity, congeniality, timeliness
Morgan and Hunt (1994)	Shared values, communication, non-opportunistic behaviour
Nicholson et al. (2001)	Similarities of business values, frequency of interaction
Shapiro, Sheppard and Cherakin (1992)	Calculus-based, knowledge-based, identification-based
Sheppard and Sherman (1998)	Discretion, reliability, competence, integrity Concern, benevolence, predictability, consistency, forethought, intuition, empathy

<b>Authors</b>	<b>Antecedents</b>
Sitkin and Roth (1993)	Ability, value congruence
Smith and Barclay (1997)	Character, motives and intentions, role competence, judgement
Swan et al. (1985)	Dependability, honesty, competency, customer orientation, friendliness (likeability)
Whitener, Brodt, Korsgaard and Werner (1998)	Behavioural consistency, behavioural integrity, sharing and delegation of control, communication (e.g., accuracy, explanations, and openness), demonstration of concern
Zucker (1986)	Process-based, person-based, institution-based
Aiken and Boush (2006, p. 312)	Affective trust, cognitive trust, conative trust
Gefen and Straub (2004, p. 413)	Benevolence, integrity, ability, predictability
Singh and Sirdeshmukh (2000, p. 156); Garbarino and Lee (2003, p. 500)	Benevolence, competence
Doney and Cannon (1997, p. 36); Johnson and Grayson (2005, p. 501)	Affective trust, cognitive trust
San Martín and Camarero (2005, p. 84)	Intentions/value, capability/competence
Bhattacharjee (2002, p. 211); Yousafzai et al. (2005, p. 184); Schlosser et	Benevolence, integrity, ability

<b>Authors</b>	<b>Antecedents</b>
al. (2006, p. 135)	
McKnight et al. (2002, p. 338); Wang and Benbasat (2005, p. 87)	Benevolence, integrity, competence

## D2 A typology of the five antecedents of trust

Trust antecedents	Authors	Original item (definition)
<b>Cognitive-based trust: credibility and integrity</b>		
<b>Credibility</b> Reputation for partner's trustworthiness, reliability, good performance, good track record	Blau (1964); Dhakhne and Clatterbuck (1990); Doney and Cannon (1997); Fletcher and Peters (1997); Ganesan (1994); Mishra (1996)	Credibility: The belief that the other party is honest, reliable and competent.
<b>Reliability</b> Fulfils promise Dependability	Blois (1999); Butler (1991); Crosby et al. (1990); Ganesan (1994); Garbarino and Johnson (1999); Johnson-George and Swap (1982); McAllister (1995); Rempel et al. (1985); Zolin (2002).	Reliability: following up on any appointments and commitments made; showing adequate judgement to act as required (Butler, 1991; Zolin, 2002; Rempel et al., 1985; Johnson-George and Swap, 1982)
<b>Competence</b> Skills/ability, knowledge, expertise	Bhattacharya et al. (1998); Becerra and Gupta (2003); Butler and Cantrell (1984); Butler (1991); Cook and Wall (1980); Coutler and Coutler (2003); Doney and Cannon (1997); Ganesan (1994); Jarvenpaa et al. (1998); Johnson and Grayson (2005); Kirkpatrick and	Trust based on the assumption that partner is competent, and so will not let the counterpart down.  It is the ability of a trustee, determined by knowledge, skills and competences, which enables

Trust antecedents	Authors	Original item (definition)
	Locke (1991); Mayer et al. (1995); McKnight et al. (2002); Moorman et al. (1993); Nicholson et al. (2001); Selnes (1998); Sirdeshmukh et al. (2002); Smith and Barclay (1997); Tschannen-Moran and Hoy (2000); Levin et al. (2002); Zolin (2002)	tasks to be performed within some specific domain (Butler, 1991; Butler and Cantrell, 1984; Mayer et al., 1995).
<b>Integrity</b> Honesty Consistency Fairness	Becerra and Gupta (2003); Bhattacharya et al. (1998); Butler (1991); Coulter and Coulter (2002); Day and Barksdale (2003); Galford and Drapeau (2003); Levin et al. (2002); McKnight and Chervany (2002); Mayer et al. (1995); Moorman et al. (1993); Morgan and Hunt (1994); Smith and Barclay (1997); Stump and Heide (1996); Tschannen-Moran and Hoy (2000); Whitener et al. (1998);	Trust based on the fact that the other partner maintains promises and behaves towards their counterpart in accordance with a moral code.  It is a business partner's desire to be honest, fulfil ethical obligations and promises to deliver goods or services, or secure sensitive private or corporate information.
<b>Affect-based trust: benevolence and openness in communication</b>		
<b>Benevolence</b> Empathy Helpfulness	Becerra and Gupta (2003), Bromiley and Cummings (1995); Cook and Wall (1980); Coulter and Coulter (2003); Galford and Drapeau (2003); Geysken et al.	The belief that the other party is genuinely interested in the other's welfare and has intentions and motives that are beneficial to the other party,

<b>Trust antecedents</b>	<b>Authors</b>	<b>Original item (definition)</b>
Care and Concern Responsiveness Intention to do good Kindness, friendly and easy to get along with Commitment	(1998); Hall and Hall (1987); Jarvenpaa et al. (1998); Jeanquart-Barone (1993); Kanawattanachai and Yoo (2005); Mayer et al. (1995); Rempel et al. (1985); Sheppard and Sherman (1998); Sirdeshmukh et al. (2002); Zolin et al. (2004)	even under adverse conditions for which a commitment was not made.
<b>Openness of communication</b> Face-to-face communication Openness and honesty Transparency Providing information, sharing information Confidentiality Culturally sensitive communication	Crosby et al. (1990); Ganesan (1994); Ganesan (1997); Geysken et al. (1998); Mayer et al. (1995); Meyerson et al. (1996); Moorman et al. (1993); Morgan and Hunt (1994); Sirdeshmukh et al. (2002); Smith and Barclay (1997); Tschannen-Moran and Hoy (2000); Wathne and Heide (2000); Whitener et al. (1998); Zolin (2002)	Communication refers to a two-way flow of information. Effective communication between partners is developed by open, clear and honest communication.  Openness: it is important to reveal oneself, in terms of personality and thoughts, to another person (Butler, 1991)

## APPENDIX E

### Pilot study interview protocol

#### Semi-structured interviews

##### 1. Introduction

Purpose of the research: the focus is to define trust and that which builds trust between relationship managers in banks and client companies. Research will be confidential, with tape recorder used for purposes of analysis only.

##### 2. Respondent background

Respondent – job title, job description, responsibilities, length of service

Company – nature of the business/ organisation, location, number of branches

Bank– nature of the business/ location, number of branches

##### 3. Section 1: Definition of trust

What makes trust important?

How would you define trust? What do you understand by trust? Words/phrases, thoughts/ideas that come to mind?

What trust means in banking relationships?

Give an example from your experience.

Did you face any mistrust? What did you do?

##### 4. Section 2: Antecedents of trust

What builds up trust? How do you begin to build/increase trust in others?

Can you give an example from your experience?

Did you ever try to build up trust using any of these concepts?

1. Competence
2. Reliability
3. Truthfulness
4. Benevolence
5. Attractiveness, composure; calmness, coolness
6. Tell me about Emirati cultural issues and how you feel they relate to building trust in corporate banking

## **APPENDIX F**

### **Memos**

#### **Memo 1, 17<sup>th</sup> June 2006**

The first stage coding involved analysing the interview transcripts using the first codes as outlined in Chapter 4. I went through each transcript word by word, line by line, phrase by phrase, coding and highlighting the codes with different colours in order to sort them by codes. Each data segment was coded with the interview code.

#### **Memo 4, 11<sup>th</sup> July 2006**

An example of external antecedents is reputation. Reputation is the foundation when companies think about their bank. Bank as a solid partner in their business – doing everything well and correctly in order to build their business. Doing things ‘well and correctly’, for companies, means:

- Bank is supported by government
- Government creates good climate for business
- UAE trading hub or region promotes this financial growth

#### **Codes of reputation**

- 1) Sharing information
- 2) Mutual benefit
- 3) Supported by government
- 4) Honest and open communication
- 5) Creates opportunities
- 6) Quality of work
- 7) Good performance
- 8) ‘Doing everything well and correctly’
- 9) Role effectiveness
- 10) Knowledge

#### **Memo 3, 5<sup>th</sup> August 2006**

The antecedents of trust are external and internal. Some of the exogenous factors for companies and banks:

- 1) Financial – track record profit, market value, size (market share), credit rating, liquidity, strong banks, multiple banks, huge projects. Reputation: reliable, dependable, honest, image
- 2) Social – shared values, mutual benefits, family name
- 3) Culture

#### **Memo 2, 26<sup>th</sup> October 2006**

The analysis of the data shows that trust is important; it makes it easy for people to work together. Building trust is a key element of sustaining a business relationship between clients and bankers. The relationship between clients and bankers is an ongoing process.

#### **Memo 5, 7<sup>th</sup> July 2006**

When the banker and client communicate, they are interacting – they are ‘sussing’. ‘Sussing’ means that in the relationship they are always trying to understand the client. They are ‘tailoring’ a message or ‘selling stories’ to clients in order to do business.

#### **Memo 6, 5<sup>th</sup> August 2006**

After the first coding of the first interviews, I found that the financial factor is important to clients. A good track record is very important to companies and clients. For this reason, the financial factor is important for companies to carry on with their relationships with the banks. Companies think that their banks are strong enough to support huge projects and make them well known in the area. Banks are powerful and have high performance since they are supported by the government. Companies deal with banks because they know the banks are supportive and that they will obtain good profit. They prefer Emirati banks because they are supported by the government. They are risk averse; they tend not to take any risks. They deal with huge projects, with governmental banks, because the UAE has a high performance.

#### **Memo 7, 12<sup>th</sup> October 2007**

I have finished coding the first interview. The coding is painstaking, as I need to code for similarities, then phrases, patterns and themes. Should I now be looking at connections among categories? I think not now. I need to develop the categories more fully, including revising the code names by the data coded to them.

I have just reviewed thematic analysis again, and Miles and Huberman (1994) on coding. I will keep Miles and Huberman’s (1994) chapters on coding to hand and review continually as I am coding. I am now ready to start coding the second interview.

At this stage, tolerance, open-mindedness and patience are required. Prior to reviewing these sources, I have a sense that I need to review the meaning units coded for each code, and review the code title to ensure that it is representative of the data. Also, I need to pay attention to (and memo) emerging relationships among the codes. Do I need to combine codes that are quite similar, or divide codes that appear to be representing more than one concept, at this stage?

I am going to start 'browsing' the meaning units that I have coded in each code. I am consulting the memo that I have been writing (while coding meaning units) for each code. I re-read the methodology literature on qualitative analysis and thematic qualitative analysis. I think I am coding correctly and understand how to code the interviews. Referring to Miles and Huberman (1994) I need to be very careful about how I keep records and document the data. I need to be able to code and also refer back to the original transcript accurately.

#### **Memo 8, 13<sup>th</sup> April 2008**

A couple of months have passed. After reading all my memos, I am convinced that the memoing process is absolutely central to the thematic qualitative analysis and, hence, the development of good theory. It is certainly, at least, crucial for efficiency. It is time to wrap this thesis up ... Now, where to start, so that I can stop?

As reviewed, I have done transcripts, summaries, memos, etc. I made notes on a large sheet of paper, and created a map of sorts. I am now sorting the codes into similar piles to look at all phrases and the patterns and themes. I am also sorting by dyad by Emirati and non-Emirati to see if there are any emerging patterns and whether their perspectives are different. I was able then to work with this drawing and determine the essence of the data.

#### **Memo 9, 16<sup>th</sup> June 2008**

While analysing the data, I had a problem with the shared values code, which is considered important in Emirati culture. For this reason, I went back to my respondents to check with them their understanding of shared values or cultural similarity and its effect on building trust. I have done this because most of the Emirati respondents placed emphasis on this code.

When I analysed shared values, I explored how shared cultural values can lead to a higher level of trust. This highlights the fact that building a trust relationship between a banker and a client who share the same values is likely to be easier than the development of trust relationships between bankers and clients who do not share the same values.

Moreover, all the Emirati respondents in my research supported the importance of culture and the significant place of trust in the culture. I feel I have done some significant work in discussing the culture, values and common understandings, and this area is one of my contributions to knowledge.

I have found that there is some evidence that shared cultural values or cultural similarity have a similar impact on the development of trust between exchange parties. There is a strong link between cultural similarity and trust. Cultural similarity has an impact on trust depending on the culture of the person. For this reason, it is considered as an important antecedent of trust, perhaps especially in the UAE. Thus, a higher degree of similarity leads to a higher level of trust. Cultural similarity makes it easier for partners to communicate. Culture might support and facilitate communication between the partners because they use the same language to express their opinions.

In the UAE, cultural similarity plays an important role as an antecedent of trust between the banker and the client. So, when the partners have the same background, culture and values, and especially if they are from the same tribe, then building trust between them will be easier. Thus, when they do business with each other, these partners from the same culture do not ask about money because they trust each other.

## APPENDIX G

### Memos on themes from Emirati and non-Emirati Bankers

#### Compare and contrast between Emirati bankers and non-Emirati bankers on the importance of trust

Emirati bankers	Non-Emirati bankers	Contrast and comparison
<p>The majority of Emirati bankers identified trust as very important within their bank relationships. Many of the respondents argued that without trust there could be no relationship, no business and no gains; some stated that a significant failure of trust would lead them to exit a relationship. There was a general appreciation from Emiratis of both counterparts. Most bankers claimed that without trust there would be no interaction and no business and, therefore, no relationship. Trust was identified as a critical</p>	<p>Most of the respondents declared that trust is a very important factor, which leads to more profits and more collaboration. This trust is built on confidence that comes as a result of fulfilling promises and loyalty. Trust in the UAE is more important than formal documents, especially when dealing with Emirati people, whom they consider as trustworthy people.</p> <p><i>“It is very important. Sometimes I don’t care for the guarantees given by the customer, but</i></p>	<p>Emirati and non-Emirati bankers all agreed that trust is a very important factor, and that without trust there could be no relationship, no business and no gains. Such a relationship is believed to be profitable and facilitates cooperative behaviour in the relationship. Trust was found to make the relationships easier. This is because, with the presence of trust, corporate clients were more committed to the relationship.</p> <p>Emirati and non-Emirati bankers strongly believe that mutual trust is good for both counterparts. The</p>

<b>Emirati bankers</b>	<b>Non-Emirati bankers</b>	<b>Contrast and comparison</b>
<p>variable to establish in a relationship at the early interaction stage.</p> <p>Trust to bankers is a critical relationship between the corporate client and the corporate banker, where the corporate client expects the banker to provide advice and service in the best interests of the client. Moreover, a trusting relationship allows corporate clients to share sensitive information and bring forth their ‘true agenda’ and ‘share their stories’ with their counterparts honestly. The corporate bankers indicated that trust was important. Trust in the banker allows the banker to find out about the ‘client’s agenda’.</p> <p>Emirati bankers all agree that trust is a very</p>	<p><i>I care more for my confidence and trust in the counterpart, and for his loyalty, and for his fulfilment of his promises. Trust is more important than formal documents sometimes. I am from the USA but I have been working in this position for 15 years and I know the importance of trust to the Emirati people; they are trustworthy people” (NE B).</i></p> <p>Some of the corporate bankers argued that trust is important, but that this could not be entirely relied upon. For these corporate bankers, trust is not a blind trust, but there should be something tangible on hand to trust their counterparts.</p> <p><i>“Trust is an important factor, but you can’t depend upon that 100%, which means that</i></p>	<p>majority of Emirati and non-Emirati bankers agree that trust is a critical variable in establishing a relationship at the early interaction stage. It is the core of the business relationship and is non-negotiable. Most of the Emirati and non-Emirati bankers stated that a trusting relationship allows corporate clients to share sensitive information and bring forth their ‘true agenda’ and ‘share their stories’ with their counterparts honestly. While some stated that a significant failure of trust would lead them to exit the relationship.</p> <p>Emirati and non-Emirati bankers all agreed that trust is the key to cooperation since without trust people would not be willing to share potentially relevant and critical information. Such a relationship is believed to be profitable.</p>

<b>Emirati bankers</b>	<b>Non-Emirati bankers</b>	<b>Contrast and comparison</b>
<p>important factor. They said that trust is the core of any relationship, important for daily interaction with banks; without trust, there would never be banking because the basis of banking is trust. Emirati bankers claimed that trust is the basis for long-term relationship commitment; it reduces risk and facilitates cooperation. Trust is the key to cooperation, since without trust people would not be willing to share potentially relevant and critical information. Such a relationship is believed to be profitable, reduces risk, supports the national income of the country, finds solutions to problems facing both counterparts, develops a mutual relationship, and makes the dyads feel more comfortable, relaxed and secure. Therefore, trust is important for bankers, and especially so in</p>	<p><i>you can trust people but you will have to justify this in some kind of substantial, something tangible in hand. It is important for more profits and more collaboration”</i> (NE A).</p> <p>Non-Emirati bankers all agree that trust is a very important factor. Such a relationship is believed to be profitable. Therefore, it is especially important for the banker. Non-Emirati bankers strongly believe that mutual trust is good for both counterparts.</p> <p>Trust was identified as a critical variable in establishing a relationship, especially in the early stages. The non-Emirati bankers see themselves as honest and trustworthy people. They are honest and keep the secrets of their</p>	<p>Emirati bankers considered that trust is the core of any relationship, and is important for daily interaction with banks; without trust there would never be banking because the basis of banking is trust. Emirati bankers said trust is the basis for long-term relationships, commitment, reduces risk and facilitates cooperation. Such a relationship is believed to be vital in finding solutions to problems facing both counterparts, in developing a mutual relationship and in making the dyads feel more comfortable, relaxed and secure. Thus, trust is important for bankers, and especially in the UAE, which is a tribal community and considers tribal trust as very important. The region is still very much based on personal relationships and local commitment. Trust in terms of ‘security and confidentiality’ remains the most crucial factor, especially in selecting a bank’s products/services in</p>

<b>Emirati bankers</b>	<b>Non-Emirati bankers</b>	<b>Contrast and comparison</b>
<p>the UAE, which is a tribal community and considers tribal trust as very important; i.e., trust in the royal family, which supports projects and the kinship relationships. The region is still very much based on personal relationships and a local commitment. Trust in terms of ‘security and confidentiality’ remains the most crucial factor, especially in selecting a bank’s products/services in this region.</p> <p>Several interesting issues with regard to trust emerged in the interviews. Patriotism is one of the important antecedents of trust, which is stressed in the UAE. A respondent mentioned that one of the reasons that they would continue to purchase from the existing service provider is that they would like to</p>	<p>counterparts; in turn, they expect their counterparts to be reliable and fulfil their promises on time if they are looking for long-term gains.</p> <p><i>“Trust is an important factor. The corporate client has to trust the banker, and the banker has to trust the corporate client. Mutual trust is good for both. We are honest and trustworthy people. When I deal with my counterpart, I am dealing with him for a long time, so I have to be honest and keep the secrets of my counterpart. I also expect from my counterpart to be reliable since I am looking for long-term gains and not short ones”</i> (NE E).</p> <p>A common belief about the importance of</p>	<p>this region.</p> <p>Several interesting issues with regard to trust emerged in the interviews. One of the antecedents of trust in the UAE is patriotism. This antecedent is stressed in the UAE. A respondent mentioned that one of the reasons that they would continue to deal with an Emirati banker and would prefer them to other, non-Emirati bankers is due to the reason that they would like to support the Emirati economy. Emiratis are very proud of and loyal to their country. Loyalty is a very important factor.</p> <p>Emirati bankers and clients claimed that they could access more direct information about their counterpart through exchanging ideas if they have trusting relationships.</p>

Emirati bankers	Non-Emirati bankers	Contrast and comparison
<p>support the Emirati economy. Emiratis are very proud of and loyal to their country. Loyalty is very important factor.</p> <p>For example, one banker commented:</p> <p><i>“Yes, it is a very important factor for it reduces risk and increase profits. Trust is a very important factor especially in banking relationships”</i> (E D).</p> <p><i>“Trust building is very important here. It’s a step at a time. You trust me to this one point, and I’ll trust you to that one point. I’ll keep trusting you until there’s a reason not to trust you”</i> (E K).</p> <p>The data showed that where there is a long and strong relationship between bank</p>	<p>trust and its relationship to financial outcomes, collaboration, commitment and long-term relationships was expressed by one corporate banker in Al Ain:</p> <p><i>“Yep, it is very important. As a bank relationship manager for a well-known bank, trust is non-negotiable, so I need to trust that companies that were asking for suitable requests were not attempting to exploit the bank. We have to trust our corporate clients if we would like to have long relationships, and if we would like our counterparts to be committed to doing good work for us and if we were looking for more profits”</i> (NE H).</p> <p>It was agreed on that trust is an important and non-negotiable factor. So bankers have to</p>	<p>Emirati bankers realised a long time ago the importance of trust for developing long-term relationships: to maximise their profits and for more cooperation and openness. On the other hand, non-Emirati bankers clearly articulate the importance of trust for developing long-term relationships that maximise long-term profitability.</p> <p>For some non-Emirati bankers trust is built on confidence, which comes as a result of fulfilling promises and loyalty in dealing with their counterparts. Some non-Emirati bankers realised that trust in this context in the UAE is more important than formal documents, especially when dealing with Emirati people, who are trustworthy.</p> <p>For most of the non-Emirati bankers, trust is very important, but for some of them it is important but</p>

<b>Emirati bankers</b>	<b>Non-Emirati bankers</b>	<b>Contrast and comparison</b>
<p>relationship manager and his counterpart, levels of trust appeared to be higher. Emirati bank relationship managers stated that with trust relationships they could access more direct information about the counterpart through exchanging ideas with him/her.</p> <p>Trust was found to make the relationships easier. This is because with the presence of trust, corporate clients were more committed to the relationship. Similarly, trust facilitates the cooperative behaviour in the relationship.</p> <p><i>“For me, trust makes the relationships easier and dealing with my counterpart more comfortable. I think with the presence of trust, we as corporate bankers find ourselves more committed to the relationship On the</i></p>	<p>trust their clients if they would like to maximise their profits.</p>	<p>they do not rely on this trust completely. For them, it is not a blind trust. Non-Emirati bankers consider themselves as honest and trustworthy, and as a result, they expect their counterparts to be reliable and do their part and fulfil their promises if they are looking for a long-term relationship.</p> <p>So, Emirati bankers are honest, open, reliable and trustworthy and they deal with their counterparts on a basis of trust. Bankers support their clients with good service and advice because they want the Emirati client to grow and gain more profits, which, in turn, will support the national income of their country. They want to support their government, which is supporting them. They are doing this from a feeling of responsibility towards their country. So, their loyalty to their country, ‘patriotism’, is one of the antecedents of the trust.</p>

<b>Emirati bankers</b>	<b>Non-Emirati bankers</b>	<b>Contrast and comparison</b>
<p><i>other hand, interpersonal trust facilitated the cooperative behaviour in the relationship and because we have good and strong relationships with our counterpart, they refer their friends to us because they trust us, and in return we trust them” (E G).</i></p>		<p>In relation to non-Emirati bankers: they do not take loyalty to the country into consideration because they do not feel this kind of responsibility towards the government. They are not supported by the government. They are big enough and do not care about competition from Emirati banks. The majority of non-Emirati bankers deal with their counterparts on the basis of formal documentation, which is very important to them. Whereas Emirati bankers deal with Emirati clients on the basis of trust.</p>

## APPENDIX H

### Final interview protocol

#### 1. Introduction

Purpose of the research: the focus is to define trust and that which builds trust between relationship managers and corporate clients. The research will be anonymous and confidential, with a tape recorder used for purposes of analysis only.

#### 2. Respondent background

Respondent – job title, job description, responsibilities, length of service

Company – nature of the business/organisation, location, number of branches

Bank – nature of the business/ location, number of branches

#### 3. Section 1 – Definition of trust

What makes trust important? (probe)

How would you define trust? What do you understand by trust? Words/phrases, thoughts/ideas that come to mind?

What does trust mean in banking relationships?

Give an example from your experience.

Did you face any mistrust? What did you do?

#### 4. Antecedents of trust (probe)

What builds up trust? How do you begin to build/increase trust in others?

Can you make a list of factors that you use, or that you would consider to be trust-builders?

Can you give an example from your experience?

What makes you trust the corporate banker/corporate client?

Which of the factors you have listed would you consider, in a classification structure, are most, more and least important in your trust-building process?

Why do you consider one group of factors more important than the others in influencing you to trust or not to trust a bank?

How did you build trust, using any of these concepts? (probe)

1. Competence
2. Reliability
3. Authenticity/genuineness
4. Truthfulness/benevolence
5. Intent

6. Attractiveness, composure: calmness, coolness, control of self-dynamism:  
animated and excited, extroversion, sociability: likableness, personal  
chemistry, customer bonding, social bonds
7. Service quality

Tell me about the following Emirati cultural issues and how you feel they relate to building trust in corporate banking. (probe)

1. Family and name
2. Tribal, Bedouin traditions
3. Royal family
4. Patriotism
5. Kinship
6. *Wasta*

## APPENDIX I

### Interview with an Emirati banker

**Interview: MA – a relationship manager of an Emirati bank (E H)**

**Date: 27 October 2006; in the office of the Emirati banker**

**RH**<sup>1</sup>: Everyone knows that EH is the largest bank in the UAE. Tell me about your work? What do you do in this field?

**MA**: We have a large corporate finance team that works the capital markets, and as a result of that, we naturally have the ability to service our clients with lots of different products, not only in the UAE but outside the country as well.

**RH**: What is your strength?

**MA**: Our main strength is that we are a large, diversified financial organisation and can look after our clients here and abroad, in many fields of financial activity. Moreover, I can say our commitment to the relationship with our client. Thus, more commitment to the relationship facilitated the cooperative behaviour in the relationship

**RH**: Which sectors contribute the most to your profits?

**MA**: Investment banking tends to be quite volatile, because the banks are much more sensitive to market conditions, but over a longer period of time I would say that our domestic business accounts for half our business.

**RH**: The region is still very much based on personal relationships and a local commitment. Is this an advantage for you over the large international private banks?

**MA**: An obvious advantage is that we know our clients, and our historic disadvantage has been that, in popular perception at least, the international banks had the products and services, and we had the personal relationships. As the international banks grew their business, they hired very professional relationship managers who came in and developed their private banking business.

**RH**: What about you as an Emirati bank?

**MA**: We are basically reversing that trend by hiring very professional product managers. We now offer discretionary asset management, establishment of trusts and companies overseas and in offshore jurisdictions, fiduciary services in a broad sense, and the classical asset management and wealth advisory services that international private banks provide. In the past, the national banks couldn't provide all of this, so private banking services tended

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<sup>1</sup> Author initials

to be red carpet commercial banking.

**RH:** What do you mean, could you please explain?

**MA:** In other words, it was basically a deposit and loan service with a relationship manager. The asset management and wealth advisory business was generally left with the international banks because the local banks didn't have the necessary skill-sets, but nowadays we are hiring very professional product managers and training our managers to have the necessary skills to serve our customers by giving them their needs and advice. Now we and other local banks are investing in the products, and the technical people that can manage the assets, and provide a broad base of wealth management services, so we can tie in our traditional strength of relationships with the products and services of international banks. I think we stand a fair chance of succeeding in this.

**RH:** Give me an example from your experience.

**MA:** I have a history of success records with my corporate clients. Through my experience, I found that the customers that I have the most success with are the people I get on well with because, I think, because there is a personal side to dealing with people.

**RH:** Who is your target client base?

**MA:** Basically, our clients are here in our own region, first and foremost the UAE residents and the GCC. We want to target families with money that need careful management. They could be of all nationalities; the nexus of connectivity is that they are here in the region.

**RH:** How does this tie in with your project finance activities?

**MA:** It is different, but we are probably the largest project finance bank in the region, certainly in the UAE. Our project finance activities would tend to be infrastructure projects, such as gas, water, power, desalination and those kinds of things. There is a lot going on in Abu Dhabi, and we are well placed for this, in terms of that we have been doing for some time. We have lead managed and arranged some major projects here, and been active participants with other banks, particularly foreign banks. One means of activating these interpersonal sources would be through a word-of-mouth approach.

**RH:** A word of mouth: could you please explain more. Why?

**MA:** Since UAE society is structured according to tribes and extended family, word-of-mouth can be very effective in disseminating information among clients.

**RH:** Tell me please, what about *wasta*? I have heard about it from one of the interviewees. So, does it work with you?

**MA:** Well *wasta* is a way of life and anyone who will tell you that he doesn't accept *wasta*, he is not telling you the truth.

**RH:** Tell me, what do you do if someone comes to you with *wasta*?

**MA:** If a certain client comes to me with *wasta* to give him more facilities, and give him, for example, lower interest rates than others, of course I am going to give him a low rate because he has *wasta*, and so sometimes I feel obliged to break the bank policy.

**RH:** Tell me what do you do to gain customer's trust?

**MA:** I try to put the client's needs first, be available and honest. The most powerful value-added you can contribute in any business relationship is the trust factor.

**RH:** Is trust an important factor?

**MA:** Yeah, trust is very important because, if you didn't trust the person, you wouldn't take your business there.

**RH:** Can you give me an example? Explain.

**MA:** For me, trust makes the relationships easier, and dealing with my counterpart more comfortable. I think with the presence of trust, we as corporate bankers find ourselves more committed to the relationship. On the other hand, interpersonal trust facilitated the cooperative behaviour in the relationship and because we have good and strong relationships with our counterpart, they refer their friends to us because they trust us, and in return we trust them.

**RH:** How would you define trust?

**MA:** Trust means a responsibility of care towards my counterpart, to keep the secrets of my client and to do what was agreed on between us as relationship managers.

Trust is a comfortable relationship: it means confidence, openness and respect. When I trust my counterpart, then this means that this person shares my thoughts and feelings, and there is respect between each other. So, trust for me means to be open and fair. However, if he doesn't believe what I'm telling him, then I don't expect him to work harder or work a little differently. He is not going to be as receptive to change unless he understands and trusts that what I was talking about is in fact true.

**RH:** Can you explain – what do you mean, please?

**MA:** When I say I trust my counterpart, this means that I can rely on my relationship manager. From my experience, I have been dealing with him for a long time, and I relied on him in many cases. When I work with an Emirati, trust by nature is there as we all work for the community. We help each other and we support one another. So, it is mutuality overall which prevails our relationship.

**RH:** What does trust mean in banking relationships?

**MA:** Trust in banking relationships means confidence and reliability. Whatever took place between us, nobody will know about it, he keeps my secrets confidential. I have

confidence in this man. So, trust means confidence, mutuality.

**RH:** Can you give an example from your experience, please?

**MA:** I gave you an example. I have answered this question.

**RH:** Did you face any mistrust? What did you do?

**MA:** Till now, I haven't faced any mistrust.

**RH:** What builds up trust?

**MA:** In order to have trust in somebody you need to have a friendly relationship, then your relationships will be stronger and your business will be better. Another way of building trust is to respect your counterpart and fulfilling your promises, because if you fulfil your promises, then you are a trustworthy person, and you will be respected by your counterpart.

Moreover, keeping the secrets of my clients and dealing with him with respect is important in building up trust. I'm sure that my client knows that I would always treat him positively and with respect and if he has any issues he would like to discuss with me, it will always be discussed in private.

**RH:** What makes you trust the corporate client?

**MA:** I trust my counterpart because our relationship with each other is strong, we have confidence in each other; there is respect. On the other hand, and as a local bank, most of my customers are locals because we have the same background, culture, language and religion, and we share the same perspective about things and so I feel that I trust them.

Through my experience, I could tell you that I have a history of success records with my clients. Through my experience, I found that the clients that I have the most success with are the people I get on well with because I think there is a personal side to dealing with people.

My clients tell their friends to deal with me as they are satisfied with my service. Referring others to you is very important in building up trust. For instance, if someone refers business to you, then it shows that he is happy with you and likes the way you are dealing with him.

**RH:** How did you build trust, using any of these concepts? (probe)

1. Competence
2. Reliability
3. Authenticity/genuineness
4. Truthfulness/benevolence
5. Intent

6. Attractiveness, composure: calmness, coolness, control of self dynamism: animated and excited, extroversion, sociability: likableness, personal chemistry, customer bonding, and social bonds
7. Service quality

**MA:** Competence and reliability. If you say, for example, you are really competent, you perform well; thus, your performance is based on your competence. Performance and integrity could come on this list also. Service quality is very important and builds up trust and it could lead to dealing with them again.

**RH:** Tell me about Emirati cultural issues and how you feel they relate to building trust in corporate banking. (probe)

1. Family and name
2. Tribal, Bedouin traditions
3. Royal family
4. Patriotism
5. Kinship
6. *Wasta*

**MA:** Family name, tribe name and *wasta* are very important in the Gulf, especially in the UAE. Emiratis consider family name and tribal issues as important factors that lead to trust the counterpart. For us, as Emiratis, we have an open economy and our country has developed within a short period of time from a desert to a green land, but we are still a closed community, we are still Bedouin.

We cannot forget our origin. Kinship and the blood bonds are very important in our relationships. For these reasons we prefer to deal with Emiratis rather than with non-Emiratis. In the UAE, all the Emiratis consider themselves as one tribe, even though they are from different Emirates and from different tribes; they have the same blood, same culture, same tradition, same language and same religion. As a conclusion, I can say that the UAE is a closed society that tried to be open, but we are open to foreigners and we accept them.

## APPENDIX J

### Coding – Importance of trust: Emirati and non-Emirati bankers and clients

Non-Emiratis		Emiratis	
Non-Emirati clients	Non-Emirati bankers	Emirati clients	Emirati bankers
<p>Very important</p> <p>Without trust, no relationship, no business</p> <p>More collaboration</p> <p>More profits for both partners</p> <p>Gives security</p> <p>Long-term relationships</p> <p>Leads to satisfaction</p> <p>The reason for our success</p> <p>Keeps and maintains the</p>	<p>Important</p> <p>Mutual trust good for both</p> <p>Long-term relationships</p> <p>Cooperation</p> <p>Creates confidence in the counterpart</p> <p>Increases loyalty</p> <p>Keeps and maintains the relationship</p> <p>Leads to more collaboration</p> <p>Leads to more commitment</p> <p>Important for both</p>	<p>Important 100%</p> <p>Increases the national income</p> <p>Good for both</p> <p>Couldn't develop without this confidence</p> <p>Strengthens relationships</p> <p>Leads to trusting behaviour</p> <p>More profits</p> <p>Creates more security</p> <p>Without trust, there will be no collaboration</p> <p>Requirement in all aspects of life</p>	<p>Very important</p> <p>The core of the relationship</p> <p>The main issue between the banker and clients</p> <p>Important for daily interaction of banks</p> <p>Without trust, no banking</p> <p>Tribal trust: trust in the members of the royal family</p> <p>Protects the valuable regional traditions</p> <p>Increases the national income</p>

<b>Non-Emiratis</b>		<b>Emiratis</b>	
<b>Non-Emirati clients</b>	<b>Non-Emirati bankers</b>	<b>Emirati clients</b>	<b>Emirati bankers</b>
<ul style="list-style-type: none"> <li>relationship over the long term</li> <li>Leads to commitment</li> <li>More profits for both partners</li> <li>Good track record</li> <li>Reduces risk</li> <li>Reduces transaction costs</li> <li>Getting new business in the market</li> <li>Maintains good personal relationships</li> </ul>	<ul style="list-style-type: none"> <li>Long-term gains</li> <li>Without trust, no relationship</li> <li>Important for the success of business</li> <li>Non-negotiable</li> </ul>	<ul style="list-style-type: none"> <li>Strengthens the bond</li> <li>The same importance as formal documents</li> <li>Produces mutually beneficial outcomes</li> </ul>	<ul style="list-style-type: none"> <li>Reduces risk</li> <li>Finds solutions to the problems</li> <li>Builds long-lasting relationships</li> <li>The base of banking</li> <li>Makes the relationships easier, more comfortable</li> <li>More commitment to the relationship</li> <li>Facilitates cooperative behaviour</li> <li>Strengthens relationships</li> <li>Develops the domestic market and the economy</li> </ul>

## APPENDIX K

### Data codes for attitudes towards trust

#### A) Data codes for attitudes towards trust – positive expectations

Code/concept	Codes – Emiratis	Codes – non-Emiratis
<b>1) Reliability reliance</b>	Reliance Rely on Fulfill promises Confidence in ability Doing things ‘properly’ Ability to have one’s word accepted Actions to be authorised without written confirmation Promise only what you know you can achieve Facilitate a sense of confidence and comfort Responsibility towards the partner Duty to act ethically Gives them feeling of comfort Maintain confidence/commitment	Seldom led to cooperation Has no element of faith Calculative trust Not emotional Deals with documentation Withdraw from unsatisfactory relationships Unwilling to assume the honesty of the partner Cannot always access finance easily

Code/concept	Codes – Emiratis	Codes – non-Emiratis
	Confidence in the information given Confidence in partner’s honesty and loyalty Support and help Honesty in providing information Faith Leads to cooperation	
<b>2) Honesty</b>	Confidentiality in handling information Openness in communication Transparency Does not take advantage Absence of suspicion Absence of anxiety Reduce uncertainty Feeling secure and comfortable Creates a supportive atmosphere Work efficiently and quickly Honesty in telling the truth	Did not assume the honesty of their partners Seldom leads to cooperation No faith Hesitates to trust information provided
<b>3) Mutuality (reciprocity)</b>	Exchange behaviour	Mutual help

<b>Code/concept</b>	<b>Codes – Emiratis</b>	<b>Codes – non-Emiratis</b>
	<p>Expectation of acting sincerely</p> <p>Mutual exchange of privileges or favours</p> <p>Kind behaviour rewarded</p> <p>Benefit from reciprocal acts of kindness</p> <p>Get something back for something given</p> <p>Two-way communication</p> <p>Inspired by empathy and reputation</p> <p>Mutual loyalty</p> <p>Mutual cooperation</p> <p>Friendly relationship leads to mutual exchange</p> <p>Wasta</p> <p>Altruistic reciprocity</p> <p>Kinship attitude that shows care</p> <p>Tribalism leads to reciprocity</p> <p>Self-sacrifice</p> <p>Clan loyalty</p> <p>Patriotism</p> <p>Fulfil their promises and commitments</p>	<p>Mutual reciprocity</p> <p>Calculative</p> <p>Maximising profits</p> <p>Calculative commitment</p> <p>No expectation of banker's benevolence</p> <p>No expectation of an affective feeling</p> <p>Do not have confidence in their clients</p>

Code/concept	Codes – Emiratis	Codes – non-Emiratis
	Emotional loyalty Sense of belonging Caring attitude Altruistic benevolence Feelings of gratitude Feel a moral obligation towards Positive attitudes Offering help Doing things for others	
<b>4) Benevolence</b>	Concern for wellbeing A feeling of care due to strong bond: kith and kin relationships	Concern for wellbeing A feeling of care

**B) Data codes for attitudes towards trust – willingness/behavioural intentions**

Code/concept	Codes – Emiratis	Codes – non-Emiratis
<b>Willingness (behavioural intentions)</b>	Commitment to behave according to a certain goals Repurchase Behavioural attitude Maintaining an on-going relationship Intention to repeat purchase, repeat the visit Intentions to use services repeatedly Intentions to recommend the service Influence of satisfaction Intention to use services repeatedly	Intention to repeat the purchase Keep coming to visit Intend to continue using this service in the future Plan to keep dealing with the partner Will continue using the services Continuation intention Commitment

## APPENDIX L

### Coding for the antecedents of trust

<b>Antecedents of trust</b> <b>For Emiratis and non-Emiratis from this research</b>	
<b>Antecedent themes in this research</b>	<b>Phrases and patterns of antecedents of trust</b>
<b>Cognitive code</b>	<p><b>1) Competence</b></p> <p><b>Skills</b></p> <p>Technical knowledge</p> <p>Technical expertise</p> <p>Answer the needs, and keep the information confidential</p> <p>Ability of the banker to understand the needs</p> <p>Ability to provide a good service</p> <p>Meet the clients' needs</p> <p><b>Availability</b></p> <p>Deliver the service in a reliable, dependable and punctual manner</p> <p>Available to answer the clients' needs</p> <p><b>Flexibility</b></p> <p>Ability to answer specific problems and opportunities</p> <p>Ability to negotiate with corporate respondents</p> <p>Ability to get a request through</p> <p><b>Tailored services</b></p> <p>Meet the client's individual needs</p> <p>Ability to deliver a customised service, reliably and promptly</p> <p><b>Acceptance of mistakes</b></p> <p>Resolve mistakes</p> <p>Handle mistake swiftly and professionally</p> <p>Tolerance for making these mistakes</p> <p><b>Knowledge (getting to know)</b></p>

<b>Antecedents of trust</b> <b>For Emiratis and non-Emiratis from this research</b>	
<b>Antecedent themes in this research</b>	<b>Phrases and patterns of antecedents of trust</b>
	Attaining information Knowledge about the counterpart (credibility) Reputation Understand the requirements Guidance <i><b>Good performance</b></i> Good experience Familiarity Good track-record Successful experience
<b>Cognitive code</b>	<b>2) Reliability</b> <i><b>Reliability/dependability</b></i> Rely on counterparts to: make things happen have confidence provide a good quality of service <i><b>Promise keeping</b></i> Commitment to the relationship Ability to deliver what they promise Fulfils promises Doing what was agreed upon <b>Integrity</b> <i><b>a) Consistency between words and actions</b></i> Consistency in behaviour Telling the truth, keeping your promises, managing agreements Consistent positive behaviour over time <i><b>b) Honesty and frankness</b></i> Accuracy or completeness of information Honesty, clarity and openness

<b>Antecedents of trust</b> <b>For Emiratis and non-Emiratis from this research</b>	
<b>Antecedent themes in this research</b>	<b>Phrases and patterns of antecedents of trust</b>
	<p>Willing to share important information</p> <p><b>Fairness and ethics</b></p> <p>Application of a set of moral and ethical principles</p> <p>Abiding by the regulations</p> <p>Individual's commitment to principles, such as honesty, fairness, playing by the rules</p> <p>Following a set of mutually acceptable principles</p>
<b>Affective code</b>	<p><b>1) Benevolence</b></p> <p><i>a) Care and concern</i></p> <p><i>Commitment to the work</i></p> <p><i>Sacrifices</i></p> <p><b>b) Reciprocal commitments</b></p> <p>Reciprocal altruism</p> <p>Good relationship</p> <p>Satisfies needs</p> <p>Solves problems, corrects mistakes</p> <p>Expectation of a trusting behaviour</p> <p><i>c) Empathy</i></p> <p>Caring</p> <p>Supportive</p> <p><b>Customisation</b></p> <p>Individual care and attention</p> <p>Tailor the services</p> <p><b>Responsiveness</b></p> <p>Confidence</p> <p>Deals with requests promptly</p> <p>Quick resolution of problems</p> <p>Comfort</p> <p>Satisfaction</p>

<b>Antecedents of trust</b> <b>For Emiratis and non-Emiratis from this research</b>	
<b>Antecedent themes in this research</b>	<b>Phrases and patterns of antecedents of trust</b>
<b>Affective code</b>	<p><b>2) Openness of communication</b></p> <p>Face-to-face communication</p> <p>Direct interaction</p> <p>Informal interaction</p> <p>Accessible and available</p> <p>Easy to contact</p> <p>Supportive</p> <p><b>Openness and transparency</b></p> <p>Shares information</p> <p>Clear communication</p> <p>Effective communication</p> <p>Frank communication</p> <p>No hidden agendas</p> <p><b>Honesty</b></p> <p>Providing reliable, accurate and unbiased information</p> <p>Sharing accurate and reliable information</p> <p><b>Confidentiality</b></p> <p>Consistent and fair</p> <p>Care of one partner towards the other</p> <p>Acting ethically</p> <p>Keeping financial information</p> <p>Keeping secrets</p>
<b>Culture and shared values</b> <b>Emirati cultural antecedents – (control independent variable)</b>	<p><b>1) Patriotism</b></p> <p>National pride</p> <p>Deep reverence for the royal family</p> <p>Respecting the royal family</p> <p>Affective attachment to the in-group</p> <p>Loyalty</p> <p>Love of country</p>

<b>Antecedents of trust</b> <b>For Emiratis and non-Emiratis from this research</b>	
<b>Antecedent themes in this research</b>	<b>Phrases and patterns of antecedents of trust</b>
	<p>Attachment to national values</p> <p>Cohesion and solidarity</p> <p>Loyalty to leaders</p> <p>Feeling safe and secure</p> <p>Sincerity</p> <p>Clan loyalty</p> <p>Supporting the national economy</p> <p>Preference for dealing with Emiratis</p> <p>Reputation based on tribal origin and sheiks</p> <p>Offering sacrifice</p> <p>Non-calculative</p> <p>Offering help without expectation of return</p> <p><b>2) Tribalism</b></p> <p><b>Kith and kin</b></p> <p>Family ties</p> <p>Family obligations and interests</p> <p>Loyalty to the clan, the tribe and the nation</p> <p>Blood ties</p> <p>Close cultural bonds</p> <p>Familism: extended family and the wider community</p> <p>Family name</p> <p>Emotional ties</p> <p><b>Kinship</b></p> <p>Friendly relationships: same respect, politeness</p> <p>Personal relations</p> <p>Facilitate business transactions</p> <p><b>Personal ties</b></p> <p>Ironing out problems</p> <p>Social bonding</p>

<b>Antecedents of trust</b> <b>For Emiratis and non-Emiratis from this research</b>	
<b>Antecedent themes in this research</b>	<b>Phrases and patterns of antecedents of trust</b>
	Emotional intensity Cultural bonding Face-to-face communication Affective trust <b>Altruism</b> Self-sacrifice Clan loyalty Patriotism Fulfil their promises and commitments Sense of belonging Caring attitude Altruistic benevolence Feeling of gratitude Feeling a moral obligation Doing things for others <b>Wasta</b> Authority/power The ability to make decisions Influence (the ability to bend decisions) Hastens the process of document handling Deals with it implicitly Stronger than formal bank policy Based on family or social ties Plays a significant role in decision making Interceding or mediating to solve problems Form of influence Strengthens the family relationship Hidden cultural force Fact of life

<b>Antecedents of trust</b> <b>For Emiratis and non-Emiratis from this research</b>	
<b>Antecedent themes in this research</b>	<b>Phrases and patterns of antecedents of trust</b>
	<p>Gift exchange</p> <p><b>3) Shared values</b></p> <p><i>a) Cultural similarity</i></p> <p>Shared backgrounds and traditions</p> <p>Same religion</p> <p>Similar values: loyalty, justice, generosity and status</p> <p>Personal traits: respect, politeness, empathetic, warm</p> <p>Emotional bond</p> <p>Fear of failure</p> <p>Fear of change</p> <p>Does not like to take risks</p> <p>Same religion, same customs and traditions</p> <p>Feeling secure and relaxed</p> <p>Culture differences: barrier to trust</p> <p><b>Language</b></p> <p>Speaking the same language</p> <p>Facilitate communication</p> <p>Respectful communication</p> <p>Foreign language: a barrier to trust</p> <p>Increases confidence</p>
	<p><i>b. Behavioural reproduction of cultural similarity</i></p> <p>Same social class and occupation</p> <p>Common identity, similar values</p> <p>Race, sex, national origin, lifestyle</p> <p>Social bonds, social class</p> <p>Level of education, same school, same university</p> <p>Maintaining commitments</p> <p>Friendship, interpersonal interaction</p> <p>Reluctance to take risks</p>

<b>Antecedents of trust</b> <b>For Emiratis and non-Emiratis from this research</b>	
<b>Antecedent themes in this research</b>	<b>Phrases and patterns of antecedents of trust</b>
	<p>Mutual emotional bonds</p> <p>Reinforcing the relationship</p> <p>Maintaining social relationships</p> <p>Common humanity</p> <p>Accumulating knowledge about each other</p> <p>Shared life experiences</p> <p><b>Good reputation</b></p> <p>Long-standing relationships</p> <p>Social awareness and learning about a specific cultural repertoire</p> <p>Successful cases</p> <p>Supporting each other</p> <p>Professional, caring, understanding specific needs</p> <p><b>Prominent and influential people</b></p> <p>Royal family</p> <p>Particular status</p>

## APPENDIX M

### Cognitive themes of antecedents of trust

#### M1 Data segments for competence

Code/concept	Data segments – Clients	Data segments – Bankers
<p><b>Skills</b></p> <p>Good technical knowledge</p> <p>Technical expertise</p> <p>Answer the needs, and keep the information confidential</p> <p>Ability of the banker to understand the needs</p> <p>Service quality: ability to provide a good service</p> <p>Efficient delivery of the service</p> <p>Meet the clients' needs</p>	<p><i><b>Emirati clients</b></i></p> <p><i>“My counterpart is known to be successful at the things she tries to do” (E 16).</i></p> <p><i>“My Emirati banker, EU, is smart enough to know that if they make a promise, they’re only going to make it if they can deliver it” (E 28).</i></p> <p><i>“My banker is available all the time to help me, advise me and if I need to ask him any question, he is there to answer my questions” (E 22).</i></p> <p><i>“I trust my banker and if he makes a mistake, I will forgive him because it took time to build our relationships” (E 23).</i></p> <p><i>“My bankers are professional and I treat them like</i></p>	<p><i><b>Emirati bankers</b></i></p> <p><i>“We are professional and basically reversing that trend of being professional by hiring very professional managers” (E H).</i></p> <p><i>“To be successful, we have to be successful first in our home country. As professionals in this field, we customise our products to meet the tastes and needs of our Emirati clients” (E J).</i></p> <p><i>“We provide our clients with a kind of service that are specially designed for our Emirati clients. We provide them with the best service and ultimate satisfaction” (E D).</i></p> <p><i>“I build a trust relation with my clients by making them</i></p>

Code/concept	Data segments – Clients	Data segments – Bankers
<p><b>Availability</b>  Deliver the service in a reliable, dependable and punctual manner  Available to answer the clients' needs</p> <p><b>Flexibility</b>  Ability to address specific problems and opportunities  Ability to negotiate with corporate respondents  Ability to get a request through</p> <p><b>Tailored service</b>  Commitment to and resources for the client's individual needs  Ability to deliver a</p>	<p><i>professionals” (E 8).</i></p> <p><i>“My relationship manager in the bank is experienced in this business; he provides me with the best services. Our company has benefited from the bank’s particular strengths, since this bank is supported by the government” (E 2).</i></p> <p><i>“My banker provides me with well thought out alternatives suited to my unique needs. He provides extremely customised services, which works with me to define my particular needs” (E 7).</i></p> <p><i>“My banker knows about my case, she puts me at ease since we have a long relationship” (E 7).</i></p> <p><b>Non-Emirati clients</b>  <i>“My track record is not good; I am not gaining. I have good reasons to doubt the competence of my banker” (NE 18).</i></p>	<p><i>feel that I understand their needs and I that I know what they are talking about, by giving them the feeling that I am professional in my work” (E Q).</i></p> <p><i>“We as Emirati bankers have the skills and knowledge of our clients. This is an Emirati market and it’s a matter of survival for Emiratis” (E J).</i></p> <p><i>“This is our market and it’s a matter of survival for us. We know our clients and their needs and we tailor the products according to their needs” (E J).</i></p> <p><i>“I have a history of success records with my corporate clients. Through my experience, I found that the clients that I have the most success with are the people I get on well with, because I think there is a personal side to dealing with people” (E G).</i></p> <p><b>Non-Emirati bankers</b>  <i>“In order to make my partner trust me and to build this confidence, my client has to be confident that I am competent” (NE T).</i></p>

Code/concept	Data segments – Clients	Data segments – Bankers
<p>customised service, reliably and promptly</p> <p>Accepts mistakes</p> <p>Resolves mistakes</p> <p>Handles mistakes swiftly and professionally</p> <p>Tolerance for making these mistakes</p> <p><b>Knowledge of the partner</b></p> <p>Gaining information</p> <p>Knowledge about the counterpart (credibility)</p> <p>Reputation</p> <p>Understands requirements</p> <p>Guidance</p> <p><b>Good performance</b></p> <p>Good experience</p> <p>Familiarity</p>	<p><i>“I cannot confidently depend on my banker since he may complicate our relationship by careless work” (NE 15).</i></p> <p><i>“My banker has the required skills and knowledge and he always does his best to help me” (NE 24).</i></p> <p><i>“Yes, I forgive my banker, so if things went wrong, I will be able to find a solution to this mistake” (NE 3).</i></p> <p><i>“Because, at the end of the day, they are paying us for our expertise” (NE 16).</i></p> <p><i>“Well, there is a trust relationship between us and the two bankers. We trust the abilities of our banker, that he is supportive and he is going to do everything good for us” (NE 4).</i></p> <p><i>“I think my counterparts have got expertise, and we’ve got expertise. Here our expertise is looking at what the business wants and also what we want out of it. Their expertise is on the technical side” (NE</i></p>	<p><i>“We prefer to deal with clients of large companies and when we deal with small corporate client we take into consideration that its client is professional” (NE I).</i></p> <p><i>“We are human beings and we could make mistakes. For me a small mistake could be tolerated and I will give him another chance to prove that he is a capable person, because we have been dealing with each other for a long time and all that time he proved to be a trustworthy person” (NE J).</i></p> <p><i>“It is very important to have a full knowledge of the business of our clients, their reputation and their financial needs” (NE S).</i></p> <p><i>“Building up trust takes time. It is a matter of time, then you will be familiar with your partner and gives him all he needs” (NE O).</i></p> <p><i>“We should be able to make decisions, be significant, and you should do all these sorts of things that the clients hope that the banker can do. We should have a</i></p>

Code/concept	Data segments – Clients	Data segments – Bankers
<p>Successful experience: helping to solve problems, and satisfy requirements</p>	<p>9).  <i>“My counterpart makes me feel very comfortable. She answers all my questions. If there’s something seriously wrong, she doesn’t hide it from me. She treats me in a nice way and respects me”</i> (NE 8).  <i>“My banker is flexible and when we ask him for more facilities, it is not a problem for him, he understands our needs. He is supportive and flexible”</i> (NE 21).  <i>“I have a good relation with my banker, we know each other for eight years and she knows my business and my needs. We have done good work and we have a good track record. I will carry on dealing with her; she is giving me the best service and help”</i> (NE 9).  <i>“Trust comes after I had a good experience with my bankers. My bankers are supportive; they know my obligations and needs”</i> (NE 11).</p>	<p><i>certain amount of knowledge and understanding and skills that go with our work as relationship managers in the bank”</i> (NE N).  <i>“We provide our clients with a good service and advice when necessary, such as on how to minimise risk in an export transaction or how to get around currency exposure in a time of unstable exchange rates”</i> (NE Y).  <i>“I like to deal with large companies rather than dealing with SMEs but, on the other hand, I don’t mind dealing with SMEs on condition that their clients are professional and able to minimise this mistrust”</i> (NE E).  <i>“For small to medium-sized businesses, we offer a full range of commercial financial and lending services, to finance business, manage the cash flow. I have experience, I know him, I can give him a facility and pass the cheque for him, then he can come next day and pay it”</i> (NE I).</p>

## M2 Data segments for reliability

Code/concept	Data segments – Clients	Data segments – Bankers
<p><b>Reliance/dependability</b></p> <ul style="list-style-type: none"> <li>– Can be relied upon</li> <li>– Makes things happen</li> <li>– Confidence</li> </ul> <p><b>Promise keeping</b></p> <ul style="list-style-type: none"> <li>– Commitment to the relationship</li> <li>– Ability to deliver what they promise</li> <li>– Fulfilling promises</li> <li>– Doing what was agreed upon</li> </ul> <p><b>Confidentiality</b></p> <ul style="list-style-type: none"> <li>– Keeping secrets</li> <li>– Not disclosing financial information</li> </ul>	<p><i><b>Emirati clients</b></i></p> <p><i>“Reliability is the key factor in my willingness to trust” (E 4).</i></p> <p><i>“When I say I trust my counterpart, this means that I can rely on my relationship manager. From my experience, I have been dealing with him for a long time, and I relied on him in many cases” (E 27).</i></p> <p><i>“I rely on my banker; he always provides tailor-made banking solutions to me” (E 17).</i></p> <p><i>“I rely on my banker and I am willing to let my counterpart make decisions for me” (E 9).</i></p> <p><i>“My Non-Emirati banker does things exactly as promised to me.” (L 7).</i></p> <p><i>“My banker never promises what he can’t do” (E 27).</i></p> <p><i>“We deal with four banks: National Bank of Abu Dhabi, National Bank of Fujairah, Union National</i></p>	<p><i><b>Emirati bankers</b></i></p> <p><i>“When I say I trust my counterpart, this means that I can rely on my relationship manager. From my experience ... I have been dealing with him for a long time, and I relied on him in many cases” (E G).</i></p> <p><i>“Reliability is a very important factor in building up trust. Being a reliable person makes you feel comfortable and increases the confidence of my clients in me. I haven’t promised what I can’t do” (E E).</i></p> <p><i>“Being a reliable person makes you feel comfortable. I haven’t promised what I can’t do” (E L).</i></p> <p><i>“I can rely on my banker. For instance, I could call Abu Dhabi Emirati Bank and I could ask my banker to stop a certain payment to a certain supplier, although I have sent him a formal order to do that.</i></p>

Code/concept	Data segments – Clients	Data segments – Bankers
	<p><i>Bank, and First Gulf Bank. We don't take loans, or overdrafts, we are a big company. We have facilities and good service from the banks that we are dealing with, they are professional” (E 2).</i></p> <p><i>“My banker always fulfils her promises, I rely on her” (E 19).</i></p> <p><i>“I relied on the verbal ‘okay’ from a bank” (E 29).</i></p> <p><i>“My banker provides me with promised services and satisfies my needs; he is dependable” (E 21).</i></p> <p><b><i>Non-Emirati clients</i></b></p> <p><i>My counterpart is always making sure that I am getting what I want” (NE 3).</i></p> <p><i>“My banker always fulfils his promises, and I always provide my banker with reliable information, on time”</i></p>	<p><i>Here the bank will take an action and stop the payment, but at the same time they will ask me to send an official order. The bank in this case has stopped the payment based on trust, because they know that if I will wait to send them the order it will take time to prepare the papers, sign them and send them back. So, this has been done on the basis of trust” (E 1).</i></p> <p><i>“We are working in a competitive market and all the banks are offering the same services and what differs one bank from the other is the quality of the service” (E E).</i></p> <p><i>“My clients trust me to keep their information secret; that is, I don't talk about so and so to anyone” (E D).</i></p> <p><b><i>Non-Emirati bankers</i></b></p> <p><i>“We are big enough and in our dealings we rely on our competency and professionalism” (NE O).</i></p> <p><i>“We have a good reputation and we are well known all over the world; we have confidence in our skills</i></p>

Code/concept	Data segments – Clients	Data segments – Bankers
	<p>(NE 14).  <i>“We have professional staff who are able to solve any problem”</i> (NE 19).  <i>“We have expertise in this field and we are capable to face any risk and solve any problem we could face”</i> (NE 10).  <i>“I rely on the verbal approval from my counterpart”</i> (NE 6).  <i>“My relationship manager is a person whom you can rely on and makes things happens”</i> (NE 7).  <i>“My counterpart’s promises are reliable”</i> (NE 13).  <i>“We are a big company; for this reason we don’t feel anxious about anything because we have professional staff who are capable of solving any problems”</i> (NE 25).</p>	<p><i>and abilities”</i> (NE J).  <i>“The word is important to me and I rely on the promises from my banker. I am sure he will do what he has told me. For this reason I have confidence in my counterpart and I feel relaxed and not afraid of anything”</i> (NE B).  <i>“I faced mistrust; the client didn’t fulfil his payment, so I was unable to provide him with any further facility, so I blocked his account in order to pay the money”</i> (NE C).  <i>“You shouldn’t promise what you cannot deliver; do not mislead with false promises”</i> (NE B).</p>

### M3 Data segments for integrity

Code/concept	Data segments – Clients	Data segments – Bankers
<p><b>Consistency between words and actions</b></p> <ul style="list-style-type: none"> <li>– Consistency in behaviour</li> <li>– Consistency between words and action</li> <li>– Behaviour consistent with words: telling the truth, keeping your promises, managing agreements</li> <li>– Consistent positive behaviour over time</li> <li>– Fairness</li> <li>– Application of a set of moral and ethical principles</li> <li>– Abiding by the regulations</li> </ul>	<p><i><b>Emirati clients</b></i></p> <p><i>“My banker is a real man and his words are sharp, like the knife; this means that whatever he says, he will do” (E 3).</i></p> <p><i>“Integrity is the most important quality” (E 8).</i></p> <p><i>“Plan for an honest and frank discussion” (E 20).</i></p> <p><i>“Bankers need to deal with their counterparts with integrity; they need to fulfil their promises and to act ethically” (E 2).</i></p> <p><i>“My counterpart has been honest and candid in dealing with me” (E 29).</i></p> <p><i>“Reputation of the bank, and honesty in communication with bank; that is, sharing information fosters trust by assisting in resolving disputes and ambiguities” (E 2).</i></p> <p><i>“Trust in banking relationships means high performance of the bank, transparency and confidence in the bank. We deal mainly with FGB and NBAD in</i></p>	<p><i><b>Emirati bankers</b></i></p> <p><i>“As a manager of large Emirati bank, I feel that I am prepared to fulfil the expectations of SMEs and large corporate. We are honest in our dealings and my clients are happy because I take care of their business, support them and, on top of all I don’t tell anyone about the secrets of their business” (E J).</i></p> <p><i>“Accuracy and completion of work on time is very important to our company, which is one of the largest companies in the UAE. So, service quality of the bank is important to us if they would like us to continue dealing with them. The objective of our company is to pay our customers on time, but if the bank didn’t pay our suppliers on time, this implies a bad quality service and the bank is not fulfilling its promises, and is not doing its work professionally” (E 1).</i></p> <p><i>“My clients will look at their trust in me by asking</i></p>

Code/concept	Data segments – Clients	Data segments – Bankers
<p><b>Honesty and frankness</b></p> <ul style="list-style-type: none"> <li>– Accuracy or completeness of information</li> <li>– Unbiased information</li> <li>– Providing reliable information</li> <li>– Telling the truth</li> <li>– Being clear</li> <li>– confidentiality</li> <li>– Willing to share important information with their counterparts, honesty</li> <li>– Individual’s commitment to principles such as honesty and fairness</li> <li>– Following a set of mutually acceptable principles</li> </ul>	<p><i>addition to other banks. These partners are known by their honesty and integrity, openness, willingness to declare when they have problems, flexibility and a willingness to share the benefits of co-operations. Trust is about doing things for each other and doing things for others without being asked to” (E 3).</i></p> <p><i>“A banker should have integrity and it is felt when I feel that this banker could be relied on to do what is right in our relationships; then I trust him” (E 7).</i></p> <p><i>“Probably the most important characteristic an individual needs to possess if they are to be trusted is honesty” (E 10).</i></p> <p><i>“Integrity refers to honesty and truthfulness” (E 9).</i></p> <p><i>“My relationship manager keeps my business confidential; he is kind and has values and beliefs similar to mine; we are from the same country and have the same blood, which strengthen the ties between us and motivate us to care more about each other” (E 2).</i></p>	<p><i>whether I have listened to them and to their requests and whether I have done something about it” (E W).</i></p> <p><i>“I don’t trust them fully; I always feel that there is a risk in dealing with them” (E H).</i></p> <p><i>“An essential dimension of trust is being, is acting on your words: action. Actions on words. Whether those words are pleasing or displeasing to the receiver, acting upon what you say” (E A).</i></p> <p><i>“When I feel that my client is an honest person, when he does not lie and informs me of everything, then I can trust him. This will increase my confidence in him” (E U).</i></p> <p><i>“My client is an honest person; he always shows commitment to the relationship” (E X).</i></p> <p><i>“There is confidentiality in our relationship; I can talk with my client openly without being afraid that he will tell the secrets of our business to anyone. Moreover, he doesn’t lie and pays all his loans” (E</i></p>

Code/concept	Data segments – Clients	Data segments – Bankers
	<p data-bbox="577 395 1312 539"><i>“Trustworthiness, honesty and frankness in communication make me trust the corporate client”</i> (E 17).</p> <p data-bbox="577 839 846 871"><b><i>Non-Emirati clients</i></b></p> <p data-bbox="577 896 1182 986"><i>“I deal with my counterpart in top secrecy and confidentiality”</i> (NE 2).</p> <p data-bbox="577 1011 1312 1264"><i>“Openness in communication is also important. I always provide information to my counterpart in the bank and he always provides me with information that can be trusted; he doesn’t give biased information, and doesn’t alter the facts to fulfil his own purpose”</i> (NE 3).</p> <p data-bbox="577 1289 1272 1378"><i>“My relationship manager provides information that can be trusted: information, and correct information”</i></p>	<p data-bbox="1346 395 1384 427">V).</p> <p data-bbox="1346 453 2024 596"><i>“I don’t talk about the business that I have with my clients to others because there is confidence between us”</i> (E H).</p> <p data-bbox="1346 622 2002 820"><i>“Honesty builds up trust. In UAE, we feel that it is unethical to deceive our clients. Ethics and honesty are important in our working relation with our clients”</i> (E S).</p> <p data-bbox="1346 845 1637 877"><b><i>Non-Emirati bankers</i></b></p> <p data-bbox="1346 903 2024 986"><i>“My client is perfectly honest and truthful with me”</i> (NE J).</p> <p data-bbox="1346 1011 2033 1155"><i>“Trust means openness in providing the information, whether from the banker’s side or the client side”</i> (NE F).</p> <p data-bbox="1346 1181 2002 1321"><i>“Trust means having good relationships and a feeling of comfort, where we talk freely, especially when talking about similar things”</i> (NE H).</p> <p data-bbox="1346 1347 2024 1378"><i>“I am loyal to my partner and I tell my him the truth</i></p>

Code/concept	Data segments – Clients	Data segments – Bankers
	<p>(NE 2).  <i>“I expected consistency from the bank side at all levels of our relationship with the bank. Also, I have confidence in my bank relationship manager that my requests would be handled quickly, whether I am a SME or a large corporate”</i> (NE 6).</p> <p><i>“It’s extremely important in this business to be trustworthy and honest”</i> (NE 8).</p> <p><i>“My counterpart does not mislead people like me”</i> (NE 26).</p> <p><i>“Well, the honesty of my banker, and his readiness to help me always; he is always there to help me and advise me. From my experience, I can say that I can trust my counterpart because he always keeps my secrets confidential”</i> (NE 11).</p> <p><i>“For example, the people in the bank give me a more concrete and accurate calculation on the return rate immediately, or any question I may ask”</i> (NE 1).</p>	<p><i>even if it is difficult and hurtful”</i> (NE F).</p> <p><i>“Ethics is important. When the banker keeps your secrets and when he is honest, he has ethics”</i> (NE N).</p> <p><i>“If my counterpart is honest, providing me with all the information I need from him, then I will trust him”</i> (NE S).</p> <p><i>“Trust means to have confidence and cooperation between the corporate banker and the corporate client”</i> (NE F).</p> <p><i>“For me, trust means to be open in communication: no lies”</i> (NE R).</p> <p><i>“I would withdraw from a relationship if I feel that my client is not telling the truth”</i> (NE U).</p> <p><i>“I have broken contact with two of my clients, whom I felt had been less than completely honest, and stopped dealing with them”</i> (E H).</p> <p><i>“My intention to complete promises in the future means I have to declare quite clearly what it is, so</i></p>

Code/concept	Data segments – Clients	Data segments – Bankers
	<p><i>“As a client for a small company, I do not have confidence in my banker that my requests would be handled quickly; he is inconsistent in his dealings” (NE 24).</i></p>	<p><i>that clients can actually say that they know that I always do that and therefore I will always be able to do this, and it becomes a foundation on which they can work with confidence” (NE T).</i></p>

## APPENDIX N

### Affective themes of antecedents of trust

#### N1 Data segments for benevolence

Code/concept	Data segments – Clients	Data segment – Bankers
<p><b>1) Care and concern</b></p> <p><b>Reciprocal altruism</b></p> <p>Commitment to work</p> <p>Sacrifices</p> <p><b>Reciprocal commitments</b></p> <p>Good relationship</p> <p>Satisfying clients’ needs</p> <p>Solving problems</p> <p>Correcting mistakes</p> <p>Expectation of trusting behaviour</p>	<p><i>Emirati clients</i></p> <p>“She is willing to listen to me and has been a good help to me since I started interacting with her. She is interested in what I want; I trust she will take care of me all the time” (E 2).</p> <p>“The leaders of our country support all the Emiratis and I will be more than happy to support them with information, time or money” (E 19).</p> <p>“When I deal with an Emirati partner, I give help to my banker unconditionally; no one calculates” (E 8).</p> <p>“My banker always shows concern; he cares for me, and does not take advantage of me to maximise his own profits” (E 17).</p> <p>“No one cares how much you know until they know how much</p>	<p><i>Emirati bankers</i></p> <p>“I trust the royal family; they are taking care of us and I have no suspicions about their decisions” (E L).</p> <p>“If my clients are stressed, I’d like calm them down and make them feel relaxed; that’s a high level of trust” (E D).</p> <p>“In order to show my client that I am interested in his case, I have to put myself in his place and think that it is my problem when I listen to his business concerns, and do my best to help him” (E J).</p>

Code/concept	Data segments – Clients	Data segment – Bankers
<p><b>2) Empathy</b></p> <p>Caring</p> <p>Supportive</p> <p><b>Customisation</b></p> <p>Individual care and attention</p> <p>Tailor the services</p> <p><b>Responsiveness</b></p> <p>Confidence</p> <p>Dealing with requests promptly</p> <p>Quick resolution of the problems</p> <p>Comfort</p> <p>Satisfaction</p>	<p><i>you care” (E 3).</i></p> <p><i>“My counterpart cares for me, is ready to make sacrifices for me, and has favourable intentions towards me” (E 6).</i></p> <p><i>“When you feel that somebody cares for you and will do something for you as if he is doing it for himself, then this is trust” (E 7).</i></p> <p><i>“I like my relationship manager to take care of me. Thank God, my relationship manager is a friendly person and treats me with respect. He deals promptly with my needs, and has values and beliefs similar to mine. So, he is able to give a product that suits my specific needs” (E 10).</i></p> <p><b>Non-Emirati clients</b></p> <p><i>“He is supportive in a difficult situation and I trust him not to put me down behind my back” (NE 12).</i></p> <p><i>“Sometimes I feel I have to be really careful not to put a foot wrong. While I report to my banker, he often forgets me. I</i></p>	<p><i>“We care for this relationship to build up trust. Also, we provide our clients with ultimate satisfaction and comfort to keep them with us” (E D).</i></p> <p><i>“If you show care and concern towards your counterpart, I think that builds up trust, and that is what I do with my clients” (E I).</i></p> <p><i>“Feeling that someone cares for you creates trust” (E J).</i></p> <p><i>“Trust is a good relationship; an interaction between the counterparts” (E A).</i></p> <p><b>Non-Emirati bankers</b></p> <p><i>“My clients are honest. For this reason I deal with their requests promptly” (NE H).</i></p> <p><i>“I have good relationship with my</i></p>

Code/concept	Data segments – Clients	Data segment – Bankers
	<p><i>don't remember him asking how I was doing. I report to him, so if he is not looking out for me, then who will take care of me? He looks after his clients of larger corporations, but I feel I have been left aside</i>" (NE 20).</p> <p><i>"My needs and desires are very important to my counterpart"</i> (NE 8).</p> <p><i>"My banker tailors his products and services to suit my needs and to satisfy me. He cares for me and wants to see me always happy"</i> (NE 21).</p> <p><i>"My current banker is polite, courteous and treats me with respect"</i> (NE 19).</p> <p><i>"He didn't understand that I was finding it hard; I was trying my best"</i> (NE 7).</p> <p><i>"I can call her at any time and talk to her. She listens to me and discusses things with me. That helps me a lot and makes me feel comfortable. This is the kind of person I like to deal with and that is the reason I have left my previous counterpart"</i> (NE 21).</p>	<p><i>counterpart; we support each other and if they have any problem, I do my best to find a resolution to his problems"</i> (NE R).</p> <p><i>"My clients are satisfied with the services that I am providing them. I take care of them and provide them with customised services as they are honest and do not deceive me"</i> (NE U).</p>

## N2 Data segments for openness of communication

Code/concept	Data segments – Clients	Data segments – Bankers
<p><b>Face-to-face communication</b></p> <p>Direct interaction</p> <p>Informal interaction</p> <p>Accessible and available</p> <p>Easy to contact</p> <p>Supportive</p> <p>Helpful</p> <p><b>Openness and transparency</b></p> <p>Sharing information</p> <p>Comprehensive manner</p> <p>Clear communication</p> <p>Effective communication</p> <p>Friendly relationship</p> <p>Frank communication</p> <p>No hidden agendas</p> <p>No secrets</p>	<p><i>Emirati clients</i></p> <p><i>“I am telling you the bankers never welcome us. They only raise my blood pressure and make me sad and disappointed” (E 20).</i></p> <p><i>“I would feel happy if the banker encouraged me to ask and talk freely” (E 22).</i></p> <p><i>“My banker is always there for me, so if I need to talk to my banker and ask him for advice or help, I could call him at any time. He gave me all his numbers” (E 7).</i></p> <p><i>“It is important to have lines of open communication with my counterpart, so if I share information with my banker, it only takes twenty minutes and it makes a big step to build that relationship with my banker because I am sharing that information. My counterpart in this case will trust me because I am sharing things that are going</i></p>	<p><i>Emirati bankers</i></p> <p><i>“When we meet for dinner in a relaxed and informal environment, I am just getting to know people as people. From my own view, that is really essential because once I get to know and call them by their first name, I get to know a lot about them. And I realise that they are just people like me who are trying to do a job for their company and trying to do a good job and to make this thing work” (E H).</i></p> <p><i>“It is important to have a healthy working relationship. This encourages us to be open and as a result our clients will be able to speak, and say how they feel and think about things” (E B).</i></p> <p><i>“For me, it’s my whole job, sharing out information, gathering information. Yes, I think it is important” (E M).</i></p> <p><i>“Open communication is one of the components that</i></p>

Code/concept	Data segments – Clients	Data segments – Bankers
	<p><i>on as well” (E 17).</i></p> <p><i>“Being willing to skip formalities was described by many Emirati counterparts as critical to trusting financial services relationships” (E 6).</i></p> <p><i>“My Non-Emirati banker didn’t care or show any interest in listening to my worries” (E 23).</i></p> <p><i>“My banker was open and transparent from the first day; we don’t have time to skip the truth. I will tell him the truth, and this goes back to trust” (E 18).</i></p> <p><i>“The banker needs to be transparent” (E 3).</i></p> <p><b><i>Non-Emirati clients</i></b></p> <p><i>“My banker and myself openly express our differences and our feelings of encouragement or disappointment regarding the service” (NE 9).</i></p>	<p><i>lead to trust. If information is not shared then the counterpart usually pays the price later” (E H).</i></p> <p><i>“It is important to supply my clients with accurate information” (E J).</i></p> <p><i>“I’m sure my counterpart knows I would never come up with any offensive comment about him in front of other people and I think he knows that I would always treat him with respect and if there were any issues to be discussed with him, it is always discussed privately and with top confidentiality and secrecy” (E B).</i></p> <p><i>“Being able to openly talk about anything reinforces that this must be a trusting environment” (E Q).</i></p> <p><i>“He talked to me, and explained what he would be able to do for me, to help me” (E C).</i></p> <p><b><i>Non-Emirati bankers</i></b></p> <p><i>“Honesty is an important requirement” (NE H).</i></p> <p><i>“I trust my client if he is honest, and there is mutual understanding and communication between us” (NE J).</i></p>

Code/concept	Data segments – Clients	Data segments – Bankers
	<p><i>“I think talking is an important part of building a relationship and building understanding for people, people need to understand what their role is and what is expected of them, you have two ways, communication is the best way to gain understanding” (NE 7).</i></p> <p><i>“Trust is behaviour, trustworthiness, and confidentiality” (NE 1).</i></p> <p><i>“Our clients have our mobile number. So they know when it is urgent they can phone us” (NE 9).</i></p>	<p><i>“Trust is equal to transparency” (NE B).</i></p> <p><i>“I would like my clients to be honest and always to speak openly. I don’t trust two of my clients as they hide important information. So, I am careful when I deal with them and everything is documented” (NE K).</i></p> <p><i>“It is important to have open communication between me and my clients and that I usually do. Moreover, I prefer to meet my clients face-to-face as this gives a chance for my clients to ask any questions” (NE I).</i></p>

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