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Socio-cultural factors of trust in East Asian business networks

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Abstract. The relevance of the study is determined by the growing importance of trust as a key mechanism for ensuring the stability and effectiveness of business interactions in the economies of East Asian countries amid globalization, digitalization, and intensified cross-border cooperation. **The purpose** of the article is to identify and systematize the socio-cultural factors that shape trust in East Asian business networks, and to analyze the mechanisms of interaction between traditional and modern forms of trust in contemporary economic conditions. **Methods:** analysis of scientific literature to examine the current state of research on the problem; generalization and systematization to present the research results. **The research results** reveal the multidimensional nature of trust as a socially embedded phenomenon that integrates ethical, relational, and institutional components. It is substantiated that Confucian value orientations, in particular moral obligation, reciprocity, and role-based responsibility, continue to exert a significant influence on inter-firm trust, shaping expectations of legitimate and reliable behavior beyond formal contractual frameworks. It is established that interpersonal ties, kinship relations, and informal social connections function as effective mechanisms for the



transmission and reinforcement of trust within business networks, reducing uncertainty and fostering long-term cooperation. It is noted that under the influence of globalization, trust increasingly takes hybrid forms that combine culturally conditioned relational trust with formalized institutional guarantees and digital trust mechanisms. The results also show that digital platforms and transnational networks do not eliminate traditional trust practices but rather reconfigure them by embedding personal and reputational trust into technologically mediated systems of coordination and control. It is substantiated that such hybridization enhances the adaptive capacity of East Asian business networks, enabling them to maintain internal cohesion while simultaneously expanding their participation in global economic processes. **Conclusions.** It is emphasized that trust in East Asian business networks should be understood as a complex and continuously evolving construct shaped by socio-cultural continuity and structural transformations. It is established that the sustainability of these networks depends on their ability to integrate traditional ethical norms and interpersonal relationships with modern institutional and digital forms of regulation. This integrative model of trust formation provides East Asian businesses with a competitive advantage by supporting resilience, flexibility, and long-term strategic cooperation in volatile global markets.

Keywords: economic interaction, inter-firm relations, Confucian ethics, interpersonal ties, informal institutions, social capital, globalization, digitalization, transnational economic relations.

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Анотація. Актуальність дослідження зумовлена посиленням значення довіри як ключового механізму забезпечення стабільності та ефективності бізнес-взаємодій в економіках країн Східної Азії в умовах глобалізації, диджиталізації та посилення транскордонного співробітництва. **Метою** статті є виділення та систематизація соціокультурних чинників, що формують довіру в бізнес-мережах Східної Азії, а також аналіз механізмів взаємодії традиційних і модерних форм довіри в сучасних економічних умовах. **Методи:** аналізу наукової літератури – для дослідження поточного стану вивчення проблематики; узагальнення та систематизації – для представлення результатів дослідження. **Результати** дослідження показали багатовимірну природу довіри як соціально закріпленого феномену, що інтегрує етичну, реляційну та інституційну складові. Обґрунтовано, що конфуціанські ціннісні орієнтації, зокрема моральний обов'язок, взаємність та рольова відповідальність, продовжують справляти значний вплив на міжфірмову довіру, формуючи очікування легітимної та надійної поведінки поза формальними договірними рамками. Встановлено, що родинні стосунки, міжособистісні та неформальні соціальні зв'язки виступають ефективними механізмами передачі й посилення довіри в бізнес-мережах, зменшуючи невизначеність та сприяючи довгостроковій співпраці. Зазначено, що під впливом глобалізації довіра все частіше набуває гібридних форм, які поєднують культурно зумовлену реляційну довіру з формалізованими інституційними гарантіями та цифровими механізмами довіри. Також показано, що цифрові платформи та транснаціональні мережі не усувають традиційні практики довіри, а скоріше реконфігурують їх, вбудовуючи особисту та репутаційну довіру в технологічно опосередковані системи координації та контролю. Обґрунтовано, що така гібридизація підвищує адаптаційну здатність бізнес-мереж Східної Азії, дозволяючи їм зберігати внутрішню згуртованість і водночас розширювати свою участь у глобальних економічних процесах. **Висновки.** Підкреслено, що довіру до бізнес-мереж



Східної Азії слід розуміти як складний конструкт, що постійно розвивається і формується під впливом соціокультурної спадкоємності та структурних перетворень. Встановлено, що стійкість цих мереж залежить від здатності інтегрувати традиційні етичні норми та міжособистісні відносини з сучасними інституційними та цифровими формами регулювання. Зазначено, що така інтегративна модель формування довіри є конкурентною перевагою для східноазійського бізнесу, оскільки підтримує стійкість, гнучкість і довгострокову стратегічну співпрацю в умовах нестабільності глобальних ринків.

Ключові слова: економічна взаємодія, міжфірмові відносини, конфуціанська етика, міжособистісні зв'язки, неформальні інститути, соціальний капітал, глобалізація, цифровізація, транснаціональні економічні зв'язки.

Problem statement. The problem addressed in this study is the insufficient conceptualization of trust as a sociocultural phenomenon in East Asian business networks amid accelerated global economic integration. Although trust is a well-established factor in effective business interaction, most existing studies interpret it mainly through an institutional or economic lens, focusing on formal governance mechanisms, contractual guarantees, and market efficiency. Such views often underestimate the role of cultural norms, value systems, and informal social practices that are deeply embedded in and continue to structure economic behavior in East Asian societies. As a result, there remains a theoretical and methodological gap in understanding how traditional ethical frameworks, interpersonal relationships, and culture-specific forms of social regulation influence the formation and maintenance of trust within business networks operating in both local and global contexts.

The relevance of this study is determined by the growing strategic importance of East Asian economies and their participation in transnational production, trade



and digital platforms. In these conditions, trust is increasingly emerging as a key resource for coordination, regardless of organizational, cultural, and national boundaries. Knowledge of the socio-cultural determinants of trust in East Asian business networks is essential not only for advancing academic knowledge but also for improving practical models of international cooperation, partnership building, and conflict management. The study is relevant in the context of transformations caused by globalization and digitalization, which question traditional forms of trust, while creating new hybrid configurations. By considering the socio-cultural determinants of trust, the study contributes to a deeper, context-sensitive interpretation of business interactions in East Asia, expanding both theoretical frameworks and applied strategies in international business research.

Analysis of recent research and publications. The research issues are devoted to the work of several domestic scientists. In particular, in the work of L. Dymytrova and V. Dymytrov [1], the emphasis is on the ideological, educational and value principles of the Japanese management model, where collectivism, loyalty and ethical responsibility are considered as the basis of effective managerial interaction, which is conceptually close to the understanding of trust as a socio-culturally embedded phenomenon. The study by A. Iutkina [2], devoted to omnichannel strategies in the hotel business, although of an applied marketing nature, demonstrates the importance of the coherence of interaction channels and transparency of processes for reducing costs and increasing trust from partners and customers, which is relevant for the analysis of modern business networks. The publication by A. Ortynska [3] examines personnel performance management systems in hybrid and remote work environments, where trust between the organization and employees is a key condition for efficiency, allowing us to extrapolate these conclusions to networked forms of business in a digitalized environment.

In the work of S. Melnychenko [4], strategic management is analyzed through the prism of long-term success of organizations, while emphasizing the role of



intangible resources, in particular trust and reputation, as factors of sustainable development, which is important for understanding the functioning of business networks. The study of A. Motorina [5] focuses on the influence of a personal brand on trust formation in a competitive environment, emphasizing the importance of the personal and reputational dimensions of trust, which are also characteristic of East Asian business practices. The article by Y. Hasenko [6] demonstrates that effective inventory management contributes to the financial stability of enterprises and also fosters trust between counterparties through the predictability and reliability of operational processes. The conceptual study of V. Kompaniiets [7] reveals the culture of integrity as a socio-cultural basis of modern business activity, which directly correlates with the issue of trust as a moral and normative regulator of economic relations, in the work of Yu. Hlivinska [8], a comparative analysis of management models in Ukraine and the world is carried out, which allows us to identify culturally determined differences in management approaches and emphasize the importance of national and regional contexts in the formation of trust relationships in business.

Highlighting previously unresolved parts of the general problem. Despite the significant number of scientific works devoted to management, organizational culture, strategic management, and individual aspects of trust formation in economic activity, modern research still does not sufficiently systematize the socio-cultural factors of trust in the context of East Asian business networks. In most works, trust is considered fragmentarily, as a derivative of management practices, management efficiency or institutional mechanisms, without taking into account the deep cultural and value foundations of economic interaction. The influence of traditional ethical systems and informal social ties on the stability of inter-firm networks in East Asian economies remains insufficiently studied. Few studies analyze the transformation of trust under the influence of globalization and digitalization from a socio-cultural heredity perspective. There are no comprehensive approaches to analyzing the



combination of traditional and modern forms of trust within network business structures.

Formulation of the article objectives (task statement). The article aims to identify and systematize the socio-cultural factors that shape trust in East Asian business networks, and to analyze the mechanisms of interaction between traditional and modern forms of trust in modern economic conditions.

In accordance with the goal, we were set. We solved the following tasks: to analyze theoretical approaches to understanding trust in socio-economic and socio-cultural contexts, to identify key socio-cultural factors in the formation of trust in East Asian business networks, to clarify the role of traditional values and interpersonal relationships in ensuring the stability of business interaction, and to characterize the features of the combination of traditional and modern forms of trust in the context of globalization and digitalization.

Presentation of the main material of the study. In modern socio-economic and socio-cultural sciences, trust serves as a fundamental mechanism that reduces uncertainty and stabilizes interactions among economic entities. Within the framework of socio-economic approaches, trust is usually viewed as an expectation of predictable, reliable, and mutually beneficial behavior, grounded in previous experience, shared norms, and institutional guarantees. From a socio-cultural point of view, trust goes beyond the rational approach and is embedded in value systems, collective identities, moral obligations and culturally conditioned models of social interaction. In this context, trust acts not only as an individual attitude, but also as a socially conditioned phenomenon that reflects historically formed traditions, ethical principles and informal rules that regulate interaction. The integration of these aspects allows us to understand trust as a multidimensional construct that simultaneously encompasses cognitive, normative, and behavioral components, each of which plays a crucial role in the functioning of business networks [9, p. 223–224].



Business networks are a specific organizational form of economic interaction characterized by long-term relationships, constant exchanges, and a high degree of interdependence between participants. In East Asian countries, such networks have developed under the strong influence of cultural traditions that favor collective responsibility, hierarchical relationships, and loyalty. Rather than being based solely on formal contracts and legal enforcement mechanisms, economic cooperation in these networks is often supported by personal connections, reputation, and shared ethical norms. Trust in this context serves as a key coordination mechanism that facilitates information exchange, reduces transaction costs, and supports strategic cooperation. The network organization of business in East Asia reflects a historically conditioned preference for relationship-based management, where stable partnerships and mutual commitments are valued more highly than short-term efficiency or purely market coordination [10, p. 90–91].

Methodological analysis of socio-cultural factors in business network structures requires an interdisciplinary research framework that combines economic, sociological and cultural approaches. Qualitative methods, such as in-depth interviews, ethnographic observations, and case studies, are very effective at identifying informal norms, symbolic meanings, and value orientations that shape trust relationships. At the same time, quantitative methods, in particular social network analysis and trust-based research, allow us to identify structural patterns, the intensity of ties, and the distribution of trust within networks. Comparative analysis is also methodologically critical, as it allows scholars to identify culturally specific features of trust formation and distinguish them from universal mechanisms of network interaction. By integrating micro-level interpersonal dynamics with meso-level network structures and macro-level cultural and institutional contexts, modern methodological tools provide a comprehensive view of how trust arises, is maintained, and is transformed in business networks, especially in such socio-culturally distinct environments as East Asia.



The formation of trust in East Asian business networks is primarily determined by the complex interaction of ethical traditions, social practices, and institutional mechanisms that have developed over a long historical period. Confucian ethics plays a key role in this process, continuing to influence patterns of economic behavior even in highly modernized and globalized markets. Confucianism emphasizes moral self-improvement, reciprocity, respect for hierarchy, and the fulfillment of role obligations, which together form expectations of responsible and trustworthy behavior among business entities. Therefore, trust between companies is not limited to assessing the competence or reliability of contracts, but is closely related to moral reputation, manifested by loyalty and adherence to common normative standards. In this context, ethical behavior becomes a long-term investment in relationship capital, since violations of moral expectations can lead not only to economic losses but also to long-term reputational damage within internal business communities [11, p. 33].

Interpersonal ties are another critical determinant of trust formation in East Asian business networks. Economic relationships are often embedded in a dense web of personal ties that encompass family ties, regional affiliation, shared education, and long-standing social acquaintances. Such ties create a social environment in which trust is transmitted and reinforced through personal approval and collective control, rather than through formal verification alone. Family ties, in particular, serve as a powerful mechanism for trust formation because they are grounded in strong moral obligations, emotional bonds, and expectations of long-term mutual support. Informal relationships complement formal business arrangements, facilitating flexible negotiation, rapid conflict resolution, and the exchange of confidential information. As a result, trust often emerges gradually through ongoing interaction and social familiarity, forming a foundation for relationships that precedes and sometimes overrides formal organizational or legal considerations [12].



The stability of trust networks in East Asian business environments is ensured by a combination of institutional and cultural mechanisms that reinforce predictable and cooperative behavior. Cultural mechanisms include shared moral guidelines, collective sanctions against opportunism, and the internalization of norms that emphasize harmony and social balance. These mechanisms operate alongside institutional structures such as business associations, industry networks, and semi-formal mediation practices that provide platforms for coordination and dispute resolution while maintaining relationship continuity. Rather than replacing personal trust, institutions in this context often serve to formalize and protect existing trust relationships, thereby enhancing their resilience. The interaction between cultural guidelines and institutional mechanisms ensures the adaptability and at the same time stability of trust networks, which can withstand economic fluctuations and external pressure, without losing their bare essence - the integrity of relationships [13, p. 156–157].

The sociocultural determinants of trust formation in East Asian business networks can be systematized as follows (table 1).

Table 1

Characteristics of sociocultural determinants of trust in the East Asian business environment

Sociocultural determinant	Key characteristics	Influence on trust formation
Confucian ethics and traditional values	Emphasis on morality, hierarchy, reciprocity, and role obligations	Strengthens morally based trust and long-term commitments between companies
Interpersonal and family ties	Personal relationships, family ties, and common social background	Facilitates the transfer of trust, reduces uncertainty, and supports informal coordination
Informal social relations	Non-contractual interactions, social acquaintance, repeated contacts	Increases flexibility, information exchange, and relationship stability
Institutional and cultural mechanisms	Business associations, collective norms, and reputation control	Supports continuity, provides norms of trust and stabilizes network interactions

Source: constructed by the author based on [10–13]



Taken together, these factors suggest that trust in East Asian business networks is not simply a functional response to economic uncertainty, but also a socially embedded phenomenon shaped by ethical traditions, relational practices, and a supportive institutional climate. Such embeddedness allows trust networks to function as enduring social structures that align economic cooperation with culturally determined expectations of responsible and lawful behavior. The processes of globalization and digitalization have fundamentally changed the conditions under which trust is formed and maintained in the East Asian business environment. As companies increasingly expand into international markets, traditional sociocultural models of trust, historically grounded in local networks and shared moral principles, are undergoing significant transformations [14, p. 68–69]. The impact of international corporate governance standards, compliance regimes, and competitive pressures is driving a gradual shift from trust based solely on relationships to hybrid models that involve formalized procedures and performance-based evaluation. Trust is no longer built solely on long-term familiarity or moral reputation within a closed community, but increasingly depends on transparency, standardized reporting, and companies' ability to demonstrate their reliability to diverse, geographically distant partners. This transformation reflects a broader reconfiguration of trust from a largely culturally determined phenomenon to a more pluralistic and adaptive mechanism that can operate in different institutional contexts. Digital platforms and transnational business networks have played an essential role in changing the nature of trust in East Asian business practices. Digitalization has expanded the scale and speed of economic interaction, allowing firms to collaborate across traditional social boundaries, while leveraging technologically mediated forms of verification and coordination. Platform-based ecosystems are introducing algorithmic reputation systems, data-driven performance metrics, and real-time monitoring tools that partially replace face-to-face interactions and personal approval. In this environment, trust is increasingly distributed between human relationships and technological infrastructures, with



digital trust signals complementing rather than completely replacing interpersonal trust. Transnational networks further amplify this process by requiring firms to align their trust practices with global norms of accountability, intellectual property protection, and ethical conduct, thereby changing expectations of trustworthy behavior within national business networks [15]. Despite these changes, traditional forms of trust have not been displaced but rather recreated within new organizational and technological frameworks. East Asian business networks show a strong ability to integrate inherited cultural logics of trust with modern institutional and digital mechanisms. Personal relationships, long-term loyalty, and moral reputation continue to influence partner selection and strategic collaboration, especially in high-risk and innovative projects where formal contracts are not sufficient. At the same time, digital tools and global standards provide additional layers of guarantees that enhance scalability and cross-border interoperability. This combination creates a multi-layered architecture of trust in which relational, institutional, and technological forms coexist and reinforce one another, enabling business networks to maintain cultural continuity while adapting to global economic transformations. The configuration of trust in East Asian business in the context of globalization and digitalization is summarized in table 2.

Table 2

Key dimensions of trust transformation in East Asian business

Transformation dimension	Traditional orientation	New orientation
Trust foundation	Moral reputation and long-term relationships	Performance indicators and standardized trust signals
Sphere of interaction	Local and regional business networks	Global and transnational market environment
Verification mechanisms	Personal knowledge and social support	Digital platforms, algorithms and data transparency
Network structure	Dense, closed relational systems	Hybrid networks combining relational and digital connections

Source: created by the author

Overall, the transformation of trust in East Asian business exemplifies an ongoing process of synthesis, highlighting its continuous evolution rather than a



complete break between the past and the present. Drawing on digital and global practices within culturally conditioned models of cooperation, East Asian business networks follow a distinct path of modernization, in which trust remains a central principle of organization, continually adapting to the requirements of a technologically mediated economic space.

Conclusions. The study found that trust in East Asian business networks is a complex multidimensional phenomenon, the formation of which is determined by a combination of socio-cultural, ethical and institutional factors. It is substantiated that traditional value orientations, in particular moral norms, collectivist attitudes and role obligations, play a decisive role in ensuring the stability of inter-firm relations, complementing or even replacing formal regulatory mechanisms. It is determined that interpersonal ties, kinship and informal social relations act as key channels for the formation and transmission of trust within business networks, contributing to the reduction of transactional risks and the maintenance of long-term cooperation. Thus, trust in this region acquires a socially embedded character, reflecting the historically formed model of economic interaction. At the same time, it is proven that modern processes of globalization and digitalization lead to the transformation of traditional models of trust, forming hybrid configurations, within which culturally conditioned practices and modern institutional and technological mechanisms are combined. It is shown that integrating digital platforms, international standards, and transnational networks does not eliminate the importance of traditional forms of trust but rather adapts them to new economic conditions, increasing the flexibility and competitiveness of East Asian business networks. In this context, trust appears as a dynamic resource that helps maintain a balance between cultural heritage and innovative forms of business organization. Prospects for further scientific research should be linked to an empirical analysis of industry and national differences in trust models, as well as to the study of the impact of artificial intelligence and new digital tools on the evolution of trust relationships in East Asian business networks.



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