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It's the act that counts: minimizing post-violation erosion of trust

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It's the act that counts: minimizing post-violation erosion of trust

Minimizing
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Abstract

Purpose – The purpose of this paper is to examine the effects of damage incurred by the trustor as a result of a trust violation and the impact of different levels of post-violation trust repair behaviours by the trustee on the subsequent erosion of trust.

Design/methodology/approach – Data were collected from 232 middle to senior level managers using a two-part scenario-based experimental design to test the impact of damage incurred (avoided) and post-violation repair behaviour. Respondents' levels of trust were measured pre- and post-violation as well as forgiving and a range of demographic variables.

Findings – Results showed that trust eroded independent of the level of damage that may have been caused. Further, post-violation trust repair behaviour by the trustee led to a significantly lower erosion of trust as compared to not engaging in such behaviours. Furthermore, erosion of trust was minimized, when the trustee engaged in increasing levels of trust repair behaviour. Results also showed that trustors who were relatively more forgiving were less likely to lose trust in the trustee after a violation.

Research limitations/implications – In this study we focused on two key factors influencing the erosion of trust. Further factors need to be identified and empirically tested in order to get a more holistic view on how trust erodes. The results serve as one step towards building an integrated model of trust erosion.

Practical implications – For practicing managers, the results imply that the actual incurrence or avoidance of damages from a trust violation appears to be peripheral – trustors are more concerned about the violation as a principle and a harbinger of similar future incidents. Further, quickly engaging in trust repair behaviours, such as offering an explanation, a heartfelt apology, and appropriate remedy, helps minimize the erosion of trust.

Originality/value – This paper addresses an under-investigated facet of trust research in organizations – erosion of trust – which is especially crucial in light of the growing awareness that most organizational relationships actually start off with high levels of trust rather than low trust. Thus, this study offers insights into maintaining (as opposed to building) trust.

Keywords Trust, Individual behaviour, Trust erosion, Trust repair behaviour

Paper type Research paper

Over the last 25 years, trust has emerged as one of the key topics of inquiry in organizational research. While much of the early research in the field focused on the conceptualization of trust (e.g. Hosmer, 1995; Kramer and Tyler, 1996; Mayer *et al.*, 1995)

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and building trust (e.g. McKnight *et al.*, 1998; Whitener *et al.*, 1998), a later stream of research has explored the repairing of trust that has broken down, both at the interpersonal level (e.g. Kim *et al.*, 2004; Kramer and Lewicki, 2010; Tomlinson *et al.*, 2004) and the organizational level (e.g. Gillespie and Dietz, 2009). Understanding the breakdown of trust and its repair is critical since without such effective repair the negative impact can range from poor work relationships to active obstructionism to withdrawal (Bies and Tripp, 1996; Dirks and Ferrin, 2001; Robinson, 1996). Left unaddressed such counter-productive behaviours can not only undermine the overall success of an organization, but can also render its leaders ineffective and weaken their chances of bringing about meaningful change (Kramer and Lewicki, 2010). At a national level, the importance of trust for leaders to bring about progress and growth was highlighted by President Barack Obama in his State of the Union addresses in 2009 and 2010 when he pinpointed the “deficit of trust” as a major impediment for recovery. Not surprisingly researchers have elevated the trustworthiness construct to the organizational level of analysis so as to focus attention on understanding and building systems of trust that go beyond trust formation and violations at the interpersonal level (see Hurley *et al.*, 2013; Rousseau *et al.*, 1998).

However, there is a dearth of systematic inquiries into the dynamics of erosion or breakdown of trust in the first place before approaches to repairing the breakdown can be enacted (see Elangovan *et al.*, 2007 for an exception). Such an understanding becomes critical since the type of repair action necessary seems to depend on the type of the breakdown (e.g. Kim *et al.*, 2004). Empirical studies (e.g. Berg *et al.*, 1995; Kramer, 1994) showing that subjects display high levels of initial trust despite the lack of incentives and knowledge about the other party only reinforce the need for such inquiries. The issue is not so much how to build trust but how to maintain it or avoid diminishing it. In other words, our knowledge of the erosion of trust per se is sparse compared to our understanding of the building of trust (before any erosion) and the repairing of trust (after a breakdown or erosion). This paper is a step towards filling this gap and explores some of the influences on the erosion of trust in a high-trust relationship.

Under what conditions does trust erode given a high level of trust in a relationship? Although direct research on this question is limited (e.g. Elangovan *et al.*, 2007; Lapidot *et al.*, 2007), we can build on the prior studies on psychological contract violations (Morrison and Robinson, 1997; Robinson and Morrison, 2000), breakdown of trust (e.g. Kim *et al.*, 2004), betrayal of trust (Elangovan and Shapiro, 1998), distrust (Lewicki *et al.*, 1998), and revenge (e.g. Bies and Tripp, 1996; Tripp *et al.*, 2007) to develop a sense of when and how trust will erode. Collectively, the research points to at least two distinct steps – a trigger-event and an assessment – in a process that may result in the erosion of trust (e.g. Lewicki and Bunker, 1996). A violation of trust incident or event is most often the first step in the trust erosion process. Trust is considered violated when the trustor perceives the trustee as acting in a way that does not fulfill his/her expectations (Elangovan and Shapiro, 1998; Sitkin and Roth, 1993). A violation of trust, subsequently, serves as the trigger that prompts the trustor to assess the situation at both an emotional and a cognitive level (Lewicki and Bunker, 1996; Bies and Tripp, 1996; Tripp *et al.*, 2007). Emotionally, the trustor has to deal with a range of reactions from anger and hurt to fear and bitterness. At a cognitive level, the trustor assesses the damage that has been done, why and how the violation happened, and what steps to take in the future (Lewicki and Bunker, 1996). This notion is consistent with the argument that individuals forego gut-level impulses when a

violation occurs and take into account broader considerations when reacting (see Finkel *et al.*, 2002). In the language of interdependence theory, this is referred to as a process of transformation of motivation that leads to effective preferences (Kelley and Thibaut, 1978).

What is needed is a systematic inquiry to identify the factors related to the trustor's assessment process, explore the theoretical undercurrents of these factors, and empirically test their impact. In an initial step, Elangovan *et al.* (2007) found that trust erodes less when trustors attribute the violation to external circumstances rather than to the trustees' internal motives; also, trustors are willing to give the trustees a second chance before trust erodes significantly. Our paper builds on these prior findings and explores the impact of two key factors on the erosion of trust in a situation where a high level of trust exists between two individuals but a violation of that trust has just occurred. Specifically, we examine the impact of: the extent of damage, i.e., negative consequences, endured by the trustor (e.g. Lewicki and Bunker, 1996) as a result of a violation, and the efforts made by the trustee to address or repair the violation. We use a scenario-based experimental design with a sample of middle-to-senior level executives to test the impact of these factors and draw inferences from the findings for future research and leadership in organizations.

Damage and erosion of trust

The risk the trustor assumes in trusting the trustee, if the trustee fails to fulfill the trustor's expectations, is central to the whole issue of trust. In their ground breaking work, Mayer *et al.* (1995) defined trust as the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other party will perform a certain action important to the trustor, irrespective of the ability to monitor or control the other party. Integral to this conceptualization – which is broadly accepted in the field (see Rousseau *et al.*, 1998; Schoorman *et al.*, 2007 for example) – is the likelihood of harm if the trustee violates the trustor's expectations, without being able to ensure the prevention of such a violation. Given the centrality of the risk of damage in trust, it would be important to explore how the incurrence or avoidance of damage affects the erosion of trust after a violation.

As noted by several researchers, trustors experience a range of emotions such as anger, hurt, fear, and frustration when their trust is violated, as well as assess the situation at a cognitive level (Lewicki and Bunker, 1996). Not unexpectedly, these reactions are exacerbated by the realization that the damages they have to endure as a result of this violation may be quite severe. Subsequently, the violation, the emotional impact, the cognitive assessment and the experiences of suffering damage may prompt the trustor to rethink the relationship with the trustee (i.e. alter his/her level of trust) (Lewicki and Bunker, 1996). But what if damage (negative consequences) was not incurred as a result of the trust violation? While it is safe to say that trust may erode as a result of a violation, there need not be an automatic assumption of damage when the trustee does not fulfill his/her expectations. The circumstances could be such that other factors could mitigate or prevent the damage, i.e., the trustee could fail to fulfill the expectations of the trustor but the trustor could, as a result of good luck or fortunate coincidence, escape the harmful consequences of the violation.

What would the trustor's reactions towards the trustee be in that situation? Will the relief of a "narrow escape" dominate the trustor's cognitions and reactions and

dissipate any hard feelings towards the trustee, or will the trustor recognize that even though severe damage has been avoided it was only because of good fortune and that the trustee has indeed seriously breached the relationship? Prior research in the areas of betrayal, “victimization”, revenge and justice (e.g. Bies and Tripp, 1996; Bies *et al.*, 1997; Elangovan and Shapiro, 1998) would suggest that the very act of trust violation would result in an erosion of trust regardless of the magnitude of the damage caused. However, the notion of harm is so central to the conceptualization of trust (see Mayer *et al.*, 1995) that it can be argued that the damage (potential or actual) associated with the decision to trust in the first place will be extraordinarily salient (at least to the trustor) and have the bigger impact on the erosion of trust. From a prospect theory perspective (Kahneman and Tversky, 1979), individuals value gains and losses differently – the shift in reference point to reflect gains is a lot faster than the shift to accommodate losses. In other words, losses (especially damages incurred) would play a key role in a trustor’s post-violation cognitions, ruminations, emotions and decisions. It is the need to adopt to a loss (damage) that is traumatic regardless of the understanding, justification or reasoning regarding its occurrence. Therefore, we propose that although some trust will erode regardless of the incurrence of damage, the magnitude of erosion will be stronger when the trustor suffers damage due to the violation:

- H1.* After a trust violation, the trustor’s trust towards a trustee will erode more when the trustor incurs a damage than when no damage is incurred.

Trust repair behaviour and erosion of trust

When trust violations occur, trustees frequently engage in activities to repair the trust that has been lost. They may try to provide an explanation for what had happened, apologize to the trustor, engage in remedial acts, and the like (Kramer and Lewicki, 2010). Possible reasons for such activities include the trustee’s desire to bring relations back to normal, to establish a positive climate for future interactions, and/or to get rid of an emerging negative image of the trustee by the trustor. Kim *et al.* (2004) defined trust repair efforts as “activities directed at making a trustor’s trusting beliefs and trusting intentions more positive after a violation is perceived to have occurred” (p. 105). Such activities represent attempts by the trustee to minimize the erosion of trust and repair or in the best case fully restore the relationship to its status prior to the violation (Dirks *et al.*, 2009).

Research suggests that such attempts to repair trust could be quite successful. For example, Schweitzer *et al.* (2006) demonstrated in a laboratory study that trust harmed by untrustworthy behaviour may be effectively restored when deceived individuals observe a consistent series of trustworthy actions. Tomlinson *et al.* (2004) explored the antecedents of a victim’s willingness to reconcile a professional relationship following an incident involving a broken promise and were able to demonstrate the effectiveness of an explicit apology. While it is likely that different types of trust repair behaviours will impact erosion of trust in very different ways, a common theme through prior research appears to be that engaging in trust repair behaviours will lower the negative impact on trust compared to making no attempts to do so (Ferrin *et al.*, 2007; Kramer and Lewicki, 2010):

- H2.* After a trust violation, the trustor’s trust towards a trustee will erode less when the trustee engages in trust repair behaviours than when the trustee does not engage in such behaviours.

We further examine whether escalating levels of trust repair behaviour make a difference to the erosion of trust. What does it take to appease the trustor?

Most often, offering an explanation for the violation is the first trust repair behaviour undertaken by the trustee. While an initial apology seems more natural in a private and more personal context, an explanation fits better with the more calculative organizational environment, in which emotions may not be displayed as easily as in private life. This view fits with Lewicki and Wiethoff (2000), who introduced “calculus-based” trust (as opposed to “identification-based” trust) as one type of trust frequently occurring in professional, non-intimate and task-oriented relationships. They argued that an explanation is a vital step to restoring calculus-based trust. Explanations are quite common in legal cases as well – as the accused attempts to explain his/her actions. Explanations represent attempts by the trustee to reframe the situation in which the trust violation took place, and explanations may deal with such aspects as attributing action to situational factors, describing constraints, or addressing misunderstandings. The idea is that having a clear picture of what happened may result in forgiveness or at least mitigate the negative effects (such as the “cooling off” or termination of the relationship). Kramer and Lewicki (2010) also noted that these explanations have to be credible, highlight assumption of responsibility of the violation by the trustee, and maintain the goodwill of the trustor.

But providing explanations is only part of dealing with the fallout of a violation. In addition to an explanation, the trustor may – notwithstanding what was said above – apologize to the trustor, thus touching upon the affective side as well as the cognitive side (explanation) of trust repair. According to Kim *et al.* (2004), an apology is “a statement that acknowledges both responsibility and regret for a trust violation” (p. 105). Earlier research on victimization offers insights into the effects of an apology on erosion of trust. An apology in response to harm caused shows aggression-inhibiting effects (Ohbuchi *et al.*, 1989) and greater responsibility-taking leads to more positive evaluations by the victim (trustor) and better expected future relationships (Hodgins and Liebeskind, 2003). Yet, the relationship between an apology and its outcomes is influenced by a range of factors. Apologies tend to be most effective when they are perceived as being sincere, are offered soon after the trust violation rather than later, reflect the acceptance of responsibility by the trustee, and when the violation appears to be an isolated event (Tomlinson *et al.*, 2004).

In addition to an explanation and/or apology, a trustee who has violated the trust may also offer the trustor a remedy or reparation to address the damage done (e.g. offering compensation, paying a fine). Prior research suggests that such offers of reparation would have a beneficial effect on repairing trust that has been damaged. For example, Kramer and Lewicki (2010) noted that offers of small reparations were as effective as larger amounts and open offers were more effective than specific targeted offers. In addition, reparations may also enhance the effectiveness of explanations and apologies offered along with it (Kramer and Lewicki, 2010). In a similar vein, studies on impression management (e.g. Schlenker, 1980; Tedeschi and Riess, 1981) as well as on the appropriateness of accounts (Darby and Schlenker, 1982; Ohbuchi *et al.*, 1989; Schlenker and Darby, 1981) found that “offering compensation” as the last item on a list of components was very important for making an account sincere and convincing.

Schmitt *et al.* (2004) went a step further and observed how reparations may contribute to the creation of a gestalt-like account that is more fitting with the trustor’s post-violation expectations for repairing trust. Since accounts are cognitive scripts, any one component is likely to prompt inferences about other account components in a

schematic way, thereby resulting in these components being fused together to produce a gestalt-like account (Schmitt *et al.*, 2004). For example, if after a trust violation compensation was offered to the trustor by the trustee, the trustor might infer that the trustee is also admitting his/her fault although this objectively might not be the case. In other words, the compensation as an account component is likely to be perceived as subsuming or including other components such as an apology and explanation. According to the gestalt argument, the more parts are present (either offered or inferred), the easier it is to recognize the ideal gestalt. Therefore, we argue that the offering of a remedy evokes a gestalt-like account that matches the trustor's ideal conception of post-violation behaviours by the trustee. Extending this to the impact of trust repair behaviours, we propose that escalating levels of trust repair behaviour (offering an explanation for the violation, offering an explanation plus an apology, offering an explanation, an apology and a remedy) have a differential impact on the erosion of trust:

- H3.* After a trust violation, the trustor's trust towards a trustee will erode less when the trustee engages in more substantial trust repair behaviours than when the trustee engages in less substantial behaviours.

Role of forgiveness

Even as we explore the impact of different situational factors (damage incurred and repair efforts in this study) on the erosion of trust, it is important to recognize that the trustor's forgiveness of the trustee after the violation would play an important role (Schoorman *et al.*, 2007). Prior research on forgiveness (e.g. Aquino *et al.*, 2003; Brown and Phillips, 2005; Desmet *et al.*, 2011; Finkel *et al.*, 2002) has noted that those with a greater willingness to forgive are less motivated to retaliate or maintain estrangement from the offender (trustee) and more likely to resume pre-violation behavioural tendencies. In other words, when the trustor is inclined to forgive the trustee for violating the trust, then we are not likely to see a big drop in the trust the trustor has towards the trustee. So to get an accurate assessment of the impact of the damage incurred factor and the trust repair factor on trust erosion, we need to statistically control for forgiveness (partial out the variance explained by the trustor's forgiving of the trustee) before analyzing the results.

Methodology

Sample

Data were collected from 232 employees from different organizations located in Austria and Germany. Collectively, these organizations were involved in a range of business sectors including manufacturing, telecommunications, utilities, services and public administration. The mean age of the subjects was 38 years (with a standard deviation of 6), average full-time work-experience was 14 years ($SD = 8$), and 90 per cent were male. Their hierarchical levels within their respective organizations ranged from supervisor or manager to project manager to managing director. In terms of departmental backgrounds, the respondents came from engineering, marketing/sales, research and development, direct service delivery, planning, purchasing, legal services, and general management.

Procedure

Questionnaires were distributed to 249 organizational employees who were participants in different executive development programs in Austria and Germany.

The response rate was 93 per cent. The cover letter of the questionnaire informed the respondents that the study pertained to their perceptions of and reactions to different organizational scenarios (each questionnaire outlined one such scenario). They were encouraged to answer all the questions candidly and were assured of complete anonymity.

Design

A 4 (trust repair behaviour) \times 2 (damage) experimental design with scenarios was used to collect the data for the analyses. The four variations of the trust repair condition were “no repair behaviour (inaction)”, “explanation”, “explanation plus apology”, “explanation, apology plus remedy” and the two variations of the damage condition were “damage done” and “no damage done”, thus resulting in eight groups (cells). Corresponding to the eight cells, we developed eight versions of the scenario (and the questionnaire) with the appropriate combinations of the manipulations of the two independent variables.

With regard to the suitability of the methodology, our choice of the scenario-based experimental design was influenced by three factors. First, the scenario approach lends itself relatively better to research on cognition-based trust than on affect-based trust. In other words, it is feasible to provide information on prior performance and reliability (the basis of cognition-based trust) in scenarios to positively influence trust perceptions rather than evoke emotions of goodwill and care (the basis of affect-based trust) (McAllister, 1995). The primary focus in our study is on cognition-based trust. Second, the scenario-based experimental approach also makes it possible to isolate the impact of specific variables and to capture real-time reactions that are often not possible in retrospective survey questions, especially for time-sensitive processes such as erosion of trust (nor is it possible to predict the occurrence and nature of a violation in an observational study in the field). Third, prior research on other topics using scenario-based approaches (e.g. leadership, Jago and Vroom, 1978) has shown that respondents’ behaviour intentions and responses to scenarios are an accurate and reliable reflection of their actual decisions and reactions in real situations.

Every questionnaire had three major sections. The first section presented an organizational scenario depicting an existing high-trust relationship between two co-dependent employees of an organization. Consistent with the notion that trust is relevant and meaningful only when the expectations that underlie the trust are “pivotal” (see Elangovan and Shapiro, 1998 for a detailed discussion), the scenario described an important work situation with the potential to result in significant harm to the trustor if the trust expectations were not met (typical of most organizational relationships where trust is important). The degree of violation (Lewicki and Bunker, 1996), in other words, would be significant. The respondent was assigned the role of the trustor in the trust relationship depicted in the scenario. A series of questions at the end of this section measured interpersonal trust (the respondent’s (trustor’s) trust towards the trustee in the scenario) and served as a manipulation check for the existence of high trust (pre-violation trust level) as well as for the comprehension of the scenario.

The second section presented a continuation of the scenario that introduced the occurrence of a violation of trust and information on the two independent variables of interest (the manipulation). The trust violation was operationalized as the failure of the trustee to arrive at the client’s site for the vital morning meeting and presentation along with poor installation arrangements, preparation and organization for the

planned training session by the trustee. Regarding the manipulation of the trust-repair variable, the scenarios described in detail different behaviours engaged in by the trustee after the violation. For example, in the “explanation plus apology” condition, the trustee explains to the trustor that he/she had been unable to fulfill the expectations due to excessive demands from other units and a reorganization in his/her department, and apologizes. The storyline and information was altered accordingly for the other three trust repair behaviour conditions. Similarly, in the “damage done” condition, the scenario contained details indicating that the trustor (respondent) had suffered the harmful consequences of the violation (cancelled contract, upset client, damaged reputation) while in the “no damage done” condition these were prevented as a result of other fortunate developments (the client postponing the meeting due to other obligations). A set of questions at the end of this section assessed the effectiveness of the manipulation of the two independent variables and measured interpersonal trust again (post-violation interpersonal trust).

The third section of the questionnaire included a range of demographic questions to be used as control variables in the analyses.

Measures

Trust. The primary dependent variable of interest was trust. Trust was measured using the Lewicki *et al.* (1998) scale. The scale contained five items on a five-point scale (ranging from strongly agree to strongly disagree) and had reliability (α) co-efficients of 0.76 (initial trust) and 0.91 (post-violation trust) respectively. Examples of items are “I can use Alex’s word as the basis for my decisions” and “Alex can be counted on to come through when needed” (Alex Meyer, a gender-neutral German name, was the name of the trustee in the scenario). Trust was measured twice: after the first part of the scenario, which set the stage for a high-trust relationship (pre-violation trust score), and after the second part of the scenario, which introduced the violation and information on the independent variables (post-violation trust score). Erosion of trust was obtained by subtracting the post-violation trust score from the pre-violation trust score (i.e. the drop in trust after the violation). By utilizing a repeated measure approach and focusing solely on the difference in trust levels, we took into account individual differences in propensity to trust. In other words, even if a respondent were to score unusually high or low on pre-violation trust due to certain inherent tendencies, it was only the subsequent drop in the trust level after the violation that was relevant.

Forgiveness. Data were also collected on the respondents’ willingness to forgive as a control variable. A revised five-item scale developed by McCullough *et al.* (1997) with a five-point scale (ranging from strongly agree to strongly disagree) was used to measure forgiveness, and had a reliability (α) coefficient of 0.77. Examples of items are “I wish Alex well” and “I disapprove of Alex” (reverse scored).

Demographics. Data were collected on the respondents’ background including sex, age, education, years of work experience, years of supervisory experience, and the number of direct reports, for use as control variables in the analyses.

Pre-tests

The scenarios and questionnaires were first prepared in English, translated into German, and the translation closely verified by a second independent translator to ensure translation accuracy and reliability. The questionnaires were, then, administered to 140 students enrolled in the business programme of a large university

in Austria. The results of these pre-tests were used to fine-tune the scenarios and manipulations before administering them to organizational employees.

Results

Table I presents the means, standard deviations, reliability (α) coefficients, and intercorrelations of the variables. As expected, there was a significant positive relationship between forgiveness and post-violation trust ($r = 0.67, p < 0.001$), confirming the conventional wisdom that individuals with a greater inclination to forgive are relatively less likely to reduce their trust towards the trustee after a violation. The results also confirmed the effectiveness of the manipulations: the mean initial trust score was 4.45 (out of 5) indicating high levels of trust, and the manipulation checks showed that both the damage control ($\chi = 124.66, p < 0.001$) and trust repair level ($\chi = 466.27, p < 0.001$) conditions in the scenarios were perceived correctly by the respondents. Three major questions were addressed in our analyses: Does incurrence or avoidance of damage due to the violation affect the trustor's subsequent level of trust (*H1*)? Do the trustee's attempts to repair trust influence the post-violation erosion of trust (*H2*)? Do escalating levels of trust repair behaviours have a differential impact on influencing the post-violation erosion of trust (*H3*)? Given the experimental design with eight groups (2×4), we used ANOVA to test the main effects of the independent variables (damage condition, trust repair behaviour) on the erosion of trust.

H1: relationship between damage and erosion of trust

Does the incurrence of damage caused by a violation of trust make a difference to the trustor's subsequent level of trust towards the trustee? Results of the ANOVA analyses showed no main effect for incurrence/avoidance of damage on the degree of erosion of trust. Although, as shown in Table II, the erosion of trust (the mean difference between the pre- and post-violation trust) was slightly higher in the "damage done" condition

Variable	Mean	SD	α	1	2	3
1. Initial trust	4.45	0.45	0.76		0.21**	0.15*
2. Post violation trust	3.32	0.86	0.91			0.67***
3. Forgiveness	3.85	0.69	0.77			

Notes: * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$

Table I.
Correlations among
major variables

	Initial trust	Post trust	Diff. trust
<i>Damage condition</i>			
Damage, $n = 117$	4.45	3.29	1.17
No damage, $n = 115$	4.44	3.36	1.07
ANOVA	ns	ns	ns
<i>Trust repair behaviour condition</i>			
No repair behaviour, $n = 55$	4.48	3.10	1.37
Repair behaviour, $n = 177$	4.44	3.39	1.04
ANOVA	ns	$F(1,232) = 4.908, p < 0.05$	$F(1,232) = 6.055, p < 0.05$

Table II.
Mean scores and
ANOVA results for
damage and trust
repair behaviour

(1.17) than in the “damage avoided” condition (1.07), the difference was not significant. The results of the analysis, thus, do not support *H1*.

H2 and H3: relationship between trust repair behaviour and erosion of trust

Does post-violation trust repair behaviour by the trustee make a difference to the trustor’s subsequent level of trust (*H2*)? We calculated the mean difference in trust when the trustee did not engage in trust repair behaviour vs when he/she engaged in some form of trust repair behaviour. Table II shows a mean difference in trust of 1.37 for the former and 1.04 for the latter. Results of the ANOVA analyses showed a significant main effect for trust repair behaviour vs no trust repair behaviour ($F(1,232) = 6.055, p < 0.05$). Thus, the results support *H2*.

With regard to the level of trust repair behaviour (*H3*), the results were also supportive. Table III shows that offering an apology in addition to an explanation significantly lowers erosion of trust when compared to merely offering an explanation alone (mean difference in trust of 0.99 vs 1.38 respectively for the two conditions). If, in addition, a remedy were to be offered, trust eroded even less (mean difference in trust of 0.75). The ANOVA analysis showed a significant main effect for the level of trust repair behaviour ($F(1,177) = 9.257, p < 0.001$). Thus, the results offer support for *H3* – engaging in different levels of trust-repair behaviours leads to different effects on the erosion of trust after a violation.

Role of forgiveness in erosion of trust

Prior research has indicated that a trustor’s reaction towards the trustee after a violation is influenced or moderated by the trustor’s willingness to forgive (e.g. Aquino *et al.*, 2003; Brown and Phillips, 2005; Desmet *et al.*, 2011; Finkel *et al.*, 2002). In their study on the effects of attributions on trust erosion, Elangovan *et al.* (2007) were able to show that trustors who were relatively more forgiving were less likely to lose trust in the trustee after a violation. Therefore, we used the trustor’s forgiveness of the trustee as a control variable to offer a more rigorous assessment of the explanatory power of the two independent variables (damage condition, trust repair behaviour).

The ANCOVA analyses with forgiveness as a covariate yielded results that were consistent with earlier findings. Forgiveness had a significant main effect on the post-violation erosion of trust ($t = -9.508; p < 0.001$). The results confirmed that individuals who were more forgiving tend not to reduce their trust towards the trustee after a violation as much as those who are less forgiving. More importantly, however, even after partialling out the variance in erosion of trust explained by forgiveness, trust repair behaviour ($F(1,232) = 2.363$) continued to be a significant predictor of trust erosion ($p < 0.07$).

Table III.

Mean scores and ANOVA for different levels of trust repair behaviour

Levels of trust repair behaviour

	Initial trust	Post trust	Diff. trust
Explanation, $n = 61$	4.40	3.02	1.38
Plus apology, $n = 58$	4.44	3.45	0.99
Plus remedy, $n = 58$	4.48	3.73	0.75
ANOVA	ns	$F(1,177) = 12.144, p < 0.001$	$F(1,177) = 9.257, p < 0.001$

Effect of demographic variables

Although the demographic control variables collectively did not have a significant effect on trust, hierarchical level of the trustor had a slight but significant effect on trust erosion after the violation when entered individually as a covariate in a separate analysis ($t = 2.159$; $p < 0.05$). A conservative interpretation of the results, nevertheless, warrants acknowledging that those higher up the hierarchy may be more likely to be tolerant of violations of trust than those at the lower levels. This finding, however, did not alter the significance of the main effects of the damage condition and trust-repair behaviours on trust.

In summary, the results indicate that two factors – the level of trust repair behaviours and the trustor's forgiving of the trustee – make unique contributions towards explaining the variance in post-violation erosion of trust.

Discussion

The findings of this study offer some interesting insights into the issue of erosion of trust. First, the findings serve as one of the first empirical confirmations of the notion that the principle of violation of trust is more critical in the eyes of the trustor than the actual damage that such a violation may have caused (*H1*). So the mere avoidance of the damage that normally would be associated with such a violation through good fortune or a lucky coincidence appears to offer cold comfort to the trustor. The findings show that the subsequent erosion of trust accompanying a violation is independent of the level of damage that may have been caused. This focus on the act rather than the outcome has important implications for trustees as it highlights the truly fragile nature of trust as well as the deep-rootedness of its principles. It is likely that the act of violation per se is so worrisome since it signals the possibility that trust may be violated again and that the next time the damages could be real. Modifying a popular saying captures this sentiment perfectly – “once *almost* bitten, twice shy”. In an organizational setting, it is worth remembering the importance of acting consistently with the trust expectations of colleagues and employees – it is the principle of being true to these expectations that is being assessed everyday. Restoring trust would, thus, require altering or re-establishing the trustor's perception of the trustee, i.e., the focus of the remedial efforts is the person.

Second, the findings offer empirical support for the conventional wisdom that it is the responsibility of the perpetrator of the trust violation to attempt to rectify it (*H2*). Merely avoiding addressing the situation or hoping that the trustor would simply “forget and forgive” a violation if it were brushed under the carpet do not appear to work. Not only do the results show that any attempt to address the violation is better than ignoring it, but they also indicate that the level of effort put in is both noticed by the trustor and evaluated differently (*H3*). So at minimum, the implications are that the trustee needs to offer a reasonable explanation as to why he/she violated the expectations of the trustor. Further, an apology offered in addition to a good explanation seems to go further in minimizing the impact of the damage. An offer by the trustee to remedy the situation (e.g. by offering equivalent compensation, committing to other opportunities to recoup the losses, by demonstrating a willingness to undergo personal inconvenience or hardships to make up for the violation) appears to yield further good will in minimizing the erosion of trust.

Third, the results indicate that trustors who are more forgiving tend to lose less trust after a violation compared to those trustors who are less forgiving. Forgiving

a violation seems closely entwined with a willingness to trust again since forgiving is sometimes viewed as a way of dealing with a painful past event and need not necessarily include re-establishing confidences about the future (i.e. one can forgive a past violation but not fully trust the individual again). It is possible, however, that some trustors equate forgiveness to a relatively fuller repairing of the relationship including re-establishing a high-level of trust (similar to McCullough *et al.*'s (1997) conceptualization of forgiveness). It is interesting to note, however, that the kind of trust repair behaviour (e.g. explanation, apology, remedy) by the trustee appears to have an impact on minimizing the erosion of trust regardless of whether the trustor was forgiving or not. This highlights the importance of engaging in trust repair behaviour after a violation no matter who the trustor is if the primary interest is on re-establishing the relationship – it can only help.

Future research needs to examine the nature and effectiveness of the different types of trust repair behaviours. For example, does the type of explanation make a difference in how the erosion of trust after a violation can be minimized? We know from prior research that explanations that prompt “a tried but couldn’t meet the expectations” attribution by the trustor are less damaging than explanations that convey a sense of “didn’t want to meet the expectations” attribution (see Elangovan *et al.*, 2007). In addition, it is worth probing whether internal vs external attributions – still within the “tried but couldn’t do it” frame – make a difference (e.g. could not complete the project because the computer malfunctioned (external) vs could not understand the problem (internal)). Related to this is the question of how the explanation is conveyed and whether the trustor believes the trustee’s account. The credibility of the explanation could moderate the effectiveness of the explanation. Similarly, the relationship between nature of the apology and remedy and their effectiveness is an area of inquiry for future research. Also, given that the data were collected from Austria and Germany, it would be both necessary and useful to validate these findings in other cultural contexts. While one can speculate whether certain cultural traits (e.g. reliability) play a greater role in some cultures (e.g. Germanic) than others in constituting trust violation, the broader question is whether people across cultures vary in their preferences for levels of trust repair efforts.

Regarding individual differences, the results indicate that the trustor’s level in the organizational hierarchy plays a role in influencing future levels of trust towards the trustee. It appears that our tolerance for violations of trust is positively related to the level in the organizational hierarchy. In other words, for trustors who are more senior in the organization erosion of trust after a violation appears to be lower than for trustors who are at the lower levels. This could be a function of maturity or an acceptance of the complexity and slip-ups in organizational operations that dampens knee-jerk reactions to violations of trust. It is possible that at the senior levels in an organization, one “sees the forest and not just the trees” and is able to put the violation into perspective and not be too ruffled by it.

From a research standpoint, this study contributes to our understanding of trust in several ways. First, it serves to draw attention to an under-investigated facet of trust research in organizations – the erosion of trust as a function of the damage incurred due to a violation and efforts to repair it. With the growing awareness that most organizational relationships actually start off with high levels of trust rather than low trust (McKnight *et al.*, 1998), preventing the erosion of this initial trust becomes as important as building it further. The findings of this study offer some early insights into how such erosion can occur. Second, we have set the stage for future research in

this area by identifying a broad two-step sequence that appears to underlie the erosion process, i.e., the violation-event that serves as a trigger followed by the post-violation assessment, and highlighting the need to focus future research efforts on deciphering the assessment stage. Third, we took the first step towards decoding the assessment stage by identifying and testing the effects of two key factors – the actual damage that has been incurred (in contrast to being avoided) and different repair efforts ranging from an explanation to an apology to a remedy. Pinpointing, testing, and adding more explanatory variables to the two already identified should, over time, lead to the development of an integrated model of trust erosion. Fourth, this study represents an attempt to push the boundaries of trust research, which have been primarily conceptual in nature to date, by contributing to the slowly building pool of empirical research.

For leaders in organizations, this study offers some critical guidelines for fostering and maintaining trust in their work relationships. The results underscore the importance of maintaining the trust of colleagues and subordinates by constantly meeting expectations. The actual incurrence or avoidance of damages from a violation of trust appear to be peripheral – employees and colleagues appear more concerned about the violation as a principle and a harbinger of similar future incidents. It is worth remembering that this finding will be significantly amplified for those in leadership positions given the symbolic role they play in organizations (Bolman and Deal, 2013). Both their trust violation actions (regardless of damages incurred or avoided) and their trust repair actions will “speak” volumes and shape the culture of the organization.

Further, if a trust violation were to occur, the onus is on the leader in the relationship to quickly engage in trust repair behaviours such as offering a good explanation, a heartfelt apology, and helpful remedy to help minimize the erosion of trust. While such actions are an absolute must if the leader himself/herself happens to be the trustee, it can be argued that he/she should still have a role to play even if the trustee was another colleague/employee in the organization (assuming the leader comes to know of the trust violation between the two employees). It would be part of the leader’s responsibility to encourage the trustee to proactively engage in trust repair behaviours and guide him/her in that process so as to minimize any erosion of trust between the two parties (which, in turn, would help lessen any negative impact on their work collaboration and performance). While the trustor may continue to be wary of the trustee in future interactions, it appears that trust can indeed be repaired (or trust erosion minimized) by owning up to the violation and engaging in the appropriate behaviours. In a general sense, the study highlights the fragile nature of trust and the risks of becoming complacent in a high-trust relationship.

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