Revisiting the Foundations
of Organizational Distrust

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Contents

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ABSTRACT

Parallel to the very large scholarly interest in trust, scholars in management and related disciplines have made the case for the importance of distrust as a related but distinct construct. This paper critically assesses current literature on distrust in organizational settings. We first take stock of the extant research on organizational distrust and suggest an integrative framework.

Second, to underpin research on organizational distrust, we examine the different scholarly perspectives on the conceptual relationship between trust and distrust. In turn, we discuss key issues to position research on trust and distrust. Third, we highlight empirical evidence on the role of distrust as opposed to that of trust. We specifically discuss alternative approaches and implications about how

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distrust and trust can be empirically distinguished. Fourth, we make suggestions to integrate distrust research into relationship repair literature. Fifth, we summarize our review and point to specific areas for new theoretical and empirical research on distrust, particularly at the organizational level. Finally, we discuss specific empirical challenges in this growing literature. Based on our systematic discussion of the organizational distrust literature, we believe that we have opened up prospective avenues to advance distrust research in strategic management.

1

Introduction

Parallel to the very large scholarly interest in trust in an organizational context, researchers from a variety of disciplines—organization theory (*e.g.*, Sitkin and Roth, 1993), marketing (*e.g.*, Cho, 2006), international business (*e.g.*, MacDuffie, 2011), strategy (*e.g.*, Lumineau, 2017), information systems (*e.g.*, Dimoka, 2010), and psychology (*e.g.*, Kramer, 1999)—have started making significant progress in grasping distrust. While efforts are regularly being made to synthesize the works on trust (see Fulmer and Gelfand, 2012; Kramer and Lewicki, 2010; or Lewicki *et al.*, 2006 for recent reviews), the evidence accumulating on organizational distrust lacks coherence.

While social scientists have regarded trust as a critical element in social exchange (Blau, 1964), distrust is also at the heart of social relationships. Distrust has been linked to a large set of organizational issues ranging from intergroup behaviors (Insko and Schopler, 1997), revenge (Bies and Tripp, 1996), transaction costs (Levi *et al.*, 2004), cognitive processes (Fein, 1996; Hilton *et al.*, 1993), organizational control (Walgenbach, 2001), purchasing decisions (Cho, 2006), or interorganizational contracting (Connelly *et al.*, 2012a; Lumineau, 2017). Fifteen years ago, Kramer (1999) and Lewicki *et al.* (1998) pointed out the

importance of distrust in organizations and called for a more systematic study of this construct. However, Kramer's (1999) study mostly discussed the empirical antecedents and consequences of distrust and did not explicitly indicate how the extant research validated the necessity of additional distrust studies compared to trust studies. Lewicki *et al.* (1998), on the other hand, focused on providing evidence of the coexistence of trust and distrust but only shed some light on the conceptual relationship between trust and distrust, the coexistence of these two constructs, and their implications for strategic management. The current paper is different from these prior studies in that it does not avoid a comparison of distrust to trust. Rather, we systematically discuss the theoretical perspectives on the relationship between distrust and trust, highlight the potential research opportunities and challenges pertinent to distrust studies, and draw implications of distrust research for strategic management.

As illustrated in Figure 1.1, the literature on distrust has grown substantially since the beginning of the 1960s.[1] One initial observation is that the extant research uses many different definitions and perspectives on distrust, and this diversity exacerbates the fragmentation of the literature. The variety of perspectives on distrust only re-emphasizes the necessity of gaining a better understanding of how distrust links to and distinguishes itself from trust before exploring the prospect and challenges of distrust research, particularly for scholars in strategic management. More specifically, it is crucial to draw attention to the novel insights that distrust studies may bring about for strategic management and organizational theory scholars. Hence, we organize our analysis into six parts: (a) discussing extant research on distrust in organizational settings; (b) examining various theoretical perspectives on the relationship between trust and distrust; (c) illustrating the extant empirical evidence of the relationship between trust and distrust; (d) considering the potential role of distrust in relationship repair; (e) pointing out

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[1] Although distrust has been discussed by philosophers for centuries (*e.g.* "Both oligarch and tyrant mistrust the people, and therefore deprive them of their arms"—Aristotle; "Objection, evasion, joyous distrust, and love of irony are signs of health; everything absolute belongs to pathology"—Friedrich Nietzsche), we traced back the first systematic discussion of distrust in social sciences at the beginning of the 1960s.
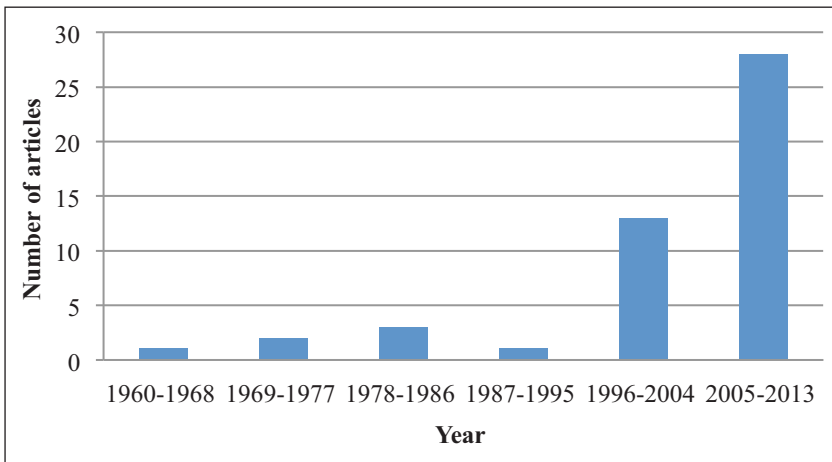
Figure 1.1: Growth in Studies on Distrust in Organizational Settings, 1960-2013.

Note: This figure is based on a computerized search of the Web of Knowledge, ProQuest, and Ebsco databases. We conducted our search with the primary keyword *distrust*, either as the topic of the study, or in its abstract, or in the whole document. Following the approach of prior reviews (*e.g.*, Fulmer and Gelfand, 2012), we first focused on the 15 major management journals (*Academy of Management Journal, Academy of Management Review, Administrative Science Quarterly, Business and Society, Business Ethics Quarterly, Journal of Applied Psychology, Journal of Business Ethics, Journal of Management, Journal of Management Studies, Journal of Organizational Behavior, Organizational Behavior and Human Decision Processes, Organization Science, Organization Studies, Personnel Psychology,* and *Strategic Management Journal*). This left us with a total of 68 papers.

   We then undertook complementary manual searches in the 15 major journals, in the Social Sciences Citation Index using the seminal articles, and on the websites of contributors to look for other relevant papers and books (see Aguinis and Glavas, 2012; Fulmer and Gelfand, 2012 for a similar approach). Through this manual search process, we identified several relevant books (*e.g.*, Fox, 1974; Luhmann, 1979) and papers (*e.g.*, Bies and Tripp, 1996; Worchel, 1979) that were not in our initial list. The review underpinning our arguments, therefore, has a broad approach by including both quantitative and qualitative studies, both theoretical and empirical works published in target journals, and relevant seminal articles outside the target journals as well as representative books. These papers and books were then read and coded by two independent coders and any differences were resolved through discussion.

specific research avenues in strategy areas; and (f) highlighting empirical challenges of studying distrust in organizational settings. Based on our examination of existing research on distrust in organizational settings in the first section, we extend our discussion to various theoretical perspectives and empirical evidence of the relationship between trust and distrust in the following sections. We also suggest specific promising research opportunities and challenges of distrust studies in the last three sections. As distrust spans many different research areas, we believe that our study is likely to interest scholars in management as well as in the sociology of organizations and organizational psychology.

2

Extant Research on Distrust in Organizational Settings

To examine the study of organizational distrust (OD research hereafter), we first draw attention to the research threads and gaps in the extant literature and discuss a selection of critical issues that merit further attention in future research. Although distrust has been discussed in different disciplines and contexts, in the current study, we focus on distrust in an organizational setting that links to different organizational issues. We organize this body of literature in a framework, bringing together the forms of OD, its antecedents, its outcomes, the moderators of the antecedents–OD relationship, and the moderators of the OD–outcomes relationship [see Figure 2.1 and Table 2.1]. Although we will not describe all of the studies summarized in Table 2.1, the table provides an accessible way to locate sources addressing various types of relationships in the OD literature. It helps to highlight some gaps that remain underexplored for each aspect of the framework. We believe the table provides a general resource that future OD researchers can use to benchmark their own research, regardless of the theoretical perspective that is developed or tested. This review of extant research also provides the background for our further discussion. We will first summarize extant OD research in terms of its forms, its antecedents, its consequences,
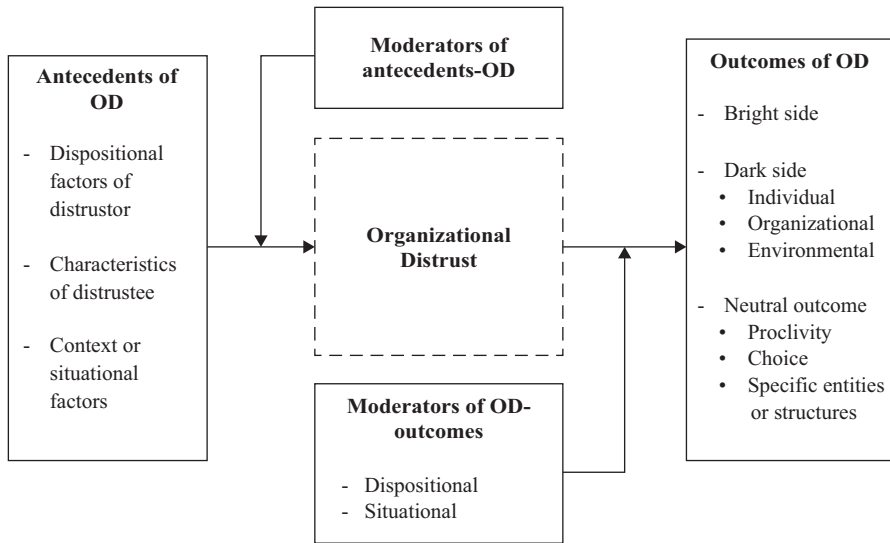
Figure 2.1: An Integrative Framework of Organizational Distrust (OD): Antecedents, Moderators, and Outcomes.

and its contingent relationships in this section. As the definition of organizational distrust hinges on how distrust relates to trust as well as how distrust links to the organization issues in question, we will turn to extensively analyze its relationship with trust in the next two sections.

2.1   Forms of Organizational Distrust

Diverse perspectives on distrust in the extant literature have led to challenges in capturing the concept in practice and difficulties in directly comparing different studies. Based on the existing literature, two main perspectives on the form of distrust can be drawn from the existing literature: *distrust as a behavior* and *distrust as a belief,* emphasizing distinct aspects of the construct.

Behaviors that potentially contribute to distrust include distorting information, instituting formal agreements or organizations (*e.g.*, Beaumont and Deaton, 1981; Fox, 1974), increasing controls and monitoring (*e.g.*, Lewicki *et al.*, 1998; Walgenbach, 2001), looking for backup or "failsafe" means (*e.g.*, Dunn, 1988), reducing compliance

Table 2.1: An Integrative Framework of Distrust in Organizational Settings.

Antecedents of Distrust	Consequences of Distrust
Dispositional factors of distrustor: – Management's / Union's beliefs (Muench, 1960) – Sinister attribution error / People who exhibit paranoid thought patterns (Kramer, 1994) – Individuals' self-consciousness (Fenigstein and Vanable, 1992; Kramer, 1994; Zimbardo et al., 1981) – Experienced employees (Kanter and Mirvis, 1989) – Bounded rationality (Lewicki et al., 1998) – Managers with a high propensity to trust (Whitener et al., 1998; Becerra and Gupta, 2003) – Greater autonomy (Becerra and Gupta, 2003) – A more internal locus of control (Becerra and Gupta, 2003; Deci and Ryan, 1987) – Greater self-efficacy (Becerra and Gupta, 2003; Whitener et al., 1998) – The self-interest of managers (Dirks and Ferrin, 2001) – High Machs (Dahling et al., 2009) – A strong desire to know about the harmful intentions of others (Marr et al., 2012)	**Bright side:** – A level of rationality (Simon, 1957) – Expansion of trust (Luhmann, 1979) – Effective self-regulation (Ashford and Tsui, 1991) – Effective group functioning, economic order and efficiency merits consideration (Lewicki et al., 1998) – Limit exploitation and protect those who cannot protect themselves (Levi, 2000) – Detect the less prevalent contingencies more readily (Schul et al., 2008) **Dark side:** – Labor-management conflicts/ Ineffective union-management communication (Muench, 1960) – Social instability and dysfunctioning (Blau, 1964) – Respond to a supervisor with suspicion; Suspicion of the motives of others; Rejection of authority figures; See little connection between events; A sense of individual powerlessness; A sense that if one is not careful one will get into trouble (Triandis et al., 1975) – Reduced cooperation and commitment; Reluctant to restore or maintain relationship; Dissolution of relationship (Luhmann, 1979; Robinson, 1996; Sheppard and Sherman, 1998)

Table 2.1: An Integrative Framework of Distrust in Organizational Settings—(Continued)

Antecedents of Distrust	Consequences of Distrust
Characteristics or behaviors of distrustee:	**Dark side:**
– When peers and outgroup members are exploitative (Triandis *et al.*, 1975)	– Dissatisfaction and instability in intimate relationships (Marr *et al.*, 2012)
– Perceptions of value incongruence with the other (Sitkin and Roth, 1993)	– An increase in control in interorganizational relationships (Walgenbach, 2001)
– Contract violation and contract breach (Robinson, 1996; Rousseau and McLean Parks, 1993)	– Relationship quality can be compromised by individuals (Afifi *et al.*, 2004; Ickes *et al.*, 2003)
– The degree of trustworthiness of the source (Szulanski *et al.*, 2004; Tyre and Orlikowski, 1994)	– Lower employee contributions (*e.g.*, performance and attendance), lower employer investments (*e.g.*, retention and promotion) (Rousseau and McLean Parks, 1993)
– The accumulation of perceived falsehoods / Little-boy-who-cried- wolf-phenomenon (Kracher and Johnson, 1997; Simons, 2002)	– Lowering consumers' willingness of self-disclosure (Cho, 2006)
– Perceptions of hurt and betrayal (Bies *et al.*, 1997)	– Continual monitoring of the distrusted perpetrator (Lewicki *et al.*, 1998)
– The formal fulfillment of abstract criteria (Walgenbach, 2001)	– Individuals are less willing to interact with those whom are distrusted (Kramer, 1999)
– The perpetrator of the incivility (Darley, 2004; Gill and Sypher, 2009; Scott *et al.*, 2013)	– Feel resentment and anger; Feel distress, threat, and jealously (Cialdini, 1996; Ickes *et al.*, 2003)
– Breaching voluntary commitments (Sheppard and Sherman, 1998)	– Reciprocate with low levels of trust; respond by reciprocation of distrust (Pillutla *et al.*, 2003; Simons, 2002)
– Signs that threaten the social norms (Branzei *et al.*, 2007)	
– Symbols that are out of place in a given situation (Rafaeli *et al.*, 2008)	

Table 2.1: An Integrative Framework of Distrust in Organizational Settings—(Continued)

Antecedents of Distrust	Consequences of Distrust
Contextual or situational factors:	**Dark side:**
– When people are motivated to attend to harmful stimuli (Heilbrun, 1968; Locascio and Snyder, 1975)	– Reduced civic virtue behaviors; Less willing to provide assistance in response to a staged accident (Dahling et al., 2009; Robinson, 1996)
– When resources are scarce, authorities cannot satisfy all competing groups, or competition among groups increases (Gamson, 1968; Triandis et al., 1975)	– Unwilling to form attachments with or make oneself vulnerable to others (Mayer et al., 1995)
– When parents have little money and public authority figures (such as welfare agencies) are highly bureaucratic (Triandis et al., 1975)	– Inhibit efforts to validate and supplement the source's advice (Tyre and Orlikowski, 1994; Szulanski et al., 2004)
– Diverse challenges and stress (Kramer, 1994)	– Paranoid cognitions (Bies and Tripp, 1996; Bies et al., 1997)
– The audit explosion (Power, 1994, p. 13; Walgenbach, 2001)	– Revenge (Bies et al., 1997)
– Social categorization processes (Kramer, 1999)	– Organizations' productivity suffers (Sparrowe et al., 2001)
– Where nonverbal information is unavailable (Valley et al., 1998)	– Individuals are more likely to attend to the competitive motives (Dirks and Ferrin, 2001)
– Leaders' efforts to resolve the uncertainty (Kramer and Wei, 1999)	– Lower performance, organizational commitment, and job satisfaction and greater turnover intentions (Dirks and Ferrin, 2002)
– A widespread sense of vulnerability and heightened risk consciousness (Scott and Walsham, 2005; Wilkinson, 2001)	– View the suspicious person less favorably and are more motivated to socially reject them (Bies and Tripp, 2002)
– The presence of competitive rewards (Dirks and Ferrin, 2001), contract (Koehn, 2001), or monitoring and surveillance systems (Cialdini, 1996; Fenigstein and Vanable, 1992; Kramer, 1994; Zimbardo et al., 1981)	– Make any initial concern about negotiating online an even more salient obstacle to overcome (Naquin and Paulson, 2003)

Table 2.1: An Integrative Framework of Distrust in Organizational Settings—(Continued)

Antecedents of Distrust	Consequences of Distrust
Contextual or situational factors:	**Dark side:**
– The lack of confidence in the standard certification (*e.g.*, ISO 9000) (Walgenbach, 2001)	– Destroy the foundation of our economy and prosperity (Frankel, 2006)
– Sinister opportunities available (Naquin and Paulson, 2003)	– Reduce compliance (Rafaeli *et al.*, 2008)
– The transparency and porosity of boundaries that characterize a knowledge economy (Scott and Walsham, 2005)	– The very outcome (*i.e.*, social rejection) the information seeker wants to avoid (Marr *et al.*, 2012)
– An absence of symbols connecting a strange entity to a larger entity (Rafaeli *et al.*, 2008)	**Neutral outcome:**
	– Mistrust often begets mistrust (Fox, 1974; Zand, 1972)
	– Be more sensitive to cues about possible layoffs (Goodman and Salipante, 1976)
	– Preference of representation by an aggressive union (Hammer and Berman, 1981)
	– Institutionalized in specialized roles (*e.g.*, quality control inspectors or auditors), positions (*e.g.*, first-line supervisors), and sanctions (applicable punishments for specific infractions) (Lewicki *et al.*, 1998)
	– Psychological barriers to trust (Kramer, 1999; Lewicki *et al.*, 2006)
	– Privilege negative evidence over positive evidence (Kim *et al.*, 2004; Slovic, 1993)
	– Activate non-dominant rules (Schul *et al.*, 2008)
	– Joint consultative committees (Beaumont and Deaton, 1981; Fox, 1974)

Table 2.1: An Integrative Framework of Distrust in Organizational Settings—(Continued)

Antecedents of Distrust	Consequences of Distrust
	– A state of attributional conservatism, elevating their threshold for accepting behavioral information (Fein, 1996; Hilton *et al.*, 1993) – Evokes active, mindful processing of attribution-relevant information (Fein, 1996) – People tend to act as monitors who seek out information; others tend to act as blunters who avoid gathering additional information (Marr *et al.*, 2012)
Contingencies of Distrust	
Contingencies of antecedents-OD relationship: – Positions of power or control (Kramer and Wei, 1999) – Types of trustor (Individualist/ collectivsist) and kinds of communication (low-context/ high context) (Nisbett *et al.*, 2001; Singelis and Brown, 1995)	**Contingencies of OD-outcomes relationship:** – High Machs/low Machs (Harrell and Hartnagel, 1976) – Pressures toward heterogeneity versus homogeneity (Lewicki *et al.*, 1998) – Weak/ Midrange/Strong situations (Dirks and Ferrin, 2001) – The features of environment (routine/ non-routine; prevalent/ unexpected) (Schul *et al.*, 2008) – Environment that implements the max rule/min rule (Schul *et al.*, 2008) – In-group/ out-group members (Kramer, 2002; Marr *et al.*, 2012)

(*e.g.*, Rafaeli *et al.*, 2008), lowering contributions or investments (*e.g.*, Rousseau and McLean Parks, 1993), or avoiding business transactions (Cho, 2006).

Distrust as a belief is considered stemming from knowledge of the individual's capabilities, intent, or actions, which may be manifested in an expectation of a partner's undesirable behavior (Deutsch, 1960). Relevant works generally emphasize a belief or expectation concerning the unacceptable actions or outcomes of another party. Most of these studies tend to account for distrust without an explicit concern for trust (*e.g.*, Becerra and Gupta, 2003; Connelly *et al.*, 2012b). They use distrust as the primary construct without explaining how distrust is different from low trust. However, a few works do make a comparison between trust beliefs and distrust beliefs. These works typically attribute distrust beliefs to the other's psychological state and motives, such as suspicion, possession of ulterior motives, or value incongruence (Deutsch and Krauss, 1962; Fein, 1996; Fein and Hilton, 1994). Distrust beliefs tend to be related to generalized value incongruities, while trust beliefs are associated with task reliability or competence (Sitkin and Roth, 1993).

As distrust behavior and distrust beliefs are closely interconnected to the causes and effects of organizational distrust, it is necessary to make a clearer delineation of the nature of OD by discussing its antecedents and its consequences.

2.2   Antecedents of Organizational Distrust

Organizational distrust generally contributes to, and not merely results from, the preconditions of risk and interdependence. To better understand the antecedents of OD, we start by examining a number of causes or inputs of distrust and organize them into three categories (see Kramer, 1994; Lewicki *et al.*, 2006, for a similar approach):

The dispositional factors of the distrustor,

The characteristics or behaviors of the distrustee, and

The contextual or situational factors in which distrust occurs.

Dispositional factors mainly concern the features of the distrustor that are likely to influence the distrustor's propensity to distrust. For instance, managers' self-interest (Dirks and Ferrin, 2001), employees' experience (Kanter and Mirvis, 1989), personality characteristics of high Machiavellianism (Mach) (Dahling *et al.*, 2009), paranoid thought patterns (Kramer, 1994), or strong motivations to attend to harmful stimuli (Locascio and Snyder, 1975; Marr *et al.*, 2012) have been proposed as elements likely to trigger a distrustor's cynical thoughts about others and his/her behavior in ways that signal distrust to others. In comparison, the distrustee's characteristics and behaviors primarily pertain to the distrustworthiness of the distrustee. For instance, perceived falsehoods (Simons, 2002), value incongruence with the other party (Sitkin and Roth, 1993), incivility (Darley, 2004; Gill and Sypher, 2009; Scott *et al.*, 2013), feelings of hurt and betrayal (Bies *et al.*, 1997), or contract violation and contract breach (Robinson, 1996; Rousseau and McLean Parks, 1993) provide foundations for distrustworthiness. As for the contextual factors of distrust, several studies have shown that a heightened sense of distrust tends to emerge in specific situations (Kramer, 1994, 1996; Naquin and Paulson, 2003; Rafaeli *et al.*, 2008). For instance, resource scarcity, intense competition (Gamson, 1968), and the existence of some negative institutions and their actions (surveillance, monitoring, history of trust abuse) may foster distrust (*e.g.*, Cialdini, 1996; Dirks and Ferrin, 2001; Kramer and Wei, 1999; Scott and Walsham, 2005).

Notably, we observe that situational antecedents to distrust are most commonly examined simultaneously with other types of antecedents to distrust. For instance, managers with competitive rewards are likely to be more self-interested, which makes them less trusting of their peers (Dirks and Ferrin, 2001). Moreover, in situations where nonverbal information is unavailable, the parties have more sinister opportunities to engage in exaggerations or lies that make them more distrustworthy (Valley *et al.*, 1998), in turn triggering distrust. Recent work has also begun to address distrust relationships across levels of analysis (*e.g.*, Gullett *et al.*, 2009; Marr *et al.*, 2012; Scott *et al.*, 2013; Sójka, 1999).

While the majority of research on antecedents to distrust conducted to date has focused on the individual or group levels [see Table 2.1 for an overview], we view research at the organization level (within-organizations and between organizations) as a significant opportunity for the OD literature.

One way to extend OD research at the individual or group level to the organization level is to identify the different sources of distrust at different levels of an organization. For instance, individual boundary spanners, who are responsible for information processing and representing the organization, occupy different positions in their organizations in the context of interorganizational collaboration (Aldrich and Herker, 1977; Perrone *et al.*, 2003). As individuals who frame the strategic intent are usually different from those who implement the plan (Salk and Simonin, 2003), recent work (*e.g.*, Janowicz-Panjaitan and Noorderhaven, 2009) has shown that interorganizational relationships are affected by boundary spanners who occupy positions at various hierarchical levels. While operating-level boundary spanners are usually the primary actors who transfer information across organizational borders, corporate-level boundary spanners generally establish systems and structures of collaboration that can influence the extent and nature of information exchanged between organizations. However, it is still unknown whether there are common antecedents to distrust at different levels, and to what extent or under which conditions distrust at the operating level also affects the formation of distrust at the senior, strategic level.

Another critical issue is to distinguish between distrusting beliefs and distrusting behaviors at the different levels. For example, if knowledge sharing is an example of and contributes to trusting behavior, a failure to share knowledge may simply represent low trusting behavior. Low trusting behavior may be partially determined by distrusting beliefs or distrusting behavior at the different levels (*e.g.*, control or monitoring mechanisms established at the corporate level) but may not be equivalent to distrusting behavior at the same level (*i.e.*, the operating level). Knowledge misappropriation, for instance, may instead function as a distrusting behavior that has interrelated but distinct determinants of trusting behavior.

2.3 Consequences of Organizational Distrust

Following our review of the antecedents of OD, we now turn to the literature around the nature of the outcomes of distrust and consider (a) the negative outcomes, (b) the positive outcomes, and (c) the neutral outcomes.

The negative outcomes. As scholars have traditionally considered trust as *good* and distrust as *bad* (Lewicki *et al.*, 1998; Lumineau, 2017), the detrimental effects of distrust account for most of the extant studies (*e.g.*, Lewicki, 2007). We can categorize these effects by their manifestations in terms of the degree of externalization. With a low degree of externalization, a sense of individual powerlessness, feelings of distress, threat, and jealously may occur (Ickes *et al.*, 2003). With a moderate degree of externalization, a person may see little connection between events, leading to apathy (Triandis *et al.*, 1975). Distrust can increase the likelihood of paranoid cognitions (Bies and Tripp, 1996; Bies *et al.*, 1997). With a high degree of externalization, which is also the most serious situation, distrust will influence the actual behavior of the other party. For example, a person may reject authority figures or institutions of the establishment (Triandis *et al.*, 1975), be unwilling to disclose personal information or commit to a long-term relationship (Cho, 2006), be less willing to interact with those who are distrusted (Kramer, 1999), or be reluctant to cooperate, commit, restore, or maintain relationships (Afifi *et al.*, 2004; Cho, 2006; Ickes *et al.*, 2003; Luhmann, 1979; Robinson, 1996; Sheppard and Sherman, 1998). Arguably, distrusting beliefs can serve as a necessary but not a sufficient condition for distrusting behavior. These forms of distrust can be distinguished in terms of the degree of distrust and the sequence of occurrence. A further interesting question is whether the consequences of distrusting *behaviors* tend to be positive or at least neutral for organizations, while the consequences of distrusting *beliefs* tend to be negative within or across organizations. For example, holding a distrusting belief in the partner, the focal firm may be reluctant to transfer key knowledge to the partner, which in turn results in reciprocal distrust from the partner. If this is the case, distrusting beliefs from one side may lead to a malfunction in the relationship where no cooperative interactions exist. However, once the focal firm

instituted strict contractual terms to mitigate potential opportunism from the partner (*i.e.*, a type of distrusting behavior), the partner may commit to the relationship in order to reshape the focal firm's confidence on the partner, which in turn leads to reciprocal trust from the focal firm. If this is the case, distrusting behaviors from one side may facilitate collaborative interactions among parties. Further examination of the micro-macro links may be of particular interest to strategic management scholars.

Regarding the important context variables, distrust in the workplace may lead to lower employee contributions (*e.g.*, performance and attendance), lower job satisfaction and greater turnover intentions (Dirks and Ferrin, 2002), lower employer investments (*e.g.*, retention and promotion) (Rousseau and McLean Parks, 1993), ineffective communication (Muench, 1960), raised intraorganizational conflicts (Muench, 1960), lower compliance (Rafaeli *et al.*, 2008), and reduced civic virtue behaviors (Robinson, 1996). When it comes to organizational performance, distrust may result in substantially deteriorated organizational productivity (Sparrowe *et al.*, 2001). Finally, at the level of the organization in its environment, Frankel (2006, p. 5) noted that "dishonesty and mistrust are not free... [they] can destroy the foundation of our economy and prosperity" and, as such, distrust is expected to be critical to social stability and functioning (see also Blau, 1964). Our analysis of the literature indicates that most studies focus on intra-organizational performance while few have investigated the influence of distrust on interorganizational relationships and relationship management systems and structures. We therefore see abundant research opportunities to connect distrust within organizations and distrust within a culture or society to distrust across organizations, particularly in a cross-cultural context. For instance, it would be particularly interesting to examine whether distrust that is prevalent within a society encourages or discourages the formation of distrust between organizations but positively moderates the association between distrust within organizations and interorganizational relationships. When distrust is prevalent within a society, organizations are more likely to value the relationships already formed. In this context, they may tend to rely more on relational

governance to maintain their relationships. However, if distrust within organizations is prevalent along with prevalent societal distrust, distrust across organizations is more likely to occur and be reinforced.

The positive outcomes. One tension that has not been systematically explored in relation to the consequences of distrust is its potential double-edged role. Traditionally, scholars have viewed trust as positive and have regarded distrust as negative, presuming this orientation to be a consistent feature of the two constructs. However, this presumption may ignore the potential heterogeneity in perceptions within and across entities (*e.g.*, different people may have different cognitions about the same issue, or the same person may have different cognitions of the same thing over time), and thus may lead to erroneous analysis. A few early studies (Janis, 1972; Lewicki *et al.*, 1998) have indicated that looking only at the positive side of actions may result in detrimental thought patterns such as group-think, whereas others (Bromiley and Cummings, 1995; Dunn, 1988) suggested that looking only at the negative side can paralyze action.

It is interesting to observe that early studies of distrust were more likely to advocate for the beneficial side of distrust (*e.g.*, Luhmann, 1979; Simon, 1957). Simon (1957) argued that the organization as a whole can establish a level of rationality that goes beyond individual members' rationality by leveraging distrust via establishing specific structures and systems. Luhmann (1979) maintained that distrust is essential for the expansion of trust. A few more recent studies have reaffirmed the potentially advantageous effects of distrust (Lumineau, 2017). For instance, Lewicki *et al.* (1998) observed that distrust can be conducive to group functioning, economic order, and efficiency by balancing presumed trust with some degree of prudent caution. Considering citizens' judgments in governments and politicians, Levi (2000) also contended that distrust prevents exploitation and provides protection of those who cannot protect themselves. Arguing for the merits of "prudent paranoia" and suspicion, distrust stimulates active information search and healthy vigilance (Kramer, 2002) and allows partners to envisage alternative scenarios where trust might be violated as well as facilitate creativity in assuring that those breaches do not occur (Mayer and Mussweiler, 2011; Schul *et al.*, 2008).

The neutral outcomes. In addition to the double-edged role of distrust, a few studies have provided insights about distrust outcomes that are neither beneficial nor harmful. Some conditions may spontaneously ensue after distrust has emerged. For instance, a tendency to privilege negative evidence over positive evidence may result from distrust (Kim *et al.*, 2004; Slovic, 1993). When experiencing social uncertainty, some people act as high monitors, who tend to seek out information, while other people act as low monitors, who are likely to avoid additional information; in addition, some people act as high blunters, who are inclined to distract themselves, while others act as low blunters, who prefer to avoid distractions and favor cues about uncertainty (Miller, 1987). The motivation to seek out information about whether fellow members have communicated harmful rumors about them to others can increase the accessibility of harm-related cognitions in the mind of information seekers (Marr *et al.*, 2012). Distrust can also activate non-dominant rules (Schul *et al.*, 2008) and make suspicious perceivers pause to draw inferences from the target, facilitating the perceivers' deliberation about the target's behavior, raising the standard of behavioral message acceptance (Hilton *et al.*, 1993), and evoking relatively active, mindful processing of attribution-relevant information (Fein, 1996, p.1167). Furthermore, distrust may influence the decision between different choices. Faculty members who distrust the administration's decision-making, for example, will prefer representation by an aggressive union rather than by a protective union (Hammer and Berman, 1981). Finally, distrust often engenders and is manifested in particular entities or structures. Distrust often comes with an increase in control in interorganizational relationships (Walgenbach, 2001). It may be institutionalized in specific organizational structures (*e.g.*, joint consultative committees) (Beaumont and Deaton, 1981; Fox, 1974), specialized organizational roles or positions (*e.g.*, auditors, first-line supervisors, or inspectors of product quality), and specific sanctions or provisions (*e.g.*, punishments for transgressions or contractual clauses for potential misbehaviors) (Lewicki *et al.*, 1998).

Overall, our analysis of the consequences of OD leads us to point out that the literature has suffered from the opposite bias to that of trust analysis (a focus on the positive impact of trust) by mostly highlighting

the disadvantages of distrust. We suggest that the applicability of different theories and the appropriateness of typical assumptions (trust being positive and distrust negative) are worth being thoroughly reconsidered in future research. In practice, the double- edged role of organizational distrust may enrich and deepen our understanding of the growing literature on trust and distrust repair. As noted by others (Lewicki *et al.*, 1998; Lumineau, 2017), trust and distrust can have both beneficial and detrimental consequences, and the important question is to consider the conditions under which varying degrees of trust and of distrust can be beneficial or harmful.

The issue of finding an appropriate balance of trust and distrust becomes especially crucial when scholars examine the influence of trust and distrust at various organizational levels or across different business domains. Since intraorganizational and interorganizational collaborations involve many interactions among different parties across domains over time, the interplay of trust and distrust—between individuals, work units, or organizations—has important practical implications for managers. In this paper, we provide a critical overview of the constructs that underlie this complexity. If trust and distrust are simply opposites of one another, the aforementioned questions do not really matter. However, if there are unique characteristics, causes and outcomes that distinguish distrust from trust, the interplay of trust and distrust matters. We will examine the conceptual relationship between trust and distrust in the next section and discuss in detail in relationship-repairing research afterwards.

2.4 Contingencies of Organizational Distrust

As shown in Figure 2.1, contingencies of organizational distrust can be considered from two angles: the moderators of the antecedents-OD relationship and the moderators of the OD- outcomes relationship. On the one hand, several studies in our review explicitly discussed the moderators of the antecedents-OD relationship. However, distinguishing the antecedents from the moderators is challenging, as one can often easily substitute one for the other. For example, Kramer and Wei (1999) considered positions in power or control as potential moderators. Types

of trustors and different kinds of communication may also be studied as moderators (Nisbett *et al.*, 2001; Singelis and Brown, 1995). However, these factors may simply serve as the antecedents of distrust if no interaction effect is observed. On the other hand, the moderators of the OD-outcomes relationship can be classified into two categories: dispositional moderators and situational moderators. A high score on the Machiavellianism scale, for instance, has been viewed as a dispositional moderator of the relationship between OD and the willingness to steal (Harrell and Hartnagel, 1976). As to situational moderators, one's membership in a workplace in-group or out-group, for example, is expected to moderate the relationship between distrust and the degree of active information search (Kramer, 2002; Marr *et al.*, 2012). Taking a more macro approach, previous studies have suggested that the characteristics of the environment may influence the conditions under which distrust can be beneficial (Schul *et al.*, 2008) and how distrust is likely to demonstrate its effects (Dirks and Ferrin, 2001).

In sum, the studies identifying the moderators (Figure 2.1) are generally sparse in the OD literature, especially for the moderators of the antecedents-OD relationship. One critical issue in future research is to identify how moderators of distrust operate differently from antecedents.

Although studies on the moderators of the OD-outcomes relationship have received some attention, these studies tend to focus on situational moderators, while dispositional moderators have been relatively ignored. Hence, we consider these knowledge gaps as interesting avenues for future research.

2.5 Temporal Factors

Arguably, our framework would not be complete without consideration of temporal factors. A prominent anecdotal example is the boy-who-cried-wolf phenomenon. That is, previous white lies made by a person makes one doubtful that the next statements made by the same person will be true (Kracher and Johnson, 1997). Trust or distrust in relationships may unfold over time through various processes, as explained by social exchange theory (Becerra and Gupta, 2003; Whitener *et al.*, 1998),

social information framing (Bies *et al.*, 1997), or the social categorization process (Kramer, 1999). In particular, social exchange theory helps to explain exchange within relationships (*e.g.*, Luo, 2002; Morgan and Hunt, 1994). Prior studies have recognized that trust and reciprocity are intimately related. Without the reciprocation of trust, a relationship can be damaged and its future prospects weakened. However, to our knowledge, few researchers have examined the reciprocal dynamics of distrust. As a growing amount of research has examined trust from each partner's viewpoint in dyadic relationships and discussed trust asymmetry problems (Korsgaard *et al.*, 2015), it may be interesting to consider whether the asymmetry issue in trust studies also matters in OD research. The reciprocity and asymmetry of distrust tend to be associated with a temporal process that results in the occurrence of distrust. While initially designed to protect against unanticipated acts of distrust such as the abuse of power, structural and procedural mechanisms may develop vicious cycles and progressively institutionalize distrust. Braithwaite (1998, p. 344) stated that "institutionalizing distrust means deploying sound principles of institutional design so that institutions check the power of other institutions." Through the institutionalizing process, specific organizations, sanctions, or specialized roles can manifest the presence of distrust (Lewicki *et al.*, 1998; Luhmann, 1979; Zucker, 1986).

Our review of research in this section not only points to some research gaps but also provides the background for further discussion in the next sections. One of the most debatable issues in OD research relates to the nature of the construct itself. This issue is essential to understand the other aforementioned relationships (*i.e.*, antecedents of OD, consequences of OD, and contingencies of OD). Without clearly delineating distrust and distinguishing it from trust, scholars will find it hard to apply the empirical evidence and compare relevant studies. We will thus discuss various perspectives on distrust and extensively analyze its relationship with trust in the next section.

3

Conceptual Relationships between Trust and Distrust

3.1 Managerial and Theoretical Implications of the Relationship between Trust and Distrust

An examination of the relationship between organizational trust and organizational distrust is particularly critical for managers as the changes in the business environment become increasingly rapid and intense. One way to survive in a competitive environment is to cooperate with other organizations, leveraging some external knowledge in order to focus on one's own relative competitive advantage (Dickson, 1992; Ohmae, 1989). However, since many partners usually have only partially overlapping goals, the cooperative relationship cannot be taken for granted (Das and Teng, 1996). Trust and distrust must work *together* as fundamental elements to a strategic relationship and are thus directly relevant to the appropriateness of strategic decision making. If trust was simply the opposite side of distrust, the determinants of trust can directly eliminate the occurrence of distrust. Trust engendered from repeated exchanges (*e.g.*, Gulati, 1995), for instance, can mitigate the concern about distrust and directly benefit the relationship. However, if trust involves some elements that counterbalance other elements of distrust, low trust is not equivalent to distrust (and *vice versa*). Approaches to

rebuild low trust may not entirely release a relationship from distrust, and approaches to manage distrust may not necessarily build trust.

Schoorman, Mayer, and Davis's statement that "if [trust and distrust] are opposites of each other, there is little added value in treating them as separate constructs" (2007, p. 350) presents a challenge to scholars to explicitly explore the relationship between trust and distrust and decide whether they agree with Schoorman et al. However, few studies have tried to systematically analyze the complex relationship between trust and distrust. In this section, we address this issue in two steps. First, we discuss whether trust and distrust are opposite phenomena on a single dimension or whether their structure is more complex. As we have noted, the prevailing assumption has been a unidimensional structure of trust and distrust. Although most prior studies tend to regard trust and distrust as opposites in the same dimensional spectrum, a few works (*e.g.*, Lewicki *et al.*, 1998) have highlighted the possibility of going beyond this unidimensional structure by considering the broader relational context in which trust and distrust exist: in complex relationships, trust and distrust may easily co-exist as distinct constructs. In the second sub-section, we propose that to extend current work, scholars should not only take a stance about whether trust and distrust are joint judgment or distinct judgment, they should also explicitly position their studies in regard to other key assumptions: whether trust and distrust are unidimensional or multi-dimensional, whether multiple individuals are involved in the decision, and whether scholars investigate the constructs across different domains and periods. In this section, we discuss the different ways that the trust and distrust constructs have been conceptualized, and we discuss the implications of this distinction for future research in strategic management.

3.2 Prevailing Assumption in Extant Work: Whether Trust and Distrust are Opposite Phenomena

The definitions provided by the dictionary tend to propose that trust and distrust are concepts at different points on the same continuum.[1]

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[1]Distrust is defined as "a feeling of not being able to trust somebody/something" by Oxford University Press and as "a lack of trust, of faith, or of confidence" by

Model 1	Model 2	Model 3
Two ends of the same conceptual spectrum with overlapping range	*Two ends of the same conceptual spectrum with in-between range*	*Separate concepts on different dimensions*

Model 1:
High distrust — Low distrust
Low trust — High trust

Model 2:
High distrust ←→ High trust
Neutral state

Model 3:
High distrust / Low distrust (vertical)
Low trust ←→ High trust (horizontal)

Figure 3.1: Three Models of Relationship between Trust and Distrust.

While distrust is simply defined as a lack of trust in most dictionaries, it has often been treated in more complex ways in the academic literature. As summarized in Figure 3.1, we synthesize three different research approaches to the relationship between trust and distrust in the extant literature. Some scholars, especially in early distrust research, have suggested that trust and distrust are at two end points on the same dimension (*e.g.*, Arrow, 1974; Lewis and Weigert, 1985; Rotter, 1971; Worchel, 1979). Among these, two views support the argument in different ways depending on whether or not there is a blurring in-between region between trust and distrust (Models 1 and 2). In contrast, Model 3 argues for trust and distrust to be distinctly different constructs (and hence two different dimensions).

Two ends of the same conceptual spectrum with overlapping midrange (Model 1). Some scholars have considered that the absence of trust is equivalent to distrust, suggesting a unidimensional polar-opposite relationship between trust and distrust (*e.g.*, Bigley and Pearce, 1998; Schoorman *et al.*, 2007). For instance, Barber (1983, p. 166) defined distrust as the opposite of trust: "rationally based expectations that technically competent performance and/or fiduciary obligation and responsibility will [not] be forthcoming" in which only the word *not* distinguishes his definition of distrust from his definition of trust. Many

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Collins. In the unabridged Random House dictionary, distrust is defined as follows: "To regard with doubt or suspicion; have no trust in" as a verb and "lack of trust; doubt; suspicion" as a noun. Similarly, Webster's dictionary shows that the definition of distrust, as a noun, is the absence of trust (synonyms – suspicion, wariness), and Webster defines distrust, as a verb, as "to have no trust or confidence in."

personality theory researchers (*e.g.*, Rotter, 1967) who view trust as disposition of an individual also argued that trust and distrust exist at opposite ends of a single trust-distrust continuum, where low trust expectations are viewed as indicative of high distrust, and *vice versa* (Stack, 1988; Tardy, 1988). Trust and distrust are viewed here as a matter of degree on a single continuum with an undefined midrange. Although early works on trust typically did not mention distrust, they tend to implicitly posit this unidimensional perspective (Govier, 1994).

Two ends of the same conceptual spectrum with non-overlapping range (Model 2). Despite a general agreement with the argument that trust and distrust are two opposites of the same dimension (Model 1), some researchers have explicitly noted that violated trust is not equivalent to distrust (*e.g.*, Parkhe and Miller, 2000; Zucker, 1986). For instance, Zucker (1986) indicated that once a trust expectation is violated, it engenders a sense of profound confusion, of a disruption of trust, but it does not affect distrust. Ullmann-Margalit (2004) presented a conception of distrust as the negative of trust with a neutral state in between. Thus, the most prominent feature of Model 2, distinguishing it from Model 1, is the in-between region where individuals are neither highly trusting nor highly distrusting. In contrast to the extreme cases, in the in-between region, individuals are uncertain about the veracity of the information they receive, thus they are less likely either to totally accept the messages or to completely exclude them from information processing. Some scholars (*e.g.*, Fein, 1996; Schul *et al.*, 1996) referred to this state as suspicion. Since distrust and trust emerge only when suspicion arises, distrust and trust imply an attribution of intentionality (Parkhe and Miller, 2000). Accordingly, and distrust may be reduced without generating trust while trust can be disrupted without producing distrust. Distrust does not simply involve the absence of trust but involves an active expectation that the distrustee will behave in a way that violates the distruster's welfare and security (Cho, 2006; Ullmann-Margalit, 2004). In Model 2, distrust and trust are considered through a lens of understanding the other's interests in the relationship and are specifically related to concepts such as encapsulated interests (Hardin, 1992), rational-choice orientation (Coleman, 1990), and calculativeness

(Lewicki *et al.*, 1998; Williamson, 1993). These approaches suggest that the actor will pay specific attention to the parties' long-term interests and will actively search for cues to justify distrust and trust of the other (McEvily, 2011). Although this stream of research suggests that distrust is not equivalent to low trust and *vice versa*, we can infer that distrust and trust may be distinct but interrelated constructs because of the presence of common factors underlying these two constructs in the midrange.

Separate concepts on different dimensions (Model 3). Although many of the theoretical arguments thus far have suggested that trust and distrust are the opposites of each other, a third approach has suggested that trust and distrust may consist of different dimensions (*e.g.*, Lewicki *et al.*, 1998; Sitkin and Roth, 1993). Here, distrust is not only different from low trust or the absence of trust but is also explicitly determined by different elements from those of trust (Lumineau, 2017). While Lewicki *et al.* (1998) provided definitions of trust and distrust that used mostly the same terms, they explained that trust and distrust are separate but linked dimensions. They argued that trust is about expectations of things hoped for and distrust is about expectations of things feared. Although these positively-valenced and negatively-valenced elements may be negatively correlated, their antecedents and consequences can be separate and distinct (Cacioppo and Gardner, 1993). From this perspective, trust spans a continuum ranging from low trust to high trust, and distrust spans a continuum ranging from low distrust to high distrust where the two continuums are not closely dependent on each other (Lewicki *et al.*, 2006).

As a central theme in interorganizational cooperation and coordination (see Cao and Lumineau, 2015 for a recent review), trust and distrust are pivotal to the discussion of team management and alliance management. Negotiating new organizational relationships, as well as managing existing ones, requires actions that will build trust while monitoring relationship dynamics that may create distrust. However, a review of current research has shown that both descriptive and prescriptive studies have blurred our understanding of this important distinction. For instance, considering only the entry stage of organizational

relationships, a few studies (*e.g.*, McKnight *et al.*, 1998) have indicated that high initial trust levels can be found in new organizational relationships. However, other research (*e.g.*, Yoshino and Rangan, 1995) has presented field evidence that many alliances are plagued by strong suspicion and mistrust at the outset. Still, few scholars have systematically examined the underlying structural relationship between trust and distrust that lies behind their studies. We therefore propose four assumptions that scholars are encouraged to take into account before conceptualizing trust and distrust and developing arguments.

3.3 Key Assumptions for the Future Study of Trust and Distrust

Four assumptions will be addressed here. The first assumption is whether trusting and distrusting are one judgment or two judgments. The other three assumptions involve cross-domains within an individual, cross-individual, and cross-time elements of these judgments. All of these assumptions are particularly relevant to understanding trust and distrust in strategic management.

The first assumption is to consider whether trusting and distrusting another involve one or two judgment(s). Following the traditional emphasis on static and stable phenomena, scholars often have treated trust and distrust as static (Rousseau *et al.*, 1998) and antithetical (Bigley and Pearce, 1998, p. 407). This static, either/or view (*i.e.*, one party either completely trusts or completely distrusts another) may be linked to the predominance of laboratory studies in early trust research. As we have described earlier, in Model 1 and Model 2, to trust or to distrust are involved in one joint judgment. That is, "either I trust or I distrust." In contrast, in Model 3, to trust and to distrust are composed of two distinct judgments: "I can trust and distrust at the same time." Assuming that trust and distrust are two distinct judgments is in line with the remark by Luhmann (1979, p. 89–90) that "trust and distrust can be increased side by side." In short, Model 1 and Model 2 assume *trust OR distrust*, while Model 3 assumes *trust AND distrust.*

The second assumption is to decide what dimension(s) and facet(s) of an individual's information processing are involved in trust and distrust judgments. Two aspects are involved under this assumption:

first, whether trust and distrust judgments rest on the same or different dimension(s); and second, what facet(s) is/are involved in the dimension(s). On the one hand, both trust and distrust judgments of an individual may be viewed as unidimensional. Under this assumption, trust and distrust may rest within a single dimension (either jointly or respectively). If trust and distrust rest on a single dimension jointly, this assumption is parallel to the aforementioned Model 1 and Model 2 in the first assumption. In contrast, when trust and distrust rest on different dimensions, respectively, they are determined by the facets of those individual dimensions. For instance, Sitkin and Roth (1993) viewed trust as close to the dimension of task-specific reliability while distrust rests on the dimension of generalized value incongruence.

Moreover, trust and distrust themselves may be regarded as multidimensional. For example, trustworthiness has been frequently described according to three first-order dimensions of trust: trustees' perceived ability, integrity, and benevolence (Mayer *et al.*, 1995). Schoorman *et al.* (2007), for instance, used an example of supplier-buyer relationship to illustrate how the three dimensions of ability, integrity, and benevolence contribute to organizational trust. One might therefore propose that interpersonal distrust could be measured on three dimensions of distrustworthiness: incompetence, malevolence, and lack of integrity (dishonesty, failure to keep promises). Similarly, from the trustor's point of view, Lewicki (2006) proposed that an individual's portfolio of interpersonal relationships could be distinguished according to four independent judgments: calculus-based trust and distrust and identity-based trust and distrust.

Compared to the unidimensional view of trust/distrust, the multidimensional view indicates complexity within and across each construct in an interpersonal judgment. That is, trust and distrust may involve several facets, and these facets could be either overlapping or not. Even if the facets of trust are similar to those of distrust, the depth and complexity of each facet, individually and combined, contribute to the final judgment. Other similar typologies of trust/distrust have been suggested in the literature. In terms of facet(s) on the dimension of calculativeness vs. non-calculativeness, although most research has

placed an emphasis on trust/distrust as a unidimensional judgment of the other of being either calculative (from the perspective of economics) or non-calculative (from the perspective of sociology and psychology), a few works (*e.g.*, Lumineau, 2017; McEvily, 2011; Schilke and Cook, 2015) have cautioned that the judgment of the other's calculativeness may be more complex and multifaceted.

A third important assumption when judgments of trust and distrust are being made across groups—teams, departments, divisions, or even across organizations—is to be explicit about who is involved in the judgments and in the exchange activities. If different individuals are involved in the judgment-making and in the exchange activities, scholars need to take a stance regarding whether they treat trust/distrust judgments as an individual decision (*e.g.*, the one made by the senior member of the group) or as a collective decision (Sitkin and Roth, 1993). One party is likely to have different opinions and views about the other parties in a multiplex relationship. For example, to source raw materials from a supplier, the staff from the focal firm's procurement department, manufacturing department, and finance department may frequently interact with the supplier's sales department. However, it is possible that different opinions, tensions, and disagreement occur among staff members within and between departments. Scholars are also required to investigate whether the individual who makes the judgments is the same as the individual who was directly involved in the exchange (*e.g.*, an agent). Furthermore, if an exchange activity involves different individuals (*e.g.*, an alliance or a joint venture often involves managers, lawyers, and engineers (Argyres and Mayer, 2007)), scholars are encouraged to further explain how the decision makers' functional positions and hierarchical levels may influence their judgments and how their background and the contextual elements at the time of the exchange may affect their interaction with one another and the final judgment. For example, marketing and sales persons who see the benefits of the alliance may emphasize the trust elements, while lawyers who are cautious about the risks of the alliance may emphasize the distrust elements. When individuals from different responsibilities in an organization are involved in a collaboration, how to design the alliance structure can be a useful

discussion to test this assumption. For instance, Albers *et al.* (2013)
maintained that five design parameters of an alliance can contribute to
alliance governance. Among these parameters of alliance structure, the
structural interface between partners (across the alliance) and structural
intraface within partners (on each side of the alliance) highlights the
importance of understanding who is involved in the judgment-making
and exchange transactions, and how their perspectives on the facets of
trust and distrust differ within and across the alliance partners.

The fourth assumption is to take a stance about the temporal do-
main of the judgments— that is, the point of time when the judgments
are measured and the domain(s) that is/are operative and salient when
the exchange occurs, that is, whether the judgments take place across
different domains *and* across different time periods. A few studies have
proposed that relationships are not only multiplex but also evolving over
time (*e.g.*, Lewicki *et al.*, 1998). In particular, as time goes by, relation-
ships within or across organizations may change and/or become more
complex. Given the emerging and evolving nature of social relationships,
human relationships are very likely to contain ambivalence—an uncer-
tainty caused by mixed cognitions or emotions toward the other—and
complex mixtures of both trust and distrust are more likely to charac-
terize the relationship rather than simply some level of trust or distrust
(Lewicki *et al.*, 1998). Chances are that in this relationship, there are
both domain-specific judgments and broader summary judgments about
the level of trust and distrust one has for another, and as time passes,
ambivalence about these relationships may increase and become more
complex (or decrease and become less complex). If this is the case,
trust and distrust may coexist in a relationship, and at different levels,
and the dynamic balance between trust and distrust may distinctly
depend on when they are measured over time. For instance, a few recent
studies (*e.g.*, Babar *et al.*, 2007; Oza *et al.*, 2006) have empirically
identified different factors that are attributable to the importance of
trust in different phases of a business relationship. Different factors are
considered critical to *gaining* initial trust from those that *maintain*
trust, respectively, suggesting that distrust might play different roles
in different phases of a business relationship. To extend this stream of

research, we see opportunities to explore the mixture of factors that contribute to trust and distrust at different levels over time.

Relevant questions include the following:

> Are there common or different factors accruing to trusting level and distrusting level over time in business relationships?

> Are those factors that accrue to a trust/distrust level at the initial stage of a relationship the same as those factors that accrue to a distrust/trust level at a later stage?

> How do these different factors influence trust and distrust levels over time?

Without a more sophisticated understanding of the effectiveness of certain factors that determine trust and distrust levels over time, managers may use similar types or degrees of control/coordination mechanisms to administrate relationships while these mechanisms may not effectively match the key requirements for task performance at different periods. This mismatch may not enable managers to restore trust but instead lead to an escalating cycle of distrust (Sitkin and Stickel, 1996).

Based on these four assumptions, we can identify at least 24 potential models (3 choices for the first assumption x 2 choices for the second assumption x 2 choices for the third assumption x 2 choices for the fourth assumption). Multiple levels and types of trust and distrust judgments can differ across the four different assumptions: *whether* one or two judgments about another are being made, *what* dimension(s) and facet(s) of an individual's information processing are involved in trust and distrust judgments, *who* is involved in the judgments, and *when* the judgments are measured. Interestingly, our review of the literature indicates that some prior research has already been taking a stance on one or more of these assumptions. For example, a frequent approach in the trust/distrust literature (*e.g.*, Schoorman *et al.*, 2007) is based on a specific combination of the four assumptions we discussed: a unilateral approach regarding the first assumption, trust and distrust as a continuum but with multiple facets (*e.g.*, ability, benevolence,

integrity) regarding the second assumption, a collective decision regarding the third assumption, and a static approach regarding the fourth assumption. We encourage future research not to take these specific starting points for granted. Instead, we invite scholars to clearly and visibly position their study in regard to these four critical issues and be explicit about, or even justify, their choices. By considering the four key issues discussed above, it appears that trust and distrust may coexist in the same relationship for different reasons: because the relationship is studied through different trust dimensions (trust on integrity may coexist with distrust on competence for instance), because the relationship is studied through the decision of different parties (trust from the accountants may coexist with distrust from the sales team for instance), and/or because the relationship is studied over time (distrust at the beginning of an alliance and trust later on). Of course, in more complex models, it is possible to combine those different refinements. We can imagine a study distinguishing between trust and distrust as two distinct judgments, different facets of both trust and distrust as well as the specific judgment of different decision makers at different points in time during the relationship.

In the next section, we first show empirical evidence of the relationship between trust and distrust. In view of the scarcity of relevant studies, we further point out some avenues for future research.

4

The Relationship between Trust and Distrust: Empirical Evidence and Research Opportunities

A few empirical studies (*e.g.*, Chang and Fang, 2013; Clark and Payne, 1997; Dimoka, 2010; Huang and Dastmalchian, 2006; Komiak and Benbasat, 2008; Ou and Sia, 2010) have supported the view that trust and distrust are separate constructs. For instance, Constantinople (1969) has shown that basic trust and basic distrust have distinct patterns of variation across factors such as gender, year of college, and time span (*i.e.*, 2-year studies or 3-year studies). Huang and Dastmalchian (2006) also concluded that education and an organizational culture that is supportive of change are positively and significantly associated with societal trust, but these factors are not significantly related to societal distrust. Conducting functional Magnetic Resonance Imaging (fMRI) data, Dimoka (2010) further found that distrust and trust proceed through different neurological processes, activate different brain areas, and have different levels of influence on the economic behavior (*i.e.*, the price premium set to the seller by the buyer). Based on an online survey, Chang and Fang (2013) showed that the negative impact of distrust is stronger than the positive impact of trust on the high-risk internet behaviors. Similarly, by simulating the purchasing behavior at real web stores, Ou and Sia (2010) found that the influence of distrust

on lowering buying intention is stronger than the influence of trust on enhancing buying intention. Moreover, interview data in Saunders *et al.*'s study (2014) suggested that some participants do perceive trust and distrust as entailing different sets of expectations and presenting themselves in different patterns of observed action.

Despite an increasing number of recent empirical distrust studies, we observed that empirical evidence on the complex relationship between trust and distrust is still limited. In this regard, we propose below four potential avenues for future examination that may promote our understanding of the relationship between trust and distrust in practice: (a) approaches to addressing complexity or uncertainty; (b) sources of trust and distrust; (c) dimensions of distrustworthiness and trustworthiness; and (d) pervasiveness of expectation violation and the types of remedy used. We also specifically discuss opportunities created in these avenues for research in strategic management.

4.1   Approaches to Address Complexity or Uncertainty

Trust and distrust are interrelated but distinct in that they both may mitigate complexity and uncertainty in interpersonal and intergroup perception and judgment. Although both trust and distrust allow rational actors to manage uncertainty and complexity in social relationships (*e.g.*, Luhmann, 1979; Mesquita, 2007), they do so through different approaches: Trust reduces social complexity and uncertainty by excluding specific undesirable conduct from consideration, while seeing desirable conduct as just. Conversely, distrust reduces social complexity and uncertainty by viewing undesirable conduct as likely (Luhmann, 1979). While trust by itself reduces the complexity of the social system, distrust by itself does not, and thus requires other strategies to reduce complexity (McKnight and Chervany, 2001). In practice, the different approaches to reduce uncertainty may make trusting judgments more likely to create Type II errors (*i.e.*, failure to identify a trust violating condition that might exist) and make distrusting judgments more likely to create Type I errors (*i.e.*, falsely asserting a trust violating condition that does not exist). Not trusting may avoid Type II errors but should not equivalently contribute to Type I errors. Likewise, not distrusting

may avoid Type I errors but should not equivalently contribute to Type II errors. Through the design of valid experiments that can discriminate these judgments and the likelihood of perceiving Type I and Type II errors, scholars may be able to observe the result of different cognitive biases and judgments that distinguish distrust from trust.

4.2 Sources of Trust and Distrust

Another way to differentiate trust from distrust is to consider them as being derived from different stimuli and antecedents. As mentioned in the first section, three categories (see Kramer, 1994 and Lewicki *et al.*, 2006, for a similar approach) can be considered in terms of inputs and antecedents of distrust: (a) the dispositional factors of the distrustor, (b) the characteristics or behaviors of the distrustee, and (c) the contextual or situational factors.

One example that adopts this approach (*i.e.*, different sources of trust and distrust) to differentiate distrust from trust is a study by Komiak and Benbasat (2008). These scholars used an experimental approach to investigate trust and distrust in an online recommendation of agents. They showed that a personalized recommendation of an agent evokes more trust and less distrust than a de-personalized recommendation of an agent. Thus, distrust formation and trust formation are found to be related in different situations.

Another example is the work by Ou and Sia (2009). These researchers created two hypothetical websites of Internet vendors to illustrate the possibility that trust and distrust may operate as separate constructs. On one website (selling digital cameras), the site provided value-adding tips about photography, which the authors argued would be useful in building consumer trust, as it signals to the consumer that the vendor is being helpful to the user. However, they contended, customers would probably not feel suspicious (distrustful) about a website that lacked this kind of information since it is not necessary for the customer's decision to buy a camera from this site. In contrast, broken links in the transactional section of the website (especially in the payment pages) can make online customers wary and distrustful of the website, while customer trust is unlikely to be enhanced even if a website had no dead links. Thus, they

maintained, the stimuli of distrust and trust can be quite different. Their empirical findings also validated their hypotheses: the primary elements of "hygiene attributes" (which they describe as the minimally functional elements of a website that will effectively perform a transaction) are different from those of "motivating attributes" (which they describe as the value-added components of a website that motivate people to surf, explore, and buy), in which consumers' assessment of hygiene attributes tends to determine distrust while consumers' assessment of motivating attributes is likely to influence trust of the site. They also found that distrust influences consumers' intention to buy more significantly than trust.

In line with this approach, strategy scholars could explore the distinct sources of trust and distrust. When studying interorganizational relationships, attention could be devoted to further understand which structural or governance mechanisms build trust vs. create suspicion or distrust. For example, in a recent study, Lumineau (2017) suggested that different types of contract design can incite the inherent tensions between maximizing the positive outcomes of trust and distrust while minimizing their negative outcomes, and that contract writers need to carefully pay attention to the contract structure and language they use to maximize the positive effects.

4.3   Dimensions of Distrustworthiness and Trustworthiness

Among various aforementioned sources that contribute to trust and distrust, we believe that defining the other party's triggering qualities of distrustworthiness, compared to those of trustworthiness, is another promising avenue for future research. If these qualities are different and not just the opposite of those of trustworthiness, it further highlights the prospects for research distinguishing distrust from trust.

Despite widely-recognized and acknowledged dimensions of trustworthiness (*e.g.*, trustee's competence, integrity, and benevolence) (Bacharach and Gambetta, 2001; Mayer *et al.*, 1995), the critical facets of distrustworthiness are seldom explicitly examined. Early studies tended to regard distrustworthiness as primarily motivated by the same

determinants of trustworthiness. For instance, Deutsch (1960) viewed suspicion or distrust as confident expectations in the partner's undesirable behavior, stemming from knowledge of the partner's capabilities and intentions. Gurtman (1992) also saw distrust as a blend of hostility and dominance, suggesting that there are varieties of distrust definable in terms of the relative weights of these two factors. Accordingly, these early studies indicated that distrust depends primarily on the perceived motivation of the potentially distrusted person and his or her competence to act on those motivations. However, recent research has started to define the dimensions of distrustworthiness and trustworthiness differently. For example, Sitkin and Roth (1993) suggested that trust is related to an employee's competence and task reliability, whereas distrust is associated with a generalized value incongruence within an organizational context. This proposition is relevant to the aforementioned approach regarding different sources of trust and distrust.

Another approach to distinguish distrust from trust is to consider the respective weight of their different trustworthiness facets. Even if both distrust and trust judgments are based on judgments of the other's ability and motives, each of the dimensions may have a different impact on trust and distrust (Lewicki *et al.*, 1998). Just as the role of hygiene factors and motivators were argued to differentially contribute to job satisfaction and dissatisfaction (*e.g.*, Herzberg *et al.*, 1959), the positive contributing elements of trustworthiness that enhance trust will not necessarily be identical to their negative effects on engendering distrust and *vice versa* (Cho, 2006). We identify three potential explanations regarding the various mechanisms that distinguish distrustworthiness from trustworthiness and we encourage more contingency analyses in this regard, such as an analysis of the moderators of antecedent-distrust relationship or the moderators of distrust-consequence relationship.

Different weighting of each facet's influence on distrust. The effect of competence on distrust is often considered secondary compared with other facets of distrust (Hardin, 2004). If one trusts one's partner's intention (benevolence or integrity) but lacks confidence regarding his or her competence, one would not say one distrusts the partner.

One may just lack trust in the partner. However, if one trusts one's partner's competence but not his or her intention, one would say one distrusts the partner (Hardin, 2004). Despite the lesser influence of belief in competence on distrust, this point of view usually implicitly takes competence for granted. In other words, belief in the other's competence is required, but its effect on determining distrust is less critical than the effect of one's belief in the other's intentions or motives (how they treat me and whether they are honest). Based on these observations, a potential future research area is to examine whether the perceived competence of a party serves to sort out the trust level of potential partners, while the perception of partners' intention functions to influence distrust and thus shape the relationship performance.

Different effects of each facet on trust and distrust. A second explanation is that each facet is considered to apply to trust and distrust in unequal weighting and effects, respectively (Cho, 2006; Sitkin and Roth, 1993). For instance, Cho (2006) indicated that benevolence tends to be a motivational factor that has a significantly more positive influence on producing trust than its negative effect on fostering distrust. Conversely, competence functions as an instrumental factor that has a significantly more negative influence on the occurrence of distrust than its positive effect on fostering trust. Not only considering the effect of different facets, Cho (2006) also took into account the direction of effect (*i.e.*, benevolence, as a motivational dimension, fosters trust, while competence, as an instrumental dimension, reduces distrust). In view of the principle of trust asymmetry (Slovic, 1993) that stated that trust is easy to lose but hard to build while distrust is easy to obtain but hard to reduce, the understanding of the different dimensions of trust and distrust may help managers effectively address the problem they face in practice. The weighted contribution of each of the dimensions may also depend on the nature of the interorganizational relationship and the degree to which the parties' interdependence requires differential reliance on the trustee's competence, benevolence or integrity.

The timing of different facets' formation. The third explanation is that the effects of different dimensions of distrustworthiness may occur at varying magnitudes in different *phases* of a relationship. In

Mayer *et al.*'s seminal work (1995), the authors noted that judgments of competence and integrity would form relatively quickly in the course of a relationship, whereas benevolence judgments would take more time. In this respect, they contended that "the effect of integrity on trust will be most salient early in the relationship, prior to the development of meaningful benevolence data" (Mayer *et al.*, 1995, p. 722). Given that distrust research has not directly tested these possibilities, we see an opportunity for future research to explore how different dimensions influence distrust in the different stages of a relationship. The influence of distrustworthiness dimensions on the relationship in the different stages has, for instance, important implications for alliance managers, who are in charge of the development of collaboration. Alliance managers want to know what issues are the most relevant to develop collaboration in the early vs. later stages, and, therefore, what they need to do to foster trust early in the relationship, while buttressing against the naturally inevitable distrustful interactions (Mesquita, 2007).

4.4 Pervasiveness of Expectation Violation and the Types of Remedy Used

Pervasiveness of expectation violation. A fourth important way to differentiate between trust and distrust is related to the pervasiveness of each in a strategic relationship. Some prior studies (*e.g.*, Connelly *et al.*, 2012a; Sitkin and Roth, 1993) treated trust violation as a context-specific and localized phenomena, whereas they treated distrust as a more generalized and pervasive phenomena. When violations of expectations are specific to a particular context or task, it is referred to as violated trust. In comparison, when fundamental values are violated and perceived trustworthiness is undermined across multiple contexts, it is referred to as distrust (Sitkin and Roth, 1993).

As a growing number of trust asymmetry research studies have examined trust in a dyadic way, we observed that little research has extended this approach to examine distrust. Prior studies have suggested that *trust can be absent* when the parties do not presume shared values or reciprocal goodwill (Werhane *et al.*, 2011). In comparison, it is very likely that *distrust can also be present* when the parties do not presume

shared values or reciprocal goodwill, especially if distrust is less context-specific and more pervasive (Sitkin and Roth, 1993). In light of this rationale, it may be interesting to consider whether the asymmetry issue in trust studies also matters in distrust research. Questions of particular interest are, for instance, the following: At what point does trust from all parties disappear and distrust comes to dominate the relationship? And, if we accept the view that distrust is a more pervasive phenomenon and thus perception asymmetry between parties may be less likely to occur, is social exchange theory a better conceptual foundation for grounding distrust research than for trust studies? Social exchange theory serves a prominent role in explaining exchanges between individuals and organizations (*e.g.*, Luo, 2002; Morgan and Hunt, 1994). Following this logic, one distrust study found that employees could interpret their perception of managers' poor word-deed alignment as indicating that managers distrust them, and responded to the managers by reciprocating their own distrust (Simons, 2002).

Types of remedy used for expectation violation. Linking the pervasiveness of violated trust and distrust to the distinct sources of trust and distrust, some studies have further highlighted that different remedies are required to respectively reduce distrust and to build trust (Saunders *et al.*, 2014; Sitkin and Roth, 1993). Sitkin and Roth (1993) indicated that legalistic interventions for violations of expectation are more or less effective depending on the pervasiveness of the violation. When expectation violations are specific to a particular context or task, legalistic remedies can restore trust expectations effectively. However, when fundamental values are violated and perceived trustworthiness is undermined across contexts, legalistic remedies are ill-suited to reduce distrust and may even exacerbate the trust problem due to their tendency to increase perceived interpersonal distance. Accordingly, one way to distinguish distrust from trust is to examine how specific mechanisms work for distrust compared to trust.

To offer practical insights for managers, we suggest that scholars shed more light on the potential mediators or deterrents of reciprocal trust and distrust and examine how they can work effectively. In practice,

the deterrents and the determinants of reciprocal trust are particularly of interest to high-trusting parties who expect at least equivalent trust in return. Although high- trusting parties have positive expectations about their partner's intention and conduct, they are aware of potential hinders that may interfere with the reciprocity of trust and the triggers that may facilitate the reciprocity of trust. In contrast, the deterrents and the determinants of reciprocal distrust, in particular, are of greater interest to parties who are likely to perceive the other as distrustworthy. With the proclivity to distrust others, low-trusting parties are aware of reciprocity of distrust as it expected. They are, therefore, likely to explore the deterrents that they can control to mitigate the reciprocity of distrust from partners.

4.5 Integrating Distrust in Relationship Repair Research

In prior sections of this study, we have introduced different models of the relationship between trust and distrust and identified some potential research opportunities to clarify this relationship. In this section, we extend the implications of our theoretical discussion to a research area with important practical implications: relationship repair.

As modern organizations face quickly changing and competitive environments, trust building, maintenance, and enhancement have become important and critical elements to organizational success. While the prevalence of trust failures in organizations has been widely investigated by scholars, the challenges of trust repair with different stakeholders continues to need attention (Gillespie and Dietz, 2009; Mishra, 1996; Robinson, 1996). Trust repair is therefore considered a critical management competency inherent in most strategic relationships (Lewicki and Bunker, 1996). To complement the expanding scholarly interest in trust repair, we further argue that trust repair is not equivalent to relationship repair.

Dirks *et al.* (2009) defined relationship repair as occurring "when a transgression causes the positive state(s) that constitute(s) the relationship to disappear and/or a negative states to arise, as perceived by one or both parties, and activities by one or both parties substantively return the relationship to a positive state" [p. 69]. While prior

studies have shed light on trust-repair phenomenon (*e.g.*, Dirks *et al.*, 2009; Gillespie and Dietz, 2009; Kramer and Lewicki, 2010; Lewicki and Bunker, 1996), distrust management as the other critical element of relationship repair has received scarce research attention (see Lumineau, 2017 for an exception). The primary goal of this section is thus to elaborate on the directions and challenges that may guide future work to integrate distrust reduction within relationship repair literature. We discuss four directions that are likely to advance the integration of distrust research within relationship repair studies: (a) consider alternative approaches and manifestation of relationship repair, (b) understand the double-edged role of distrust; (c) consider the nature of optimal distrust, and (d) explore the compensatory dynamics between trust and distrust.

4.6   Alternative Approaches and Manifestations for Relationship Repair

Trust repair scholars have identified three broad approaches to relationship repair: verbal responses, compensation or substantive repayment for the violation, and introduction of structural mechanisms to minimize future trust violations. We will briefly review each.

Verbal responses. Several significant studies on relationship repair have attempted to explore the effects of different verbal responses (*e.g.*, explanation, apology, excuse, etc.) on various types of trust violation (*e.g.*, violation of different facets of trustworthiness) (Ferrin *et al.*, 2007; Kim *et al.*, 2006; Kim *et al.*, 2004). Their studies reported that trust repair is more likely to be successful when an apology follows a competence-based trust violation, while a denial of responsibility follows an integrity- based violation. However, these studies did not explain the implication for different approaches to reducing distrust. In view of the potential differences between distrustworthiness and trustworthiness discussed in the prior section, it may be an interesting avenue for future research to explore the relative effects of alternative verbal statements intended for relationship repair on subsequent levels of trust and distrust. For instance, if we consider that trust is more related to task reliability and demonstrating competence, and distrust is more associated with perceived value incongruence or integrity violations, it

would be interesting to determine whether an apology is more effective for trust repair while denial (or acknowledgment) of responsibility is more useful for distrust management. This investigation can also serve as a potentially useful way to distinguish distrust from trust.

Substantive actions. A second approach to trust repair is through substantive actions in which the trustee is compensated for losses suffered as a result of the trust breach. Several scholars have argued that apologies are no more than "cheap talk" (Farrell and Rabin, 1996), and that the only thing that really matters in trust repair is for the victim to be compensated for losses. For example, a study by Bottom *et al.* (2002) showed that while apologies helped, a trust breach was not effectively repaired until some offer of compensation was made to the victim. A second study by Desmet *et al.* (2011) found that the most effective level of compensation was an amount slightly larger than the loss suffered in the trust breach, although the amount did not matter if the violation was caused by deceptive actions. To our knowledge, no comparable studies have been conducted to determine how compensation can reduce the negative effects of distrust. However, in interorganizational relations, compensation might be provided in the form of restitution for damages and costs, rebates, or compensatory benefits provided through some other form (additional benefits, new business, etc.) within the boundaries of the complex strategic relationship between the parties. This should be particularly true in cases where the trust violation has created economic harm or disadvantage to the trustee.

Structural mechanisms. In addition to verbal responses, some scholars have also examined structural mechanisms that can contribute to relationship violation but may sometimes function as therapy to repair the relationship. For instance, regulatory and control systems, contracts, monitoring systems and sanctions, punishment of the transgressor, and hostage posting processes have been investigated by scholars to examine how they work to remedy a relationship (Bottom *et al.*, 2002; Dirks *et al.*, 2011; Lumineau, 2017; Nakayachi and Watabe, 2005; Sitkin and Roth, 1993). Sitkin and Roth (1993) proposed that when fundamental values are violated and perceived trustworthiness is undermined across contexts, legalistic remedies are ill-suited to restore distrust and

may even exacerbate the relationship problem. In this regard, it may be useful to further examine whether structural mechanisms are more or less effective for distrust management compared to trust repair. It will also be instructive to test whether verbal responses are more effective than substantive actions or structural mechanisms for distrust management. Future research might investigate questions such as the following: Are the various tools introduced voluntarily or mandated?, How can the specific tools be effectively framed and mixed?, or How do the various forms of repair affect levels of trust and distrust over the short term vs. the long term?

Another intriguing avenue for future study, especially in strategic management, is to consider an organization's capacity to repair relationships. Such a capacity may be a critical asset in managing strategic alliances, joint ventures, or buyer-supplier relationships. As we noted that multiplex and evolving organizational relationships could result in the coexistence of trust and distrust, it is very likely that organizations face challenges of both trust violation and distrust management at the same time. Since trust is more likely to be domain-specific while distrust may spill over across contexts or domains (Sitkin and Roth, 1993), organizations may not have more advantageous capacities for distrust management than individuals, but organizations may have better capacities to address trust violation unavailable to individuals (Gillespie and Dietz, 2009). Simply replacing specific transgressors with new agents or investing in specific compensatory activities may restore trust in a few domains but may not repair distrust perceptions at the broader level of the whole organization. In this regard, it may be worth examining what kinds of repair strategies are more likely to be effective at managing distrust for the whole organization compared to repairing trust.

Alternative manifestations of relationship repair. Although a few studies have summarized specific theoretical processes that make sense of the repair of the relationship (*e.g.*, Dirks *et al.*, 2009; Kramer and Lewicki, 2010), there is still a divergence in the literature as to what it actually means to repair a relationship. Although research on the trust repair process has been linked to constructs such as forgiveness

or reinstatement, it remains unclear what the potential constructs, visible behaviors, or states can represent in the manifestation of distrust management. Additional work remains to be done to examine the measurable and observable differences between the processes of trust repair and distrust management. To address this question, we suggest that a discussion of which dimension of a relationship is damaged so that demands reparation may be instructive.

Extant research has identified three factors that are pertinent to the damaged relationship (Dirks *et al.*, 2009): trust, negative affect, and negative exchange. Prior research has indicated that both trust and distrust involve cognitive facets (Robinson, 1996; Sitkin and Roth, 1993), emotional influences (Lewicki *et al.*, 1998), and behavioral consequences (Bottom *et al.*, 2002). In this regard, one way to distinguish trust repair from distrust management is to investigate the weight of each facet that constitutes the level of trust and distrust at any given point in time. If the weight of each facet at that point contributes to the level of trust and distrust differently, different strategies and remedies are needed to repair the damaged relationship and, finally, the manifestation of the trust repair process and distrust management process are likely to be different.

4.7 Double-Edged Role of Distrust

We discussed the double-edged role of distrust in the first section and reviewed several relevant studies that have implications for the consequences of distrust. Herein, we specifically note that, as scholars have traditionally considered trust as good and distrust as bad (Lewicki *et al.*, 1998), the beneficial effects of trust and the detrimental effects of distrust account for most of the extant relationship repair research and distrust studies.

In practice, the double-edged role of distrust may enrich and deepen our understanding of the growing literature on relationship repair. We can view this research extension from two angles: (a) repair as moving from negative valence to positive valence along a continuum (*e.g.*, Bottom *et al.*, 2002; Kim *et al.*, 2004), and (b) repair as downplaying negative states while enhancing the positive within each domain or facet

(Lewicki *et al.*, 1998; Lumineau, 2017). The primary difference between these two approaches is that the second approach highlights the state of ambivalence that the simultaneous existence of positive and negative states/valences/effects can create, while the first approach does not. In terms of the double-edged role of trust and distrust, repair may be interpreted not only as balancing negative states and positive states between trust and distrust but also as leveraging negative states and positive states within and across each construct.

Prior studies primarily suggested that multiplex or multifaceted relationships underpin relationship ambivalence (Dirks *et al.*, 2009; Lewicki *et al.*, 1998). The coexistence of trust and distrust manifests that the relationships are multiplex and that people can (and often must) function in complex relationships by trusting the partner to do one thing while distrusting the partner to do other things. However, we suggest that the other reasoning may also bolster relationship ambivalence, implying potentially different ranges of repair strategies or issues that existing relationship repair literature has not considered. For example, trust and distrust may involve different states (*e.g.*, belief, intention, and behavior) within each construct. Different states between constructs can be present at the same time but to different degrees, depending on individual or contextual factors. For instance, at the initial stage of a relationship (*e.g.*, new alliance formation), low trusting belief and low distrusting belief are more likely to occur because of a lack of information about the other party. However, if the focal firm has propensity to make a relational commitment to the relationship or if it has favorable information about the partner from relative firms, the relationship may involve high trusting belief and high trusting intention or high trusting behavior and low distrusting belief. To advance this conceptualization in the relationship repair literature, we highlight two prospective issues below: (a) optimal distrust and (b) the compensation between trust and distrust.

4.8 Optimal Distrust

As an increasing number of studies have recognized the double-edged role of distrust and trust (*e.g.*, Brown *et al.*, 2014; Kramer, 1995; Seppanen

and Blomqvist, 2006), the instrumental function of the coexistence of the two to manage complex relationships provides an interesting avenue for future research. Assuming that both trust and distrust are beneficial, the question could be the following: Under what circumstance and to what extent can addressing trust and distrust components in a complex relationship contribute to relationship repair? The rationale behind this question lies heavily in the work of Luhmann (1979), who noted that trust and distrust are coexistent mechanisms for managing relationship complexity. Similarly, Dunn (1988, p. 74), quoting Hobbes, asserted that "trust is a passion proceeding from the belief of one from whom we hope something good, whereas distrust is diffidence or doubt that makes one try to find other means." The coexistence of trust and distrust in this statement represents the presence of different mechanisms that the parties focus on to address the underlying complexity or uncertainty in the relationship. This argument has drawn attention in several recent studies (Bachmann, 2001; Johnson *et al.*, 2002; Malhotra and Murnighan, 2002). For instance, Malhotra and Murnighan (2002) acknowledged that both trust and contract help to reduce uncertainty and establish shared expectations, but they occur via different mechanisms. Trust reduces uncertainty or manages risks via informal mechanisms that reside in individuals whereas contract reduces uncertainty or manages risks via external mechanisms of control. These scholars identified different types of contract and found that binding contracts can result in favorable cooperation but significant reductions in trust while non-binding contracts will lead to less considerable cooperation but no significant reductions in trust. Considering contracts as manifestation of distrust, their study implied the nuances of distrust and their effects on trust.

Beyond this argument, additional works remain to be done: Is there synergy derived from the mix of trust and distrust?, Do trust and distrust mitigate one another's effect on relationship repair?, or Do trust and distrust influence relationship repair individually? Investigation on the interplay between trust and distrust can provide us insights about their effects on relationship repair individually and jointly.

One facilitator for the coexistence of trust and distrust is the capability of partners to reap the benefits from both trust and distrust

and to compensate for the weaknesses associated with each of them individually (Lumineau, 2017; Vlaar *et al.*, 2007). Two assumptions underpin this circumstance: (a) trust and distrust have both bright and dark sides, and (b) trust and distrust can be established and controlled. Accordingly, one question arises: Is there an optimal level of distrust? Although a few studies have discussed the elements of optimal trust—bounded trust tempered with prudence (Chan, 2003; Kramer, 2002; Lewicki *et al.*, 1998; Wicks *et al.*, 1999, p. 99), the factors for optimal distrust are still underexplored. We, therefore, see opportunities to further understand issues such as the following: Is distrust determined by a single dimension where optimal distrust represents a specific threshold of distrust (continuous approach), or is distrust determined by various components where optimal distrust can be achieved through an appropriate composition of different levels of each dimension (discrete approach)?, Are optimal trust and optimal distrust the same concept?, and Are they composed of the same elements with different weights? If alternative determinants contribute to optimal trust and optimal distrust, it may imply that distrust management can be achieved with little attention to trust repair.

4.9   Compensation between Trust and Distrust

Based on the assumption that trust relates to positive elements while distrust involves negative elements, some theories have shown the significant role of distrust in economic life. Prospect theory provides a consistent conceptual framework to illustrate that people see the potential outcome of a choice as offering either a gain or loss (Tversky and Kahneman, 1986). The inference that can be drawn from the wealth of research on this phenomenon is that negative information is more perceptually salient and elicits a stronger behavioral response than positive information, which suggests that people may initially seek out information about and attend to cues in the other that warrant distrust over cues that would justify trust. The fundamental premise of the novelty effect (Kaplan, 1976) also explains how negative impressions may have more influence on outcomes than positive impressions. The logic of the novelty effect presumes that people generally see the world

as a moderately positive place and that this judgment usually functions as an anchor (Lewicki and Brinsfield, 2011). Hence, negative data about the other is more likely to be perceived as non-normal or novel than positive data, shaping a quicker distrust judgment than trust judgment. Both prospect theory and the reasoning of the novelty effect offer a supportive foundation for the argument that the role of distrust may be more critical than that of trust. This idea is illustrated, for example, in the study by Singh and Sirdeshmukh (2000), which analyzed the processes underlying relational service exchanges that included the role of consumer trust/distrust. They proposed that, in terms of absolute magnitude, competence/benevolence distrust has a more significant effect on consumer pre-purchase performance expectations and consumer pre-purchase price fairness perceptions than competence/benevolence trust. They also maintained that the negative influence of distrust is more significant than the positive influence of trust on satisfaction. Their arguments are mainly based on the prospect theory logic that losses loom larger than gains (Kahneman and Tversky, 1979). They also reasoned that distrust is deviated from social norms and thus is likely to be coded in memory (Taylor, 1991). Below, we suggest two potential research opportunities that can integrate this stream of rationale into relationship repair studies.

The first question has two related components: Is distrust management a precondition to trust repair in the process to achieve successful relationship repair? and, What do we mean by distrust management? Hertzberg's classic theory of motivation (1959, 1966) argued that to increase another's motivation, the hygiene factors must be addressed first, keeping the individual's feeling of dissatisfaction to a minimum before the motivators are able to elevate individual's satisfaction and ultimately motivation. At a more macro-level, because human nature is not always benevolent, especially under conditions where more risks are involved, healthy distrust (*e.g.*, auditing, control, and formalized accountability) is also seen as essential for maintaining proper governance and democracy (Marková *et al.*, 2007). Arguably, if distrust is more likely to elicit primary attention in interpersonal judgments (according to prospect theory), it is worthwhile to see if it is more likely that distrust leads to trust than that trust results in distrust. To our

knowledge, the sequential presence of trust and distrust is still underexplored. It may be also worthwhile to explore whether it is the attention to hygiene factors and healthy distrust themselves that leads to trust, or whether it is the distrust management and means to mitigate distrust that bring about trust. Perhaps when distrust is considered beneficial, the former case is more likely. In comparison, when distrust is viewed as detrimental, the latter case is more applicable.

The second question is as follows: What is the source of high initial trust in new organizational relationships? Although the inferences based on prospect theory and novelty suggest the opposite effect of high initial trust levels in new organizational relationships (McKnight *et al.*, 1998), our theoretical discussion provides implications for a better understanding of this paradox. On the one hand, scholars may need to be explicit with their assumption regarding the relationship between trust and distrust. If trust and distrust are conceptualized as in Model 1 (See Figure 3.1), where trust and distrust are considered as opposites in the same continuum, trust and distrust are less likely to coexist in a relationship without consideration of time and domains (see the aforementioned Assumption 4). An important next question is whether the parties involved in the focal new relationship have prior relationships or connections outside the focal relationship. If multifaceted and multiplex relationships (see the aforementioned Assumptions 2 and 3) exist when the focal relationship forms, high initial trust and high initial distrust can coexist. In contrast, if multifaceted and multiplex relationships do not exist when the focal relationship forms, trust and distrust cannot coexist, and thus there is a research opportunity for strategic management scholars to explore why and how the critical role of distrust can be attenuated in new organizational relationships.

One relevant theoretical question remains: Whether distrust management is equivalent to trust repair. To answer this question, some insights may be obtained from the principle of trust asymmetry (Slovic, 1993), which highlights that trust is hard to build but easy to lose while distrust is easy to create but hard to reduce. In this regard, even if distrust is well managed, trust may still not be well established or restored. The time and effort required to accomplish different types of

relationship repair are critical elements that can be used to indirectly distinguish distrust from trust—particularly the actions involved in repairing trust as opposed to the challenges of managing distrust. For instance, it may be easier to restore trust as the relationship evolves over time, but it may be hard to repair trust in the initial stage of a relationship. In contrast, it may be easier to manage distrust in the initial stage of relationship because the spill-over effect of distrust across domains has not yet occurred, but it may be more difficult to repair distrust as the relationship involves more domains over time.

5

Other Research Avenues Connecting Distrust to Strategic Management

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Concluding our literature review and theoretical analysis, we identify three specific avenues for future distrust studies that draw potentially important implications to strategic management research: (a) antecedents, forms, and consequences of organizational ambivalence, (b) interplay between formal organizational governance and trust/distrust, and (c) integration of organizational ambivalence and formal/informal governance. We believe that these research avenues are primarily derived from fundamental challenges in conceptualizing the role of distrust and trust and in extending the conceptualization of trust and distrust from an individual-level phenomenon to an organizational–or interorganizational–level phenomenon.

5.1 Organizational Ambivalence

Ambivalence is defined as "simultaneously positive and negative orientations toward an object" (Ashforth *et al.*, 2014, p. 1454). Merton (1976) maintained that ambivalence is a common phenomenon in organizations, and organizational actors are frequently faced with mixed feelings and must cope with contradictions. Despite Merton's proposition of

ambivalence as a common phenomenon in organizations, it was not until recently that scholars have systematically investigated the stimuli, forms, and consequences of organizational ambivalence (*e.g.*, Ashforth *et al.*, 2014). Paving the way for organizational distrust research in the strategic management literature, we believe that examining different triggers of organizational ambivalence allows scholars and practitioners to understand the conditions under which distrust and trust may coexist within and across organizations and to learn the mechanisms by which individual motivations and behaviors affect organizational outcomes. Discussions of organizational ambivalence and the coexistence of trust and distrust are of particular interest for strategy scholars and managers because they have practical implications for organizational performance. In contrast to most works (*e.g.*, Merton, 1976) that typically viewed ambivalence as a dysfunctional phenomenon, a few studies (*e.g.*, Ashforth *et al.*, 2014) have begun to recognize that ambivalence can be functional, dysfunctional, or both.

An increasing number of works has identified that norms and roles, individual relationships and differences, and complexity and dynamisms internal and external to organizations are possible triggers of organizational ambivalence (Ashforth *et al.*, 2014; Wang and Pratt, 2008). However, the processes through which interpersonal trust and distrust within and across organizations develop simultaneously and the mechanisms through which ambivalence at the individual level evolves to ambivalence at organizational–or interorganizational–level have been elusive and underexplored.

Organizational actors are usually involved in different and multiple positions over time, and an organization itself is usually engaged in various businesses with multifaceted objectives. For instance, role conflicts, hybrid identities, manifold objectives, and temporal factors (*e.g.*, Adler, 2012; Ashforth *et al.*, 2011; Ashforth *et al.*, 2014; Pratt and Doucet, 2000; Wang and Pratt, 2008) have been recognized as stimuli to organizational ambivalence at the specific organizational level. Kozlowski and Klein (2000, p. 55) pointed out that "[a] phenomenon is emergent when it originates in the cognition, affect, behaviors, or other characteristics of individuals, is amplified by their interactions,

and manifests as a higher-level, collective phenomenon." In this regard, to explore the connection between ambivalence across organizational levels, research on the features of individuals (*e.g.*, personality, organizational roles) and interpersonal or intergroup interactions within and across organizations is promising. Instead of treating individual boundary spanners within and across organizations as similar or equivalent, acknowledgement of their individual differences, different modes of interactions, and different vulnerability to peer, organizational, or environmental influence is a critical step to capture the relationship evolution at different organizational levels.

5.2   Interplay of Formal Organizational Governance and Trust/Distrust

Another interesting avenue to link distrust research to current organization studies is to explore the interplay between contracts and trust/distrust. Trust and distrust are viewed as commonplace accompanying other relational governance in managing interpersonal relationships. However, when it comes to organizational or interorganizational relationships, the presence of formal mechanisms (*e.g.*, contractual governance) to govern the exchange relationship is likely to make the interplay between trust and distrust more complicated.

   Because of the reliance on formal governance in managing exchanges within and across organizations, we suspect that the triggers and consequences of trust and distrust in interpersonal relationships cannot be solely attributed to organizational–or interorganizational–level actions. In interpersonal relationships, individuals rely largely on relational governance to interact with one another. In comparison, in an exchange setting, organizations rely not only on informal mechanisms (*e.g.*, Macneil, 1980) but also on formal mechanisms (*e.g.*, Lumineau and Malhotra, 2011; Mesquita and Brush, 2008) to administer different types of relationships (*e.g.*, employment contracts to govern the employer-employee relationship and manifold agreements to govern the supplier-buyer relationship, franchisor-franchisee relationships, and so forth). Although there is abundant research on interorganizational relationships discussing how formal governance (contracts in particular) and

relational governance (trust in particular) influence interorganizational relationships (*e.g.*, Malhotra and Murnighan, 2002; Mayer and Argyres, 2004; Poppo and Zenger, 2002; see Cao and Lumineau, 2015 for a review), few studies have examined the nuance between trust and distrust and stipulate the mechanisms by which the two relational constructs interact with one another and the formal governance (see Lumineau, 2017 for exception). We believe that some research questions are still underexplored and require further investigation, such as how trust and distrust influence contract design and contract evolution respectively, how contractual governance influence the development of trust and distrust, and how contractual governance affects relationship repair.

5.3 Integration of Organizational Ambivalence and Formal/Informal Governance

Integrating the considerations behind organizational ambivalence (*e.g.*, triggers to organizational ambivalence) and the multifaceted mechanisms that formal governance organizations are relying on, a few recent works have started to explicate how different organizational roles may influence the focus on different aspects of contract specification and different aspects of relational learning (*e.g.*, Argyres and Mayer, 2007; Bercovitz and Tyler, 2014; Lumineau *et al.*, 2011). Prior studies have tended to regard organizations as whole or specific boundary spanners that make decisions in contracting or negotiation processes, assuming that a specific agent can influence contract design and evolution. However, an increasing number of studies have started to acknowledge that multiple decision makers are involved in the contracting and negotiation process to a different degree, with a different power or influence, and at different aspects or stages of these processes (Argyres and Mayer, 2007; Lumineau *et al.*, 2011; Ring and Van de Ven, 1994). For instance, Argyres and Mayer (2007) indicated that different contract design capabilities reside in varied organizational roles (*i.e.*, managers, engineers, and lawyers), and they participate in the contracting process in various aspects to a different degree. Bercovitz and Tyler (2014) further pointed out that because of the assorted pursuit of objectives, varied possession of knowledge sets and experience, and different consideration

of incentives, various organizational roles (*i.e.*, scientists and contract administrators) learn distinct things as they transact with a partner. The individual types of learning are reflected in the evolution of contract design. To extend the discussion of this stream of study, the introduction of different relational governance (*i.e.*, trust and distrust) and organizational ambivalence can bring about more research opportunities. Potential research questions include how the multifaceted objectives of individuals or organizations, their hybrid identities and distinct/multiple roles within or across organizations, and temporal factors may affect their perception on different aspects of formal organizational governance as well as how these factors may influence their vulnerability to colleagues, organizational, or environmental forces, and thus their reactions to formal governance.

6

Specific Empirical Challenges in Distrust Studies

Arguably, since distrust is easy to build but hard to lose (Slovic, 1993) and its effect appears to be more pervasive than the influence of violated expectations on trust (Sitkin and Roth, 1993), distrust should be easier to measure and test compared to trust. We suggest that the empirical challenges in distrust studies derive primarily from difficulties in data collection and measurement issues. Below, we specifically discuss challenges related to (a) measuring a disposition to distrust, (b) measuring the subjective parameters of distrustworthiness, (c) diverse theoretical perspectives on the construct of distrust, and (d) specific problems of survey and experimental methods. We summarize our discussion of this section in Table 6.1.

6.1 Disposition of Distrust

As distrust is typically considered detrimental, researchers are very likely to face the problem of the social undesirability of measuring and reporting distrust that leads to biased data collection (Arnold and Feldman, 1981; Bertrand and Mullainathan, 2001). As a result, the results of various surveys about trust may underestimate the true

Table 6.1: Specific Empirical Challenges in Distrust Studies.

	Disposition of distrust	Subjective parameters of distrustworthiness	Diverse perspectives on the construct	Specific problems of data collection methods	
				Survey	Experiment
Key issues	– Problem of social desirability – Constructs' outcome can be evaluated only when they took place	– Psychological contract is perceptual and unwritten in essence – Parameters of distrustworthiness have seldom been explicitly examined and defined	– Presence of diverse perspectives and shapes of distrust – Reliance on abstract and general expression to define distrust	– The theoretical locations of trust and distrust are not invariant across circumplex models, which may entail scale questions – Potential difference in perception of components of distrustworthiness at different levels of relationship – Misalignment between the theoretical constructs and the measurements	– Can hardly track the dynamics of relationship over time, which is the essence of relationship violation and repair – A simplified world that participants have little information about one another and the setting is preconditioned in a dyad – Focus on interpersonal trust and distrust between individuals

Table 6.1: Specific Empirical Challenges in Distrust Studies—(Continued)

	Disposition of distrust	Subjective parameters of distrustworthiness	Diverse perspectives on the construct	Specific problems of data collection methods	
				Survey	Experiment
Risks	– Socially desirable but spurious responses – Hard to assess both bright side and dark side of constructs at the same time	– Hard to seize the construct empirically – Studies are hard to compare with one another	– Studies are hard to compare with one another – The causes and effects of trust and distrust may be viewed as similar – Mechanisms to address trust violation may be viewed being fully applicable to mitigate distrust	– The use of the survey is the most standard approach to collect data about distrust. Failure to design scales or conduct this method appropriately may lead to deleterious inference or spurious response.	– Minimizing external influences beyond the immediate interaction in the setting, which is usually not the case in practice – Less likely to capture the interaction and dynamics of trust and distrust in relationships in practice

Table 6.1: Specific Empirical Challenges in Distrust Studies—(Continued)

	Disposition of distrust	Subjective parameters of distrustworthiness	Diverse perspectives on the construct	Specific problems of data collection methods	
				Survey	Experiment
Advice	– Tailor the survey design (*e.g.*, confidentiality assurances or clever wording and framing of the sensitive item, reducing the presence of the interviewer and bystanders, etc.)	– Examine and define the parameters of distrustworthiness following the promising avenues indicated in our study	– Clearly define the boundary of the constructs and assumptions behind their studies	– Align the placement of trust and distrust to the research context/Align measurements with theoretical concepts – Examine difference in perceived elements of distrustworthiness at different levels of relationship	– The appropriateness and effectiveness of experiment method vary with how researchers shape the nature of distrust and what target context they are to study
Relevant papers	Bertrand and Mullainathan (2001); Krumpal (2013)	Mayer *et al.* (1995)	N.A.	Gillespie and Dietz (2009); Gurtman (1992)	Bell and Main (2011); Kramer and Lewicki (2010)

prevalence and frequency of distrust. To avoid legal or social sanctions or embarrassing relationships in business transactions in the case that sensitive information about distrust would become public, researchers may fail to adequately inquire about the existence of distrust, and respondents may respond to study questions in an inauthentic but socially desirable manner, which do not necessarily reflect their true feelings or experiences. Krumpal's (2013) review provides an overview of data collection strategies and survey methods that may be effective in attenuating social undesirability problems. Assuming that questions about the existence of distrust are asked, some common strategies for posing questions to respondents include increasing anonymity of the question-and-answer process via the randomized response technique or decreasing respondents' concern about information revelation by framing survey items cleverly and providing confidentiality assurance. Although some studies have recognized the double-edged roles of trust and distrust, it is still challenging to advance empirical studies that measure both trust and distrust in the same data collection instrument. In this regard, if we want to integrate distrust studies into relationship repair literature and to investigate relationship ambivalence, it is critical and necessary to account for how to assess the negative components and positive components of distrust and trust simultaneously in practice. Specifically, to elicit the respondents' true perceptions and attitudes toward each component, appropriate framing of items and proper arrangement of items in the survey are crucial.

6.2 Subjective Facets of Distrustworthiness

Since each party comes to a relationship with a unique personal history (Caldwell *et al.*, 2008), and because the developing psychological contract is based upon each party's beliefs and assumptions (Caldwell and Clapham, 2003), perceived organizational (dis)trustworthiness is not only dependent on the (dis)trustee's qualities, behavior, and reputation, but is also interpreted through the mediating lens of each party. However, since the psychological contract is fundamentally perceptual and unwritten (Morrison and Robinson, 1997), the content of each psychological contract and the perception of the degree to which each

party has fulfilled its obligations is subject to each party's interpreta-
tion of the other's commitments and fulfillment of those commitments
(Coyle-Shapiro and Kessler, 2000). Although the facets of trustworthi-
ness (*i.e.*, trustee's competence, integrity, and benevolence) have been
widely and consistently recognized (Mayer *et al.*, 1995) and are often
cited as central to managing the psychological contract, the critical
facets of distrustworthiness have seldom been explicitly defined and
hence not measured. In this sense, studies of distrustworthiness are
scarce in the empirical literature and, therefore, are hard to compare
with one another.

6.3   Diverse Perspectives on the Construct of Distrust

In addition to the subjective biases that lead to empirical difficulties in
OD research, diverse perspectives on the forms and key indicators of
distrust have also led to challenges in capturing the concept in practice
and difficulties in comparing the results across different studies. We
observed that extant research tends to rely on abstract and broad
definitions of distrust. For instance, some works consider that the
decision to distrust or to trust depends on another's past, manifested
conduct rather than on the perception of different dispositions, qualities
of distrustworthiness, or presumed future behaviors (*e.g.*, Kramer, 1999;
Lewicki *et al.*, 1998). In this respect, the boundaries for the determinants
of trust and distrust are not clearly delimited.

Furthermore, distrust itself as a construct may also be expressed
in different ways: cognitive, affective (*e.g.*, Lewicki *et al.*, 1998), dis-
positional, intentional (Deutsch and Krauss, 1962; Fein and Hilton,
1994; Sitkin and Roth, 1993), behavioral (*e.g.*, Beaumont and Deaton,
1981; Dunn, 1988; Fox, 1974), or neurochemical (*e.g.*, Dimoka, 2010).
Without a clear distinction between trust and distrust and an explicit
indication of the key distrust indicators being measured, practitioners
may regard the causes and effects of trust and distrust as similar and
may view the mechanisms to address the trust violation being fully
applicable to mitigate distrust. In turn, such confusion may result in
deleterious decision-making when acting on that information. Since the
emphasis of the form of distrust and the relationship between trust and

distrust could vary across different research study contexts, we suggest
that scholars must be clear in defining the boundary of the constructs
and assumptions behind their studies. By so doing, a closer comparison
of related studies would be possible, which will significantly advance
OD research.

6.4 Specific Problems of Survey and Experiment Methods

Survey. The use of a survey is the most standard approach to collecting
data about distrust in extant related studies. Among several scales that
have been used to measure distrust, Interpersonal Trust and Mach IV
scales are said to be the two principal measures of the distrust domain
(Gurtman, 1992). To establish the scale and measurement of distrust,
the circumplex model is considered a useful approach to validate the
psychological measures. The interpersonal circumplex model has been
generally used by scholars to validate the measures of interpersonal
constructs such as interpersonal traits (Wiggins, 1979) and interper-
sonal problems (Gurtman, 1992). It typically depicts the interpersonal
space as a circular array of variables, organized around two principal
bisected dimensions (Carson, 1969; Wiggins, 1982): a vertical dimension
of high vs. low status, dominance or control, and a horizontal dimension
of friendliness or interpersonal warmth vs. hostility or interpersonal
coolness. Although both trust and distrust are resided in the circum-
plex of the interpersonal domain, their theoretical placements are not
treated the same across various research on interpersonal circumplex
(Gurtman, 1992). For instance, some studies (*e.g.*, Kiesler, 1983) lo-
cated distrust (Hostile-Dominance) in the opposite quadrant of trust
(Friendly-Submission) within the domain, while a few studies (*e.g.*,
Leary, 1957; Strong *et al.*, 1988) placed distrust (Hostile-Submission)
in the neighboring quadrant of trust (Friendly- Submission) within the
interpersonal domain. The differences of construct placement across
studies imply various interpersonal correlates the researchers presumed
and varied interpersonal problems the researchers are alert to (Gurtman,
1992), and thus may entail the way questionnaire items are phrased
and scaled. In this regard, when using the circumplex model to measure
trust and distrust, we particularly encourage future researchers to align

their assumption of the placement of trust and distrust to their research context appropriately.

Extracting the lessons from trust studies, we suggest two additional issues to be addressed in distrust research. First, since different components may constitute trust at the interpersonal and organizational level respectively (Gillespie and Dietz, 2009; Mayer *et al.*, 1995; Zaheer *et al.*, 1998), we predict a potential difference in the perception of the components of distrustworthiness at different levels of the relationship. Second, it is critical for scholars to explicitly clarify the alignment between their theoretical constructs and the measurements adopted. Although the extant empirical work has tended to construct a scale that presumes an opposite-ended relationship between trust and distrust, we often find that the theoretical descriptions of scholarly work do not exactly treat trust and distrust as opposite concepts. We therefore encourage future researchers to further align the study measurements with their research contexts and the theoretical concepts in their works. For a comprehensive review of the complex measurement challenges for accessing trust (and distrust), see a variety of chapters in Lyon *et al.* (2012).

Experiments and other research approaches. In addition to survey research, we also see opportunities for future distrust research to further leverage a variety of empirical approaches such as interviews (*e.g.*, Muench, 1960; Norberg, 2009), archival documentation (*e.g.*, Whorton and Worthley, 1981), neuro-imaging tools (*e.g.*, Dimoka, 2010), or experimental design (*e.g.*, Bell and Main, 2011). Among these, role plays and scenario experiments may be a particularly effective way to avoid the social desirability problem specifically pertinent to survey-based distrust research. However, using an experimental research method may bring about other specific empirical challenges. The most problematic issue of the experiment approach is that most experiments are conducted at a single point of data collection, comparing data across experimental conditions and therefore cannot track changes over time, yet long-term damage to trust is the essence of the applied relationship violation and repair. For instance, the role of forgiveness has also been investigated by researchers in the field of relationship repair (Fehr and Gelfand, 2012;

Govier, 1999; Worthington, 2006). However, using an experimental design approach to study forgiveness may suffer from the time-bounded problem because forgiveness is mostly about an emotional response to trust violation. That is, experimental studies are typically more appropriate to evaluate cognitive and behavior variables, while they are less applicable to study phenomena involving emotional or affective components. Experimental studies also typically minimize external influences beyond the immediate interaction within the experimental context, participants know little about each other, and the setting is preconditioned in a dyad. However, parties in a relationship usually have information about one another before the formation of the relationship in practice that can dramatically affect their willingness to forgive and work on repair.

In addition, experimental studies typically focus on interpersonal trust and distrust between individuals, yet perceived trustworthiness and distrustworthiness may be influenced by multiple actors and facets of business at higher level of organization or in interorganizational settings. Defining the relational context at a single level of analysis makes experimental studies less likely to capture the interaction and dynamics of trust and distrust in relationships in practice. Depending on how researchers define their measures of distrust (*e.g.*, cognitive, behavioral, or affective) and what target context they are to study (*e.g.*, initial relationship or repetitive relationship), the appropriateness and effectiveness of the experiment method vary.

7

Conclusion

Our critical analysis of the growing literature on distrust in organizational settings has allowed us to develop a number of theoretical and practical insights into alternative conceptualizations of the relationship between trust and distrust. In particular, the clarification of the relationship between trust and distrust in the current study brings about important implications to strategic management. Since trust and distrust are central themes in the management of cooperative relationships, they may play an important role in team management and alliance management within and across organizations. Without considering these constructs as interrelated but distinct, managers may erroneously use remedies that are effective for repairing trust to address distrust problems. Managers may also misunderstand that they have engaged in developing trust while they were just eliminating distrust concerns in a relationship.

Extending the discussion of extant empirical evidence relevant to the relationship between trust and distrust, we indicate intriguing avenues for future research by integrating our discussion of OD research into relationship repair literature. As trust and distrust may involve different determinants, alternative approaches of relationship repair may

be variously effective. We especially assert that not enough attention has been given to the nature, the dynamics, and the relational context of distrust. Considering triggers to organizational ambivalence (*e.g.*, different objectives, roles conflicts, and temporal factors in organizations), we suggest that reasoning for the coexistence of trust and distrust may also bolster relationship ambivalence and produce potentially different ranges of repair strategies that the existing relationship repair literature has so far considered.

Finally, we also highlight specific empirical challenges inherent in distrust research. Specifically, these empirical problems may be derived from disposition of distrust, subjective facets of distrustworthiness, diverse perspectives on distrust construct, and data collection methods (*e.g.*, survey and experiment). Admittedly, this study is not without limitations. We encourage other researchers to extend our theoretical discussions and validate our insights in empirical settings.

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