STAKEHOLDER DISTRUST
AN OVERVIEW OF A NEW RESEARCH PROJECT
September 27, 2018  Canan Liedtke
Kitkat: Süßes mit bitterem Beigeschmack
Nestlés Beitrag zur Vernichtung
der Regenwälder und Orang-Utans
Relevance

Costs of Distrust

• **Lower Contributions of Stakeholder** (Dervitsiotis, 2003; Dirks & Ferrin, 2002)
• **Higher Transaction Costs** (Ghoshal & Moran, 1996)
• **Lower Organizational Productivity and Performance** (Harrison et al., 2010; Sparrowe, Liden, Wayne & Kraimer, 2001; Wicks, Berman & Jones, 1999)
• **Negative Relationship Dynamic** (Sitkin & Roth, 1993)
• **Hostility** (Chambers & Melnyk, 2006)
• **Often fierce and intractable conflicts** (Tomlinson & Lewicki, 2006)
Distrust - Trust

- Broad consistency on the Definition of Trust
- Distrust is relatively novel & controversial contested

Single Continuum

Low Trust/ Distrust

Trust

→ Recent Evidence corroborate Distrust as a distinct Concept

Split Continuum

Trust

Distrust
Distrust

- Distinct concept,
- All-encompassing psychological state, typified as skepticism, watchfulness and vigilance (Cho, 2006; Kramer, 1994; Kramer & Isen, 1994; Lewicki, McAllister & Blies, 1998; McKnight, Kacmar & Choudhury, 2004; Sitkin & Roth, 1993; Sitkin & Stickel, 1996)

“unwillingness to accept vulnerability, based on pervasive negative perceptions and expectations of the other`s motives, intentions, or behaviors” (Bijlsma-Frankema et al., 2015, p.1020)

- Self-amplifying (Bijlsma-Frankema et al., 2015),
- Reciprocated quickly, crowds out trust & spreads across several domains (several referents, all issues of the relationship)
Core Question

Interorganizational Level

How do organizations manage distrust-based, salient stakeholder relationships?

Organization  Respective Stakeholder

Antecedents  Consequences  Contingencies
Research Design

- Multi-Method/Sequential Explanatory Design (Creswell, 2013)
- 4 sequential Modules

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<th>Sounding Board</th>
<th>Entire Project Duration</th>
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<td>Understanding &amp; Handling of Distrust-based Stakeholder Relationship</td>
<td>Support &amp; Validate Findings</td>
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<th>Key Informant Survey</th>
<th>Quantitative</th>
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<td>Stakeholder Engagement Practices</td>
<td>Relationship Quality of Stakeholder Dyads</td>
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<tr>
<th>Module 3</th>
<th>Theory Building Case Studies</th>
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<td>Generating a testable Model on Stakeholder Distrust</td>
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<th>Module 4</th>
<th>Survey</th>
<th>Quantitative</th>
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<td>Testing the Model on Antecedents, Moderators &amp; Consequences</td>
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Literature Review

- Systematic Overview of Literature of Distrust

<table>
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<tr>
<th>Publication</th>
<th>Test of Conceptual Model (Antecedents and Consequences)?</th>
<th>Is distrust multi-referent?, i.e., does distrust refer to both, humans and structures?</th>
<th>Multi-Stakeholder Setting (more than one stakeholder at the same time)?</th>
<th>Distrust as a shared perception amongst all parties involved?</th>
<th>Inclusion of Socio-Political Stakeholders</th>
<th>Are distrust management strategies investigated empirically?</th>
<th>All criteria met?</th>
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Total: 14

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2/14

3/14

6/14

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Challenges

Module 2 «Key Informant Survey»

- Measuring Scale of Distrust
- Literature on Stakeholder Engagement Practices
- Measuring Stakeholder Relationship Quality

→ Criticism, Ideas, Feedback
Items based on Relational Models Theory (Fiske & Haslam)

- Measuring Stakeholder Relationship Quality

**Communal Sharing**

Many important things that the stakeholder and I use belong to both of us together, not to either one separately.

The stakeholder and I feel a moral obligation to be kind and compassionate to each other.

The stakeholder and I tend to develop very similar attitudes and values.

The stakeholder and I are a unit: we belong together.

**Authority Ranking**

The stakeholder or I sometimes have to turn over things to the organization who does not necessarily have to give them back.

In some respects, the stakeholder or I am entitled to more than the other one and should be treated with special respect.

The stakeholder or I have more power and influence over the other one than vice-versa.

The stakeholder or I am dependent on the other one.

**Market Pricing**

The stakeholder and I divide things up according to how much each of us has paid or contributed.

The stakeholder and I have a right (are entitled) to a fair rate of return for what we put into this interaction.

The stakeholder or I often pay the other one to do something.

The interaction between the stakeholder and me is strictly rational: we each calculate what our payoffs are and act accordingly.

**Equality Matching**

The stakeholder and I typically divide things up into shares that are the same size.

The stakeholder and I have a right to equal treatment.

The stakeholder and I consider each other co-partners.

The stakeholder and I should have even chances.
Challenges

Measuring Stakeholder Relationship Quality

• Do our Items indicate the measurement of Relationship Quality?

• Are there further ideas regarding the detection of relationships?
Literature

Literature can be sent on request.

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