



Universität St.Gallen

HWZ

University of Applied Sciences
in Business Administration Zurich

Organizations, Management and Theories of the Firm 2018

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STAKEHOLDER DISTRUST AN OVERVIEW OF A NEW RESEARCH PROJECT

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*“From insight
to impact”*



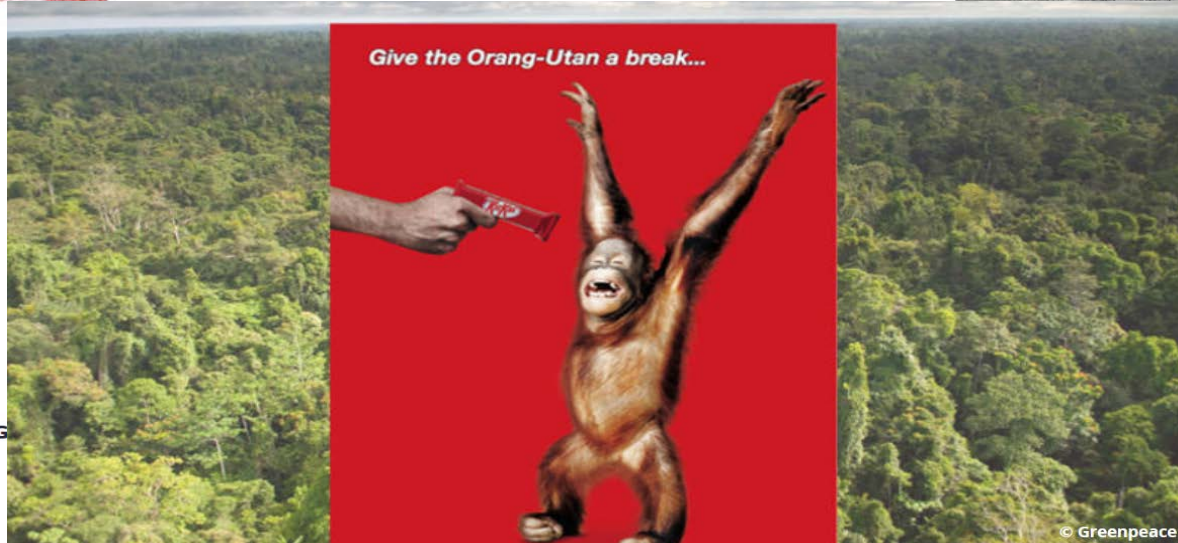
13. März 2017, 06:29 Uhr Lehman-Pleite

Warum sich ehemalige Lehman-G doppelt betrogen fühlen



Ein Demonstrant mit Schild: So haben sich viele Lehman-Kunden 2008 nach der Bankpleite gefühlt. (Foto: Marcus Brandt/dpa)

■ Aus Angst, sonst gar nichts mehr zu bekommen, ließen sich viele Bankkunden mit Lehman-Banleuten auf deren Deal ein. Die



Kitkat: Süßes mit bitterem Beigeschmack Nestlés Beitrag zur Vernichtung der Regenwälder und Orang-Utans

22. August 2018, 18:09 Uhr VW-Abgasskandal

Drei Millionen Euro fürs Schweigen





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

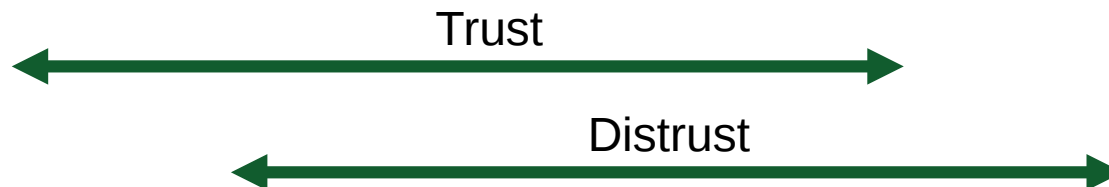
- Broad consistency on the Definition of Trust
- Distrust is relatively novel & controversial contested

Single Continuum



→ Recent Evidence corroborate Distrust as a distinct Concept

Split Continuum





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)

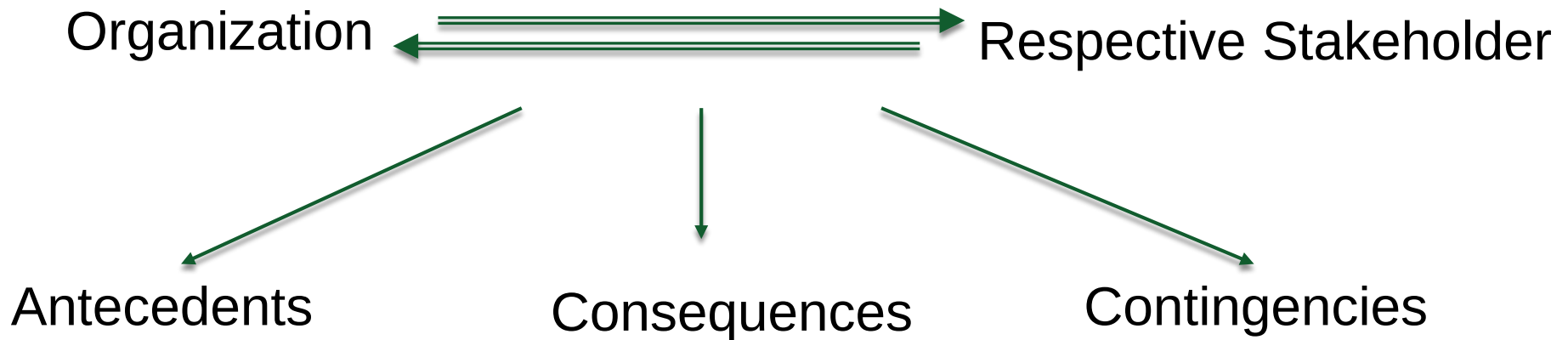
“unwillingness to accept vulnerability, based on pervasive negative perceptions and expectations of the other`s motives, intentions, or behaviors” (Bijlsma-Frankema et al., 2015, p.1020)

- 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?



Research Design

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

Module 1 Sounding Board -Entire Project Duration-	• Understanding & Handling of Distrust-based Stakeholder Relationship • Support & Validate Findings
Module 2 Key Informant Survey -Quantitative-	• Stakeholder Engagement Practices • Relationship Quality of Stakeholder Dyads • Use for theoretical sampling
Module 3 Theory Building Case Studies -Qualitative-	• Generating a testable Model on Stakeholder Distrust
Module 4 Survey -Quantitative-	• Testing the Model on Antecedents, Moderators & Consequences

Literature Review

- Systematic Overview of Literature of Distrust

Publication (Inter)Organizational Level of Analysis	Test of Conceptual Model (Antecedents and Consequences)?	Is distrust multi-referent?, i.e. does distrust refer to both, humans and structures?	Multi-Stakeholder Setting (more than one stakeholder at the same time)?	Distrust as a shared perception amongst all parties involved?	Inclusion of Socio-Political Stakeholders	Are distrust management strategies investigated empirically?	All criteria met?
Newberry & Gladwin (2002)	✗	✓	✗	✓	✓	✗	✗
McKnight et al., (2003)	✗	✗	✗	✗	✗	✗	✗
Lee & Huynh (2005)	✗	✗	✗	✗	✗	✗	✗
Palazzo & Richter, (2005)	✗	✓	✓	✓	✓	✗	✗
Cho (2006)	✓	✗	✗	✗	✗	✗	✗
Derry & Waikar (2008)	✗	✓	✓	✓	✓	✗	✗
Saz-Carranza & Serra (2009)	✗	✓	✗	✓	✓	✗	✗
Arenas et al., (2009)	✗	✗	✓	✗	✓	✗	✗
Connelly et al., (2012b)	✗	✗	✗	✗	✗	✗	✗
Elsbach et al., (2012)	✗	✓	✗	✗	✗	✗	✗
Money et al., (2012)	✓	✓	✗	✓	✗	✗	✗
Chang & Fang (2013)	✓	✗	✗	✗	✗	✗	✗
Brattstöm et al. (2016)	✗	✓	✗	✓	✗	✓	✗
Gill et al., (2016)	✗	✗	✗	✗	✓	✓	✗
Total: 14	3/14	7/14	3/14	6/14	6/14	2/14	0/14



Challenges

➡ **Module 2 «Key Informant Survey»**

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

→ Criticisim, 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.

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.

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.

Challenges

Measuring Stakeholder Relationship Quality

- Do our Items indicate the measurement of Relationship Quality?
- Are there further ideas regarding the detection of relationships?



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Literature

Literature can be sent on request.

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