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Shedding Light on the Dark: Distrust as a Distinct Concept in Stakeholder Relationships

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Abstract

In response to calls for a more comprehensive understanding of stakeholder relationships, this study complements the well-established “bright side,” where trust enables value creation through shared interests and values, with the “dark side,” where conflicts and harmful behavior lead to negative outcomes in relationships between focal organizations and their stakeholders. To refine the boundary conditions of the dark side, we conceptualize distrust in stakeholder relationships and introduce stakeholder distrust, defined as the collective unwillingness of a focal organization to accept vulnerability, as a relational construct distinct from both stakeholder trust and suspicion. We develop a causal model of stakeholder distrust and outline several propositions regarding its antecedents and consequences. These distinctions, together with the causal model, (i) advance stakeholder examination, (ii) inform stakeholder engagement, and (iii) refine our understanding of the relational dynamics underlying stakeholder relationships. Collectively, they support a more nuanced examination of stakeholder relationships, facilitate the identification of early warning signals in ongoing interactions, and suggest how distrust can be addressed through stakeholder engagement practices, which include methods, tools, and routines that structure interactions with stakeholders. Accordingly, we advance theoretical understanding of stakeholder distrust while offering practical approaches to prevent and resolve conflicts and harmful behavior.

Keywords: dark side; distrust; stakeholder engagement; stakeholder theory

1. Introduction

Trust and distrust are central relational constructs in stakeholder relationships and are therefore critical in determining how focal organizations allocate attention and effort when addressing stakeholder concerns. For example, Lego has built strong customer and community trust by embedding sustainability into its supply chain and product innovation, thereby fostering active partnerships with environmental non-governmental organizations (NGOs) and reinforcing its brand legitimacy (Civera & Freeman, 2019). In contrast, Volkswagen's emissions scandal and BP's Deepwater Horizon disaster illustrate how stakeholder distrust can escalate into widespread social and political backlash, resulting in lawsuits, regulatory penalties, consumer boycotts, and enduring reputational and financial damage (Bundy et al., 2018; Meyer & Choo, 2024). These cases demonstrate that stakeholder trust can serve as a foundation for collaboration and the creation of shared value. In contrast, distrust can entrench conflict and drive value destruction across financial, social, and ecological domains.

Stakeholder theory, rooted in strategic management, examines how focal organizations—typically firms, but also public institutions and non-profit organizations—interact with and respond to the diverse interests of their stakeholders—that is, formalized organizations and organized social groups that both affect and are affected by the focal organization's goals and activities (Freeman, 1984, p. 46). These relationships encompass interactions with employees, customers, suppliers, competitors, local communities, and citizens, often involving multiple and sometimes conflicting aims, activities, and outcomes (Kujala et al., 2022). Much of this literature has adopted a “bright-side” orientation, assuming a baseline of shared interests and values from which positive outcomes can be cultivated in pursuit of joint value creation (Kujala et al., 2022; Quintelier & Vock, 2024). Consequently, trust has emerged as the predominant relational construct

characterizing the bright side of stakeholder relationships (Freeman et al., 2010; Pirson & Malhotra, 2011; Wicks et al., 1999).

However, stakeholder relationships are not always cooperative or mutually beneficial. They can also be marked by conflict and a lack of cooperation—features that certain scholars have described as the “dark side” of stakeholder engagement (Gill & Butler, 1996). Stakeholder relationship scholars have begun identifying factors contributing to this dark side, such as perceived value incongruences (Bundy et al., 2018), reactions to ethical violations (Harrison & Wicks, 2021), unfair treatment (Bosse & Phillips, 2016), and approval or disapproval of how other stakeholders are treated (Lange et al., 2022). These negative relational constructs are problematic, as they may hinder positive engagement outcomes (Kolk & Pinkse, 2006; Kujala et al., 2022).

Accordingly, scholars have called for a deeper understanding of the absence of trust caused by harmful corporate strategies (Harrison & Wicks, 2021) and for an integrative approach that addresses stakeholder relationships across both the bright and dark sides (Bundy et al., 2018; Kujala et al., 2022). This call aligns with broader appeals for comprehensive perspectives on the dark side of interorganizational relationships that complement and extend to stakeholder relationships (Lumineau & Oliveira, 2018). Within this broader agenda, distrust emerges as a particularly critical relational construct: It escalates conflicts, exacerbates business scandals, and intensifies value incongruences within relationships (Bijlsma-Frankema et al., 2015; Blomberg et al., 2022; Derry & Waikar, 2008; Tomlinson & Lewicki, 2006). Ongoing debates in the trust literature regarding the nature of distrust and its relationship to trust (Guo et al., 2017; Swift, 2001) further underscore the need for conceptual clarification.

The central contribution of this study is to introduce stakeholder distrust as a distinct relational construct within stakeholder relationships. Building on interpersonal-level theorizing, we

conceptualize distrust in stakeholder relationships, where interactions occur among focal organizations and stakeholders rather than individuals. We define stakeholder distrust as the collective unwillingness of a focal organization to accept vulnerability—a defensive state rooted in deeply held and pervasive negative perceptions of another’s (the distrustee’s) motives (Bijlsma-Frankema et al., 2015). With this definition, we build on Kroeger (2011) and treat stakeholder distrust as a collectively held and intersubjective orientation that becomes institutionalized through shared templates and norms at the organizational level. In line with Sitkin and Roth (1993) as well as Govier (1994), we conceptualized distrust as arising from attributions of malevolent or harmful intent rather than from perceptions of incompetence.

We distinguish stakeholder distrust from trust and suspicion: Trust, following Rousseau et al. (1998), refers broadly to the willingness to accept vulnerability based on positive expectations of another’s intentions and competence, while suspicion is a temporary state of cognitive dissonance in which positive and negative interpretations coexist (Sinaceur, 2010). We position the three constructs along a split continuum: trust represents the bright side’s predominant relational construct of stakeholder engagement, suspicion constitutes an intermediate “gray zone,” and distrust represents the dark side’s central relational construct. Following Suddaby’s (2010) call for construct clarity, we then refine our conceptualization of stakeholder distrust by specifying its antecedents and consequences. Specifically, we identify two antecedents, namely the collective propensity to distrust and shared expectations of distrustworthiness, which together contribute to the defensive state of stakeholder distrust. This state produces immediate cognitive (e.g., skepticism, cynicism, value incongruence), emotional (e.g., hostility, anger), and behavioral (e.g., avoidance, retaliation, undermining) consequences that, over time, are likely to result in negative outcomes in the form of value destruction. In developing this causal model, we draw on the meta-

modeling framework of Colquitt et al. (2007)—who synthesized relational models of trust development—to demonstrate how distrust can be theorized with comparable precision in relationships between focal organizations and stakeholders.

From this foundation, we make three contributions. First, we extend stakeholder examination by providing diagnostic categories that help identify and assess relationships with heightened potential for value destruction, particularly by distinguishing distrust from suspicion within the ambiguous “gray zone.” Second, we advance stakeholder engagement by outlining practices for both preventing the escalation of suspicion into distrust and healing distrust once it has crystallized, thereby broadening engagement frameworks beyond their traditional trust-based assumptions. Third, we open a discussion on relational dynamics by theorizing how stakeholder relationships may shift across thresholds between trust, suspicion, and distrust, and how such shifts condition their consequences. For scholars, this work refines the theoretical understanding of distrust as a distinct relational construct and establishes a foundation for future empirical work. For practitioners, it offers conceptual tools and actionable insights to diagnose early warning signals, recognize when stakeholder relationships are at risk of tipping into distrust, and deploy engagement strategies to prevent or contain destructive consequences.

2. The Grammar: Trust, Distrust, and Suspicion

While trust has been examined extensively by researchers, comparatively little attention has been given to distrust and suspicion, or to the conceptual distinctions between them. Most debates to date have focused on the interpersonal level, raising questions such as whether distrust constitutes a distinct relational construct or is simply the opposite of trust, whether trust and distrust can coexist, and how suspicion fits into this arrangement (Guo et al., 2017; Tomlinson & Lewicki, 2006). Building on these interpersonal-level insights as a foundation, we advance the

conceptualization to the level of analysis, where relationships involve organizations rather than individuals. In doing so, we emphasize the need to clearly distinguish suspicion from distrust, as frequent conflation of the two has caused ambiguity regarding what distrust is—and what it is not (Six & Latusek, 2023).

We first conceptualize trust as uncontested terrain before addressing distrust and suspicion, which we model as relational constructs distinct from trust. We then consider the ontology of trust, distrust, and suspicion, arguing that these relational constructs are both conceptually distinct and unlikely to coexist over extended periods. This argument is supported by the split-continuum model proposed by (Swift, 2001), which enables the introduction of shifts marking transformation thresholds between these relational constructs.

2.1 Trust

Based on Rousseau et al.'s (1998, p. 395) seminal definition, we define trust as *a psychological state comprising the intention to accept vulnerability based on positive expectations regarding the intentions or behavior of another*. Researchers agree that trust becomes meaningful in situations involving (inter)dependence and risk. Accordingly, the behavioral act of trusting is primarily conceptualized as a risky investment (Dietz & Den Hartog Deanne, 2006; Greenwood & Van Buren III, 2010; Luhmann, 2000). Furthermore, according to the influential framework proposed by Mayer et al. (1995), trust is more likely to occur if the trustee is perceived as competent, benevolent, and possessing integrity—attributes that collectively define “trustworthiness” (Colquitt et al., 2007).

However, there is less consensus on whether trust should be conceptualized as a unidimensional or multidimensional construct, particularly regarding a meaningful distinction between cognition-based and affect-based trust (McAllister, 1995). In their comprehensive review,

Legood et al. (2023) argued that although most researchers acknowledge the possibility of affect-based trust, current conceptualizations and empirical findings suggest that trust is predominantly cognitive. While emotionally influenced trust is possible, our understanding of which, how, and to what extent emotions accompany trust remains limited. Therefore, building on Van der Werff et al. (2019, p. 110), we conceptualize trust as fundamentally cognitive; an evaluative, reasoning-based, and judgment-oriented state. While emotions may play a role in trust decisions, they are not yet sufficiently conceptualized or studied to meaningfully consider emotional trust as an equally relevant dimension (Legood et al., 2023).

2.2. Distrust

At the interpersonal level, research conceptualizes distrust as a negative expectation of another's motives (Deutsch, 1958; Kramer, 1999) or as a firmly held conviction that another individual cannot be relied upon (Swift, 2001). Bijlsma-Frankema et al. (2015, p. 1010) characterized distrust as the distruster's *unwillingness to accept vulnerability, based on pervasive negative perceptions and expectations of another's (the distrustee's) motives*. Unlike trust, distrust is typically associated with defensive or destructive behaviors. Individuals avoid "risky investments" (Bijlsma-Frankema et al., 2015; Hurmelinna-Laukkanen et al., 2023) and may engage in revenge or retaliatory behavior that actively destroys what others perceive as valuable (Bies & Tripp, 1996; Friend et al., 2010). At its core, distrust involves the attribution of ill intent or negative motives, fostering a state of defensiveness (i.e., an unwillingness to be vulnerable), whereas a lack of competence expectations is not considered a source of distrust (Bijlsma-Frankema et al., 2015; Govier, 1994; Sitkin & Roth, 1993).

These more established definitions, however, often overlook the connection between distrust and salient negative emotions. For instance, McKnight and Chervany (2001) describe

distrust as “fiery and frenzied,” while empirical studies associate distrust with emotions such as fear (Lewicki et al., 1998; Saunders et al., 2014; Sitkin & Roth, 1993) and anger (Bies & Tripp, 1996), and when deeply entrenched, with more intense emotions such as hate or disgust (Brewer, 1999; Miceli & Castelfranchi, 2018). Accordingly, we argue that distrust should be regarded as a distinct concept rather than merely the opposite of trust.

Traditionally, researchers have viewed trust and distrust as opposite ends of a single continuum, sometimes with a transitional “blurring-in-between” region (for a review, see Guo et al., 2017, p. 26). However, findings from neuroscience and neurobiology indicate that different regions of the brain are activated depending on whether people trust or distrust others (Dimoka, 2010; Zak et al., 2005), challenging this “single continuum” proposition. Specifically, trust is associated with brain regions involved in reward prediction, whereas distrust is linked to the amygdala, which processes intense emotional responses and triggers “fight or flight” reactions (Dimoka, 2010). Additionally, construct discrimination studies demonstrate that respondents differentiate trust, low trust, and distrust (Benamati et al., 2006; Chang & Fang, 2013; Cho, 2006). Finally, recent empirical findings suggest that distrust might be better analyzed as a construct separate from trust, as they are caused by different factors (Bijlsma-Frankema et al., 2015; Raza-Ullah & Kostis, 2020), and distrust produces several consequences not associated with trust (Guo et al., 2017; Hurmelinna-Laukkanen et al., 2023).

2.3. Suspicion

Suspicion is defined by competing interpretations regarding whether someone can be trusted or distrusted. Extrapolating from Sinaceur’s (2010) conception of suspicion as “suspended judgement” (Fein, 1996), we conceptualize it as a state of cognitive dissonance regarding another’s motives, in which both positive and negative interpretations of another’s intentions are considered

simultaneously. At the cognitive level, suspicion involves a suspension of judgment that activates conscious and deliberate thought processes, potentially to a greater extent than trust or distrust (Bobko et al., 2014). A recent review by Panigyraki and Polyportis (2024) indicates that this cognitive activation enables individuals to distinguish better between accurate and misleading information by rationalizing others' behavior. This mental rivalry—balancing perceptions of positive and negative intentions, potential benefit, and possible deceit—renders suspicion a temporary and unstable state. Therefore, depending on whether it evokes trust or distrust, suspicion can ultimately yield either positive or negative outcomes (Bobko et al., 2014; Deutsch, 1958; Hamm et al., 2023; Sinaceur, 2010).

Suspicion also differs from trust—and particularly from distrust—at an emotional level, notably in terms of salience, intensity, and frequency (see, e.g., Fein, 1996; Fein & Hilton, 1994; Saunders et al., 2014; Yik et al., 2011). In contrast to the intense, negative emotional state of distrust, which can involve fear or anger, suspicion typically involves only mild emotional arousal in the form of stress, nervousness, or anxiety (Yik et al., 2011). These emotions are characterized by a general sense of unease or worry but lack the perception of threat that characterizes fear. Unlike fear, which is driven by the recognition of imminent danger and malevolent intent, suspicion-related emotions are less intense and do not arise from a clear and immediate threat.

This distinction aligns with the logic of the rival interpretations of suspicion, which posits that individuals consider multiple possible explanations or scenarios when assessing whether another individual should be trusted or distrusted. Empirically, Bobko et al. (2014) connect suspicion with anxiety, emphasizing the possibility of harmful intent—an interpretation consistent with the assumption of rival interpretations, in which multiple explanations are considered without

a clear threat. Panigyraki and Polyportis (2024) link suspicion to mild negative emotions such as stress and alertness, which are less intense than those associated with distrust.

Finally, suspicion often combines these negative emotions with more positive feelings, such as hope (Saunders et al., 2014) and ambivalence (Hurmelinna-Laukkanen et al., 2023), suggesting that strongly negative emotions occur less frequently and persistently than in distrust.

2.4. Trust, Distrust, and Suspicion

Building on these insights and Swift's (2001) original work, we propose that trust and distrust are best conceptualized along a *split continuum*, with suspicion occupying a distinct conceptual space between them (see Table 1). Ontologically, this model treats trust and distrust as independently varying relational constructs—allowing high or low levels of each—rather than as opposite ends of a single spectrum. Our split-continuum conceptualization draws on the notion of discontinuity in mathematical analysis, in which a line between two points cannot be drawn “without lifting the pencil.” Similarly, the transition between trust and distrust requires a discontinuous break or transformation rather than a smooth progression. Suspicion embodies this break as a cognitively and emotionally unstable state within the “gray zone” that must resolve into either trust (on the bright side) or distrust (on the dark side), without providing a direct connection between them. Through this conceptualization, we contribute to the scholarly discourse on the interrelationships between, and the (potential) coexistence of, trust and distrust.

Insert Table 1 about here

Given their fundamentally different underlying mechanisms and relational consequences, the coexistence of trust and distrust is highly unlikely. While the two relational constructs share certain commonalities, particularly as processes involving choice—in which beliefs are first formed, followed by a decision and subsequent feedback that informs future decisions (what Six

& Latusek, 2023 termed the “universal sequence”)—they shape relational dependence through distinct dynamics that drive them in opposite directions. Although more tentatively, we suggest that suspicion may sometimes appear alongside either trust or distrust in empirical research because it is both temporary and ambivalent, possibly due to limitations in existing measurement tools. However, transitioning from suspicion to trust or distrust remains a meaningful shift.

Beyond their fundamentally different underlying mechanisms, the divergent psychological and behavioral dynamics of trust and distrust make their coexistence, or even an orthogonal relationship, unlikely. As previously discussed, distrust evokes strong negative emotions and is frequently associated with fear. It compels relationship partners to engage in self-protection, limit exposure, and, when possible, adopt defensive or retaliatory behavior (Govier, 1994). This tendency creates a self-reinforcing cycle in which distrust perpetuates further distrust (Hamm et al., 2023). Research employing Coleman’s dynamic systems theory suggests that reaching a distrust threshold (i.e., hitting the split of the continuum) produces a fundamental transformation within a relational system (Deuss-Ngingthatshang & Wiemann, 2023). In contrast, trust fosters openness, a willingness to explore possibilities, and proactive investment in a relationship (Gustafsson et al., 2021). Collectively, this divergent dynamics reinforces the inherent incompatibility of trust and distrust within the same relationship.

Suspicion occupies the conceptual space between trust and distrust, imposing a high cognitive load that makes sustaining it mentally taxing. Thus, it is inherently a more fragile and temporary concept. Given the human tendency to seek certainty and resolve ambiguity, suspicion is typically short-lived: It quickly stabilizes as either trust or distrust, depending on how new information is processed and interpreted. If confirmatory cues reinforce perceptions of positive intentions, suspicion shifts toward trust; if they instead reinforce malintent, suspicion may lead to

distrust. Based on this definition, we argue that suspicion is best understood not only as a distinct relational construct (see also Lyons et al., 2011) but also as a transitional state that bridges the split between trust and distrust. It tips into distrust when a threshold of negative interpretation is crossed or gives way to trust when one commits to a “leap of faith,” ultimately choosing to believe that someone is trustworthy. In this sense, suspicion functions as the split itself—a dynamic, unstable state that must resolve in one direction or the other.

3. The Context: Distrust in Stakeholder Relationships

After elaborating on the general nature of distrust, based on research predominantly at the interpersonal level, we embed the discussion within the stakeholder context. In doing so, we propose three key elements. First, we examine why stakeholder theory has focused firmly on trustful relationships. Next, we describe the dark side perspective that has recently gained attention as a complement to the long-standing bright focus on trust and joint value creation. Additionally, we highlight the distinct nature of stakeholder distrust, which pertains to the relationships between a focal organization and its various stakeholders, hence between organizations rather than individuals.

Initially, scholars developed stakeholder theory as an alternative to strategic management planning theory and the approach that prioritizes maximizing shareholder value (Freeman, 1984; Freeman et al., 2010; Jones & Felps, 2013). Many rationales justify the benefits of adopting a stakeholder perspective as a visionary approach to creating value for a focal organization’s stakeholders (Donaldson & Preston, 1995). The normative perspective focuses on fair value creation and distribution, emphasizing that focal organizations have an ethical responsibility to consider the interests of all stakeholders, not just shareholders. The descriptive perspective corrected the then-dominant assumptions of self-interest, arguing that focal organizations operate

in complex environments shaped by interactions with multiple stakeholders. Finally, the instrumental perspective highlighted higher performance resulting from the additional value created in cooperation with stakeholders. These three perspectives form the bright view of managing a focal organization's stakeholder relationships (Harrison et al., 2019; Kujala et al., 2022).

This bright assumption of joint interests, shared values, and reciprocity among stakeholders explained why these relationships were often portrayed as trust-based and well-functioning (Harrison et al., 2024; Jones et al., 2018; Kujala et al., 2022). For instance, Sanofi has established long-standing and resilient relationships with its stakeholders, including patients, healthcare professionals, and policymakers, by fostering continuous dialogue and aligning its operations with stakeholder expectations (Civera & Freeman, 2019). Similarly, Lego's commitment to sustainability and social responsibility has built substantial trust with customers and communities by prioritizing ethical production and environmental stewardship, reinforcing its reputation as a responsible corporate citizen (Civera & Freeman, 2019).

However, recent research has revealed more harmful and even troublesome parts of these relationships, such as conflicts of interest, harm, unclear motives, and negative perceptions of another organization, and has explored the complexities and challenges that arose in stakeholder relationships (Bundy et al., 2018; Harrison et al., 2024). These complexities challenge the assumption of stakeholder alignment via joint interests, shared values, and reciprocity, instead highlighting the potential for opportunism, exploitation, and ethical failures. The Volkswagen emissions scandal serves as a powerful illustration of how deception and regulatory manipulation lead to widespread distrust among customers, regulators, and the general public. The long-term reputational and financial damage exemplified how unclear motives and hidden agendas can erode

stakeholder relationships (Bundy et al., 2018). Similarly, the BP Deepwater Horizon oil spill highlights the severe consequences of neglecting stakeholder interests and environmental responsibility. The disaster caused immense environmental harm and fostered a deep-seated negative perception of the company as negligent and irresponsible (Bundy et al., 2018).

These cases illustrate how the dark side of stakeholder relationships can result in significant value destruction, reputational damage, and long-lasting stakeholder disengagement. As focal organizations navigate increasingly complex stakeholder landscapes, they must acknowledge that organizational motives can be unclear, ambiguous, negative, malevolent, or harmful and that conflicting interests can quickly escalate into monumental crises. Consequently, recent research has called for a more nuanced understanding of stakeholder relationships—one that explains value creation, destruction, and their conceptual boundaries (Harrison & Wicks, 2021; Kujala et al., 2022).

Finally, to develop a model of stakeholder distrust, it is important to acknowledge that stakeholder theory focuses primarily on relationships between a focal organization and its stakeholders. Stakeholders can include formalized organizations—such as business-to-business customers, suppliers, investors, and NGOs—and organized social groups—such as business-to-customer relationships, communities, or interest groups (Schneider & Sachs, 2017). However, how organizations (not individuals) can (dis)trust each other remains relatively underexplored (see Kroeger, 2011; Schilke & Lumineau, 2023). Kroeger (2011) proposes how organizations—not individuals—can act as subjects and objects of trust. Individuals view organizations as distinct entities, allowing them to form and continually adjust their perceptions of trustworthiness based on their ongoing experiences. Giddens (2013, p. 34) argues that trust in organizations involves “reliability and faith in the correctness of abstract principles,” which differ between organizations.

Although individual agents of the organization, known as boundary spanners, build interpersonal trust, their actions are primarily shaped by organizational commitment and conditioning through norms, structures, and selection procedures (see Schilke & Lumineau, 2023). These mechanisms promote homogeneity and collective accountability among boundary spanners in their interactions with external stakeholders.

It is arguably more challenging to explain how organizations can establish trust, particularly in terms of how they can trust others. Most of the literature still contends that only individuals—not organizations as abstract entities—can trust (see, e.g., Blois, 1999; Dyer & Chu, 2000). Consequently, Zaheer et al. (1998, p. 143) state that organizational trust is a “collectively held trust orientation toward the partner firm.” Kroeger (2011) further emphasizes that trust can become institutionalized and collectively held as intersubjective templates of trust. These templates consist of shared, often informal, guidelines for recognizing, interpreting, and evaluating the actions of others. Such templates are diffused laterally within organizations, mimicked, socially learned, and internalized by newcomers through socialization processes (Kroeger, 2011, p. 753). Similarly, Schilke and Lumineau (2023) suggest that shared cultural understandings and norms embedded in organizational structures reinforce the intersubjective interpretation of other organizations.

In conclusion, we outline the key insights for our stakeholder distrust model. First, we suggest that trust and distrust are distinct phenomena, and their relationship is most effectively represented on a split continuum. Additionally, stakeholder distrust should be viewed in the context of interactions between organizations. Therefore, we offer the following definition: *Stakeholder distrust is the collective unwillingness of a focal organization to accept*

vulnerability—a state of defensiveness rooted in deeply felt and pervasive negative perceptions of another organization’s motives.

4. Stakeholder Distrust Model

In this section, we present a stakeholder distrust model and propose testable propositions for our causal framework. We identify the most proximate antecedents of stakeholder distrust and examine how this distrust manifests through specific cognitive, affective, and behavioral consequences. To develop this model, we use the overall structure of Colquitt et al.’s (2007) meta model of trust development and the universal distrust sequence developed by Six and Latusek (2023). This approach clarifies our relational constructs and places our stakeholder distrust model within similar frameworks that address the dark side of stakeholder relationships (Blomberg et al., 2022; Lumineau & Oliveira, 2018). Figure 1 illustrates our stakeholder distrust model.

Insert Figure 1 about here

4.1. Antecedents of Stakeholder Distrust

We identify two categories of antecedents to stakeholder distrust. First, we propose that the characteristics of the distrusting organization influence the formation of stakeholder distrust. Specifically, some stakeholders are inherently more prone to distrust-based relationships because of their organizational characteristics. Second, we argue that perceptions of distrustworthiness contribute further to stakeholder distrust.

Characteristics of the Distrusting Organization: Collective Propensity to Distrust

Some organizations are inherently more prone to distrust than others. This tendency can be driven by (1) organizational personality, (2) shared radical ideologies, or (3) a business model of taking a distrusting stance.

First, a generalized distrusting stance can emerge from the homogeneity of employee personalities within an organization (Schneider et al., 1998). Over time, organizations tend to attract, select, and retain individuals with similar traits, creating a “grassroots” or bottom-up effect. If an organization consists of individuals inclined to view others (or organizations) negatively and inherently distrustful, it may develop a high proclivity for stakeholder distrust as these traits become embedded in its culture.

Research on interpersonal distrust demonstrates that certain personality characteristics make some individuals more prone to distrust. A general unwillingness to depend on others is considered a core component of the evolution of distrust (Chang & Fang, 2013; McKnight et al., 2004). Additionally, traits that promote negative perceptions of others can fuel distrust. For instance, researchers found that individuals with a high Machiavellianism (Gurtman, 1992), a competitive orientation (Deutsch, 1960), or generalized cynicism (Adams et al., 2010) are more distrusting.

These traits can influence stakeholder distrust—or shared distrust perceptions—through organizational attraction, selection, and attrition processes (Schneider et al., 1995). These bottom-up processes enable individuals’ collective characteristics to affect organizations and organizational culture, ultimately leading to shared perceptions. As Machiavellian individuals are drawn to an organization, its climate becomes increasingly competitive, reinforcing distrustful behavior (Spurk & Hirschi, 2018). Over time, the organization itself may adopt Machiavellian traits. We suggest that a similar process applies to other distrust-related traits identified above.

Second, some organizations are inherently more prone to negative perceptions and a generalized distrust stance based on shared radical ideologies, irrespective of individual personality characteristics. Markman et al. (2016) provide a useful framework for profiling

stakeholders according to their proclivity to attack and distrust other organizations. Drawing on activism research, organizations are segmented based on how comprehensively they adhere to an ideology and the degree to which they share the perception that radical change is necessary (Den Hond & De Bakker, 2007).

An ideology—defined as shared beliefs and attitudes relating to problematic stakeholder issues—shapes how stakeholder representatives perceive what and who is problematic (Blee & Currier, 2005, p. 138). The key factor is how closely a stakeholder's social worldview aligns with that of others (Lange et al., 2022). The more substantial the ideological alignment within an organization and the more radical its belief in change, the more likely it is to develop an institutionalized proclivity to distrust.

Third, a business model based on a distrusting stance can also contribute to stakeholder distrust. Unlike the bottom-up formation of generalized distrust or the influence of radical ideology, some organizations adopt a deliberate, top-down strategy in which distrust is institutionalized as a corporate policy. In such cases, distrust is viewed as a strategic tool to achieve organizational goals.

Waldron et al. (2019) introduce the concept of value-based rivalry, which they define as a battle where the ideology-driven stakeholder seeks to control the focal organization's behaviors that are perceived to violate its moral standards or worldview beliefs. This rivalry involves calculated tactics that create a distrust-like environment, as these organizations display behavior commonly linked to distrust (e.g., Den Hond & De Bakker, 2007). Furthermore, stakeholders strongly engaged with issues that differ from the focal organizations' business model are also prone to distrust (Wickert & De Bakker, 2018).

Therefore, we assert that organizations with a business model of distrust are more likely to view others as problematic and to form distrusting relationships with stakeholders. Siebert and Czarniawska (2020) provide an extreme example: espionage organizations, where distrust is not just a strategy but a necessity for survival. These organizations actively cultivate and embed a distrust-based approach in all aspects of their operations (Siebert & Czarniawska, 2020). Based on the aforementioned causal impact pathways, we posit

Proposition 1: *The characteristics of a distrusting organization—such as a distrusting organizational personality, a shared radical ideology, or a business model rooted in distrust— influence the occurrence of stakeholder distrust positively.*

Characteristics of the Distrusted Organization: Shared Perceptions of Untrustworthiness

A defensive stance (unwillingness to be vulnerable) toward another organization is inherently linked to negative expectations—the belief that the other organization will exploit this vulnerability in a dependent relationship, leading to stakeholder distrust. While trust is based on positive expectations, distrust arises from negative perceptions of an organization’s intent. Trust is typically formed based on beliefs in competence and good will—the expectation that the other party will not exploit its position (Rousseau et al., 1998).

However, we argue that stakeholder distrust, unlike trust, is related solely to negative expectations of intent—what we term “ill will distrust.” A lack of competence may lead to low trust or suspicion (see Mayer et al., 1995, p. 717), but stakeholder distrust emerges when negative beliefs about intent extend beyond specific domains (e.g., task-specific skills or expertise) into generalized perceptions of malintent. Emerging studies support this distinction, asserting that negative beliefs center on malintent. In contrast, suspicion reflects uncertainty about whether the other organization poses a threat. Disappointed expectations or perceived breaches of trust could

be competence-related rather than intention-related. Therefore, we argue that stakeholder distrust is based on perceptions of malintent.

Two manifestations of malintent are discussed in the literature: (1) perceptions of incongruence of core values, and (2) perceptions of malevolence in the sense of “evilness.” First, many researchers view perceptions of value incongruence as essential for the evolution of distrust (Bijlsma-Frankema et al., 2015; Bundy et al., 2018; Guo et al., 2017). This is the most extensively discussed antecedent in the literature. Value incongruence is conceptualized as a “general disagreement on people’s world views and ideologies, a conflicting belief of how work has to be accomplished, as well as the incompatibility of cultural values of any kind” (Sitkin & Roth, 1993, p. 368). Thus, value incongruence signals ill intent (conflicting core values) and can threaten the other organization’s *raison d’être* and social identity.

Qualitative (Bijlsma-Frankema et al., 2015) and quantitative studies (Bijlsma-Frankema et al., 2019; Connelly et al., 2012) reveal that value incongruence is related to distrust. For instance, Priem and Nystrom (2014) draw on the concept of “common ground,” defined as mutual awareness of shared ideas, experiences, values, and information. They investigate the case of British military training exercises at Low’s Gull in Borneo and suggest that a lack of perceived common ground within the group triggered intra-group distrust. Derry and Waikar (2008) explore how conflicting perceptions across stakeholder groups such as NGOs and activist groups are caused and deepened by the conflicting worldviews of stakeholders and the focal organization.

Perceived malevolence—the belief that an organization intends to cause harm—is another key driver of stakeholder distrust. Malevolence is linked to universally harmful motives and values (Govier, 1994), where an organization is seen as not only indifferent to others’ welfare but actively seeking to inflict damage. For instance, Elsbach et al. (2012) demonstrate how shared employee

distrust in Hewlett–Packard grew because of broken promises, unfair actions, and disrespectful behavior toward employees. Employees perceived this behavior as signaling the malevolence of the company’s new top management.

Palazzo and Richter (2005) analyze how the conscious whitewashing of information regarding cigarettes’ health risks fostered public distrust, as the tobacco industry was seen to have malevolent intentions. Additionally, Derry and Waikar (2008, p. 112) demonstrate how public health activists drew on a “master frame of distrust” and interpreted the tobacco industry’s actions as “manipulative representations of an empire greedy to seduce unwitting consumers,” attributing malevolent intentions to the tobacco industry. Therefore, we posit

Proposition 2: *Characteristics of the distrusted organization—such as perceived value incongruence, malevolence, or business models perceived to be built on radical ideologies— influence the occurrence of stakeholder distrust positively.*

4.2. Consequences of Stakeholder Distrust

Stakeholder distrust has been linked to several specific cognitive, affective, and behavioral consequences. We discuss each of these possible consequences in turn.

Cognitive Consequences: Attitudes Evoked Following Stakeholder Distrust

The cognitive reactions most closely related to stakeholder distrust are two high emotional components: skepticism and cynicism. Saunders et al. (2014) found that public sector employees associate skepticism and cynicism with situations involving low trust and high distrust. Moreover, distrust activates a negative lens through which individuals view others in a fact-questioning and pessimistic way. Such attitudes can also be shared, as shown by a study on distrust in a merger situation, which describes how employees reacted with shared skeptical and cynical remarks and thoughts (Searle & Ball, 2004).

Gill et al. (2016) found similar results in stakeholder relationships. They investigated meetings of local officials and international aid donors in a civil war recovery mission, where mutual distrust characterized each side's interpretation of their counterpart's intentions and motives. Their study found that cynicism and skepticism were salient consequences of mutual distrust between the local government and a local hospital regarding how international aid money was allocated and spent. More precisely, the resulting cynicism decreased the likelihood that each side's less egoistic motives would be interpreted positively by their counterparts. Conversely, distrust fueled cynicism and skepticism and led each side to focus solely on potential signs of hostility and deception (Bertocci, 2009). Finally, research on intractable conflicts revealed that a cynical and distrusting lens constantly reinforces one side's negative perceptions of the other, which can ultimately result in a state of "cognitive freezing" (Bar-Tal & Halperin, 2011).

Research also shows that value incongruence is a consequence of stakeholder distrust (not only an antecedent), as distrust strengthens perceptual lenses that emphasize differences between two parties' values rather than their commonality (Bijlsma-Frankema et al., 2015; Connelly et al., 2012). For instance, in a multi-method study, Bijlsma-Frankema et al. (2019) found that stakeholder distrust between management boards and workforces led to augmented perceptions of value incongruence because of increased reluctance to interact. In this study of augmented value incongruence as a consequence of stakeholder distrust, results explicitly point to distrust's self-reinforcing nature. Augmented value incongruence is found to be a consequence of stakeholder distrust and an antecedent of it, reinforcing the parties' reluctance to interact. Based on the aforesaid, we postulate the following:

Proposition 3: *Stakeholder distrust influences the occurrence of cognitive consequences positively, such as skepticism, cynicism, or value incongruence perceptions.*

Affective Consequences: Emotions Evoked Following Stakeholder Distrust

Researchers have identified the affective consequences of distrust. Any event leading to distrust, such as a sense of betrayal, unmet expectations, a threat to one's value-based identity, an epiphany that the other organization has strong malintent, or a similar threshold, is likely to evoke strong negative emotions. Such situations are perceived as threatening, unfair, and disagreeable and evoke strong negative emotional reactions (Bies & Tripp, 1996). McKnight and Chervany (2001, p. 885) thus propose that distrust is linked to emotional reactions such as feeling "frantic, fearful, frustrated, or, in the extreme, vengeful"; this is as opposed to trust and calculative trust, which the researchers view as "cool and collected." Later empirical studies provide evidence for these propositions. For instance, studies based on neuroimaging identify clear differences in the location, duration, and level of brain activity for trust- and distrust-related emotions, revealing that distrust is associated with more intense and negative emotions than trust (Dimoka, 2010). This is also identified by Saunders et al. (2014, p. 655), who show in their study of two UK public sector organizations that distrust is characterized by emotions related to a "fear of harm" and can thus have rather strong negative connotations, such as existential fear.

A handful of studies examine shared emotions in distrusting situations. In their study on the emergence of intergroup distrust between judges and court administrators, Bijlsma-Frankema et al. (2015) demonstrate the coexistence of and a link between shared negative perceptions and strong negative feelings throughout each group. Furthermore, these emotions were linked to clear attributions: Each group saw the other acting intentionally malevolently and perceived them as posing an existential threat. Chambers and Melnyk (2006), when examining intergroup conflicts between abortion opponents and supporters, find anger to be a pertinent shared emotion linked to attributed malevolent and hostile intentions of the other group. Halperin (2008), who investigates

group-based emotion within the context of the intractable conflict between Israel and Palestine, finds that anger and fear are linked to perceptions of the “evil and dispositionally bad” out-group (Halperin, 2008, p. 718). Though both studies examine conflicts, not distrust per se, the clear connection between negative emotions and expectations of malintent suggests that these conflicts could also be described as situations of stakeholder distrust. Hence,

Proposition 4: *Stakeholder distrust influences the occurrence of affective consequences positively, such as strong and negative emotions (for instance, anger, fear, venge) on individual and shared levels.*

Behavioral Consequences: Behavior Evoked Following Stakeholder Distrust

Finally, stakeholder distrust is related to various forms of negative behavior and relationship outcomes. First, stakeholder distrust leads to avoidance behavior as the distrusting organization seeks to minimize its vulnerability and dependence on its distrusted counterpart. Studies show that distrusting parties limit their dependence and reliance on other distrusted parties or actively refrain from reliance (e.g., Bigley & Pearce, 1998). Such avoidance behavior is directly linked to a state of defensiveness (unwillingness to be vulnerable) but may also be a coping reaction. For instance, Bies et al. (1993, p. 257) speculate that social withdrawal may be a reaction to distrust with the intent of “getting even.” Studies even demonstrate that withdrawal in the sense of actively reducing dependency can be manifested in control behavior, such as imposing higher contract specificity because of distrust (Connelly et al., 2012) or overcautious behavior in risky situations (Chang & Fang, 2013; Cho, 2006; McKnight et al., 2004).

Second, stakeholder distrust can also evoke negative reciprocity behavior, such as adopting an aggressive stance or changing one’s role from prey to predator, which could be seen as a relatively active reaction to feeling unwilling to be vulnerable. Hence, distrust is linked to behavior

such as gossiping (Bijlsma-Frankema et al., 2019), manipulation (Dahling et al., 2008), and knowledge-hiding (Farooq & Sultana, 2021). All of this behavior is likely to undermine any ongoing projects between two organizations, inhibiting collective value creation (e.g., in the case of knowledge-hiding) or leading to value destruction (e.g., in the case of manipulation). In their seminal article, Bies and Tripp (1996) identify negative reciprocity behavior aimed at gaining revenge or restoring damaged identities, such as confronting the other person in private or even feuding. In a stakeholder management context, an investigation of the conflict between health activist organizations and tobacco companies by Derry and Waikar (2008) shows that distrust led activists to attack the tobacco industry with public messages questioning the industry's legitimacy.

Finally, stakeholder distrust also causes changes in relationship quality and underlying dynamics. Cho (2006), for instance, shows that distrust leads to reduced self-disclosure (i.e., an unwillingness to communicate insider information about oneself) and significantly reduced relationship commitment, which manifests as an unwillingness to build close stakeholder relationships for future interaction. Additionally, distrust may cause a relationship to dissolve completely (Robinson & Friedman, 1995) or lead to severe fights and conflicts (Chambers & Melnyk, 2006; Dahling et al., 2008; Sitkin & Roth, 1993). Bijlsma-Frankema et al. (2015) show that all these factors become locked in a self-amplifying cycle of distrust, quickly leading to more distrust. In their article about the relationship between public health activists and tobacco companies, Derry and Waikar (2008, p. 115) describe how activists' distrust changed their initial suspicion of tobacco companies into a relationship characterized by "full-scale war." The above reasoning on the behavioral impact of stakeholder distrust leads to the following:

Proposition 5: *Stakeholder distrust influences the occurrence of behavioral consequences positively, such as avoidance of interaction, negative reciprocity, and/or an active undermining of the relationship.*

5. Discussion

We summarize our key insights and explore their implications for examining and engaging stakeholders on the dark side (see Table 2). In doing so, we propose pathways for further conceptual and empirical exploration of stakeholder relationship complexities and how stakeholder engagement practices might evolve when viewed in this new light.

Insert Table 2 about here

5.1. Stakeholder Examination

The stakeholder distrust model expands the scope of stakeholder examination by introducing new dimensions into the understanding of stakeholder relationships. Stakeholder examination involves identifying stakeholders, analyzing their interests and expectations, assessing the nature of their relationships, and evaluating their potential to create or destroy value (Freeman et al., 2017). Traditionally, this process has been conducted from a focal-organization-centric perspective, prioritizing stakeholder management based on the focal organization's interests rather than direct engagement (Freeman et al., 2017).

Early research in this area concentrated on the attributes used to categorize stakeholders (see, e.g., Miles, 2017; Mitchell et al., 1997). However, recent studies have expanded this perspective by exploring the diversity of stakeholder values and their potential for both value creation and destruction, based on their unique utility functions (Harrison & Wicks, 2013). These studies also emphasize the need for improved categorization of the relational nature of stakeholder interactions (Bosse & Coughlan, 2016).

Therefore, stakeholder examination serves as a foundation for stakeholder engagement, recognizing that relationships are dynamic and evolve. We expand the categorization of stakeholder relationships in two key ways.

Identifying and Assessing Stakeholders with High Value-Destruction Potential

First, our stakeholder distrust model enhances stakeholder examination by revealing the relational construct of distrust that characterizes the dark side of stakeholder interactions, where value destruction is the primary outcome. We propose that the antecedents of stakeholder distrust identified in our model can act as a diagnostic tool for assessing stakeholder characteristics. This tool can help identify individuals or groups with a high potential for causing value destruction at an early stage. As a result, our model complements existing frameworks for stakeholder identification (Mitchell et al., 1997) by providing a deeper understanding of what makes specific stakeholders contentious or high-risk.

By applying a distrust-based perspective, focal organizations can more accurately assess stakeholder relationships and anticipate risks before they escalate (Gaito, 2024). For example, consider an energy company planning to build wind turbines near populated villages. This focal organization may perceive value incongruence with the local community, interpreting their environmental concerns as a potential barrier to its renewable energy goals. Our model suggests that identifying this misalignment promptly can help categorize the community as a stakeholder with a heightened risk of distrust-driven value destruction. This categorization enables the company to evaluate a specific relationship more effectively and make informed strategic decisions to mitigate potential adverse effects.

Identifying and Assessing Ambiguity in Relationships

Second, defining stakeholder distrust as a unique relational construct enables us to distinguish it from suspicion, providing a novel perspective for analyzing the nuances of stakeholder relationships not fully aligned with trust. We argue that suspicion represents the gray side of stakeholder relationships, where the potential for both value creation and destruction exists. Suspicion has not been explicitly addressed in stakeholder theory as a distinct relational construct. Fragmented studies have explored similar relational states, often highlighting the benefits of distrust, such as behavior that encourages careful monitoring and assessment (Bundy et al., 2013; Kujala et al., 2016; Lee & Dodge, 2019; Raza-Ullah & Kostis, 2020).

Building on these insights, we propose that these concepts are better conceptualized as suspicion. For instance, Bundy et al. (2013, p. 366) link cognitive dissonance, triggered by identity or strategic threats, to ambiguity that necessitates a “*renegotiation of the status quo*.” They further suggest that while cognitive dissonance may temporarily disrupt organizational self-understanding, it can also foster compromise-seeking behavior that strengthens relationships over time (see also Bundy et al., 2018). This behavior, which balances caution and openness with cooperation, aligns more closely with suspicion than with stakeholder distrust. By incorporating suspicion into stakeholder examination, our model enhances the ability to assess stakeholders who may neither fully contribute to value creation nor entirely drive value destruction. With this expanded categorization, we conceptualize suspicion in stakeholder relationships as an ambiguous state in which stakeholders balance caution and openness with cooperation when perceiving incongruent mental cues, providing a more nuanced understanding of stakeholders and stakeholder relationships. This approach offers focal organizations a structured approach for identifying stakeholder relationships operating in uncertain or ambiguous relational contexts.

5.2. Entry Points for Stakeholder Engagement

Beyond stakeholder examination, our model introduces new entry points for stakeholder engagement—the process of entering, interacting with, and maintaining stakeholder relationships based on the evolving dynamics of a specific relationship at a given time. Existing stakeholder engagement frameworks focus on fostering trust and enhancing favorable relationships (Andriof et al., 2002; Morsing & Schultz, 2006). However, they often assume joint interests between focal organizations and stakeholders. This assumption becomes problematic in distrust-based relationships.

Stakeholder engagement practices traditionally rely on the “common ground” assumption—the belief that joint interests exist between the focal organization and its stakeholders, forming the foundation for meaningful engagement (Andriof et al., 2002; Priem & Nystrom, 2014; Wellens & Jegers, 2014). These practices primarily focus on enhancing “bright” relational factors, such as trust (Morsing & Schultz, 2006). However, stakeholders increasingly challenge this assumption in contexts marked by distrust. This trust bias reflects three commonly recognized levels of engagement: (1) stakeholder information provision, (2) stakeholder consultation, and (3) stakeholder voice institutionalization (Gao & Zhang, 2006; Morsing & Schultz, 2006). These levels assume that engagement deepens as trust grows, and vice versa, ranging from lower-trust activities, such as web pages and hotlines (Herremans et al., 2016), to trust-intensive practices, such as joint decision-making and governance representation (Dawkins, 2014).

In the presence of stakeholder distrust, the fundamental assumptions of stakeholder engagement—joint interests and increasing trust investments—become untenable. Distrusting stakeholders often reject the notion of shared values, rendering traditional engagement strategies

ineffective. Our stakeholder distrust model highlights the need for approaches that move beyond trust-dependent assumptions and address engagement in adversarial relationships. As the model suggests, stakeholder distrust may arise from factors such as organizational personality, radical ideologies, or even distrust as a business model—circumstances that inherently contradict the jointness-of-interest premise. In such cases, conventional engagement strategies, even if adapted, may fail, necessitating alternative approaches focused on resolving stakeholder distrust (Gaito, 2024). Based on our stakeholder distrust model, we identify two key approaches to stakeholder engagement under conditions of suspicion or distrust: preventing stakeholder distrust and resolving it once it has developed. These approaches acknowledge that traditional engagement practices, which rely on trust and shared interests, may be insufficient in relationships characterized by stakeholder distrust.

Preventing Stakeholder Distrust

Preventing stakeholder distrust requires identifying and managing early warning signals that indicate a potential decline in stakeholder relationships. Although awareness of how stakeholder distrust develops can have a mitigating effect, proactive measures are essential to detect and address these signals effectively. Organizational mindfulness (Vogus & Sutcliffe, 2012) can help focal organizations recognize cognitive biases, such as predispositions to distrust, and identify subtle cues of distrust among stakeholders. By fostering greater situational awareness, focal organizations can respond swiftly to emerging concerns and avoid escalation. Additionally, integrating conflict management practices (Glasl, 1999) into stakeholder engagement strategies offers practical approaches to addressing early signs of stakeholder distrust (Gaito, 2024). Unlike traditional trust-based engagement, which focuses on shared values and positive sentiments (Bridoux & Stoelhorst, 2022), conflict management approaches emphasize negotiating mutually

acceptable solutions. For instance, a focal organization planning a controversial infrastructure project might perceive value incongruence with local communities. Early identification of stakeholder distrust can enable the focal organizations to implement measures that transition relationships from distrust to manageable suspicion, preventing costly project delays or legal disputes. Institutionalizing these practices within the organization can help shape a more adaptive approach to stakeholder engagement that is responsive to potential sources of stakeholder distrust (Jones et al., 2007).

Healing Stakeholder Distrust

When stakeholder distrust has developed fully, it creates significant barriers to constructive stakeholder engagement, primarily through a state of defensiveness. Stakeholder distrust produces cognitive, emotional, and behavioral barriers that hinder meaningful dialogue and cooperation. Two key challenges in addressing stakeholder distrust are (1) overcoming entrenched defensiveness to foster openness to dialogue and (2) addressing fundamental conflicts that impede collaboration (e.g., value incongruence). Research on intractable conflict resolution (Bar-Tal & Halperin, 2011; Tomlinson & Lewicki, 2006) suggests that stakeholder distrust is linked closely to conflicts that resist resolution through conventional engagement methods. These conflicts often exhibit “cognitive freezing” (Hameiri et al., 2018), where parties become psychologically locked into negative perceptions, frequently accompanied by strong emotional responses such as fear or hostility (Halperin & Pliskin, 2015). Addressing stakeholder distrust, therefore, requires targeted interventions to break this cycle and facilitate constructive interactions (Gaito, 2024). Furthermore, a growing body of stakeholder literature suggests that overcoming what we have categorized as stakeholder distrust may require the involvement of neutral third parties to facilitate dialogue and mediate disputes (Schormair & Gilbert, 2021). Unlike trust-building efforts that focus on fostering

good will (Rolloff, 2008), third-party interventions aimed at resolving stakeholder distrust help reframe stakeholder relationships and rebuild engagement without reliance on trust.

5.3 Relational Dynamics Underlying Stakeholder Relationships

Our framework advances a perspective on the dynamics of stakeholder relationships that emphasizes the thresholds separating one relational construct from another. As specified in our split -continuum in Table 1, rather than conceptualizing trust and distrust as opposite ends of a continuum, we treat them as qualitatively distinct constructs separated by the unstable state of suspicion. This builds on Coleman et al.'s (2007) theory of the dynamics of intractable conflicts and their insight that relationships often evolve through nonlinear transitions (i.e., potentially abrupt and sudden) rather than smooth trajectories. Suspicion represents precisely such a transitional state: it is cognitively demanding, emotionally fragile, and therefore difficult to maintain. As discussed in Section 2.4, these threshold shifts are driven by the divergent psychological and behavioral dynamics of trust and distrust, which make suspicion cognitively unstable. For this reason, suspicion typically resolves by crossing one of two thresholds—either toward trust when cues affirm positive intent or toward distrust when cues suggest malintent. These discontinuous shifts constitute the core of our perspective on relational dynamics. They highlight that relationships do not simply fade from trust into distrust but rather transform when thresholds are crossed, with suspicion serving as the unstable zone in which these switches occur. This is why we portray suspicion as lying in the intermediate “gray zone” between the bright and the dark side of stakeholder relationships.

Once a threshold has been crossed, the resulting state conditions the subsequent trajectory of the relationship. Crossing into distrust generates specific consequences that our model theorizes, including cognitive manifestations such as heightened skepticism and perceived value

incongruence, emotional responses such as hostility and anger, and behavioral patterns of avoidance, retaliation, or undermining (Bijlsma-Frankema et al., 2015). Taken together, these consequences explain how distrust drives value destruction across financial, social, and ecological dimensions. In this respect, distrust resembles what Coleman et al. (2007) describe as an “attractor”: once established, it resists change, as defensive cognitions and behaviors, as well as fierce emotions, might reinforce one another and make reversal difficult. In contrast, when suspicion resolves into trust, relationships can stabilize into constructive states characterized by openness, cooperative investment, and positive-sum outcomes. Thus, the outcomes of relational dynamics are not arbitrary but patterned, depending on the thresholds crossed and the state in which the relationship settles.

This dynamic perspective also underpins, integrates, and extends our earlier discussions of stakeholder examination and stakeholder engagement. Within stakeholder examination, suspicion represents an ambiguous relational construct where the potential for both value creation and destruction coexist—depending on whether suspicion crosses the threshold into trust or distrust (Gaito, 2024). Recognizing such states enables focal organizations to identify stakeholders at risk of crossing into distrust, thereby enriching diagnostic frameworks for stakeholder analysis. Within stakeholder engagement, the relevance of dynamics lies in how practices respond to shifts across thresholds. Preventive practices aim to stabilize suspicion into trust, for example, through early detection of value incongruence or conflict management routines. Healing practices, in contrast, become necessary once distrust has crystallized, as entrenched defensiveness blocks conventional engagement and often requires third-party mediation. Together, these applications illustrate how an understanding of relational dynamics that emphasizes thresholds clarifies both the examination and management of stakeholder relationships.

6. Future Directions and Concluding Remarks

We present five concrete research directions based on our discussion, categorized by their focus on stakeholder analysis (1 and 2) or entry points for stakeholder engagement (3 to 5). We call for the development of an accepted and validated measurement instrument that effectively captures the unique characteristics of stakeholder distrust. We propose that a key priority for future research in this area is to develop an instrument with high discriminant validity to distinguish between low trust, suspicion, and distrust in stakeholder relationships. Moreover, this instrument should conceptualize stakeholder distrust as a shared state of defensiveness, identifying the organization that is the object of distrust. Last, it must incorporate the concept of non-linearity into measurement practices to effectively capture the inherently “fiery and frenzied” (McKnight & Chervany, 2001, p. 883) dynamics of stakeholder distrust.

The second avenue for future research focuses on the concept of value destruction resulting from ongoing distrust in stakeholder relationships. Stakeholder scholars increasingly recognize that value creation extends beyond economic value and is shaped by stakeholders' utility functions, encompassing multiple dimensions of value (Harrison & Wicks, 2013; Tapaninaho & Kujala, 2020). Consequently, value destruction is likely to manifest in various forms, including economic, social, and ecological dimensions. However, we refrain from portraying distrust outcomes as exclusively negative. In fact, we surmise that distrust may serve a protective function when compared with the potentially high costs of misplaced trust and value destruction brought about by betrayal. Distrust may function as a safeguard to prevent even deeper losses, particularly when stakeholders have the option to walk away from distrustful relationships or consider relationship dissolution to be the only viable alternative, ultimately “saving” future costs.

We argue that the discussion regarding the dark side of stakeholder theory could benefit from a deeper exploration of how value destruction occurs. This exploration should involve examining different forms of harm, such as violence, and considering how value destruction unfolds across different time horizons. Given that certain types of value destruction, such as long-term environmental harm or the impacts on silent stakeholders, may not be immediately noticeable, an important question for future research is how focal organizations and stakeholders can effectively detect and respond to these latent forms of value destruction. In addition, we suggest that relational constructs we did not discuss in this paper, such as calculative trust or mistrust, could lead to further insights into the dynamics of value destruction. In fact, if calculative trust is tied to its origin, a generalized suspicious stance toward transaction partners, as in the homo economicus discussion, the thereby possibly unfolding negative self-fulfilling prophesies have already been discussed in the literature (Wicks et al., 1999). Mistrust, on the other hand, still awaits a clear distinction from suspicion and distrust, where Six and Latusek (2023) seem to equate mistrust with suspicion and Saunders et al. (2014) with distrust and finally Schiocchet (2018, p. 94) considers it as misplaced trust. We suggest that the last conceptualization especially could add further nuances to our discussion.

Third, we suggest that analyzing the dynamics of stakeholder distrust offers a fruitful avenue for further research. We call for more studies to examine how stakeholder distrust emerges and how it reaches a threshold that makes it self-sustaining and pervasive across relationship domains, organizations, and organizational levels. In this context, we identify the organizational sensemaking literature as a promising foundation for further theorizing. According to Maitlis and Christianson (2014), sensemaking—consisting of acts of re-orientation and reinterpretation—is triggered by issues, events, and situations that are “uncertain and ambiguous,” particularly when

expectations are violated (Maitlis & Christianson, 2014, p. 70). Depending on their magnitude, such events can be described as trouble events (Six & Skinner, 2010) or trust breaches (Shleifer & Summer, 1998).

Fourth, as highlighted in Proposition 4, we advocate further research to better understand the emotionally charged consequences of stakeholder distrust and how they may be interrelated with and affect the development of cognitive aspects of distrust. The “fiery and frenzied” nature of stakeholder distrust (McKnight & Chervany, 2001, p. 883) suggests that it can become institutionalized within and across organizations more rapidly and intensely than trust. We propose that stakeholder distrust is fueled by high-energy negative emotions (cf. Barsade, 2002; Nyklíček et al., 1997), which tend to transfer more automatically and with less effort than positive emotions. From an evolutionary perspective, emotions such as fear and anger have been crucial responses to perceived threats and dangers (Kelly et al., 2016). Moreover, research suggests that negative emotions can spread from individuals to groups and eventually become embedded within the broader organizational climate (Dasborough et al., 2009). Therefore, investigating the specific emotions associated with stakeholder distrust can provide valuable insights into the processes that drive its institutionalization within organizations. In this regard, we encourage future research to contrast the “hot” emotional state of stakeholder distrust with the “cooler” state of suspicion, and to explore how the intensity of the involved emotions evolves and affects the institutionalization of stakeholder distrust within and across organizations.

Finally, stakeholder engagement practices may be insufficient to heal stakeholder distrust fully. While our discussion identifies key issues and suggests potential practices for stakeholder distrust healing, we acknowledge that addressing stakeholder distrust is a highly complex and challenging endeavor that requires further research. Specifically, we propose exploring how

stakeholder distrust healing unfolds as a process, and the practices that become relevant at different stages. Unlike trust, which individuals can build incrementally, stakeholder distrust remains deeply rooted and resistant to change. Addressing this issue requires us to implement deliberate and nuanced interventions. A process-oriented approach would allow a deeper understanding of the evolving dynamics of stakeholder distrust healing, offering insights into how perceptions, behavior, and interactions change over time. Furthermore, there remains a lack of understanding regarding the outcomes and potential limitations of distrust healing in stakeholder relationships.

In conclusion, we call for a reconceptualization of stakeholder engagement on the dark side and lay the foundation for this endeavor by offering a relational basis for stakeholder relationships on the dark side. This basis facilitates stakeholder examination and enhances our understanding of the nuances of the gray and dark sides of stakeholder relationships. It also identifies entry points for stakeholder engagement in the form of warning signals of emerging stakeholder distrust and key issues to be addressed for stakeholder distrust healing.

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Table 1*Split Continuum of Distrust, Suspicion, and Trust*

	Distrust	Suspicion	Trust
Defining core	State of defensiveness (unwillingness to be vulnerable)	Suspended judgment	Willingness to be vulnerable
Cognitions	Confident expectations of malintent Perceptions of generalized value incongruence	Uncertainty and ambiguity about malintent Cognitive activation	Confident positive expectations Competence (ability), integrity, benevolence
Emotional state	Intense and activated negative emotions	Mild arousal with mixed emotions	Unclear, speculated to be mild and positive
Function & behaviors	Defense against threat: Avoidance of risk taking in relationships and/or aggression	Focus on revealing information: Active search behaviors, caution	Leveraging commonalities and differences: Risk taking in relationships
Context	Dark side	Gray zone	Bright side
Split continuum			

Table 2*Stakeholder Examination and Engagement in the Dark Side*

	STAKEHOLDER EXAMINATION Identifying and analyzing characteristics of stakeholders and stakeholder relationships	STAKEHOLDER ENGAGEMENT Managing evolving dynamics in stakeholder relationships by engaging with stakeholders
<i>Key contribution</i>	Enhanced concept clarity via split-continuum differentiation and disclosure of core assumptions	Identification of entry points for trust-independent stakeholder engagement
<i>Impact of stakeholder distrust as a distinct concept</i>	Concept clarity allows for more nuanced stakeholder examination based on the relational properties other than trust: <u>Identifying and assessing stakeholders with high value-destruction potential:</u> Evaluate the risk of value destruction by analyzing factors that cause distrust, such as the characteristics of the distrusted and distrusting organizations. <u>Identifying and assessing ambiguous relational states:</u> Evaluate stakeholder relationships by identifying suspicion as distinct from trust and distrust	Stakeholder distrust challenges the assumption of “common ground” and demands a distinct set of relationship management strategies focused on preventing distrust and repairing damaged relationships. <u>Preventing stakeholder distrust:</u> Proactively recognizing and reacting warning signals (i.e., antecedents) enables stakeholder distrust prevention <u>Healing stakeholder distrust:</u> Performing practices that target distrust manifestation (i.e., consequences) to overcome the entrenched state of defensiveness and address fundamental (value) incongruences
<i>Future research needs and questions</i>	Empirically assessing stakeholder distrust and validating the stakeholder distrust model: 1. What are the characteristics and patterns of distrust for the distrusted and distrusting organizations? 2. How do the characteristics and patterns of distrust influence value destruction? 3. What validated measurement instruments capture stakeholder distrust as a distinct concept and its dynamics? 4. Empirically test propositions developed in this study (e.g., that a shared radical ideology positively	Gaining insights into stakeholder distrust dynamics and delineating entry points for stakeholder engagement: 5. How does stakeholder distrust emerge, how does it become self-sustaining and pervasive, and what do tipping points look like? 6. How do emotions relate with stakeholder distrust, what do evolvment patterns look like, and how does their intensity affect stakeholder distrust development? 7. How does stakeholder distrust healing occur, what practices are most effective, and what are the limitations of the healing process?

influences the occurrence of stakeholder distrust).	
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