Research Article

How Does the Violation of Trust Influence Project Management Negotiations?

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Abstract:
Violation of Trust frequently damages or destroys the relationship. In this work, we addressed the epistemology of Trust amongst negotiators, providing a new perspective on the emerging themes after careful analysis and revision. First, we analyzed how the Violation of Trust somehow influenced project management negotiations through a qualitative inquiry of N=80 project managers. Then, after content and causal chain analyses, the findings pointed out harsh consequences on both substance and relationship, such as disappointment, loss of sales, customers, and no deal in the short term. In the long run, loss of credibility jeopardizes future business opportunities and loss of reputation. As a result, we believe it is possible to pave the way for future research by understanding complex concepts affecting trust and project management negotiations.

Keywords: Trust, Project Management, Negotiations; Content, Causal Chain Analysis

I. Introduction

This article investigated how the Violation of Trust somehow influences project management negotiations in the Brazilian scenario. We interviewed N=80 project management experts on the subject through a semi structured questionnaire, which findings are displayed, analyzed, and discussed in the upcoming sections. Trust is a "confident, positive expectation regarding another's conduct" (Lewicki, McAllister & Bies, 1998, p. 439) and a "psychological state comprising the intention to accept vulnerability based upon an expectation of reciprocity" (Rousseau, Sitkin, Burt, & Camerer, 1998, p.395). McElhamb (1961) states that a state of mind responds to stimuli. Conversely, Negotiation is "a process of communication back and forth to reach a joint decision." (Fisher, Ury & Patton, 1981, p. 20). It is also "a process of potentially opportunistic interaction by which two or more parties, with some apparent conflict, seek to do better through jointly decided actions than they could otherwise." (Lax and Sebenius, 1986, p.11)

Moreover, Trust comes from trauien, the German word for belief, faith, on veracity. Also, from Old Norse traust, Dutch troost, and old English treowian (Online Etymology Dictionary, 2015). Trust is different from confidence¹. According to Rotter (1967, 1980), confidence is an unconscious, universal attitude and background journey towards the self, while Trust is a psychological vulnerability (Rousseau, Sitkin, Burt, & Camerer, 1998). Trust, according to Butler (1991), has the following attributes: (i) promises, (ii) openness, (iii) availability, and (iv) receptivity. (v) competence, (vi) discreteness, (vii) consistency, (viii) fairness, (ix) loyalty, (x) integrity, and (xi) fulfillment. Finally, Negotiation, on the other hand, comes from the Latin “deny” nego, “leisure” otium. In the next section, we present a concise literature review on Trust.

II. Literature Review

Behavioral versus Psychological approaches to Trust

Trust has been investigated under two major theoretical approaches in the past decades: (a) psychological approach (Mayer, Davis & Schoorman, 1995; Rousseau, Sitkin, Burt, & Camerer, 1998; Shapiro, Sheppard, & Cheraskin, 1992), and (b) behavioral approach (Thompson, 2015, 1980; Bazerman, 2014; Bazerman & Malhotra, 2007; Williamson, 1981; Walton & McKersie, 1965; Deutsch, 1958). Table 1 depicts the theoretical approaches to Trust as follows:

¹ from Latin com, together and fidere, faith.
Observe in Table 1 that the Psychological approach is divided into the unidimensional approach (Mayer, Davis & Schoorman, 1995); the two-dimensional approach (Lewicki & Stevenson, 1998), and the transformational approach (Lewicki & Bunker, 1995, 1996; Shapiro, Sheppard, & Cheraskin, 1992). In this work, we adopted the transformational approach of Trust. Note that distrust is the absence of Trust. According to Govier (1994), distrust is the “lack of confidence in the other” (p. 240).

According to Lewicki & Hanke (2012), Trust is affected by past experiences, reputation, and circumstantial factors (p.214). Trust is risk-taking in every relationship (Schoorman, Mayer & Davis, 2007). Todorov, Pakrashi, & Oosterhof (2009) state that physical appearance also triggers Trust. Balliet & Van Lange (2013) affirm that cultural differences change the perception of Trust across countries. Trust is also essential for business negotiations (Dias, 2016, 2018; Gunia et al., 2014), affecting the organizational process: Trust allows people to focus more intensely on the task rather than on their troubled and suspicious relationships with the other. And finally, Trust in an organization reduces the costs of carrying out its activities. Generally speaking, the less Trust exists in an organization, the more it must devote resources to compliance (Salacuse, 2006, p196).

The trustee’s reputation is essential for the Trust (Adair & Brett, 2005). Conversely, a poor or bad reputation endangers Trust between parties (Tinsley, O’Connor & Sullivan, 2002).

**Transformational Approach to Trust**

Psychological Transformational Approach to Trust has attracted scholars’ attention over the past decades (Dias, 2018, 2016; Shapiro, Sheppard, & Cheraskin, 1992; Govier, 1994; Lewicki and Bunker, 1995,1996; Lewicki and Stevenson, 1998; Shapiro et al., 1992), illustrated in Table 2. In Table 3, the approaches to Psychological Evolutionary Trust the nature are compared as follows:

**Table 2 Transformational or Evolutionary Trust - definitions**

<table>
<thead>
<tr>
<th>Nature of trust</th>
<th>Definition</th>
<th>Author(s)</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distrust (DTR)</td>
<td>DTR is the lack of confidence in the other, a concern that the other may act so as to harm one, that he does not care about one’s welfare or intends to act harmfully, or is hostile.</td>
<td>Govier</td>
<td>1994</td>
</tr>
<tr>
<td>Deterrence-based trust (DTBT)</td>
<td>DTBT is based on the threat of punishment if consistent behavior is not maintained. Trust based on dissuasion.</td>
<td>Shapiro, D.</td>
<td>1992</td>
</tr>
<tr>
<td>Calculus-based trust (CABT)</td>
<td>CABT is based upon the assumption that trustors are positive about their future outcomes. Trust based on risk taking.</td>
<td>Lewicki and Bunker</td>
<td>1995/1996</td>
</tr>
<tr>
<td>Knowledge-based trust (KNBT)</td>
<td>KNBT occurs when both trustor and trustee are capable to anticipate, and to predict future negotiations outcomes based on previous experiences and consistent interactions along time. Such predictions maybe positive as well as negative. Trust is based on past interactions.</td>
<td>Lewicki and Bunker</td>
<td>1995/1996</td>
</tr>
<tr>
<td>Identification-based trust (IDBT)</td>
<td>IDBT is This highest level form of trust which allows a trust between trustee and trustor with no precedents. One rely on the other on positive expectations and future actions, in order to mutual assistance in achieving their objectives and goals.</td>
<td>Lewicki and Stevenson</td>
<td>1998</td>
</tr>
<tr>
<td>Compelled-based-trust (CPBT)</td>
<td>The Compelled-Based Trust (CBPT) is a Transformative or Evolutionary Trust, in which trustors, with no previous information on their counterparts’ reputation, are compelled to trust by greater circumstantial forces, in unknown trustees.</td>
<td>Dias</td>
<td>2016</td>
</tr>
</tbody>
</table>

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Table 3: Comparison of approaches to Psychological Evolutionary Trust

<table>
<thead>
<tr>
<th>Type of Trust</th>
<th>Deterrence-based</th>
<th>Calculus-based</th>
<th>Knowledge-based</th>
<th>Identification-based</th>
<th>Compelled-based</th>
<th>Distrust</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Motivator</td>
<td>deterrence</td>
<td>positive rewards</td>
<td>past experiences</td>
<td>total</td>
<td>circumstancial</td>
<td>fear</td>
</tr>
<tr>
<td></td>
<td>dissuasion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>retaliation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trustor Control</td>
<td>weakest</td>
<td>weak</td>
<td>strong</td>
<td>strongest</td>
<td>none</td>
<td>none</td>
</tr>
<tr>
<td>Risk</td>
<td>highest</td>
<td>high</td>
<td>weak</td>
<td>weakest</td>
<td>high</td>
<td>highest</td>
</tr>
<tr>
<td>Time Orientation</td>
<td>future</td>
<td>future</td>
<td>past</td>
<td>past</td>
<td>present</td>
<td>past</td>
</tr>
</tbody>
</table>


Finally, Tables 2 and 3 show the main features of the systems of Psychological Evolutionary Trust. This work examined the Violation of Trust through qualitative methods, as described in the following section.

III. Methods and limitations

This article addressed the influence of the Violation of Trust in project management through in-depth qualitative interviews. We followed an inductive rationale and interpretive approach. Primary data were collected from N=80 experts in project management (see Table 4). The interviews are supported by Goffman’s dramaturgical theory (1959, 1961); the social events (like interviews) between the parties are acted out as a drama. Furthermore, the raw data were transcribed, coded, and analyzed, as described in the following sections.

Firstly, a purposive sampling strategy was adopted because we believe the quality of the answers is more relevant than their quantity. Moreover, some aspects and nuances of the quality of Trust and project management cannot be assessed through a Likert scale or any other statistical technique. Thus, this exploratory research recollected some nuances and subjectivities of the Violation of Trust in Brazilian negotiations.

Secondly, a Research protocol was designed containing warm-up questions and a semi-structured questionnaire (Myers and Newman, 2007) with two open questions as follows: (RQ1) In your perception, what are the consequences of the Violation of Trust in Project Management Negotiations in short and (RQ2) long terms? The interviews were designed to take 30 min to one hour. Furthermore, all the interviewees were assured: (c) the confidentiality of information disclosure for ethical purposes; (d) the freedom to interrupt the interview at any time, without any justification; (e) access to data transcription; (f) formal quotation acceptance.

Thirdly, N=80 experts in Project management negotiations were chosen, abiding by the following selection criteria: (i) all interviewees should have had at least ten years of previous experience with Brazilian negotiations; (ii) all interviewees should have had experience with project management; (iii) all interviewees should be Brazilians. In addition, the interviewees (hereafter referred to as I1 to I80) were invited face-to-face followed by e-mail invitation, with a 75 percent response rate. Finally, to avoid elite bias (Myers and Newman, 2007) and to present different and richer perspectives on the phenomenon under investigation, we combined project managers, team members, sponsors, and other stakeholders.

Then, data were collected via synchronous chat meetings and video recorded via the Zoom® virtual chat platform. Primary data were collected in Brazilian Portuguese, the native language of all the interviewees, and then translated and transcribed into English. Direct contact was avoided due to the sanitary restrictions regarding the Covid-19 pandemic, currently in one of the many variations. Therefore, there were no significant distracting noises or eventualities registered, such as interruptions, for instance. Finally, the interviews lasted 30 minutes on average.

Next, the raw data was coded in waves, following Miles, Huberman, and Saldana (2014) and Saldana (2013). Direct quotations were authorized, and the identities were preserved for ethical issues. Finally, the raw data were analyzed through content and causal chain analysis, following Schreier (2012) and Miles Huberman and Saldana (2014). In addition, this research is limited to Brazilian project management negotiations. Therefore, different countries and business negotiations, such as governmental negotiations, are not part of this research and should be investigated separately.

This article is limited to trust between negociators (trustors and trustees). Therefore, other aspects of Trust are not addressed in the present study, such as (i) trustworthiness (Lewicki & Polin, 2013); (ii) Trust in Markets (Fukuyama, 1995); (iii) Trust between intergroup (Serva, Fuller & Mayer, 2005); (iv) Trust among Nations (Labonne & Chase, 2010); (v) Trust and Game Theory (Evans & Krueger, 2014; Malhotra, 2004); (vi) the process of Trust (Khodyakov, 2007; Barber, 1983); (vii) Trust and risk-taking (Evans & Krueger, 2011); (viii) Institutional Trust (Khodyakov, 2007) , and finally, (ix) Trust associated with Honesty (Lewicki & Hanke, 2012).

A final observation: in Brazilian Portuguese, Trust and confidence are represented by one word, confiança (Brazilian Portuguese), from the Latin confidere. Therefore, additional explanations became necessary to the interviewees once raw data were collected in.
IV. Findings and Analysis

In this section, we analyzed the findings of the interviews after carefully investigating the raw data. Figure 1 illustrates the word frequency:

![Figure 1 Word frequency. Source: Database](image)

Note in Figure 1 that Violation of Trust is associated with words like "loss," "credibility," "mistrust," and "Violation," among the most frequent. In addition, Figure 2 displays the word cloud of the raw data as follows:

![Figure 2 Word Cloud. Source: Database](image)

Figures 3 and 4 show the word cloud separated by terms. Figure 3 presents the word cloud related to the short-term influence of the Violation of Trust. Figure 4 depicts the word cloud referring to the long-term effect of the violation of Trust.

![Figure 3 Short Term Word Cloud. Source: Database](image)

![Figure 4 Long Term Word Cloud. Source: Database](image)
Observe in Figure 3 that "loss," "loss of credibility," and "negotiations" frequently emerged when the interviewees answered the question about the consequences of the Violation of Trust for project management negotiations in the short term. Figure 4 illustrates the consequences for Trust violation in the long-term, as follows:

![Figure 4 Long-Term Word Cloud. Source: Database](image)

Note in Figure 4 that "credibility," "loss of credibility," "negotiations," "future business," and "mistrust" frequently emerged when the interviewees answered the question about the consequences of the Violation of Trust for project management negotiations in the long term.

### Causal chains analysis

We also analyzed the raw data and found emerging patterns regarding time orientation and the type of consequences of Violation of trust, as illustrated in Table 4:

#### Table 1: Violating trust: effects in time

<table>
<thead>
<tr>
<th>Emerging codes</th>
<th>Time orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ST - Short term</td>
</tr>
<tr>
<td>AFFS</td>
<td>No deal</td>
</tr>
<tr>
<td>Affecting Substance</td>
<td>lose for sale</td>
</tr>
<tr>
<td></td>
<td>Loss of cooperative, funding, credit, services</td>
</tr>
<tr>
<td></td>
<td>no new negotiations</td>
</tr>
<tr>
<td>AFFR</td>
<td>disappointment</td>
</tr>
<tr>
<td>Affecting Relationship</td>
<td>cooling the relationship</td>
</tr>
<tr>
<td></td>
<td>Loss of respect</td>
</tr>
<tr>
<td></td>
<td>no deal</td>
</tr>
<tr>
<td></td>
<td>end of relationship</td>
</tr>
</tbody>
</table>

Source: Database

Table 4 indicates four emerging codes: (a) AFFS (Affecting Substance), (b) AFFR (Affecting Relationship), (c) ST (Short-Term), and (d) LT (Long-Term). Table 4 also helped us to gain insights into causes and consequences (causal chain) regarding the negotiations' adverse outcomes. Our analysis revealed that the interviewees perceived a Violation of Trust in project management as a cause for adverse consequences. Evidence suggests that the Violation of Trust in project management and business negotiations is similar and helps to promote pro-self behavior at the bargaining table (Dias, 2016).

### V. Implications and Discussion

In previous sections, we presented the results and content analysis of the raw data, pointing out adverse outcomes of trust violation and its implications in other fields of research, such as (i) business negotiations (Dias, M.; Pereira, L; Vieira, 2022; Dias, M et al. 2022; Dias, M., Lopes, R., 2020; Dias, M. Navarro, R., 2020; Dias, M., 2020a; Dias, M., Lopes, R., Duzert, Y., 2020; Dias, M., 2020; Dias, M., 2021a); (ii) contract negotiations (Dias, M., Lopes, R., Cavalcanti, G., Golletto, V., 2020; Dias, 2012; Dias, M.;
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Silva, L., 2021); (iii) project management negotiations (Soares, C.; Magalhães, M.; Barroca, J.; Dias, M., 2020; Dias, M., 2021); (iv) Social Value Orientation (Dias, 2016; Balliet, D., & Van Lange, 2013), among others. We start this section by answering the research questions. We used the In vivo codes to honor de interviewees' voices (Saldaña, 2013).

Answers to the Research Questions

Regarding the (RQ1) In your perception, what are the consequences of the Violation of Trust in Project Management Negotiations in the short term? Evidence suggests both the rupture of the relationship and substance negotiated, as follows:

“Impossibility of returning to negotiate with the person.” (I1)
“Low-quality negotiation.” (I3)
“Disappointment, end of the relationship (whatever), give up the business or partnership negotiation gets harder.... generates mistrust.” (I23)
“In the short term I believe it involves not conducting that particular business. In the long run caution in negotiations (The bark gets thicker).” (I37)
“Cooling of the commercial relationship.” (I40)
“Loss of credibility and customers.” (I43)
“It can make you lose a potential partner.” (I45)
“No closing of the deal.” (I48)
“Loss of cooperative, funding, credit, services. No new negotiations will be possible.” (I55)
“Loss of Credibility” (I67)
“Loss of Relationship” (I69)
“No more credibility, and one person to speak to the other, soon will not be able to close business with other people.” (I79)
“Derail future operations/negotiations” (I80)

The answer to the second research question: (RQ2) In your perception, what are the consequences of the Violation of Trust in Project Management Negotiations in the long term? Evidence suggests both the loss of credibility, reputation, loss of future opportunities, and bad reputation, as follows:

“Negative media for other people.” (I2)
“Huge effort to regain confidence and conduct new negotiations.” (I4)
“Difficult to revert to new negotiations.” (I14)
“Loss of credibility in negotiation and in person.” (I22)
“Mistrust in upcoming negotiations.” (25)
“Weakens the relationship and ends future business.” (I27)
“Loss of large customers” (I42)
“The negotiation does not materialize.” (I50)
“If it's something serious, there's no chance of re-negotiating in the future.” (I52)
“There may be reconciliation depending on the type of relationship.” (I53)
“There are cases where this recovery is impossible.” (I56)
“Word of mouth can bring a lot of damage in this case” (I62)
“Mistrust in future business.” (I65)
“Difficulty or impossibility of new negotiations, loss of customers, bad reputation.” (I66)
“Total loss of credibility.” (I70)
“Affects your image and the image of the company you represent, including future negotiations.” (I74)
“Failure to conclude the negotiation, lack of future credibility.” (I56)
“Miss the opportunity at the moment and new future opportunities.” (I27)
“Unilateral business and loss of business for new alternatives.” (I43)
“Image risk, a detractor customer speaks to more people than a satisfied customer.” (I22)
“Violation of trust, the image of the affected company.” (I80)
“The Violation of trust in the negotiation process impacts in several aspects, from the possible loss of the business, as well as, unavailability of new negotiation possibilities, the opening of other fronts, impacts on the image and credibility of the professional or company.” (I8)

In sum, the consequences of the Violation of Trust in project management negotiations could be summarized as follows: (a) in the short-term, evidence pointed out the immediate rupture of the contract, and the negotiation channel, affecting directly both issues negotiated and relationship, with consequences linked to (b) the long-term, the loss of credibility, bad reputation, the loss of larger customers (see Table 4). In both cases, the risks are higher, and the worst-case scenario is lawsuits and escalation of Conflict. However, violated Trust can be repaired (Bottom, Gibson, Daniels, and Murnighan, 2002) depending on the violator's response (Gillespie, and Dietz, 2009; Schweitzer, Hershey, & Bradley, 2006). According to Gillespie and Dietz (2009), internal and external factors affect the employees' perception of trustworthiness. Therefore, when the Trust is violated, they point to an
urgency for (i) immediate response; (ii) diagnosis; (iii) reforming interventions, and finally, (iv) evaluation, as depicted in the following Figure 5:

Figure 5: Four-stage process for trust repair.
Source: Gillespie, and Dietz, 2009, p.137. All right reserved.

Figure 5 shows that the four-stage process for trust repair (Gillespie and Dietz, 2009) was conceived to repair organizational trustworthiness. However, we suggest the model also be applied to the project management environment once most projects communication, coordination, and management are conducted inside organizations. Whatever the circumstance, trust repair should take into consideration the following course of action: (i) acknowledgment of the violation; (ii) violation diagnosis; (iii) apology; (iv) violation correction; and (v) forgiveness. We believe sincere apologies should be followed by a concrete and genuine demonstration of correctness through actions. Trust repair cannot be evaluated only by sincere words but instead by actions.

VI. Future Research

We encourage future research on trust repair mechanisms adapted to the project management environment to test whether there is a significant difference between matrix, functional, and projected organizational project management structures, for instance. We also recommend the study of the effects of the Violation of Trust in other countries, organizational cultures, and, ultimately, different business scenarios.

References
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How Does the Violation of Trust Influence Project Management Negotiations?

Dukumentasyon

Pananaliksik tungkol sa epekto ng social media sa mga mag aaral ng 11 humss n2 ng swu phinma
“apositibo at negatibo na epekto ng internet at social media sa larangan ng pagsaliksik at komunikasyon”
Positibo at negatibong epekto ng social networking sa mga kabataan