7. REPAIRING TRUST IN PUBLIC SECTOR AGENCIES

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ABSTRACT

Trust failures in public administration can have devasting impacts, eroding citizen trust and confidence in public institutions. In this chapter, we take stock of the literature on trust repair to draw insight on how public sector leaders can effectively respond to organizational trust failures and support the restoration of trust. We discuss what it means to repair trust and integrate the key mechanisms and strategies for restoring trust in public sector organizations into a framework of five practices: the initial response, investigation and discovery, making amends, organizational reforms, and transparency. We consider unique features of the public sector context that influence trust repair dynamics and conclude with a future research agenda to advance understanding of organizational trust repair in the sector.

Keywords: trust repair, trust violation, distrust, public sector, public services, review

Trust is critical for the effective functioning of organizations and society and forms an integral part of the relationship between stakeholders and organizations (Fulmer & Gelfand, 2012; Kramer & Lewicki, 2010), including citizens' relationship with public institutions (United Nations, 2021). In the public sector, citizens' trust is a key indicator for evaluating public agencies (Van de Walle & Migchelbrink, 2020) and is linked to acceptance and compliance with public policies, social cohesion and political participation (OECD, 2021). While it is contested whether trust in public institutions is in continual decline, with significant variations across countries (Van de Walle et al,, 2008; OECD, 2021), trust in public administration is low in many countries, as evidenced by international surveys (United Nations, 2021). For example, calculations based on the World Values Survey and European Values Study indicate that, on average, 49% of people in OECD countries trust the civil service (OECD, 2021).

Trust failures in the public sector are commonplace and can have a devastating impact. For example, in Australia, the Department of Human Services implemented an automated welfare debt assessment and collection program, known commonly as "Robodebt". Despite early warnings and critical stakeholder feedback, the program inaccurately and unlawfully raised debts against thousands of social welfare recipients. Robodebt caused significant distress and unfair treatment of vulnerable citizens and front-line employees, even leading to reports of suicides, and triggered a successful class action and settlement of AUD$1.8bn (Henriques-Gomes, 2021). The program became a national scandal that seriously damaged public trust and confidence in the government and its agencies, resulting in leadership and governance changes, a public investigation, formal apologies and referrals for criminal prosecution (Hitch, 2020; Lewis & Jones, 2023; Rinta-Kahla et al., 2022).

As the Robodebt example powerfully shows, understanding how to repair organizational trust once damaged is a critical competency. Yet public sector organizations face particular challenges in preserving and repairing trust. They are expected to maintain high standards of integrity, impartiality, accountability, and transparency in the delivery of a wide range of public services, in the face of

intense public and media scrutiny, while navigating a complex and politicized landscape of diverse stakeholder demands and increasingly polarized ideologies.

Our aims in this chapter are twofold. First, we review and integrate research insights on trust repair to inform public sector leaders on how to effectively respond to an organizational transgression in a way that supports trust. Second, we outline a research agenda to advance understanding of trust repair in public sector contexts. Our focus and scope are squarely on restoring trust in public agencies and institutions that deliver and administer public services, such as education, health, transport, social security, taxation, policing, and the justice system. While trust in a public sector agency may be influenced by trust in the ruling government and/or political leaders, for reasons of scope, we do not focus on the broader issue of restoring trust in government or political parties and their leaders.

In the next sections, we first discuss what it means to repair trust and unique considerations for restoring trust in public agencies. We then provide an integrated framework of the key practices, mechanisms, and strategies for repairing organizational trust and draw out key insights from the empirical literature published over the past two decades. In the final sections, we discuss the implications of these findings for restoring trust in public sector agencies and identify important areas for future research to advance a contextualized understanding.

UNDERSTANDING TRUST REPAIR: CONCEPTUAL FOUNDATIONS

What does it mean to repair trust?

Trust is a complex concept that has cognitive, affective, and behavioral manifestations (Lewicki et al., 2006). In management and organizational science, trust is commonly defined as a willingness to be vulnerable to the actions or behaviors of another party based on positive expectations of that party's conduct (Mayer et al., 1995; Rousseau et al., 1998). In line with this definition, we define an organizational trust violation as an incident (or series of incidents) resulting from the (in)action of organizational agents, that causes stakeholders' positive expectations of, and

willingness to be vulnerable to, the offending organization to diminish substantively (Gillespie & Dietz, 2009; Kim et al., 2009).

A trust violation fundamentally changes the nature of the relationship, triggering negative shifts in expectations, perceptions, and attributions (e.g., confident negative expectations akin to distrust), often accompanied by strong emotional (e.g., anger, disappointment, fear, shame) and behavioral (e.g., withdrawal, imposing controls) responses. Trust violations typically damage one or more of the pivotal expectations underlying stakeholder's beliefs about an organization's trustworthiness (Gillespie & Dietz, 2009: 128; Mayer et al., 1995) namely: *Ability* (the organization has the collective competencies and characteristics to function reliably and effectively to meet its goals and responsibilities), (2) *Benevolence* (the organization acts with genuine care and concern for the well-being of stakeholders), and (3) *Integrity* (the organization consistently adheres to commonly accepted moral principles, such as fairness, honesty, taking responsibility for actions, and fulfilling promises). After a trust failure, "people undergo a cognitive reappraisal of the relationship" (Gillespie & Dietz, 2009: 133), with a tendency to privilege negative information and inferences about the transgressor's motives, character, and competence over positive evidence (see Kim et al., 2004), and a hypervigilance to cues of untrustworthy behavior (Kramer, 1994).

The objective of the trust repair process is to overcome these salient negative expectations and restore confident, positive expectations about the transgressing organization's future trustworthiness, and the trustor's willingness to be vulnerable in the relationship (Gillespie & Dietz, 2009; Kim et al., 2004; Kramer & Lewicki, 2010). The trust repair process thus involves both the transgressing organization and the trustor(s) (Kim et al., 2009). While some view trust as a phenomenon that is either present or not (i.e., you trust or you don't), we align with the view that trust operates on a continuum (Lewicki et al., 2006): Trustors can vary both in their level of trust in the organization, and the breadth of domains in which they are willing to trust (e.g., a citizen may trust a public agency to deliver a quality service but not to keep their data private). Hence, the trust repair process focuses

on reducing negative expectations and associated emotions while enhancing positive expectations towards the transgressing organization.

In line with our focus on the repair of stakeholder trust in public sector organizations, we clarify that our primary referent of trust is the public agency or organization, and the trustor is either an individual or a collective stakeholder group (e.g., citizens, public sector employees, agency leaders, regulators). Organizational trust and its repair operate at multiple levels (Gillespie et al., 2021; Kahkonen et al., 2021). For example, a citizen's trust in a public agency may be shaped by their interactions and experiences with individual public sector employees in direct service interactions. It can also be influenced by their dealings with, and outcomes of, the agency's broader service provision and processes (e.g., e-government services), as well as their perceptions of the agency's leaders and representatives, and the broader institutional environment in which the agency operates (e.g., laws, rules, regulatory bodies; Thomas, 1998; Van de Walle & Migchelbrink, 2011). Therefore, we discuss how key dynamics and mechanisms play out at the interpersonal level (i.e., between and towards individuals) where relevant. While some trust repair principles and mechanisms remain similar across levels, conceptual and empirical research supports the view that there are notable differences in the dynamics, processes, and strategies of trust repair at the organizational versus interpersonal level (Gillespie & Dietz, 2009; Gillespie et al., 2021), with experimental research demonstrating it is more challenging to repair trust with collectives than with individuals (Kim et al., 2013). In a similar vein, in the next section, we discuss unique considerations for repairing trust in public sector organizations compared to other sectors (e.g., private and non-profit).

Understanding trust repair in public sector organizations: Unique considerations

To date, the literature on organizational trust repair has paid limited attention to the influence of sector, and there appears to be an implicit assumption that the principles, mechanisms, and strategies for repairing trust hold across public, private, and non-profit sectors. However, recent

research suggests the dynamics of trust breakdown and repair can differ across sectors. For example, unique features of the non-profit sector have been shown to contribute to trust violations in non-profit organizations (Gillespie, Anesa, Lizzio-Wilson, Chapman, Healy & Hornsey, 2023), with people holding non-profits to a higher standard of moral integrity, and penalizing non-profits more harshly than for-profits when they breach these expected standards (Chapman et al., 2021; Hornsey et al., 2021). We propose there are distinct features and characteristics of the public sector that influence the dynamics and processes of trust repair, and hence need to be taken into consideration in attempting to restore trust in public agencies.

One of these key distinctions is that public sector agencies are ~~government~~ government-run and "political insofar as they entail phenomena such as power relations, authority structures, ideological commitments, rights and obligations, and decisions regarding "who gets what, when, and how" (Moynihan & Soss, 2014: 320). As such, they are subject to broader political dynamics, agendas, and polarization that can influence and become embroiled in the repair process. For example, in the case of Robodebt, the government's strong ideology and election agenda to "crackdown on welfare cheats" resulted in senior political and agency leaders deflecting criticism and calls to halt the program, viewing them as politically motivated, and instead escalated their commitment and justification for the program (Lewis & Jones, 2023; Rinta-Kahlia et al., 2022). The program was only halted after an inquiry deemed it illegal.

Polarization around political ideology and party identification also creates challenges for trust repair. For example, polarization in America has complicated citizens' trust in government. This divide acts as a barrier to effective trust repair as it increases conflict and reduces cooperation between politically polarized communities (Citrin & Stoker, 2018). Further compounding the difficulty of trust repair in polarized communities, exposure to opposing views on social media has been shown to amplify, rather than reduce, polarization between constituents (Bail et al., 2018). Polarization breeds distrust, which is associated with perceived value incongruency (Sitkin & Roth,

1993) and a negative self-amplifying cycle which is hard to break (Bijlsma-Frankema et al., 2015). Polarization also augments (inter)group dynamics and processes, such as in-group and out-group biases, reinforcing distrust and hindering trust repair processes (Kim et al., 2013). An example is the appraisal gap: the tendency for victims to attribute the transgression to the organization as a collective, compared to those within the organization who tend to view the transgression as due to a few "bad apples" (Hornsey et al., 2017). This appraisal gap creates divergent attributions of the causes of the violation, which flow on to divergent expectations of what restorative actions are required (Gillespie et al., 2021; Hornsey et al., 2017).

Relatedly, reputational spillovers can occur from the government to public sector agencies and vice versa, with low trust or active distrust of government spilling over to affect trust in public agencies, and negative experiences, poor performance and trust failures with one public agency spilling over to negatively affect trust of government (Berg & Dahl, 2019; Moynihan & Soss, 2014; Van de Walle & Bouckaert, 2003).

Second, in line with public agencies' fiduciary duty to act in the best interests of citizens (Barber, 1983), they can be held to higher standards of accountability, integrity, impartiality, transparency, and public scrutiny, than private and NGO organizations (Thomas, 1998). Similar to the heightened expectations of moral integrity in the non-profit sector (Chapman et al., 2021; Hornsey et al., 2021), we expect the public's high expectations of public agencies may result in greater disillusionment when these expectations are not met. Government-run public sector agencies typically experience intense stakeholder and media scrutiny in the face of transgressions, with trust repair processes and dynamics influenced by diverse stakeholder groups and third parties, such as regulators, traditional media, and social media.

Third, public sector agencies deliver essential services which augments responsibility and the duty of care. Such essential services include public health, education, policing, social welfare, taxation, and immigration, for which citizens have limited ability to opt-out. Recent research

suggests that how service recipients and the public respond to trust violations and repair efforts can differ in essential public services (Daly et al., 2021). This research revealed that citizens' perceived dependency on the public service provider can curtail their power and options to respond to trust violations, increasing negative emotional reactions, as well as the motivation to repair trust and engage in collective action (Daly et al., 2021). The sheer scale and diversity of stakeholders served by essential public services, including the most vulnerable in the community (e.g., the young, old, sick, and with disabilities), further augments the duty of care to citizens, and the complexity and diversity of the stakeholder environment in which trust repair takes place.

Collectively, we expect these dynamics of politicalization, polarization and spillover, coupled with high standards and intense public scrutiny in a complex and diverse service delivery environment, will make trust repair more complex and challenging in public sector contexts. While many of the fundamental trust repair principles, mechanisms and practices will have utility in public agencies, it cannot be assumed that trust repair dynamics and the effectiveness of particular repair strategies are isomorphic across sectors. Rather, building, preserving, and repairing trust is always somewhat ~~context~~ context-dependent and needs to be understood within the history and established expectations and foundations of the relationship (Gustafsson et al., 2021). Hence, consideration needs to be taken when applying insights from research conducted in one sector to another, just as we need to be mindful when applying insights from interpersonal trust repair (between two people) to inform repair of trust in organizations (Fulmer & Gelfand, 2012; Gillespie et al., 2021). In the next section, we draw out insights from the extant research to inform understanding of trust repair in public sector contexts.

CONCEPTUAL AND EMPIRICAL INSIGHTS ON TRUST REPAIR

An Integrative Framework for Repairing Trust in Public Sector Organizations

There have been multiple conceptual frameworks and models that identify and synthesize the mechanisms and practices required to repair organizational trust. Two review articles propose

frameworks describing the key theoretical mechanisms for repairing trust. Dirks and colleagues (2009) identified three mechanisms, the attributional, social equilibrium, and structural mechanisms, which were more recently integrated and extended to five mechanisms by Bachmann and colleagues (2015) for application at the organizational and institutional levels: *sensemaking, relational, structural, transparency,* and *transference* mechanisms. In addition, two influential models integrate many of the trust repair strategies and mechanisms that have been researched in the empirical literature into a series of stages for restoring stakeholder trust (Gillespie & Dietz, 2009) and organizational legitimacy (Pfarrer et al., 2008) after an organizational transgression or wrongdoing.

We draw on and integrate across these models and frameworks to propose a sequence of key practices and mechanisms for recovering trust in public agencies after a trust violation. We organize our proposed framework around five key trust repair practices that address different stakeholders' concerns throughout the repair process: Initial Response, Investigation and Discovery, Making Amends, Rehabilitation and Reform, and Transparency (see Table 15.1). We present these key practices in a logical sequenced order while noting that organizational trust repair is rarely a linear process, and often requires multiple overlapping practices and mechanisms at any one time, as evidenced by case studies of organizational transgressions and trust repair (e.g., Dietz & Gillespie, 2012; Gillespie et al., 2014). In doing so, we integrate relevant insights from a review of the empirical research that are applicable and appropriate to the public sector context.

Table 7.1: An integrative framework of key practices, mechanisms, and strategies for repairing trust in public agencies.

Key trust repair practice	Stakeholder questions addressed	Key mechanism	Key strategies
Initial Response	Is the organization taking this seriously? Does it have the ability, benevolence and integrity to respond effectively?	Demonstrating trustworthiness	Acknowledgement Empathy Action to prevent future harm Reticence (ineffective)
Investigation and Discovery	What happened and why? Who is responsible? Who was affected?	Sensemaking (attributional)	Investigations and public inquiries Voluntary disclosure Explanation and justifications Denial (if innocent)
Making Amends	Are those responsible remorseful? How should they be punished? Have appropriate amends been made to victims?	Relational (social equilibrium) Sensemaking (attributional)	Apology (acknowledging wrongdoing, expressing regret, accepting responsibility) Compensation Penance and punishment
Rehabilitation and Reform	What changes have been made to prevent future transgressions?	Structural (formal and informal control)	Organizational reforms Controls (e.g., rules, codes of conduct, incentives, sanctions, policies, hostage posting, governance) Removal of transgressors
Transparent Reporting	Is there evidence of renewed trustworthiness? Do others trust the organization?	Transparency Transference	Open reporting Monitoring (external audit) Trusted third-party affiliations and endorsement Certifications & memberships

Note: Integration and adaptation from Bachmann et al., (2015), Gillespie & Dietz (2009), Gillespie et al., (2021) and Pfarrer et al., (2009).

Initial Response

An initial public response once the transgression becomes known is important as it sets the tone for the repair process and attributions about whether the organization has the ability, benevolence, and integrity to respond (Gillespie & Dietz, 2009). To be effective at addressing concerns and signalling trustworthiness, research suggests the initial response needs to acknowledge what has occurred, express empathy for those affected, announce an investigation into the causes to prevent reoccurrence and, where appropriate, take action against known causes that might continue to cause harm (e.g. closing down an e-government service due to a cyber-security attack to prevent further privacy breaches; Gillespie & Dietz, 2009; Gillespie et al., 2014). As it is often unclear exactly who or what caused or contributed to an organizational trust transgression, it is recommended that initial communications do not attribute responsibility for the transgression to avoid inaccurate conclusions or inappropriate blame, and potential further loss of trust and legal recourse (Gillespie & Dietz, 2009).

The timely acknowledgement and response to a trust violation can be challenging in bureaucratic public sector environments, given hierarchical chains of accountability and ~~sign~~ sign-off. Yet, timeliness, sincerity, and credibility of the response is critical (Bottom et al., 2002; Gillespie et al., 2014). In contrast, reticence (not saying anything, remaining silent) conveys a lack of concern and integrity, signals incompetence and has been shown in experimental studies to be ineffective for repairing trust (Ferrin, Kim, Cooper & Dirks, 2007). Hence, having mechanisms and protocols in place to enable an expedient and credible public response to a trust violation is critical.

Investigation and Discovery

Investigating and discovering the causes of a transgression repairs trust through the *sensemaking* mechanism. This approach is focused on addressing trustors' need to make sense of the violation and attribute cause and responsibility (Bachmann et al., 2015; Dirks et al., 2009), by answering questions such as: What happened and why? Who or what is responsible? Who was

affected? Strategies to repair trust using this cognitive mechanism include conducting and/or cooperating with investigations, voluntary disclosure, and offering explanations, justifications, and/or denials. These approaches aim to reduce negative attributions and inferences~~ ~~or, in the case of admitting guilt~~ ~~by taking responsibility and~~long with~~ demonstrating transparency and honesty in responding to the transgression. Research suggests investigations are more effective when they are conducted in a timely, accurate, comprehensive and transparent manner (Gillespie et al., 2014).

Explanations and justifications aim to facilitate the sensemaking process by creating a shared account of what happened and why, thereby influencing trustors' assessment of the degree of guilt and locus of control of the violation (Bachmann et al., 2015; Kim et al., 2009). In their meta-analysis on the effect of explanations, Shaw, Wild, and Colquitt (2003) found that explanations are positively related to cooperation and negatively related to retaliation and withdrawal responses, with both the provision and adequacy of the explanation playing a role. Notably, employees were 43% less likely to retaliate when provided with an explanation that was adequate (i.e., reasonable, clear, and sufficiently detailed). Recent research examining trust repair in the context of system failures also found that explanations are effective for trust repair (Lyons et al., 2023). Explanations that convey why the transgression occurred (compared to only describing what happened)~~,~~ had a more positive impact by increasing the predictability of a reoccurrence (Zhang et al., 2021).

In contrast, manipulated investigations, coverups and dishonest representations of what occurred (e.g., scapegoating) are risky and can backfire in the face of contrary evidence, demonstrating a lack of integrity that further undermines trust (Gillespie & Dietz, 2009). Kim, Ferrin, Cooper, and Dirks (2004, 2006) demonstrated that it is more challenging to repair trust following an integrity violation than a competence violation, a finding that can be explained through attribution theory: Integrity violations are attributed to stable characteristics of the violator, such as personality traits, and are more likely to be seen as intentional (Tomlinson & Mayer, 2009). On the other hand, competence

violations are more likely to be attributed to the transgressor's transient or changeable characteristics (such as fatigue or effort), and hence may be considered accidental and more amenable to correction.

Denial attempts to establish the transgressor's innocence. There is evidence that denials can be more effective than apologies at repairing trust after an integrity violation, whereas apologies are more effective after a competence violation (Kharouf & Lund, 2019; Kim et al., 2004; 2006). However, we offer a cautionary note: Denial can be the least effective tactic. For example, Henderson, Welsh, and O'Leary-Kelly (2020) found that out of denial, full and partial penance, apologies, excuses, and apology and excuse combined, denial was the only tactic that was ineffective at repairing trust following a violation. Further, in the context of guilt, denial is risky and can make the situation worse. Case study research shows that stakeholders' trust can be damaged not only by the original violation but also by the organization's failure to respond openly and honestly to the violation: Denying responsibility in the context of guilt is invariably perceived as another trust violation that then compounds the loss of trust and makes repair more difficult (Dietz & Gillespie, 2012; Gillespie et al., 2014). Research indicates that denial is more effective when the evidence against the organization is weak (Fuoli et al., 2017), and the relationship between parties has a long history (Bottom et al., 2002). Denial is particularly inadvisable in the public sector given the strong media and public scrutiny.

Making Amends

Once the causes of the violation are known, the next critical stage is taking action to make amends and restore the relationship with the public and those affected by the transgression. Making amends supports trust repair through the *relational* mechanism by resolving the negative emotions caused by the violation and restoring social equilibrium in the relationship (Bachmann et al., 2005). This mechanism is based on the view that trust violations create an imbalance in the relationship and disrupt the relative standing and norms governing the parties (Dirks et al., 2009). This equilibrium can be restored by reaffirming norms and standing in the relationship through symbolic acts and rituals such as apologies (including acknowledging wrongdoing, expressing regret and accepting

responsibility for the transgression), as well as paying penance, offering compensation and reparations, and accepting punishment without resistance. These actions reassure the injured party that the transgression has been taken seriously, making reoffence less likely, and affords an opportunity to re-establish the respective obligations and expectations within the relationship. These practices address people's need to understand: "Is the transgressor remorseful? Have appropriate amends been made to those affected? How will the organization be punished?" Apologies can also repair trust via the sensemaking mechanism described earlier, as social accounts help to shape trustors' understanding and attributions for the violation.

Apologies are the most extensively researched trust repair strategy (Lewicki & Brinsfield, 2017). Scholars have examined the critical components of effective apologies, with research indicating that acknowledgement of responsibility for the violation, expressions of regret, an explanation for the violation, and an offer to repair the relationship, are each essential characteristics (Kim et al., 2013; Lewicki et al., 2016). Several studies have found apologies to be more effective at restoring trust after a competence failure, than an integrity failure (Kim et al., 2004, 2006; Lewicki et al., 2016). Following an extensive review, Tomlinson and colleagues (2004) also concluded that apologies are most effective when the violation is assumed to be an isolated event, when both parties have an otherwise positive relationship, and when apologies are delivered soon after the violation and perceived as sincere. Voluntarily disclosing transgressions, particularly if they are unlikely to be discovered otherwise, also increases the efficacy of an apology (Kim et al., 2009; Krylova et al., 2018).

Although apologies are one of the most successful reparative strategies, with research showing that they can restore cooperation, positive emotions, trusting intentions and beliefs, and facilitate forgiveness after a transgression (see Sharma et al., 2023), an apology's efficacy is dependent on several factors. Ma and colleagues (2019) found that apologies were only successful at repairing perceptions of trustworthiness when participants experienced fewer negative emotions. These findings are concerning for public sector organizations, as research suggests that people who feel dependent on

a public service often experience more negative emotions in response to an organizational trust violation (Daly et al., 2021). Other research has found apologies are more effective when perceived as sincere (Basford et al., 2014) and when they facilitate empathy towards the transgressor (Berndsen et al., 2015; Fehr et al., 2010). Reinforcing prior theorizing (e.g., Kim et al., 2004; 2013), Brühl, Basel, and Kury (2018) demonstrated that apologies have a paradoxical effect on trust repair: Apologies increase the organization's perceived credibility, which positively impacts trust; however, apologies also increase perceptions of the organization's responsibility for the violation, which harms trust repair, particularly in the context of an integrity failure. Apologies are often most effective at repairing trust when paired with other more substantive reparative tactics, like compensation (Haesevoets et al., 2013), penance and punishment (Dirks et al., 2011; Gillespie et al., 2014), which reinforce the remorse expressed in apologies (Sharma et al., 2023).

Compensation is the most extensively studied substantive tactic. It repairs trust via the relational mechanism as it signals remorse and helps restore balance in the relationship (Ren & Gray, 2009). In a series of studies, Desmet, De Cremer, and colleagues found that compensation is most effective for trust repair when made voluntarily, after a transgression involving the loss of resources, and when the victim was over- rather than under- or equally- compensated for their loss (De Cremer, 2010; Desmet et al., 2011). However, Haesevoets, Van Hiel, Folmer, and De Cremer (2014) found that compensation can damage trust repair if interpreted as reflecting a lower moral orientation, and Basso and Pizzutti (2016) found that an apology and a promise to ensure the violation would not reoccur both had a more positive impact than compensation on customers' trust in the transgressing organization.

Paying penance and accepting punishment signals that the transgressor has paid a penalty for committing the transgression, helping to resolve negative emotions (Bottom et al., 2022; Henderson et al., 2020), restoring order and norms in the relationship, and demonstrating the transgressor is remorseful and genuine about repairing the relationship (Dirks et al., 2011). Case studies suggest penance and punishments are more effective at restoring trust when accepted without resistance

(Gillespie et al., 2014). One form of penance that has been shown to be effective for repairing trust in organizations after an integrity violation is the firing or sanctioning of those implicated or responsible for the failure, particularly leaders (Eberl et al., 2015; Ferrin et al., 2018; Gillespie et al., 2014).

Rehabilitation and Reforms

Organizational reforms and rehabilitation are important to prevent future transgressions and demonstrate renewed trustworthiness. These reforms aim to overcome distrust and restore positive expectations through the *structural* mechanism by using formal and informal controls that are "designed to avoid or prevent future trust transgressions, by dealing with the faults that led to the failure – both direct and contributory", as well as incentivize trustworthy exchange (Gillespie & Dietz, 2009: 133; see also Bachmann et al., 2015; Dirks et al., 2009). This approach addresses the need to understand “What changes have been made to prevent reoccurrence of the transgression?” Actions can include putting in place new policies and practices, revising incentive schemes, introducing codes of conduct, reforming leadership, governance and organizational culture, introducing sanctions and contracts, and changing laws and regulations.

Controls and regulatory systems have been shown to repair organizational trust (Sitkin & Roth, 1993; Slovic, 1993) by increasing the consequences for, and thereby reducing the likelihood of, repeated future transgressions (e.g. Spicer & Okhmatovskiy, 2015). Structural approaches to trust repair are most effective when they integrate structural, cultural, strategic, and leadership reforms (as identified in investigations) in a way that is: complementary and congruent in promoting trustworthy conduct while constraining untrustworthy conduct (Gillespie et al., 2014; Okhmatovskiy & Shin, 2019); designed to meet the needs of both internal and external stakeholders (Eberl et al., 2015; Gillespie et al., 2014); and adopted voluntarily rather than externally imposed (Dirks et al., 2011; Nakayachi & Watabe, 2005). Eberl and colleagues' (2015) investigation into organizational rules as a strategy for trust repair following corruption suggests that implementing controls positively impacts

customers' trust, but can challenge trust of employees, suggesting the need to holistically consider their implementation and long term impacts. A “changing of the guard” by replacing leaders responsible for or implicated in the violation is associated with the effectiveness and speed of trust repair (Eberl et al., 2015; Ferrin et al., 2018; Gillespie et al., 2014).

Transparency

After a trust violation, people look for cues or evidence to assess the organization’s trustworthiness. The *transparency* repair mechanism is based on the view that open and transparent information sharing and reporting of the organization's functioning facilitates trust repair by enabling ‘inward observability’–the ability of external stakeholders (e.g., the public and citizens) to monitor the activities and decisions made within the organization (Grimmelikhuijsen & Meijer, 2014). This assists affected parties to make informed decisions regarding their relationships with the organization, including assessing its trustworthiness (Bachmann et al., 2015). Transparency refers to intentionally sharing relevant information about the organization's internal practices (Auger, 2014; Schnackenberg & Tomlinson, 2016), sending cues that the organization has nothing to hide and can be used to demonstrate renewed, consistent trustworthy conduct (Gillespie & Dietz, 2009). Strategies include transparent monitoring and reporting, conducting periodic independent audits, and openly sharing the outcomes.

While case study research demonstrates transparency can support trust repair (Božič et al., 2019, 2020; Eberl et al., 2015; Gillespie & Dietz, 2012), empirical evidence on this mechanism is relatively scant. However, particularly relevant to trust repair in public organizations, experimental research by Grimmelikhuijsen and Meijer (2014) suggested that transparency can have a limited or even negative effect on trust in government. This aligns with the view that transparency can have paradoxical effects on trust repair: By revealing problematic behavior, transparency can reduce trust in the short-term (Gillespie & Dietz, 2009). Furthermore, transparency paradoxically relies on people to trust that transparent reporting is honest, comprehensive, and balanced in disclosing positive and

negative information (Bachmann et al., 2015). However, not disclosing relevant information can have an even more damaging impact on trust in the long-term (Gillespie & Dietz, 2009).

The *transference* mechanism functions on the basis that trust repair is facilitated by other credible trusted parties endorsing or trusting the transgressing party (Ferrin et al., 2006). This mechanism works on the assumption that trust can be transferred from a trusted third party to one whose trustworthiness has been questioned (Bachmann et al., 2015). This transference of trust can also occur through shared affiliations, networks and common memberships (McEvily et al., 2003), as well as through endorsements, accreditation, certifications, and awards that signal trustworthiness (Gillespie et al., 2014). Spicer and Okhmatovskiy (2015) provided promising evidence for transference from a trusted regulatory source. Similarly, in their analysis of trust in the institution of auditing in Great Britain following the global financial crisis, Mueller, Carter, and Whittle (2015) found that an inquiry by agents in the political and legal systems helped to re-legitimize the institution and as a result repair trust in the institution via trust transference. In the public sector context, trust transference could involve a trusted representative, such as a trusted patient advocate in a healthcare setting, to aid with trust repair. However, more empirical research on this mechanism is required.

IMPLICATIONS AND FUTURE RESEARCH ON PUBLIC SECTOR TRUST REPAIR

Our review reveals that while there is robust conceptual and empirical literature on trust repair, most research has focused on the interpersonal level (examining repair between two individuals) and the effectiveness of shorter-term verbal strategies (e.g., apologies and denials), rather than the longer-term reforms required for restoring trust in organizations and institutions (Bachmann et al., 2015; Gillespie & Siebert, 2018; Gillespie et al., 2021). With these caveats in mind, our review suggests that each of the key trust repair practices, and associated mechanisms and strategies, has merit and can play a complementary role in restoring trust. However, each can also have paradoxical effects and the impact of many repair strategies is not absolute: Rather, effectiveness depends on how they are

implemented (e.g., timeliness, accuracy, sincerity, comprehensiveness, voluntary vs imposed), as well as the nature of the transgression (e.g., an integrity or a competence transgression).

A key implication is that in the aftermath of a significant transgression, public sector agencies will need to employ multiple practices and strategies over time to effectively restore the trust of diverse audiences (Bachmann et al., 2015; Gillespie & Dietz, 2009). This assertion is supported by multiple studies demonstrating that a combination of practices are required to repair organizational trust, including acknowledging the failure, conducting investigations and cooperating with external investigations, providing explanations, apologizing, offering compensation, removing those responsible, implementing organizational reforms, and/or demonstrating transparency (e.g., Božič, Siebert & Martin, 2020; Cugueró-Escofet, Fortin, & Canela, 2014; Dietz & Gillespie, 2012; Gillespie et al., 2014).

While considerable insight on trust repair has been amassed over the past two decades, several critical gaps and unexamined assumptions limit current understanding of trust breakdown and repair in the public sector. As noted at the beginning of the chapter, there are distinct features of the public sector that we expect will impact the dynamics and efficacy of trust repair in public agencies. Yet as revealed by our review, to date these issues have received scant empirical examination, providing rich terrain for future research. We discuss three directions for future research that we believe are particularly important for advancing understanding of trust repair in public institutions.

Understanding Public Sector Trust Repair Dynamics: Distrust, Polarization, and Spillovers

An important area of future research is the explicit examination of how distrust, and relatedly political polarization and spillover effects, affect trust breakdown and repair in public sector organizations. As noted in conceptual and empirical work, in addition to damaging trust, violations often trigger active distrust (Bijlsma-Frankema et al., 2015; Gillespie & Dietz, 2009). There is emerging consensus that trust, and distrust are separate constructs with qualitatively different antecedents and consequences, yet the study of organizational distrust is relatively new compared to

trust (Guo et al., 2017; Lewicki & Brinsfield, 2017; Lewicki et al., 1998). Research shows that distrust is triggered by value incongruence (Sitkin & Roth, 1993) and leads to significantly more negative outcomes than low trust (Guo et al., 2017), including behavioral intentions such as retaliation (Cheng & Shen, 2020). There is increasing awareness that repairing and rebuilding trust may first require overcoming distrust, with structural approaches highlighted as particularly effective for 'distrust regulation' (Gillespie & Dietz, 2009; Lewicki & Brinsfield, 2017). Hence, trust repair is only one of the two critical elements for fixing damage caused by trust violations, with distrust management the other critical element (Dirks et al., 2009; Gillespie & Dietz, 2009; Guo et al., 2017).

Advancing understanding of distrust is particularly pertinent to public sector organizations, given the prevalence and influence of distrust stemming from political polarization and spillover effects. Research suggests that key contributors to political polarization are affective reactions and motivated reasoning (Hetherington & Rudolph, 2018), with polarization understood to be both a cause and consequence of distrust (Vallier, 2021). Given the self-amplifying and pervasive nature of distrust in politically polarized communities, and evidence that exposure to opposing views on social media only amplifies polarization between constituents (Bail et al., 2018), it is critical that future research identifies and evaluates strategies and interventions for managing and reducing distrust in the context of polarization.

In relation to spillover effects, we discussed upfront that, as government-run entities, distrust in the government can spillover to create distrust in public agencies, and a trust breach in one agency can spillover to affect trust in other public sector agencies, as well as government (Berg & Dahl, 2019; Moynihan & Soss, 2014; Van de Walle & Bouckaert, 2003). This is corroborated by research indicating that trust violations occurring in select organizations can and do 'spillover' to damage trust in other organizations within the industry (Božič et al., 2019), and a transgression by a senior leader can spillover to damage trust in the broader organization (Ferrin et al., 2018). This raises two important yet largely unexplored dynamics for trust repair of public agencies. First, we can expect that 'innocent'

public agencies will need to engage in proactive trust repair activities, raising the question of how the dynamics and strategies of repair may need to differ in the face of guilt versus 'guilt by association'. In the context of the horsemeat scandal in the UK, Božič, Siebert, and Martin (2019; 2020) found that 'blameless' organizations in the same industry used a range of strategies to demonstrate to the public that they were innocent, particularly transparent demonstration of competence and monitoring of the supply chain. Future research is required to examine whether such transparency may also work for public agencies. Second, it raises the question of how a 'guilty' public agency can respond in a way that contains and protects spillover effects on other agencies and parts of the government.

Understanding the Proactive Role of Citizens and Employees in Trust Repair

Our review of the literature highlights a pervasive, implicit assumption: that trustors play a passive or reactive role in the process of trust repair, with the role typically restricted to cognitive processes, such as sensemaking and attribution. This assumption is evident in the focus on what the transgressing organization needs to do to restore trust. For example, much of the literature has focused on the efficacy of tactics and strategies the transgressor can use to repair trust, with limited research on the proactive strategies and practices trustors can use. This aligns with the observation by Williams and colleagues (2020) that victims of trust violations are positioned as gatekeepers that either accept or reject the transgressor's reparative efforts.

However, in the context of public sector organizations–where expectations and standards for public accountability and transparency are high–citizens, advocacy groups, government leaders, and employees are likely to play a more active role. Given the intense media and public scrutiny of public sector agencies, social media presents a rich source of data for exploration of the role of trustors in the trust repair process. Recent research shows how collective sensemaking on social media, such as X (formerly known as Twitter), enables stakeholders to engage in collective action, changing how social accountability is practiced (Saxton & Neu, 2021). Such collective sensemaking of trust violations shapes the broader narrative and has a greater impact on trust than apologies

(Hearit, 2021). The personalization of social media feeds, and the role of echo chambers suggest the need to examine how identification with groups and group membership influences trust breakdown and repair processes via social media (Gillespie et al., 2021). This may explain how anti-vaccine groups were able to promote mistrust in government-supported COVID-19 vaccines (Johnson et al., 2020).

Examining the Role of Dependence, Power, and Motivation in Trust Repair

A related direction for future research focuses on understanding how characteristics of the citizen and users of public services, such as their dependence, motivation and power, influence trust repair processes. Lamin and Zaheer (2021) found that stakeholder groups (i.e., investors vs the public) differ in how they understand and respond to trust violations and reparative efforts in response to corporate transgressions due to their different interests and motivations. This aligns with recent conceptual work suggesting the motivation to trust plays a critical role in trust dynamics yet is currently little understood (Van der Werff et al., 2019). Emerging research suggests that the extent of citizens' dependency on a transgressing public agency influences their sensemaking and emotional responses to the violation, as well as the extent to which trust declines, and their responses to reparative efforts (Daly et al., 2021): Stakeholders who are highly dependent and cannot disengage from the organization (e.g., no opt-out due to the essential nature of the service, such as healthcare) are more likely to experience fear in response to a trust violation and employ avoidance tactics, whereas less dependent stakeholders are more likely to experience anger, resist attempts to rebuild trust, and demand more control over future engagement with public services (e.g., via co-creation of healthcare; Daly et al., 2021). This work suggests that power and dependence in the relationship between citizens and transgressing public agencies, as well as the motivation to trust, play a key role in the process of trust repair. This is a critical research direction to deepen understanding of public agency in trust repair, given that trustors are often dependent on essential services.

Our focus has been on the recovery of trust after an explicit transgression. Trust can also slowly erode over time due to a range of factors (e.g., polarization, mis- and dis-information, spillovers), as seen through declining trends of trust in government. Rather than active trust repair, as explained in this chapter, future work may also consider more general trust-building and preservation practices, such as creating shared goals and vision, empowering trustors in the provision of public services, and investing in procedural and interactional justice (Gustafsson et al., 2021).

CONCLUSION

In conclusion, our integrative framework identifies multiple evidence-based practices, mechanisms, and strategies for restoring trust after a transgression, and the conditions that augment their effectiveness. We identify unique considerations and dynamics for repairing trust in public agencies and highlight pertinent directions for future research to advance this critical understanding. We recommend public sector leaders use a thoughtful combination of repair strategies tailored to the unique history, trust foundations and context of their organization. This is important because, as evidenced in our review, there is no panacea to trust repair, and there remains much to learn about the restoration of trust in the context of public institutions.

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