



- To learn more about UVic's business faculty and the courses that Dr. Elangovan teaches, see www.business.uvic.ca and www.business.uvic.ca/aboutfob/aelangovan.html

- Elangovan received the Faculty of Business Advisors Teaching Excellence Award (1993) and the Distinguished Service Award (1995). He was also honoured with the 1999 University of Victoria Alumni Award for Teaching Excellence. communications.uvic.ca/ring/99apr16/teachers.html

FACTS FROM THE **EDGE**

- Elangovan is also beginning to look at the ways in which cultural beliefs affect our trust patterns. In English there is a saying: "Fool me once, shame on you. Fool me twice, shame on me." In German there's a similar saying: "One time is no time. Two times is one too many." Elangovan suggests that these and other cultural mores affect our beliefs and behaviours regarding trust.

- There has been an explosion of interest in trust over the past four years. ABI-Inform, one of the largest business journal databases, recorded three articles on trust in 1995, 2,211 in 2000.

ON THE **EDGE** OF YOUR SEAT PUBLIC EVENTS AT UVIC

Human Rights Abuse in the Asia-Pacific Region

Centre for Asia-Pacific Initiatives student symposium

March 7, 7:00 p.m., panel discussion

March 8, 7:00 p.m., presentation by West Papua human rights activist John Rumbiak

Fraser (formerly Begbie) Building, rm. 152

Info: 721-7020

Beyond the Exotic: Chinese Cinema in the Nineties

Yomi Braester, Univ. of Washington

March 15, 8:00 p.m.

Human & Social Development Building, rm. A240

Info: 721-7404



SPARK

Leah Pence wrote this as a participant in the SPARK program (Students Promoting Awareness of Research Knowledge), funded jointly by UVic and the Natural Sciences and Engineering Research Council of Canada.

Trust me on this

By Leah Pence

A UVic business professor is turning the tables on trust. Research on trust within organizations usually focuses on trust building — Dr. A. R. Elangovan is studying trust erosion.

"People assume that when you start a new relationship, trust is zero," says Elangovan. But studies show that employees and customers often enter business relationships with a moderate to high level of faith in others. If people already exhibit high levels of trust, the issue becomes not just building it, but maintaining it.

Elangovan is studying trust in organizations to develop a theory of how trust breaks down within them. He spent the past year in Austria working with European colleagues to establish a series of six studies that explore the dynamics of trust erosion. The first study was completed in December; others are in the pre-test stages and will be completed, both in Europe and in Canada, over the next two years.

Elangovan's current research on trust erosion builds on his prior work on betrayal of trust in organizations. Betrayal of trust is not an issue that people are always willing to discuss. "It's hard to get people to talk about the last time they betrayed someone," says Elangovan. "Although every-



DIANA NETHERCOTT PHOTO

Elangovan

one was willing to talk about the last time someone betrayed them."

To gather data for their studies, Elangovan and his team have constructed questionnaires using a variety of trust-violation scenarios. In one scenario, test subjects are asked to indicate how many chances they are willing to give colleagues before they lose trust in them completely. In another, they must decide if receiving an apology, explanation or remedy after a trust breakdown affects their trust levels differently. In all cases, Elangovan measures the difference in initial trust and end trust, accounting for any differences in forgiveness of his participants.

Trust is an important issue in both new and old economies. Increased inter-dependence and the fast pace of start-up companies, especially "dot coms," has forced companies to rely on a network of businesses.

"Relationships and alliances, especially in the information technology sector, are created very quickly, and the cost of trying to monitor all the transactions is very high," says Elangovan. "It becomes business on a handshake."

They are important handshakes. Only skeletal arrangements can be put into a contract, forcing people to trust each other in order to move forward. Without trust, things slow down to a level where every move is monitored.

"The only thing that keeps these companies going and keeps them together is that they trust each other. They have to trust because they can't stop to put everything

down on paper," says Elangovan, referring to fast start-up companies, mergers and acquisitions, and manufacturing companies who are turning to outsourcing to increase efficiency.

But trust also plays an important role for individuals. "Our society is getting more skilled. We now have empowered, skilled and highly motivated employees. If we're going to hold a whip and look over their shoulders, we're defeating everything."

Elangovan's work has shown.

"In between the trigger event and the erosion of trust, there are a bunch of factors that people, probably subconsciously, zoom through in their head as they decide whether to continue to trust," says Elangovan. "Our focus is to identify these factors and try to figure out the roles they play."

In his first study, Elangovan gives the test group a situation similar to the one above. He

then qualifies the event. In one case, your colleague didn't arrive at the meeting because her car broke down; in the other case, it's because she wanted to run some personal errands. These differences in situations are what Elangovan calls the "couldn't do so" and the "didn't want to do so."

He hypothesized that trust would diminish more in the "didn't want to do so" as opposed to the "couldn't do so" scenario. And he

presumed that participants would give three chances, similar to the three-strike rule.

His first hypothesis was right. Someone's willingness as opposed to their inability to fulfill expectations did have an effect on trust levels. But he was wrong about the second hypothesis — the biggest drop in trust happened after the second violation of trust, showing that it's two strikes and you're out.

EDGE/WISE Two strikes and you're out!

You and a colleague are scheduled to make an important presentation at a client's company at 10:00 a.m. Your colleague has agreed to meet you at the company with the presentation materials. By 10:30, she still hasn't arrived. She's violated your trust.

If this is the first time it's happened (and if she has a good reason) you'll probably trust her again; if it's the second time, you probably won't, regardless of the reason. That's what