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**Towards A Framework for Repairing Stakeholder Trust in Entrepreneurial Small  
Businesses in Times of Macro-Level Crises**

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## **Abstract**

**Purpose:** The purpose of this study is to understand how managers in entrepreneurial small businesses (ESBs) deal with exogenous (macro) crises particularly in relation to the breakdown of intra- and inter- stakeholder trust.

**Design/methodology/approach:** Utilizing a qualitative approach, we draw lessons from Greek ESBs greatly affected by the 2008-2019 economic and 2020-2022 health crises. Based on 54 in-depth, longitudinal, investigations of four ESBs, at three time points, this research offers insights on overcoming organisation-stakeholder trust breakdown emerging due to crises.

**Findings:** The findings suggest that macro-level crises, undermined the foundations of trust-based relationships, creating a trust gap between organisations and their stakeholders and threatening ESBs' business practices. Our framework suggests that ESBs repair trust relationships, both intra- and inter- organisational, through sense-making of trust breakdown, implementing trust repair strategies, and then maintaining trust in those stakeholder relationships through challenging crisis periods.

**Practical implications:** Practitioners can use the suggested framework in relation to overcoming intra- and inter- stakeholder trust breakdowns during macro-level crises.

**Originality/value:** The paper offers a new framework that can aid entrepreneurs and managers in making sense of, repairing, and maintaining trust in stakeholder relationships during turbulent times.

**Paper type:** Research paper

**Keywords:** Trust, Trust-Repair, Entrepreneurial Small Businesses, Exogenous Macro-Level Crisis, Managers, Financial Crisis, COVID-19 Crisis

## **Introduction**

Trust is one of the key cornerstones underpinning effective stakeholder relationships and overall organisational effectiveness (Bachmann *et al.*, 2015) and is commonly viewed as a calculation of the trustor's confidence that the trustee will not exploit the trustor's vulnerabilities and is commonly intertwined in the literature with vulnerability and risk (Coleman, 1994). Within the literature, organisational trust systems have been studied as inter- and intra-organisational, both of which are critical in the decision-making process (Roy *et al.*, 2011) and for coordinating relationships (Bachmann, 2001).

Trust is considered a strategic (albeit reputational) resource that firms have at their disposal which, together with other strategic, physical, financial, human and organisational resources, make up a bundle of resources (see Penrose's 1995 conceptualisation of the firm) that directly contribute to market position and opportunities, as well as provide the foundation necessary to exploit these opportunities (Lim *et al.*, 2020). In part, this research responds to Haneberg's (2021) call to assist managers in learning from various crises typologies and develop their know-how in dealing with emerging challenges, one being intra- and inter- stakeholder trust breakdown.

For entrepreneurial small businesses (ESBs), trust is of critical importance as it can assist in lowering the transaction costs of commercial actions and the risks inherent in entrepreneurship (Welter, 2012). ESBs are conceptualised as small businesses with an entrepreneurial orientation and strategic approach to achieving competitive advantage and perceive innovation as a key driver of growth and differentiation (Deb and Wiklund, 2017). Such businesses prioritise the continual exploration of new ideas, technologies, products/services and business models,

viewing innovation as a means to disrupt traditional markets and carve out unique industry positions (Wynarczyk *et al.*, 2013). They exhibit a proactive mind-set through which they seek to outdistance competitors by anticipating market trends (Covin and Lumpkin, 2011). Rather than passively reacting to changes in consumer preferences or industry dynamics, ESBs employ deliberate and strategic actions (e.g., investing in market research, trend analysis, scenario planning) to position themselves ahead of the industry curve (Rita *et al.*, 2018). ESBs also engage in risk-taking behaviours which help them exploit new market opportunities (Stenholm *et al.*, 2016). They are willing to venture into uncharted territory, knowing that calculated risks are essential for driving innovation and seizing new opportunities (Teece *et al.*, 2016). Their inclination towards innovation, proactivity and risk-taking is what separates them from non-ESBs.

For ESBs, trust helps establish and build the reputational resources they rely on for achieving firm growth to make up for the scarcity in other resources (Pattinson *et al.*, 2022). Yet, macro-level crises (e.g., economic, financial or health crises) pose inherent risks to ESBs' critical resources, undermining the foundations of institutional/organisational trust which contributes to economic growth and socio-economic development at the macro level, and entrepreneurship and business development at the micro level (Altinay *et al.*, 2014). Despite the importance of trust for ESBs, there is a research gap related to how trust is constructed (or reconstructed) in ESBs within crisis scenarios and how entrepreneurs and managers can learn from crisis and repair trust, specifically within turbulent contexts (Psychogios *et al.*, 2019b; Curado and Vieira, 2019). Trust-based ESB research has explored a wide range of issues but not in relation to macro crises; some of this research is related to: *trust creation and processes* (Amoako and Matlay, 2015;

Mathews and Stokes, 2013; Petrakis and Kostis, 2015); *antecedents of trust* (Oba and Semerciöz, 2005); *trust in decision-making related to collaboration* (Brunetto and Farr-Wharton, 2007; Martin *et al.*, 2019); *the interplay between trust and performance* (Gaur *et al.*, 2011); *linkages between trust, organisational learning and marketing capabilities* (Sanzo *et al.*, 2011); *trust in different types of business relationships* (Boxer *et al.*, 2016; Fink and Kessler, 2010; Geneste and Galvin, 2015; Strätling *et al.*, 2011); and, *trust as a means of behavioural resilience* (Branicki *et al.*, 2018). Following the COVID-19 pandemic, ESB trust research has focused on the impact on types of trust (Klein and Todesco, 2021) and enhancing ESB resilience (Marcazzan *et al.*, 2022) but not on trust repair *per se*.

Crises undermine, and many times break, organisational trust (Gounaris and Prout, 2009) forcing ESBs to directly address trust gaps in their relations with internal and external stakeholders. Due to reductions in, or the outright loss of, stakeholder trust, goal attainment and mission accomplishment are directly threatened highlighting the importance of trust repair as a critical managerial survival competency (Gillespie and Dietz, 2009).

An added complexity relates to the macro-level context within which crises occur. Institutional trust is already lower in some contexts due to path dependencies and downward spirals of trust arising from historical trajectories and weak formal institutional systems (Nooteboom, 2002). In this respect, we must ponder: what happens to ESBs in relation to intra- and inter-organisational trust when a crisis hits an already weakened formal institutional context? Furthermore, and arguably even more importantly, how is organisational trust repaired when damaged in such a context? Our research specifically focuses on the impact of the 2008 economic crisis and 2019 health crisis (which also turned into an economic crisis) in Greece on

organisational-stakeholder trust relationships and the strategies used by Greek ESBs in order to repair trust. The Greek environment provides a unique context to study such strategies given its formal institutional system and its economic reliance on ESBs (Psychogios and Wood, 2010), as well as the impact experienced by ESBs by two, quick succession, macro-level crises.

Economic crises undermine institutional and organisational trust at their most fundamental level (Foster and Frieden, 2017) with far reaching economic and societal effects (Wood *et al.*, 2015). Having never truly recovered from the 2008 economic crisis and then being hit by the COVID-19 health crisis in early 2020, 60% of Greek ESBs experienced a marked decline in sales (OECD, 2020). Greece's weakened institutional environment (Williams and Vorley, 2015) exasperated organisation-stakeholder trust breakdown. National crises are, above all, trust crises (Bachmann and Inkpen, 2011) as societal perceptions change and, whether legitimate or not, those once considered trustworthy may no longer be viewed as such (Fulmer and Gelfand, 2012). Repairing such trust under weak or unstable economic conditions is even more arduous given the enhanced uncertainty (Prout, 2009). In trust terms, this can result in failures to meet obligations.

As the two crises became firmly entrenched as a legitimate threat to Greek ESBs' operations, a unique opportunity exists to analyse trust breakdown and repair. The lack of research on how trust in ESB stakeholder relationships is destroyed and repaired (Kim *et al.*, 2009; Kramer and Lewicki, 2010) and on macro-crises trust repair in general (Bachmann *et al.*, 2015) presents a unique and original research opportunity to address these gaps by exploring processes of trust breakdown, and their subsequent repair, in weak institutional contexts. Overall, we seek to address this through two research questions:

(i) How have the 2008 economic crisis and 2019 pandemic affected organisational-stakeholder trust relationships in ESBs in Greece?

(ii) What are the strategies used by Greek ESBs to repair trust in organisation-stakeholder relationships that have been damaged due to these two crises?

While recognising there are a multitude of reasons for trust breakdown and repair, this research focuses on trust between organisations and three key stakeholders: employees, customers, and suppliers. Set against the backdrop of government crises response measures, we view employees as internal stakeholders, and customers and suppliers as external, to provide insightful examples of trust repair between organisations and stakeholders where we contend these crises have exasperated a trust crisis. From a practical standpoint, this research avails practitioners the opportunity to assist them in repairing damaged trust relationships triggered by exogenous, macro-level crises. From a theoretical standpoint, we add to existing knowledge on trust repair during macro-level crises.

### **Trust in Organisation-Stakeholder Relationships and Crisis**

Trust has been presented through three dimensions (Mayer *et al.*, 1995): *ability* - competence the trustee possesses in the specific domain; *benevolence* – trustee willingness to do good for the trusting party, aside from an egocentric profit motive; and *integrity* - actions that consistently adhere to moral principles and an acceptable code of conduct. *Transparency* has recently been included as a fourth dimension, to represent the sharing of information that helps stakeholders make decisions regarding their relationship with the organisation (Crane, 2018). Psychological phenomena (e.g., confirmation bias and loss aversion, emotional state) influences

trust (Williams, 2001). Weber *et al.* (2004) indicated emotional attachment as causing a trustor to take unwarranted risk triggering irrational decisions (Dunn and Schweitzer, 2005). When people feel uncertain or threatened, they employ a “social comparison” or “confirmation bias” (Olsen, 1998). Anticipated trust abuses drive the search for signs of untrustworthy behaviour, privileging information supporting the trustor’s belief, and downplaying contradictory evidence (Kramer, 2009). This precondition towards negative expectations not only represents a challenge for developing trust-based relationships, but also complicates trust repair. Similarly, fears of economic loss can trigger loss aversion as a powerful determinant in the decision-making process (Tversky and Kahneman, 1991). When deep-rooted trust expectations about money, for example, are broken, the tendency is to blame others and concentrate more on negative than positive aspects, further complicating trust repair (Gounaris and Prout, 2009).

Trust relations are posited to foster creativity, innovation and knowledge transfer by allowing stakeholders to rationalise information processing and safeguard decision-making behaviours (Herz *et al.*, 2016); such relations can be viewed as a key enabler of cooperation. This can be achieved through enhancing effective management systems (Gilstrap and Collins, 2012), reducing managerial uncertainty (Colquitt *et al.*, 2012), making the organisation more organic by enabling members to go beyond mechanistic coordination (McEvily *et al.*, 2003), and/or promoting successful transformations and performance (Chiou and Droge, 2015). This occurs when the evaluation and analysis of trust goes beyond the common conceptualisation of being a “state of mind” towards representing an important principle for managing work coordination, information gathering, and dissemination (Bachmann and Inkpen, 2011). As such,

trust represents a critical component, and strategic resource, of continual development which affects an organisation's ability to promote and sustain positive relationships.

Trust can be broken when an organisation breaches an agreement or promise made to a stakeholder and vice versa (Greenwood and Van Buren, 2010). When there is a trust breakdown in organisational-stakeholder relations, this indicates a deterioration or erosion of trust between the parties arising from a failure to fulfil expectations, resulting in a loss of confidence, credibility, and goodwill. In such cases, *cognition-* and *affect-based* trust are undermined. Cognition-based trust sees the capability of an organisation to meet and deliver on its commitments bringing into question reliability and dependability (McAllister, 1995). Affect-based trust is undermined when the open communication associated with business practice is lost and organisations become sceptical about their ability to react to something outside their direct control. This loss reduces cooperation both within and across organisations (Dirks *et al.*, 2009), thereby reducing efforts towards goal attainment and threatening business practice. Yet, Tanghe *et al.* (2010) suggest that affect-based trust plays a critical role in maintaining cooperation when trust wanes.

Trust relationships are founded on the idea of social exchange and reciprocity (Blau, 1964; Gouldner, 1960) meaning that both parties "voluntarily" provide a reciprocal benefit (Whitener *et al.*, 1998). A social exchange is characterised by reciprocal actions where individuals interact and provide mutual benefits based on subjective expectations of returns; this differs from an economic exchange which is transactional and contractual with clear terms, because it is built on trust, loyalty, and obligation that evolve over time within relationships (Bernerth *et al.*, 2007). Cropanzano *et al.* (2017) argued, however, that social exchanges are not

unidimensional. Further to the hedonic value (positive/negative) of the exchange, a second dimension involves the activity (e.g., the level of engagement or passivity in the exchange process). Hence, it is not enough to merely study give-and-take in relationships, but also how and from whom, one is exchanging.

Social exchange theory, allows us to evaluate, understand, and interpret both intra- and inter-organisational trust mechanisms within the context of economic, social and affective exchange (Ahmad *et al.*, 2023; Lawler, 2018). Mutual trust enhances business practices, including job satisfaction and commitment (Gilstrap and Collins, 2012), motivation (Heavy *et al.*, 2011), and productivity, and team building (Yoon and Hanjun, 2011). Yet, for relationships to evolve over time into trusting, loyal and mutual commitments, parties must abide by certain ‘rules’ of exchange, which include reciprocity, rationality, altruism, group gain, status consistency and competition (for a review see Cropanzano and Mitchell, 2005).

During periods of macro-level crisis, work intensification, restructuring and/or downsizing is commonplace (Psychogios *et al.*, 2019a) thereby undermining organisational-employee trust relationships. Business uncertainty, job insecurity, inadequate working conditions and poor treatment can lead to distrust and the questioning of organisational integrity (Zhang *et al.*, 2008) thereby negatively affecting work attitudes and behaviours (e.g., morale, satisfaction, motivation, commitment, loyalty, participation, performance) (Dedahanov and Rhee, 2015).

Trust is also important in organisation-external stakeholder relationships (customers and suppliers) (Geneste and Galvin, 2015) during macro-level crisis periods. Stakeholders are relying on the organisation to fulfil its responsibilities (Greenwood and Van Buren, 2010) despite any

challenges deriving from the crisis. Macro-level crises, however, create additional challenges for organisations in terms of retaining positive stakeholder relationships, particularly with foreign stakeholders because economic power favours stakeholders outside the crisis context, while also impacting interpersonal relationships as an organisation seeks to change internally thereby impacting employees themselves (Kraus et al., 2023). *Transparency* (Schnackenberg and Tomlinson, 2016), *sharing information and communication* (Gullett et al., 2009), and *interpersonal emotional engagement* (Sloan and Oliver, 2013) have been suggested as helping maintain stakeholder trust during such crises.

### **Process of Trust Repair**

Trust repair focuses “on those activities in which party 2 has taken advantage of party 1’s vulnerability and seeks to restore the willingness of that party to be vulnerable in the future” (Kramer and Lewicki, 2010: 249). Vulnerability to parties is caused by wider crisis contexts and not directly by a specific party in the relationship indicating that direct influence is outside the control of either party. Within this research context (crisis), we can, therefore, define trust repair as the process through which an organisation that has suffered trust breakdown seeks to restore the willingness of its key internal and external stakeholders (employees, suppliers, customers) to continue working in partnership.

Previous research has identified how different types of organisational trust can be repaired including: *interpersonal trust* (Bottom et al., 2002), *public trust* (Poppo and Schepker, 2010), *inter-organisational trust* (Stevens et al., 2015), and *institutional trust* (Bachmann et al., 2015). There is also research exploring repairing *employee trust* (Ebert et al., 2012); Gillespie

and Dietz, 2009; Webber *et al.*, 2012) and *stakeholder trust*, particularly the dimensions that affect stakeholders' assessments of trust focusing on suppliers and customers, benevolence to employees and integrity mainly to suppliers and employees (Jahansoozi, 2006). Trust repair strategies triggered by wider macro-level crises have been neglected.

Research suggests that the extent to which trust repair is possible depends on the violator's response (Schnackenberg and Tomlinson, 2016) although one can understand the complexity of this when the trust breakdown has been triggered by the wider economic context which lays outside of the organisation's control. Research has shown that organisations respond poorly to trust breakdown (Schwartz and Gibb, 1999), typically acting too late and inappropriately. Given the current global economic state, trust repair must be viewed as a critical management competency, something thus far neglected in the literature (Gillespie and Dietz, 2009).

There is little doubt that organisational trust and its repair are vital during crisis, but there is a need to contextualise understanding (Morris, 2011) based on the concerned stakeholder group. Authors such as Thorgren and Wincent (2011) posit that trust loss creates partner rigidities which may reciprocally harm the relationship and its repair. While there is no comprehensive model of trust repair, there are tools that support its repair including effective communication and stakeholder transparency (Gullett *et al.*, 2009).

## **The Context of the Study**

The integrity of Greek ESBs was damaged from the 2008 economic crisis and further eroded by the 2020 pandemic crisis. The open communication that Pirson and Malhotra (2011) regard as essential to creating transparency and reducing problems of information asymmetry was severely disrupted, damaging the three major dimensions of trustworthiness (*ability, benevolence and integrity*) posited by Mayer *et al.* (1995).

During the 2008 Greek economic crisis, and to avert default, the European Union (EU) and International Monetary Fund (IMF) issued bailout packages under the guarantee of adopting stringent austerity measures. Greece never fully recovered from the 2008 economic crisis when it was hit by the COVID-19 health crisis. Policy responses during the pandemic were immediate and included loan guarantees through the creation of a Guarantee Fund for working capital loans, interest subsidies aimed at existing ESB loans and new working capital loans, and a repayable advance scheme in the form of grants (European Commission, 2020). ESBs, however, had a heightened risk of running out of cash despite the presence of enhanced government support for debt-based policy responses (Cowling *et al.*, 2020). Along with devastating socio-economic consequences, these two crises undermined both local and foreign trust towards Greek companies drawing into question their ability and competence (Petraakis, 2020).

ESBs are dominated by informality in communication and employee relations which positively impacts employee-employer commitment and trust (Prouska and Psychogios, 2019). Such informality could be considered an advantage, where information and communication is more easily and readily shared between the owner/manager, employees, and suppliers, resulting

in higher trust levels (Richbell *et al.*, 2010). But, informality can also imply autocracy and one-way communication channels which may harm trust relationships (Collings *et al.*, 2019).

## **Research Methodology**

In this research we have adopted a qualitative approach to data collection given the exploratory nature of this study in understanding trust breakdown and repair in Greek ESBs in the two crisis periods, an approach aligned with other trust repair research (e.g., Kähkönen *et al.*, 2021). The research approach allowed us to understand the nature of trust breakdown and repair based on interviewees' perceptions, collecting data in a context-appropriate manner (Hatzakis, 2009). The study explored organisational-stakeholder trust within the context of the Greek economic crisis and the COVID-19 health crisis, by examining the nature of ESB trust repair strategies related to employees, customers and suppliers.

A multi-case, longitudinal, design was adopted (Yin, 2018) and the sample of cases was selected based on a purposive, judgmental, non-probability sampling technique (Robinson, 2023). Four cases were selected on the rationale that all: (1) organisations were well-established and successful during the pre-2008 economic crisis period; (2) faced critical survival issues during the 2008 economic crisis; (3) seemed to have effectively survived and developed further through the 2008 economic crisis; (4) had an international market focus; (5) demonstrated entrepreneurial intentions; and, (6) were small in size. The companies operated in different sectors (See Table 1).

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Insert Table 1 about here  
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Interviewees were selected based on four specific criteria: (1) managerial position, (2) level of direct contact with relevant stakeholders (employees, customers and suppliers), (3) current position work-experience, and (4) the specific roles held through the crisis. The interviewed managers (both senior and middle) and owners are viewed as key in managing and maintaining organisational trust (Brunetto and Farr-Wharton, 2007). We, however, acknowledge that future research needs to focus on other stakeholders to generate a more complete view of trust repair strategies.

### ***Data Collection and Analysis***

Data collection was conducted in two parts. In the first part, company information was obtained including type and size of business, number of employees, and structure. In the second part, interviews were conducted in three phases. Phase I took place in mid-2012 and included in-depth face-to-face interviews with a total of 28 managers (7 per company). We focused on data regarding trust issues and exploring trust repair strategies implemented. Phase II occurred in mid-2015 (5 follow-up interviews per company, where possible with the same individuals as in Phase I). Phase III occurred in mid-2020 and early 2021 (6 follow-up interviews per company with the same individuals as in Phases I and II where possible). Across the three research phases, the owners (or CEOs) of all companies were interviewed along with key directors for between 1½ and 2½ hours. Table 2 provides an overview of the interviewees.

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Insert Table 2 about here  
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The interviews were semi-structured, informal and flexible to enable an in-depth understanding of the phenomenon. A topic-guide was organised to frame the discussion and perceptions related to: the role of trust for organisational development and survival, the role of trust in crisis, the importance of its repair, and effective repair strategies. Interviewees were informed of the research purpose to gain participant agreement and address ethical concerns. Interviews were conducted, recorded and transcribed in Greek and then translated to English.

In order to identify core themes, content analysis was used to analyse the data gathered (Krippendorff, 2013). Content analysis systematically and objectively describes and quantifies the researched phenomena, allowing the researcher to explore issues with the purpose of fostering data understanding and providing new insights.

Firstly, we devised analytical units from the material; secondly, we interpreted and categorized the units in terms of research questions; and, thirdly, we integrated the outcomes for the results to be compared with other studies and check reliability. Following data collection, the main themes were identified, the responses classified under the main themes, and the most indicative responses integrated. This approach enabled the exploration of issues of trust in a crisis context and the identification of trust repair strategies applicable across a variety of stakeholder groups. Finally, the four cases, and the data gathering technique across the three time points, facilitated the comparison, contrast and integration of findings across cases and enabled evaluation through different lenses (Yin, 2018). Table 3 outlines the key themes and associated codes derived during the data analysis.

Insert Table 3 about here

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## **Findings**

We have organised the findings in three sections reflecting the three-fold process of trust repair approach emerging from the data analysis.

### ***Sense-Making of Trust Breakdown and Repair***

On the impact of the crises on trust relationships, the four case study organisations discussed trust breakdown in employee-organisation, customer-organisation and supplier-organisation relationships, but also framed the discussion within the wider issue of trust breakdown related to organisation-government relationships.

The Greek government has undergone major changes, albeit many forced upon it due to the 2008 economic crisis, to increase financial institutional control, provide bank deposit guarantees, and secure external financial contributions. This has not prevented the case study companies, however, from doubting whether these actions have been effective enough to restore societal trust. In addition, there is a perception that their organisations are unable to significantly impact societal perceptions or devise strategies to repair institutional trust. Interviewees suggest that the government should repair the brand name of Greece abroad to begin restoring the damaged internal and external trust. Despite the current push towards reducing governmental size, role, and impact, interviewees claimed that it is the government that is responsible for cultivating negative societal perceptions and that it needs to take actions to aid its reversal.

Unlike managers in Company A and C who were quite sceptical of government actions to repair

trust, the approach of their counterparts in Company B and D (devising a clear rebranding strategy for Greece) suggest developing a more proactive approach towards trust-repair, something they see as reversible.

Both the 2008 global financial crisis and the pandemic have forced many Greek organisations, including ESBs, to downsize in order to immediately cut costs (we asked case companies about layoffs but all declined to give further information – there was a definite stigma given the sensitive societal impacts associated with this). Such actions have the potential to impact both those who have been dismissed as well as the “survivors” (López Bohle *et al.*, 2018) who are burdened with increased responsibilities and the threat of job loss. This threat, coupled with increased responsibilities and “survivor syndrome”, undermines employee trust. This, in turn, may negatively impact employees in terms of involvement, satisfaction, commitment, motivation, and productivity (Hopkins and Weathington, 2006). Thus, the move towards survival in terms of adjusting resources to compensate for lower-level demand may be undermined by a breakdown of cognition-based organisational trust; as a result, employees lose organisational trust.

Employee trust breakdown is affected by actions that violate their psychological contract and such violations are exasperated during crises (Jayaweera *et al.*, 2021). The more engrained, the more entrenched a confirmation becomes in everyday thinking, with the logic and rationality of decision-making compromised regardless of the trigger of trust breakdown (crisis) (Gillespie and Dietz, 2009); in this research the crisis triggered reactions that resulted in compromising the organisation-employee relationship.

The factors contributing to employee trust breakdown can herein be divided into two groups: *internal* (layoffs/restructuring) and *external* (negative information transmitted from other stakeholder groups and the media). When suggesting which trust breakdown to focus on, interviewees prioritised the need for addressing the internal one. Even though some degree of internal trust breakdown was viewed as inevitable given the magnitude of the crises, explaining why downsizing was necessary to the exiting and remaining staff was viewed as an important repair step.

In addition, customer and supplier trust (nationally and internationally) was seriously damaged by the Greek economic crisis. Fear and uncertainty regarding future operations and market position created an environment that undermined critical areas of customer trust (Matopoulos et al, 2019) – intra-organizational trust. As organisations sought to protect themselves from crisis, this triggered internal changes which then eroded inter-organizational trust (e.g., Psychogios *et al.*, 2016). In our case study research, each of the respondent companies maintained successful and profitable years prior to the 2008 crisis but suffered from rapid revenue loss and seismic shifts in stakeholder trust behaviour which was then exasperated by the COVID-19 pandemic. Each was also forced to undergo rapid changes to survive, and managers strongly supported the critical significance of organisational trust especially in their international relationships.

One of the key reasons for internationalization and creating alliances, especially for ESBs, is to extend market opportunities in a highly complex business environment (Hughes and Weiss, 2007). This is nearly impossible without establishing mutual trust since it facilitates the process of sharing potentially critical information (Child, 2001). Many Greek companies,

including our case study companies, experienced a negative shift in their trust relationship with customers and suppliers, especially foreign ones. Table 4 presents representative quotes in relation to sense-making of trust breakdown.

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### ***Implementing Trust-Repair Strategies***

When planning to repair trust, organisations prioritise certain stakeholder groups (investors, customers, and suppliers) and fail to pay adequate attention to others. With a focus on cutting expenditures to survive, for example, the community, or societal impact becomes a less important issue. During a crisis, stakeholders view companies under a magnifying glass and become much more attuned to detecting even the most trivial misconducts which can result in inflated negative outcomes due to societal transformation and sensitivity or media exaggerations.

Each respondent emphasized how open communication helped promote transparency and reduce uncertainty among employees, something Colquitt and Rodell (2011) identify as important for repairing trust. Consistent with Dirks and Ferrin (2001), respondents felt that when there was a trusting relationship with employees, employees were much more inclined to invest mentally and psychologically in the company. As such, the impact of trust breakdown was viewed in terms of not only economic loss, but also in how it adversely affected ones' career, making the process of trust repair more complicated and time consuming. As supported by

authors such as Gounaris and Prout (2009), to repair long-term trust organisations need to focus on repairing their stakeholder's critical need for security during crisis periods.

In line with the work of authors such as Baran and Adelman (2010), through open communication systems, respondents believed their companies could foster a sense of belongingness making it easier to deal with crises. Communication appears to have the potential to play a role in leveraging crisis challenges into a possible advantage by attempting to bridge stakeholders directly into the organisational mind-set.

In customer relationships, although the short-term prospects appear bleak, repairing trust-based relationships seems possible. With the damage done, an organisation needs to address trust breakdown, regardless of fault, to minimize and reverse loss aversion. While customers focus on the negative outcomes of crisis, our findings suggest that companies seek ways to adapt during crisis to repair customer trust. More specifically, the case study companies focused their efforts even more intensively on developing their offerings portfolio and altering their customer interaction approach. In line with Szamosi and Duxbury (2002), each emphasized the importance of consolidating their current customer base while seeking to broaden their market and spread the risk through emerging business opportunities thereby giving a measure of hope; naturally, the trust repair process is two-fold: overcoming the trust loss of previous customers and trust-repair.

If factors like rapid reductions in revenues and profits, salary cuts and the loss of market share contribute to the loss of customer trust, logically the benefits gained gradually increase revenues (e.g., through new markets, broader customer bases, enriched product portfolios) and should aid in trust repair so long as the same stakeholders are effectively informed (Kramer, 2009). Due to the situations faced, all four companies have sought to become stronger, more

competitive, and more aware of maintaining trustful relations. In keeping with the literature, interviewees clearly, and unequivocally, recognised that, when stakeholder trust is shaken, there is a need to evaluate the potential transaction damage to identify if the expected costs exceed the expected benefits (Costa and Anderson, 2013). This research suggests that by focusing on the benefit side both the organisations and their customers will be afforded the opportunity to redefine the trust expectations linkage between them, thus serving as a repair foundation; respondents were adamant that this was only the beginning of this process suggesting that most of their counterparts mistakenly believe that organisational survival is enough to demonstrate trustworthiness. This was viewed as superficial by our companies who suggested that a much more consistent, measurable, outcome of trust needs to be signalled. If the prospect of trust breakdown is communicated to customers through various traditional and social media, then, trust repair strategies can be implemented utilising similar techniques. Bidirectional communication can aid in revealing hidden negative customer perceptions and unidirectional communication used to reinforce alterations in perceptions. As such, customers will be more likely to openly describe their perceptions and feelings, which may bring up specific and useful actions that can be applied to help repair the trust breakdown and then see/sense the reactions being made.

Stakeholder groups, including customers, are biased towards trusting those with similar values (Kramer, 2009). Thus, to instil and repair customer trust, organisations may seek to ensure an overlap between values held – value congruence – and seek to regularly re-evaluate and expand on this. Respondent companies indicated that they had gradually moved in this direction with varying degrees of success but, over time, saw positive results. Trust-repair in organisation-

supplier relationships was also seen as vital. Pirson and Malhotra (2011) note that mutually beneficial relations cannot be effectively maintained in an atmosphere of mistrust. To repair supplier trust, organisations need to demonstrate their trustworthiness through re-establishing both cognition and affect-based trust (Dirks *et al.*, 2009). Reflecting the work of Bachmann and Inkpen (2011), our findings suggest that such supplier trust-repair strategy is characterized by emphasizing benevolence, competence and integrity; in essence, they calculate gains and losses based on their decision to trust prior to reaching a decision (Bachmann, 2001). We have found that, even though most companies demonstrated their ability to pay on time in the past, this was superseded by the crises. Since suppliers formulate trustworthiness predicated on counterpart information (McEvily *et al.*, 2003), companies need to regularly re-evaluate information communication to ensure that loss aversion is mitigated, and confirmation bias is overcome. Table 5 presents representative quotes in relation to implementing such trust repair strategies.

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Insert Table 5 about here  
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### ***Maintaining Trust Relationships***

Interviews in 2012 emphasized just how difficult rebuilding societal trust, locally and internationally, had been. Interviewees were highly critical of how the government had been handling the issue, although they were now more positive about the development of events, especially during the onset of the COVID-19 crisis. They felt the government was trying to develop an external voice that Greece is open for safe and healthy business opportunities. The initial reaction of the Greek government to the pandemic crisis and the positive international

reaction to it aided in maintaining, and strengthening, stakeholder trust vis-a-vis that of other countries'. There remained, however, scepticism about the level of commitment and whether things were still "politics as usual".

In the interviews conducted in 2015 a major shift was observed related to engagement between employees and the case study companies. Employee trust engagement appears to have been rewritten, although our data was obtained from a distinctly management perspective. Customer trust repair strategies were seen as paramount for survival, but it is clear from the interviewees that customers also leveraged this to their own advantage. Interviews in 2020 further demonstrated the focus that ESBs placed on maintaining employee, supplier and customer trust throughout the pandemic through regular communications and regular, real-time updates disseminated to stakeholders. It was clear that the economic crisis had positively impacted how respondent companies engaged stakeholders at the onset of the pandemic.

When undergoing a cognitive reappraisal of relationships after a major trust breakdown, suppliers tend to overestimate negative over positive evidence, thus clouding "common sense" or "rationality" (Kim *et al.*, 2004). Such action highlights the necessity of demonstrating the benefits gained from the crisis and communicating these to stakeholders. We found, for example, that the crises had equipped companies with a more robust mind-set (Sakalas and Virbickaite, 2011) and reinforcing pro-activeness towards crisis (Veil, 2011). Arguably, the lessons learned during the economic crisis helped buffer the initial onset of the pandemic. All organisations were found to have clearly understood, and were still actively trying to overcome, negative expectations and re-establish or maintain positive relationships. Repaired trust is unlikely to see relationships become "exactly" as they were, especially in the short-term, and as such should not

be seen to represent a breakdown. Today, it appears that many of the former suppliers to our four case study companies have changed and those remaining have established even stronger trusting relations. The level and attainment of trust also appears to have been rewritten. Table 6 presents representative quotes in relation to maintaining trust in stakeholder relationships.

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Insert Table 6 about here  
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## **Discussion**

Based on our analysis of the interviewees across the three time points, we can conceptualize the case study organisations' response to trust breakdown as a three-stage process: *sense-making*; *implementing*; and, *maintaining*.

The first stage, *sense-making*, relates to how organisations make sense of the uncertainty caused by the specific crisis and the impact on internal and external business operations. Our research findings suggest that, at its core, the Greek economic crisis of 2008 and the COVID-19 health crisis have significantly raised awareness of the relevance of trust, demonstrating the importance of mutually beneficial trusting relationships beyond what was initially thought. Interviewees have confirmed that, above all, Greek ESBs are experiencing a trust crisis since both crises seriously compromised the basis of trustful relationships causing a gap to emerge (Bachmann and Inkpen, 2011; Gounaris and Prout, 2009; Pirson and Malhotra, 2011). The economic crisis meant restructuring and layoffs in the case study organisations (which affect internal stakeholder relations), as well as the communication of negative information from the media about the future of the Greek economy (which affects external stakeholder relations).

Trust within organisations is a key determinant of employee motivation, commitment, cooperation, information sharing, and innovativeness and serves to reduce employee resistance during crisis situations (Szamosi and Duxbury, 2002). As such, trust breakdown between employees and organisations can culminate in an unwillingness to contribute to, or even enhance, organisational performance (Dirks and Ferrin, 2001). From an internal perspective, trust breakdown negatively impacts work coordination, information gathering and dissemination, thus inhibiting cooperative behaviour between organisational layers. From an external perspective, organisations have understood that trust breakdown reduces the effectiveness of trust as a means of maintaining and enhancing inter-organisational relationships and potentially inhibiting mutual goal accomplishment (Sanders and Schyns, 2006). Consequently, repairing tripartite stakeholder trust has become a critical necessity and competency.

From a social exchange perspective, individuals engage in sense-making to understand their social interactions and relationships (Loughnan & Haslam, 2007). In the context of trust repair, organizations must first make sense of the breach of trust and its impact on stakeholders. This involves understanding stakeholders' perceptions, expectations, and concerns regarding the organisation's responses to crises and how it affects their willingness to engage in mutually beneficial relationships. The breakdown of trust during crises affects internal stakeholders (employees) by reducing motivation, cooperation, and information sharing, leading to decreased organisational performance. Externally, negative media coverage and economic uncertainty erode trust with customers and suppliers, hindering cooperation and goal achievement.

The second stage, *implementing*, relates to designing and implementing solutions to the trust challenges determined through the organisation's sense-making process. Employee trust

repair can be a survival pillar as demonstrated through the priority in repairing employee trust before addressing trust associated with other stakeholders. The trust-repair strategies adopted were three-fold. For repairing employee trust, the organisations engaged in open communication to promote transparency and reduce uncertainty. This was done for employees to feel secure, address hidden fears and negative expectations, and provide hope for the future. For repairing customer trust, organisations communicated their readiness to deal with the specific crisis to customers; this was accomplished through adapting business practices, for example taking action to minimize product costs, implementing lower mark-ups and introducing new products to maintain competitive advantage. They then ensured that each action was communicated to customers so that the organisation would be seen as being proactive to the challenges posed by the crises and that they were in control of business operations. For repairing supplier trust, organisations used communication strategies focusing on strengthening relationships with these stakeholders. Their strategies incorporated continuous information on organisational improvements and progress made to minimize suppliers' fear of future loss from the partnership.

Case study companies suggested one key strategy that could be implemented to repair stakeholder trust: illustrating the benefits companies have gained from the crisis (i.e., turn a negative into a positive). Moreover, the companies suggested that their actions alone were not enough to repair trust at its most fundamental level, and this is where government intervention could help going forward. During the economic crisis the government appears to have failed on this point by letting companies “fend for themselves” in re-establishing the “brand” name of Greece abroad; this being said, this appears to have been reversed during the pandemic crisis but scepticism still exists.

A social exchange perspective emphasizes the importance of reciprocity and fairness in social exchanges (Colquitt, Scott & LePine, 2007). When implementing trust repair strategies, organizations must consider how they can restore fairness and reciprocity in their relationships with stakeholders. This may involve actions such as: apologies, compensation, transparency, and efforts to rebuild trust. Open communication and transparency are employed to reassure employees and reduce uncertainty, fostering a sense of security and hope for the future. Customer trust is repaired through proactive communication and adaptive business practices, maintaining a competitive advantage. Supplier trust is restored through continuous communication and demonstrating organizational improvements, reducing fears of future loss.

The third stage, *maintaining*, relates to the process of managing trust issues in stakeholder relationships. Our findings demonstrate how rebuilding societal trust is still an ongoing challenge, although not something under direct organizational control; however, organisations felt confident that employee trust relationships had improved significantly and aided them during the pandemic. In addition, customer trust repair strategies were seen as key to survival. In terms of supplier relationships, many suppliers had been replaced since the beginning of our study and this may reflect a breakdown in managing supplier-based trust issues in a timely manner. Views were expressed, however, that new higher-trust supplier relationships have now formed and been even more strongly engrained through the health crisis. A key issue in the evaluation of the effectiveness of trust repair strategies was the subjective measurement of “success”. Organisations felt that, at different levels, relationships had improved without, however, being able to provide concrete evidence of this. It is, therefore, apparent, that in future studies, more tangible means of measuring trust repair strategy “success” must be sought.

From a social exchange perspective, at the maintaining stage, managing trust issues becomes an ongoing challenge, with varying levels of success in different stakeholder relationships. Trust is maintained through ongoing interactions and exchanges between parties (Mayer *et al.*, 1995). Once trust repair strategies are implemented, organizations must continue to engage with stakeholders in ways that demonstrate reliability, consistency, and integrity, through regular communication, delivering on promises, and addressing concerns promptly. In a crisis context, however, there is a shift from internal and external trust repair to a broader societal and institutional level, where organisations expect government intervention to play a crucial role in rebuilding trust. The emergence of a paradox is noted, where organisations traditionally responsible for managing trust relationships now look to the government for assistance in crisis situations.

A final critical issue emerging from this study is that during a crisis companies and managers perceive trust as evolving from intra or inter organisational issues that need repaired, into an institutional and public policy matter. In other words, it can be argued that national level crisis leads to the emergence of a paradox, since organisations that traditionally tend to self-manage trust relationships expect government to play a critical role in repairing the same. Table 7 presents our proposed framework for repairing organisational-stakeholder trust in an economic crisis context.

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Insert Table 7 about here  
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## **Conclusion and Implications**

This study has laid the groundwork for emerging trust issues and revealed that the two macro level crises Greece has experienced are not solely a source of chaos and disruption, but also a source of driving improvement and reestablishment. It seems that, while disrupting poorly organised companies, a crisis may trigger a strengthening of those that previously lacked the impetus to improve. A crisis can provide the stimulus to adapt and become more competitive, albeit through the lens of repairing trust. Our findings contribute to the work of Lim *et al.* (2020) who found that external shocks unsettle the balance and fit in a firms' resource system and that extraordinary circumstances can provide an opportunity for entrepreneurial focused companies to realign and regain the balance and fit within their firm's resource system. They argue that firms need to take action to adjust their resource profile and regain balance when experiencing a turbulent event and, in this respect, we offer findings that support a framework for repairing trust as a strategic/reputational resource (Penrose, 1995) that ESBs have at their disposal.

Our four case study organisations claimed that, even though each had suffered financial losses, they were also able to mitigate them through the benefits gained from reducing costs and prices, seeking a broader international customer base, enriching product / service portfolios, and constantly searching and implementing innovative ideas. Interviewees also suggested that the illustration and communication of such improvements with each stakeholder group could be an effective medium-term strategy capable of repairing trust. The economic and health crises represent, and remain, an opportunity to reassess priorities and values with a view toward future building of cognition-based trust, maintaining mutually beneficial affect-based trust relationships, and seeking to overcome the confirmation bias associated with the Greek state that has disenfranchised even the most trusting companies locally and internationally.

Relying solely on the benefits gained from a crisis will not restore trust. Companies need to communicate the benefits gained and, consequently, their improved trustworthiness; mutual communication is a potentially powerful tool in redefining the relationship between organisational values and those of employees, suppliers and customers. Understanding the (mis)perceptions of these different stakeholder groups is important for identifying mutual problems, for addressing them, and establishing appropriate strategies for trust repair. Yet, the ability for ESBs, individually, to repair that caused by government is close to non-existent. A much broader and longer term coordinated business effort, at all levels, is necessary. More research within the issue of ESBs and trust needs to be undertaken going forward.

Beyond the last argument, the research provides insights into strategies that ESBs can implement to aid in restoring stakeholder trust. The research adds to the body of literature related to how the wider economic context can damage organisational-stakeholder relationships and how organisations implement trust repair strategies (Boxer *et al.*, 2016; Fink and Kessler, 2010; Geneste and Galvin, 2015; Strätling *et al.*, 2011). Moreover, this study adds to previously published research on policies for improving institutional environments for repairing entrepreneurship in crisis-hit economies and situations (Williams and Vorley, 2015) by focusing on micro-level strategies and specifically on SME strategies for repairing trust. We also add to the trust literature by incorporating an international stakeholder perspective and present a framework for repairing organisational-stakeholder trust in various crisis contexts (Mathews and Stokes, 2013).

From a practical perspective, ESBs can embrace crises as an opportunity for improving stakeholder relationships. Transparency and mutual communication are key in redefining the

relationship between the organisation's values and those of employees, suppliers, and customers. Collaborative efforts for long-term trust repair are critical, particularly when broader institutional failures may significantly limit ESBs' options when repairing trust. If this research should assist in stimulating further research into trust-based relationships it will have achieved its goal in terms of highlighting the need to look not only at stakeholders but also the wider dynamics with the state and the public (society), both of which are important in understanding how trust affects organisations.

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**Table 1.** Sample Overview

	<b>Sector</b>	<b>Employees</b>	<b>Focus</b>	<b>No. of Countries doing business in</b>	<b>Entrepreneurial small business (ESB) behaviours</b>
A	Clothing – textiles	55	Design and production of women’s casual clothing	17	<ul style="list-style-type: none"> <li>❖ Innovates in design and materials tailoring its clothing lines based on market trends and customer feedback show-casing a customer-centric approach to innovation.</li> <li>❖ Demonstrates proactivity by swiftly adapting to changing consumer preferences and fashion trends, ensuring its products remain relevant in a dynamic market.</li> <li>❖ Takes risks by experimenting with new materials (e.g., environmentally friendly), styles, and marketing strategies, ensuring it remains a market leader while maintaining its brand identity.</li> <li>❖ Demonstrates inclusivity by targeting different types, ages and styles of women fashion, developing specific series of clothes.</li> </ul>
B	Construction Materials	65	Development and production of building chemicals and pre-mixed mortars	23	<ul style="list-style-type: none"> <li>❖ Invests in R&amp;D to create eco-friendly construction materials, demonstrating a commitment to sustainable innovation appealing to environmentally conscious customers.</li> <li>❖ Actively seeks opportunities in emerging markets, indicating a proactive approach to expanding its global presence and diversifying its customer base.</li> <li>❖ Takes risks in product development and employs risk management strategies to mitigate potential downsides, ensuring its long-term viability and competitiveness.</li> <li>❖ Recently invested in developing new technologies for smart and eco-friendly houses.</li> </ul>
C	Electronics	150	Development and production of innovative electronic safety and security systems	72	<ul style="list-style-type: none"> <li>❖ A global pioneer in advanced electronic safety and security systems, establishing itself as an industry leader in innovative technology solutions.</li> <li>❖ Proactively collaborates with other tech firms and research institutions to stay at the forefront of technological developments, demonstrating a commitment to continuous improvement and staying ahead of the curve.</li> <li>❖ Agility in decision-making, quickly capitalizing on emerging trends and opportunities in the electronics market, strengthening competitive edge.</li> <li>❖ Invests in R&amp;D of new products mainly related to security and alarm systems related to risks like fire, smoke etc.</li> </ul>
D	Consulting	35	Engineering and project management consulting	12	<ul style="list-style-type: none"> <li>❖ Offers holistic consulting services going beyond traditional solutions, demonstrating a forward-thinking approach to complex engineering and project management challenges.</li> <li>❖ Fosters a culture of knowledge sharing and innovation, encouraging creative problem solving and the development of novel solutions to suit client needs.</li> </ul>

					<ul style="list-style-type: none"><li>❖ Has strategically expanded into new geographic markets, leveraging its reputation to attract clients internationally, remaining competitive in a crowded consulting landscape.</li><li>❖ Recently applied a series of new services based on AI and Neuroscience demonstrating innovative behaviour and risk taking.</li></ul>
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**Table 2.** Overview of Interviewees in Case Study Organisations

<b>Interviews</b>	<b>Company A</b>	<b>Company B</b>	<b>Company C</b>	<b>Company D</b>
<b>Phase I (mid 2012)</b>	<ol style="list-style-type: none"> <li>1. Owner &amp; CEO</li> <li>2. Export Director</li> <li>3. Operations Manager</li> <li>4. Head of Sampling Department</li> <li>5. Head of Accounting Department</li> <li>6. Marketing Manager</li> <li>7. HR Manager</li> </ol>	<ol style="list-style-type: none"> <li>1. President &amp; CEO</li> <li>2. Executive Vice President</li> <li>3. General Manager</li> <li>4. Export Director</li> <li>5. Head of Marketing</li> <li>6. HR Director</li> <li>7. Product Development Manager</li> </ol>	<ol style="list-style-type: none"> <li>1. Owner &amp; CEO</li> <li>2. HR Manager</li> <li>3. Marketing Director</li> <li>4. Director of Operations &amp; IT</li> <li>5. Exports Manager</li> <li>6. Head of HR</li> <li>7. Director of Accounting</li> </ol>	<ol style="list-style-type: none"> <li>1. Owner &amp; President</li> <li>2. Head of International Relations</li> <li>3. Finance &amp; People Manager</li> <li>4. Project Manager</li> <li>5. Engineering Manager</li> <li>6. General Manager</li> <li>7. Director of Quality and Enhancement</li> </ol>
<b>Phase II (mid 2015)</b>	<ol style="list-style-type: none"> <li>1. Owner &amp; CEO</li> <li>2. Marketing Manager</li> <li>3. Operations Manager</li> <li>4. Export Director</li> <li>5. HR Manager</li> </ol>	<ol style="list-style-type: none"> <li>1. President &amp; CEO</li> <li>2. Head of Marketing</li> <li>3. Head of Operations &amp; Logistics</li> <li>4. Export Director</li> <li>5. HR Director</li> </ol>	<ol style="list-style-type: none"> <li>1. Owner &amp; CEO</li> <li>2. Marketing Director</li> <li>3. Director of Operations &amp; IT</li> <li>4. Exports Manager</li> <li>5. Head of HR</li> </ol>	<ol style="list-style-type: none"> <li>1. Owner &amp; President</li> <li>2. Finance &amp; People Manager</li> <li>3. Project Manager</li> <li>4. General Manager</li> <li>5. Director of Quality &amp; Enhancement</li> </ol>
<b>Phase III (mid 2020; early 2021)</b>	<ol style="list-style-type: none"> <li>1. Owner &amp; CEO</li> <li>2. Operations Manager</li> </ol>	<ol style="list-style-type: none"> <li>1. Owner &amp; CEO</li> <li>2. Export Director</li> </ol>	<ol style="list-style-type: none"> <li>1. Managing Director</li> </ol>	<ol style="list-style-type: none"> <li>1. Production and Finance Manager</li> </ol>

**Table 3.** Key Themes and Associated Open Codes

Core Themes	Open Codes
1. Impact of crisis on organisation-government trust relationships	“societal perceptions”, “societal trust”, “trust in government”, “local level”, “international level”. “media”
2. Impact of crisis on organisation-employee trust relationships	“downsizing”, “layoffs”, “cutting costs”, “survivor syndrome”, “involvement”, “satisfaction”, “commitment”, “motivation”, “productivity”, “career”, “employee-organisation trust”, “psychological contract”, “internal factors for trust loss”, “external factors for trust loss”, “media”
3. Impact of crisis on organisation-customer relationships	“uncertainty of future operations”, “reduction in loss of market share”, “foreign customers”, “impact on trust”, “media”
4. Impact of crisis on organisation-supplier relationships	“internationalization of operations”, “alliances”, “market opportunities”, “foreign suppliers”, “impact on trust”, “media”
5. Trust repair strategies - employees	“communication”, “transparency”, “security”, “sense of belonging”
6. Trust repair strategies - customers	“product innovation”, “communication”, “new markets”, “broader customer base”, “media”
7. Trust repair strategies - suppliers	“trustworthiness”, “cognition”, “affect-based trust”, “benevolence”, “competence”, “integrity”, “communication”
8. Controlling trust in stakeholder relationships	“societal trust”, “government”, “employee engagement”, “customers”, “suppliers”, “communication”

**Table 4.** Sense-Making – Indicative Quotes

Theme	Indicative quotes
<b>Government’s responsibility in enabling trust breakdown</b>	Owner & CEO, Company A: The actions of the Greek government damaged societal trust in such a way that it will not be easy to repair.
	President and CEO, Company B: The government should take actions to re-establish the name of Greece abroad. The rebranding strategy will help to build trust again. There are lots of necessary internal steps the government needs to do, but for the companies and especially for export-oriented companies it’s of great importance that the government secures the brand name of Greece in comparison with other countries.
	Owner & President, Company D: We may positively impact on our customers’, suppliers’ and employees’ trust towards us; however, this is not enough to change the perception of the whole society. This is where the government should intervene.
<b>Factors contributing to organisation-employee trust breakdown</b>	HR Manager, Company A: We fired some employees from the parent company trying to save money to meet the new challenges brought on by the crisis. It was obvious that layoffs would impact the staff, but we didn’t predict its magnitude, maybe it happened because the company underestimated the role of the media in terms of spreading negative information and creating a fearful atmosphere.
	HR Director, Company B: It’s understandable why the threat of possible layoffs stresses them so much. All we can do is to openly and clearly communicate with them explaining why downsizing was necessary and to make sure that we do all that’s necessary to avoid further layoffs. The employees were the ones who experienced the first difficult changes—the company has to give them hope and prospects for the future.
	Owner & CEO, Company C: It’s hard to lose your job, and even harder to live and work with the fear of future layoffs. When the trust is broken internally it affects our customers and suppliers as well. To restore this senior management communicates with the staff with the aim to explore our employees’ hidden fears and negative expectations in order to address them.
	Managing Director, Company C: Employees have been scared, not about what we will do in the business, but about their families and the changes in the world in general. We have tried our best to not only lessen their worrying about their work environment so they can still focus on what we require of them but also deal with their outside work issues.
<b>Factors contributing to organisation-customer trust breakdown</b>	Export Director, Company A: Our foreign customers are full of doubts of whether our company and the country in general will be able to survive, so some of them are looking for alternative suppliers capable of replacing us, while the others prefer to buy from local suppliers.
	Export Director, Company B: Some of our existing and prospective foreign customers are suspicious about whether tomorrow we will be in a position to provide them products, thus they don’t trust us as they used to do... and we understand that, since the same thing happened to us in North Africa; we started requiring cash payment because we lost our trust in the business environment of the countries. As time passed by, we came to understand that our partners were trustful, no matter what happens in the country. Communication and readiness to see the partners’ ability to deal with the revolution consequences restored our customer trust.
	Project Manager, Company D: It’s extremely important for our business to convince the customer that we are able to survive the crisis and that it won’t risk our operations; we cannot survive it without their trust and support. ... Local customers became so few because of the bankruptcies that occurred; those that remained started to believe in us because of our moves outside the country.
	Managing Director, Company C: We have been hit very hard by the COVID-19 crisis. The difficulty for us is that we were just overcoming the economic crisis and then BANG! It feels like we cannot catch a break! Our sales were really starting to turn-around and we saw some daylight. COVID-19 made all our customers (who are primarily in the hotel business) shelve any capital intensive purchases and those that already had our services lost most of their customers!

<b>Factors contributing to organisation-supplier trust breakdown</b>	Operations Manager, Company A: The general uncertainty of the future development of the Greek crisis prevents us as well as the suppliers to precisely predict the results of actions our company is taking now. Trust is a basic need for development and our survival through crisis. For sure, it has been seriously damaged during this crisis. Prior to the crisis we used to pay our foreign suppliers through letters of credit, but now they require advanced cash payment, since they no longer trust our banking system – not our company itself.
	Export Director, Company B: Our suppliers' and customers' fear of future loss is one of the biggest causes of their mistrust towards the company. Trust is critical especially in crisis, as it's not possible for a company to survive alone; you need cooperation and trust from your suppliers and clients and vice versa. Besides, survival through crisis assumes change; however, if there is no trust, the change will fail.
	Director of Operations, Company C: Suppliers don't trust us anymore. They've changed their payment policy requiring cash payment. ... on one hand, the Greek banks are no longer in a position to borrow and lend money to us with low interest rates because Greek bonds have been devaluated. The company is in a tough situation and the only way to get out of it is to quickly improve our relationships with suppliers.
	Managing Director, Company C: Trust does vary across stakeholder groups because the consequence of non-trust varies significantly. For a supplier it could mean bankruptcy if they don't get paid. In our case we are suppliers to companies. If I don't trust the buyer, I need to be extremely careful to ensure I get my money even it is means walking away from deals – which we have done. And, for my suppliers, the same thing applies – if there is no trust then measures need to be implemented to mitigate the trust barrier.

**Table 5. Implementing – Indicative Quotes**

Theme	Indicative quotes
<b>Repairing organisation-employee relationships</b>	Owner & CEO, Company A: Open communication can help promote transparency and reduce uncertainty among employees; this is what our employees are expecting, to be informed on what is happening... they want us to share with them our plans for managing the situation
	General Manager, Company B: My role as general manager is crucial here to show to employees that we do care about them and what happens to them during this crisis. They want to feel that they belong to this organisation that we are like a family.
	Owner & CEO, Company C: Communication is key. We want our employees to be involved in key decisions... we need ideas to overcome this crisis and by involving our employees we can actually turn this negative event into something positive.
	Managing Director, Company C: For our employees we are doing everything we can think of to create an even safer work environment, be more flexible with their working environment (telework where possible) and hours of work. Due to the culture we have already established we are also trying our best to be sensitive to their family situations – some of their spouses have been furloughed, children off school at various times, and then the issue of older parents to be taken care of.
<b>Repairing organisation-customer relationships</b>	Head of International Relations, Company D: We currently take actions to minimize product cost. For this purpose we now outsource the raw materials and work on semi-finished goods. The company has worked with lower mark-ups. Also we present to our customers up to 10 new products per month to gain competitive advantage over competitors and keep the customers.
	Product Development Manager, Company B: To balance our losses we are developing up to 12 new products per year. We are also searching for new clients abroad.
	Marketing Director, Company C: The main benefit from the crisis for the company is that many poorly organised companies that used to have some market share went (will go) bankrupt and were (will be) forced out, so we will be able to take their portions.
	Managing Director, Company C: For our customers we are trying to reassure them that we are still going to be here post-COVID-19 (and we hope they will be as well). We have actually been transferring some of our crisis lessons to our customers in the international market during this period. We have seen this already paying dividends because they see us now not just as a supplier but a ‘true’ business partner.
<b>Repairing organisation-supplier relationships</b>	Head of Accounting Department, Company A: To restore the trust between the company and the suppliers the company needs to focus on informing them about the improvements the company has experienced through the crisis. Due to the crisis we are now in a better position in the market but we need to convince them of this.
	Executive Vice President, Company B: The trustful relationship set from the beginning of the cooperation with our suppliers will not easily collapse. Face-to-face communication and company visits have helped to set those trustful relationships from the beginning. We frequently ask our suppliers to visit the company, see who we are and how we organise ourselves. Since during crises there are many rumors, we need to meet each other and discuss everything face-to-face.
	Director of Operations, Company C: We are constantly communicating with our suppliers over the progress we are making as a company and informing them of key decisions... they don’t trust the situation, so it is key that we ensure them that our company is viable and that they can do business with us.
	Managing Director, Company C: I get a sense that our suppliers have really had to rethink their supply chains to ensure we get what we need, when we need it. They have been delayed in getting their supplies which has hurt us but they have also been trying to re-establish trust with us when this happens! As with our customers, we are transferring our economic crisis learning to our suppliers which confused them at first until we reminded them we are not just a customer of theirs, we are a supplier to others!

**Table 6. Maintaining – Indicative Quotes**

Theme	Indicative quotes
<b>Organisation-government relationships</b>	Director of Quality and Enhancement, Company D: The government abandoned us in building up any societal trust. It has been along hard road but I sense a shift now. Greek politicians are only interested in self-preservation, not the good of the county. They hung us out to dry and we had to do it ourselves. <u>Many times I felt like a spokesperson for the country besides trying to do business.</u>
	President and CEO, Company B: Despite best efforts politics in Greece are still so internally focused and no one has been out there in the international arena showing our progress. <u>Over the last six months there has been a glimmer of hope and I get the sense that we are returning.</u>
	Owner & CEO, Company C: The situation is still very volatile. But the Greek government has seemed to be able to respond to the many challenges so far. Obviously we still have a long way to go until we can say that can fully trust the government again and that external parties will have faith in our business.
<b>Organisation-employee relationships</b>	HR Manager, Company A: I can truly say our employees have stuck with us and we have struggled together to be ‘alive’ today. <u>We have done everything we said and listened intently. The trust we have today has never been higher.</u>
	Finance & People Manager, Company D: We have completed rewritten our employee contract. Today we measure how much each employee trusts their manager and me – it was tough at first but it was the only way we felt we could go forward. I keep telling people that we <b>MUST</b> think of this like a marriage – trust is the cornerstone of great relationships
	Head of HR, Company C: We have been through a lot of turbulence with our employees. But as the time goes by they seem more re-assured about the situation; <u>we try our best to communicate with them so that we can improve their commitment and performance.</u>
	Managing Director, Company C: Our employees have seen us grow this exponentially during the economic crisis and now they can see this coming just as forcefully through COVID-19. We are confident that trust will play a crucial role in maintaining our market position and survival going forward post-COVID-19 and this will have a positive impact on our relationship with employees. We learned so much during the economic crisis. When I think about it as a learning opportunity, I can see that COVID-19, believe it or not, has brought us emotionally closer together (despite our new social distancing in the office). We see this as an opportunity to re-rethink the way we do things.
<b>Organisation-customer relationships</b>	Head of Accounting Department, Company A: Our customers really drove us to the wall. They appreciated our efforts to re-establish trust but they also sought even better pricing from us as a trade-off. There were times where we had to walk away from business, when we really needed the money – <u>oddly in some cases this actually enhanced trust and showed we were seeking good business and not just survival</u>
	Executive Vice President, Company B: The longer our doors stayed open through the most difficult times of the crisis the more trust we were able to build. It was like a game sometimes – one customer in the U.S, said to me “I am ready to buy if you come back in six months – only then will I know you aren’t bankrupt”.
	Marketing Director, Company C: It has been really challenging with our customers; they are based in other countries and, because of this, they have many alternative ways to receive the products they want. But it seems that our strong communication strategy throughout the crisis period has helped us strengthen some of these relationships.
	Managing Director, Company C: Trust is a strategic resource and tool for development and growth. Without it we are nothing. Because we learned the trust lesson through the economic crisis we are now applying that thinking into COVID-19. For us it is almost like a balance sheet. <u>The higher our levels of organisational-customer trust, the greater our perceived value in the marketplace.</u>
	Production and Finance Manager, Company D: I believe the strategy is very similar when dealing with different stakeholder groups, but the ratio of the main components does vary. These main components are persistence to long term goals and high quality of products and / or services and patience to overcome obstacles, disbelief and to gain your self-respect and the trust of your clients.

<b>Organisation- supplier relationships</b>	Owner & CEO, Company A: Many of our suppliers from outside Greece basically left us despite our best efforts to keep them. We went back to stage one with the goal of building trust with new ones by paying upfront and creating an integrated communication system with them – now, they are an integral part of our company and not just suppliers
	General Manager, Company D: We were dependent on a number of domestic suppliers that went bankrupt. We were in deep trouble until we started developing new relationships inside and outside the country. We are now considering buying and merging some of these key suppliers that we can trust into our business.
	Director of Operations, Company C: We had to change some of our suppliers, but the ones we have now seem happy with our business arrangements. They feel that they can trust our company and this is why they continue doing business with us.
	Managing Director, Company C: First and foremost, everyone in our company needs to be aware of the warning signs. What one person sees as a problem could be a crisis sign for someone else. We have tried, in our monthly meetings, to carve out ‘danger signs’ that people are seeing in the office, in the field, in purchasing etc. to try and mitigate any problems as they occur rather than dealing with them after the impact.

**Table 7.** Framework for Repairing Organisational-Stakeholder Trust in a Crisis Context

<b>Trust repair process in organisation-stakeholder relationships</b>		
<b>1. Sense-making of trust breakdown</b>	<b>2. Implementing trust-repair strategies</b>	<b>3. Maintaining trust in stakeholder relationships</b>
<ul style="list-style-type: none"> <li>❖ Interpreting economic crisis as trust crisis; the role of the government</li> <li>❖ Impact of employee layoffs and restructuring on employee trust relationships and employee performance; internal impact on work coordination, information gathering and dissemination, cooperative behaviours</li> <li>❖ Impact of negative information from the media on external stakeholder relationships</li> <li>❖ External impact on maintaining inter-organisational relationships and accomplishing mutual goals</li> </ul>	<ul style="list-style-type: none"> <li>❖ Repairing employee trust: open communication, transparency</li> <li>❖ Repairing customer trust: adapt business practices, communication</li> <li>❖ Repairing supplier trust: communication on improvements and progress</li> </ul>	<ul style="list-style-type: none"> <li>❖ Perceptions of maintenance and control over trust issues; but subjective evaluation of effectiveness with a need for objective measurements required</li> </ul>