

## **Track 22: Acting in a world of dishonesty – Truths, Half-truths, White lies and Lies**

### **Full Paper**

#### **How Trust Evolves When Lies Become Accepted**

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# How Trust Evolves When Lies Become Accepted

## Abstract

Trust has long been regarded as a fundamental mechanism enabling cooperation in interpersonal, organizational, and societal relationships. Traditional trust theories generally assume honesty as a core condition of trustworthy behavior, yet contemporary environments increasingly tolerate deception in the form of lies, half-truths, and disinformation. This conceptual article examines how the normalization of deception reshapes the meaning and functioning of trust. Drawing on selected trust theories published between 1971 and 2006, we investigate whether deception is explicitly recognized as a threat to trust and whether its effects are implicitly embedded within theoretical assumptions.

Keywords: Trust, trust theory, deception, lie, half-truth

## Background

Trust is widely regarded as a foundational element in interpersonal, organizational, and societal functioning. Scholars have long argued that trust is easier to undermine than to develop (Barber 1983, Janoff-Bulman 1992, Meyerson et al 1996). Slovic (1993) asserted that negative trust-destroying events are more visible and noticeable than positive trust-building events and they seem to carry more weight than positive events. Trust seems to be fragile and these days increasingly under deliberate attack.

When deception becomes normalized, whether through political rhetoric, organizational practices, or routine social interaction, the nature of trust must change. In this conceptual article we discuss how our perception of trust has evolved and try to understand the influence of acceptance of deception on traditional trust theories. Here, deception is defined as the intentional use of half-truths, white lies, or lies.

We have formulated two research questions to discover if deception is recognised, directly or indirectly, in a selection of sources featuring traditional trust theories ranging from 1971 to 2006. This allows us to examine older sources and consider how our perceptions of trust have evolved through time. More recent developments, such as social media and artificial intelligence, have possibly changed our perceptions of trust and we consider these changes at the end of the article.

*RQ1: Are there direct references to deception (e.g. lies, half truths, disinformation) and the impact of deception on trust within the chosen sources?*

*RQ2: Does the trust theory (indirectly) imply the impact of deception on trust?*

## Definition for trust in this article

The term trust has been used in various, distinct ways in organizational research and these different ways are not always compatible with each other. In order to understand trust theories,

we need to recognize that there are many different definitions for trust. Most trust theorists agree that whatever else its attributes are, *trust is at its core*, a psychological state. Kramer (1999) states that as a psychological state, trust entails a state of perceived vulnerability or risk that originates from the uncertainty one has about the motives, intentions and prospective actions of the others on whom one depends. Other noteworthy definitions see trust as a more general attitude or expectancy about other people and the social systems in which they are embedded. (Kramer 1999, 571). For example Barber (1983) defined trust as a set of “socially learned and socially confirmed expectations that people have of each other, of the organizations and institutions in which they live, and of the natural and moral social orders that set the fundamental understandings for their lives” (164-65).

Trust can also be seen as choice behaviour. Within organizational research, two different ideas of choice can be seen, one that construes choice as relatively rational and calculative and another that incorporates more systematically the social and relational undercurrents of trust-related choices. Rational choice assumes that individuals are motivated to make rational, efficient choices. The more relational models of trust see that trust is not only a calculative outlook of risk, but a social outlook toward other people and society as a whole (Kramer 1999, 572-573).

Kramer (1999, 574) suggests that a more appropriate way to reconcile these different views on trust is to acknowledge both the role of calculative considerations and social inputs in trust judgements and decisions. Hardin (1992) argues to see trust as a three-part affiliation that includes 1) the properties of a truster, 2) attributes of a trustee and 3) a specific context or domain over which trust is conferred. This allows for both a calculative and relational basis of trust to have a role. Somewhat similarly, Shapiro, Sheppard and Cheraskin (1992) suggest that at least three components determine whether or not someone can be trusted; 1) his or her trustworthiness, 2) external factors and 3) nature of the relationship between the trusting and trusted parties. Based on our analysis of the literature, *we adopt the definition by Kramer and Hardin in this article*, as it reconciles these different interpretations of trust and functions as an umbrella definition for trust.

### **Definitions for trust in past literature**

In respect of evolution of trust among 20th century researchers we present some overview among earlier studies. Niklas Luhmann's *Trust and Power* (1979) is a collection of his two earlier works *Vertrauen* 1973 and *Macht* 1975 interpreted into English language. It presents trust as a fundamental *social mechanism* for coping with complexity in modern societies. His approach is rooted in systems theory and departs from purely psychological interpretations by emphasizing trust as a functional, relational, and structural phenomenon. For Luhmann, trust is a mechanism for reducing social complexity by enabling action under conditions of uncertainty and risk. Social reality is inherently complex because individuals cannot fully know all possible outcomes or control others' behavior. Trust allows actors to simplify this complexity by making confident expectations about the future behavior of others, even without complete information. Luhmann's core argument is that modern societies are characterized by

overwhelming complexity, multiple actors, institutions, and possible interactions. Without trust, individuals would be paralyzed by the need to evaluate every contingency. Trust reduces this complexity by narrowing the range of considered possibilities, enabling action to proceed efficiently.

In *Trust and Power*, Luhmann examines trust alongside power as alternative mechanisms for coordinating social action. Trust relies on voluntary acceptance of vulnerability and shared expectations. Power relies on the ability to influence or control others' actions, often through the threat of negative consequences. While power can enforce compliance, trust enables cooperation without coercion, making it more efficient and less resource-intensive in stable contexts. However, in situations where trust is insufficient, power may substitute for it. According to Luhmann trust is not static; it evolves through experience. Successful interactions reinforce trust, while disappointment may lead to distrust or the development of alternative strategies (e.g., increased reliance on rules or power). Thus, trust is part of a dynamic learning process within social systems.

Moorman, Deshpande, and Zaltman (1993) conceptualize trust within the context of market research relationships, emphasizing its role in facilitating cooperation and effective information exchange between organizations (e.g., clients and research providers). Their approach is relational and rooted in marketing and interorganizational theory. This article is worth mentioning here as it is highly co-cited by peers and therefore has affected the trust literature especially in business research contexts (see Castaldo, Premazzi, Zerbini 2010)

Moorman et al. (1993 and 1992) define trust as “the willingness to rely on an exchange partner in whom one has confidence.” This definition highlights two essential components: (1) Confidence (belief dimension). The trusting party believes that the partner is reliable, competent, and acts with integrity. (2) Willingness to rely (behavioral intention). Trust is demonstrated through a readiness to depend on the partner, implying the acceptance of vulnerability. Thus, trust is not merely an attitude but a combination of belief and intention, linking cognitive evaluation with behavioral commitment. According to Moorman et al. (1993) Trust is embedded in ongoing interorganizational relationships, particularly in market research contexts where clients depend on external providers for critical information. These relationships are often characterized by information asymmetry, making trust essential for cooperation. Moorman et al. (1993) distinguish between: Credibility, the extent to which a partner is perceived as having the expertise and reliability to perform effectively; and benevolence, the belief that the partner has intentions and motives beneficial to the relationship, and will not act opportunistically. Credibility ensures competence, while benevolence ensures alignment of interests.

Moorman et al. (1993) identify several factors influencing trust in market research relationships: (1) Expertise of the provider: Higher perceived competence increases credibility. (2) Confidentiality safeguards: Protecting sensitive information builds confidence. (3) Organizational culture and norms: Shared values and professional standards foster trust. (4) Communication quality: Open, transparent, and frequent communication strengthens both

credibility and benevolence. (5) Researcher integrity: Ethical behavior reduces perceived risk of opportunism. These antecedents highlight that trust develops through both structural conditions and interpersonal interactions. A central contribution of the study is linking trust to information utilization. When trust is high, clients are more likely to accept (market) research findings, to use them in decision-making, and to maintain long-term relationships. Conversely, low trust leads to skepticism and underutilization of research outputs, even if technically sound. Similar to broader trust theories, Moorman et al. (1993) emphasize that trust involves accepting vulnerability. Clients rely on research providers despite uncertainty about data quality or interpretation. Trust reduces perceived risk and facilitates decision-making under uncertainty. Like Luhmann (1979) also Moorman et al. (1993) suggest that trust evolves over time through repeated interactions and experiences. It is also context-dependent, influenced by the specific characteristics of the relationship, the task, and the institutional environment.

Lynne G. Zucker's (1986) "Production of Trust: Institutional Sources of Economic Structure, 1840–1920" develops a macro-sociological and institutional theory of trust. Unlike psychological or purely relational approaches, Zucker focuses on how trust is produced at the societal level through institutional arrangements. Zucker (1986) conceptualizes trust as a socially and institutionally produced expectation of reliability that enables economic exchange. Her theory highlights three sources of trust, namely process, characteristic, and institutional and she demonstrates a historical shift toward institution-based trust as economies modernize. Trust is thus not only interpersonal but embedded in formal structures, organizations, and systems, making it a foundational element of modern economic coordination. Zucker (1986) does not define trust as a single sentence definition in the same way as Moorman et al. (1993), but conceptually she treats trust as a socially produced expectation of reliability in economic exchange. Trust is not merely interpersonal belief; rather, it is generated through structures and mechanisms that create stable expectations about behavior, allowing transactions among strangers. Thus, trust is understood as an expectation of reliable, non-opportunistic behavior, and a product of social and institutional arrangements, rather than only individual attitudes.

Zucker's (1986) central argument is that trust is actively produced through specific mechanisms, rather than emerging naturally. Trust as "Produced" not given. She challenges the idea that trust is only based on personal relationships or moral norms and shows that formal structures can manufacture trust. Zucker identifies three main types of trust: Process-based trust Derived from past interactions or reputation. Built through repeated exchange and learning over time. Characteristic-based trust. Based on shared social characteristics such as family ties, ethnicity, or group membership. Common in pre-modern, localized economies. Institution-based trust Grounded in formal structures such as laws, regulations, certifications, and organizations. Enables trust among strangers and across distance. A key contribution is her historical analysis showing that industrialization transformed the sources of trust. In early economies, trust relied on personal familiarity and repeated interaction. With increasing economic complexity (e.g., larger markets, geographic spread), these mechanisms became insufficient. As a result, institutional trust became dominant, enabling large-scale, impersonal exchange. Zucker's (1986) key insight is that trust and economic structure are co-evolving: The growth of modern markets requires impersonal trust. Institutional trust mechanisms enable

scalability, efficiency, and coordination in complex economies. Trust becomes embedded in organizational fields and societal systems, not just individual relationships. Zucker (1986) emphasizes that formal mechanisms (e.g., contracts, law) do not replace trust but produce it. Even willingness to engage in formal arrangements (such as signing contracts or buying insurance) serves as a signal of trustworthiness.

Möllering (2006) advances a neoinstitutional theory of trust in which trust is understood as an outcome of embedded agency, emerging from the interplay between institutional structures and actors' interpretive practices. While institutions, routines, and rational assessments provide grounds for trust, they cannot eliminate uncertainty. Trust is ultimately constituted through a "leap of faith," whereby actors suspend residual doubt and act as if positive expectations about others will hold. According to Möllering (2006) trust requires a "suspension" of uncertainty, enabling action despite incomplete knowledge. Actors interpret available information (reason, routines, institutions), but there is always a residual uncertainty gap. This gap is bridged by a leap of faith. Trust is therefore, not just calculation, habit, nor just institutional compliance, but an intentional suspension of doubt.

Based on Rotter (1971) trust can be described as personality-based trust. For Rotter trust is a stable, generalized expectation that you can trust to other people. Therefore, trust can be thought of as an individual tendency that is carried across different kind of situations – most of all trust is not tied to some role or relationship. The key message for Rotter's (1971) trust theory would be, when thinking where the trust originates, is that trust is formed mostly by the trustor's expectations of people - therefore it could be stated that Rotter (1971) sees high-trust people are more willing to rely on others.

Barber (1983) argues that the foundation of trust is in social roles, institutions, and normative expectations. For Barber (1983) trust actually depends a lot less on personal characteristics and mostly on confidence that social roles are performed appropriately. The key message, based on Barber (1983) is that trust is most of all embedded in social systems. The Barber (1983) view brings up that trust to any professionals, organizations, and institutions is taking place, because there is an expectation towards role-holders to fulfill the duties.

Mayer et al. (1995) define trust as the willingness to be vulnerable towards another party. Based on Mayer et al. (1995) trust develops when the trustee is perceived as trustworthy. The theory identifies three main foundations of trustworthiness: ability, benevolence, and integrity. Unlike Rotter, for Mayer et al. (1995) trust is not viewed mostly as a personality trait. Also unlike Barber (1983), trust is not mainly based on social roles. Instead, for Mayer et al. (1995) trust results from an evaluation of the trustee's characteristics and the risks involved in the relationship. It could be seen that trust grows when people recognize the another party as trustworthy. es associated based on their positions.

Morgan and Hunt (1994) present trust as a key factor in successful long-term relationships. Trust is thereby defined as confidence in a partner's reliability and integrity. They see that trust develops through ongoing interactions and supports commitment, cooperation, and relationship continuity. Morgan & Hunt's (1994) theory is less focused on individual personality (like

Rotter), institutional roles (like Barber), or detailed trustworthiness assessments (like Mayer et al., 1995). Instead, Morgan & Hunt (1994) emphasize trust mostly as a mechanism which enables collaboration between partners.

### **Definition for deception in this article**

In this article *deception is defined as the intentional use of half-truths, white lies, or lies.*

Existence of lying has been acknowledged by philosophers like Plato in early stage. Platonic contextual ethics of lying defines as follows: “A moral and political doctrine according to which falsehoods may be justified when they serve a higher communal good, preserve social order, or protect the well-being of the political community. In Plato’s view, the permissibility of a lie depends on its purpose, the authority of the speaker, and the circumstances in which it is used.” Schofield M. (2007). This can lead us to think that the “facts” we tell should be “true enough” to be accepted in situations. We could also think that lies, half-trues and white lies are acceptable depending on context and circumstances. In this article we do not take any moral direction while speaking about untruths. Gaspar et al. (2015) define deception as *the intentional misrepresentation of information or emotions*. Intentionality is an important dimension of this definition; to practice deception a person must intend to mislead a target. Furthermore, they criticize in this definition the absence of dimension of self-interest.

We have simplified the case by using the word *deception* to describe all types of untruths used intentionally. Someone could argue, and with good reason, that this is not valid in case of disinformation generated by AI. Is there any intent (Alvehus 2025), yet there is great risk, for reader, to run into believing disinformation? However, this became obvious also for researchers, only after looking the phenomenon of trust via the lens of AI utilization in media for example.

### **Trust Theories**

Short description of trust theories mentioned in table 1. We acknowledge that there are many more trust theories in various research disciplines. This selection serves our attempt to clarify the role of deception in theories related to organizational studies.

*Interpersonal trust:* Rotter (1971) defines trust as an expectancy that others' communications and promises can be relied upon.

*Personal Trust:* According to Luhmann (1979, p.39-47), *personal trust* is trust placed in specific persons rather than in institutions or abstract systems. It develops through ongoing social interaction, where individuals form expectations about another person's future behavior despite uncertainty and risk. Personal trust enables action in situations where complete information is unavailable and outcomes cannot be fully controlled. By trusting another person, the trustor accepts vulnerability based on the belief that the other will act in a reasonably predictable and acceptable way. Trust therefore functions as a mechanism for reducing social

complexity, allowing cooperation and commitment in situations that would otherwise be too uncertain. Personal trust is grounded not primarily in formal guarantees but in perceptions of the other person's reliability, identity, and consistency across interactions.

*System trust:* System trust refers to trust placed in impersonal social systems and institutional arrangements rather than in specific individuals. Examples include trust in the legal system, financial institutions, science, governmental organizations, or technological infrastructures (Luhmann 1979). Modern societies are highly complex, making it impossible for individuals to personally verify all events and decisions affecting their lives. System trust therefore functions as a mechanism for reducing social complexity, enabling people to act despite uncertainty and limited information (Luhmann 1979).

*Category-based trust:* Category-based trust is based on information of a membership in a social or organizational category (Kramer 1999, 577). Brewer noted that a shared membership can bypass the need for personalised knowledge and the costs of negotiating reciprocity (1981, 356).

*Role-based trust:* Role-based trust is depersonalised, because it is based on the particular role a person occupies and not their capabilities, dispositions, motives and intentions. In these situations, Kramer states, trust is based on the understanding of the barriers of entry to organizational roles, the training and socialization processes that role occupants undergo and the various mechanisms in place to ensure role compliance. (Kramer 1999, 578).

*Process-based trust:* Zucker (1986) sees process-based trust as derived from past interactions or reputation. It is built through repeated exchange and learning over time.

*Characteristic-based trust:* According to Zucker (1986), characteristic-based trust is based on shared social characteristics such as family ties, ethnicity, or group membership. It is common in pre-modern, localized economies.

*Institution-based trust:* Zucker (1986) considers institution-based trust as grounded in formal structures such as laws, regulations, certifications, and organizations. This enables trust among strangers and across distances.

*Deterrence-based trust:* Deterrence-based trust occurs when the possible costs of discontinuing the relationship between actors or retaliatory action surpass the short-term advantages of acting in a distrustful way. Shapiro, Sheppard and Cheraskin suggest three ways of interaction to create deterrents for untrustworthy behavior: repeated interactions between the actors, multiple different interactions between the actors and interactions involving hostage taking, meaning the threat of loss of reputation. (Shapiro, Sheppard and Cheraskin 1992, 366-368).

*Knowledge-based trust:* Shapiro, Sheppard and Cheraskin discuss predictability as a basis for trust. They argue that trust occurs not only when we predict others will behave cooperatively, but also when we expect uncooperative behaviour, if the behaviour is predictable. They say trust at its core, is simply dependability and assessing this kind of predictable behaviour as

acceptable is not central to achieving the benefits of trust. Trust like this does however require understanding, for example through repeated or multifaceted relationships, regular communication or courtship, meaning conducting research on the potential partner before the relationship. (Shapiro, Sheppard and Cheraskin 1992, 369-370).

*Identification-based trust:* Shapiro, Sheppard and Cheraskin present identification as the highest order of trust, where one has fully internalized the other's preferences. They give several conditions that can help build trust based on identification specifically; joint products and goals, name, proximity and shared values. (1992, 371-373)

*Trust as a qualifier:* Trust is not only seen as a feature or an aspect of relationship quality, but as a determinant of relationship quality. This means trust affects the quality of interactions between the actors. (Moorman, Zaltman and Deshpande 1992, 315).

*Interorganizational, relational trust:* Morgan and Hunt (1994) define trust in terms of a partner's reliability and integrity and identify opportunistic behavior as a factor that reduces trust. Trust is based on perceived reliability and integrity, while opportunistic or self-serving behavior undermines trust.

*Interpersonal trust:* Mayer, Davis & Schoorman (1995) define trust as a willingness to be vulnerable based on positive expectations of another party. The core constructs of the trust model are integrity, trustworthiness, risk, and willingness to be vulnerable.

*Trust based on benevolence and honesty:* Fukuyama states that law, contract and economic rationality do not alone provide a necessary basis for the stability and prosperity of postindustrial societies. This also requires reciprocity, moral obligation, duty toward community and trust, and these are based in habit rather than rational calculation. The community based on mutual trust is a cultural one. It is formed of a set of ethical habits and reciprocal moral obligations internalized by each of the community's members. (Fukuyama 1995, 8-11).

*Institution-based trust:* Rousseau et al (1998) present a theory that is multidisciplinary and that across disciplines trust is a psychological state that involves the willingness to be vulnerable based on a positive expectation of another's intentions. They maintain that trust exists under conditions of risk and dependence and is not static. They argue that legal systems, organisational policies, social norms, reputational mechanisms, and cultural expectations provide foundations that enable people to trust one another. These institutional support mechanisms support calculus based, institutional and relational trust by making opportunistic distrust behaviour less likely and trustworthy behaviour more systematic and predictable. Although noting that excessive formal controls may make individual interpersonal trust undermined.

*Relational trust:* Rousseau et al (1998) trust theory views trust as something that is developed and maintained through relational interactions such as mutual reliability, reciprocity, and positive expectations and repeated interactions. Therefore as parties repeatedly fulfil expectations, relational trust deepens.

*Calculus-based trust:* Rousseau et al (1998) trust theory puts forward that trust is based on credible external evidence such as references, certifications, qualifications, reputation, or professional credentials. This view of trust is based on opportunities pursued but risks are continually monitored.

*Trust-distrust co-existence:* Traditionally, trust and distrust were viewed as opposite ends of a single continuum, whereby higher levels of trust implied lower levels of distrust. Lewicki, McAllister and Bies (1998), later expanded by Lewicki and Wiethoff (2000), challenge this assumption by arguing that trust and distrust are distinct constructs that can coexist within the same relationship. They emphasise both cognitive confidence in another person and the behavioural willingness to rely on them, thereby accepting vulnerability. In contrast, distrust is not simply the absence of trust but reflects an active expectation that another may act in ways that are harmful or inconsistent with one's interests. Because relationships are multifaceted, individuals may simultaneously trust another person in some domains while distrusting them in others, resulting in a pragmatic "trust but verify" approach that is particularly applicable to complex organisational relationships. To explain this coexistence, the authors propose a four-quadrant model comprising Calculus-Based Trust (CBT), Calculus-Based Distrust (CBD), Identification-Based Trust (IBT), and Identification-Based Distrust (IBD). CBT and CBD are grounded in impersonal interactions and rational assessments of positive or negative expectations, whereas IBT and IBD arise from perceived compatibility or incompatibility, shared or conflicting goals, and positive or negative emotional attachment. Together, these dimensions suggest that effective organisational relationships require a balance between confidence and vigilance, enabling cooperation while protecting against exploitation and vulnerability.

*Rule-based trust:* Kramer discusses rules-based trust, that is trust predicated on shared understandings regarding the system of rules for appropriate behaviour. Trust like this can go without saying when confidence in each other's socialization and continued adherence to the structure of rules is high. (Kramer 1999, 579).

*History-based trust:* Trust based on history thickens or thins between actors according to their cumulative interaction. Kramer draws attention to two different psychological facets of trust judgements. Firstly, people's ideas about other's trustworthiness are at least somewhat based on their existing expectations about other's behaviour. Secondly, these expectations change according to lived experience. (Kramer 1999, 575-576).

*Identification-based trust:* Lewicki and Wiethoff (2000) define trust as "an individual's belief in, and willingness to act on the basis of, the words, actions, and decisions of another,". They maintain that trust develops when individuals come to understand each other's values,

intentions and expectations. This enables trust to be built on mutual understanding and identification of expected behaviour.

## Method

We used thematic analysis to have a look at each trust type (see table 1).

Table 1. Analysis of traditional truth theories.

| <b>Table 1.</b>                   |                      |                                                                                                                                                                                                        |                                          |                                                                                                                                |
|-----------------------------------|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| <b>Traditional trust theories</b> |                      |                                                                                                                                                                                                        |                                          |                                                                                                                                |
| <b>Nr.</b>                        | <b>Trust Type</b>    | <b>Basis</b>                                                                                                                                                                                           | <b>Author</b>                            | <b>Are there direct references to deception (e.g. lies, half truths, disinformation) and the impact of deception on trust?</b> |
| <b>1</b>                          | Interpersonal trust  | Rely on another's promises, need of consistency                                                                                                                                                        | Rotter 1971                              | Does not directly refer to deception                                                                                           |
| <b>2</b>                          | Personal trust       | Emotional bond between individuals                                                                                                                                                                     | Luhman 1979                              | Does not directly refer to deception                                                                                           |
| <b>3</b>                          | System trust         | Presentational base (no emotions involved)                                                                                                                                                             | Luhman 1979                              | Does not directly refer to deception                                                                                           |
| <b>4</b>                          | Category-based trust | Trust predicated on information regarding a trustee's membership in a social or organizational category information which, often unknowingly influences others' judgments about their trustworthiness. | Brewer 1981, p. 356; Kramer 1999, p. 577 | Does not directly refer to deception                                                                                           |
| <b>5</b>                          | Role-based trust     | Depersonalized trust which is predicated on knowledge that a person occupies a particular role in the organization                                                                                     | Barber 1983; Kramer 1999 p. 578          | Does not directly refer to deception                                                                                           |
| <b>6</b>                          | Process-based trust  | Based on the process of exchange                                                                                                                                                                       | Zucker 1986                              | Does not directly refer to deception                                                                                           |

| <b>Table 1.</b>                   |                                         |                                                                   |                                     |                                      |
|-----------------------------------|-----------------------------------------|-------------------------------------------------------------------|-------------------------------------|--------------------------------------|
| <b>Traditional trust theories</b> |                                         |                                                                   |                                     |                                      |
| <b>7</b>                          | Characteristics-based trust             | Based on characteristics of exchange partners                     | Zucker 1986                         | Does not directly refer to deception |
| <b>8</b>                          | Institution-based trust                 | Based on societal institutions                                    | Zucker 1986                         | Does not directly refer to deception |
| <b>9</b>                          | Knowledge-based trust                   | Based on getting to know the target                               | Shapiro, Shepphard & Cheraskin 1992 | Does not directly refer to deception |
| <b>10</b>                         | Deterrence-based trust                  | Based on relation between costs and benefits                      | Shapiro, Shepphard & Cheraskin 1992 | Does not directly refer to deception |
| <b>11</b>                         | Identification-based trust              | Based on common values                                            | Shapiro, Shepphard & Cheraskin 1992 | Does not directly refer to deception |
| <b>12</b>                         | Trust as a qualifier for a relationship | Trust as a feature and a central determinant relationship quality | Moorman, Zaltman and Deshpande 1992 | Does not directly refer to deception |
| <b>13</b>                         | Interorganizational, relational trust   | Focuses on exchange partners and long-term relationships          | Morgan & Hunt 1994                  | Does not directly refer to deception |
| <b>14</b>                         | Interpersonal trust                     | Trust is described as willingness to be vulnerable to someone     | Mayer, Davis & Schoorman 1995       | Does not directly refer to deception |
| <b>15</b>                         | Trust based on benevolence and honesty  | Based on benevolence and honesty                                  | Fukuyama 1995                       | Does not directly refer to deception |
| <b>16</b>                         | Relational trust                        | On interactions between individuals                               | Rousseau et al. 1998                | Does not directly refer to deception |

| Table 1.                   |                                                              |                                                                                                                        |                                 |                                      |
|----------------------------|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|---------------------------------|--------------------------------------|
| Traditional trust theories |                                                              |                                                                                                                        |                                 |                                      |
| 17                         | Institution-based trust                                      | On systems: co-operation, professional practice, organizational rules                                                  | Rousseau et al. 1998            | Does not directly refer to deception |
| 18                         | Calculus-based trust                                         | Relays on mediators: references, certificates, diplomas                                                                | Rousseau et al. 1998            | Does not directly refer to deception |
| 19                         | Co-existence based trust                                     | People and parties can simultaneously trust and distrust others                                                        | Lewiski, McAllister & Bies 1998 | Does refer to deception              |
| 20                         | Rule-based trust                                             | Shared understandings regarding the system of informal and formal rules regarding appropriate behavior in organization | Kramer 1999 p. 579              | Does not directly refer to deception |
| 21                         | History-based trust                                          | Trust between two or more interdependent actors thickens or thins as a function of their cumulative interactions       | Kramer 1999 p. 575              | Does not directly refer to deception |
| 22                         | Calculus-based trust (see trust-distrust co-existence)       | Reward/punishment system, expected benefits                                                                            | Lewicki & Wiethoff 2000         | Does not directly refer to deception |
| 23                         | Identification-based trust (see trust-distrust co-existence) | Parties come to know and understand the expectations of one another                                                    | Lewicki & Wiethoff 2000         | Does not directly refer to deception |

## Analysis and results

Out of the 23 trust types and sources listed in the table 1., only one discusses deception or the intentional use of half-truths, white lies, or lies directly. Several of them mention distrust or indirectly imply the impact of deception on trust.

### *Direct references to deception*

RQ1: Are there direct references to deception (e.g. lies, half truths, disinformation) and the impact of deception on trust within the chosen sources?

The only reference to deception is by Lewicki et al (1998). Although deception is not a primary focus of the paper it is referenced as a strategic exploitation of trust. The authors also argue that excess trust can create opportunities for deception, fraud and betrayal as individuals may deliberately cultivate trust before exploiting it. Deception is conceptualised as behaviour that violates the positive expectations underlying trust and increases distrust, and the need for “trust but verify” in relationships.

### *Indirect implications on the impact of deception on trust*

RQ2: Does the trust theory (indirectly) imply the impact of deception on trust?

Several of the trust theories implicitly suggest that deception will have a negative impact on trust, as it in one way or another deteriorates the conditions, rules, expectations, mutual reciprocity or confidence in another's intentions. Trust is seen to be based on positive developments and conditions, and it is therefore implied that deception would create distrust or at least hinder trust. (Rotter 1971, Moorman, Morgan and Hunt 1994, Rousseau et al. 1998, Lewicki and Wiethoff 2000). For example, Mayer, Davis & Schoorman (1995) define trust as a willingness to be vulnerable based on positive expectations of another party. We argue that this being the case, deception will undermine trust by damaging this perceived integrity, thereby reducing trustworthiness and the willingness to be vulnerable. Barber on the other hand identifies moral obligation and moral and fiduciary expectations as one of the essential foundations of trust (1983). Here deception can be interpreted as undermining trust because it violates these foundations.

Another recurring consideration in several of the sources is that trust is not a stable or permanent condition. Zucker (1986) suggests that trust is built or produced, not given. "Trust is easier to transform into distrust than is distrust into trust." says Luhman (1979, 89). Kramer (1999) talks about history-based trust, category-based trust, role-based trust and rule-based trust. About history-based trust, he says “trust between two or more interdependent actors thickens or thins as a function of their cumulative interaction” (1999, 576). Trust is assessed and adjusted according to one's expectations over time. This implies that deception and the acceptance of deception will no doubt change these expectations and the trust or lack of trust that exists between these actors. However, Kramer's role-based, rule-based and category-based trust are all depersonalised, as they are not dependent on an understanding of the individual, but of the role, category or rules they see as guiding behaviour. This suggests that in certain situations, where trust is based not on interaction, but other expectations, deception might not have a negative impact on trust, as trust is not based on the behaviour of the party that is deceptive. At the same time, if deception becomes accepted, one might expect it to have a negative impact on at least role-based and rule-based trust, if not category-based trust.

Shapiro, Shepphard & Cheraskin (1992) identify three bases for trust: 1. deterrence-based, 2. knowledge-based and identification-based. With knowledge-based trust, they highlight that trust is ultimately dependability and uncooperative behaviour can be trustworthy. One does not have to view behaviour as acceptable, i.e. trustworthy, to be able to depend upon it. This would

suggest that the impact of deception on trust does not have to be negative, if the trusting party is expecting to be deceived. With identification-based trust, Shapiro, Shepphard & Cheraskin suggest that “*when an individual comes to feel that his/her interest is best met by achieving the partner's interest, trust follows*”. They specify several conditions that can build trust based on identification: they mention the creation of joint products and goals, shared identity through name, physical proximity and shared values, among other things (1992, 372-373). This begs the question that if the actors' interests are aligned, can trust exist even if there is a measure of deception between them, and under these circumstances, can deception be accepted by the one being deceived, at least to an extent? In other words, can one accept deception if one's interests are aligned with the one deceiving oneself?

According to Fukuyama, “people who do not trust each other will end up cooperating only under a system of formal rules and regulations, which have to be negotiated, agreed to, litigated, and enforced, sometimes by coercive means”. This will require a legal apparatus to serve as a substitute for trust, and it will entail what economists call transaction costs. Put differently, distrust in society imposes a kind of a tax on all forms of economic activity. (Fukuyama 1995, 27-28). This implies that whatever the other impacts of deception and its acceptance, it will be costly, in business as elsewhere in life.

## **Discussion**

The trust theories and sources covered in the table 1. are traditional, but they give us clues about the impact of deception and how to fight it / build trust. Many of them acknowledge untrustworthiness and/or trust diminishing, but the world has clearly changed as deception, and false information was not such an issue.

Traditional theories can guide us to trust in a world saturated with misinformation and disinformation (social media) and excess of violence (Starnes, Truhon & McCarthy, 2014). When lying becomes normalized, the integrity dimension tends to weaken, while ability- or benevolence-based trust may remain intact or even strengthen. Under these conditions, individuals may trust an organization's competence, its ability to perform tasks effectively, while simultaneously distrusting its transparency or honesty. This leads to fragmented trust structures in which trust is domain-specific rather than holistic.

Interpersonal Trust, Deception, and Self-Reinforcing Cycles. Recent studies also highlight how lower interpersonal trust increases the likelihood of deception in social and organizational interactions. High levels of interpersonal trust inhibit deceptive behavior, whereas low trust environments tend to foster more deception, generating reinforcing cycles of skepticism and dishonesty (Xu et al., 2025). When lying becomes normalized, baseline trust declines, which in turn increases the incentives for further deception.

This dynamic illustrates how accepted deception can create cultural feedback loops in which distrust and dishonesty become mutually reinforcing, further destabilizing interpersonal and organizational relationships. Is there some cultural differences on trust building? (Aramo-Immonen et al. 2014)

Many of the trust theories suggest that the consequences of deception actually extend beyond a single dishonest action. It can be stated that deception not only weakens generalized trust expectations (Rotter, 1971), but instead it also undermines the foundations of social and moral co-operation (Barber, 1983). It also weakens the trust and commitment that support long-term co-operative relationships (Morgan & Hunt, 1994). Deception also reduces expectations of ability, goodwill - and most of all integrity (Mayer et al., 1995). In addition deception makes trust a lot more difficult to repair (Schweitzer et al., 2006). Altogether, this highlights the ways how deception may cause both immediate and long-term challenges not only to social but also to organizational relationships.

Interestingly, it is conceivable that trust based on identity could mitigate the impact of deception and enable deception to be accepted in a favourable way, if both parties' interests are aligned (Shapiro, Sheppard & Cheraskin, 1992). This would explain some of the phenomenon we see today in politics, where voters seem to be aware that they are being lied to, but it does not impact their allegiance or voting preferences. (e.g. functional denialism Alvehus 2025)

Traditional trust theories were based on interpersonal and organisational relationships. However, society, organisations and individuals now function in an era for social media (SM) and Artificial Intelligence (AI). These new technological developments raise important trust questions and the applicability of the foundational theories to these contexts. We argue that the foundational trust theories still remain relevant but instead of trust being formed between people or between people and organisations, trust is also evaluated based on the behaviour, transparency and explainability of technology systems.

In regard to AI, some foundational theories have a stronger relevancy to AI than others. For instance, Calculus based theory (Rousseau et al. 1998) could be interpreted in that users would weigh up risks and benefits of using AI. Institution based trust (Zucker, 1986) is also highly applicable to AI as it could be deemed as trustworthy if it is regulated. Whereas Identification based trust (Lewicki and Wiethoff 2000; Shapiro, Sheppard and Cheraskin, 1992) relies on the identification of shared human values which AI does not possess. Similarly personal based trust (Luhmann, 1979) relies on emotion which AI cannot reciprocate.

Foundational trust theories require development in varying amounts in regard to algorithmic opacity, lies without intent (hallucinations), transparency, bias and calibrated trust. Lee & See (2004) argue that automation requires that trust should be calibrated to what the technology is actually capable of doing. Gulati et al (2024) outline that trust in AI is multidimensional, dynamic and context dependent. Using foundational theories of trust and building upon them to extend the ideas of multidimensionality and dynamism. This gap is particularly prevalent in regard to deception. The foundational theories rarely discuss deception explicitly. However, changes this dynamic in regard to AI as it can be used as a tool for deception (e.g. submitting assignments that have been created wholly by AI).

Similarly, in regard to SM does foundational theories align more closely than others. Knowledge based trust (Shapiro, Sheppard & Cheraskin 1992) can be seen as applicable in

building trust in social media content if there is repeated trust and truths in the knowledge conveyed through SM channels. Also, history based trust (Kramer, 1999) and the repeated beneficial social media interaction resulting in credibility. Other theories do still relate to SM but often SM media is a proxy for a person and a caricature of who they are. This means that category based trust (Brewer 1981, p. 356; Kramer 1999) and characteristic based trust (Zucker, 1986) are both based on how individuals are choosing to portray themselves on SM, and this may not be who they actually are. This leads to deception. The foundational theories lack acknowledging the role of deception and this particularly problematic in regard to SM where deception is embedded into this prevalent communication mechanism. Where identities are curated and portrayed. For example, influencers are designed to influence our purchasing intentions and behaviour and can be real or virtual (Joel-Edgar et al, 2025) and algorithmic recommendations systems repeatedly expose users to content that can be misleading or false.

In many situations, because information presented to users can be fake, individuals can deny alternative views if they do not align with their own view. This leads to situations of functional denialism. According to Alvehus (2025) “Functional denialism is the tendency to marginalise and ignore lies and lying. By this, lies are anomalies that can be explained away, and the truthiness of the organisation is upheld though this. Functional denialism might play a key role in sustaining leadership, as it makes lying an anomaly or into something extraordinary. Sustaining the expectation that a statement is true is, of course, a very efficient way of counteracting mistrust and suspicion – and ensuring the effectiveness of lying.” He discusses this in connection to leadership study. This is describing painfully the contemporary situation in society and therefore convince us to look further what is the position of trust and distrust in connection to development of business ecosystems for example.

## **Conclusion**

The acceptance of lies does not simply result in less trust; it produces new, less stable forms of trust. As deception becomes normalized, honesty loses its central role in defining trustworthy behavior. Instead, individuals and organizations come to rely on instrumental, situational, or benevolence-based trust, creating environments where trust is fragmented and accountability becomes increasingly opaque. Over time, these transformations reshape not only interpersonal relationships but also organizational culture and societal expectations.

Writing this paper was fun. We had some clarity and answers, but we have to admit that we also gain many new questions related to trust in contemporary world. The social media, AI and various algorithm applications relation to trust leads to further research questions. Normalization of lies and the shift from moral to strategic trust: Leaders may use lies strategically to influence public perceptions and consolidate legitimacy (Gaspar, Levine & Schweitzer, 2015). Such practices create environments in which manipulation is expected, shifting trust from a moral expectation of honesty toward a strategic evaluation of motives. In organizations, deception may be used to secure sales, influence negotiations, or manage internal expectations (Alvehus, 2025; Patri et al., 2025), transforming trust into a calculated assessment of risk and reward rather than an assumption of integrity. The connection of moral and ethical standards with trust and trust theories is worth of studying.

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