Chapter 5

Once bitten, twice shy: How anxiety and political blame avoidance cause a downward spiral of trust and control in the aftermath of failed public projects

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ABSTRACT
The present study of an infrastructure project shows how anxiety of repeated organizational failure instigates stronger stakeholder control. This control frustrated the project team’s efforts to gain trustworthiness, hampering project completion. The study also shows how the public demonstration of stakeholder control was used to curb reputational loss or preemptively attribute blame. In this way, control inhibits trust relations between supposedly cooperating project partners. We contribute to the debates on political avoidance of reputation loss and trust-control interrelations by showing how the aftereffects of failure (anxiety and avoidance) limit the effectiveness of control as a means to repair trust.
INTRODUCTION

An essential element underlying well-functioning organizations is the expectation that they will operate in a trustworthy manner (Kramer, 1999). But what happens when organizations fail and organizational trustworthiness is undermined? So far, research on organizational failure primarily focuses on the events and processes that lead to failure (Amankwah-Amoah & Debrah, 2010; DeVaughn & Leary, 2010; Mellahi, 2005; Shenkar & Yan, 2002; Sheppard & Chowdhury, 2005) or the long-term consequences of failure for organizations (Bedeian & Armenakis, 1998; Ulmer, Seeger, & Sellnow, 2007). In contrast, this paper examines the direct aftermath of organizational failure, which is interesting for three reasons.

First, failure can lead to a breakdown in perceived organizational trustworthiness among individuals and teams involved in the failed organization (Anheier, 1999; Gillespie & Dietz, 2009; Nakayachi & Watabe, 2005; Slovic, 1993). Second, as trust in relation to organizations is based on the assessment of organizational trustworthiness (Mayer, Davis, & Schoorman, 1995), failure and the consequent decline in trustworthiness can have negative consequences for organizations’ internal and external trust relationships (Gillespie & Dietz, 2009). In other words, after publicly manifested failure, individuals and teams have to operate in a potentially skeptical or sometimes even hostile environment in which it can become difficult to sustain trust relationships (Schwartz & Gibb, 1999; Schweitzer, Hershey, & Bradlow, 2006). Third, negative expectations and anxiety can emerge in relation to events that are considered amenable to a repeat of earlier failure (Kramer, 1995; Kramer & Lewicki, 2010) and organizations will be strongly motivated to avoid events that are anticipated as such (Kramer, 1995; Van Dyck, Frese, Baer, & Sonnentag, 2005). Consequently, a decrease in trust relations can lead to increased control (Dekker, 2004; Inkpen & Currall, 1997; Mellewigt, Madhok, & Weibel, 2007; Poppo & Zenger, 2002), as control can be a way to reduce or dissipate negative expectations or anxiety about repeated failure (Nootenboom, 2002; Sitkin & Roth, 1993). However, control can also negatively affect trust relations, because it can impede the autonomy of teams (Perrone, Zaheer, & McEvily, 2003; Sitkin & Stickel, 1996) or can signal suspicion in relationships between trustees and trustees (Das & Teng, 2001; Dekker, 2004; Inkpen & Currall, 2004).

In the current research we study to what extent control can be a means to sustain or repair trust in the sensitive period following organizational failure. Therefore, for a period of nine months, we performed a longitudinal case study of the trust relations
between a project team and stakeholders responsible for renovating a high-profile traffic tunnel that connects the northern and southern areas of a major Dutch municipality. In its recent past, the municipal public works department responsible for infrastructure projects gained a negative reputation for failure in multiple large projects. Consequently, the history of failure led to a decline in trustworthiness of the organization as a whole, which reflected on the subsequent project teams and their stakeholders. This brings us to our central research question:

How do project teams and stakeholders sustain and repair trust relations in the direct aftermath of organizational failure?

In the aftermath of failure, such a decline in trustworthiness and trust relations is often met by intensified control, toward preventing organizational members from behaving in a manner that could lead to repeated failure (Sitkin & Roth, 1993). Control can furthermore be used as a means for accountable (political) stakeholders to publicly demonstrate that they are trustworthy, i.e., able to prevent future negative outcomes (Nakayachi & Watabe, 2005). Despite the large body of research on the interaction between trust and control (Ferrin, Bligh, & Kohles, 2007; Inkpen & Currall, 2004; Nooteboom, Berger, & Noorderhaven, 1997; Sitkin & Stickel, 1996; Vélez, Sánchez, & Álvarez-Dardet, 2008), the actual outcome of control on trust relations remains unclear. Therefore, we aim to contribute to prior studies by studying the outcomes of control in response to the aftereffects of organizational failure, imposed as a means to sustain or repair trust. We focus specifically on the period directly following organizational failure, because throughout this period, the anxiety with regards to a possible re-occurrence of failure is still a predominant part of the mindset of individuals and groups involved in the failed organization.

THEORETICAL BACKGROUND

Anxiety about repeated organizational failure
Organizational failure has been defined as “a single major incident, or cumulative series of incidents, resulting from the action (or inaction) of organizational agents that threatens the legitimacy of the organization and has the potential to harm the well-being
of one or more of the organization’s stakeholders” (Gillespie & Dietz, 2009, p. 128). This conceptualization of failure is akin to organizational crisis or decline and shares many of the features of organizational failure, including the negative consequences it has on reputation and trustworthiness. The concept of failure best fits our research focus, because crises are believed to occur in highly ambiguous situations where connections between causes and effects are often unknown (Pearson & Clair, 1998). Yet in our research setting, it was relatively clear which past action or inaction of the municipal department as well as its project teams led to incidents and eventually to the decline in trustworthiness and legitimacy of the municipal department. Organizational decline as concept is too narrow as it generally pertains to decreasing internal resources of an organization, such as financial and human resources (D'avenni, 1989).

Rather than focusing on the “series of incidents” causing failure, our research analyzes the consequences of failure, in terms of the decrease in trustworthiness and trust relations. Studies on the consequences of organizational failure have predominantly elaborated on the long-term consequences, such as organizational change and renewal (Ulmer et al., 2007), turnarounds (Sheppard & Chowdhury, 2005), bankruptcy, discontinued activities, people leaving the organization (Bedeian & Armenakis, 1998), or a loss of trustworthiness (Gillespie & Dietz, 2009). In contrast to the long-term consequences of failure, we focus on the sustainment and repair of trust relations in the period directly following organizational failure. During this period, anxiety about repeated failure can easily become part of the mindset of organizational members even though they were not directly involved in prior failure (Kramer, 1995; Kramer & Levicki, 2010; Nooteboom, 2002; Sitkin & Stickel, 1996). We define anxiety as emotions that signal that the vested interests of actors or groups are being threatened (Fineman, 2000). Doby and Caplan (1995) show that feelings of anxiety are particularly evident when the reputation of actors is threatened. Due to these emotions, the attention of organizational members may be bound to sensitive future events that have the potential to cause projects to fail and harm their reputation. During this period, they are far more sensitive to additional loss of trustworthiness, because the ensuing discomfort caused by failure can be deeply disconcerting to those who have invested their interests or reputation in the endeavors of a discredited organization (Dirks & Ferrin, 2001).

We focus on the endeavors of a project team as well as internal and external stakeholders to realize projects and sustain workable, trust relationships, which may become more complicated through their anxiety about repeated failure and additional
loss of trustworthiness (Dirks & Ferrin, 2001; Gillespie & Dietz, 2009; Schweitzer et al., 2006). The literature on trust and control can help us comprehend how and why anxiety about failure has the potential to complicate the sustainment or repair of trust relations, which we introduce in the next section.

**Trustworthiness demonstration, control, and trust relations**

Trust is “the psychological state regarding the acceptance of relational risks, based on the expectations regarding the behavior of a trustee” (Rousseau, Sitkin, Burt, & Camerer, 1998, p. 395). In other words, trust is the willingness to be vulnerable to the actions of another party (Mayer et al., 1995). Mayer et al. (1995) also noted that whether a given party (the trustor) trusts another party (the trustee) depends on the trustworthiness of a trustee, which is their perceived ability, benevolence, or integrity. Thus, whereas trustworthiness is an attribute extended to a trustee by a trustor, trust is inherently relational (Weibel, 2007). Organizational failure can easily lead to a breakdown in organizational trustworthiness (Gillespie & Dietz, 2009) and consequently trust relations among actors and groups that are involved in the failed organization will decrease (Kramer & Lewicki, 2010).

The subsequent repair of trust relations then concerns improving trustors' perception of trustees' ability, integrity, or benevolence, which has been lowered by the failure (Kim, Cooper, Dirks, & Ferrin, 2013; Kim, Dirks, & Cooper, 2009). The effectiveness of this process is important, because trust comprises an important performance condition in terms of determining the quality of internal and external collaborative relationships (Gulati & Westphal, 1999; McEvily, Perrone, & Zaheer, 2003; S. Newell & Swan, 2000; Perrone et al., 2003; Zaheer, McEvily, & Perrone, 1998). A decrease in trust will then also have a negative effect on both interpersonal and intergroup collaboration (Ferrin et al., 2007; Gillespie & Dietz, 2009; Vlaar, Van den Bosch, & Volberda, 2007). This suggests that trust repair, in addition to creating and maintaining it, is a key factor in sustaining workable relationships between project teams and stakeholders.

Based on a review of the trust repair literature (Gillespie & Dietz, 2009; Kim et al., 2009; Kim, Ferrin, Cooper, & Dirks, 2004; Nakayachi & Watabe, 2005; Nooteboom, 2002; Schweitzer et al., 2006), we identify two trust repair mechanisms that are expected to become evident in the aftermath of organizational failure: trustworthiness demonstration and control. Trustworthiness demonstration is the demonstration of competence, benevolence, and integrity to repair positive expectations (Kim et al., 2004). In the aftermath of failure this is important, because a consistent series of competent
behaviors or actions can reduce the likelihood that an organization will be seen as incompetent or untrustworthy (Kim et al., 2004).

Trustworthiness demonstration is expected to be important for both stakeholders and project teams. However, stakeholders and project teams are likely to demonstrate their trustworthiness in different ways. Project teams that perform public projects can directly demonstrate their trustworthiness by showing their ability to complete projects successfully. A project team is defined as a temporary organization in which human, material, and financial resources are involved in a unique scope of work within the constraints of cost and time, so as to achieve quantitative and qualitative objectives (Turner & Müller, 2003). In comparison to other types of organizations with less restricted timeframes, the trustworthiness of project teams is often derived from its ability to finish a project on time (meet deadlines) and within budget (Freeman & Beale, 1992).

For internal and external stakeholders (such as in our study the management of the public works department or the municipality board), the demonstration of trustworthiness may also be important, as prior failure is partially reflected upon them. However, because the responsibility for public projects is allocated to relatively independent project teams, stakeholders are less able to directly demonstrate trustworthiness. In that sense, stakeholders have to trust (i.e., be willing to accept vulnerability in relation to) the actions of the project team (Pirson & Malhotra, 2011; Zaheer et al., 1998). In our case, this entails expectations of both internal and external stakeholders regarding the competence of the project team, but also the mutual assessment of behavior among stakeholders (e.g., trust relations between the municipality council and the public works department).

To restore trust, stakeholders often seek to reinstate their control over project teams (Ferrin et al., 2007). This control is a regulatory process that is used to make the elements of a system more predictable and to exert influence over actions and results (Leifer & Mills, 1996). In the aftermath of failure, control can increase predictability or influence, enabling stakeholders to anticipate or avoid situations that potentially lead to repeated failure (Nooteboom, 2002; Sitkin & Roth, 1993). In relation to projects in the public sphere, control is often exercised by means of formal accountability (Edelenbos & Eshuis, 2011). This means that the continuation of public projects depends on the formal approval of political stakeholders and public managers who are accountable for (parts) of project outcomes.

So far, the literature is ambiguous as to the effectiveness of control as a means to maintain or repair trust relations. Some research suggests that control can enhance trust
(e.g., Ferrin et al., 2007; Sitkin & Roth, 1993; Slovic, 1993; Tomkins, 2001) by reducing and eventually dissolving negative expectations about actions that could lead to future trust violations. Control can also improve interdependence and increase the chance of demonstrating competence (Vélez et al., 2008). Similarly, control can help generate a track record and an objective evaluation process that enhances trust (Nooteboom et al., 1997; Sitkin & Roth, 1993; Tomkins, 2001), by making it easier for actors to interpret and monitor their partners’ behavior. Furthermore, control can be an opportunity to display trustworthiness by showing a motivation and ability to resolve problems (Nakayachi & Watabe, 2005). The latter may be important for stakeholders. In particular where prior failure was highly visible to the public eye (as in our case) and stakeholders have to restore public trust. Following this side of the debate, control may enhance the trustworthiness of stakeholders and project teams and may also improve the trust relations between them.

However, complications can arise when the use of control affects trustees’ perceptions, namely how they evaluate the trustworthiness of actors who exercise control (Ferrin et al., 2007). This is supported by Kim et al. (2009) who argue that maintaining or repairing trust relationships ultimately involves the interaction of both trustees and trustees at different organizational levels as they attempt to resolve discrepancies in their beliefs. Thus, when we consider trustees as active participants, control can also induce a decrease in trust relationships. For example, when control limits the autonomy of the trustee, it is more difficult to ascertain the trustworthiness of trustees, because their ability and motives are veiled by organizational constraints (Perrone et al., 2003). Control can also signal suspicion in the relationships between trustors and trustees (Das & Teng, 2001; Inkpen & Currall, 2004). Moreover, whether control has a positive or negative effect on trust relations also depends on how behavior is interpreted during monitoring activities (e.g., Ferrin et al., 2007; Vlaar et al., 2007). For example, Vlaar et al. (2007) (2007) argue that interpreting behavior through monitoring depends on the initial level of trust: the lower the level of trust, the more negative the interpretation of behavior.

Thus, as touched upon above, the literature on trust-control interrelations provides contradictory expectations for the effectiveness of control as a means to sustain or repair trust. In our study, we therefore closely follow the trust relationships between a project team and its stakeholders. We contribute to prior research by examining the complexity of trustworthiness demonstration and the use control as a means to enhance trust relations in the direct aftermath of failure. Throughout this period, anxiety about
repeated failure and an additional loss in trustworthiness may coincide with increases in control, which can influence the evolvement of trust relations between stakeholders and project teams, and how control is perceived by project members.

METHODS

Research setting
The main subject of our study is the project team in charge of the renovation of a large tunnel, which we label Project Underwater (confidential alias). Project Underwater falls under the responsibility of an established municipal infrastructure department. The department is mainly organized across four sub-departments (policy, maintenance, traffic management, and projects) working on the preparation, realization, and maintenance of high-quality infrastructure work, in terms of both policy and project implementation. At the time of this study, the projects sub-department was responsible for the performance of five large infrastructure projects (budgets exceeding €100 million), and about 100 smaller projects (e.g., building new cycle paths or pavement maintenance). Project Underwater was one of the large projects in the municipality at the time.

In this study, we draw a distinction between the project team (a temporary team responsible for the project) and stakeholders around the project team. The project team consists of employees of public and private organizations: the project manager, engineers (public and private), construction managers, a safety expert, a project planner, construction managers (private), (sub-)contractors (private), and construction supervisors (public). During the study period, we placed the emphasis on the project team as a group. We also focused on the team’s relationships with stakeholders. Internal stakeholders are the employees and management of both the project’s sub-department as well as the municipal public works department, both involved with the project, but not part of the project team. External stakeholders are the municipal department of engineering and the municipality council. The project principal officially was a stakeholders that functioned as a new management layer around complex projects, but played an increasingly coercive role within the project team. In fact, his role came close to that of a new project manager, when he became part of the project team, much to the discomfort of the original group of project members. Nonetheless, the project team continued to perceive him as an external stakeholder.
The first author was involved in an organizational change program in the municipal department for two years (before, during and after the study period in Project Underwater). This change program was initiated in response to major failures of several of the department's large projects had been major failures. As he was already involved, the first author was able to gather a vast amount of on-site background information prior to our zooming in on "Project Underwater". He gradually started noticing that, due to a series of failure events in three major projects (e.g., legal conflicts between partners, inaccurate cost estimations, unforeseen technical complexities, inaccurate technical designs, sagging of monumental buildings due to drilling for a new metro line), the projects sub-department as well as the entire municipal department faced a high degree of negative publicity and incurred reputation damage within their wider municipal organization. As a result, political actors suspended two large projects, reallocating them to a newly formed "heavyweight" public department. We began our case study after the first turbulence had subsided and actors were taking measures in an attempt to prevent similar failure in future efforts, such as Project Underwater.

At the time, the municipal department together with its internal and external stakeholders was strongly focused on the success of Project Underwater, one of the largest projects under its responsibility. The department had gained a bad reputation for complex projects, and Underwater was politically sensitive, because the tunnel involved is one of the city's main traffic arteries. During the renovation, the tunnel would have to be closed, which could only happen over summer (July – Sep 2012). The project team thus had to meet hard deadlines. Any delays would lead to major traffic disturbances and – again – negatively influence public opinion, which it wanted to avoid at all costs.

Data collection
To collect data, the first author joined the project team responsible for Project Underwater for nine months. He used mixed qualitative methods, such as participant observation (Neyland, 2008) and interviews to study daily life in the team. Most of this research took place during the preparation phase (February – July 2012) and to a lesser extent throughout the actual renovation of the tunnel (July – September 2012). The first author was on site two or three days a week, depending on when important meetings were held. During this period, he made comprehensive field notes and attended 28 project meetings, which were tape-recorded and transcribed.
Besides field notes on observations and informal conversations, 14 formal interviews (varying from one to two hours) took place with members of the project team and several stakeholders. The interviews were held between the end of the preparation phase and the start of the actual renovation (June – July 2012). Two follow-up interviews were done when the renovation was completed (September 2012). We applied an interview method comparable to the critical incident technique (Flanagan, 1954). In some cases, the first author knew project members too well to be unaffected by bias. Therefore, the second author, who was not familiar with the research setting at the time, collaborated on all the interviews. In the interviews, the respondents were asked open questions on what they considered the most significant incidents and problems throughout the project. In addition, the first author followed the political activities in the city (e.g., public reports of council meetings), and the media coverage of Project Underwater and the municipal department.

Data analysis: Categorizing quotes into higher order themes
To understand how the aftereffects of organizational failure and the interaction between trust and control shaped each other, we studied how and why events and reactions to events change over time following the methods proposed by Miles, Huberman, and Saldaña (2014) and Langley (1999). This means that we were concerned with determining the process in our data.

To enable process analysis, we first categorized text fragments into second-order themes and then connected these themes to aggregated theoretical dimensions (see Figure 5.1). Initially, we treated the data descriptively, beginning the analysis of field notes and transcripts according to the principles of open coding (Corbin & Strauss, 2008). Field notes and transcripts were coded line-by-line in chronological order consistent with the actual sequence of the project. This generated a list of text fragments and first-order descriptive codes. The next step was to group the first-order codes together into second-order themes on a higher abstraction level. We did so by setting up a preliminary list of themes, including a description of what the theme meant (see Figure 5.1). Next, the first and second author independently re-analyzed the quotes and assigned the quotes to themes. Instances of disagreement were discussed in depth, to arrive at a final overview of second-order themes.

For example, the theoretical concept of control was manifested in data as follows. Firstly, stakeholders tried to or actually did influence decision-making or project team activity: "Our principal took over lots of our jobs and ruined our orderly work process".
This quote indicates how someone from outside the project team appropriated some of the team’s activities. Secondly, stakeholders demanded lots of information from the project team: “We constantly needed to produce documents that showed how we work, when we actually needed to focus on our workload”. This quote illustrates the extent of documentation the project team had to produce to meet the stakeholders’ demand for information. Whether or not they met the demand is not part of the second-order theme, but is categorized as “reluctance” to provide information.

Quotes linked to multiple themes were usually removed from the list, except for those in which a certain degree of overlap provided information about connections between concepts. For example: “To me this says he’s creating a situation where the project will need to be cancelled at the last moment. And then we’ll be the ones to blame, because supposedly we refused to cancel”. This quote exemplifies the expectation that stakeholders will cancel project, which is related to trust relations between the project team and its stakeholders. However, the second line of the quote also refers to anxiety about blame attribution, in case the project was to be cancelled. This quote thus provides information on the interconnection between trust relations and the anxiety about blame attribution.

Data analysis: Determining the process
Next, we categorized all quotes and second-order themes in accordance with the sequence of the project. Although we collected data from 28 project meetings, we did not use text fragments from meetings at the start of the preparation phase (1 February – 12 March) and during the actual renovation (7 July – 3 September), because these meetings were primarily about the technical content of the project. As from the disclosure of the risk report (13 March), on which we will elaborate in the findings section more thoroughly, project meeting conversations increasingly revolved around the concepts that interested us.

Next, we visualized the second order themes and their interconnections in an empirical process model (see Figure 5.2), which, together with the chronological order of the quotes in Tables 5.1 to 5.4, shows the evolution of the second order themes and consequently the aggregated dimensions throughout the duration of the project. We divided the process model into four distinct phases, again including extensive discussion about the boundaries of and differences between phases. This strategy is called temporal bracketing, which “enables the explicit examination of how actions of one period lead to changes in the context that will affect action in subsequent periods” (Langley, 1999, p. 173). We found this happening in our data, and elaborate on it the next section.
Figure 5.1. Data structure

(a) Anxiety among stakeholders that project Underwater will not succeed on time and within budget.
(b) Project team is anxious about the fact that stakeholders could and would attribute blame to the project team and the responsible public works department in case of project failure.
(c) Project team's perception that stakeholders' actions are predominantly directed at avoidance of reputation loss instead of helping the project to succeed.
(d) Project team's perception that stakeholders' actions are directed at avoidance of reputation loss through the attribution of blame to each other and to the public works department.

(e) Stakeholders' attempts to influence the project team's decision making in relation to the technical designs of the project.
(f) Stakeholders' demands for information about the project situation in order to determine whether the project team is able to complete the project on time and within budget.
(g) Project team perceives demands for information as a way for stakeholders to publicly show that they are in control.

(h) During project meetings, project members repeatedly state that they should focus on the continuity of project activities in order to deal with the approaching deadlines (instead of adjusting to external demands).
(i) Frustration when external demands distract the project team from activities that are necessary to continue the project in accordance with the tight schedules of the project.

(j) The emerging feeling among project members that stakeholders will postpone or cancel the actual renovation of the tunnel.
(k) Stakeholders' feel uneasy about the project team's way of working and question the controllability of the project in general and in particular its timely completion.

(l) The degree to which the project team resists stakeholders' influence on decision making and in particular influence on project designs.
(m) The degree to which the project team is reluctant to deliver information in response to the repeated demands of stakeholders for information about the project situation.

Stakeholders' anxiety about repeated failure (a)
Project team's anxiety about blame attribution (b)
Stakeholders' avoidance of reputation loss (c)
Attribution of blame based on prior project failure (d)
Stakeholders' influence on decision making (e)
Stakeholders' demands for information (f)
Stakeholders' public display of control (g)
Focus on progress of project activities in accordance with planning (h)
Frustration about distraction from project activities (i)
Project team's expectation that stakeholders will cancel project (j)
Stakeholders feel that project is not in control (k)
Project team's resistance to control (l)
Project team's reluctance to provide information (m)

Trustworthiness demonstration

Aggregated dimensions

Anxiety
Avoidance
Control
Focus on project completion
Trust
Degree of collaboration

Aftereffects of failure
RESULTS

This findings section is divided into four phases in accordance with the chronological sequence of the project. The distinct phases center around particular themes that marked the course of events throughout a specific period of the project. In Figure 5.2 we provide an empirical model of the manner in which our second order themes are related to one another, per phase.

Figure 5.2. Empirical process model
Phase I (13 March – 1 April): Anxiety and the demands for information

Due to the failure of prior projects, the municipal department responsible for Project Underwater faced a great deal of negative publicity. Severe delays and cost overruns in one of their projects had become a national political matter. In an effort to improve their capabilities (for instance in project management or commissionership), the municipal department had initiated an organizational change program. Nonetheless, both the municipal department itself and its other, external stakeholders remained anxious that the department and its project teams were incapable of carrying out complex projects.

During this period (begin February) the management of Project Underwater decided to hire an external company to analyze the project risks. For project members this was not a big concern, as risk management was an integral part of their project strategy. Indeed, risks were seen as a regular course of affairs inherent to a project. As one engineer said: “Our project was never without risk. In fact, a project like ours does not exist without risks” (project meeting, 14 March).

The project members’ considerable knowledge of the situation led to a fairly relaxed attitude to the risks. However, on receiving the risk report, the board of directors of the municipal public works department, with no direct access to substantial knowledge of the situation, perceived the risks as a prelude to events that eventually could or would lead to failure (see Table 5.1, quote a1). Clearly the board of directors of the municipal public works department, an important internal stakeholder of Project Underwater, perceived risk as potential failure. This notion was confirmed by a building supervisor from a partner organization:

“A lot of people are like “Oh, it can’t go wrong.” Then at some point this becomes a self-fulfilling prophecy. Everyone is preoccupied with “It can’t go wrong.” Then lots of people get added to the project team and everyone falls over each other” (project meeting, 13 March).

Throughout the first phase, project members also began noticing that when sensitive information became public, stakeholders were more concerned about avoiding anticipated reputation loss than helping the project (see Table 5.1, quote c1). Stakeholders’ subsequent avoidance of reputation loss also led to blame attribution, which was well-illustrated by an event in the first phase of Project Underwater (see Table 5.1, quote d1). This concerns published information on the failure of another project that
the municipal council and the councillor previously had allocated to a newly formed municipal department. In consultation with the councillor, the new responsible department contributed to the publication of an article in a local newspaper that highlighted the negative role of the municipal public works department and the former project team responsible for the failure. The same week, the director of the municipal public works department had to resign because of this publication. In the opinion of project members, anxiety about repeated project failure and avoidance of reputation loss resulted in attribution of blame to their parent organization (the municipal public works department). As the project manager explained during an evaluation interview at the end of the preparation phase (29 June):

“At the time everyone around us thought that if something goes wrong on this project, they would be responsible, for sure. The director was fired because of a similar kind of project. The tunnel manager thought that he would be blamed and was busy finding a new job. The councillor was worried too. Everyone was scared of the risks and that they would be held accountable for mistakes that they believed would eventually happen.”

Thus, there was anxiety among stakeholders who often were not directly involved in the daily activities of the project team. Nevertheless, due to the accountability structure, the project team was obliged to inform stakeholders about the project’s progress. Initially, for project members this was not necessarily a problem, because delivering information to stakeholders was perceived as part of their job (see Table 5.1, quote m1). Yet, the stakeholders were very worried about the outcome, so wanted more and more comprehensive insights into the chances that the project would succeed. This led to growing demands for information from the project team. Despite the initial collaborative attitude, project members gradually became frustrated by the increasing demands for information throughout the first phase of the project. For the timely completion of Project Underwater, the project team had to work in accordance with tight schedules toward prefixed deadlines. The increasing demands for information put pressure on their resources in terms of available time and capacity. This caused frustration among project members, which they frequently expressed during meetings (see Table 5.1, quote i1 and i2).
Table 5.1. Exemplar quotes (phase 1)

<table>
<thead>
<tr>
<th>Phase 1: Anxiety and the demands for information</th>
<th>13 March-1 April</th>
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<tbody>
<tr>
<td><strong>Anxiety</strong></td>
<td>Stakeholders’ anxiety about project failure (a)</td>
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<tr>
<td></td>
<td>(a1) When the report [risk analysis] was finished, it was not sent to me, but to other people in the organization. Then I got a call from our department head and he told me that the board of directors got the report and that we could expect a storm. The report has some interesting insights, but nothing we didn’t know. Now the report has spread and people are worried again, because they don’t know the project and all they hear is “risk” (project manager).</td>
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<td><strong>Avoidance</strong></td>
<td>Stakeholders’ avoidance of reputation loss (c)</td>
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<td></td>
<td>(c1) The problem is that many heads are on the chopping block. Not interim management ones, but our director’s head for sure. Everyone is looking at this project (planner).</td>
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<td><strong>Avoidance</strong></td>
<td>Attribution of blame based on prior project failure (d)</td>
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<td></td>
<td>(d1) When the new public department took over responsibility for this project, they told everyone that they would show us how to fix this job. They found out fast that they couldn’t get the contractor to work either. They also exceeded the project budget. But they needed someone to blame, a scapegoat. It could be the councillor, but he refused to be the scapegoat. So it’s our director. (...) For our department, this is a bitter pill to swallow. Of course it was the right moment to reveal this information. You need to look closely for the right momentum to reveal information (project assistant).</td>
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<td><strong>Degree of collaboration</strong></td>
<td>Reluctance to provide information (m)</td>
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<td>(m1) I know that we have to keep up with the planning, but we should talk to convince the people around us and the stakeholders of the importance of this project (project manager).</td>
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<td><strong>Focus on project completion</strong></td>
<td>Frustration about distraction from project activities (i)</td>
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<td></td>
<td>(i1) The more information we give stakeholders about the complexity of the project, the bigger their counter reaction. They are really scared that something will go wrong. As a result our team constantly needs to produce documents to show how we work, when we should be focusing on our workload (technical assistant project manager).</td>
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<tr>
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<td>(i2) What really worries me is that we have to deliver such a large amount of administrative documents. The risk is that consequently we have less and less attention for our project (Project manager). Yes, this is stagnating our progress' (Planner). And we don’t have the capacity for this (Communication advisor).</td>
</tr>
<tr>
<td><strong>Degree of collaboration</strong></td>
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<td></td>
<td>Project meeting (13 March)</td>
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<tr>
<td><strong>Focus on project completion</strong></td>
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<td>Project meeting (15 February)</td>
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<tr>
<td><strong>Avoidance</strong></td>
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<td>Project meeting (22 March)</td>
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135
Chapter 5

Phase 2 (1 – 23 April): Public display of control and the possibility of cancellation

Because of the increasing demands for information, project members became reluctant to provide information to stakeholders, especially after the arrival of the new project principal. The new principal had to strengthen control over Project Underwater (and two other projects) and act as the link between political stakeholders – the municipal council, specifically the councillor in charge of infrastructure – and the project team. Thus, the principal was an official and important stakeholder. At his first meeting, the principal repeatedly expressed his need for an overview of the risks related to the technical design and schedule of the project:

“I want a plan that makes it easy to see all the risks, and your measures to minimize and deal with these risks on this project. Even the tunnel manager doesn’t have a complete overview” (project meeting, 3 April).

However, the following day, the project manager stated clearly that information delivery was not their priority:

“You know that the new principal has started. He’s also the principal of [names projects]. He wants us to show more of what we are doing. That’s fine by me, as long as it doesn’t take any extra time. Anyone can join us, but my priority is getting on with our project” (during interview, 4 April).

This quote illustrates that as a consequence of the rising demand for information, project members began feeling more pressure on their capacity and workload (see also Table 5.1, quote i1 and i2). Indeed, project members rarely saw the demands for information as a factor helping the success of the project, but primarily as a distraction from project activities. Project members began believing that they somehow had to protect themselves against these demands or, as one member put it: “We have to build a wall around the project.” Increasingly, project members became reluctant to adjust to stakeholders’ demands for information (see Table 5.2, quote m2 & m3).

Moreover, as a result of the observed blame attribution among stakeholders, project members progressively started to believe that stakeholders intervened primarily to display publicly that they could control complex infrastructure projects, partially by showing that they could identify and manage project risks on time. Commenting on his resignation, the former director of the municipal department said:
"The political arena has a culture with certain blame mechanisms. The first one to tell someone else that something has gone wrong wins. The only responsibility that people take in the political arena is saying, "I told you so." They only focus on that and not on helping the projects" (interview, 29 June).

Project members also started believing that if the project failed, external stakeholders could and would easily blame their project team and the responsible municipal public works department (see Table 5.2, quote b1). Anticipating the potential attribution of blame became increasingly rife in the project team after the councillor and the project principal announced a plan to appoint an external commission of inquiry to evaluate the project (19 April).

As the principal was dissatisfied with the information he was receiving from the project team, the goal of this inquiry was to obtain an overview of risks to determine the likelihood of the project succeeding. The councillor gave an interview to a local newspaper and television station. Anticipating the outcomes of the inquiry, the councillor said that it was a real possibility that Project Underwater would not continue. The project team saw this as a direct attack and as a way for stakeholders to publicly display that they were in control. Consequently, in case the project would be cancelled, they could easily blame the project team. Project members were not told about the interview in advance. Their communications advisor heard about the news through the grapevine and told the others at a team meeting on 19 April:

Communications advisor: May I interrupt? The councillor is going to give an interview for [name television station] and some newspapers, where he'll say that our project might not take place this coming summer. Project planner: In that case we might as well pack our bags and stop work now. Contract specialist: I can't understand why they are playing it like this. Engineer 1: We are just too busy with the content of our project. The councillor is getting his house in order. He's killing a project full of risks and that's how he's saving his ass. Technical assistant: He's sending out this message on purpose. Communications advisor: Yes, but he knows what the consequences are, for sure, if he tells the media stuff like this. Technical assistant: This is also what happened when they published information about the failures in [name project]. They knew it would lead to the resignation of our director.
Table 5.2. Exemplar quotes (phase 2)

<table>
<thead>
<tr>
<th>Phase 2: Public display of control and the possibility of cancellation</th>
<th>1 - 23 Apr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Degree of collaboration</td>
<td>(m2) We must build a wall around our project and if we don’t do that, we simply won’t be able to continue our work (engineer 4).</td>
</tr>
<tr>
<td>Project team’s reluctance to provide information (m)</td>
<td>Informal conversation (3 April)</td>
</tr>
<tr>
<td>Anxiety</td>
<td>(m3) People are basically ignoring these demands more and more. They told us he [project principal] would relieve us a bit when it came to dealing with the complex environment. But actually he’s now doing the same as everyone else (conversation with quality employee).</td>
</tr>
<tr>
<td>Project team’s anxiety about blame attribution (b)</td>
<td>(b1) The councillor is busy getting his house in order and is trying to avoid blame. If he kills this project now, he could tell others that he cancelled a project full of risks and problems. He doesn’t want to be responsible for a project of this complexity. If he cancels the project, he can show his leadership and we get blamed for the problems (engineer 1).</td>
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<tr>
<td>Trust</td>
<td>Crash meeting II with project principal (23 April)</td>
</tr>
<tr>
<td>Project team’s expectation that stakeholders will cancel project (?)</td>
<td>(j1) I have a certain feeling that everyone, including our principal, actually wants to put off our project. In every e-mail from our principal, he keeps this option open. (...) Due to all those demands, we’ll get in trouble with our planning, and so they can’t do anything else but cancel our project (project manager).</td>
</tr>
<tr>
<td>Degree of collaboration</td>
<td>(m4) This project and the department in general are setting targets. We have to frame information so that it won’t bother or worry our board of directors or the councillor (project adviser).</td>
</tr>
<tr>
<td>Project team’s reluctance to provide information (m)</td>
<td>Crash meeting II with project principal (23 April)</td>
</tr>
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</table>

This was the first time that the Project Underwater team felt that there was a real chance that the tunnel renovation would be postponed or cancelled (see Table 5.2, quote j1). They saw the councillor’s interview as a threat to the project team and began to feel that in the case of postponement, the blame would be attributed to them (the project team), as on previous occasions, which had led to the resignation of the director of the public works department. Project members primarily saw the new project principal as
a contributor to this turmoil. However, at one of the project meetings, the principal explained why he thought the situation had escalated (23 April).

“i underestimated the situation in this city. At a given moment I saw that my e-mail with suggestions for postponing the project was sent to eight people. Everyone reacted all at once and it all went out of control. We all live in a glasshouse. We have to see this in light of all the problems in previous projects. All these topics were recently discussed in the city council.”

As a new player in the municipality he was very surprised by the agitation his message caused in the municipal department and the political arena. It resulted in an uncontrollable flow of (mis-)communication in the entire project environment. From this moment on, project members became more cautious in their communication with stakeholders. They felt that they needed to frame their messages in such a way that actors outside the project would have no reason to panic (see Table 5.1, quote m4). Thus, the reluctance to provide information was not caused solely by the project team’s frustration at distractions from project activities, it was also due to their expectation that giving full information would threaten the continuation of the project.

Phase 3 (24 April – 29 May): A downward spiral of decreasing trust and increasing control

By the end of April, the commission of inquiry was auditing the project, which meant that project members again had to deliver an immoderate amount of information on the project status. After the inquiry, (7 May) the principal and the councillor unofficially (i.e., without formal council decision) decided that the renovation would continue as planned over the summer, as a long as several “necessary measures” were taken, such as appointing a new construction manager and an advisory board with a mandate on important decisions. Most project members were surprised by the course of events in the previous period of external inquiry (19 April – 7 May). One of the main engineers returned from working on a foreign tunnel project, and he expressed his surprise about everything that had happened in the previous three weeks:

“Can I say something? All these steps seem really stupid to me. I come back and everybody is really busy with all kinds of actions. Now we hear that everything
will go on like we decided before. We have to tell them that it has a really bad impact on our team. It's a complete waste of time” (engineer 3 at project meeting, 9 May).

In the perception of project members, the councillor and principal's interference created delays in the already tight schedule (see Table 5.3, quote i3). Indeed, these delays caused by the inquiry created a feeling within the project team, that from that moment on, they had to solely focus on the continuation of project activities in accordance with the project planning instead of adjusting to external demands (see Table 5.3, quote h1). Moreover, project members mainly saw the interference as a way for stakeholders to show the outside world that they were in control (see Table 5.3, quote g1 & g2). Especially as stakeholders publicly communicated their steps as a way of “getting the project on track” even though these steps were not different from the original planning.

From this moment on, the project team began ignoring and even resisting stakeholders’ attempts to control the project (see Table 5.3, quote i1). With the approval of his engineers, the project manager called for a new attitude: everybody should focus solely on their core tasks. He repeatedly said that project members should ignore demands or interference that did not contribute to the timely preparation of the tunnel renovation (at the time, actual renovation had to start within two months). However, this growing resistance to external control began to cause anxiety among the stakeholders. Particularly the principal started to feel uneasy about project members’ attitude and began questioning the controllability of the project. At one of the meetings, he clearly stated that the project team was purposely not cooperating with him, which is why he could not do his job properly (see Table 5.3, quote k1). Indeed, he felt that the project team was distancing themselves from their environment, as he explained during an evaluation interview (27 June) about this phase of the project:

“When I arrived in this position, I saw straight away that the project team was shielding itself from their environment. I couldn’t get the information I wanted and they often refused to give me insight into the project situation. (…) The project team was distancing itself from the “evil outside world.” They created a common enemy”.
<table>
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<th>Table 5.3. Exemplar quotes (phase 3)</th>
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<tr>
<td><strong>Phase 3: A downward spiral of decreasing trust and increasing control</strong></td>
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<tr>
<td><strong>Focus on project completion</strong></td>
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<td><strong>Control</strong></td>
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<td><strong>Degree of collaboration</strong></td>
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<td><strong>Trust</strong></td>
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24 April - 7 June
<table>
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<tr>
<th>Trust</th>
<th>Project team's expectation that stakeholders will cancel project (j)</th>
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<td></td>
<td>(j2) Again they're endangering our project. I don't know what they intend by their numerous actions. Do they mean to ruin the municipal department? It's far more convenient for them to blame our department now, instead of continuing a &quot;disaster project&quot; and be blamed afterwards (project adviser).</td>
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<td></td>
<td>(j3) With all the trouble he [project principal] has caused from the start, it's really start to look like he's trying to destabilize our team, playing the technocrat. He keeps on changing our scope and strategy. For me this indicates that he's creating a scenario where the project needs to be cancelled at the last moment. And then we'll be the ones to blame, because supposedly we refused to cooperate (engineer 3).</td>
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<tr>
<th>Anxiety</th>
<th>Project team expects attribution of blame (b)</th>
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<tr>
<td></td>
<td>(b2) It seems like we, and our department, are the easiest scapegoat in our municipality (project assistant). (...) 'We have to think about how to avoid the having the blame and guilt put on us (engineer 3).</td>
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</table>

Crash meeting ill (30 May)  
Crash meeting ill (7 June)
In the project environment, the resistance triggered anxiety arising from prior failure and its consequences:

“Lots of things have gone wrong in our organization in the past, and it really damaged us and others. In these circumstances you can’t just say from one day to another that we’re going to do it right. Just leave us alone, don’t interfere” (supervisor of municipal department at project meeting, 25 May).

Because of the resistance, stakeholders made evermore frantic attempts to control the project. This did not go unnoticed by the project members, who felt that stakeholders were taking over the project. The stakeholders’ steadily growing influence became most evident when the principal and his newly appointed construction manager changed a key decision in the technical design without consulting the project manager or his engineers (Table 5.3, quote e1). To justify this change, they publicly criticized the engineers’ working methods. As a result, project members felt that the stakeholders were taking over the project and blaming project members for all the problems, even though these arose as a result of modifications to the project design imposed by the stakeholders themselves. Due to the publicity about the quality of project team’s decision-making, numerous project members (engineers) felt that the stakeholders aimed to destabilize the project and create a scenario in which the project would be cancelled just before the actual renovation was due to start (see Table 5.3, quote j2 and j3).

As these quotes illustrate, the intensity of expectations was reinforced by the team’s feeling that stakeholders were mainly using their mandate to save their own skins and ensure that others would take the blame (see Table 5.3, quote b2). As a result, stakeholders’ influence on decision-making was seen as a threat and this in turn resulted in a decrease in trust relations between project members and stakeholders. Members of the project team felt that stakeholders were already reducing potential reputation loss in case the project was terminated. This was rooted in the fact that from the moment of the councillor’s media performance (19 April), project members believed that the principal and councillor had a hidden agenda, to cancel the project. This was illustrated by the head of the projects sub-department during an evaluative interview at the end of the preparation phase (13 June):
Chapter 5

“What I saw is that the project team thought that our principal has an hidden agenda for this project. That’s absolute nonsense”.

This led to a deterioration of collaborative relationships between the project team and stakeholders in their environment. For example, one engineer refused to work for the principal and construction manager any longer, and threatened to withdraw his company from the project:

“A couple of weeks ago stories spread through our team about a letter from one of our engineers. The letter sounded very legal and it was aimed at dissociating his company from any activities not in line with safety procedures” (conversation with quality manager of project, 6 June).

Due to the deteriorating relationships, the head of the projects sub-department organized a team-building session (7 June), in which the low trust between the project team and stakeholders was discussed.

Phase 4 (7 Jun – 21 Jul): No cancellation and a decrease in anxiety about blame attribution

During the team building session, both the principal and project team talked openly about their problematic trust relations with internal and external stakeholders. The principal explained that he also had to cope with the general anxiety that Project Underwater would not succeed, as the following exchange during the team building session (7 June) illustrates:

Environment manager: Did the troubles and problems they had during the renovation of the metro system have any influence on the decisions on possibly cancelling Project Underwater? Project principal: When I arrived in the city I sensed a widespread anxiety that everything would go wrong again. Besides that, I had my own feelings. So I talked to lots of stakeholders and many wanted to cancel the project. Personally, I had my doubts about whether to cancel or go on, but I didn’t want the politicians’ anxiety to determine my decision.
This quote illustrates that the stakeholders’ increased control over the project team was rooted in their anxiety about repeated failure and that for the project principal it was difficult to be a buffer between the team and its external stakeholders.

### Table 5.4. Exemplar quotes (phase 4)

<table>
<thead>
<tr>
<th>Phase 4: No cancellation and a decrease in anxiety about blame attribution</th>
<th>7 Jun – 3 Sep</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trust</strong></td>
<td><strong>(4)</strong> ‘When the actual renovation started, we all knew that the project would continue for sure. And it started on the date we planned.’</td>
</tr>
<tr>
<td>No expectation that stakeholders will cancel project</td>
<td>Interview with project manager (3 September)</td>
</tr>
<tr>
<td><strong>Focus on project completion</strong></td>
<td><strong>(h2)</strong> ‘From that moment on, we all had the same goal: get everything on track and complete the project successfully.’</td>
</tr>
<tr>
<td>Focus on progress of project activities</td>
<td>Interview with assistant project manager (17 July)</td>
</tr>
<tr>
<td><strong>Degree of collaboration</strong></td>
<td><strong>(l2)</strong> ‘During the execution phase we did not have an outside enemy. We have to collaborate closely to complete the project in time.’</td>
</tr>
<tr>
<td>Decrease in resistance to stakeholders</td>
<td>Interview with project principal (3 September)</td>
</tr>
<tr>
<td><strong>(l3)</strong> ‘Actually, we created a good project together. (...) I supported the team as much as possible, day and night. If they were angry with the contractors, I was too. I solved a lot of problems for them. I think we have a very good relationship now. I like that.’</td>
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In the period following the team building session, trust gradually increased, particularly after the official go-ahead for the project was communicated to the public. With the closure of the tunnel and the start of the actual renovation, there were no further possibilities to cancel the project (see Table 5.4, quote j4). As a result, it was far more difficult to attribute blame to the project team, as stakeholders themselves (i.e., the councillor and project principal) had given formal, public approval for the renovation to continue. In the case of failure in this phase of the project, everyone would be held equally responsible. From this moment on, all involved parties had the same interest: timely project completion (see Table 5.4, quote h2). As the project manager and principal said after the renovation, the degree of collaboration increased while the work was in
progress (see Table 5.4, quote I2 and I3). Although not all building work was carefully prepared, the project team succeeded in finishing the renovation before the opening of the tunnel (3 September).

**DISCUSSION**

Our findings reveal that in the period following organizational failure, both the project team and stakeholders were eager to demonstrate their trustworthiness. The project team demonstrated its trustworthiness by focusing on project completion. Meanwhile, stakeholders, who were anxious about repeated failure, tried to regain trust in relation to the project and its outcomes, by closely monitoring the project’s progress and seeking to influence project actions and decisions. This was often received by the project team as a distraction from project activities. Moreover, project members’ perceived the public display of control as a way for stakeholders to avoid reputation loss or to attribute blame, thereby showing that they (the stakeholders) had taken all necessary measures to avoid repeated failure. As a result, the possible cancellation of the project, which was increasingly expected, would appear to be the responsibility of the project team. This interpretation of stakeholders’ public behavior, emphasized by blame attribution among stakeholders for failure in prior projects, eventually led to a vicious cycle of decreasing trust relations and increasing control.

**Theoretical contributions**

Much research has been done on the interaction between trust and control (Das & Teng, 2001; Nooteboom et al., 1997; Power, 2004; Şengün & Wasti, 2007; Sitkin & Roth, 1993; Tomkins, 2001), the emotional distress after failure (Bedeian & Armenakis, 1998; Cannon & Edmondson, 2001; Zhao, 2011), and the difficulties of sustaining and repairing trust in the aftermath of organizational failure (Gillespie & Dietz, 2009; Kramer & Lewicki, 2010; Schweitzer et al., 2006). Extrapolating on these studies, our research shows that in the aftermath of organizational failure, the low degree of trust relations between project teams and stakeholders required intensified control. This can be particularly evident where control prevents organizational members from behaving in undesirable ways that can lead to new failure (Nootenboom, 2002; Sitkin & Roth, 1993). However, we found that in the fragile period following failure, the increased attempts of stakeholders to control the project team proved to be counterproductive.
Building on these premises, we extend prior studies in two ways. First, we explain how and why trust and control are inversely related in situations where anxiety about a possible re-occurrence of failure is still a predominant part of the mindset of actors. Our case study shows that on the one hand the project team’s trust in stakeholders decreased when control, and particularly the public display of control, was perceived as avoidance of reputation loss or as a means for blame attribution. On the other hand, the project team’s resistance to control triggered the anxiety for repeated failure among stakeholders, causing a further decrease of trust in the project.

The fact that the stakeholders’ control was not seen as helpful is in itself not surprising, given prior evidence that increasing capacity to control often hampers project teams rather than improving them (Brooks Jr, 1995). Nor is it surprising that stakeholders used control as a means to show their motivation and ability to prevent future failure (as reported previously in Nakayachi & Watabe, 2005). However, within this debate a novel finding deriving from our study was that the team running Project Underwater perceived stakeholders’ attempts to control as a mechanism for blame avoidance and attribution. In fact, these perceptions of blame attribution explain why the original trustee (i.e. the project team) turned the tables, and became suspicious of the “original” trustor (i.e., stakeholders’) motives. Moreover, this inclination toward blame attribution was based on prior project failure, which in the eyes of the project team was likely to backfire on them. Thus, anxiety about blame attribution led to a further decrease in trust, and in turn the project team started to reject external control over their actions and decisions.

Given these findings, we also contribute to literature on the avoidance of blame and reputation loss in political environments. Actors’ reputation in the public sphere tend to be more sensitive to potential failure than success. In particular, politicians and public managers try to avoid being associated with failed policies or projects (De Vries, 2004), which is conceptualized as blame avoidance (Hood, 2010; Weaver, 1986). The avoidance of blame is primarily aimed at protecting reputations within political environments (Carpenter, 2001; Moynihan, 2012), using strategies such as scapegoating and “passing the buck”. In our study, we also found that where public projects failed, blaming occurred. Prior research has demonstrated that such blame avoidance can have negative consequences. For example, blaming can backfire, because the subjects of blaming are likely to defend themselves through counter blaming (Kim et al., 2004). In turn, this can harm the overall reputation of entire public organizations or networks (Moynihan, 2012), lead to cover-ups, or impair judgments on the real causes of failure.
(Gillespie & Dietz, 2009). We extend these studies on the negative aspects of blaming by demonstrating that blame avoidance by political stakeholders resulted in anxiety among project members for blame attribution. In turn, this anxiety caused the project team to perceive the stakeholders’ (public display of) control in a negative light. This further thwarted the precarious trust relations between the project team and stakeholders. We thereby connect the debates of blame avoidance and the trust-control interrelations in order to further our understanding of the negative effects of avoidance of blame and reputation loss on the trust relations between political stakeholders and public agents.

Finally, we specifically contribute to prior studies on trustworthiness demonstration as a means to repair trust relations (Gillespie & Dietz, 2009; Kim et al., 2004; Schweitzer et al., 2006). Trustworthiness demonstration comprises sending repeated, clear, and consistent signals that organizational members can anticipate desirable actions with the purpose of increasing positive expectations (Lewicki, McAllister, & Bies, 1998). After organizational failure, the implementation of interventions to demonstrate the organization’s ability, benevolence, and integrity increase employees’ perceptions of the organization’s trustworthiness (Gillespie & Dietz, 2009). Similarly, a positive demonstration of competence can reduce the likelihood that an organization will be seen as incompetent or untrustworthy (as shown by Kim et al. 2004). However, our case shows that in the given time and discretionary space to demonstrate competence (i.e., to successfully complete public projects) this goal can be very difficult to meet. Therefore, feelings of anxiety already present in the mindset of the actors from the outset, with regard to a possible re-occurrence of failure, can linger. Thus, we add to the literature by showing that in the aftermath of failure, there is less room for trustees to maneuver and demonstrate trustworthiness than might be expected.

Implications for future research
Our findings reveal that within the public sector, political leaders and public agents are vulnerable for the public attentiveness to the performance of public projects. Although prior research has touched upon this topic (Arnaboldi et al., 2004; Olander & Landin, 2005; Susskind & Field, 1996), so far it remained unaddressed how the scrutiny of public projects complicates the relations among different kinds of public and political agents that are involved in public projects. A useful direction of future research will be to analyze how the public scrutiny of public projects affects the evolvement of relationships between political and public actors and how this might affect project performance.
Our research shows that the public display of control, while intended to enhance public trust in government officials, at the same time was a malefactor in the downward spiral of decreasing trust relations and increasing control. Previously, Nakayachi and Watabe (2005) argued that the provision of public monitoring can function as a signal of trustworthiness and enhance public estimation of a motivation or ability to resolve future problems. Contrastingly, our research examines the other, negative side of publicly displaying control, exercised by political actors in a highly sensitive environment. A useful extension of this study would be to more fully examine the negative side-effects of publicly displayed control, besides its effects on public trust.

A majority of the studies on trust relations focus on the actions that the mistrusted party (i.e., the trustee) might take to sustain or repair trust, while portraying the truster as a relatively passive observer. In line with Kim et al. (2009), our study underpins the argument that trust comprises a complex relational interplay. This is particularly salient toward understanding the aftereffects of failure in terms of trust relations and control, which would have been difficult to determine when studying the behavior of trusters and trustees separately. Our study therefore implies that future research should not study truster and trustee responses in isolation, but rather as a dynamic relational construct that might be extended to include third parties.

PRACTICAL IMPLICATIONS
The current study raises important implications for individuals and organizations that are or were involved in organizational failure. In the direct aftermath of such failure, regulation and monitoring may initially seem effective toward coping with uncertainty and enhancing trust in relation to employees, partners, and/or other organizational units (e.g., project teams). However, organizational members, and particularly political actors, should be cautious in demonstrating control too publicly in the sensitive period following failure. This can prove counterproductive to fostering trust relations, particularly when public control seems to encompass avoidance of reputation loss or attribution of blame. This study therefore cautions organizations for the negative side effects of publicly taking measures against actors and groups that reflect failure. A lesson that might have a wider application than this particular case, because of the increasing volatility of public opinion in regards of their trust in public services such as health care, higher education, and local governments. Mapping the relations between a multitude of partners might need careful management when trust is lost.