

How Different Apology Components Drive Trust Repair: The Moderating Effect of Social Value Orientation

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Abstract

Trust is commonly recognized as a significant part in social life. Exploring how to repair violated trust is necessary because trust transgressions occur frequently. Apologizing is one of the methods commonly used to repair trust. Rather than simply regarding it as a dichotomous phenomenon in most extant researches, additional details on the effect mechanisms of apology components for trust repair must be investigated. Thus this study explores how three apology components drive trust repair through forgiveness, considering the moderating effect of social value orientation. Forgiveness mediates the effect of compensation, empathy, and acknowledgment on trust repair, and that prosocials react more positively to the effect of acknowledgment on trust repair in forgiveness than proselves. This study can contribute to promoting understanding on how apology really works and how to apology in accordance with people's tendencies.

Keywords: Apology components, Forgiveness, Social value orientation, Trust repair

1. Introduction

Several researchers confirm that trust plays an essential role in all social exchange relations (Barber, 1983; Garfinkel, 1963), including long-term e-commerce relationships (Chen, Wu, & Chang, 2013) and collective actions (Kim, Ferrin, Cooper, & Dirks, 2004), such as job satisfaction, organizational commitment and performance (Dirks & Ferrin, 2001; Kramer, 1999) as well as coordination (Williamson, 1975) and control at the organizational level (Dirks & Ferrin, 2001). Trust reduces transaction costs and complexity and conserves cognitive effort (Kramer, 1999). Despite the significance of trust, betrayal and trust violation are commonly observed in daily work and life (Brodt & Neville, 2013; Tripp & Bies, 2009). In general, trust usually brings benefits; by contrast, distrust is associated with the possibility of irresponsible or injurious behaviors, which are likely to offend the wellbeing and expectation of the trustor (Cho, 2006), followed by damaged relations.

Although apologizing is one of the most commonly used methods to address trust violation or other kinds of conflicts (Fehr, Gelfand, & Nag, 2010), it is usually viewed as a dichotomous concept in academia and such distinction on "apology" or "no apology" is apparently insufficient for theoretical and practical applications (Frantz & Bennis, 2005; Michael E McCullough, Worthington Jr, & Rachal, 1997; Tomlinson, Dineen, & Lewicki, 2004). Therefore, three main apology components are introduced in this study. This research explores the effect mechanisms of the three components on trust repair through forgiveness. Detailed suggestions on apology modes are needed to deal with complex conflicts. An important personal characteristic, social value orientation, is also considered as a moderator. To verify the mediating and moderating effects in the model, two field studies are performed, explaining how people with distinct social value orientations react to different apology components.

This work contributes to the trust repair literature. First, considering workplace trust violation as common and unavoidable, this study highlights similar phenomenon and helps resolve such problems. Second, this study focuses explicitly on the dyadic supervisor-subordinate relationship, which represents one of the most important social systems in work organizations (Jablin, 1979) and is, therefore, worthy of special attention. Repairing trust in this context can help increase job performance and organizational citizenship behaviors (OCBs). Third, the model seeks to describe how apology can repair the damaged supervisor-subordinate trust. This study builds on existing work; the difference is that the model considers three apology components and explores their effects accordingly. Victim characteristics (social value orientation) are also considered in the context of a supervisor-subordinate relationship. Finally, this study contributes to the literature by exploring how to foster forgiveness and therefore contribute to trust repair after a violation. Forgiveness and trust do not always follow after repair actions are made or time has passed (Andiappan & Trevino, 2011); rather, they may be promoted through specific strategies. Examples of these strategies are combining the apology structure and determining the emphasis using the three components in accordance with victims' personal characteristics.

This study primarily explores trust repair mechanisms, that is, how different apology components drive trust repair in the supervisor-subordinate circumstances after workplace trust is violated. This study aims to help

further work in the areas of trust repair or other relationship repair. The remainder of this paper is organized as follows. The next section discusses the relevant literature and develops the hypotheses. The section that followed describes the research method. The final section provides the results and concludes by discussing the theoretical and practical implications of the findings.

2. Theory and Hypothesis

2.1 *Trust, trust violation, and trust repair*

Recognition of the importance of trust in organizations has grown dramatically in recent years. Several researchers have attempted to further clarify the phenomenon from multiple perspectives (Mayer & Davis, 1999), such as management, psychology, and sociology. One of the widely accepted definitions regards trust as a psychological state, indicating the intention to expose the vulnerability based on the positive expectations of the intentions or the behavior of another (Kim et al., 2004; Mayer, Davis, & Schoorman, 1995; Nakayachi & Watabe, 2005).

Trust features both cognitive and affective dimensions (Lount Jr, 2010), which are commonly applied in investigating organizational trust (Yang, Mossholder, & Peng, 2009). Using past literature as basis, Mayer et al. (1995) discussed three major characteristics of trustworthiness: ability, benevolence, and integrity; they then confirmed the constructive validity of this model in their field quasi-experiment (1999), which laid the foundation for later research on how to repair trust (Ferrin, Kim, Cooper, & Dirks, 2007; Kim, Dirks, Cooper, & Ferrin, 2006; Kim et al., 2004; Xie & Peng, 2009). The three main theories applied in trust repair are attribution theory, social equilibrium theory, and institution theory (Gillespie & Dietz, 2009; Nakayachi & Watabe, 2005; Ren & Gray, 2009; Tomlinson & Mayer, 2009), which are suitable for different stages of repair.

Trust violation emerges when trustees perform an offensive behavior that violates the beliefs or interests of the trustor. Such behavior includes dishonest and malevolent acts (Conchie, Taylor, & Charlton, 2011) and is related to cognitive states of skepticism, cynicism, and fear. Distrust often leads to psychological distress and withdrawal from a relationship (Dirks & Ferrin, 2002). Serious consequences ensue after trust violation. Despite the pervasive and persistent negative consequences that trust violation may trigger (Bies & Tripp, 1996; P. T. M. Desmet, D. De Cremer, & E. van Dijk, 2011; Robinson, 1996; Schweitzer, Hershey, & Bradlow, 2006), knowledge on how or to what extent trust can be repaired after the breach is scant (Chen et al., 2013; P. T. M. Desmet et al., 2011; Xie & Peng, 2009). To address this gap, an increasing number of works have focused on how trust can be restored or repaired recently (Brodtt & Neville, 2013; Ferrin et al., 2007; Gillespie & Dietz, 2009; Kim et al., 2006; Tomlinson & Mayer, 2009). Trust repair does not simply involve reestablishing seemingly trusting behaviors (Kim, Dirks, & Cooper, 2009); it includes the interaction between the trustor and trustee as they both attempt to achieve balance in their beliefs as well as the damaged relations and emotions (Jones & George, 1998). Past conclusions indicate that the effectiveness of trust repair depends on the causal attributions (e.g., locus of causality, controllability, and stability) of trust violations and the repair strategies of violators (Chen et al., 2013; Kim et al., 2006; Tomlinson & Mayer, 2009; Xie & Peng, 2009). Considering the complexity of trust repair, repair strategies play an essential role in compensating victims' loss and repairing the relation; therefore, repairing mechanisms should be explored to provide transgressors with useful repairing methods (Chen et al., 2013). In addition, compared with the focus on interpersonal trust (Sitkin & Roth, 1993) and trust repair, only minimal attention has been paid to trust repair at the organizational level (Gillespie & Dietz, 2009).

2.2 *Context*

The employer is supposed to operate trustworthily to guarantee organizational performance in most employment relationships (Galford & Drapeau, 2003). Organization-level failures often occur between supervisors and subordinates and are followed by subordinates' reduced perception toward the trustworthiness of the supervisor (P. T. M. Desmet et al., 2011; Schweitzer et al., 2006) and willingness to display the OCB and thus contribute to low work performance (Dirks & Ferrin, 2001), demission, withdrawal (Robinson, 1996), and even obstructionism as well as acts of retaliation (Bies & Tripp, 1996). Repair strategies are commonly recognized in existing studies as voluntarily initiated by the transgressor (P. T. M. Desmet et al., 2011). In particular, a power differential within a formal hierarchy of authority in the supervisor-subordinate relationship is apparent, implying that supervisors are in an advantaged position to initiate the repair (Andiappan & Trevino, 2011). Interestingly, previous research on reconciliation argues that the victim should begin the relationship restoration effort (Karl Aquino, Tripp, & Bies, 2006; Michael E McCullough et al., 1997); similar conclusions are not suitable and feasible for trust repair in workplaces. Trust repair efforts are likely to be more effective when initiated by the supervisor who retains the power in the relationship and possesses available resources (Andiappan & Trevino, 2011). Apart from these advantages, the supervisor bears the responsibility to initiate the repair because supervisors are usually the source of transgression. In this regard, subordinates are especially sensitive to supervisors' responses. Thus, to stop the negative consequences of the violation from

deteriorating, supervisors must take prompt and appropriate actions.

Many supervisors pay attention to repairing the relationship as they realize that trust from their subordinates is a necessary factor to drive implementation and performance in the future and that normal operation will be hindered without trust within an organization. Therefore, supervisors need to repair the violated trust.

Supervisor–subordinate relation is one of the typical relationships in organizations and thus a valuable research topic (Andiappan & Trevino, 2011; Yang et al., 2009). This study is positioned in the supervisor–subordinate context. Several scholars have theoretically confirmed the significance of trust repair; many researchers have also observed the relevant situations and suggested some methods to repair trust. Some suggest repairing trust by offering verbal response (Kim et al., 2004), such as apologies, promises, or denials (Kim et al., 2006; Kim et al., 2004; Tomlinson et al., 2004). Recent findings in economic exchange relations have indicated restoring trust and cooperation by providing a substantial financial compensation as an alternative (Bottom, Gibson, Daniels, & Murnighan, 2002; P. T. Desmet, D. De Cremer, & E. van Dijk, 2011). Different strategies, such as trustworthiness demonstration and distrust regulation (Gillespie & Dietz, 2009), along with affective, informational, and functional strategies (Xie & Peng, 2009) have been proposed and verified to repair trust effectively in the various contexts of the three dimensions of trustworthiness: ability, integrity, and benevolence (Mayer et al., 1995). Nonetheless, no consensus has been reached regarding what kind of response is more effective (Kim et al., 2004). Further research is needed to explore strategies of trust repair in the organizational context.

Considering the specificity of trust and the complexity of context, some responses are more effective than others for trust repair (Kim et al., 2004). For instance, apologizing with an internal attribution after competence violation, but apologizing with an external attribution is more effective after integrity violation (Kim et al., 2006). Apologizing after competence violation is also suggested, but denying is advised after integrity violation (Kim et al., 2004). Employing trustworthiness demonstration mechanisms is advised to repair employees' perceptions toward organizational trustworthiness after an ability failure, whereas adopting distrust regulation mechanisms after integrity or benevolence violation is more effective (Gillespie & Dietz, 2009). Similar relevant research and conclusions in the domain are found. From this point of view, repair strategies should be established according to the context.

2.3 Forgiveness

What the transgressors pursue directly during trust repair is to receive forgiveness from the victims by responding appropriately positively and forwardly (Brodt & Neville, 2013), because forgiveness may lead to direct trust repair. Research on forgiveness focuses on moral philosophy (Griswold, 2007) and psychology both in theoretical and empirical aspects (Exline, Worthington, Hill, & McCullough, 2003; M. E. McCullough, 2001). In addition, the concept of forgiveness has been receiving explicit attention from organizational behavior researchers and social scientists in recent years (K. Aquino, Grover, Goldman, & Folger, 2003), confirming that forgiveness plays a significant role in maintaining and improving organizational relationship as well as promoting performance (K. Aquino et al., 2003). Psychologists and ethicists agree that forgiveness represents an individual's conscious decision to let go of negative emotions and desires for revenge (K. Aquino et al., 2003; Exline et al., 2003). Forgiveness is associated with an intentional change in how the victim views, feels about, and acts toward the offender (Roberts-Cady, 2003); it is often an alternative consideration when people try to repair close relationships (Michael E. McCullough et al., 1998; Michael E. McCullough et al., 1997; Rusbult, Verette, Whitney, Slovik, & Lipkus, 1991). When a victim forgives, he or she tends to think of the transgression as closed instead of continuing (Zechmeister & Romero, 2002), focuses on the positive side of the experience (Michael E. McCullough, Root, & Cohen, 2006), and is more motivated to act in ways that benefit the transgressor or their relationship with the transgressor (M. E. McCullough, 2001). Therefore, forgiveness fosters compassion and generosity toward the transgressor (M. E. McCullough, 2001) and is viewed as a general prosocial change in motivation (P. T. Desmet et al., 2011).

In interpersonal relationships, forgiveness from the victim toward the offender is a requisite for restoring harmony in the relationship (Finkel, Rusbult, Kumashiro, & Hannon, 2002), and it should be the initial step in rebuilding trust (Chung & Beverland, 2006; Schoorman, Mayer, & Davis, 2007). Forgiveness can also trigger positive cognitive and affective reactions after transgressions and therefore lay a foundation for relationship restoration, which can contribute to trust-recovery mechanism. Tsang and Stanford (2007) supported that forgiveness facilitates relationship restoration as time passes. However, they argued that forgiveness must come first (J. A. Tsang, McCullough, & Fincham, 2006). Forgiveness is found to increase people's satisfaction with and commitment to their relationships (Rusbult et al., 1991) and is considered crucial in rebuilding a perception of justice and trust (Roberts-Cady, 2003). Thus, earning forgiveness is a crucial step in trust repair (Brodt & Neville, 2013), and we assume that forgiveness mediates the effect of apology components on trust repair.

2.4 Social value orientation

The effects of different apology components on forgiveness are moderated by personalities. One of the most important individual differences is related to social value orientation. It is defined as the stable preferences for certain patterns of outcomes for oneself and others or the weights that people assign to outcomes for the self and others in allocation tasks (Messick & McClintock, 1968; Van Lange, Otten, De Bruin, & Joireman, 1997). Three social value orientations are commonly accepted, with prosocials exhibiting clear tendencies toward cooperation, and individualists as well as competitors showing liabilities toward maximizing their own and relative gain (Kuhlman & Marshello, 1975; Liebrand & Van Run, 1985; Sattler & Kerr, 1991), they are usually considered as one group known as proselfs (Stouten, de Cremer, & van Dijk, 2005).

As a typical personality, social value orientation moderates many relationships between intentions and behaviors (Garling, Fujii, Garling, & Jakobsson, 2003). Past research confirms that prosocials and proselfs differ in their approaches and reactions to others in supervisor-subordinate circumstances after trust violation because social value orientation accounts for behavior and interaction patterns in various domains (Van Lange et al., 1997). Nonetheless, the concrete moderating mechanisms of social value orientation on the relationship between apology components and forgiveness must be investigated.

2.5 Apology

An apology is widely used in response to trust repair (Kramer & Lewicki, 2010). According to relevant observation in actual life, many scholars have performed extensive research to identify the effect mechanism of apology on trust repair. Apology is defined as a statement that acknowledges both responsibility and regret for a trust violation (Kim et al., 2004). With violators identifying, acknowledging, and assuming responsibility for the transgression, trust repair is obviously easy to obtain (Fehr & Gelfand, 2010; Kim et al., 2004), and an apology from an offender is an effective interpersonal strategy to restore damaged relationships (Darby & Schlenker, 1982; Struthers, Eaton, Santelli, Uchiyama, & Shirvani, 2008). In addition, an apology is often the first step and the most popular response instantly after trust violation (Ren & Gray, 2009), because it can be implemented timely with minimal cost. Moreover, victims prefer to accept an apology than another verbal reply right after violation (Fehr & Gelfand, 2010). Forgiveness is possible when the perpetrator of an offense apologizes. Nonetheless, substantial empirical research confirms that apologies are not always effective. They may fail to work and even make the situation worse, because an apology signifies acknowledging the transgression, although they simultaneously address guilt and remorse. Therefore, whether apologies are useful in trust repair depends on the weight of the relevant positive and negative effects, which is directly related to the concrete situation of the violation. That is, if victims perceive more regret than guilt, then an apology is effective (Kim et al., 2004).

Considerable literature confirms that apology affects trust repair, but no consensus has been reached regarding its concrete effect mechanisms, that is, how an apology can best work in different conditions. An apology is viewed as a strictly dichotomous phenomenon and widely examined in psychological domain, that is, "apology" versus "no apology." (Frantz & Bennis, 2005; Michael E McCullough et al., 1997; Struthers et al., 2008; Tomlinson et al., 2004) However, exploring the effect mechanisms of apology is inadequate (Fehr & Gelfand, 2010). In recent years, as people pay more attention to trust, trust repair has been a focus in academia and society. Apology mechanisms have also been taken into consideration in the process. An apology has been commonly compared with denial and reticence in trust repair (Ferrin et al., 2007; Kim et al., 2006; Kim et al., 2004). In addition, apology itself has different effect mechanisms because of different apology components (Fehr & Gelfand, 2010). In this regard, considering how the different apology components match the actual context is necessary. An apology should be delivered with different component degrees according to violation type. To understand the mechanisms of the components for different objects, further research should be conducted.

Considerable consensus exists regarding the three apology components across fields such as law, sociology, and psychiatry. These components are offers of compensation, expressions of empathy, and acknowledgments of violated rules/norms (Fehr & Gelfand, 2010), which are commonly recognized in recent research. Empirical research on how different apology components drive trust repair can contribute to the innovation of relevant theory. Three apology components are commonly used when trust violation at the organizational level occurs, e.g., the transgression between supervisors and subordinates. The present study discusses how these three components drive trust repair.

2.6 Apology components

Although only minimal attention has been paid in psychology (Darby & Schlenker, 1982; Schmitt, Gollwitzer, Forster, & Montada, 2004), apology components receive great consideration from several humanists and social scientists (Lazare, 2004). The three commonly recognized apology components particularly suitable for current research are offers of compensation, expressions of empathy, and acknowledgments of violated rules/norms. Fehr and Gelfand (2010) developed an apology component scale for the three apology components through

experiment; additional relevant research is expected despite considerable consensus regarding these components across fields.

Apologies as offers of compensation focus on restoring the balance of relationship through specific or general action. For instance, offenders can provide their victims with either tangible or more emotionally driven compensatory offers (Schmitt et al., 2004) to moderate the violated trust relations. Compensation is viewed as a vital component of apology in many qualitative studies ranging from law and sociology to psychology (Lazare, 2004; Schlenker & Darby, 1981). Offers of compensation also play a significant part in organizational contexts because compensation is frequently offered as a form of apology to moderate the negative effects after organizational injustice (Okimoto & Tyler, 2007).

Contrary to offers of compensation that focus on equity and exchange, expressions of empathy focus on relational issues, which demonstrate offenders' recognition of and concern for their victims' loss, both socio-emotionally and cognitively (Davis, 1983). Offenders may demonstrate empathy by expressing warmth toward their victims or compassion for their suffering as well as an understanding of the wrongdoing, or personal remorse in detail (Fehr & Gelfand, 2010; Schmitt et al., 2004). Similar to offers of compensation, research on expressions of empathy are found in sociology (RITUAL, 1967), psychology (Lazare, 2004), and many other fields (Tavuchis, 1991; Wagatsuma & Rosett, 1986). The importance of expressing empathy has recently attracted increased attention in management theory, because trust can contribute to easing conflict and promoting cooperation (Gelfand, Major, Raver, Nishii, & O'Brien, 2006), and showing empathy is usually a necessary step to repair damaged trust relations (Roschk & Kaiser, 2013). Evidence is found in research that empathy exerts significant influence on service recovery satisfaction. Someone who has admittedly harmed another is expected to regret his harmful behavior and display compassion (Schmitt et al., 2004); the more empathic and intense the apology given, the easier the victims forgive the transgressors and trust them again. Therefore, showing empathy is a necessary and useful component when supervisors attempt to repair the violated trust. Considering the specificity and importance of empathy, it is a necessary and effective component when apologizing to whether proselves or prosocials.

Compared with the above components at the victim-offender dyad level, acknowledgments of violated rules/norms expand the scope of apology to group context. Essentially, this component emphasizes the significance of rules and norms for interpersonal behavior. In this regard, acknowledgment of violated rules/norms reference strong behavioral norms and members' duties in organizational or group contexts. Tavuchis (1991) considered the position of social order and commitment to norms dealing with standards of behavior and institutional arrangements when defining apology, which directs attention to rules and meta-rules. These acknowledgments embody that a rule was broken after trust violation and the negative emotional effect caused by the breach both socio-emotionally and cognitively should be relieved; thus, acknowledging that the breach of rules/norms is a useful method in special context. Especially in non-Western cultures, acknowledgments of violated rules/norms may be particularly important when dealing with transgression in an organization, as non-Western cultures value social rules and norms, which is supported by cross-cultural theory (Gelfand et al., 2006).

The model of how different apology components drive trust repair in the supervisor-subordinate relationship is proposed and explored in the succeeding parts, with consideration of the moderating effect of social value orientation. The model gathers information from a variety of literature to offer a new view for investigating trust repair after violation in supervisor-subordinate circumstances.

2.7 Offers of compensation and proselves

In general, proselves, relative to prosocials, care more about their own self-interest, as witnessed by their tendency to cooperate less in groups, and consider non-cooperative behavior as not bad (Sattler & Kerr, 1991). Thus, proselves primarily care about their own benefit and can be expected to violate important coordination rules, such as equality based mainly on self-interest (Stouten et al., 2005). Individuals with a prosel self orientation tend to act and think in an individually rational manner and are likely to focus on issues related to their self-interest after an offense. They are less concerned with offenders' expressions of empathy group rules or norms and more concerned with certain parts that compensate for their personal loss. More than other apology components, offers of compensation are closely aligned with these concerns and should be particularly effective for proselves. Offering compensation emphasizes the importance of re-establishing equity and restores what the victim lost, either physical or emotional. Proselfs care more about the just distribution of resources in an organization, worrying about less gain than others do (Johnson & Chang, 2006). Relatedly, Mattila and Patterson (2004) found that highly independent people are more likely to react positively to compensation following a service failure than less independent people. Similarly, in the supervisor-subordinate context, proselves prefer to accept an apology including offers of compensation rather than other components. By contrast, prosocials pay more attention to other components in accordance with their characteristics rather than compensation. Therefore, we propose Hypothesis 1a as follows:

H1a. Proselfs react more positively to apologies that include offers of compensation than prosocials.

2.8 Acknowledgments of violated rules/norms and prosocials

Compared with proselfs, prosocials exhibit greater levels of cooperation and show more concern over collective outcomes and equality in outcomes. Extant evidence indicates that individuals with prosocial orientations tend to act and think in a collectively rational manner. Numerous studies stipulate that, relative to proselfs, prosocials approach others more cooperatively and respond more cooperatively to a variety of strategies (Liebrand & Van Run, 1985). In addition, the collective self usually focuses on a broader, more impersonal identification with groups and social categories (Brewer & Gardner, 1996). Relative to proselfs, prosocials are also likely to pay particularly close attention to offenses against the group and group expectations, that is, they tend to care more about the norms/rules in groups rather than individual interest. Moreover, prosocials are more likely to reciprocate their partner's actions than proselfs are. Prosocials are expected to react toward trust violations by others standing through a group perspective because they consider equality and discipline as their important guidelines when deciding on whether to accept the apology and complete trust repair. In general, prosocials may be upset because a general norm of group is violated, indicating that prosocials pay more attention to group norms/rules rather than personal interests (Stouten et al., 2005). Thus, the component of acknowledgment works best for prosocials. We put forward Hypothesis 1b.

H1b. Prosocials react more positively to apologies that include acknowledgments of violated rules/norms than proselfs.

2.9 Mediating role of forgiveness between apology components and trust repair

Providing a substantial financial compensation is a useful repairing strategy and a necessary step in response to distributive injustice in economic exchange relations (Lewicki & Bunker, 1995; Lewicki, Wiethoff, & Tomlinson, 2005; Ren & Gray, 2009), because the offenders acknowledge their fault and demonstrate remorse, which can appease the injured party (Schmitt et al., 2004). Apart from its tangible benefits, compensation serves as an admission of blame and conveys that the offender is taking full responsibility for the violation. Despite the widespread application of compensations in response to distributive harm, few studies have investigated their effects on cooperation and trust repair (Desmet, De Cremer, & van Dijk, 2010), especially in the supervisor–subordinate context.

Offering compensation also plays a vital role during organizational trust repair. Showing penance in the form of compensation may be necessary for rebuilding violated trust, especially when the damaged party suffers severe consequences (Bottom et al., 2002; Ren & Gray, 2009). The more compensation the victims receive, the more they are willing to trust and cooperate again (Desmet et al., 2010). Empirical research confirms that cooperation relations can be repaired to a certain extent when the transgressor offers substantive financial compensation (Bottom et al., 2002; Schmitt et al., 2004). In general, costly apologies work better on victims who suffered substantial loss than less costly apologies, that is, victims react most positively to apologies with compensation than other factors. Desmet et al. (2011) supported this assertion, observing that compensation can increase trust by restoring equality. Therefore, compensation is a minimum necessity to repair trust and cooperation because compensation offsets a victim's substantial loss or balances outcomes.

As transgressions in the supervisor–subordinate relations may often result in financial harm or other substantial loss for one party, a common restorative approach consisting of the transgressor offering compensation to the victim is reasonable. Providing the compensation voluntarily and promptly is more likely to promote forgiveness (P. T. M. Desmet et al., 2011). All studies in the economic realm agree that compensation should be voluntarily initiated by the transgressor because forced compensation by the third part lacks sincerity, which plays an important part in forgiveness. Similarly, supervisors are supposed to take actions initially and offer compensation to repair the relationship with the subordinates. Usually, victims in these relations base their trust on the favorability of the outcomes they receive and the expectancy of receiving a benefit, either tangible or emotional (Lewicki & Bunker, 1995; Lewicki et al., 2005). Tangible compensation can help repair emotional loss; offering compensation is an appropriate strategy to repair supervisor–subordinate relations. Offering compensation affects forgiveness and therefore leads to trust repair. Moreover, with the effect of forgiveness on trust repair argued above, we present Hypothesis 2a.

H2a: Forgiveness mediates the relationship between offers of compensation and trustworthiness.

Empathy is usually viewed as a criterion for evaluating the fairness of an interaction (Colquitt, 2001) and is directly related to trust repair. The offender's expressions of empathy for the victim's suffering are a necessary condition for reconciliation, with which the victims are more willing to cooperate with and trust the offenders again. The use of empathy accounts for high levels of perceived integrity that is one of the main dimensions of trustworthiness (Van Laer & De Ruyter, 2010). Such positive expressions by an adversary are suggested to exert positive effects on reconciliation and trust repair. However, it is unsuitable for all situations, that is, expressions of empathy lead to more positive attitudes when trust is high and they exert adverse effects

when trust is low. As a result, the effect of expressions of empathy depends on the context. Nonetheless, in the supervisor–subordinate context, which usually represents a relatively long history of interaction, showing empathy is considered as a useful method to solve conflicts and repair trust. In sum, expressions of empathy for the victim’s suffering are an important determinant of an apology’s effectiveness in repairing trust (Nadler & Liviatan, 2006). Someone who shows empathy tends to place oneself in another’s position mentally in a special situation to show his or her carefulness and compassion, which can help relieve the victims’ negative emotions caused by the transgression and make them forgive the transgressors. Considering the effect of forgiveness on trust repair discussed above, we obtain Hypothesis 2b.

H2b. Forgiveness mediates the relationship between expressions of empathy and trustworthiness.

Taking the responsibility for violating the rules and having caused them is one of the important determinants of an apology’s effectiveness in obtaining forgiveness and repairing trust (Nadler & Liviatan, 2006). Holtgraves (Holtgraves, 1989) supported this viewpoint, insisting that the acknowledgement of the victim’s suffering and transgressors’ violation of rules positive affects the interpersonal relations between two individuals in conflict. Specifically, asking for pardon influences forgiveness only when combined with an acknowledgment of the damage (Schmitt et al., 2004). Wagatsuma and Rosett (1986) claimed that an acknowledgment of the authority of the hierarchical structure, that is, the organizational rules or norms, is an important part of an apology, promoting social harmony and obtaining forgiveness (Fehr & Gelfand, 2010). Thus, we develop Hypothesis 2c as follows:

H2c. Forgiveness mediates the relationship between acknowledgments of violated rules/norms and trustworthiness.

2.10 Moderating effects of social value orientation on trust repair

As discussed above, proselves react most positively to offers of compensation while prosocials react most positively to acknowledgments of violated rules/norms, that is, offers of compensation work better for proselves than for prosocials. Similarly, acknowledgments of violated rules/norms work better for prosocials than for proselves. No theoretical evidence proves the significant difference between proselves and prosocials when they react to expressions of empathy. Thus, we introduce the hypotheses on the moderating effects of social value orientation on trust repair.

H3a. The indirect effect of offers of compensation on trustworthiness through forgiveness is moderated by social value orientation, that is, the effect is stronger for proselves than for prosocials.

H3b. The indirect effect of acknowledgments of violated rules/norms on trustworthiness through forgiveness is moderated by social value orientation, that is, the effect is stronger for prosocials than for proselves.

3. Method

3.1 Variables

Independent variables. The three independent variables in the models, that is, the three apology components are offers of compensation, expressions of empathy, and acknowledgments of violated rules/norms. Fehr et al. (2010) developed effective scales, including these three apology components. Therefore, the scales were applied to measure informants’ preference to apology components after trust violation. All variable items were measured with seven-item scales (1 = Strongly Disagree, 7 = Strongly Agree).

Mediating variable. Forgiveness was measured using two items adapted from the Transgression-Related Interpersonal Motivations Scale (Michael E McCullough et al., 1998). The items were combined to form an overall measure of forgiveness, $\alpha=0.87$.

Moderating variable. The “decomposed game” is widely used in most subsequent research to measure social value orientation due to its excellent psychometric qualities (Kuhlman & Marshello, 1975; Liebrand & McClintock, 1988). In this game, participants make some choices to determine the allocation of a sum of money or points between themselves and an unknown person. Van Lange (1997) proposed a standardized paper-and-pencil version “in which a participant makes nine choices, each time among one alternative that maximizes his or her own outcome (number of points for oneself), one alternative that maximizes joint outcome (the sum of number of points for oneself and the other), or one alternative that maximizes his or her own outcome relative to the other’s outcome (the difference in number of points for oneself and the other).” (Garling et al., 2003) Participants who choose the same option at least six times are viewed as cooperators, individualists, or competitors depending on which of the options they prefer, otherwise it is considered as an ineffective sample. In most studies, cooperators (prosocials) were compared to individualists and competitors combined (proselfs) (De Cremer & Van Lange, 2001; Stouten et al., 2005).

Dependent variable. Five items were used to measure repaired trust, three of them measured trust beliefs and the other two measured trust intent (Sirdeshmukh, Singh, & Sabol, 2002; Xie & Peng, 2009).

Control variables. Demographic statistics, including gender, age, and education, were measured as control variables. Trust propensity (three items) and forgive propensity (five items) were also taken as control variables

because such characteristics significantly influence trust repair mechanisms.

3.2 Study 1

Study 1 was aimed at investigating people's preference for apology components. That is, which component do prosocials or proselfs prefer?

Participants and procedure. The participants consisted of 160 persons randomly sampled from employees who worked or are working in organizations. The response rate was 93% (49% women, 51% men). Among the responses, 132 were taken as effective questionnaires. The average age was 25.7 years. A bachelor's degree was held by 63.8% of the sample, whereas 8.7% finished high school and 27.5% attained a master's degree.

The study was completed after two sessions. In the first session, participants completed a self-report measure of their social value orientation along with basic demographic information. In the second session, participants completed the primary apology measure, being asked what (compensation, empathy, and acknowledgment) they expect from their supervisors' apology after trust violation.

Results. Table 1 presents the means, standard deviations, and correlations of the primary study variables. Mean ratings of offers of compensation, expressions of empathy, and acknowledgments of violated rules/norms indicative of apologies were all above the scale midpoint, signifying that participants seemed, on average, to recognize that the three components are indicative of a good apology. Moreover, correlations among the three scales were modest (0.277–0.456), providing further evidence for the distinctiveness of the three focal components.

Social value orientation is a nominal variable (proself=0, prosocial=1). Table 1 shows that the correlation between compensation and social value orientation is significant, $r=-0.213$ ($p<0.05$). Proselfs prefer the component of compensation than prosocials; therefore, H1a is supported. The correlation between acknowledgment and social value orientation is also significant, $r=0.34$ ($p<0.01$), indicating that prosocials prefer acknowledgment than proselfs. Hence, H1b is confirmed. In contrast, H1a is not supported.

Table 1. Means, Standard Deviations, and Correlations

	M	SD	1	2	3	4
1. Social value orientation	0.54	0.50				
2. compensation	5.13	1.15	-0.213*	(0.872)		
3. Empathy	4.88	1.35	0.082	0.277**	(0.875)	
4. acknowledgment	5.13	1.29	0.340**	0.409**	0.456**	(0.924)

Note: $N=149$. * $p<0.05$. ** $p<0.01$.

3.3 Study 2

After verifying proselfs' and prosocials' preferences for apology components, study 2 was implemented to explore the effect mechanisms, that is, how three components independently drive trust repair. Moreover, the moderating effect of social value orientation was considered.

Participants and procedure. A total of 300 questionnaires were distributed to employees in corporations in Hefei, with a case of chewing gum as a gift. The response rate was 93% (279 questionnaires, 32% women, 68% men), with 272 effective questionnaires. The average age was 21.5 years. A bachelor degree was held by 58.4% of the sample, whereas 2.6% finished high school and 38.3% attained a master's degree.

Table 2. The effects of apology components on trust repair: Results of Step-wise Regression

Variable	Model					
	Y=forgiveness		Y=trustworthiness			
	1	2	3	4	5	6
Constant	2.190*	-2.266*	-2.557*	3.738**	0.317	1.586
gender	0.700	1.438	1.569	1.726	2.342*	1.857
age	0.788	1.080	1.284	-0.073	0.120	-1.007
education	-0.419	-0.588	-0.593	0.305	-0.025	0.820
trust property	5.392**	3.608**	3.591**	5.659**	3.970**	1.660
forgive property	3.783**	1.495	1.585	2.819**	0.764	0.219
Offers of compensation		3.884**	3.139**		2.654**	0.655
Expressions of empathy		5.637**	5.765**		5.444**	3.051**
Acknowledgments of violated rules/norms		6.709**	7.223**		5.290**	0.846
Social value orientation		7.557**	3.636**			
Forgiveness						12.374**
Offers of compensation*			0.794			
Social value orientation						
Acknowledgments of violated rules/norms*			-2.615**			
Social value orientation						
R ²	0.198**	0.675**	0.685**	0.175**	0.518**	0.696**
Δ R ²		0.477**	0.01*		0.343**	0.178**

Note: * $p<0.05$. ** $p<0.01$.

The study was conducted in two sessions. After participants filled out the demographic statistics and social value orientation measure in session one, they were read the scene experiment material and answered how they felt about supervisor’s apologies.

Studies 1 and 2 were completed 2 months apart; the interval exhibited no associations with any of the studies’ variables, or any interactions with the studies’ primary findings.

Results. To verify the mediating effect of apology components on trust repair through forgiveness, step-wise regression analysis was performed. As shown in Table 2, in model 2, the regression coefficient of independent variable offers of compensation on mediating variable-forgiveness is significant ($p<0.01$). In model 5, the effect of compensation on dependent variable-trustworthiness is also significant ($p<0.01$). In model 6 the coefficient of mediating variable-forgiveness on trustworthiness is significant ($p<0.01$), whereas the main effect of compensation on trustworthiness is insignificant. The mediating effect of offers of compensation on trustworthiness through forgiveness presents a complete mediating effect. Therefore, H2a is supported.

Similarly, as shown in Table 2, both the effects of expressions of empathy (independent variable) on forgiveness (mediating variable) and trustworthiness (dependent variable) are significant (both $p<0.01$). In addition, in model 6, both the effect of forgiveness on trustworthiness and the effect of empathy on trustworthiness are significant (both $p<0.01$). The mediating effect of expressions of empathy on trustworthiness through forgiveness is a partial mediating effect. Hence, H2b is confirmed. As indicated in Table 2, both the effects of acknowledgments of violated rules/norms (independent variable) on forgiveness (mediating variable) and on trustworthiness (dependent variable) are significant (both $p<0.01$).

In addition, in model 6, the effect of forgiveness on trustworthiness is significant ($p<0.01$), whereas the effect of acknowledgment on trustworthiness is insignificant. The mediating effect of acknowledgments of violated rules/norms on trustworthiness through forgiveness is a complete mediating effect. Therefore, H2c is supported.

As indicated in Table 2, the effect of acknowledgments of violated rules/norms*social value orientation on forgiveness is significant ($p<0.01$), whereas the effect of offers of compensation*social value orientation on forgiveness is insignificant. Social value orientation moderates the effect of acknowledgment on forgiveness but does not moderate the relation between compensation and forgiveness. Therefore, H3b is supported (the moderating effect is shown in Figure 1), but H3a is not verified. Although proselves may care more about substantial compensation than prosocials theoretically, proselves and prosocials in the context in this study do not show a significantly different attitude toward offers of compensation. The reason may lie in cultural features in the specific context; the effect of compensation on forgiveness between proselves and prosocials exhibits no obvious discrimination.

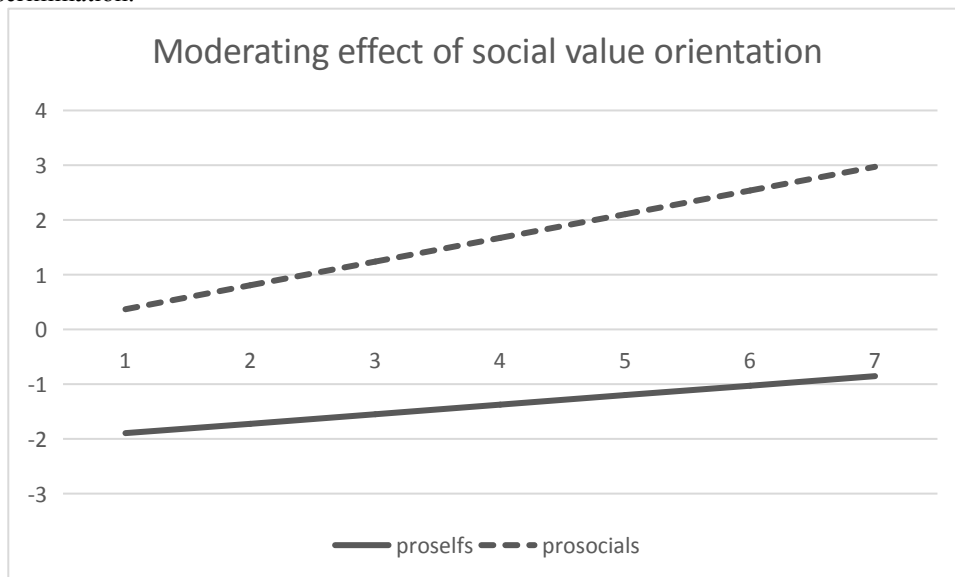


Figure 1. Moderating effect of social value orientation.

4. Discussion

The results confirmed the proposed model of apology effect mechanisms on trust repair. The models demonstrated how three apology components drive trust repair and introduced an important moderating variable—social value orientation. Proselfs tend to accept the component of compensation, while prosocials react more positively to acknowledgment. Despite the similar mediating mechanisms of components on trust repair through forgiveness, proselves and prosocials give significantly different weight to acknowledgment. Several

other studies (Fehr & Gelfand, 2010; Garling et al., 2003) obtain similar results.

Practical implications are indicated in this study. Usually, apologies are treated as dichotomy, which limits the possibility to investigate detailed apology effect mechanisms and constrained the practical uses of how to best apologize to victims. The present research overcame this drawback by investigating different apology components and their effect mechanisms separately. All three apology components exhibit significant and positive effects on trust repair through forgiveness. Therefore, violators should consider all the three components when apologizing to victims and combine the structure as well as the emphasis of apologies according to concrete context to obtain better results.

Considering the partly approved function of moderator, people with different social value orientations react differently to apologies with different component structure and emphasis. Hence, offenders should take relevant actions when they want to obtain trust repair in accordance with victims' social value orientation. That is, they should give more weight to offers of acknowledgments of violated rules/norms when they apologize to prosocials because prosocials care more about group rules. Both empathy and compensation play important roles in the process and should not be ignored. In general, violators should consider the characteristics of victims when offering apologies. A consideration of what victims expect to hear may promote the apology effect.

Apart from trust repair, apology effectiveness can predict conflict reconciliation (Fehr & Gelfand, 2010) and relationship repair (Karl Aquino et al., 2006), such as the relationship repair among coworkers, which can contribute to OCBs, job performance, and cooperation, as forgiveness produces important prosocial spillover effects.

In addition, this study bears theoretical implications. As apology is a complex meaningful concept and offers of compensation, expressions of empathy, as well as acknowledgments of violated rules/norms are three commonly recognized components of apology. Analyzing three components and their effect mechanisms independently rather than viewing it as a dichotomy is more convincing, which can better contribute to an in-depth research on apology. Considering that apology is one of the most common methods used to repair trust and other kinds of relationship conflicts, exploring the effect mechanism in detail is necessary, because it can help explain how apology components work effectively. All three components drive trust repair through forgiveness, suggesting that cognition is a significant mediating process leading to trust repair. Repair strategies should be oriented at psychological cognition. Studies reveal that stable individual characteristics play an important part in people's tendency to forgive others (Brown & Phillips, 2005) and may moderate the apology mechanisms. Social value orientation is a personal feature that may influence whether victims are prone to forgive a particular transgression. Prosocials and prosocials react differently to acknowledgment; the effectiveness is greater for prosocials than for proselfs, whereas the difference on compensation and empathy between proselfs and prosocials are not obvious. Moreover, considering the lack of trust repair at the organizational level, the present research can contribute to a growing relevant research.

Despite its contributions, this study possesses some limitations. The present research focuses on hypothetical rather than real-world apologies and violation events, and, thus, the application of research result is limited. All methodologies contain inherent flaws (McGrath, Martin, & Kulka, 1982), including the methods used. Additionally, the research is based on the specific supervisor-subordinate context, and the application of the results presented here to real-world events should be performed with caution. To better understand how contexts may affect trust repair, both relational and situational contexts must be considered. For example, initial trust level may moderate the effect path (Michael E McCullough et al., 1998), as victims with different relationship closeness are likely to react distinctively to repairing actions. Given that forgiveness is a classic psychological mediator concerning affection and cognition, professional exploration is expected. Affective reactions to transgressions and repair actions may explain why certain apologies only work when tailored to victims' personalities. Likewise, the effectiveness produced by an apology also depends upon the violation type. Different apology strategies should be made considering the type of offense—if it is an integrity versus competence violation (Kim et al., 2004) or if it is an intentional or unintentional offense. Furthermore, additional knowledge is needed on how trust can be repaired over time. Apart from the consideration in this study, other external factors may affect the repair process. Further exploration is expected.

5. Conclusion

In summary, the effect mechanisms of apology components on trust repair are confirmed except the moderating effect of social value orientation on the effect of compensation on forgiveness. Given that trust violation events occur frequently in real life, especially in organizations, more attention should be paid on trust repair. By integrating apology, social value orientation, as well as trust repair theories, this study verified the repair strategies using apology components and provided advice on how to repair trust effectively.

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Appendix

Propensity to trust

1. Most people are trustworthy
2. Most people can be relied upon to tell the truth
3. In general, people can be trusted to do what they say they will do

Propensity to forgive

1. I can easily forgive even if the consequences of harm have not been canceled
2. I can easily forgive even when the offender has not apologized
3. I can truly forgive even if the offender did harm intentionally
4. I can truly forgive even if the consequences of harm are serious
5. I can truly forgive even when the offender has not begged for forgiveness

An Instrument to Measure Social Value Orientation

In this task we ask you to imagine that you have been randomly paired with another person, whom we will refer to simply as the "Other." This other person is someone you do not know and that you will not knowingly meet in the future. Both you and the "Other" person will be making choices by circling either the letter A, B, or C. ^bur own choices will produce points for both yourself and the "Other" person. Likewise, the other's choice will produce points for him/her and for you. Every point has value: The more points you receive, the better for you, and the more points the "Other" receives, the better for him/her.

Here's an example of how this task works:

You get A 500 B 500 C 550
Other gets 100 500 300

In this example, if you chose A you would receive 500 points and the other would receive 100 points; if you chose B, you would receive 500 points and the other 500; and if you chose C, you would receive 550 points

and the other 300. So, you see that your choice influences both the number of points you receive and the number of points the other receives.

Before you begin making choices, please keep in mind that there are no right or wrong answers—choose the option that you, for whatever reason, prefer most. Also, remember that the points have value; The more of them you accumulate, the better for you. Likewise, from the "other's" point of view, the more points s/he accumulates, the better for him/her.

For each of the nine choice situations, circle A, B, or C, depending on which column you prefer most: Note. Participants are classified when they make 6 or more consistent choices. Prosocial choices are 1c, 2b, 3a, 4c, 5b, 6a, 7a, 8c, 9b; individualistic choices are 1b, 2a, 3c, 4b, 5a, 6c, 7b, 8a, 9c; and competitive choices are 1a, 2c, 3b, 4a, 5c, 6b, 7c, 8b, 9a.

	A	B	C		A	B	C
(1) You get	480	540	480	(6) You get	500	500	570
Other gets	80	280	480	Other gets	500	100	300
	A	B	C		A	B	C
(2) You get	560	500	500	(7) You get	510	560	510
Other gets	300	500	100	Other gets	510	300	110
	A	B	C		A	B	C
(3) You get	520	520	580	(8) You get	550	500	500
Other gets	520	120	320	Other gets	300	100	500
	A	B	C		A	B	C
(4) You get	500	560	490	(9) You get	480	490	540
Other gets	100	300	490	Other gets	100	490	300
	A	B	C				
(5) You get	560	500	490				
Other gets	300	500	90				

Apology components

In general, a good apology should include.. .

Offers of compensation

- 1 .. .an offer to compensate me for what happened
- 2 .. .an offer to help me recover my damages
- 3 .. .an offer to do something specific to make up for what happened
- 4 .. .a suggestion that he/she reimburse me in some way

Expression of empathy

- 5 .. .an expression of great concern for my suffering
- 6 .. .a show of empathy toward me
- 7 .. .an indication that he/she truly cares about how I feel
- 8 .. .an expression of tenderness toward me
- 9 .. .true sympathy for me

Acknowledgment of violated rules/norms

- 10 .. .a verbal recognition that he/she failed to act as a good group member
- 11 .. .an admission that he/she did not live up to the standards of the group
- 12 .. .an acknowledgment that he/she violated an important group rule
- 13 .. .a show of concern for breaking an important social norm
- 14 .. .an acknowledgment that he/she didn't live up to group standards

Forgiveness

1. Given the situation, I would forgive my supervisor.
2. Given the situation, I would trust my supervisor in the future.

Trustworthiness

1. In general, I trust my supervisor.
2. In general, my supervisor is reliable.
3. In general, my supervisor is dependable.
4. I believe that my supervisor would consider my interest on the issues which are important to me later.
5. I would be comfortable giving my supervisor a task or a problem which was critical to me, even if I could not monitor his(or her) actions.

Scene experiment material: in addition to some substantive rewards, like salary, bonus and traveling, there are other developing incentives provided in the firm where you work, like career planning guidance and staff developing training. Once, the firm provided a hard-won training aimed at cultivating reserve management talents. With limited training places, only those were recommended by their supervisors can get the training chance. Your supervisor told you that he (or she) would like to give you the chance because he (or she) thought you have excellent work ability and developing potential and you are the best candidate in the department. You were grateful for that and said you would treasure the chance. However, your supervisor did not recommend you and you did not get the training chance.

Then your supervisor spoke to you and apologized for that he (or she) did not fulfill the commitment, he (or she) wanted to repair your trust on him (or her). He (or she) said “sorry”. Then He (or she) expressed empathy for your suffering, He (or she) felt sorry that you did not attend training and understood your lose. Next, He (or she) admitted that he did not fulfill the commitment, violated the group rules/norms and offended your trust relationship. Last, he (or she) said he would compensate you and give you the next training chance.

After reading the material, participants were asked how they feel about supervisor’s apologies.