



Chutes versus ladders: Anchoring events and a punctuated-equilibrium perspective on social exchange relationships

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**CHUTES VERSUS LADDERS:
ANCHORING EVENTS AND A PUNCTUATED-EQUILIBRIUM PERSPECTIVE ON
SOCIAL EXCHANGE RELATIONSHIPS**

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ABSTRACT

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We integrate concepts from research in emotion and memory to show how critical exchanges, or anchoring events, can suddenly and durably change the rules for organizational relationships, leading them to reach non-reciprocal forms like altruism or competition. We define these events and discuss the likelihood of their occurring as a function of the current state of the relationship, the time in that state of the relationship, and the social context where the event takes place.

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“...Some harms and violations appear to be irreversible. For example, one person who was the victim of public ridicule by a boss reported, ‘I felt so angry and betrayed. There was nothing he could say or do to make me feel better after what he did. Nothing...I can vividly recall the memory to this day [20 years later.]’” (Bies & Tripp, 1996: 259)

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Every member of an organization is simultaneously engaged in multiple social exchange relationships with coworkers, supervisors, teams, and the organization in general (Emerson, 1976). Because of this, organizational researchers have invested a tremendous amount of effort and thought in testing how the form and content of social exchange relationships impact attitudes and behaviors in the organizational context (Cropanzano & Mitchell, 2005). In the past, researchers have assumed that because these social relationships take place in the organizational context, they are mainly governed by rules of reciprocity (Eisenberger, Huntington, Hutchison & Sowa, 1986; Gouldner, 1960; Sparrowe & Liden, 1997), which means that parties in the relationship seek to minimize the difference between the benefits they provide and the benefits they receive from others (Meeker, 1971). However, this assumption overlooks dynamics in certain relationships in which patterns of exchange are exhibited that differ dramatically from those predicted by models of reciprocity (Bies & Tripp, 1996; Brief & Motowidlo, 1986; Meglino & Korsgaard, 2004), nor does it address why these “non-reciprocal” relationships can frequently remain stuck in these patterns over extended periods of time.

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Researchers have largely assumed that social exchange relationships form gradually over time based on a series of reciprocity-based interactions which, if perceived to be successfully fulfilled (Molm, 2003; Molm, Takahashi, & Peterson, 2000), can eventually engender feelings of personal obligations, gratitude, and trust (Blau, 1964; Cropanzano & Mitchell, 2005; Holmes, 1981; Lawler, 2001). However, we believe that there exists an alternate route by which exchange

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3 relationships may take on and maintain non-reciprocal forms. We argue that exchange
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5 relationships can change between reciprocity-based and non reciprocity-based forms through a
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7 “punctuated-equilibrium” process where relationships reach these states over one exchange or
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9 short sequence of exchanges marked by extreme emotional and instrumental content. These key
10
11 exchanges, or *anchoring events*, are encoded in autobiographical memory (Conway & Pleydell-
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13 Pearce, 2000), and result in durable changes to the rules we use to evaluate subsequent behaviors
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15 in the relationship (Baldwin, 1992; Meeker, 1971). Once an anchor is set in a relationship,
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17 exchanges that occur later in the relationship are evaluated through the prism of the anchoring
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19 event. Thus, once the rules for the relationship have been changed, the relationship becomes
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21 resistant to reversion to reciprocity.
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27 While applications of social exchange theory in organizations have expanded,
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29 organizational researchers’ focus on the processes by which relationships reach particular forms
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31 has stagnated (e.g., Cropanzano & Mitchell, 2005; Sparrowe & Liden, 1997). Where we depart
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33 from existing literature in social exchange is in our introduction of an alternate, more direct,
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35 means by which exchange relationships can take on non-reciprocal forms, and in our reliance on
36
37 the role of individual memory and emotion as both outcomes and causal mechanisms in these
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39 processes (Cook & Rice, 2003). We believe that integrating an understanding of how memory
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41 works in both driving and evaluating behaviors in exchange relationships is important as
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43 relationships affect particularly relevant organizational behaviors including deviance, relational
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45 exchange quality, identification, and organizational citizenship behaviors (Dirks & Ferrin, 2002;
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47 Gerstner & Day, 1997; Rhoades & Eisenberger, 2002; Robinson & Bennett, 1995).
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53 The basic approach to understanding how exchange relationships come to be governed by
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55 particular rules remains little changed from early formulations of social exchange theory. Blau
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3 (1964) originally proposed that exchanges take place over the life of the relationship, and the
4 exact content and structure of subsequent exchanges can change based on the perceived quality
5 of goods being exchanged at that time. While Holmes (1981) and Homans (1961) provide insight
6 into how the content of early exchanges may determine the form of the relationship, their
7 frameworks are largely silent as to how much impact highly memorable exchanges have in
8 setting the long-term exchange rules used later in the relationship. Emerson (1976: 341)
9 indicated that he favored a concept called “social operant behavior” that would define exchange,
10 where the “level or frequency of performance over time is sustained by reinforcing (rewarding)
11 activity from other people.” This “reciprocally contingent flow” was to be viewed longitudinally,
12 such that “a resource will continue to flow only if there is a valued return contingent upon it”
13 (Emerson, 1976: 359). Lawler (2001: 322)’s affect theory of social exchange is based on an
14 assumption that “repeated exchange” was part of the process of developing positive affect
15 needed to result in positive exchange behavior. Cropanzano and Mitchell (2005: 890) ratified this
16 view of current and past social exchange theorists in stating: “relationship development is not a
17 matter of a single stimulus-response. It is more analogous to climbing a ladder.”
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39 A key assumption made in this past research is that each party repeatedly weighs the
40 goods and services exchanged, that one judges each and every interaction with another and it is
41 the *balance* of those interactions that determines the perception of the relationship and the rules
42 to be applied in future exchanges. We believe, however, this assumption is not warranted in
43 modeling the development of all relationships. Using theory related to memory and emotion, we
44 argue that relationships can reach different forms via a “chute,” a punctuated process where the
45 rules for future exchanges are quickly, dramatically, and durably changed by the outcome of a
46 single event.
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ANCHORING EVENTS

As we look to build a definition and operational framework for the anchoring event, we first examine the evidence that significant events in relationship take place and alter relationships in lasting ways.

The Case for Events Serving as “Anchors”

Several research streams support our core proposition that certain events serve as anchors for relationships. As we describe relationships, we will use the terms “focal individual” and “target,” which refer to the individual experiencing the anchoring event and making the evaluation and the person or parties with whom the focal individual is engaged. While targets are often individuals, targets can also be groups, business units, or organizations. The rules that we will lay out for an event serving as an anchor will not change no matter the level of the target.

The first argument supporting the notion of anchoring events comes from the literature on memory. Information about social exchanges between a focal individual and a target is stored and retrieved in the memory system that consists of events experienced by the self, known as “autobiographical memory” (Conway & Pleydell-Pearce, 2000; Wheeler, Stuss & Tulving, 1997). This autobiographical information is stored in varying levels of specificity in both the long-term and short-term memory systems, although for this theory we concern ourselves with storage in and retrieval from long-term memory, which is memory of items stored longer than a few seconds (Jonides et al., 2008). Autobiographical memory is broken down into knowledge of lifetime periods (e.g., first job, first house), general events (e.g., first day on the job) and specific events (e.g., what Harry said to me in my cubicle on the first day on the job) (Conway & Pleydell-Pearce, 2000). Within this memory store, descriptions of major events that relate to the achievement or blockage of an individual’s most central goals are stored as “self-defining

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3 memories” (Conway, Singer & Tagini, 2004; Moffitt & Singer, 1994). These memories are
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5 characterized by: “affective intensity, vividness, high levels of rehearsal, linkage to similar
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7 memories, and connections to an enduring concern or unresolved conflict” (Conway et al., 2004:
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9 504).

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12 The argument that certain memories of particular exchanges are important in determining
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14 the future form of the relationship is supported as well by research on the availability, or
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16 recallability heuristic, which states that individuals overweight information that is most easily
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18 recalled (Tversky & Kahneman, 1974). The availability heuristic is more likely to be present
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20 when an individual experiences an intense event (Ariely & Zauberman, 2003), and is also more
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22 likely to impact judgments when recalling information about the self than when recalling
23
24 information solely about others (Schwarz et al., 1991). Such intense memories have been
25
26 referred to as “temporal landmarks” (Shum, 1998) that serve as an aid in organizing and
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28 retrieving information from memory. When “discrepancies between expectation and experience”
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30 arise, the ability to easily recall a particular memory places added weight and importance on that
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32 memory (Caruso, 2008: 149). This would imply that memories of one prior exchange could serve
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34 as an anchor for judging the behavior of a target in a future social exchange. For relationships
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36 where there exist no durable memories of prior exchanges, the individual is more likely to rely
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38 on the balance of outcomes of cases of each particular valence or in a “last-in, first-out”
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40 sequence when making their judgments about how to evaluate the target.
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49 There is evidence from the psychological contract and trust literatures that key events can
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51 shape relationships in the organizational context (Rousseau, 1995). When individuals perceive a
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53 breach of the psychological contract, an event which could serve as a key negative event, they
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55 experience a wide range of negative outcomes including lower trust, absenteeism, intention to
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3 quit, and lower OCB's (Raja, Johns & Ntalianis, 2004; Robinson, 1996; Turnley & Feldman,
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6 2000). Similarly, Mayer, Davis, and Schoorman (1995: 725) state that an individual's perception
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8 of their trust in a target over time may become out of balance with the actual goods and services
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10 exchanged because that individual's perception of the quality of the relationship remained
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12 anchored on a past exchange where "the stakes" were particularly high. Further, Robinson
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14 (1996) found that individuals with high initial trust in the organization were less likely to report
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16 lower levels of trust after a subsequent breach in the psychological contract than those with
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18 lower levels of trust prior to the breach. That is, early, "high stakes" exchanges that led to initial
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20 high or low trust had some lasting impact on individual perceptions, leading us to believe that
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22 these events may be durable in their ability to influence exchange rules over time through the
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24 updating of the psychological contract in place (DeVos, Buyens & Schalk, 2003).
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30 The notion of unmet expectations triggering a rapid change in the schema used to
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32 evaluate the relationship is also supported by the notion of significant "phase-shift" events,
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34 described as "fairness-relevant events or information that falls far outside what would be
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36 expected from the existing general fairness judgment... [this] would push the perceiver from use
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38 mode back to judgmental mode" (Lind, 2001: 79). This occurs when an individual's expectations
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40 for particular returns in the social context are not met. A phase change then may occur where the
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42 individual who receives fair treatment shifts from an "individual mode" where they seek to
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44 maximize their own payouts in exchanges to a "group mode" where they become more oriented
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46 towards the need of others. In this model, unfair treatment would lead to an opposite shift (Lind,
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48 2001).
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53 These literatures support the assertion implicit in the opening quote that certain
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55 significant events can have a long-lasting impact on relationships. What we lack is an
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3 understanding of what characteristics such events have beyond a simple notion of an event not
4 fulfilling the focal individual's expectations. We also lack an understanding of the mechanism,
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6 on both the positive and the negative side, which describes how such events change
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8 relationships. Finally, we do not know the conditions under which these events are likely to
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10 occur, as most of the research to date has focused on the effects of negative events and how to
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12 repair the relationship after such an event has occurred (e.g., Kim, Cooper & Dirks, 2009).
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17 To understand relationship change, we focus on how specific exchanges change the
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19 decision rules in the focal individual's scripts for the relationship with a specific target, defined
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21 as a "predetermined, stereotyped sequence of actions that defines a well-known situation"
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23 (Schank & Abelson, 1977: 41). These scripts exist at both at the particular level (e.g., my script
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25 for exchanges with Harry) as well as the general level (e.g., my script for dealing with
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27 coworkers) and are stored in and influence each other in autobiographical memory (Conway &
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29 Pleydell-Pearce, 2000; Sluss & Ashforth, 2007). We are particularly interested in social scripts,
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31 which contain both a set of rules that guide behaviors toward the other person and memories that
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33 allow the person to interpret the others' behaviors in the context of the situation (Baldwin, 1992;
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35 Cantor & Kihlstrom, 1985). These decision rules emerge from an individual's values,
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37 perceptions of the alternative behaviors available to the individual, and their expectation of the
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39 consequences of their behaviors, including their projection of the behavior of the target in the
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41 exchange (Meeker, 1971). Relationships range from being governed by rules of reciprocity,
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43 where there is a concern for balance between inputs and outcomes (Adams, 1965; Meeker,
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45 1971), to non-reciprocity, where an individual seeks to achieve either an inequality (greater than
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47 or less than) between inputs and outcomes, a joint combination of inputs and outcomes, or the
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49 target's ratio is not considered at all. We believe it is in understanding shifts to and away from
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3 these non-reciprocity based rules, acknowledged as a key gap in the social exchange literature
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5 (Cropanzano & Mitchell, 2005), that these anchoring events will play the greatest role.
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8 **Anchoring Events Defined**

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10 It is our core proposition that the decision rules one uses to evaluate the future content of
11 a relationship can be determined, or anchored, by the outcome of a major event which can occur
12 at any point in the relationship. We refer to these as “anchoring events” and define them as: *1) A*
13 *social exchange that occurs when a focal individual is highly dependent on a target for exchange*
14 *content necessary to meet a particularly central goal for the individual. 2) Whose resolution*
15 *differs, either positively or negatively, from that individual’s expectation given the decision rules*
16 *they applied to the relationship prior to the event. 3) Where the actions of the target in the*
17 *exchange are judged to have an internal locus of causality and be controllable.*
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29 The combination of extreme dependence, relevance to a highly central goal, and
30 perceived mismatch between expected outcomes and actual outcomes creates an affective
31 response within the focal individual. The magnitude and direction of the affective reaction
32 associated with the event leads to it being durably stored as a self-defining memory in
33 autobiographical memory (Conway et al., 2004; Rubin & Kozin, 1984; Shum, 1998). If that
34 affective response coincides with an attribution of the target being responsible for the outcome,
35 the individual shifts the rules used to interpret the outcome of subsequent exchanges with the
36 target (Baldwin, 1992). Future encounters with the target will lead to retrieval of details of the
37 anchoring event from autobiographical memory as well as an affective reaction to those
38 remembered details (Lawler & Yoon, 1993, 1996, 1998; Leary, 2000; Zacks, Tversky & Iyer,
39 2001). This affective reaction leads to the target’s behavior in each subsequent exchange being
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3 interpreted to support the new, non-reciprocal rule (Forgas, 2000; Leary, 2000), thereby making
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5 the new relationship state durable, or resistant to change.
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8 In order to detail the operations of anchoring events and how they change the rules for
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10 relationships, we lay out the process in three stages and depict this process in Figure 1. Our
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12 treating these as stages is only for illustrative purposes; it is certainly not true that one stage must
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14 be fully complete before the next begins. These stages incorporate the definition of the
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16 anchoring event and highlight the impact of that anchoring event on the rules for the relationship.
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27 **Stage 1: Reacting to and Judging the Exchange**

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29 Following any social exchange where both the focal individual and target are involved,
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31 the focal individual engages in an evaluation of both the outcome and context of the exchange
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33 and the target that is believed to have caused the outcome (Blau, 1964). In this process, the
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35 individual is first concerned with the evaluation of “value” in the exchange, defined by Homans
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37 (1961) as a maximization of “total profit” in the exchange. This profit is measured in terms of the
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39 individual’s rules for the relationship at the time the exchange occurs (Meeker, 1971). We
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41 believe there are three possible judgments of the content of the exchange. The balance of
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43 expectations and returns may be neutral, in which case the exchange is viewed as “fair” (Lind,
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45 2001). But it is possible that the outcome may either produce an excess profit for the focal
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47 individual, where the target overwhelmingly exceeds the individual’s expectations, or a dramatic
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49 loss for the focal individual, where the target delivers either the wrong goods or services or fails
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51 to deliver goods or services of any value. The direction of judgment of the outcome (profit or
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3 loss) produces a primary appraisal that results in an affective reaction with a positive or negative
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5 valence (Weiner, 1985), while the magnitude of the discrepancy determines the intensity of this
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7 reaction (Carver & Scheier, 1998; 1999; Ortony, Clore, & Collins, 1988).
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10 The second input is the degree to which the exchange is associated with a central goal of
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12 the focal individual. A central goal is one related to “developmental demands” (Conway et al.,
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14 2004: 508) and could be related to such personal factors as growth, autonomy, achievement,
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16 intimacy, aging, and loss (Erikson, 1959). The centrality of the goal at stake in the exchange
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18 matters because this means that the event has the potential to create an affective response
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20 sufficiently extreme in arousal to bring up an image of the self in memory and thus create a self-
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22 defining memory (Conway et al., 2004; LeDoux, 1996). This image of the self is then subject to
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24 updating when the central goal is seen as being achieved, blocked, or in conflict with another
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26 central goal.
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31 To be an anchoring event, it is not enough that the event create a self-defining memory,
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33 the exchange must also lead to an individual updating the scripts of the self in relation to the
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35 target in autobiographical memory. At this stage, as shown in Figure 1, the affective reaction to
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37 the exchange is determined, but there is a subsequent judgment made regarding whether to focus
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39 this reaction on the target of the exchange. This focus results from the attribution of the target’s
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41 level of intentionality in their behaviors in the exchange and the perception that the target
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43 controlled the outcome of the exchange (Ortony et al., 1988; Weiner, 1985). Models of the
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45 relationship between attributions and trustworthiness have proposed that these are the standards
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47 by which we update our perceptions of the other party as a result of their behaviors in specific
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49 exchanges (Lewicki & Bunker, 1986; Tomlinson & Mayer, 2009).
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3 To understand how these affective reactions are built from the focal individual's
4 perspective, we can look at different types of emotional responses. Take, for example, an
5 exchange which renders the focal individual merely sad about the outcome compared to one that
6 renders the focal individual angry. Being angry, unlike being sad, is more likely to be associated
7 with the blockage of a central goal and thus includes high arousal, but is not necessarily
8 associated with the actions of a target (Ortony, et al., 1988). It's only after the attribution of
9 intentionality and controllability to the target that the focal individual now focuses their anger on
10 the target, which introduces a need to update the rules for future exchanges. An example of an
11 evaluation with positive valence that emerges from an exchange where the outcome exceeds
12 expectations and is attributed to the actions of a target is gratitude, which represents a "typical
13 response to the perception that one has been the recipient of another moral agent's benevolence"
14 (McCullough, Kilpatrick, Emmons, & Larson, 2001: 261). Gratitude, unlike happiness, is more
15 likely to be associated with an attained central goal, which creates a higher level of arousal. But
16 this gratitude is not the source of an anchoring event until it is specifically directed at the target
17 of the exchange.

38 **Stage 2: Relationship Change**

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40 As shown in Figure 1, once the attribution to the target has been made, these affective
41 reactions lead to a change in the rules for conducting future exchanges. We propose that the
42 anchoring event, taking on the specific characteristics above, can change a relationship rapidly to
43 a non-reciprocal state. As a result of the attainment or the blocking of a central goal and the
44 attribution to the target, the focal individual changes their view of the target's role in helping
45 them reach their goals through future exchanges. This results in the individual updating the
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3 memories of prior exchanges with the target and the rules held in their script for conducting
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5 further exchanges with the target (Baldwin, 1992).
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8 When this rapid updating of the rules for future exchanges occurs in the context of a
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10 reciprocity-based relationship, the preferred rules for the next exchange will shift from the initial
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12 concern for balance, or fairness, in the exchange to a different state in order to adjust for the new
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14 expectations of the future returns from the target (Lind, 2001). So, for exchanges after a negative
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16 anchoring event, the focal individual will respond by changing their goals for future exchanges
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18 to achieve what is, in their own view, a positive outcome when they do not believe the other
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20 person is able to conduct balanced exchanges. They will select a rule for conducting future
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22 exchanges that best provides for protection and enhancement of the self and the attainment of
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24 these new, revised goals in future exchanges with the target (Baldwin, 1992; Wilson & Ross,
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26 2001). This may be either competition, where they seek to maximize the difference between their
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28 own and the target's outcomes in future exchanges (Meeker, 1971), revenge, where they seek to
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30 minimize the target's outcomes without regard to their own (Bies & Tripp, 1996), or rationality,
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32 where they simply seek to maximize their own outcome without regard for the target's outcomes
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34 (Emerson, 1976; Meeker, 1971). Because these have negative implications for the target, we will
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36 refer to these as negative non-reciprocal states.
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43 For exchanges after a positive anchoring event, individuals will select the rule for
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45 conducting future exchanges to enhance the outcomes of the target. This rule may either be
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47 altruism, where the person seeks to maximize the target's outcomes without regard to their own
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49 outcomes, or group gain, where the person seeks to maximize the joint outcomes of both
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51 themselves and the other party (Meeker, 1971). Under these rules the target is adopted into one's
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3 own self-identity, and the goal for the relationship becomes maximizing the target's returns
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5 (Meeker, 1971). We refer to these as positive non-reciprocal states.
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8 This updating of the rules for future exchanges happens prior to the conduct of the next
9
10 exchange; a prediction that runs counter to thinking in social exchange theory which holds that
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12 revisions to rules for conducting exchanges occur over an extended series of exchanges
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14 (Cropanzano & Mitchell, 2005; Emerson, 1976). Because this rapid change in the rules for the
15
16 relationship leads to a change in the focal individual's working model of self in this exchange
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18 relationship, the new rule as well as the content of the event are durably encoded into
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20 autobiographical memory as a part of the focal individual's new identity, thereby creating a new
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22 relationship state that is resistant to change (Conway et al., 2004).
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27 **Stage 3: Durability of the New Relationship State**

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29 The asymmetry in durability between anchoring events and other events occurs as a result
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31 of the permanence of storage of the event in autobiographical memory. This is because, unlike
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33 less goal-relevant events, these self-defining memories are repeatedly rehearsed and then recalled
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35 in the future (Conway et al., 2004). Increased rehearsal means that the details of these events are
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37 played over and over again in the focal individual's mind, whenever he or she happens to think
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39 about the target (Lam & Buehler, 2009; Wilson & Ross, 2001). The importance of rehearsal is
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41 central in the literature on memory, which has long acknowledged that while an individual's
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43 ability to recall most events degrades at an increasing rate over time (Chechile, 2006), certain
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45 intense memories are able to be recalled for very long periods of time, even entire lifetimes (e.g.,
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47 Conway et al., 2004; Shum, 1998), and that rehearsal of such memories improves the likelihood
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49 that they are retained (Johnson, 1980). With each repeated play-back of the memory, the
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51 anchoring event is essentially relived, which makes it increasingly likely that memory will be
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3 recalled. As depicted in Figure 1, when engaging in a post-anchoring event exchange with the
4
5 target, the focal individual recalls the initial judgment of the exchange, the initial affective
6
7 response, and the resulting change in the relationship rule, which further cements the memory
8
9 and the changed rule for the relationship.
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12
13 As a result of the affect associated with these memories, cognitive-behavioral cycles are
14
15 initiated (Safran, 1990), where subsequent exchanges between the focal individual and the target
16
17 are interpreted to support the revised rules, as shown in Figure 1. There is much empirical
18
19 support for the idea that individuals will select and pay attention to information that confirms,
20
21 rather than disconfirms, prior beliefs (Eagly & Chaiken, 1993; Greenwald, 1980), a condition
22
23 that is made even more likely when individuals are experiencing higher levels of affective
24
25 arousal (Easterbrook, 1959; Mano, 1992; Paulhus & Lim, 1994; Leary, 2000). So when we recall
26
27 an event and experience the positive or negative emotion associated with that event, the extent of
28
29 the arousal associated with that memory will lead to a reduction in the evaluation of new
30
31 information. This makes it more likely that the focal individual would rely on the most available
32
33 or easiest information to recall in interpreting the target's behavior in the subsequent exchange.
34
35 This is consistent with the idea that emotion gets “infused” into cognitive appraisals (Forgas,
36
37 1995) – positive affect inducing memories (such as those from a positive anchoring event) will
38
39 lead to more favorable judgments of objectively negative stimuli and negative affect will lead to
40
41 less favorable judgments of positive stimuli (Forgas & Bower, 1987). An anchoring event
42
43 should thus lead to selective perception of the target in the processing of subsequent information,
44
45 with the focal individual seeking to locate and find subsequent behaviors and facts about the
46
47 target that confirm the current view (rule) of the relationship (Fiske & Taylor, 1991; Robinson,
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3 1996; Safran, 1990). Together these effects on cognitive processing make it likely that the
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5 relationship stays in its non-reciprocal state.
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8 For example, assume a positive anchoring event has occurred between a focal individual
9
10 and a target. That event was associated with positive affect (Stage 1) and was deeply encoded
11
12 into autobiographical memory, in the process changing the relationship rule to a positive non-
13
14 reciprocal state, such as altruism (Stage 2). Then, in a subsequent exchange, the target commits
15
16 an act that (objectively measured) does not meet expectations; perhaps the focal individual offers
17
18 a highly valued gift to the target and the target rejects or denigrates it. This is unexpected. But
19
20 this unexpectedness leads the focal individual to make a decision – they must attribute the reason
21
22 for the unmet expectations, so they look for information to make sense of the target's behaviors.
23
24 The most salient and available information likely to be recalled from memory we argue is the
25
26 previous anchoring event along with the associated affect. The overweighting of information
27
28 that is easily recalled and most intense (Ariely & Zauberman, 2003; Tversky & Kahnemann,
29
30 1974), along with the specific affective state that emerges on retrieval changes the processing of
31
32 information to make it easier to access information about the benefits of the relationship and
33
34 reduces the likelihood of an internal attribution about the target's motives. These biases, in turn,
35
36 lead to that "unexpected event" not being seen as a negative exchange or a negative anchoring
37
38 event.
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45 Having laid out the process by which anchoring events rapidly and durably change
46
47 relationships, we turn our attention to the features of the relationship and the social context that
48
49 impact whether anchoring events will occur. That is, we seek to understand the conditions under
50
51 which anchoring events are more or less likely, which will help guide future empirical
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53 examination of anchoring events in social exchange relationships.
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THE LIKELIHOOD OF ANCHORING EVENTS

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In this section we introduce propositions for those conditions that we believe make anchoring events more or less likely to occur and what factors influence the likelihood, magnitude and direction of these events. What we mean by the phrase: “more or less likely to occur” is that an exchange in one particular context is more or less likely to serve as an anchor than exchanges in other contexts. We argue that the contextual factors that impact the likelihood of an anchoring event occurring are the focal individual and target’s time in the relationship, the current rule of the relationship and the social context in which the potential anchoring event takes place.

Anchoring Events and Time in the Relationship

We argue that the likelihood of an anchoring event occurring in a reciprocity-based relationship is partially a function of the age of the relationship, measured in terms of number of exchanges. We believe that events that occur early in a reciprocal relationship are more likely to have a lasting impact than those that occur at later dates (Robinson, 1996; Clark & Mills, 1979). As relationships develop over time, any number of unwritten rules, norms and patterns emerge which drive the exchange and reduce the likelihood that the target will be seen as providing an extraordinarily positive or negative quantity of goods or services (Holmes, 1981). It also follows that the longer a focal individual operates within the same social or organizational context, their power grows and thus they gain an increased ability to restructure and reduce dependence on other individuals (Emerson, 1962). This reduced dependence makes it less likely that a particular anchoring event will occur.

This is supported by research and theory on employee socialization, which emphasizes the uncertainty and likelihood of surprising events during the time when newcomers enter the

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2
3 organization (Louis, 1980). It is during this time that newcomers are vulnerable due to the large
4 amount of uncertainty in the environment (Saks & Ashforth, 1997), which they attempt to reduce
5
6 by interacting with supervisors and peers (Morrison, 1993a,b). Anxiety is often present during
7
8 this process, as newcomers are at risk of not finding the information they need (Saks, 1995).
9
10 This state of increased dependence and anxiety early in an individual's tenure in this social
11
12 context lays the groundwork for stronger and more impactful anchoring events. As individuals
13
14 become more familiar with the social context, they learn better what to expect and what will be
15
16 received from exchanges and they are less likely to experience conditions of overly positive or
17
18 negative exchanges.
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25 Once a relationship has reached a non-reciprocal state through an anchoring event, the
26
27 likelihood of a subsequent anchoring event also diminishes over time as the memory of the event
28
29 is rehearsed and becomes more deeply written into autobiographical memory (Conway et al.,
30
31 2004). An immediate opposite reaction from the target in a subsequent exchange is more likely
32
33 to overwhelm the first event and cause the relationship to revert to a different state because the
34
35 focal individual has rehearsed the memory of the anchoring event fewer times. Research on
36
37 service recovery, for example, has suggested that speed of an apology leads to an increased
38
39 willingness to do future business with a firm following a poor experience (Conlon & Murray,
40
41 1996; Liao, 2007). Further supporting this, the likelihood of a breach in a psychological contract
42
43 decreases as time passes from the original commitment (Turnley & Feldman, 1999). Each
44
45 subsequent interaction leads to an increase in the number of times the individual relives the
46
47 content of the anchoring event, and as such, the self-defining memory of that first event becomes
48
49 more durably written into the focal individual's view of their long-term self. While one might
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51 suspect that memory of the anchoring event will fade over time and therefore create a situation
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3 where the relationship is ripe for change (Frantz & Bennis, 2005), we believe is that in future
4 exchanges with the target, this self-defining memory freely emerges, is rehearsed (Lam &
5
6 Buehler, 2009; Wilson & Ross, 2001), and is applied in evaluating future exchanges. The more
7
8 two parties interact after an initial anchoring event; the less likely it is that a subsequent event
9
10 will shift the relationship.
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15 *Proposition 1: The likelihood of an anchoring event is inversely related to the time since*
16
17 *the inception of the relationship and the time since the relationship entered into a non-reciprocal*
18
19 *state via an anchoring event.*
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21

22 **Anchoring Events in Reciprocal Relationships**

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24
25 In reciprocity-based relationships, the balance of exchanges that accrues to the focal
26 individual can be positive, neutral or negative. Positive balances lead to a gradual emergence of
27 more generalized relationships where a less immediate or precise accounting for this balance
28 emerges (Lawler, 2001; Molm, 2003). Negative accumulations of these exchanges lead to cases
29 where the focal individual suspiciously protects the balance between goods and services
30 received. This is termed “negotiated exchange” by Lawler (2001), and is marked by the close
31 monitoring of the timing and content of returns provided by the target in order to ensure
32 immediate balance. In reciprocal relationships where there is a positive balance, we believe that
33 there is a high probability of a positive anchoring event occurring and in reciprocal relationships
34 with a negative balance there is a high probability of a negative anchoring event occurring.
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36 Assuming no anchoring event has already occurred in the relationship, the current balance in the
37 relationship impacts how the focal individual will attribute the target’s behavior.
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53 When a positive balance exists the target is seen as being more responsible for good
54 actions, versus when a negative balance exists and the target is more likely to be seen as being
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3 responsible for bad actions (Heider, 1958; Regan, Straus & Fazio, 1974). On the positive side, it
4
5 is likely that the good will in the relationship, which has been built through repeated positive
6
7 exchanges, will make it less likely that any negative behavior will be attributed internally to the
8
9 target (Avison, 1980). As internal attributions are central to the occurrence of a negative
10
11 anchoring event, this makes the negative anchoring event less likely. For relationships with a
12
13 negative balance, individuals more closely monitor the goods and services exchanged (Lawler,
14
15 2001). Because negative events have greater emotional impact relative to positive events
16
17 (Baumeister, Bratslavsky, Finkenauer & Vohs, 2001), there is a greater likelihood that any
18
19 disappointing outcome from an exchange will be attributed internally to the target as this
20
21 suspicion increases. This resulting anchoring event (the proverbial “straw that broke the camel’s
22
23 back”), would shift the relationship into a negative non-reciprocal state. This is supported by
24
25 research that has found that when a target has positive attributes they are given more “rewards”
26
27 from the focal individual (Johnson, Erez, Kiker, & Motowildo, 2002), and by research showing
28
29 that as “closeness” increases in relationships, the less likely it is that people attribute
30
31 disappointing exchanges internally to the target (Finkel, Rusbult, Kumashiro & Hannon, 2002).
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39 *Proposition 2: As the balance of reciprocal exchanges becomes more positive or more*
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41 *negative, an anchoring event of the same valence is more likely to occur than an event of the*
42
43 *opposite valence.*
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46 We further argue that anchoring events of any valence are more likely to occur in
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48 reciprocal relationships with a negative balance. To be sure, more of these are likely to be
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50 negative than positive (Proposition 2), but we believe that the raw number of anchoring events
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52 measured would be greater when the balance of exchanges in reciprocity is negative rather than
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54 neutral or positive. Positive social exchanges, which are likely to occur when the balance is
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3 neutral or positive, generate positive affect (Lawler & Yoon, 1993, 1996, 1998; Molm et al.,
4
5 2000), which leads individuals to be more likely to overlook details and engage in less
6
7 immediate accounting of exchange returns (Forgas & George, 2001). As the balance of
8
9 reciprocal exchanges grows negative, however, an individual's negative affect in the exchanges
10
11 increases (Lawler, 2001), which leads the individual to use a bottom-up, details-oriented means
12
13 of evaluating the exchange partner's deliveries in subsequent exchanges (Forgas & George,
14
15 2001). In this negotiated exchange state "offers can be compared easily, and actors are sensitive
16
17 to departures from equality" (Lawler, 2001: 337). Emotional reactions to exchanges in this mode
18
19 are, Lawler proposes, stronger than those that occur in non-negotiated reciprocal exchanges, a
20
21 condition which holds for exchanges with positive or negative returns. This increased affect
22
23 makes it more likely that exchanges occurring in this mode will be written into long-term
24
25 autobiographical memory, and thus more likely to serve as anchoring events.
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32 *Proposition 3: An anchoring event is more likely to occur in a reciprocal relationship*
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34 *that is negative compared to a reciprocal relationship that is positive or equally balanced.*
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36 **Anchoring Events in Non-Reciprocal Relationships**

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39 Once a relationship reaches a non-reciprocal state, subsequent exchanges will be
40
41 evaluated and conducted by the focal individual with an eye towards these non-reciprocal rules.
42
43 So while predictions for anchoring events in reciprocal relationships are based on how we
44
45 evaluate events that deviate from expectations for balance, different principles must be applied to
46
47 make predictions for the likelihood of anchoring events in non-reciprocal relationships. We
48
49 propose that two factors drive the likelihood that a subsequent exchange will serve as an
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51 anchoring event leading the relationship in the opposite direction. These are the specific state of
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3 the non-reciprocal relationship (positive or negative), and whether the relationship reached that
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5 state via a previous anchoring event (via a "chute") or via a gradual process (via a "ladder").
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8 For relationships relying on negative non-reciprocal rules, we argue that the likelihood of
9
10 a positive anchoring event will be lower if the relationship developed through a negative
11
12 anchoring event versus via a gradual process. When a relationship reaches a negative non-
13
14 reciprocal state through an anchoring event, there exists one specific memory that serves to alter
15
16 the interpretation of subsequent actions. Negative information is better remembered than neutral
17
18 information when stored in long-term memory (Kensinger & Corkin, 2003). As each future
19
20 exchange is conducted, this memory creates a biased interpretation of the outcome that favors the
21
22 focal individual, particularly in cases where the "objective" returns in the exchange may tell a
23
24 different story (Wilson & Ross, 2001). In non-reciprocal relationships reached via the gradual
25
26 route, no such self-defining memory exists to anchor the negative relationship and thus a positive
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28 memory can take a prominent place in the focal individual's autobiographical memory.
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34 Further, individuals erect a higher burden of proof on others who have committed
35
36 breaches of trust to prove they are subsequently trustworthy (Kim et al., 2009) and we believe
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38 this coincides with negative emotional content in the relationship (e.g., anger and fear). This
39
40 emotional content then decreases the likelihood of the focal individual attributing an external
41
42 reason for the initial betrayal or attributing an internal reason for a positive outcome in an
43
44 exchange (Tomlinson & Mayer, 2009). Additionally, once such a negative memory exists, the
45
46 cognitive-behavioral cycle initiated in any subsequent exchange may lead the focal individual to
47
48 engage in an act aimed at harming the target (Bies & Tripp, 1996). As a result, one major
49
50 negative anchoring event makes it more likely that a second negative anchoring event will take
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3 place, and it is this second negative anchoring event that makes it even harder for the relationship
4
5 to revert to a reciprocal state (e.g., Maxham & Netemeyer, 2002).
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8 It follows from this logic that after a negative anchoring event the most that the
9
10 relationship can be repaired to is rationality, an “uneasy peace” where the individual acts solely
11
12 to maximize and protect their own interests without any concern for the outcomes (benefits or
13
14 damages) to the target (Emerson, 1976). It's highly unlikely that an individual, for example, who
15
16 feels they have been unfairly dismissed would ever go back to work for an employer even if they
17
18 received complete satisfaction (e.g., via an excessive damage award) from the results of litigation
19
20 unless they received significant contractual protection (e.g., Lind, Greenberg, Scott & Welchans,
21
22 2000). Trust has also been found to be harder to fully repair when the violated individual
23
24 believes they were deceived (Schweitzer, Hershey & Bradlow, 2006). Following a negative
25
26 anchoring event, positive consideration of benefits to the target in exchanges, as is required in
27
28 reciprocity, becomes difficult to achieve once the individual defines himself or herself as being
29
30 in opposition to the other party - the damage is "irreversible" (Bies & Tripp, 1996: 259).
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36 *Proposition 4: A positive anchoring event that moves a relationship to a different rule*
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38 *will be more likely to occur in a negative non-reciprocal relationship that reached the negative*
39
40 *state through via a gradual process than through a prior anchoring event.*
41
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43 When a positive non-reciprocal relationship forms following a gradual series of positive
44
45 exchanges, extrinsic and intrinsic investments in the relationship accumulate (Rusbult, 1983),
46
47 which leads to exchange partners being more likely to overlook and/or forgive transgressions
48
49 (Finkel et al., 2002). Each step up the ladder represents a period of time where the exchanges in
50
51 the relationship are likely to have generated increased satisfaction amongst both parties and
52
53 therefore have led to deeper commitment (Rusbult, 1983). The relationship slowly builds from
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3 being based on reciprocity to one mutually governed by other-directed rules (e.g., altruism) such
4
5 that by the time the relationship reaches a non-reciprocal state it's unlikely that a subsequent
6
7 event will reverse the process. On the other hand, even though the memory may have been
8
9 rehearsed several times, we believe that positive relationships reached via anchoring events are
10
11 nevertheless more susceptible to reversion to reciprocity or to a negative non-reciprocal state
12
13 because the investments are not as rich, creating a greater likelihood of a mismatch between
14
15 actions and expectations.
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20 *Proposition 5: A negative anchoring event which moves a positive non-reciprocal*
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22 *relationship to a different rule will be more likely to occur if the relationship reached the positive*
23
24 *state through a prior anchoring event rather than via a gradual process.*
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27 **Anchoring Events and the Social Context**

28

29 We also believe that the likelihood of an anchoring event occurring is determined in part
30
31 by the social context in which the exchange takes place. Specifically, we argue that the
32
33 likelihood of the anchoring event is based on what the focal individual has seen the target deliver
34
35 to other members of the focal individual's reference group. What is relevant in these cognitions
36
37 is whether the focal individual feels he or she has received treatment from the target that is
38
39 consistent with what others have received from the target (Greenberg, 1993; Lind & Tyler, 1988;
40
41 Lind, 2001). When the focal individual sees that they have received positive treatment that
42
43 exceeds their needs yet is consistent with what others have received from the target, the chance
44
45 of an anchoring event is decreased. This presence of similar treatment to others mitigates or
46
47 mutes the emotional reaction because the focal individual sees that they are not the sole focus of
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49 the exchange. If, on the other hand, the benefit received by the person is not consistent with
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51 what is received by those in their referent social group or if it occurs in private, then they would
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3 show how single events can move relationships to non-reciprocal exchange forms in a much
4
5 quicker fashion than previously considered and make those relationships resistant to change. In
6
7 reciprocity-based relationships, once the “debt” is paid from any exchange, the focal individual
8
9 is still in reciprocity, even if the returns were above or below initial expectations. Any future
10
11 exchange is still based on “balance” and “fairness.” What we propose is that the deeply encoded
12
13 memory of the anchoring event prevents an easy return to reciprocity. That is, a person may
14
15 have objectively settled the score from that initial excess return many times over and yet remain
16
17 in a positive non-reciprocal state because that memory is so deeply rooted in their definition of
18
19 that particular relationship. This is what we mean by durability.
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24 We believe this approach makes three key revisions to current theory. The first departure
25
26 is that we propose, unlike social exchange theory, that memory of specific events plays a key
27
28 role in relationship development and evaluation. The general pattern of events matters in setting
29
30 the terms of exchange (Emerson, 1976; Molm et al., 2000), but only if an anchoring event has
31
32 not yet occurred. Once an anchoring event happens, it is that exchange that is most readily
33
34 available in memory and that is the exchange that will set the future rules for the relationship.
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36 Second, once an anchoring event has occurred, it is the characteristics of that exchange, rather
37
38 than the timing of that exchange, that are of central importance in determining the form of the
39
40 relationship. This is in contrast to fairness heuristic theory, which states that primacy matters –
41
42 judgments that come first count the most (Lind, Kray & Thompson, 2001). Under this theory the
43
44 early judgments set the heuristic “in play” which then becomes resistant to change unless there is
45
46 a significant deviation of expectations for fairness in a future exchange (Lind, 2001). We suggest
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48 an alternative hypothesis – events that are the most severe and which have certain characteristics,
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50 regardless of when they come, count the most because they replace fairness as the heuristic by
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3 which future exchanges are judged. Finally, while fairness heuristic theory suggests that a
4
5 negative anchoring event occurring in a positive exchange relationship or vice versa would
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7 simply put the relationship back into a judgmental mode, we believe that an anchoring event can
8
9 not only push the relationship into a negative non-reciprocal state but also make the resulting
10
11 relationship resistant to change. A negative anchoring event in a positive exchange relationship
12
13 thus has the potential to bypass the judgmental mode and create long-term damage despite the
14
15 fact that it was preceded by a long succession of fair exchanges. This is supported by research
16
17 into the impact of “hurt feelings” in social exchanges which demonstrates that hurt feelings that
18
19 are remembered longer are those that occur in the context of close, positive relationships (Leary,
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21 Springer, Negel, Ansell, & Evans, 1998; Vangelisti, 1994).
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27 One area where we believe this notion of the anchoring event has the potential to improve
28
29 our understanding of exchange relationships is in the area of inter-party agreement on the quality
30
31 of exchange. We know that partners in a relationship do not need to share equal perceptions
32
33 about the quality of the exchange, thus a particular event could serve as an anchor for one and
34
35 not the other. Gerstner & Day (1997) amongst others (e.g., Brower, Schoorman & Tan, 2000)
36
37 have pointed out leader-member exchange perceptions in the relationship tend to be only mildly
38
39 correlated with each other. Given that we know that social exchange relationship quality is
40
41 socially constructed (Berger & Luckmann, 1967), it may be that the way memories are
42
43 differentially constructed by parties determines their own perception of the relationship and the
44
45 consequent rules on which they rely on in conducting future exchanges.
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50 **Research Implications**

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52 We hope that this discussion of the anchoring event concept and its implications for
53
54 modeling the operation of relationships creates research interest in both laboratory and field
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3 investigations regarding the details of how specific non-reciprocal exchange relationship rules
4
5 emerge as a consequence of specific events. As one example, it would be possible to manipulate
6
7 the social context and valence of the anchoring event to show how they may interact in
8
9 determining the specific new relationship rules applied by the focal individual in the next
10
11 exchange with the target. Given that certain non-reciprocal forms (group gain and competition)
12
13 involve joint consideration of the individual's and the target's outcomes while others (altruism,
14
15 rationality and revenge) do not, it might be that the social context of the anchoring event will
16
17 predict the specific state that emerges. For negative anchoring events where the target is seen as
18
19 delivering treatment that is consistent with what the focal individual sees others in their referent
20
21 group receiving, then the individual would be expected to shift to an interpretation that self-
22
23 reliance (or reliance on their group in future interactions with the target) is appropriate for future
24
25 exchanges with the target, which should lead to a shift to use of a rule of rationality in future
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27 exchanges. If, on the other hand, the other party delivers treatment that is inconsistent with that
28
29 seen granted to other members of their reference group, then there is a felt need to differentiate
30
31 themselves from the other party through competition. Strongly negative social emotions that
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33 emerge in these exchanges could lead our person to distinguish themselves in future interactions
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35 with the other party by attempting to diminish the other's outcomes; they switch to applying
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37 rules of revenge for subsequent exchanges.
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46 A second aim of research efforts should be to test those competing propositions we make
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48 relative to those proposed in theories based on the assumption that people seek to maintain or
49
50 restore balance in exchanges. What we propose is that the judgment that is made in that
51
52 exchange in the series where the stakes are highest is the one that sets the future rules for
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54 exchange. That is, the gradual accumulation of exchange returns or what happens first will serve
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3 to set the terms of exchange until an anchoring event occurs. This is easily manipulated in
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5 laboratory contexts by varying the magnitude of the extent of unfairness or injustice as well as
6
7 the order of positive and negative treatments to see whether it is true that exchange terms are set
8
9 by the first exchange (van den Bos, Vermunt & Wilke, 1997), the first unfair exchange (Lind et
10
11 al., 2001) or are anchored on the judgment of the most important and affect-laden exchange in
12
13 the series. Varying the magnitude of the treatments will also allow us to answer the critical
14
15 empirical question of what specific “tipping point” in terms of intensity of affective reaction is
16
17 required in order for the exchange to serve as an anchoring event.
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22 These predictions could potentially be tested in a laboratory or field setting by
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24 investigating which memories over a series of events are most salient to individuals and are the
25
26 most lasting. For instance, participants could be playing a series of games (e.g., poker) or be in
27
28 series of meetings (e.g., committees), or be asked about relationships that have recently ended.
29
30 Then, at multiple time-intervals afterwards, they can be asked about the status of the relationship
31
32 with the target and the memories which are most salient with regard to that target. Memories
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34 recalled from the beginning of the relationship but not under conditions of high dependence
35
36 would provide support for the primacy proposition in fairness heuristic theory (Lind, 2001).
37
38 Memories recalled from the end of the relationship or throughout the relationship would provide
39
40 support for cumulative social exchange building (Emerson, 1976). Significant memories
41
42 recalled though, along with emotional reactions, would suggest that it was an anchoring event
43
44 that eventually set the rules for that relationship. This would provide a way to see the predictive
45
46 power of anchoring events in determining not only the most proximal outcome – the change in
47
48 the rules for relationships, but also the more distal outcomes such as citizenship behaviors,
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50 organizational turnover, and deviance.
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3 Another approach to testing the propositions above is to look at the occurrence of the
4
5 anchoring event as the dependent variable. Theoretically this could be accomplished in order to
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7 determine what individual or organizational factors make it more likely that certain memories
8
9 become more deeply encoded. For instance, it is possible that individuals more prone to
10
11 affective responses are more likely to generate self-defining memories that serve to anchor their
12
13 relationships. Analytically this could be tested in multiple ways. If the interest is in predicting
14
15 whether the event has occurred or how many events have occurred, count models such as logit
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17 and probit could be used. It may also be interesting to study the rate of certain types of events
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19 occurring over a specific period of time, for this a hazard function in event history analysis could
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21 be employed.
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27 Finally, it is interesting to think about whether there may be social influence processes at
28
29 play with regard to the operation of anchoring events. While we have built the case for the
30
31 durability of the memory of anchoring events being based largely on the affective reaction of the
32
33 focal individual, we have not discussed how that reaction affects the target. If the target senses
34
35 that emotional reaction, they may seek to resolve the situation quite quickly or in the next
36
37 exchange with the attempt at mitigating (or strengthening) the effects of the original exchange.
38
39 The process by which the target notices that an event might be anchoring and how he or she
40
41 decides to manage the exchange would be a worthy extension to this model and one that would
42
43 link this to both the emotion and trust repair literatures. Also, it would be interesting to explore
44
45 whether a particular exchange between two parties can become an anchoring event amongst a
46
47 broader group of individuals. If an anchoring event occurs and the memory is particularly vivid
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49 and durable for a long period of time, the repeated sharing of that memory could help that
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51 experience morph into an individual, group, or even organizational story (perhaps an “us-
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3 defining” memory beyond a “self-defining” memory) with the power to affect culture (e.g. Pratt,
4
5 2000). This also suggests that it may be interesting to investigate whether managers or
6
7 organizations can control the spread of stories and narratives surrounding anchoring events, so
8
9 that positive events are emphasized and negative events are mitigated. Whether anchoring
10
11 events are contagious in this way – affecting the cognitions of a broader collective – would help
12
13 inform how powerful such events are in the long term.
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16 17 **Implications for Practice**

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19 One important consideration of anchoring events as an alternate route to non-reciprocal
20
21 exchange relationships is that organizational programs designed to gradually instill positive
22
23 exchange and strong identification should be supplemented with an effort to create moments, or
24
25 extreme events, where the individual realizes that a supervisor or organization is willing and able
26
27 to go above and beyond expectations towards the relationship. We believe that the success of
28
29 mentoring and training programs employed in organizations revolves less around the gradual
30
31 building of identification and task knowledge and more around the rapid building of a sense of
32
33 identification and high quality exchange. It may be that intense socialization programs such as
34
35 those employed by the armed services are critical not just for the actual preparation (in both
36
37 physical and task knowledge), but more for the extent to which they contain extreme events that
38
39 lead to durable positive exchange relationships. This occurs during periods of initial training,
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41 where individuals are highly dependent on mentors, drill instructors, supervisors or coworkers
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43 (Van Maanen, 1975).
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51 Understanding the durable nature of non-reciprocal exchange relationships precipitated
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53 by anchoring events also highlights the risk to managers and firms in investing time and effort in
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55 repairing negative relationships. In organizational contexts, relationships that are based in
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3 negative rules of exchange (e.g., competition, revenge) need to be repaired not with a goal of
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5 recreating the old level of reciprocity in the relationship but instead may best be repaired with an
6
7 eye towards appealing to each party's self-interest in maintaining positive relationships with
8
9 other exchange targets in the workplace. Managers should stress the negative impact that acting
10
11 to get that revenge will cause to others in that person's social network. These interventions
12
13 should not be aimed at restoring a false sense that "we're all in this together again," as this would
14
15 likely be wasted effort, since an individual who feels betrayed is unlikely to be motivated to
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17 change their relationship rules by an organizationally-mandated apology.
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22 Managers also need to take care that they understand the different narratives surrounding
23
24 anchoring events and how they can impact other relationships in the workplace. An anchoring
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26 event for the focal individual need not be an anchoring event for the target, and as such,
27
28 managers and coworkers who only hear one perspective from the focal individual may make
29
30 attributions about the target that lead to actions that may be premature. They also need to be
31
32 aware that individuals who may be the target of several exchanges that became negative
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34 anchoring events with multiple members of the workgroup may end up being the target of
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36 retaliatory action.
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41 **Conclusion**

42
43 We have moved for too long on the assumption that individuals in organizations
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45 *continually* maintain or seek to maintain reciprocity – that they always monitor their own
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47 outcomes in the context of the outcomes for the target – when making decisions regarding
48
49 relationship behaviors. In addition we have structured much of our thinking on the way
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51 exchange relationships in organizations form and operate based on the assumption that deeper
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53 exchange relationships require time to develop. This is clearly at odds with the way relationships
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3 are seen as developing in other contexts (e.g., social, romantic), where it is freely acknowledged
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5 that the development of a relationship need not be gradual at all and may be “sparked” into a
6
7 certain form by a significant event (e.g., “love at first sight.”). And in these other arenas, the
8
9 application of different rules for the exchange relationship such as revenge, competition,
10
11 altruism, and group gain are seen as common (Meeker, 1971). While we understand why
12
13 individuals might behave in those ways (e.g., strong identification), our literature has been silent
14
15 as to how relationships in the organizational context progress into those forms. We argue that
16
17 we may be better able to tell how these relationships reach a particular state by looking at
18
19 anchoring events. We hope that this greater understanding of how relationships reach more
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21 extreme forms can be applied to generate deeper positive exchange relationships within
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23 organizations as well as in helping us understand how to treat the consequences of the negative
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25 forms of such extreme exchanges.
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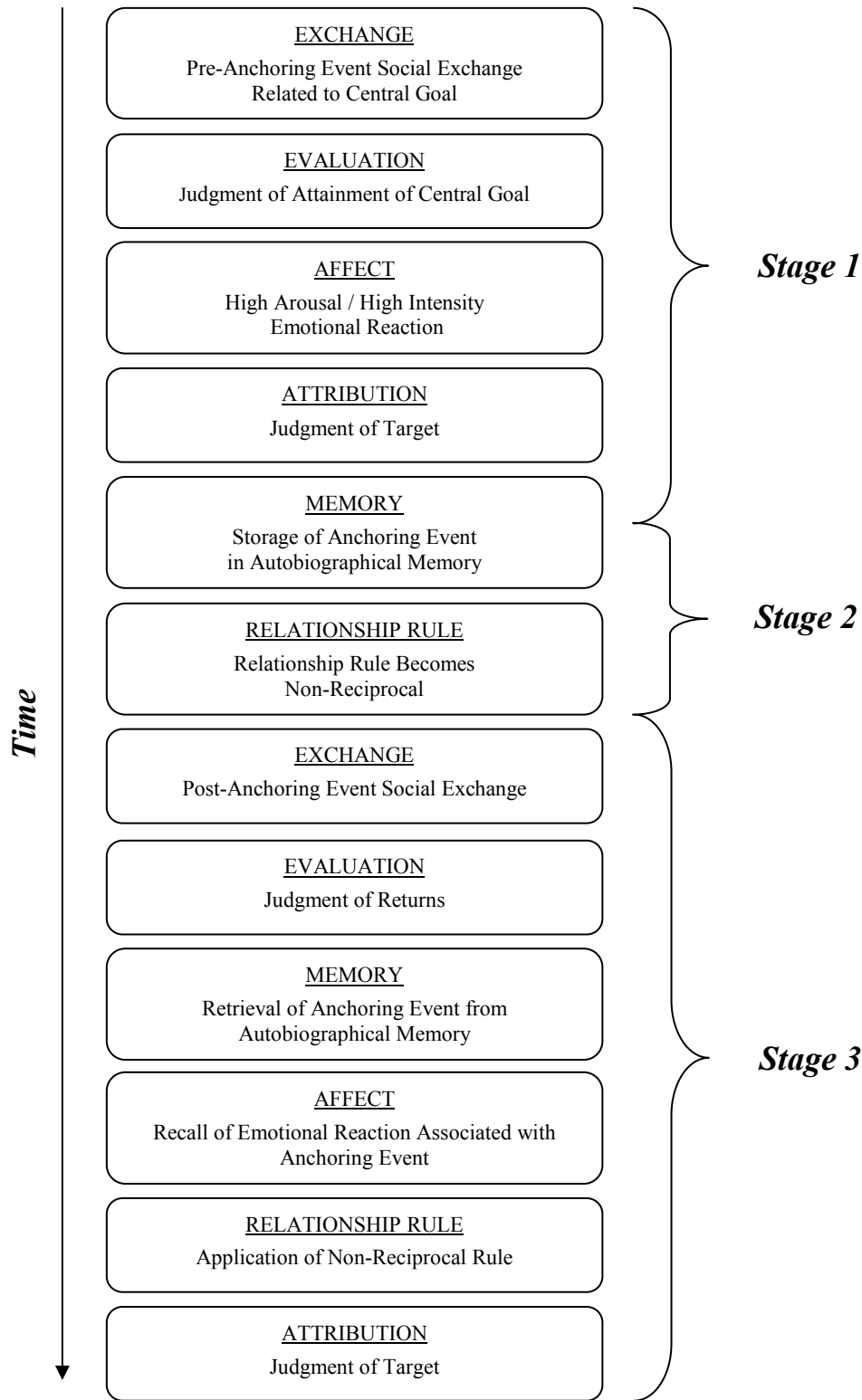
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Figure 1. A Model of Anchoring Events



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