

*How different leadership styles and behaviors
influence internal trust in nonprofit organizations*

Building Leader-Staff Trust in Nonprofit Organizations: A Review of the Literature

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The importance of trust within organizations, especially trust between leaders and staff, has been [extensively studied](#). Researchers have explored both the value of trusting leader-staff relationships and [strategies for responding](#) when [trust has been broken](#). But much of this research focuses on for-profit businesses, which differ meaningfully from nonprofits in their typical size, structure, employee motivations, and organizational culture.

As part of our broader work on [building cultures of trust in the twenty-first century workplace](#) (especially in museums), we reviewed the existing landscape of academic literature on leadership-staff trust in nonprofit organizations.

What Did We Find?

The results of our literature review indicate that most of the research on internal trust in nonprofit organizations focuses on how different **leadership models** or **leader behaviors** impact employee trust. Relatively few studies explore how trust evolves over time through **leader-staff interactions**. Outside of these three categories, one study looks at the role **belonging** plays in establishing trust within mission-driven organizations. Findings from this study prompted us to refine our [trustworthiness model](#) (which we discuss at the end of this article).

Leadership Models

Researchers have examined several models of leadership that can positively impact staff trust. These models go by a variety of names (including transformational leadership, shared leadership, authentic leadership, ethical leadership, responsible leadership, servant leadership, and trust-based management), but they have one core characteristic in common: *the idea that decision-making power should be distributed within an organization*. Whether accomplished through the [periodic rotation of leadership roles](#), by giving employees [more autonomy and freedom in their work](#), or through policies that encourage staff to [challenge leaders without hesitation](#), these leadership styles seek to move beyond the command-and-control model in which only one individual has the power to make organizational decisions. In addition to promoting strong, trust relationships between leaders and staff, these models have also been linked to other positive outcomes — such as [job satisfaction](#), [engagement with work](#), the ability to [develop new competencies](#), and a sense of [organizational belonging and commitment](#).

Leadership Behaviors

In addition to studying the relationship between internal trust and leadership models, researchers have also looked at how specific leadership behaviors impact staff trust. Many of the leader behaviors identified in the existing literature align with one or more of the five experiential criteria (**competence**, **reliability**, **sincerity**, **integrity**, and **benevolence**) people often make use of to assess others' trustworthiness (see [here](#) for a discussion of these criteria).

Leader **benevolence** has been linked to high levels of employee trust — including behaviors such as [caring about staff wellbeing](#), [providing help](#) or [coming to staff's defense](#), or [considering the moral and ethical consequences of their decisions](#). [One study](#) identified an association between a commitment to employee growth (**benevolence**), clear communication (**sincerity**), and staff trust. [Other research](#) has found that perceived fairness in performance evaluations (**integrity**) was associated with higher trust in leadership.

By contrast, a lack of **integrity** — whether demonstrated through [perceived hypocrisy](#) or [inconsistent application of policies](#) — has been associated with lower staff trust. [One study](#) found that while initiatives to support employees (a demonstration of **benevolence**) had a positive impact on trust, poor transparency (a breakdown in **sincerity**) negatively impacted trust.

Leader-Staff Interactions

The impact of leader-staff interactions (e.g., team meetings, conflict resolution, feedback sessions) on internal trust is a comparatively understudied phenomenon in the non-profit sector. Those studies that do address this topic tend to focus less on the interactions (that is, the behaviors and activities involved) than on the quality of the interactions (the perceived motivations behind them, and interpretations of them). Specifically, the evidence suggests that untrusting relationships are those in which leaders are perceived to be [insincere and to doubt staff competence](#). By contrast, when leader-staff relationships are grounded in respect, trust, support, and encouragement, they are much more positive.

A [case study](#) of staff unionization found that perceived violations of **benevolence** and **reliability** fueled distrust of leadership — which was exacerbated by accusations of **insincerity** on both sides.

Belonging

Instead of looking at leadership styles, leadership behaviors, or leader-staff interactions, [one study](#) highlights the connection between trust and feelings of belonging within nonprofit organizations. The study found that when employees feel an organization is "mine" or "ours" (a phenomenon called [psychological ownership](#)), they are more likely to see organizational procedures and outcomes as fair — and to believe that the organization treats staff and others with respect. These perceptions are mostly associated with trust in the organization, and not necessarily with trust in leadership. But when leaders are seen to [personify organizational values and practices](#), trust in the organization can extend to trust in leadership.

In other words, leaders can play a role in fostering trust in an organization. As noted above, this is especially true when leaders act with **benevolence** — for example, by [serving and supporting the needs of the people they lead](#), prioritizing their growth and well-being. The study on belonging in non-profit organizations suggests that leaders can directly promote staff belonging by "*helping individual employees clearly understand how they themselves are important contributors to organizational functioning and mission achievement.*"

[In Knology's trust framework](#), belonging appears as **affinity** — a component of identity-based trust that has to do with perceptions of whether someone or something is "like" or "unlike" ourselves. As the study on belonging suggests, judgments based on experiential trustworthiness can contribute to (or detract from) identity-based trustworthiness. The final section of this blog post ("Revisions to Our Model") explains how this finding has impacted our trustworthiness framework.

Let's Put It to Work

Findings from the existing research point to three key strategies for fostering employee trust in nonprofit organizations.

First, **adopt a leadership style that is consistent with the experiential trust criteria** of sincerity, benevolence, and integrity. This includes:

- Making sure the the organization's mission and vision are clear;
- Demonstrating a commitment to ethical and responsible behavior; *and*
- Giving staff autonomy in decision-making where appropriate, but avoiding completely hands-off behavior.

Second, **demonstrate trustworthiness through actions**. This includes:

- Demonstrating **sincerity** through clear communication and transparency in decision making;
- Demonstrating **integrity** through fairness and "practicing what you preach";
- Demonstrating **benevolence** through a commitment to employee growth and care for staff well-being; *and*
- Demonstrating **reliability** through a consistent application of policies.

Third, **foster a sense of belonging** (identity-based trust in Knology's Framework). This includes:

- Helping employees understand how they contribute to the organization's mission;
- Prioritizing the growth and well-being of employees; *and*
- Exemplifying the organizational values and practices with which employees identify.

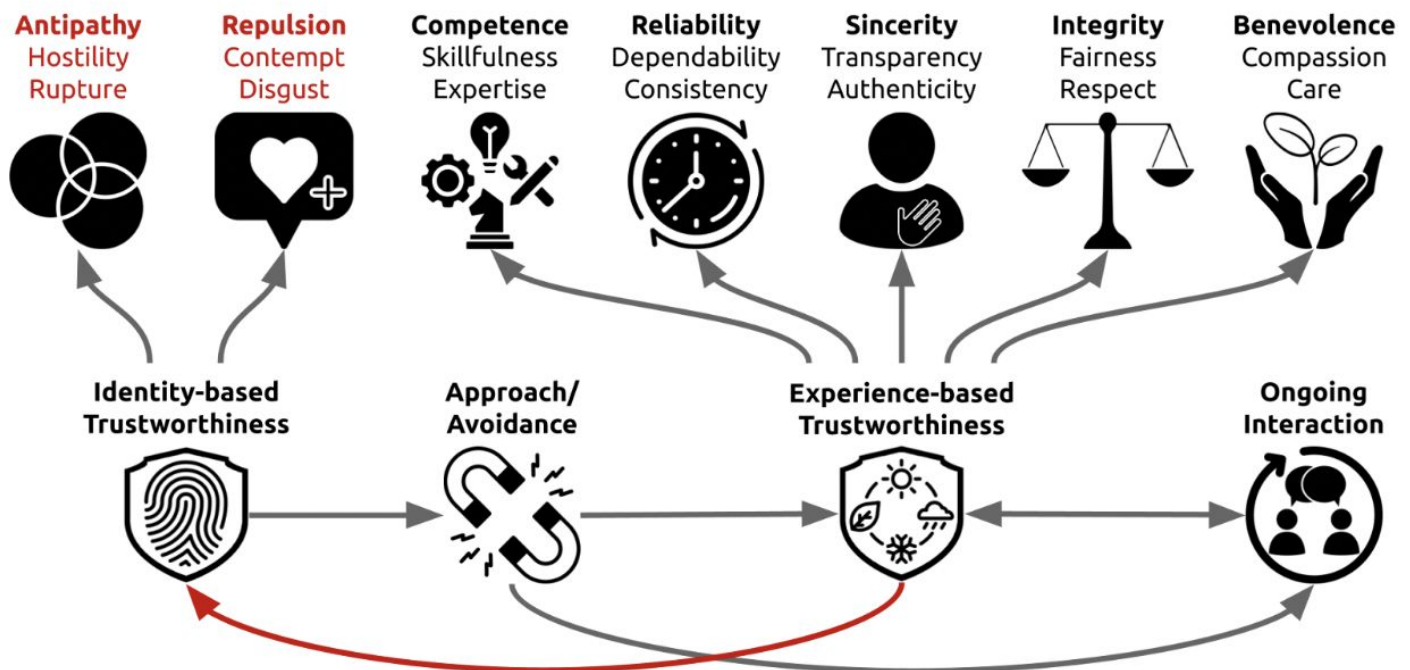
Next Steps

Moving forward, we plan to build on these strategies by exploring the role that leader-staff interactions play in either contributing to or detracting from internal trust within nonprofit organizations. Through interviews with museum professionals, we plan to learn about how leaders and staff interact during disputes over contentious issues (for example, unionization, social justice issues, and political polarization). The results of our interview study will provide a clearer, more in-depth understanding of how leader-staff interactions impact internal trust within non-profit organizations.

Revisions to Our Model

The literature reviewed above showed that leaders' acts of **benevolence** (a component of experience-based trust) can increase employees' feelings of affinity (a component of identity-based trust). Separate from this, our analysis [of news stories on internal museum disputes](#) similarly showed that impressions of leaders' behavior affected whether staff felt that they belonged in the organization and whether they felt their leaders still belonged. That analysis neither differentiated between feelings of attraction/repulsion and affinity/antipathy nor traced the causes of those feelings to any perceived violations of the experience-based trust.

Therefore, as we move forward, we will specifically track how feelings of attraction and affinity respond to the various experience-based trust criteria. When conducting our interview study, we plan to do so with a modified [model of trustworthiness](#) — one that highlights the interplay between identity- and experience-based trust (and in particular, the impact that violations of experience-based trust can have on perceptions of belonging). These revisions are highlighted in red in the model below.



This part of the research will be informed by studies of "[disidentification](#)" — that is, instances where people [reject existing connections](#) with leaders, organizations, and groups in response to a [perceived violation](#) of experience-based trust criteria. For example, when the staff perceive that their institution somehow injured a population they are supposed to serve (a benevolence violation), they might disavow their leadership and claim the organization feels unwelcoming to them and others. The [existing research](#) on this topic is unclear as to whether disidentification is repairable. We will explore which violations of experience-based criteria are forgivable and which are unforgivable.

How We Conducted The Literature Review

Through a university library which provided access to databases including Web of Science, EBSCO Academic Search Complete, and Gale Academic OneFile, we searched for all peer-reviewed articles including all of the following keywords: "trust," "leadership OR management," "nonprofit OR museum," "staff OR employees." This resulted in an initial list of 235 articles, which were screened based on titles and abstracts to identify studies focused on leader-staff trust within nonprofits. A total of 24 articles were retained after screening.

For Further Reading

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