

Interpersonal Trust and the Governance Structures of  
Irish Non-Profit Organisations.

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A dissertation submitted in partial fulfilment of a Master in  
Business Administration degree

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## **Abstract**

**Purpose of study:** This study was undertaken to explore the impact of trust on the quality of the relationship between Chief Executive Officers (CEOs) and their board Chairpersons in Irish non-profit organisations. As the two most senior members of a non-profit organisation, the author wished to understand if the presence of trust or mistrust between them had repercussions for their ability to fulfil their respective roles or for the organisation to achieve its charitable aims. The study looks to see if the findings on this subject within the literature are confirmed or contradicted in the Irish context.

**Methodology/Approach:** The researcher used qualitative methods to approach the research problem. They conducted semi-structured interviews with a small purposefully identified sample of seven CEOs of Irish non-profit organisations. Interviews were recorded and transcribed, with the permission of the participants, and subjected to template analysis with a view to discovering the key themes and subthemes within them. The findings were then assessed against the research question and sub-questions, developed from a study of the available literature. The findings offer deep insights that may be applicable more widely within the sector.

**Findings:** The study showed that the CEOs view trust to be fundamental to the creation of strong professional relationships between them and their Chairs. The participants agree that congruence of goals and outlook with their Chair in relation to their organisations is vital to trust creation. Other factors including the professional ability of the Chair, support for them by the Chair at board level and the availability of the Chair, all had an impact on trust levels within the relationship. High levels of trust were directly linked by the most participants with improved governance and outcomes for the organisation.

**Originality:** The narratives of the CEOs detail the value placed by them on a trusting relationship with their Chairpersons. This study highlights the importance of good quality professional relationships within the governance structures of Irish non-profit organisations and draws attention to the factors that help achieve them. The implications in terms of organisational outcomes and good governance are discussed.

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## **Dedication**

This dissertation is dedicated to Emer and Patricia.

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# 1 Introduction

In this study the terms non-profit and charity are used interchangeably, though within the Irish context a charity is normally an organisation that appears on the Charities Regulator's register of charities. All but one of the organisations examined as part of this study are registered charities, the other being a non-profit financial institution.

The impact of the non-profit sector in Ireland is considerable. 188,714 individuals were employed by Irish charities in 2018, with an estimated 300,000 more volunteering their time (Charities Regulator, 2018a). When one includes those who are indirectly supported by the sector, the employment figure rises to 289,197 (Charities Regulator, 2018a). The total declared combined income level stands at €16 billion, or 5.8% of GDP. (Charities Regulator, 2018a).

In addition to the public good that charities do in pursuit of their aims, there are other benefits accruing from the sector. 28.4% of the Irish population volunteered in one capacity or another in 2013, with 45% of these individuals volunteering in non-profit organisations including charities. 84.2% of those who volunteered identified as being happy in their lives, comparing to 76% for those who did not (Central Statistics Office, 2013).

As recently as November 2017 only 43% of the population surveyed stated that they had trust in the non-profit sector (Carswell, 2017), a considerable drop from a high point of 74% in 2012 (Charities Regulator, 2018b) This lack of trust follows a succession of scandals ranging from the misappropriation of funds to the sexual exploitation of vulnerable people in their care (Power, 2018a: Power, 2018b). The underlying cause of the scandals that have beset the sector and have had such a serious impact on both the levels of financial support from the public and the morale of staff and volunteers (Holland, 2017) is identified by the regulator as a failure of governance (Charities Regulator, 2018b).

There are in excess of 51,000 volunteer charity trustees in Ireland (Charities Regulator, 2018a). The question of improving governance within the sector has been addressed by the Regulator through the introduction of a mandatory, principles based, governance code with which all charities will be required to publicly state compliance by 2020 (Charities Regulator, 2018a).

With this focus on governance within the non-profit and charity sector, the researcher sought to understand issues that might stand in the way of the introduction of a strong, supportive governance regime, particularly in light of the part-time, volunteer basis that trustees carry out their important roles.

The nature of the relational interactions of the two most senior members of the organisation and the board, the Chief Executive Officer (CEO) and the board Chairperson (Chair) respectively, have a special significance for the management and governance of a non-profit organisation (Cornforth, 2015). Of all the variables that effect interpersonal relationships in a working relationship, particularly at senior level, trust is considered to be the most important, with associated consequences for the organisation (Morais, Kakabadse and Kakabadse, 2018).

This project developed from a desire to understand how trust acts as a driver for good governance and the attainment of organisational outcomes within the Irish non-profit sector. ‘The relationship between Chairs and Chief Executive Officers (CEOs) has been largely neglected in research on non-profit governance’ (Cornforth, 2016, p.949). A clear gap was discovered within the available literature, a gap which this dissertation seeks to partially address.

To this end the following research question was formulated **‘Do CEOs of Irish non-profit organisations view trust to be important in creating or maintaining effective relationships with their Chairpersons? If so, do their narratives inform how and why and what the outcomes may be?’**

The methodology chosen to explore this question was required to be appropriate to the subject of this dissertation and to be in accordance with the researcher’s view of what constitutes knowledge within a social context.

The researcher chose qualitative methods to explore the question, using template analysis to mine the data upon which this dissertation is based. The data took the form of seven recorded and transcribed semi-structured interviews conducted by the researcher with CEOs of Irish non-profit organisations.

In short, the findings can be summarised as follows; the CEOs viewed trust as a core pillar upon which a positive relationship with their Chair rested. In the main they found that trusting relationships had a number of benefits for them and their Chairs. These

included an increased ability to carry out their roles, an inclination to transmit information to the Chair and Board, a willingness to accept supervision and oversight from the Chair and an ability to leverage the social capital and professional abilities of the Chair in relation to funders, media and other stakeholders.

Other findings related to the causes of trust. These included support by the Chair of the CEO, particularly at the board, availability of the Chair, their professional ability and clarity of role boundaries.

Of critical importance to the CEO, however, was a perception of alignment on attitude towards the organisation and its goals, coupled with shared core values with their Chair.

## **1.1 Dissertation structure**

This dissertation largely follows the guidelines provided by the college in terms of structure. Rather than include the development of the research question within the methodology chapter, it is presented separately within chapter 3.

The format of the dissertation is as follows:

**Chapter 1: Introduction.** The introduction gives a brief overview of the topic, the purpose of the dissertation and the structure of the paper.

**Chapter 2: Literature Review.** The literature review attempts to place the research topic within the context of the concepts and theoretical framework that pertain to it. The literature review concentrates on peer reviewed journals for sources.

**Chapter 3: Research Question Definition.** This chapter looks to hone the research question with sub questions or objectives drawn from the themes which emerged in the literature.

**Chapter 4: Methodology.** Here the appropriate methodology best suited to answering the research question is considered in tandem with an exploration of the researcher's understanding of meaning within a social context.

**Chapter 5: Findings.** The data is reviewed, with the themes and sub-themes developed compared and contrasted to those within the literature review.

**Chapter 6: Discussion.** The discussion chapter is very much the second part of the previous chapter. Here the findings are used to develop theories and answers to the research objectives developed in chapter 3.

**Chapter 7: Conclusions.** The research aim is restated in the context of the findings. The limitations of the study are considered and from these suggestions for further study are developed and proposed.

## **2 Literature Review**

### **2.1 Introduction**

Saunders, Lewis, and Thornhill, (2012), explain that a key purpose of including a literature review within a dissertation is to provide a foundation for the author upon which to build their research and to provide both context and a theoretical framework in which to position their findings within existing knowledge.

Within this literature review the researcher will explore the development of thinking relating to the challenging concept of trust with a view to providing a synopsis of the most pertinent and current theories in relation to the research topic. The sources of these theories in the main are peer reviewed academic journals and all are available through the National College of Ireland's library website. The databases consulted include Academic Search Complete, Emerald Insight and EBSCOhost. Many search terms and combinations of terms were used including 'trust in organisations' and 'trust and governance'. The most recent articles available were sourced and consulted. Key works, often decades' old, were referenced if they illuminated the development of thinking in relation to the topic.

The focus will narrow over the course of the review to look in detail at the manifestation and effect of trust within organisations, between CEOs and Chairs generally and finally between the Chairs and CEOs of non-profit organisations.

### **2.2 What is Trust?**

An early definition of trust within the social sciences was that put forward by Deutsch (1956) where he identifies trust as existing between parties when there is an expectation of something to occur where the negative impact of it not occurring outweighs the positive impact of it occurring. He expands this definition by adding that trust puts an onus on the trustee to perform according to the expectation of the trustor.

Though somewhat incomplete when one considers the manifold ways in which the term trust is used, Deutsch highlights two key ideas which occur frequently in later literature, the idea of risk being necessary to trust and that somehow trusting someone puts an onus on them to act in a certain way. Another definition, put forward a decade later, stated that trust was as an expectancy held by an individual or a group that the

‘word, promise, verbal or written statement of another individual or group can be relied upon’ (Rotter, 1967, p.651.). This review will look to explore how this positive expectancy can be generated.

The theme of risk and its centrality to trust, particularly within a dyad, a relationship of two people, can be taken further through an exploration of how risk may be important to the idea of trust. Trust is understood to be separate from co-operation, confidence and predictability in this regard. Risk has been viewed as vital to the concept of trust generation between parties not in the action of taking risk but in the willingness to take risk (Mayer, Davis and Shoorman,1995).

So the creation of trust is viewed partly as a consequence of risk taking on the part of the trustor (the trusting party); it is necessary to take risk, or be willing to incur risk, in order to establish trust (Mayer *et al.*, 1995). The idea of risk taking as a repeated action in the formulation of a trusting relationship introduces the idea of time into the mix, in that ‘the level of trust will evolve as the parties interact’ (Mayer *et al.*, 1995).

In their 1995 paper, Mayer, *et al.* conducted an analysis of attributes which were seen as important to the establishment of trust and reduced them to three broad categories; ability, benevolence and integrity. Mayer, *et al.* (1995) noted that it seemed from their review that the trustor’s propensity to trust was also important, with this inclination changing with the context and environment in which the interactions occurred.

They identified ability as comprising of a mix of skills, competencies and personal characteristics, noting that these were domain specific, meaning that if the individual had a high degree of ability, but not within the sphere that was pertinent to the relationship, it would have little bearing on the level of trust held in them.

Benevolence was defined as the desire to do good to the trustor for no personal gain.

Integrity in this context is expressed as the individual in whom trust is placed as possessing a set of principles that the trustor finds acceptable.

These three attributes, all identified as important in the development of the propensity of one person to trust another, were deemed to be of more or less importance at different stages in the process. Trust, it would appear, evolves along a continuum with a perception of integrity by the trustee of the trustor an important attribute early in the

relationship with benevolence becoming more central with time as the relationship develops (Mayer *et al.*, 1995).

As mentioned above the propensity to trust by the trustor is seen as important in the development of trust between parties. This would appear to imply that there are attributes that the trustor may or may not have that effect the development and intensity of their trust in the trustor.

Though disagreed with by some who view trust as a neutral concept in terms of good or bad, in that one can appear to trust another person or institution to undertake a negative action (Simpson, 2012), within trusting interpersonal relationships there would seem to be a requirement for a positive element to be present. Others have noted that trust is almost ubiquitous in our everyday life (Faulkner, 2015) in that we trust most people in most situations to do what we expect them to; however, trust would appear to be more than mere reliance, it is an act of hope rather than prediction (Jones, 1996). This trait on behalf of the trustor is identified as optimism. Optimism in this context means faith by the trustor in the goodwill of the other person, not simply that all will be fine (Jones, 1996). In situations where trust is normal, as in so much of our daily lives, the barrier to optimism is lower, i.e. it is easier to trust.

Though this concept of optimism on behalf of the trustor is not accepted by all (Simpson, 2012) it appears highly likely that in the sphere of close interpersonal relationships it plays a vital role, to ‘trust someone is to have an attitude of optimism about her goodwill and to have the confident expectation that, when the need arises, the one trusted will be directly and favourably moved by the thought you are counting on her’ (Jones, 1996, pp. 5-6).

There are dangers with trust. For a person to have trust placed upon them by another may not always be welcome, given it entails a certain obligation to act in the interests of the trustor rather than oneself (Deutsch, 1956; Simpson, 2012). However, Jones (1996) found that should an individual attempt to place another under such an obligation successfully a high degree of interaction between the parties is necessary. Jones also found that when trust is present in a relationship it can cause an inaccurately positive interpretation to be taken of the words and actions of the trustee by the trustor (Jones, 1996)

To understand the impact of trust on people and organisations, as this paper attempts to do, it is not enough to attempt to understand trust alone, mistrust must also be considered.

Mistrust is not simply the absence of trust, rather it is an attitude in its own right (Faulkner, 2015). If trust is based on optimism, then the attitude which is key to mistrust is pessimism. If a potential trustor is pessimistic in their attitude to someone they deem it unlikely that the other person can be trusted to act in their interest and that they don't possess the attributes previously identified as necessary to engender trust; ability, benevolence and integrity.

In conclusion we can say that trust between individuals is more than a rational calculation based on the trading of favours or goods, rather it is an attitude formed by emotion based on a mix of traits; optimism and the propensity to trust by the trustor and ability, benevolence and integrity by the trustee, framed within the context of the situation that the interactions are occurring. Trust is part of everyday life. It is engendered by the actions of collective lives with our joint social living creating an ability to expose ourselves to risk of loss (Simpson, 2012).

Of particular interest to our research question are two further considerations. Firstly, in their 2012 study, Simpson found that though trust may be an everyday part of our social interactions without which we could not enjoy our integrated lives, in high stakes or novel situations the question of trust comes to the fore. Secondly, that the presence of high levels of trust encourages co-operation, particularly when we value, or come to identify with, the person we trust (Simpson, 2012).

### **2.3 Trust in Organisations**

Trust can exist in a workplace both between individuals and between individuals and the organisation (Butterfield, Farris and Senner, 1973). This paper will explore what the literature has to say in regard to trust within organisations, namely what increases or decreases it and what effect this may have on the individuals involved and for the organisation itself. In particular, this section will look to see how levels of trust, both between colleagues and between workers and the organisation they operate within (organisational trust), impact on the organisation achieving its goals.

It has been stated that ‘trust, and the factors that affect it, significantly influence growth rates’ (Zak, p. 317, 2001). Organisations are created and achieve their aims only through human interactions. We have seen in the previous section that trust is central to positive human relationships and so it would appear that in order for an organisation to be successful, trust has a vital role to play. Putting it succinctly, ‘trust acts as an economic lubricant, easing the social interactions necessary to meet strategic goals. (Zak, p. 45, 2018)

Within organisations it has been shown that trust is the factor which is of most importance to the quality of relationships between co-workers and this trust is developed within a supportive working environment, based on good information flow, coupled with encouraging and empowering management (Connell, Ferres and Travaglione, 2004). Indeed, it has been shown that trust is of such importance to workers that a 1-point increase in trust along a 10-point scale can give rise to the same levels of satisfaction amongst workers as a 30% increase in salary (Helliwell and Huang, 2011). Interestingly in this particular study women valued trust in workplaces more highly than their male colleagues. How is trust, or conversely, mistrust, created and destroyed?

The level of trust experienced within an organisation is dependent on a variety of internal and external factors. It appears that trust is more easily achieved, or perhaps more easily expressed and appreciated, if the organisation exists within a society that is inherently trusting. The factors that determine a society’s propensity to trust are manifold but are connected to high levels of political, social and economic development. (Butterfield *et al.*, 1973).

Within organisations many factors influence how much trust exists. Mistrust is generated by uncertainty and fear. Workers who experience lack of clarity regarding their roles or who are concerned about the future security of their jobs often experience mistrust towards their managers and the organisation (Daniel and Young, 2003). Mistrust is compounded if the workers are subject to poor management practices and this mistrust is reciprocal, in that a lack of trust by workers in management is reciprocated by managers who express low levels of trust in the workforce (Tan and Tan, 2000; Daniel and Young, 2003).

The creation of trust is in some respects the inverse of the above. Interactions between individuals at all levels of the organisation are key to the generation of trusting relationships (Daniel and Young, 2003). This would appear to be self-evident; if trust is based on one's perception of another then it would be difficult to generate trust if one had little personal experience of that person. However, the number of interactions between people in the workforce may not in itself generate trust, rather it is the quality of those interactions that seems to have a direct bearing on the matter (Butterfield *et al.*, 1973).

In some cases, it would appear that the higher an individual's status within an organisation the higher levels of interpersonal and organisational trust that person experiences and the more trusting they become (Butterfield *et al.*, 1973).

We have seen that there are both rational and emotional aspects to the idea of trust. However, McAllister, 1995, found that though a rational, or cogitative, component to trust is important, it is the emotional side which is vital to the creation of deep levels of trust in the workplace. The fact that a colleague will go beyond what is merely necessary in the course of their working day enhances the trusting relationship. High levels of trust are based on relationships that go beyond the professional and require an emotional investment; they are based on the creation of emotional ties (McAllister, 1995).

Exploring the development of trust by workers towards their organisation is important in determining how trust may influence the outcomes for an organisation. Psychological wellbeing coupled with transformational leadership is very important in determining levels of employee engagement and organisational trust (Jena *et al.*, 2018). Workers look for actions that demonstrate if the organisation values them and their contributions and for evidence of operational and procedural justice. In other words, does the organisation treat them respectfully and fairly (Tan and Tan, 2000)? A lack of these things leads to the creation of mistrust amongst the workforce towards the organisation (Daniel and Young, 2003).

Within a workforce an individual's trust in their supervisor increases their levels of trust in the organisation (Tan and Tan, 2000); an operative may view organisational trustworthiness through their relationship with their supervisor. This is further nuanced in that though the behavioural integrity of a supervisor is critical to the

amount of trust an employee has in them, that in itself does not lead to trust by the worker in the organisation. Organisational trust on the part of the employee depends on the level of trust they have in senior management (Kannan and Lawrence, 2012). This has important implications as this paper is concerned with the impact of the relationships of senior management, the CEO with their Chairperson, has, particularly as organisational trust is strongly linked to organisational commitment (Kannan and Lawrence, 2012).

How does the presence of trust or mistrust effect the organisation's ability to achieve or surpass its goals? Trust is the psychological factor that has the most impact upon the attitude of workers, enhancing trust in the organisation and in perceptions of levels of organisational support (Connell *et al.*, 2004). Though a lack of trust in management can be mediated by strong levels of trust amongst co-workers (Daniel and Young, 2003), co-workers who enjoy the benefit of trusting relationships are less likely to leave and more likely to evince a level of emotional attachment to their organisation (Connell *et al.*, 2004). Where there are high levels of trust there are also present high levels of organisational commitment (Zak, 2018).

Higher levels of trust are linked to increased organisational effectiveness, or at least the perception of organisational effectiveness by a trusting individual, particularly amongst those within the higher levels of an organisation (Butterfield *et al.*, 1973). High trusting interpersonal relationships can give rise to increased efficiency leading to positive organisational outcomes (McAllister, 1995). Trust between a supervisor and employee, established by good guidance, autonomy, latitude and support increases the subordinate's innovative behaviour, which has been shown to lead to the development of new and better ways of working (Tan and Tan, 2000).

Organisational trust leads in turn to organisation commitment, often perceived through reduced staff turnover (Tan and Tan, 2000). Trust amongst the individuals at more senior levels is very important to an organisation, particularly as these people act as boundary spanners both across the institution and across institutions, facilitating the organisation's pursuit of its aims (McAllister, 1995).

As we have seen, trust is not static, but develops along a continuum. Trust can be encouraged within group and organisational relationships (Butterfield *et al.* 1973). Given its importance to organisational effectiveness it would seem clear that

organisations looking to further their aims should invest in developing their management team to best equip them to do their jobs in ways that will encourage others to put their trust in them (Tan and Tan, 2000).

In a study that has implications for this dissertation, Zak (2018), found that individuals working in high-purpose, often non-profit, organisations that were also high trust environments thoroughly enjoy their work. This in turn leads to high commitment levels and strong outcomes for the organisations (Zak, 2018).

In conclusion we have seen that trust is critical to an organisation effectively engaging its human capital to achieve its aims. Organisational trust is developed through positive and appropriate human interactions creating personal ties at all levels. This is particularly important for senior management, both because they are in the best position to direct the organisation towards achieving its objectives and because they are in a unique leadership position in terms of trust creation. Trust is generated in a number of ways, but supportive leadership which demonstrates that an individual's input is valued can create a type of social exchange model, where an employee reciprocates by 'repaying their debt' to the organisation through becoming highly engaged in their role (Tan and Tan, 2000).

The implications for these findings in the relationship between the CEO and their Chairperson will be explored in the following section.

## **2.4 CEO/Chairperson Trust**

Peer reviewed papers examining the relationship between CEOs and board Chairpersons are rare (Koskinen and Lämsä, 2016), with studies focusing on this aspect of non-profit organisations appearing to be being rarer still. Recent literature is explored relating to the for-profit world in order to provide as wide an understanding of this relationship as possible, before focusing on the CEO/Chairperson relationship in non-profit organisations.

### **2.4.1 For-profit organisations**

Earlier this paper looked at the idea of trust within organisations at all levels. However, the relationship between the CEO and Chairperson is somewhat different to a standard employee/leader relationship in that the supervisory role of the CEO by the board is normally transmitted through the Chair. Therefore, it is the Chair who must implement

the board's conflicting duties of control on the one hand and service and support on the other, of both the CEO and the organisation (Zhang, 2013). Also, due to the part-time involvement of the Chair, there is often a lack of information available to them relating to the organisation (Zhang, 2013); the deficit of which they usually rely upon being ameliorated through the CEO. With the possibility of this inherent tension within the relationship created through the requirement of the Chair to both support and control, and the reliance upon the CEO for vital information needed by the Chair to fulfil their role, it would seem that the creation and impact of trust within the dyad is of special importance and worthy of close examination.

Trust between the CEO and their Chairpersons has been viewed as highly important as a driver of mutually supportive behaviour that ultimately benefits the organisation (Morais, Kakabadse and Kakabadse, 2018). The benefits can be seen to come into focus when an organisation is facing challenges, in that when high levels of trust are present within the dyad 'many role constraints perceived by role incumbents in face of strategic tension can be removed through open debate and collaboration, enabling the formation of responses not otherwise available' (Morais *et al.*, 2018, p.152). In other words, those dyads enjoying high levels of interpersonal trust are those who perform best in the face of adversity.

Trust also reduces anxiety and tension and so allows and encourages the CEO particularly to raise problematic or concerning issue in a safe atmosphere (Morais *et al.*, 2018). Another impact on the efficacy of the CEO of trust is that it allows the CEO to be comfortable with a certain level of ambiguity and empowers them to make decisions which they would otherwise find difficult to do (Morais *et al.*, 2018).

In many ways trust between a CEO and Chair would seem to be created in similar ways to those already identified within this review, with perceptions of ability, integrity and benevolence being central to the process (Mayer *et al.*, 1995). Dialogue and communication are key (Morais *et al.*, 2018), with the frequency of interactions leading to the creation of a deep level of trustworthiness more quickly (Morais *et al.*, 2018).

The quality of the outcomes of these interactions in terms of trust creation are effected by a number of factors. In the early days of the working relationship the CEO's initiative in making contact and cooperating with the Chair, coupled with their

transparency in communications, are important factors in building trust, leading to the creation of a common view on organisational policy (Koskinen and Lämsä, 2016). Another factor easing information flow between the pair and the quality of their relationship is the similarity of experience and outlook they share, with more commonality in these areas increasing their tendency to view one another as trustworthy (Morais *et al.*, 2018).

From the CEO's perspective there are a number of other aspects to the creation and maintenance of trust in their Chair. These include the management of boundaries in terms of roles through a 'dynamic negotiated process that depends both on the role incumbent's interpretation of their roles, as well as the circumstances surrounding the relationship and which are ever evolving' (Morais *et al.*, p. 153, 2018). The perception by the CEO that the Chair wishes to do good towards them is also important in this regard, particularly when this benevolence is demonstrated through support for the CEO at board level (Koskinen and Lämsä, 2016).

Allowing the CEO a degree of autonomy also increases their trust in the Chair and encourages openness, often resulting in a continuous sharing of information (Koskinen and Lämsä, 2016). This flow of information creates a reciprocity in that it can lead to an increase in trust on behalf of the Chair in the CEO (Koskinen and Lämsä, 2017).

Two further findings are worthy of noting in the context of Chair/CEO relationships in the for-profit world, which may have a bearing on this study. All of the factors affecting trust outlined above are dependent on a perception of ability of one on behalf of the other. In fact, if some of the factors, including frequency of interactions and information flow are less than optimum, it is possible for a sufficient degree of trust to exist for the relationship to work if an ability of the subject to undertake their role is perceived (Koskinen and Lämsä, 2016).

Koskinen and Lämsä (2016) also found that the nature of the strong interpersonal relationship is important. Close friendships were not desired between the parties, rather they favoured a high degree of personal proximity coupled with a certain emotional distance. This type of interaction was perceived to lead to a rewarding and positive professional relationship (Koskinen and Lämsä, 2016).

### **2.4.2 Non-profit profit organisations**

This paper has explored the importance of trust to the CEO/Chairperson relationship in the business world with a view to seeking insights that may be relevant to the relationship in the non-profit sphere. Despite the recognised importance of this relationship to a non-profit's outcomes it remains somewhat neglected in terms of study (Cornforth, 2016), a situation which this dissertation seeks to partially address.

The extant literature indicates that similar patterns of behaviour and factors appear to give rise to trust between the CEO and Chair in the non-profit world with similar impacts for both the individuals and their organisations (Exworthy and Robinson 2001, Cornforth, 2016).

The establishment of mutual trust and respect are important in the development of a strong and positive working relationship between the CEO and Chair in non-profits and indeed the reverse is also true in that 'when trust breaks down there is a danger the relationship can enter a downward spiral' (Cornforth, 2016, p. 967).

The same issues of information sharing and time spent together impact trust development in the non-profit world, with frequent contact over time and a close working relationship engendering trust between the parties (Cornforth, 2016). This evolution of the relationship and consequent trust creation, of such importance to the organisation, is often an informal process; there is usually no conscious effort or programme to foster it by either party (Exworthy and Robinson, 2001).

A lack of information flow from the CEO can serve to undermine trust in them by their CEO and Board (Cornforth, 2016).

In an interesting paper, Exworthy and Robinson (2001), explore the relationships between CEOs and Chairs in the UK's National Health Service where the antecedents, attributes and outcomes of the quality of their relationship are interrogated. Though the word 'trust' is rarely used in their paper, much of the information garnered through reviewing the literature in regard to the for-profit world is replicated.

They found that a shared value system and a personal compatibility between the Chair and CEO was instrumental in creating a positive working relationship. Where there are difficulties, these often arise when there is a clash of perspectives or a lack of trust in the motivation of the other, e.g. where a Chair may be viewed as an instrument of

another agency, such as central government, leading to the creation of doubts about their agenda and motivation in the eyes of the CEO (Exworthy and Robinson, 2001).

When either party is appointed to their role a period of negotiation can often ensue where the early actions of the CEO are particularly important, in that they must adjust behaviour and expectations to their new Chair (Exworthy and Robinson, 2001).

Exworthy and Robinson (2001) also noted that the personal qualities of the individuals were important in the development of strong working relationships with openness, mutual respect and trust all valued in this regard.

Of particular interest was the finding that though a bad relationship was bad for the organisation it did not necessarily mean that a good one was good for the organisation. A close relationship could lead to the development of consensus and myopia. Ideally a certain distance, a professional detachment was important (Exworthy and Robinson, 2001), as was also found to be the case in for-profit organisations (Koskinen and Lämsä, 2016). 'Creating a constructive tension, therefore, needs to facilitate an effective partnership whilst at the same time avoiding complacency. The challenge for all Chairs and CEOs is to establish and maintain this tension throughout their relationship' (Exworthy and Robinson, 2001, p.90).

Hiland (2015), in her study of the importance of trust within the relationship between the CEO and board Chair in non-profit organisations found that there are broadly three levels of trust that characterise most of these dyads. These she labelled as calculus based, knowledge based and identification based trust. These span interactions from those founded on a cost based analysis in the first instance, to situations where there is sufficient knowledge available to the parties to allow a level of mutual predictability of action, to finally the third level, where the CEO and Chair identify with and internalise the perspectives of each other, leading to an increasing personal dimension to their relationship Hiland (2015).

Hiland (2015), in contrast to Exworthy and Robinson (2001), views this increasing closeness as positive, allowing higher levels of social capital to exist. At the calculus stage of trust, social capital exists only within the dyad, allowing day to day effective co-operation on matters such as financial and other management issues within the organisation. With the next stage of trust achieved, knowledge-based trust, social capital extends to the board and governing structures, allowing these to be mobilised

to support the work of the CEO and the Chair. Finally, in identification based trust, Hiland found that in addition to social capital existing within the dyad and the organisation and board, the CEO and Chair were able to substitute for each other's roles and create and mobilise social capital within and without the organisation, allowing the organisation to very effectively achieve its goals (Hiland, 2015). In contrast to other studies (Exworthy and Robinson, 2001; Koskinen and Lämsä, 2016), Hiland did not explicitly note that the maintenance of a personal distance was required in order to allow the Chair to carry out their paradoxical duties of support and oversight effectively (Hiland, 2015). Hiland found that though it was possible for CEOs and Chairs to move through the three stages of trust, building social capital, many CEO/Chair relationships did not progress past the first or second stage, to the detriment of their organisations.

## **2.5 Conclusion**

Through this literature review the concept of trust and its criticality to positive and productive human relationships has been explored. Trust's ubiquity to our everyday interactions is highlighted with an emphasis on the increasing importance and visibility of trust within high-stakes situations.

Factors have been considered that both create and destroy trust between people and between people and their workplaces. The finding that trust in senior management can lead to organisational trust and hence commitment by a workforce highlights the importance of the CEO/Chair relationship, with which this paper is concerned.

The literature review demonstrates that despite the increased interest in governance and compliance within the sector, little attention has been paid to the nature and quality of the relationship between the CEO and the Chair within non-profit organisations in general and Irish non-profit organisations in particular.

## 3 Research Question Definition

### 3.1 Introduction

The literature review provided insights on the nature of trust and its centrality to positive human relationships. The growing visibility of trust within relationships in an organisational setting was explored, with much data available to show that trust was important both in terms of personnel commitment and the efficacy of the organisation in achieving its aims. A limited amount of literature was available to the researcher which focused on trust in the context of CEO/Chair relationships within companies, with still less focusing on this relationship in non-profit organisations. All concurred that the quality of the relationship was of great importance to every aspect of the organisation and that trust was vital to that relationship. Three key concepts have been introduced through the literature review.

Firstly, the idea that trust is created through a perception of benevolence, integrity and ability over time encouraging the trustor to take a risk in relying on the trustee (Mayer, *et al.*, 1995). Meyer *et al.* produced a useful model to help understand this process shown in appendix 1.

Secondly, that the effect of trust within a non-profit organisation can be measured through the assumption that the organisation achieves its aims through the creation of social capital resulting from the level of trust that exists between the CEO and the Chair (Hiland, 2015). The interplay of trust and social capital explored by Hiland is seen in appendix 2.

Thirdly, that trust develops over time as a result of interpersonal contact (Cornforth, 2016) and is dependent on the nature of the personalities, characteristics and attitudes of the individuals, with role demarcation for both parties impacted by a wide range of external factors (Koskinen and Lämsä, 2016). This idea of an ever evolving relationship lends itself to interpretation through negotiated order theory which has been found to be ‘useful for studying responsibility in context’ (Baïada-Hirèche, Pasquero and Chanlat, 2011). More specifically, negotiated order theory ‘emphasises social change, the social order’s lack of fixity and its dynamic character’ (Strauss, 1993, cited in Baïada-Hirèche *et al.*, 2011).

Viewing the relationship which causes trust through the lens of negotiated order theory helps inform the philosophical underpinnings for the research approach adopted, (Baïada-Hirèche *et al.*, 2011) which are explored in the chapter 4.

The peer reviewed journals explored during the literature review came to their findings using a range of different qualitative and quantitative methods. However, none looked specifically at the question of trust between the CEOs and Chairs of Irish non-profit organisations. As detailed in the introduction, the Irish non-profit sector is passing through a period of change, particularly in terms of its regulatory environment, with the introduction of a new mandatory governance code, following a loss of public confidence resulting from a breakdown in governance and the resulting scandal in some high profile cases.

Given that so many citizens depend on, or have their lives enriched by, the services of the non-profit sector in Ireland, added to its contribution to the economy and society as an employer, there would appear to be a gap in the research meriting a closer look at this key relationship.

A good topic upon which to base a dissertation has ‘clearly defined research questions and objectives’ (Saunders *et al.*, p. 29, 2012).

The principle objective of this dissertation is to attempt to answer the following question or primary research objective:

**‘Do CEOs of Irish non-profit organisations view trust to be important in creating or maintaining effective relationships with their Chairpersons? If so, do their narratives inform how and why and what the outcomes may be?’**

Saunders *et al.*, (2012) suggest that research objectives can be developed from the research question in order to bring focus to the main topic being explored. To this end a number of sub-themes or questions have been developed, all drawn from the literature review, listed below.

### **3.2 Research Objective 2**

#### **What makes for a trusting relationship?**

What are the factors that build trust between the Chair and the CEO? What are the factors decreasing trust? What are the attributes of a trusting relationship? Areas of

focus include frequency of communications, type and context of communications, similarity of view and perceived levels of benevolence, integrity and ability of the Chair.

### **3.3 Research Objective 3**

**How does a trusting relationship affect the ability of the CEO to be effective in their role?**

The CEO often has daily contact with a range of different stakeholders including staff, board members and external bodies in order to fulfil their role. Does a trusting relationship with their Chair help or hinder the effectiveness of the CEO to engage with these groups productively?

### **3.4 Research Objective 4**

**How does the CEO perceive the impact of a trusting relationship on the Chair's effectiveness?**

The Chair in their turn needs to accomplish certain tasks, such as running board meetings, making informed decisions, offering support, advice and oversight and providing a strategic perspective. How does the CEO understand that the quality of their mutual relationship impacts here? What does the CEO understand the role of the Chair to be?

### **3.5 Research Objective 5**

**What effect does a trusting relationship have for the organisation?**

More specifically, does the organisation benefit or suffer as a result of the relationship between the CEO and Chair? If so, how is this manifested? Is there a link between the level of trust that a CEO feels exists between them and their Chair and the ability of the organisation to achieve its goals?

## **4 Methodology**

### **4.1 Research Philosophy**

Research philosophy informs the way in which the researcher will approach the topic they wish to explore, how they will interrogate and understand the phenomena they uncover and how any information or findings will be interpreted (Saunders *et al.*, 2012).

Epistemological and ontological considerations are the researcher's perspectives on what constitutes knowledge, truth and meaning within the context of their research topic. These considerations will help guide them towards the theories, or paradigms, that will frame the approach through which they will design the research, collect data and analysis findings (Saunders *et al.*, 2012).

This process is encapsulated within the research 'onion' in appendix 3.

The researcher in this instance holds the view that reality or truth, as experienced by people, is subjective and informed by their interactions with each other over time and so is viewed through the prism of their experience within a wider social context. In other words, their world view coincides with ideas found in social constructionism (Patton, 2015; Saunders *et al.*, 2015).

Given the researcher's perspective that truth is constructed within a social context, as opposed to the belief that there are universal social laws, or facts, through which actions can be measured against and understood, it encourages them to reject a positivist approach to their research. This allows the author to adopt an interpretivist paradigm that will facilitate an exploration of the attitudes, actions and motivations within the relationship at the heart of the research objective (Silverman, 2013).

This approach also suits the nature of the phenomena being explored, in that the researcher is interested in the interpretations that the participants place on their concept of trust within their evolving relationships with their Chairs.

#### **4.1.1 Research paradigm/theory**

'Paradigms are a way of distinguishing different perspectives in science about how better to understand the world' (Patton, 2015, p. 723).

As the research philosophy informing this project is interpretivist in nature, an inductive approach, which allows theories, or at least insights, to emerge from an in-depth study of the relationship between CEO and Chair, would appear to suit the overall aim of the project. This contrasts with deduction, often conflated with traditional scientific research, which looks to apply universal rules or laws to a question with a view to developing a testable answer or hypothesis. A deductive approach looks to ‘develop a theory and hypothesis (or hypotheses) and design a research strategy to test the hypothesis’ (Saunders, *et al.*, p. 145, 2015).

The selection of an inductive approach will help inform the research design.

## **4.2 Research Design**

Research design is the ‘framework for the collection and analysis of data to answer research questions and meet research objectives providing reasoned justification for choice of data sources, collection methods and analysis techniques’ (Saunders, *et al.*, p. 681, 2015).

In this study the researcher is attempting to move beyond a cause and effect scenario, or the exploration of an objective relationship between a set of variables, and uncover a rich level of detail located within the participant’s interpretations of relationship interactions, with the object of developing an understanding of the dyad and what role trust plays within it, if any. The research design should be informed by the research philosophy, with a theory selected as most appropriate to explore the proposed research question (Silverman, 2013).

The research designs available for consideration include qualitative, quantitative and mixed methods (Saunders *et al.*, 2012)

In this case, the research philosophy adopted is interpretivism and the research theory, or paradigm, framing the research is inductive in nature, as outlined above. Qualitative research methods, therefore, have been selected as the design best suited for the topics to be explored. Qualitative methods can ‘make routine features of everyday life problematic’ (Silverman 2013). They fit well with the philosophical perspective that social reality is constructed and with the researchers aim to strive for a deeper exploration of social understandings, attitudes and interactions (Saunders *et al.*, 2012).

Quantitative methods, drawn from a deductive approach to research, focus on the exploration of the relationship between variables and require objectivity on the part of the researcher and often require a large sample size, (Saunders *et al.*, 2012). A quantitative approach could have precluded the researcher from both exploring the subjective meaning placed by the participants on their relationship and from establishing the rapport with the subjects necessary to investigating their perspectives in any depth.

Mixed methods, or multiple methods, combine both qualitative and quantitative approaches and at their most straightforward can consist of a study, or questionnaire, with both open and closed questions (Patton, 2015). They blend statistics and stories allowing a ‘causal inference’ (Patton, 2015, p. 621) to be drawn from statistical data. This mixed methods approach requires considerable skill on the part of the researcher as the quantitative and qualitative data must be combined into a cohesive set of findings, rather than be treated separately (Patton, 2015).

A mixed methods approach would appear to have a lot to recommend it in terms of enhancing the validity of findings uncovered in qualitative research, but was rejected in this situation because of the availability to the researcher of a relatively small number of participants and the time constraints of the study.

#### **4.2.1 Limitations of research design**

Criticisms of qualitative methods include a perception that the findings of the research can be ambiguous, that, due to the personal interactions between the researcher and the subject, there is an inherent bias in the study, that it is difficult to establish causality and that resulting from the often small sample size in qualitative projects, there is a lack of generalization in relation to the findings (Patton, 2015).

However, due to the very personal and subjective nature of the research topic, coupled with the lack of research into this area within an Irish context, as highlighted through the literature, qualitative methods are deemed by the researcher to be appropriate to investigate the subject.

Practical considerations can also legitimately frame research design (Silverman, 2013) and the limitations in terms of availability to the researcher of participants and time had an influence in the decision to choose a qualitative design.

### 4.3 Research Method

The research method chosen should fit with the overall purpose of the study and philosophy underpinning it. As a constructivist, inductive approach, using qualitative methods, informs the methodology adopted by the researcher, semi-structured interviews have been chosen as the most appropriate way of exploring the topics within the main research question; ‘Does trust have a part to play in effective CEO/Chair relationships in Irish non-profit organisations? If so, how, why, and what are the outcomes?’

The method of using semi-structured interviews has been chosen as the researcher is not looking for ‘true facts’ but rather is taking a constructionist approach to access the stories and narratives that people use to create their understanding of the world. Constructionism is concerned not only with what is actually going on but also with ‘the processes through which social realities are constructed and sustained’ (Silverman, 2013, p. 107). Constructionism, then, is an ideal perspective from which to explore how a CEO understands how it is, or if, trust develops within the relationship with their Chair and why they might consider it to be important. Constructionism contrasts with naturalism, where how the participants involved understand the world is often considered irrelevant to the study.

There are a number of different methods of doing qualitative research which conform to a constructionist approach, including grounded theory, narrative discourse and template analysis (Silverman, 2013) (Saunders *et al.*, 2012).

Grounded theory, or ‘theory that is inductively generated from.... the researcher’s observations and interviews out in the real world’ (Patton, 2015, p. 18), is concerned with ‘developing a theory that explains some action, interaction or process’ (Creswell, 2007, p. 239) and is the single most used form of qualitative enquiry (Silverman, 2013). It is a useful method to approach the research objectives within this dissertation as it ‘develops theoretical explanations from social interactions’ (Saunders *et al.*, 2012) and so fits well with the aim to understand the nature of the relationship between the CEOs and Chairs in Irish non-profit organisations and our chosen inductive approach to this.

Grounded theory, however, is prescriptive regarding the way the researcher approaches and analyses their data collection (Charmaz, 2006). Initially a case or

subject is chosen which will enable the researcher to begin to understand the phenomena they wish to explore, very often through interviewing. Then a type of purposeful sampling, theoretical sampling, (Creswell, 2007) is used to select further cases. Through a process known as constant comparative, the data found within each case being constantly compared to that already gathered, emerging categories are noted, which informs the selection of further individuals to study (Creswell, 2007) until 'saturation' is reached and there is no more useful data to be found relating to the research topic, no matter how much more research is undertaken (Creswell, 2007).

The way interview data is explored is known as coding. Coding leads from events and descriptions to theoretical insights and possibilities (Charmaz, 2006). Grounded theory encourages a rigid coding procedure which is detailed, prescriptive and involved (Saunders et al, 2012). However, the main principle of coding in grounded theory, where a researcher moves from an initial close reading of the transcribed data, line by line, to a more focused coding as themes emerge, is a useful discipline to bring to a qualitative research project based on a study of transcribed interviews (Creswell, 2007). Given the relatively small sample size upon which this research project is based, a close adherence to grounded theory may not have been a suitable approach. Likewise, the project's focus and constraints limited the researcher's ability to engage with the type of depth required to use phenomenology or narrative theory (Creswell, 2007).

Though theoretical saturation was unlikely to be achievable given the project's scale, nonetheless it was expected that useful themes and patterns would emerge. As a result, the more flexible approach found within the practice of template analysis was selected as the most suitable way to explore the data gathered for this project. This is a flexible approach to data analysis which consists initially of multiple close readings of the material until the researcher becomes immersed in the data, in the case of this project transcribed interviews, and has gained a thorough knowledge and understanding of the data. The researcher then begins the process of coding, searching for key words or ideas, developed as themes, until no further fresh ones can be found within the data. These themes are collapsed, through a process known as abstraction, where meaning is sought, or abstracted, from the themes within the context of the research. The researcher looks, finally, to narrate the data, often including data extracts, all within the context of the literature review (Quinlan, 2011).

To summarise, the researcher has absorbed the core themes contained within grounded theory in approaching, gathering and analysing data as they are consistent with the philosophical approach, research methods and aims which drive this project. However, due to circumstance, they have made the pragmatic decision to use a simplified form of data collection and analysis, in the belief that this will still deliver a research project of sufficient validity to provide useful insights into the research question. The limitations of this approach will be discussed more fully later within the study.

#### **4.3.1 Data collection**

It is important that the ontological viewpoint underlying the research project is consistent with the method used to collect data (Mason, 2018). The semi-structured interview, which is the method of data collection selected for this project, is possibly the most commonly used method in qualitative studies and is consistent with the ontological perspective that the subject's views and interpretations are 'meaningful properties of the social reality' that the researcher wishes to explore (Mason, 2018, p.111).

An intensive interview is a 'directed conversation' suitable for a range of qualitative methods, (Charmaz, 2006). Other options available to the researcher include structured interviews, often composed of a series of closed questions, or unstructured interviews, where there may be no expected response (Quinlan, 2011). These options were rejected as structured interviews are unlikely to deliver the depth of data required for this project whereas with unstructured interviews it would prove challenging to bring focus to the core research topic. (Quinlan, 2011).

The researcher developed questions, or headings, used in the interviews directly from the literature review, focusing on those topics which appeared to be the most pertinent to the research question. To view the questions used in the interviews please see appendix 4. Qualitative interviews are 'contextual and negotiated' (Charmaz, 2006, p.27) and so, as can be seen. the questions were few in number, broad and open-ended, allowing scope for the interviewees to speak at length and from their own experiences.

The researcher, following the dictum that flexibility of approach is important within qualitative interviewing, (Mason, 2018) moved between fluidity and rigidity, attempting to avoid falling into the trap of conducting merely a pleasant conversation. Questions were asked out of order if this suited the scenario within a particular

interview, with the researcher often following up particular themes raised with following questions and encouragement (Mason, 2018). Interviews ranged in duration from twenty-five to fifty-five minutes. Transcription took from two to four hours

All interviews were carried out face to face, recorded and fully transcribed to allow for close reading of the data and to facilitate in-depth analysis and coding. The interview transcripts are available for viewing if required. The face to face, or co-present, interview was the preferred method because it allows for close observation of the subject, including facial or other indicators (Quinlan, 2011), helping to inform the researcher's approach within the interview. Co-present interviews also support the development of rapport between the subject and the researcher which is important in conducting a successful interview (Quinlan, 2011).

The researcher used purposeful sampling when selecting the subjects to interview, in that all were required to fit certain criterion (Creswell, 2007). More specifically, all subjects interviewed were the Chief Executive Officers of Irish non-profit organisations, all of whom are answerable to a board Chairperson. Due to the requirement for face to face interviews potential participants were chosen who were located in the Irish capital, Dublin. The researcher contacted each potential participant by telephone or email. Participants contacted initially by email were followed up with a telephone call and the nature of the project explained to them with a request for participation.

The researcher provided each participant with a consent form, either by email, post or by hand, which included information about data security and also contained clauses guaranteeing confidentiality and anonymity in line with good ethical practice (Quinlan, 2011), see appendix 5. The interviewee and researcher were both required to sign and date two forms with each retaining a signed copy. The researcher fully appraised the subject of the purpose of the research, how any data would be used and assured the subject that they could obtain a copy of the transcripts, recorded data and completed research at any time. They also verbally confirmed with the interviewee that they were happy to give consent to the study and its purpose before the interview.

In every case, subjects were asked to nominate the choice of venue where the interview was to occur. A range of venues were selected by the interviewee, including the subject's office, the researcher's place of work and a range of other venues.

### **4.3.2 Populations and sample size**

Seven CEOs were interviewed. All were chosen because of their position within their respective organisations, all of which were Irish non-profit organisations. Four of the subjects were female and three were male. All had worked in a number of senior management roles before accepting their current positions and many had previous experience of being a CEO in other non-profit organisations. Organisations ranged in scale in terms of income and staff and received their funding from different sources, from almost entirely relying on state funding to those who generated most of their income.

### **4.3.3 Pilot test**

A pilot test is a small scale interview where the suitability of the researcher's chosen questions are tested and how easy or otherwise it is for the subject to answer them. A pilot test also serves to give an indication of the validity and reliability of the data collected (Saunders *et. al.*, 2012).

The researcher felt that conducting a pilot interview with at least one senior manager in the non-profit sector would serve both to assist in developing the questions that they planned to ask and to help them hone their interviewing skills, particularly active listening, avoiding leading questions and giving non-judgemental encouragement, all of which are critical to successful qualitative interviewing (Mason, 2018).

The researcher conducted a brief interview with a suitable individual who was a senior manager and an experienced interviewer and found this to be of assistance, particularly in developing the interview headings/questions. As a result of the pilot test the researcher felt more confident in approaching data collecting and reduced the number of questions they planned to ask whilst altering others. Specifically, two questions were removed from the list and a further two were altered.

### **4.3.4 Data analysis**

The researcher used a technique termed template analysis as it is consistent with qualitative research, and whilst similar to the analytical process used within grounded theory, is more flexible and pragmatic (Saunders *et. al.*, 2012).

The researcher recorded and transcribed each interview and printed each transcription. These transcriptions constituted the data upon which this study is based. A priori codes

were created from the literature review and the researcher's initial reading of the data. Each transcription was then read closely several times.

A list of themes was created with ongoing revisions of codes and hierarchies as the data was explored. A hierarchy of themes was developed as groups of themes, or codes, were collapsed due to similarities and sub themes introduced beneath these headings.

#### **4.3.5 Validity and reliability**

The researcher has used qualitative methods to explore the research topics because they believe them to be a useful way of exploring the research question.

Within qualitative studies, questions of validity, reliability and generalisability can be somewhat problematic (Mason, 2018). Qualitative research is overtly subjective and the chosen method of data collection, semi-structured interviewing, does not deliver incontrovertible fact, but empirical findings, generated within the context of a dialogue occurring in a specific place and time where both parties, the subject and the interviewer, have a part to play (Quinlan, 2011).

Nonetheless the question of reliability is an important one. 'Validity in social research is the degree to which a research project measures that which it purports to measure' (Quinlan, 2011). This is addressed by exploring if the research methods were appropriately chosen to interrogate the research question.

Given that the researcher was interested in exploring the subjects understanding of the meaning and value placed upon the construct of 'trust' within the dynamic of their relationship with their board Chair through their narrated experience, a qualitative approach is valid.

Through using techniques drawn from recognised qualitative practice and applying them thoroughly and honestly, the researcher believes that the project has reliability. Even though the techniques and methods used for qualitative research are context specific (Quinlan, 2011) the researcher exercised rigour in their application to ensure that the chosen methods would deliver reliable results.

Though the project focuses on a limited number of subjects using qualitative methods to collect and analyse data, the researcher believes that the project findings are not idiosyncratic, in that it is possible to make an argument that the findings have

relevance within the non-profit sector in an Irish context. The generalisability or otherwise of the findings will be discussed within chapter 5 of the dissertation.

The researcher currently holds a CEO position in an Irish non-profit organisation. When considering the topic, reading the literature and framing the research question they came to the realization that they did indeed have a position on the question of trust, its antecedents, attributes and outcomes within their relationship with their board chair. Though the opinions and experience of the researcher have validity and are important within a qualitative project (Patton, 2015), nonetheless care must be taken to avoid bias at all times during the process (Quinlan, 2011).

Bias is ‘anything that contaminates or compromises research’ (Quinlan, 2011). The researcher was aware that an intensive interview is an unusual and unnatural setting for the subject to find themselves in and that their behaviour could be effected, resulting in the provision of atypical answers. This tendency for the subject to modify behaviour when they are aware of being observed is known as the ‘Hawthorn effect’ (Patton, 2015). The researcher attempted to negate this effect by establishing a positive and easy rapport with the subject through instigating a conversation with the subject in advance of the interview, lasting between twenty to forty minutes in duration, with the object of making them as relaxed and comfortable as possible.

Research bias was guarded against through the avoidance of asking leading questions, coupled with maintaining an open mind throughout the process.

Sampling bias was dealt with by attempting to draw subjects from organisations that were as representatives as possible across the non-profit sector.

#### **4.3.6 Limitations**

There is an intrinsic bias inherent within ‘single method, single-observer, single theory studies’ (Denzin, 1989; as cited in Patton, 2015, p. 661). It is generally acknowledged that triangulation, or the use of multiple data-collection techniques, leads to a richer understanding of the research question. Triangulation is not necessarily used to validate research, particularly qualitative research (Patton, 2015) but rather to lead to a more nuanced and deeper understanding of the research topic.

If the time scale for this study had allowed it, a greater understanding of the research question could have been garnered from a corresponding programme of semi-

structured interviews with Chairs of non-profit organisations. Mixing quantitative and qualitative methods may also have proved useful, for instance in ascertaining if the CEO's perceptions of the effects of a trusting relationship on the organisation were shared by other stakeholders, including staff, volunteers or clients.

Nonetheless, despite possible limitations, the study has validity and utility, based as it is upon accepted qualitative methods properly applied, though the researcher acknowledges that a deeper understanding could have been achieved through appropriate triangulation.

#### **4.4 Ethical Considerations**

When undertaking research it is understood that you should not harm anyone, nor should you use the information that you discover about people to harm them or allow it to be used to harm them (Fisher and Buglear, 2010).

Some of the ethical matters that researchers need to consider are also the subject of regulatory oversight, particularly in relation to data protection (Mason, 2018).

Ethics are central to all aspects of a research project and are required to be considered at every stage, from the reason why the project is being undertaken, to the selection and application of suitable data collection and analytical methods and the selection and treatment of participants (Mason, 2018).

The researcher attempted to address these ethical considerations at all stages of the process, including during the drafting of their initial research proposal, which required the formal written adoption of their college's ethical guidelines.

The research topic was chosen through a belief in its importance to the non-profit sector and wider society.

All subjects who were approached were done so with complete transparency by the researcher as to the purpose of the project and how their data would be used and stored. They were assured that confidentiality would be maintained through the process as would their anonymity. This was done both verbally and in writing, with the subject retaining a copy of their consent form detailing these conditions, signed by the researcher. They were also given the opportunity to rescind their permission retrospectively until the project was submitted.

The research subjects were deemed to be in a position to understand the context and implications of the project as they were all senior and experienced professionals, most of whom had participated in higher education and were themselves familiar with the process of a research project. All expressed enthusiasm both to assist in the project and for the research topic itself.

## 5 Findings

### 5.1 Introduction

Initially the literature review focused on the factors that generate trust between individuals and between individuals and their organisations. The question of trust between CEO's and their board Chairpersons was then explored, particularly why it is increased and decreased and what this might mean for them professionally, coupled with the impact, if any, on their organisations. The relatively limited quantity of literature focusing on this question, especially in an Irish non-profit context, was highlighted. The purpose of this theses is to address this gap through a qualitative investigation of trust within the dyad.

Below is a table containing details relating to the seven CEOs interviewed and their organisations. A purposeful sampling method was used to source a representative range of organisations. Not only is type represented but scale too, with organisations ranging from small entities with a local focus to a larger government controlled body where the relevant minister appoints the directors.

<b>CEO identifier</b>	<b>No. of chairpersons CEO has worked with in current role</b>	<b>CEO Gender</b>	<b>Chair Gender</b>	<b>Approximate gross income of org. (€)</b>	<b>No. volunteers</b>	<b>No. employees</b>
P1	5	F	F	2,800,000	20-49	0
P2	3	F	M	100,000	1-9	10-19
P3	6	F	M	1,500,000	10-19	0
P4	7	M	F	420,000	1-9	1-9
P5	1	M	M	NA	NA	NA
P6	2	F	M	240,000	1-9	10-19
P7	2	F	M	1,000,000	10-19	250-499

All income and staff figures are for the year 2017 and were taken from the Charities Regulator's register of charities with the exception of those relating to P2 where

figures were obtained from the organisation's CEO and P5 where the figures were not available to the researcher. Income figures are not exact to prevent identification of the organisations. P5's organisation is a non-profit lending institution and is therefore not registered with the charity regulator. Staff and volunteer numbers are not available to the researcher for this organisation.

Five of the seven organisations receive the majority of their funding through state grants, with only P3 and P5's organisation's generating the bulk of their own income through commercial activity. The non-profit organisations whose CEOs were interviewed for this thesis all belong to one or other of the three following categories as outlined by the Charities Regulator (2018a). Three belonged to the 'Advancement of community welfare including the relief of those in need by reason of youth, age, ill-health, or disability' category. The category 'Integration of those who are disadvantaged, and the promotion of their full participation, in society' accounted for two, with one belonging to 'Advancement of the arts, culture, heritage or sciences'. The exception being the aforementioned lending institution.

Charities of relatively modest sizes were chosen as representative of the sector given that 97.2% of Irish non-profit organisations have an annual income of less than €10m (Charities Regulator, 2018b).

This project has taken an inductive approach using qualitative methods to answer the question **'Do CEOs of Irish non-profit organisations view trust to be important in creating or maintaining effective relationships with their Chairpersons? If so, do their narratives inform how and why and what the outcomes may be?'**

To ensure the topics critical to answering this question are explored and to keep focus on the key elements of the question a number of research objectives, or sub-questions, were developed, as listed in chapter 3. These sub-questions were drawn directly from the ideas and theories unearthed through the literature review.

An inductive approach entails an exploration of the data with a view to using the findings to generate theory. This is the methodology employed here. Themes and sub-themes were developed iteratively as a result of the coding process applied to the data, consistent with template analysis, and are shown in the table below.

Themes	Sub-themes
<ul style="list-style-type: none"> <li>Trust and the individual</li> </ul>	<ul style="list-style-type: none"> <li>Commonality</li> <li>Role boundary management</li> <li>Attributes of Chair</li> <li>Trust creation/Trust destruction</li> </ul>
<ul style="list-style-type: none"> <li>Levels of trust and the organisation</li> </ul>	<ul style="list-style-type: none"> <li>Impact on CEO and Chair</li> <li>Impact on the organisation</li> </ul>

It is important to note that all themes and sub-themes arise from an exploration of the data, the transcribed narratives of the interviews given by the CEOs to the researcher.

The themes arising from the exploration of the data will be explored within this chapter. In the discussions chapter to follow the findings will be used to find answers to the main research question and objectives. Implications of any findings will be discussed, both for the non-profit organisations and their staff and in terms of further academic research.

One finding common to all the interviewees was that each of them had an instinctive and comprehensive understanding of the concept of trust and none of the subjects were confused as to what constituted trust. None of the interviewees asked for clarification from the researcher as to what they meant by the concept ‘trust’.

## **5.2 Main theme: Trust and the Individual**

It would appear from the data that all of the interviewees held that trust was an essential component of their relationship with their Chair, often highlighted by its absence as well as its presence.

Not all of the participants were initially overt about this. Some, however, were emphatic. Comments such as this from P3, *‘trust is core, because if you don’t have that in place the relationship doesn’t go anywhere’*, and from P7, *‘Trust, I think is probably vital’* highlight this. P6 states that *‘trust is a big one’*, when identifying factors essential to a good relationship with their Chair. P5 endorses the view that trust is important *‘trust is hugely important, especially if there are difficulties’*.

Even this seemingly contradictory statement from P2, *'I don't need to trust anyone anymore, our relationship (with their Chair), is not about trust now, it is about the work'* is clarified through a following comment *'He trusts me and I trust him, it developed twenty years ago and I am forgetting about it'*, highlighting that they and their Chair experience a high degree of trust. Through the exploration of the following sub-themes we will come to know more about the conditions that create trust.

### **5.2.1 Commonality**

*Finding: similarity of values and outlook help create trust, though personality is less important.*

The findings of this study contradict the literature in part here. Exworthy and Robinson, (2001), and Morais *et. al.*, (2018), found in their studies that commonality between CEO and Chair helped create trust. This is partially confirmed by this study. P1 states that *'she is a systems person and so am I'* though adds later *'she gets irritated with the messy human reality, but when you are providing services to people and these services are provided by people ... you had better find a way of dealing with it'*. Though P1 feels she shares a similar personality to their Chair there would appear to be a mismatch in terms of an understanding of the purpose of the institution. Elsewhere P1 mentions that she has trust issues with her Chair relating to an external review of the organisation that the Chair encouraged.

P6 feels that their personality is very different to that of their Chair, stating that as a forensic accountant the Chair is *'very pernickety'* though she enjoys a trusting professional relationship with them. P5 makes the strong statement that their current chair *'is probably one of the best I have ever worked with and the most interested I have ever known'* but adds *'I wouldn't have said we were natural fits' and wouldn't have been on the same page politically or even our understanding of why poverty exists'*.

In contrast P3, who also has a strong trusting relationship with their Chair, stating *'I can trust him'* and feels that they are similar to their Chair *'We are similar, though I have worked with another chairman and he wasn't like that at all and he liked to have coffee and the chats and he was great in his own way, but perhaps this one is probably a little better for me...I constantly strive to perform'*.

In conclusion it would appear that from the CEO's perspective similarity in personality and how they approach tasks may not be necessary in trust creation within a professional environment, but commonality of purpose and values are; exemplified best in this statement by P4, *'we are different but we have the same core values'*.

In terms of further academic study this could be explored, as how a CEO understands their own personality may not be objective and they may be more like their Chair than they realise. In the workplace, the theory that similarity between the Chair and CEO increases trust may have implications for an organisation looking to increase diversity. However, in this study what mattered was not necessarily similarity in terms of their personality but shared values and other factors explored below.

### **5.2.2 Role boundary management**

*Finding: Clarity of roles and where they interface is important in creating trust between the Chair and CEO.*

The literature supports the view that distinct areas of responsibility are considered important in terms of a positive, trusting relationship between CEO and Chair. Morais *et. al.*, (2018) found that this clarity of boundaries was important, but this was nuanced by Hiland (2015) who found that in dyads within which there were very high levels of trust the role boundaries were less important, with the individuals able to switch between roles as the situation demanded it, to the benefit of their organisations.

Within the data this was a common topic with the consensus being that fixed and well understood roles and responsibilities were important and that ambiguities here led to discomfort and reduced trust for the CEO toward their Chair.

Within the context of an excellent relationship this is of slight concern to P5, who feels that though their chair *'understands their role as Chair and (are) able to think more of the bigger picture'*, his role also requires the Chair to provide oversight, that she is *'giving me way too much power and way too much autonomy'* adding that she now takes this on board.

P3 felt that where responsibility lies is important. In relation to the Chair, she states that their role is *'not to interfere with the management of the company.'* P1 found that Chairs commonly *'don't understand their governance responsibilities and try and*

*involve themselves in operational responsibilities*'. P1 found this tendency to be a major factor in the creation of tension and mistrust.

P2 concurs with this view, stating that the key understanding for a Chair is *'knowing their role and then knowing the scope of that role'* adding that she is occasionally discomfited when this is not the case *'sometimes I find I am chairing the meeting which can be a little bit difficult for me'*. P7 agrees, stating that *'I do think it is useful and this Chair often asks can they help, not to get involved....my Chair...doesn't get involved in operations'*.

Hiland's (2015) finding that the Chair/CEO relationships enjoying the highest levels of trust are comfortable with more blurred boundaries is endorsed by P4, who states that the professionalism of the Chair *'lends itself to the creation of clarity of roles initially and then extends to the constant management of the dynamic of this...the relationship can change; governance can move into operations and operations into governance and necessarily ...the synergy between the Chair and CEO...that creates the excellent relationship'*. In terms of context P5 describes his relationship with his Chair as excellent.

This idea of flexibility in terms of roles leading to better outcomes in very trusting situations deserves more academic study. The idea would seem to undermine the duality of a Chair's role; to support and supervise. Six of the seven participants were of the opinion that it is important for the Chair to possess clarity regarding their role and responsibilities.

In terms of applicability to actual organisations, the data would suggest that availability of training or the provision of guidelines for Chairs on the nature of their role, including duties and responsibilities, could assist in creating a trusting relationship with their CEO.

### **5.2.3 Attributes of Chair**

*Finding: the levels of benevolence, integrity and ability displayed by the Chair towards their CEO are critical components of a trusting relationship*

Mayer *et. al.*, (1995) found that an individual places their trust in another person if they display integrity and benevolence in their dealings with them and if they perceive

them to have ability in their role. They also found that these attributes had different levels of importance as the relationship progressed.

All of the participants spoke to the fact that the personal attributes of the Chair had a significant impact on their perceived trustworthiness. On occasion a CEO could have admiration for their Chair's attributes in one area though this could be undermined by their attributes in another. An example of this is given by P1. When discussing the abilities of their Chair she describes her as '*well qualified*' and someone who '*really understands governance*' though trust is undermined through the Chair's lack of ability to grasp the nature of how the organisation operates and her lack of ability to control the board and, by inference, to trust and protect her. This is shown clearly through P1's statement '*this external review is undermining...she allowed someone else who was trying to prove their worth on the board to put forward a notion*'.

The benevolence, ability and integrity of their Chair are of great importance to P2, who describes the various attributes of their Chair stating that they are '*caring and involved with the community*', '*the father of the organisation*' and that in terms of dealing with issues relating to external issues they '*are like Superman, flying in!*' P2 adds that their Chair's basic task is to chair the meeting, adding that '*the CEO can look good or bad through bad chairing*'. Despite the fact that P2 feels that their Chair is less than optimum in this regard, their benevolence and integrity more than make up for this in their eyes. This speaks to Mayer *et. al.*, (1995) and their point that different attributes are important at different times in the trusting relationship. P2 and their Chair have enjoyed a long professional relationship and know each other well, a shortcoming in technique at board meetings is not now a major issue for her.

P4 concurs with this general view. He is of the opinion that the trusting relationship starts with the professionalism of the Chair which is most important '*not the friendliness*' though it would appear that it is essentially the Chair's integrity and loyalty that are of most importance to the creation of trust in their current relationship, '*He is very loyal, he is not saying one thing when I am in the room and something else when I am not*' adding that '*he is excellent at bringing people with him and he is probably the best listener I have met*'.

The idea of integrity and benevolence are at the fore of P7's experience of trust within her relatively new relationship with her Chair. In a contrasting emphasis to P4, it is

these attributes that matter most to her at this early stage, *'I feel I can call him and give him an update and he doesn't question it...he is supportive'*. This is perhaps explained by the fact that she had a particularly difficult relationship with her previous Chair due to *'a matter of trust...I did not trust his commitment to the organisation or his reasons for being involved'* P3 criticises her Chair's ability to chair a meeting stating that *'he could be better at inclusivity....my Chair can be too direct and too dismissive of the board...he can talk too much at meetings'*. However, she does feel her Chair to be trustworthy as manifested through the benevolence he displays in her dealings with her, *'I can trust him not to say, 'well you should know that, you should know what the answer is'...I trust him in that he is not going to think any the less of me'*.

P6 appreciated the skills of her Chair, *'he is going to ask the difficult questions and I appreciate him asking'* she describes his ability to just listen as a core attribute which increase her trust in him *'I have told him and he has listened'*. Interestingly it is his Chair's skill in terms of setting a strategic vision for the organisation which P5 feels is a core ability of his Chair, coupled with the fact *'they know what they are there for and they are passionate about the organisation'*. It is the latter that he identifies as one of the foundations for the trust within their relationship.

It appears that the Chair's benevolence, integrity and ability all have a part to play in the formation of a trusting attitude towards them by their CEO. High levels of benevolence and integrity seem to make up for a shortcoming in certain technical abilities, such as effective chairing of meetings, a finding reflected in the literature (Gill and Knoll, 2011). It would appear that this benevolence doesn't impact negatively on the ability of the Chair to carry out the supervision of the CEO, rather it puts the CEO in a comfortable place to accept oversight and direction. Within the sector this may not be widely appreciated, with an agency view perhaps common, that oversight is required as a result of an inherent mistrust of CEOs motives and actions. Further studies could focus on the attitude of Chairs in this regard. The link evident in this theses between high levels of trust increasing information flow and facilitating supervision, coupled for CEOs wish for such oversight, could be more widely disseminated to the benefit of the sector.

#### 5.2.4 Trust creation/trust destruction

*Finding: Support for the CEO by the Chair at the board is a significant factor in encouraging trust within the relationship.*

Most of the participants were emphatic that the support they received from their Chair, particularly at the Board has a significant impact on their inclination to trust them. This is supported by the literature. Koskinen and Lämsä (2016) found in their study that when benevolence towards the CEO is demonstrated through support for them at board level by their Chair it was a powerful driver in the creation of trust.

P5 puts this desire for and appreciation of support by their Chair as follows, *'in the past there were difficulties and it boiled down to trust... will they hold their confidentiality, will they support my uncertainties, can I tease this out with somebody? If you don't trust your Chairperson that they will have your back, and they can challenge you, but they will have your back, that they can take care of your needs, then you don't bring things to the table'*. P5 speaks of a time with a previous Chair and how trust evaporated because he was not supported by his Chair at the board in a disciplinary matter that he was dealing with involving a member of staff, *'will they back you up? Are they willing to deal with conflict?'*. Explaining how he felt when the support wasn't there, P5 stated he felt *'left out to dry'*.

P3's data supports this. When asked what would cause their trust in their Chair to diminish she answered if she wasn't supported *'when something goes wrong, particularly with a personnel issue'*. P7 stated that her Chair *'through supporting me he has given me a sense that I can contact him'*. P2 spoke at length regarding an issue that occurred at a Board meeting where the Chair wasn't present and she felt she had been unfairly targeted by the Board for shortcomings in the service provided by her organisation which she believed was caused by lack of funding. As she put it *'as far as I can see I was getting blamed for the recession!'*

When she spoke with her Chair following the meeting she was greatly relieved by his response *'he supported me...there was murder at the next board meeting, but he did it really well'*.

Though the attributes of the Chair highlighted in sub-section 5.2.3 contribute to the creation or destruction of trust, the data also drew attention to other factors including frequency of contact and availability of the chair.

Morais *et. al.*, (2018) found that the frequency of contact and availability of the Chair were factors leading to trust creation. P3 mentioned that though she is left to her own devices a lot by her Chair he is available to her whenever needed, even if he was in Australia *'I had a major issue...I knew that I could ring him and that is fine.'* She states that they enjoy *'a very good relationship'* but *'it is not a very close relationship and when we meet we meet for a short time and it is very direct and down to business'*, highlighting that the quality of interaction may be more important than the frequency in terms of trust creation, again supported by the findings in a paper by Butterfield *et al.*, (1973). P7 speaks to this idea of availability of the Chair being important, stating at the beginning of their relationship they met to clarify expectations around *'what contact we might need to have'* adding that *'I feel I can call him...through supporting me he has given me a sense that I can contact him'*.

This idea of quality rather than quantity in terms of communications is clearly defined by P6, *'The frequent interactions build trust, but sometimes if I am honest I could do without the weekly interactions at times'*.

Further research focusing on the Chair's requirements from their CEO and their view of the importance of supporting their CEO would add depth to this finding. What constitutes supporting behaviour for the CEO could also be explored with a view to assisting Chairs understand more fully the impact of their actions at Board level.

### **5.3 Levels of Trust and the Organisation**

Hiland (2015) in her qualitative study of Chairs and CEOs of non-profit organisations found that the levels of trust between the CEO and their Chair had a direct link on their capacity to perform their roles and on the organisation's ability to achieve its goals through the generation of social capital. McAllister (1995) found that high levels of trust between individuals at senior management level was especially important as they often acted as boundary spanners and so had a disproportionate impact on the fortunes of their organisation.

#### **5.3.1 Impact on CEO and Chair**

*Finding: A trusting relationship between the CEO and Chair assists them in their roles.*

The data showed that when trust was present the CEO and Chair both benefitted. Trust encouraged the flow of information between them and allowed a collaborative approach to their work. Having a trustworthy Chair increased the CEO's sense of professional wellbeing.

P7 found that when trust was present this led to a positive relationship where *'you are trying to achieve something together as opposed to individually'*. In regards to the Chair, now that there was trust present, she found that *'we give them as much information as possible'* adding that with her new Chair *'we do have substantive conversations and it has not been adversarial.'* P3 stated that *'we finish each other's sentences sometimes; we can cut to the chase. That makes for huge productivity.'*

In terms of how he felt the high levels of trust he enjoyed with his Chair impacted him personally, P4 stated *'100% empowering'*. In contrast to P7, he found that the presence of trust predominantly assisted the CEO rather than the Chair and that in his experience *'Chairs that have a huge relationship with their CEO are probably not loved so much by their Board.'* P3 had a similar experience of the impact of trust on them personally, *'it instils confidence, you know if something goes terribly wrong there is someone'*.

P6 found that the trusting relationship with her Chair wasn't useful operationally *'day to day...the Chair isn't any help to me'*, adding that she felt it was of most benefit to the Chair *'it helps them...we have an action list that we go through between board meetings and I will be working on that, we are communicating that way'*. P5 stated that in the situation when there was an absence of trust between him and a previous Chair there was a negative impact for the Chair *'you don't bring things to the table, you try and address them in other ways and it takes a lot longer to get it done'*. Though specifically referencing a lack of trust in her board, P1's comments have relevance here, *'it is disempowering; you feel at a disadvantage...we are meant to be a partnership'* adding that ideally a Chair *'works in combination with a CEO, it is that concept of adaptable, contingent leadership'*.

It would appear from the above findings that trust is important in allowing the CEO and Chair to undertake their roles effectively. It is interesting that though CEOs may be able to carry out their functions in the absence of such trust, it is a much more

pleasant and efficient process if collaboration, founded on trust, exists in the relationship.

### **5.3.2 Impact on the organisation**

*Finding: A trusting relationship between the Chair and CEO allows the organisation to function efficiently and achieve its goal.*

Zak (2018), found that trust greatly helps an organisation achieve its strategic goals as its presence encourages social interaction. Hiland (2015) specifically looked at this question in relation to CEOs and Chairs within a non-profit context with similar results. The data explored within this study broadly concurred with their findings, though due to the limitations of the methodology in terms of scale and time, it was not possible to fully address Hiland's findings that there was a direct correlation between levels of trust and levels of social capital generation with consequent impacts for the organisation.

P1's view is that trust between the CEO and Chair has little impact in terms of the ability of the organisation to achieve its goals, particularly in relation to collaborative interactions with funders *'No, this is over exaggerated. I rarely see this deliver.'* This opinion was an outlier in this study. By way of contrast, P5 has enjoyed a very different experience *'I am sure it was inconvenient for her, she has come with me to meetings with Tusla, the HSE...she has met policy makers and sat on oireachtas committees...it has been really important'*. P2 has observed the positive outcomes of collaboration based on trust for her organisation, stating that *'he is someone big in society and that is really good for a small project like us. I can't do it myself'*.

P6 meets perspective board members with her Chair and noted that two of the individuals they met *'were very interested in our relationship which was the first time we had really been asked, both of them were really glad we had met them together.'* She added that *'this was really good in that other organisations you don't really meet the Chair and CEO together and you don't really know about their relationship'*. She also stated that she was working very closely with her Chair currently on an asset review and had also recently finished a collaborative project with him developing a strategic plan for the organisation. Many positives had come from this including the fact that *'everybody sees that we are moving in one direction and I think that provides stability'*. The presence of trust leading to collaborative working was endorsed by P7

in that *'you are trying to achieve something together as opposed to individually...you are just getting on with things'*.

Though the importance of trust in terms of facilitating and encouraging collaborative working both at board level and with external parties is highlighted through this study, more research into the levels of trust required to achieve these different outcomes could yield important dividends for the sector. If non-profit organisations understood that the level of social capital they enjoy, so necessary to achieving their goals, is dependent on the quality of the relationship between CEO and Chair, boards might be encouraged to look closely at the compatibility of the individuals involved when recruiting them. The practice within P6's organisation of perspective Board members meeting the CEO and Chair together before appointment would seem to have a lot to recommend it, as it allows them to view the dynamics of this critical relationship. It could be widely followed.

## 6 Discussion

### 6.1 Introduction

The findings which arose from an examination of the data as elucidated in Chapter 5 will be collated and discussed here with a view to answering the research question and associated sub-questions. The findings will also be viewed in light of the main theories contained in the literature review in Chapter 2. The CEOs perspective's regarding which factors they considered to be important in creating trust, or otherwise, in their relationships with their Chairs will be examined as will the central implications arising from this.

### 6.2 The Research Question

The purpose of the thesis is to answer the question: **'Do CEOs of Irish non-profit organisations view trust to be important in creating or maintaining effective relationships with their Chairpersons? If so, do their narratives inform how and why and what the outcomes may be?'**

To assist in developing answers to this question four sub-questions were created through an exploration of the literature in Chapter 2. The first question was: **'What makes for a trusting relationship?'**

Connell *et al.*, (2004) found in their study that trust is the factor which is of most importance in the development of good working relationships within organisations. All of the CEOs interviewed for this thesis agreed that trust was important to their relationship with their Chair. But what were their views regarding the factors which caused this trust to come about? How do they relate to the literature?

We saw in Chapter 5 that the Chair's personal values coupled with their commitment to the aims of the non-profit organisation deeply affected the CEO's view of them as trustworthy. In the cases where the Chair was thought to be wanting in this area, trust was at a low or non-existent level within the relationship. This was also underlined within the literature. Exworthy and Robinson, (2001), found if a CEO held concerns that the motivations of the Chair where not aligned with theirs and the organisation's this led to distrust between them. Koskinen and Lämsä (2016) and Morais, *et. al.*, (2018), found that commonality of experience between the CEO and Chair in for-

profit organisations allowed for consensus to develop and increased the likelihood of trust existing between them respectively.

In apparent contrast to the literature, examination of the data for this thesis found that the interviewees felt that divergence of personality types, or even differing viewpoints on important matters, could be accommodated once there was commonality in terms of core values and commitment. It appeared from the data collected from the interviewees that they did not regard a high degree of similarity in terms of background with their Chair as an important antecedent for the development of a trusting relationship. Only two of the interviewees expressed the opinion that they were similar in terms of profession or personality to their Chair, with the majority emphasising difference instead.

An objective view of the similarity or disparity between the CEO and their Chair would be interesting, particularly as diversity and inclusivity are rightly considered important to any progressive organisation. In fact, how alike are the CEOs and Chairs in the organisations studied? The researcher did not have access to the Chairs for this study but it would be illuminating to see how different in terms of cultural outlook, educational attainment and social and economic origins the pair actually are. Would true diversity in these areas have made it less likely for a trusting relationship between the pair to evolve?

This study has shown that the ability of the Chair to understand the boundaries of their role and take the strategic view, whilst still being available for advice and support, was very important to the CEO. In almost all situations the thought of digression by the Chair into operational matters was viewed with concern by the CEOs. Conversely CEO's often felt uneasy if they were allowed drift into the Chair's territory at the board. Within the limited literature available to the researcher focusing on the dyad within the non-profit sector, this factor was not specifically explored. However, Koskinen and Lämsä (2016) found that in for-profit organisations, whose Chairs allow the CEO a high degree of autonomy, this encourages the CEO to trust them and increases openness and communication.

As has been well referenced through this thesis, the CEO's view of the attributes of the Chair also effects the development of trust between them (Mayer *et al.*, 1995). However, in this study it was the Chair's benevolence towards them that came through

strongly as the attribute most valued by the CEO. Other attributes were certainly referenced, with the integrity and general ability of the Chair also considered important. Where followers feel valued by their leader Tan and Tan (2000) found that they were inclined to trust them. The focus on the idea of benevolence, at least in attitude, as important to trust, is somewhat endorsed in a study by Jena *et. al.* (2018) who found that a transformational style of leadership, where a leader holds a positive view of their followers and trusts in their abilities, increases the propensity of the follower's to trust them.

All of the participants viewed support by their Chair within the context of the Board to be a key driver in creating a willingness on their part to trust their Chair. Support at the Board, for those CEOs who felt they had it, was greatly valued and was linked by them to openness of communication and the development of trust. The implications of this trust are explored in the following sections.

The second sub-question developed was: **‘How does a trusting relationship affect the ability of the CEO to be effective in their role?’**

CEOs interviewed found their duties much more pleasant, rewarding and easier to carry out when they had trust in their Chairs. A sense of collaboration and co-operation was engendered by this trust which made it easier for the CEO to work with their Chair, particularly at strategic or high-level tasks. If they did not feel they could trust their Chairs, CEOs were often reticent about bringing sensitive or challenging issues to the Board, but would seek to accomplish them in other, less efficient, ways. Morais *et al.*, (2018) agreed, with their research showing that where there was trust between a CEO and Chair, a safe atmosphere existed where issues could be shared. Tan and Tan (2000) found that those who enjoy a trusting working relationship often become highly engaged in their tasks.

The third sub-question posed was: **‘How does the CEO perceive the impact of a trusting relationship on the Chair’s effectiveness?’**

The CEO's felt that with trust existing between them, their Chairs could be more effective in their roles, principally due to the fact that they were often largely dependent on the CEOs for information pertaining to their organisations, including issues and challenges, without which their tasks would be difficult to carry out. Zhang

(2013) found that the Chair is dependent to a high degree on their CEO for the information they require to carry out their function effectively.

As mentioned above, the quality of information flow was highly dependent on the quality of the relationship between the CEO and their Chair. The CEO in every case within this study was a full time employee whilst the CEOs were volunteers with busy professional lives and often other volunteer commitments. In the most trusting relationships staff other than the CEO reported to the Chair and Board, but always in the presence of the CEO. Without trust, the quality of the information available to the Chair was felt to suffer. Cornforth (2016) found that where information was not forthcoming from a CEO, their Chair's trust in them diminished.

The fourth and final sub-question developed was: **‘What effect does a trusting relationship have for the organisation?’**

Hiland (2015) is very clear that trust between the CEO and Chair is absolutely central to a non-profit organisation achieving its aims. In her study of sixteen non-profits in California she used models to categorise trust levels between the CEOs and their Chairs and explored the interactions between them with a view to ascertaining the quantity of social capital they leveraged in pursuit of their aims and the aims of the organisation. She drew a clear correlation between the amount of trust, social capital and organisational success achieved.

The researcher's study was more circumscribed in scope. However, though there was some divergence of opinion, the data indicated that there was a strong possibility that trust within the relationship of CEO and Chair had a number of positive effects for the organisation. Firstly, it enabled effective co-operation within the context of the board by the pair. Secondly, it facilitated leveraging the often considerable skills and professional and social network of the Chair for the furtherance of the organisation's aims. Thirdly the level of trust that the CEO feels for their Chair would appear to increase the willingness of the CEO to accept, indeed to actively seek, the oversight and direction of their Chair, which could have positive implications for effective governance of the organisation.

The researcher was interested to see if any of the interviewees felt that there were negatives associated with a very trusting relationship. Jones (1996), found that trust could lead to an overly optimistic interpretation of the actions of another person,

causing them to be blind to their shortcomings or real objectives. Exworthy and Robinson (2001), felt that very high levels of trust between non-profit CEOs and Chairs could lead to consensus between the pair and a consequently myopic view detrimental to their organisation. None of the subjects interviewed expressed this view. However, despite often evincing a high regard for their Chairs, perceptions of their Chair's faults were expressed freely in every case. The interviewees appeared to view their relationship through the lens of their professional lives. None used the term 'friend' in relation to their Chair although each enjoyed, or wished they enjoyed, a trusting, positive relationship with them. It would appear that the CEOs interviewed valued, as per Koskinen and Lämsä (2016), a professional distance coupled with a strong personal relationship, the 'constructive tension' mentioned by Exworthy and Robinson (2001). This paradox is captured in a quote from P2, *'I would never ring him and tell him anything about my personal life.... though I wouldn't feel I couldn't.'*

### 6.3 Implications of Study

There are several implications to be discussed in light of the research findings. These may be of interest to a range of stakeholders, including those concerned with governance, training and management of Irish non-profit organisations.

The value that CEOs place on the quality of their relationship with their Chairs and the importance of trust to this is worthy of consideration by those who are looking to recruit for these positions. The literature would indicate that those who share similar backgrounds are likely to enjoy stronger, more trusting relationships leading to good information flows and better outcomes for their organisations. This study does not necessarily confirm this, but highlights the criticality of ensuring compatibility of goals and values in relation to the organisation's aims.

The quality of this relationship would appear to have profound implications for an organisation's ability to achieve its goals. Boards should pay attention to the dynamics of the relationship closely. The Charities Regulator could produce guidelines on how trusting relationships are developed and maintained between senior management and Boards and the importance of such relationships. Complying with such guidelines could form part of the mandatory governance code for charities, ensuring their consideration by non-profit organisations.

The practice in P6's organisation of perspective Board members meeting with the CEO and Chair together would seem to be a good one and could be emulated across the sector.

A key finding of this thesis is the real possibility of a lack of trust between the CEO and the Chair leading to poor governance for an organisation. This is highlighted within both the literature and the data, pointing to the danger of poor personal relationships leading to poor organisational outcomes. Effective oversight is difficult to impose in a typical non-profit organisation where the Chair is a part-time volunteer. This study has shown that there is a distinct possibility that high levels of reciprocal trust increases the enthusiasm on the part of the CEO for oversight and supervision by the Chair.

## 7 Conclusion

### 7.1 Introduction

Within this chapter we will revisit the aims and objectives of the project and explore if the methodology used enabled the generation of answers to the research question. The limitations of the research methods and their application will be considered followed by suggestions for further research. Finally, the chapter will conclude with a brief reflection on the personal learning experience of the researcher which resulted from them undertaking this project.

### 7.2 The Research Objective

**‘Do CEOs of Irish non-profit organisations view trust to be important in creating or maintaining effective relationships with their Chairpersons? If so, do their narratives inform how and why and what the outcomes may be?’**

This study found that the seven CEOs interviewed saw trust as central to the nature of their relationships with their Chairs. In Chapters 5 and 6 this finding was shown to be reflected in the literature reviewed in relation both to for-profit and non-profit organisations (Kakabadse and Kakabadse, 2018; Morais *et. al.*, 2018). Those subjects whose narratives expressed mistrust for their Chairs, past or present, were also the individuals who felt their Chairs mistrusted them, pointing to the reciprocal nature of trust within the dyad, again reflected within the literature review (Tan and Tan, 2000; Daniel and Young, 2003; Koskinen and Lämsä, 2017). Their narratives drew attention to the fact that in all of these cases they wished it was otherwise, indicating a desire on the part of the CEOs to enjoy positive, trusting relationships with their Chairs.

The actions of the Chairs which increased trust were similar across the interviewees. Interestingly, those who expressed high levels of trust for their Chairs and who in turn felt trusted, experienced a strong degree of admiration for their Chairs, without appearing blind to their shortcomings which was in contrast to the possible dangers of trust evident within the literature review (Deutsch, 1965; Simpson, 2012).

Actions such as respect for role boundaries and positive supportive behaviour, especially at the board, were felt by the study’s participants to indicate and create trust.

The availability of the Chair, coupled with strong professional skills relevant to the organisation's needs, increased the CEO's trust in the Chair. Availability when required, rather than regular contact, was most appreciated by the CEOs and the sense that someone was there who could be contacted and would respond was both an indicator and creator of trust. Availability coupled with the nature of the attributes of the trustor were highlighted as core to trust creation (Mayer *et al.*, 1995)

The value of trust within the relationship during a time of crisis was highlighted by several subjects. Failure to support the CEO during such circumstances led to a greatly diminished level of trust in the Chair. The CEOs felt that with trust present they were in a better position to deal with challenging issues. Again, this was a finding highlighted within the literature review (Morais *et al.*, 2018).

Though opinions were divided on the usefulness of a trusting relationship to them on a day to day basis within their organisation, most interviewees agreed that if they enjoyed a positive relationship with their Chair they were in a better position to avail of their expertise and the expertise of the board.

The effective flow of information to the Chair and board which was made possible through the presence of trust had implications for the Chair, CEO and organisation. In the first instance the CEO felt safe and secure in bringing information to the Chair which might expose their vulnerabilities. In some circumstances where there was trust between the two present, the CEO had no concern about the Chair having appropriate access to other staff members within the organisation and encouraged this.

In organisations where the CEO trusted their Chair, they actively sought out their input if they experienced a problem and were looking to find solutions. They also, in some cases, engaged in joint exercises such as strategic planning with their Chairs and boards.

All of these outcomes would appear to greatly enhance the ability of the Chair and the CEO to be effective in their organisations. It is difficult to see how the Chair and board could effectively carry out their statutory governance role in the absence of reciprocal trust with their CEO and the reticence around information exchange that would ensue.

There appeared to be a correlation between trust and professional admiration for their Chair on the part of the CEO. In an apparent confirmation of findings of Hiland's 2015 study, those who felt trust for their Chair and had a positive relationship, the two always went hand in hand, were universal in their experience that together they could be more effective in their interactions with a range of external stakeholders, including legislators, funders and the media.

This project looked to further the understanding of the role of trust between the CEO and Chairpersons of Irish non-profit organisations. Despite the limitations of the study, discussed below, this thesis helps to do this by exploring in depth the experiences of one half of this dyad. The gap in the literature generally, and more especially within an Irish context, on this subject belies its centrality to an ambitious non-profit organisation achieving its aims.

The results may not be generalizable in every circumstance, but are strongly indicative that establishing a high degree of trust between the CEO and Chair should be a priority of those charged with responsibility for non-profit organisations in Ireland.

### **7.3 Research Limitations/Suggestions for Further Research**

Though a large sample size is not a requirement of qualitative research, more participants may have been useful to this study. As the data consisted of the transcribed narratives of the CEOs interviewed, more participants would not have either validated or invalidated their experiences, rather a more diverse range of opinions may have been obtained which could have added increased richness or depth to the study.

Of the seven interviewees, three were known to the researcher beforehand. Knowledge of their personal and professional history may have introduced unconscious bias into the interview process. The researcher was aware of this possibility and actively sought to guard against this. Sourcing a set of interviewees entirely unknown to the researcher, difficult within the context of their professional life, may have proven a better sampling strategy.

The researcher, constrained by time, would have liked to have had the opportunity to interview the Chairpersons of the CEO's organisations. Even a smaller sample size of Chairpersons could have provided a fuller understanding of the importance of trust at the organisational level. This approach could have shone light on the attributes and

actions of the CEOs that the Chairs found either detrimental or important in creating a trusting relationship. It would be interesting to see if Chairs accorded the same level of importance to trust within the relationship.

The CEOs ascribed various benefits to their organisations emanating from positive relationships with their Chairs. It would be valuable to triangulate this study, based as it is on a construction of social reality occurring within a conversation, with quantitative research on the attainment by the organisations of their goals. Research subjects could include clients, funders and peers. Research of the management, staff and volunteers of their perceptions of this project's research topic could also prove illuminating.

The researcher feels that the study demonstrates trust to be an important factor within the relationship of Chairperson and CEO, at least to the CEO. The study strongly suggests that there is a high probability that trust increases the opportunity for good governance and the achievement of organisational outcomes. The range of variables that are important to the CEO affecting trust are also highlighted. What it does not show is the actions an organisation's board and senior management can take to ensure trust has the best opportunity to develop between their Chair and CEO. The study offers some hints however. The importance of personal compatibility leading to the creation of emotional ties (McAllister, 1995) should be near the top of the list when recruiting for either position. Further research exploring how this can be achieved in tandem with the goal of promoting gender, social and economic diversity at leadership levels within organisations, considered vital for good governance (Charities Regulator, 2018b) needs to be addressed. Perhaps external training and/or the provision of guidelines for the board and senior management on topics such as transformational leadership, recruitment and professional integrity could be disseminated widely within the sector.

#### **7.4 Reflection of Personal Learning**

This dissertation is a mandatory component of the MBA programme that I commenced in 2017. Early in the process of planning this research project I experienced an increasing curiosity both in relation to the topic and the process itself. My current position as a CEO of a non-profit organisation coupled with my experience as a trustee of two charities strongly inclined me towards examining the effect of the interpersonal

relationships at the interface between the volunteer board members who are responsible in law for the affairs of the organisation and the professional management. As I read around the area I came to the view that the specific impact of trust between the CEO and the Chairperson would provide an interesting topic to explore.

Trust may be a challenging construct to pin down, but to quote P2, *'if it wasn't there I would know it wasn't there'*. I have learnt from conducting the interviews for this project that good quality, professional relationships are both created by trust and defined by its presence. When trust is replaced by mistrust, the organisation suffers.

Outside of the remit of this project I gained tremendous personal and professional insights from the CEOs that I met and was universally struck by their commitment for the goals of their organisation and the intensity of their desire to improve the world for their fellow citizens. This was a humbling experience.

Finally, I enjoyed learning about the process of learning, particularly through the reading and thinking that was required to approach the methodology chapter. Having to consider my approach to how reality is created and experienced was hugely rewarding and is a topic I will return to again in my life.

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## Appendix 1-A Proposed Model of Trust

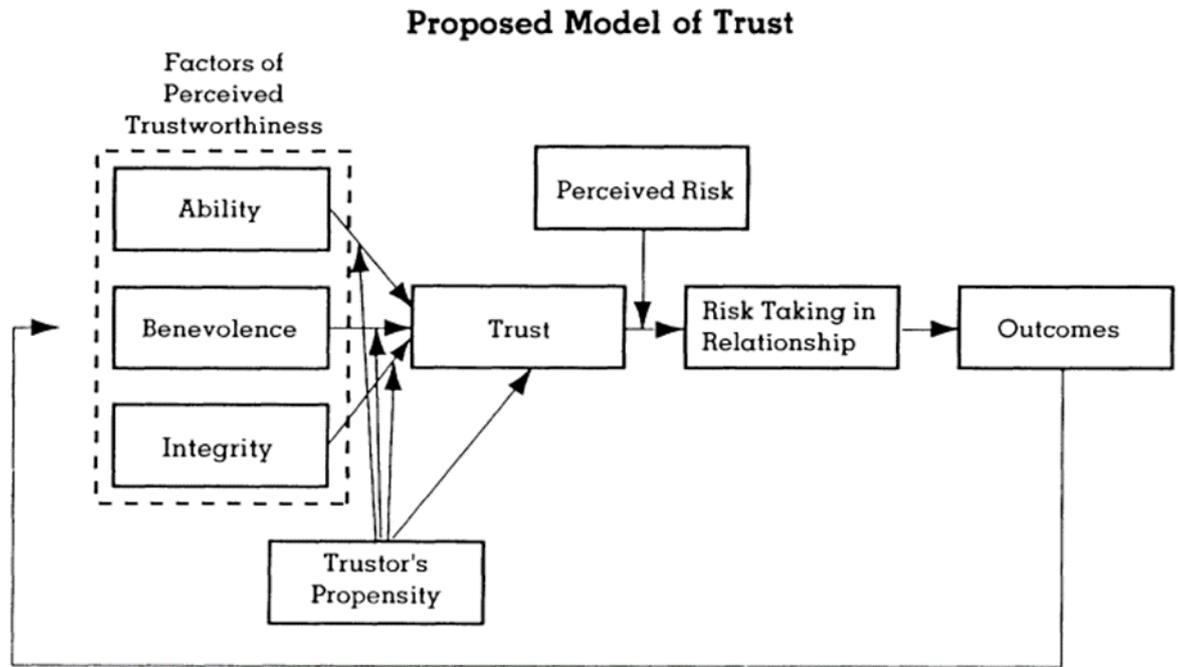


Figure 1. Mayer et al. (1995)

## Appendix 2-Board Chair/Executive Director Relationship

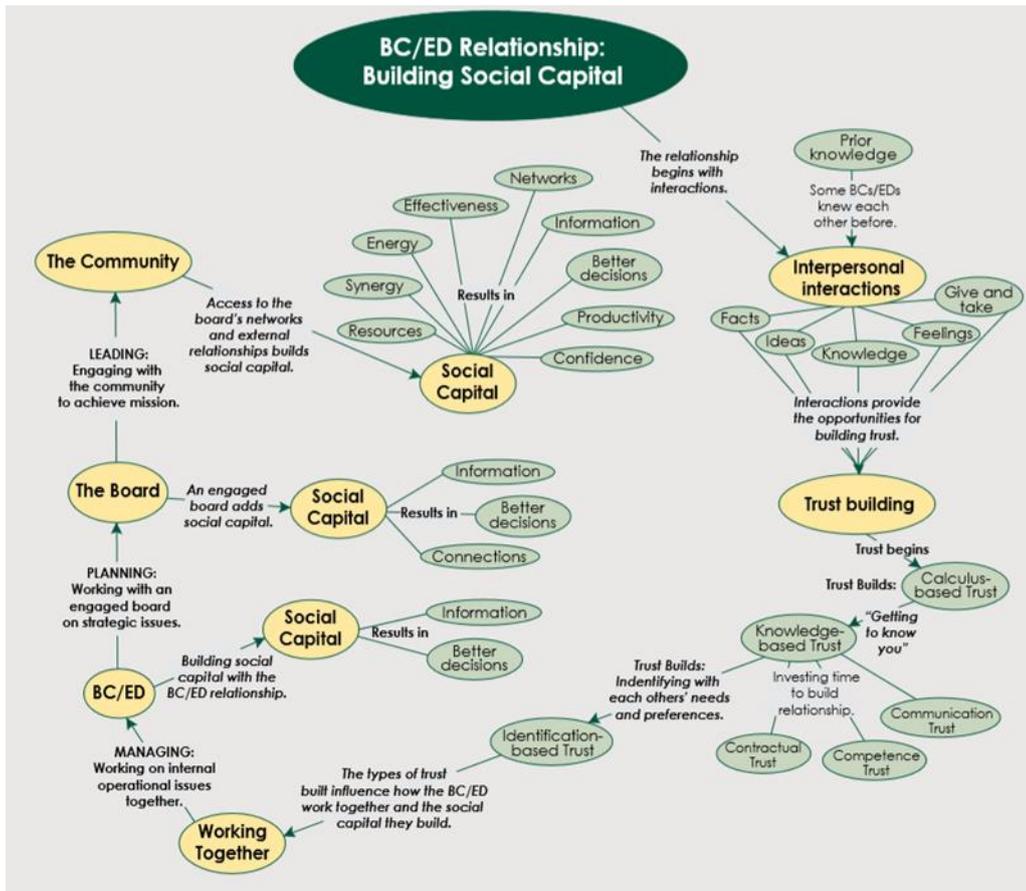


Figure 2. Hiland (2015)

### Appendix 3-The Research Onion

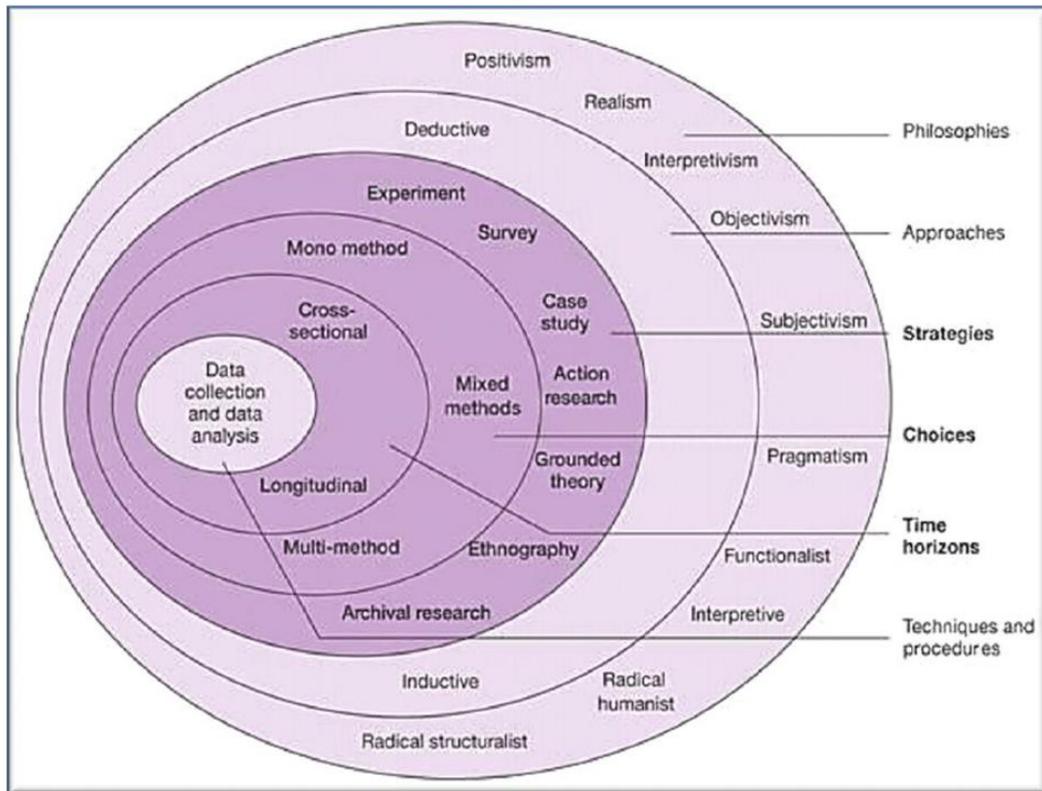


Figure 3. Saunders et al. (2012)

## **Appendix 4-List of Interview Topic Headings/Questions**

### **Background**

1. How long have you worked with your current Chairperson?
2. In your current role; how many Chairpersons have you worked with?

### General

3. What factors do you think are essential to a chair/senior exec relationship and why?

### **Substantive Questions**

#### Trust

4. How would you describe your relationship with your chair?  
(Now, over time)
5. Why do you think your relationship is as you describe?  
(qualities of the chair, their level of input, experience of chair, length of time in role)
6. What role does trust play in your relationship?
7. What factors would decrease/increase the level of trust between you?

#### Impact On CEO

8. How do you feel that the nature of your relationship with your chair affects your ability to be effective in your role?  
(with staff, with board, with external parties (press, funders, client groups, government agencies))
9. How do you feel that the nature of your relationship with your chair affects their ability to be effective in their role?  
(running board, information on organisation)

#### Impact on Organisation

10. What effect has the quality of this relationship on the organisation?  
(is the job done better or worse as a result, could it be better or worse? How?)
11. Can you tell me about a situation where you have worked collaboratively with a Chair in the past? (planning, inside or outside focus?) (what made it a success or otherwise?)
12. Why was this satisfactory/unsatisfactory?

## **Appendix 5-Interview Consent Form**

### **Interpersonal Trust and the Governance Structures of Irish Non-Profit Organisations.**

Consent to take part in research

I..... voluntarily agree to participate in this research study.

I understand that even if I agree to participate now, I can withdraw at any time or refuse to answer any question without any consequences of any kind.

I understand that I can withdraw permission to use data from my interview within two weeks after the interview, in which case the material will be deleted.

I have had the purpose and nature of the study explained to me and I have had the opportunity to ask questions about the study.

I understand that participation involves giving an interview to the researcher centred on my experience on relationships and governance within my organisation.

I understand that I will not benefit directly from participating in this research.

I agree to my interview being audio-recorded.

I understand that all information I provide for this study will be treated confidentially.

I understand that in any report on the results of this research my identity will remain anonymous. This will be done by changing my name and disguising any details of my interview which may reveal my identity or the identity of people I speak about.

I understand that disguised extracts from my interview may be quoted in the researcher's dissertation.

I understand that if I inform the researcher that myself or someone else is at risk of harm they may have to report this to the relevant authorities - they will discuss this with me first but may be required to report with or without my permission.

I understand that signed consent forms and original audio recordings will be retained in possession of the interviewer in a password protected computer file by Gavan Woods until 1 December 2019, after which the recordings will be deleted.

I understand that a transcript of my interview in which all identifying information has been removed will be retained until 1<sup>st</sup> December 2021.

I understand that under freedom of information legalisation I am entitled to access the information I have provided at any time while it is in storage as specified above.

I understand that I am free to contact any of the people involved in the research to seek further clarification and information.

Signature of research participant

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Signature of participant

Date

Signature of researcher

I believe the participant is giving informed consent to participate in this study

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Signature of researcher

Date

*N.B. This consent form was adapted from one used by Trinity College Dublin.*