Illuminating the mechanisms of trust building for inter-organisational relationships within humanitarian operations

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Abstract

Purpose – To help alleviate the immense suffering caused by humanitarian crises worldwide, organisations are forming relationships for effective coordination and resource sharing. However, organisations can struggle to build trust because of the uncertain context, varying institutional mandates and socio-cultural differences. Thus, this paper aims to better understand how humanitarian groups can leverage formal mechanisms to produce greater trust.

Design/methodology/approach – This paper adopts a logical–positivist research paradigm to formulate and test its hypotheses. This paper answered this study’s research question using structural equation modelling from survey data of 180 humanitarian managers.

Findings – In inter-organisational humanitarian relationships, formal mechanisms indirectly foster trust through two mediators: distributive justice and information sharing.

Research limitations/implications – This research presents the perspective of only one partner in inter-organisational relationships. Moreover, the operationalisations of formal mechanisms and trust were not comprehensive (i.e. only contracts and integrity-based trust, respectively).

Originality/value – To the best of the author’s knowledge, this research is the first attempt to empirically link the widely discussed idea of formal mechanisms, distributive justice, information sharing and trust in inter-organisational humanitarian relationships. Further, this research is the first attempt to present and empirically validate a theoretical model that addresses how formal mechanisms foster trust in inter-organisational relationships.

Keywords Inter-organisational relationship, Justice, Information sharing, Trust, Formal mechanism, Humanitarian operations

Paper type Research paper

1. Introduction

The vulnerability of ordinary people to both natural and man-made humanitarian crises has been on constant display because of earthquakes, wars, armed conflicts, riots and viral outbreaks. The immense suffering emanating from these crises has spurred sudden increases in displacement, unemployment, morbidity, mortality and crime. Humanitarian operations primarily seek to material convergence and streamlining operations (Moshtari and Gonçalves, 2017; Prasanna and Haavisto, 2018). We define inter-organisational relationships in a humanitarian context as a relationship between two HOs with the common goal of addressing prevailing humanitarian challenges.

These relationships span a spectrum from strategic to transactional. Strategic partnerships entail organisations pooling complementary resources to achieve overarching goals. The collaboration between such entities is deep-rooted, extending beyond mere operational tasks. For instance, the strategic alliance between Thomas Nationwide Transport and the World Food Programme (WFP) facilitates the delivery of food supplies to crisis-affected regions via sea routes. On the other hand, transactional relationships focus on ensuring smooth response operations by sharing information for efficient coordination. For example, the collaboration between the Office of the United Nations High Commissioner for Refugees (UNHCR) and Mapendo serves this purpose.

Of course, those relationships can encounter various difficulties, such as an uncertain humanitarian context (Prakash et al., 2022); a large number of HOs with varied mandates competing for donations from the common pool of donors (Scott-Flynn, 2003); the socio-cultural differences between humanitarian actors (Rodon et al., 2012) and a lack of sufficient resources (Balcik et al., 2010; Wood, 2004). Moreover, the uncertain humanitarian context creates opportunities for agents to mispresent information, hide the need to obtain more funding, withhold accurate information and refrain from...
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sharing the rewards equitably with partners. All of those issues can stymie trust between organisations, thus interfering with their ability to facilitate effective coordination.

To counteract that problem, several international HOs have designed formal frameworks to galvanise trust with their implementing partners and local communities. For instance, the Community Engagement and Accountability (CEA) initiative by the International Federation for Red Cross and Red Crescent (IFRC) emphasises “communicate”, “listen” and “act” to put local communities at the centre (IFRC, 2022). Similarly, the SADI (S = safe, A = accessible, D = dignified, I = inclusive) framework from the Catholic Agency for Overseas Development (CAFOD) aims to provide a safe, accessible, dignified and inclusive humanitarian programme (Turcanu and Kahashi, 2020). All these frameworks share the goal of fostering trust and engagement between international HOs and local community organisations — often by recognising local community partners/HOs as experts and partners, as well as establishing official channels to address grievances and gather feedback.

The formal mechanism can include legally binding contracts, UN-approved frameworks or standards, a memorandum of understanding (MoU) between two humanitarian partners, or self-developed frameworks by HOs. Granted, implementing these formal mechanisms effectively in practice is easier said than done. For example, international HOs and donors have access to international funds and donations; they make major decisions related to funds’ dispersion and utilisation by local HOs. Meanwhile, local HOs seek to have a leading role in decision-making; thus, they may hide or mispresent information sometimes to counter their international partners. This constant tension between HOs can breed a sense of distrust.

On this point, there has been growing scholarly interest in how effective formal mechanisms (e.g. frameworks and policy guidelines) are at easing said tension and promoting trust. Previous research on the governance of inter-organisation relationships has demonstrated that formal and informal mechanisms work together to safeguard the relationship against opportunism by either partner (Blome et al., 2013; Prakash et al., 2022). Moreover, scholars have demonstrated that formal mechanisms can facilitate trust among partnering organisations (Poppo and Zenger, 2002). However, academics have not thoroughly investigated the mechanisms through which formal rules stimulate trust. Therefore, this research attempts to bridge the gap in humanitarian operations by addressing the following research question:

RQ1. How does the formal mechanism help build trust in inter-organisational relationships in humanitarian operations?

To answer this question, we developed a theoretical framework based on the transaction cost theory (TCE) and social exchange theory (SET). The former advocates using formal rules and contracts to mitigate opportunistic behaviour (e.g. allocating higher benefits for oneself at the cost of a partner) in exchange relation between two organisations. SET, meanwhile, suggests that informal mechanisms, such as trust and norms, can safeguard exchange relationships against opportunism. Scholars have demonstrated the relevance of both mechanisms in conjunction, which is also called ambidextrous governance (Blome et al., 2013). With humanitarian practitioners advocating for participatory inter-organisational relationships (Street, 2011), scholars have supported the notion that stronger and weaker HOs need to engage in equal partnerships (Roy et al., 2023). Against this background, we propose that the formal and informal mechanisms (trust) co-exist and formal mechanisms would strengthen the “norm” of sharing information and equitable participation, which would further foster a sense among both partners involved in an inter-organisational humanitarian relationship that their partner is sincere, supportive and committed to the welfare of the inter-organisational relationship.

We validated our theoretical model with survey responses from humanitarian managers. Our statistical analysis revealed that distributive justice and information sharing play key roles in mediating the relationship between formal mechanisms and trust. Thus, our study provides two significant contributions: Firstly, we illuminate the mechanism via which formal policies impact trust. Secondly, and relatedly, we shed light on the practical question of how to build trust among HOs engaged in relationships. Specifically, we found that formal mechanisms can institutionalise distributive justice and information-sharing norms, which effectively instil trust among partners in inter-organisational relationships.

The remainder of this paper proceeds as follows. We first explain the trust and humanitarian relationship in Sections 2 and 3, and then describe the theoretical anchor of this research in Section 4. After that, in Section 5, we propose our hypotheses and describe the sampling procedure, data analysis and results. Section 6 discusses the key contributions and their theoretical and managerial implication. Finally, Section 7 presents the conclusion of the research and highlights its limitations and future research directions.

2. A brief review of the literature on trust

Trust can manifest in different types and forms. Previous research suggests that trust can encompass both cognitive and affective content, as well as both macro (inter-organisational) and micro (interpersonal) elements (Luo, 2002). Hence, researchers examine the process of trust-building, considering a range of influences from the environment, organisation and individual levels. These factors encompass elements such as risk perception, institutional structures, organisational stability, social norms, behavioural predictability and fairness. However, our study does not delve into the distinct factors shaping various types of trust. Instead, our focus centres on macro-level trust between two organisations engaged in an inter-organisational relationship. Specifically, we aim to illuminate how formal mechanisms influence the development of trust in this context.

While trust has multiple manifestations (e.g. ability, integrity and benevolence), it typically takes two forms at the macro-level: integrity-based (or goodwill) trust and competence-based (or ability) trust (Connelly et al., 2018). We specifically focused on the former type: a partner’s belief that the other partner will not undermine their common goal and that their decisions will be aligned with the welfare of a joint relationship. Partners always expect assistance/help from each other and should
extend that help to the best of their abilities (Liu et al., 2009). In this vein, a trusting belief – the strong conviction that the trustee has the desirable character to induce trusting intentions – is a critical factor in integrity-based trust (Vidotto et al., 2012). Once the trusting intention is apparent, the other partner depends on the trustee to induce trusting behaviour (Vidotto et al., 2012). Here, the formal mechanisms reinforce the belief that the trustee will not act to undermine the common objective of the relationship. In other words, formal mechanisms can be a written assurance that the trustee intends to safeguard the partner’s interest.

The initial literature on trust can be traced to the research work of Stephenson and Schnitzer (2006), who opined that inter-organisational trust is necessary for operational coordination in a humanitarian relief response. In the humanitarian operations literature, Tatham and Kovács (2010) initiated the concept of trust; they called it “swift trust” because it is developed quickly. Their research argued that information and rules are vital in establishing trust among members of inter-organisational humanitarian relationships. Later, McLachlin and Larson (2011) stated that “trust can be viewed as a necessary condition for successful inter-organisational humanitarian relationships” (p. 37). Echoing these findings, Moshtari (2016) demonstrated that organisations with better relationship management capability and organisational fit can be good humanitarian partners through building trust and commitment among each other. Lu et al. (2018) uncovered some antecedents of swift trusts, such as third-party certification, competence, similar processes and organisational values. Likewise, Dubey et al. (2019a, 2019b) demonstrated that information sharing and behaviour uncertainty reduction act as enablers of swift trust. Additionally, Dubey et al. (2019a, 2019b) demonstrated in another study that big data analytics and organisational culture complement swift trust.

Adding a new aspect to the trust-coordination debate, Awasamy et al. (2019) argued that companion-based trust compared to competence-based and commitment-based trust is more prevalent in the humanitarian relief context. Recently, Schilling et al. (2020) opined that swift trust and swift distrust both help competition (simultaneous cooperation and competition among HOs). Shaheen and Azadegan (2020) added a perspective, whereby “the mutual exchange improves trust, helps establish legitimacy, and strengthens the relationship between parties by ensuring compatibility in operational norms” (p. 2830). Ruesch et al. (2022) found that the dual role of HOs as the coordinator and the humanitarian actor also hurts trust among other HOs over the coordinator. Prakash et al. (2022) demonstrated that formal rules help build trust in humanitarian collaboration, as well as affirmed that trust is the most effective form of governance during the disaster response phase.

3. Inter-organisational humanitarian relationships: a perspective on building coordination

Coordination aligns methods, processes and actions to achieve agreed-upon goals (Gulati et al., 2012; Medel et al., 2020). Practitioners’ reports from Kosovo (Scott-Flynn, 2003) and the Bam Earthquake (Wood, 2004) suggest that coordination building among HOs involves the joint sharing of critical information and resources that are pivotal for assimilating various humanitarian operations, including need assessment, call for relief supplies, building temporary hospitals, distributing food and water, rhythmically building shelters to enhance coherence and limit duplications. Without clear rules and standards, this process was very chaotic and ineffective, which led to the failure of Darfur’s humanitarian response (Minear, 2004). Later, the UN Emergency Relief Coordinator commissioned the Humanitarian Response Review (HRR) to improve coordination among humanitarian actors. Based on HRR recommendations, the inter-agency standing committee formally established the cluster approach as a coordination mechanism (Humphries, 2013).

Many HOs, both international and local, have adopted the cluster approach to promote agreement on priorities and strategies, as well as cross-cutting issues (e.g. gender, age, equality, disability) for response (Brown, 2011; Houghton, 2011; Humphries, 2013; Julmy, 2011; Shaw-Hampton, 2011, Street, 2011). Tomasini and Van Wassenhove (2009) opined that coordinating HO should be “knowledgeable and reliable” who can assert leading roles and serve as “trustworthy” partners. However, the poor relationship between international and local HOs remains one of the pressing challenges for cluster-based coordination (Humphries, 2013). Humphries (2013) specifically mentioned that “the Cluster Approach has been weak in fostering partnerships between UN agencies, national NGOs and local NGOs” (p. 16). Without nurturing a participative relationship, the cluster approach cannot adequately support coordination in humanitarian response (Humphries, 2013; Ruesch et al., 2022).

To address the problem above, UN agencies, international HOs and government agencies have created frameworks, rules and policies to build trust and encourage effective coordination – for example, the Principle of Partnership (PoP) by the Global Humanitarian Platform. Similarly, the CAFOD has developed a framework to address the safety, accessibility, dignity, inclusion and accountability priorities SADI profile. Some international HOs create a MoU with other HOs. For example, the Office of the UNHCR and Mapendo signed a MoU to better coordinate humanitarian relief work.

Against that background, this research seeks to understand the mechanisms of trust-building through formal rules and frameworks among HOs in inter-organisational relationships. Our extensive literature review suggests that formal mechanisms play a vital role in institutionalising practices of distributive justice and information sharing (Griffith et al., 2006; Katok and Pavlov, 2013; Li et al., 2010). We leveraged these two concepts (distributive justice and information sharing) and anchored them in a theoretical model (see Figure 1) built upon TCE and SET which we elaborate on in the next section.

4. Theoretical foundation and hypothesis formulation

4.1 Formal mechanism and trust: perspective from governance theory

Governance is the process of constraining undesirable activities and facilitating desirable ones. These processes of constraining and facilitating organisational activities are defined as governance (Dyer and Singh, 1998; Williamson, 1996). Research on inter-
organisational governance has been theoretically anchored on either formal mechanisms (i.e. written agreement, contracts, rules) (Bai et al., 2016; Lumineau and Henderson, 2012; Poppo and Zenger, 2002) or informal mechanisms (i.e. trust, norms, commitment) (Johnston et al., 2004; Liu et al., 2009). Lately, scholars have begun categorising these governance mechanisms as either formal/transactional or informal/social (Li et al., 2010; Liu et al., 2009; Poppo and Zenger, 2002).

These formal and informal mechanisms are, respectively, underpinned by transaction cost theory (TCE) and SET. TCE postulates that entities act in self-interest with guile (i.e. opportunism) and that the nature of the exchange is purely economic. In other words, the primal hinge of TCE is opportunism, which then causes transaction costs in economic exchange relationships (Huo et al., 2015, 2016; Wang et al., 2020). TCE further postulates that formal rules and written agreements can constrain partners from acting opportunistically or disproportionately allocating benefits for themselves, thus minimising transaction costs in inter-organisational relationships (Riordan and Williamson, 1985; Williamson, 1979). By contrast, SET postulates that reward and punishment (i.e. the gains or costs in terms of money or social status) drive exchange relationships, with the nature of exchange being social and economic (Blau, 1964). Two main propositions of SET: “success” and “aggression”. The former proposition states the more often a partner’s action is compensated/rewarded, the more likely the partner will repeat said action (Blau, 1964; Thibaut, 2017). The latter proposition states when the partner is not rewarded as expected or receives unexpected punishment, then the partner will aggressively avoid the relationship (Blau, 1964; Griffith et al., 2006). Notably, the rewards and punishments can be monetary or non-monetary (e.g. social status for the former; social ostracism for the latter). A series of rewarding social interactions breeds trust, commitment and solidarity (Blau, 1964; Griffith et al., 2006; Thibaut, 2017).

Together, transaction cost theory (TCE) and SET offer valuable insights into the emergence of behavioural patterns within inter-organisational relationships and strategies for mitigating negative outcomes. For instance, TCE illuminates the tendency for partners to prioritise self-interest, often resulting in one partner accruing disproportionate benefits at the expense of the other. In humanitarian contexts, this might manifest as organisations overstating their needs to secure greater funding, to the detriment of their donor partners. Similarly, SET suggests that regular exchanges among partners establish implicit rules known as norms. These norms govern the distribution of rewards and risks within the relationship. For instance, local HOs may contribute local information to international counterparts in exchange for support in terms of knowledge, resources and funding. Consequently, both TCE and SET are effective in elucidating the intricacies of trust dynamics within inter-organisational relationships in humanitarian settings. Notably, we do not see the two theories as exclusive but complementary. For instance, TCE suggests that formal rules and contracts should be used to govern exchange relationships, but it is not always possible to create a perfect formal mechanism because of human limitations. Moreover, excessive formality may create inflexibility within the relationship. Thus, integrating SET’s suggestions for norms or informal mechanisms may create more harmonious relationships.

Having said this, inter-organisational relationship scholars have explored the association between formal mechanisms and trust. They specifically examined the relationship between formal rules and trust, uncovering some varying – if not sometimes contradictory – results. One group of scholars suggests that contracts and trust are complementary (Poppo and Zenger, 2002), while another group suggests that contracts and trust are substitutes (Das and Teng, 2001; Li et al., 2010) As Prakash et al. (2022) verified the former stance in the humanitarian context, we follow the logic.

4.2 Formal mechanism and distributive justice
Through written agreements and rules, a formal mechanism secures the interest of both parties in a relationship (Williamson, 1979). For example, the Seville Agreement is a formal mechanism governing the different red-cross movement initiatives. Similarly, the PoP, created by the Global Humanitarian Platform, is a formal mechanism for managing inter-organisational humanitarian relationships among humanitarian actors. Several HOs have formulated policies and frameworks for managing relationships
through formal mechanisms. For example, the CAFOD has developed a framework to address safety, accessibility, dignity, inclusion and accountability priorities (so-called “SADI” profiles). The motive of SADI was to facilitate localisation and establish an inclusive feedback and complaints mechanism as part of an initiative to engage the local communities in the Democratic Republic of Congo (DRC) (Turcanu and Kahashi, 2020).

One of the goals of a formal framework is to ensure justice (or fairness), which is a bedrock principle for all types of relationships (i.e. social, economic or relational) (Griffith et al., 2006; Liu et al., 2012). Scholars have generally defined justice in terms of four dimensions: distributive, procedural, interpersonal and informational (Choi and Matsuoka, 2020; Griffith et al., 2006; Liu et al., 2012). The humanitarian sector has particularly focused on the issue of distributive justice. For example, Humanitarian Exchange (2011) highlighted that influential international HOs ignore the due credit of the local HOs in decision-making (Houghton, 2011). Further, the international organisation lags in acknowledging local HOs’ contributions (Brown, 2011). Such case reports have triggered efforts to ensure the fair distribution of rewards and credit to local partners. When an inequality between the proportions exists, the participants in the relationship will experience a feeling of injustice (Brown, 2011). For example, Brown reported that “local organisations often feel that there is a lack of implicit rewards such as respect and appreciation for their knowledge and contributions and that their ‘partnerships’ are limited since they are rarely involved in decision-making processes with their partners” (p. 11, Humanitarian Exchange 2011).

An excellent formal mechanism is one that allows both parties to feel that their efforts and outcomes are comparable (Griffith et al., 2006). For example, the Global Humanitarian Programme initiated the Principles of Partnership (PoP) to establish more equality between UN and non-UN organisations in determining priorities, objectives and responses (Knudsen, 2011). Likewise, the Agreement (1997) of IFRC aimed at fostering “a stronger sense of identity, solidarity, mutual trust and shared responsibility” among the same members of the movement (p. 2) so that all members can cooperate and coordinate. Based on the available theoretical justifications and empirical evidence, we hypothesise as follows:

**H1.** Formal mechanisms improve distributive justice among partnering HOs in inter-organisational relationships.

**4.3 Formal mechanism and information sharing**

Information sharing occurs when relationship partners offer each other proprietary and vital information. Such information may include (but is not limited to) inventory, forecasting, customer sales, production schedules, etc. (Li and Lin, 2006). Several humanitarian scholars have emphasised the usefulness of information sharing in a humanitarian context (Altay and Pal, 2014; Balcik et al., 2010; Besiou and Van Wassenhove, 2020; Li and Lin, 2006; Sahin and Robinson, 2002). This information includes geographic locations, joint need assessment reports, demographics of beneficiaries, a roster of beneficiaries, vulnerability reports, local capacity, a roster of HOs working in specific geographic locations, the details for the

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cluster lead and members of the inter-agency group, etc. By sharing information, humanitarian actors can decipher the context of crises and the needs of beneficiaries, which then facilitates effective and timely responses (Hannibal et al., 2022; Klein et al., 2007; Tatham and Christopher, 2018; Tomasini and Van Wassenhove, 2009).

The extant literature indicates that HOs are more likely to share critical and proprietary information with another partner (Kotabe et al., 2003; Vázquez-Casielles et al., 2013; Wang et al., 2020). The benefit of a formal document (e.g. a MoU) flows from the precise definition of roles for relationship members, who are then expected to abide by the rules laid out in the formal agreement. For instance, the MoU signed between the Office of the UNHCR and Mapendo states that Mapendo should share information with UNHCR to better coordinate humanitarian relief work. In a similar vein, the PoP emphasises transparency by demanding that HOs share information. HOs must share information related to inventory, distribution centres, annual expenditure, annual donation, geographical coverages, available capacity, skilled workforce in their organisation, etc. with their partner. Similarly, IFRC (2022) instituted CEA, which lays out the strategic pillar involving the community as an equal partner. The critical strategic pillar is “Provide contextualised, timely, accurate and trusted information” for effective humanitarian relief response. To summarise, formal rules encourage partners to share their information with other partners. Thus, we hypothesise as follows:

**H2.** Formal mechanisms improve information sharing among partnering HOs in inter-organisational relationships.

**4.4 Information sharing and trust**

The literature on trust suggests that if a partner is ready to rely on the other partner because the former’s confidence in the latter’s intention is defined as trust (Doney and Cannon, 1997; Ebrahim-Khanjari et al., 2012; Whipple et al., 2013). Later scholars divided trust into two major dimensions: “benevolence” and “competence” (Ganesan, 1994; Moorman et al., 1992). The integrity-based trust echoes the perception that the partner’s intention is devoid of “self-interest behaviour with guile” and goodwill to act fairly for the common welfare of collaboration. The competence-based trust echoes the perception that the partner’s knowledge, expertise and decision-making ability are reliable (Colquitt and Rodell, 2011; Moshtari, 2016).

Information sharing between partners is essential for developing a trusting relationship (Doney and Cannon, 1997; Ebrahim-Khanjari et al., 2012; Read et al., 2014). Ring and Van de Ven (1992) opined that partners can demonstrate fairness and proportionate participation in joint action by sharing information, which then fosters trust. For example, during the Pakistan flood, international HOs put their existing relationship with local HOs on hold and shifted to coordinating with other international actors. As a result, local HOs became confused and dismissive because they were not sufficiently consulted, nor were they certain about the future of their relationship with their international partner(s). In other words, international HOs undermined their local partners’ trust,
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thereby compromising the partnership principles of equality, transparency, mutual respect and a commitment to sharing information (Allen, 2011).

By contrast, the partnership between international HOs and national ones in the DRC highlights the positive outcomes of information sharing. International HOs (e.g. United Nations Population Fund) have established partnerships with national HOs (e.g. Action Communautaire d’Appui au Développement) of the DRC. The national HOs collect information about health structures, early-warning community mechanisms, alert delivery channels and information management systems and share it all with their international partners (Augustin and Mapenzi, 2022).

Information sharing also has the potential to reduce opportunistic behaviours among partners (Kwon and Suh, 2004; Morgan and Hunt, 1994). For example, disclosing the relief stocks and inventory, funds received and spent, the details of vendors and suppliers and the release of the recruitment roster are good practices that infuse trust. Kulangara et al. (2016) demonstrated that open dialogues through socialisation and information sharing improve the trust between buyers and suppliers in inter-organisational relationships. Similarly, HOs in Sudan and Yemen developed trust with their local humanitarian partners by creating an everyday recruitment roster, pooling recruiting resources and sharing technical expertise. They focused on generating credible evidence about the impact of humanitarian assistance, shared this information with partners and other community members, and thus opened a space for dialogue (O’Connell, 2019). Thus, we hypothesise as follows:

$H3$. Information sharing among partnering HOs fosters trust in inter-organisational relationships.

4.5 Distributive justice and trust

An organisation’s genuine concern for its partners’ well-being demonstrates benevolence and goodwill, leading to perceptions of trustworthiness (Colquitt and Rodell, 2011). For example, when the international humanitarian organisation consistently treats local partners in line with what it says it will do and ensures reward allocation and relevant procedures are fair, local partners are likely to repay the organisation with trust (Alpkan et al., 2020; Prakash et al., 2022; Tomasini and Van Wassenhove, 2009). Empirical studies of the justice–trust link suggest that distributive justice contributes to trust development (Choi and Matsuoka, 2020; Griffith et al., 2006; Hofer et al., 2012). A lack of fair treatment causes the interactions between partnering firms to become an economic, rather than social, process – and solely economic interactions are difficult to sustain in the long run (Griffith et al., 2006; Gulati, 1995). For example, the CEA initiative of IFRC aimed at recognising community organisations as expert and equal partners during humanitarian response. Similarly, one of the nine components of the SADI framework is community participation/engagement, which ensures the equal participation of local community organisations.

Trust is critical for social relationships. Indeed, according to Blau (1964), “Social exchange requires trusting others to reciprocate” (p. 98). Exchanging partners from multiple cultural–religion backgrounds invest in the relationship; this investment is inherent with the risk of cultural clash that can put investment in vain. This risk can be mitigated by developing trust in the relationship. The foundation for a balanced relationship is fairness because fair treatment induces trust among partners (Jambulingam et al., 2009; Mayer et al., 1995). For example, after the Indian Ocean tsunami, World Vision joined with the Indonesian organisation Muhammadiyah to rebuild schools. The United Methodist Committee on Relief and Muslim Aid developed a successful partnership in Sri Lanka in 2006, sharing staff, resources, supplies and logistical support. WFP signed a MoU with the Organisation of the Islamic Conference to deliver food aid in parts of Somalia. The success of this cross-cultural partnership was attributed to mutual support for each partner’s welfare while ensuring proportionate participation in decision-making (ReliefWeb, 2010). Therefore, we hypothesise as follows:

$H4$. Distributive justice among partnering HOs fosters trust in inter-organisational relationships.

4.6 Control variables

We included two control variables that theoretically impact trust in inter-organisational relationships. The first is dependence asymmetry, which means the focal organisation is dependent on its partner. The extant literature suggests that organisations that are more dependent tend to comply with their partner’s directives (Gulati and Sytch, 2007; Zhang and Huo, 2013), demonstrating higher trust. We used Moshtari’s (2016) scale to measure focal partner dependence. D1 (dependence of focal organisation on the partner): “It would be costly for our organisation to lose its collaboration with this partner”. D2 (dependence of partnering organisation on the focal organisation): “This partner would find it costly to lose the collaboration with our organisation”. The second control variable is relationship length, which captures how long the focal organisation and its partner have worked together. The extant literature suggests that longer relationships encourage familiarity and engender trust among partners (Gulati, 1995). We used a cardinal scale that divided relationship length into five categories.

5. Methodology

5.1 Research setting and sampling

We tested our hypotheses through an online survey facilitated by Qualtrics.com and offered in English. This empirical research includes HOs such as OXFAM, IFRC, local implementing partners, national and international non-government organisations and UN agencies. We specifically considered responses from managers working in inter-organisational humanitarian relationships during humanitarian crises. The measures generally reflect the perceptions of one partner, working for either an international or local HO (Moshtari, 2016; Prakash et al., 2022). We obtained the bulk of our respondent list from national focal points of the Sphere project and the Humanitarian ID portal. The respondents (see Table 1) all had good knowledge of the humanitarian context. Therefore, the
5.3 Model validity and reliability
This research adopted a two-stage process of structural equation modelling: the first stage established construct validity and the second stage performed model validity/hypotheses testing (Anderson and Gerbing, 1988). Each construct’s factor loading (see Table 2) was greater than 0.5, suggesting good convergent validity (Hair, 2009). Table 3 describes the composite reliability, Cronbach’s alpha and average variance extracted. We used composite reliability and Cronbach’s alpha to test item reliability: both values were above the cut-offs of 0.5 and 0.6, respectively (Hair, 2009). We also observed good discriminant validity because of the average variance extracted being higher than 0.5 and its square root being greater than the corresponding correlations (Fornell and Larcker, 1981). The goodness of fit indices (SRMR = 0.05; CFI = 0.93; TLI = 0.90; NFI = 0.89; RMSEA = 0.08; and IFI = 0.93) fell within the recommended ranges, suggesting that the scale fits the data (Hu and Bentler, 1999).

5.4 Structural model
The fit indices for the structural model demonstrated a good fit, with NFI 0.86, IFI 0.90, TLI 0.90, CFI 0.91 and RMSEA 0.09 (Hu and Bentler, 1999). Table 4 reports the results: The formal mechanisms positively impacted distributive justice and information sharing, thus supporting $H1$ and $H2$. Further, information sharing and distributive justice positively impacted trust, thus supporting $H3$ and $H4$.

5.5 Mediation testing
Next, we tested the mediation between the formal mechanism and trust, the results are given in Table 5. Following the suggestion of Rungtusanatham et al. (2014), we decided to use the explicit bootstrapping procedure for testing mediation. Bootstrapping is an effective and proven method for correcting the sample distribution’s non-normality. Because it keeps Type I errors to a minimum, bootstrapping is considered to have the highest statistical power for testing the mediation process.

We applied the bias-corrected bootstrapping method in AMOS 24 (Preacher and Hayes, 2008), using 2,000 bootstrapping samples to represent the distribution of the indirect effect (Rungtusanatham et al., 2014). This method helps us determine the statistical significance of mediation paths by calculating the total effect, direct effect and indirect effect in the given sample at a confidence interval of 95%.

We observed that the indirect effect of the formal mechanism on trust through information sharing and justice was significant. By contrast, the direct effect was not significant, indicating the presence of complete mediation and the absence of partial mediation (Zhao et al., 2010). In other words, information sharing and justice fully mediated the relationship between formal mechanism and trust.

6. Discussion
Our research aimed to understand the mechanisms through which formal initiatives help to build trust in humanitarian actors’ inter-organisational relationships. To address our research question, we proposed a theoretical model and then validated it with survey responses from managers working in HOs. Following the logical–positivist research paradigm, we

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Table 1: Respondents’ demographic characteristics

<table>
<thead>
<tr>
<th>Variables</th>
<th>Groups</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focal Organisation</td>
<td>International non-governmental organisations</td>
<td>86</td>
</tr>
<tr>
<td>Type</td>
<td>Local non-governmental organisations</td>
<td>94</td>
</tr>
<tr>
<td></td>
<td></td>
<td>180</td>
</tr>
<tr>
<td>Partner organisation type</td>
<td>International/UN humanitarian organisation</td>
<td>74</td>
</tr>
<tr>
<td></td>
<td>Local/national humanitarian organisation</td>
<td>66</td>
</tr>
<tr>
<td></td>
<td>Community organisation</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td></td>
<td>180</td>
</tr>
<tr>
<td>Position</td>
<td>Organisation head (e.g. director, president)</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Middle-level manager (e.g. programme coordinator)</td>
<td>72</td>
</tr>
<tr>
<td></td>
<td>Field manager (e.g. field officer)</td>
<td>38</td>
</tr>
<tr>
<td></td>
<td>Logistic or supply chain officer</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td></td>
<td>180</td>
</tr>
<tr>
<td>Geographical region</td>
<td>Asia</td>
<td>110</td>
</tr>
<tr>
<td></td>
<td>Africa</td>
<td>70</td>
</tr>
<tr>
<td></td>
<td></td>
<td>180</td>
</tr>
<tr>
<td>Working experience</td>
<td>Below 1 year</td>
<td>37</td>
</tr>
<tr>
<td></td>
<td>1–3 years</td>
<td>53</td>
</tr>
<tr>
<td></td>
<td>3–7 years</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>7–15 years</td>
<td>30</td>
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<tr>
<td></td>
<td>More than 15</td>
<td>20</td>
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<tr>
<td></td>
<td></td>
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<tr>
<td>Support type</td>
<td>Help understand the context</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Provision of service</td>
<td>49</td>
</tr>
<tr>
<td></td>
<td>Local capacity</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Combination of the above</td>
<td>70</td>
</tr>
<tr>
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<tr>
<td>Educational qualification</td>
<td>Attended school</td>
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</tr>
<tr>
<td></td>
<td>Attended under graduate</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>Attended post graduate</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td>Attended professional degree</td>
<td>61</td>
</tr>
<tr>
<td></td>
<td>Attended doctoral degree</td>
<td>4</td>
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<tr>
<td></td>
<td></td>
<td>180</td>
</tr>
<tr>
<td>Relationship length</td>
<td>Up to 6 months</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>6–12 months</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>1–2 years</td>
<td>86</td>
</tr>
<tr>
<td></td>
<td>3–4 years</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>More than 5 years</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>180</td>
</tr>
<tr>
<td>Gender</td>
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<td>135</td>
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<td></td>
<td>Female</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td></td>
<td>180</td>
</tr>
</tbody>
</table>

Source: Created by the author

Our survey adopted existing measures from the supply chain literature (Table 2). Each item was measured on a seven-point Likert scale (i.e. 1 = strongly disagree, 7 = strongly agree). We then pre-tested the questionnaire on a small sample of humanitarian workers (all of whom had more than 10 years of experience) to assess the effectiveness and clarity of the questionnaire items. Based on their suggestions, we adapted the items and refined the measurement instruments.

survey method effectively eliminated the possibility of social desirability bias (Podsakoff et al., 2003).
anchored our research in the transaction cost economics theory and SET because of its suitability and logic in explaining the inter-organisational phenomenon. Prior studies have focused on the perspectives of local HOs and UN/Government agencies on mutual exchange (Shaheen and Azadegan, 2020), the process of collaboration building (McLachlin and Larson, 2011), the efficacy of collaborative partners’ characteristics and relationship management capability on collaboration outcome (Moshtari, 2016); by contrast, we explored the mechanisms of trust-building in humanitarian relationships.

To derive our hypotheses, we drew from the governance theory literature that emphasises the complementarity or
synergy between formal mechanisms and trust. Borrowing from Katok and Pavlov (2013), we argued for a relationship between formal mechanism and distributive justice. Likewise, we drew from research indicating an association between formal mechanisms and information sharing (Kotabe et al., 2003; Vázquez-Castilles et al., 2013; Wang et al., 2020). Furthermore, we borrowed the direct association between information sharing and trust from Doney and Cannon (1997) and Ebrahim-Khanjari et al. (2012), while the direct association between justice and trust derived from Colquitt and Rodell (2011) and Griffith et al. (2006).

Our findings confirmed the results of previous studies: Formal mechanisms have a positive relationship with both distributive justice and information sharing. From this, we can infer that the use of rules, frameworks, contracts and MoU can be used to direct the behaviour of both partners in inter-organisational humanitarian relationships by splitting their responsibilities and benefits equitably. One example is the MoU signed between the Office of the UNHCR and Mapendo. In short, the formal mechanism brings proportionate participation and transparency to the relationship.

The effect of distributive justice and information sharing also aligns with our hypothesised claim. We demonstrated that distributive justice and information sharing help build trust in humanitarian relationships. Inter-organisational relationships where benefits and efforts are allocated fairly will make parties believe that their partner is sincere. Additionally, relationships, where organisations share proprietary information and knowledge such as recruitment roster, funding, expenses, inventories, beneficiaries’ roster and technological know-how with their partners, will make each other believe that their counterparts are supportive and willing to assist in the changing environment of humanitarian context.

6.1 Theoretical implications
Nowadays, HOs often use a cluster-based coordination approach to ensure effective and efficient humanitarian responses. The success of this approach relies heavily on strong inter-organisational relationships between international and local HOs (Humphries, 2013; Ruesch et al., 2022). A key aspect of these relationships is trust, which is essential for sharing resources and human power during humanitarian crises (McLachlin and Larson, 2011; Tatham and Kovács, 2010). Previous research has uncovered a complementary relationship between formal governance and trust (Poppo and Zenger, 2002; Prakash et al., 2022), but there has been relatively little attention on what drives that relationship. Thus, this research contributes to the operations literature by unveiling the mechanisms through which formal initiatives complement trust from the logic of transaction cost theory and SET. Previous research has demonstrated that distributive justice and information sharing are vital to establishing trust (Ebrahim-Khanjari et al., 2012; Griffith et al., 2006; Li and Lin, 2006). This study indicates that formal mechanisms can only cultivate trust if they guarantee an equitable distribution of benefits and workloads, in addition to information sharing among the involved parties.

The literature on commercial supply chains emphasises the importance of distributive justice and information sharing for achieving common goals in inter-organisational relationships (Hofer et al., 2012; Zhou and Benton, 2007). Thus, our finding carries significant weight for commercial supply chains, suggesting that formal mechanisms (e.g. rules and frameworks) only foster trust if they encourage information sharing and a proportional distribution of reward and risk in inter-organisational relationships.

Additionally, this research extends the theory-building process by linking the concepts of formal mechanisms, distributive justice, information sharing and trust through the logic of transaction cost economics and SET. Previous scholars only demonstrated or suggested that formal mechanisms can help effective coordination and build trust. However, the role of distributive justice and information sharing had not been empirically validated. Thanks to our survey findings, we can contend that the effect of formal mechanisms on trust is fully mediated by distributive justice and information sharing. Our results add crucial theoretical value to the humanitarian operations literature.

6.2 Practical implications
According to Martin Griffiths, the former UN deputy humanitarian coordinator (Scott-Flynn, 2003), coordination issues stem from a crisis of confidence – that is, a lack of trust. Particularly, inter-organisational relationships that are between international and local HOs are often reported more cases of failed partnership. For example, international HOs can use their influence tactics to mould the decisions of local partners. On the flip side, local HOs can pass on misinformation to international partners to get higher funding from them. This source of conflict stems sense of distrust in inter-organisational relationships in humanitarian operation.

The research highlights two crucial considerations for humanitarian practitioners: First, humanitarian agencies – from the local to the international – should utilise formal regulations or frameworks, such as PoP, to institutionalise practice of sharing information and proportionate participation among HOs in inter-organisational relationship. This can be done by establishing a crisis council, such a council should include representatives from various HOs, governments and other relevant stakeholders to ensure that inter-organisational relationships adhere to proposed formal framework. Secondly, HOs need to cultivate integrity-based trust by enacting formal rules that ensure proportional participation and information sharing. This can be achieved by institutionalising a flexible system that facilitates the fair and unbiased sharing of rewards, risks and necessary information through formal rules and guidelines promoted by relevant agencies and government bodies. In this way, both parties involved in an inter-organisational relationship can have confidence that they are working towards a common goal and that their efforts are being weighted fairly and equitably.

By leveraging this study’s findings, practitioners can create more successful inter-organisation relationships, which will help achieve a more effective and efficient relief response that ultimately improves outcomes for those in need.

7. Conclusion, limitation and future research
We conducted a survey and collected responses from 180 humanitarian managers who represented the multiple sides of
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inter-organisational humanitarian relationships. The survey result confirmed that formal mechanisms positively correlate with distributive justice and information sharing and, further, that distributive justice and information sharing have positive relationships with trust. In other words, we demonstrated the mediating role of distributive justice and information sharing between formal mechanisms and trust. In short, our research developed and validated a theoretical model that clarifies the mechanisms of trust building in inter-organisational humanitarian relationships in a humanitarian operations context.

Nonetheless, our research has five significant limitations. First, our survey was not dyadic but only represented one partner’s perspective. Future studies can overcome this limitation by collecting local and international HOs’ perspectives in a dyadic setting. Second, our research did not consider other crucial dimensions related to trust, i.e. competence-based trust. On this point, future studies could explore the impact of relational norms – such as role integrity, reciprocity, mutuality, solidarity and flexibility – on relational outcomes. Thirdly, our research viewed contractual agreement as a formal mechanism. Subsequent studies could broaden the scope of formal mechanisms and devise novel measurement scales to enhance comprehension of their influence on trust. Additionally, our study gathered responses from inter-organisational collaborations operating in the humanitarian response phase. Future investigations could solicit responses from the long-term developmental phase. Finally, our study gathered responses from inter-organisational humanitarian relationships. Future research might adopt a communal approach when examining inter-organisational relationships, thereby illuminating the comparative significance of norms.

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