

# Voluntary Sector Review

## Value Similarity: The Key to Building Public Trust in Charitable Organizations

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# **Value Similarity: The Key to Building Public Trust in Charitable Organisations**

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## **Abstract**

This article explores the relationship between value similarity and public trust in charitable organisations. Through a focus group interview and an empirical study based on a UK sample, findings show that value similarity between the public and charitable organisations is an important driver of trust in charities even when individuals lack in depth knowledge of them. It is also an elemental domain of public trust in charities and makes the greatest contribution to explaining this concept. It is concluded that value similarity is the key to understanding and establishing public trust that is essential for prosperity of the voluntary sector.

## **Keywords**

Charitable organisation; Trust; Value similarity; Value

## Introduction

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2  
3 “Value” is an important concept in the voluntary sector: the most prominent trait of charitable  
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5 organisations is that they are driven by charitable values instead of profit (Knutsen, 2013).  
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8 The value-driven motivation of charitable organisation leads to an inherent belief among  
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10 people that charities will spend effectively and wisely even though donors have little  
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12 knowledge of how charities use their resources (NCVO, 2011). This pro-charity belief  
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14 contributes to trust in this sector that charitable organisations are rated as the third most  
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16 trusted institutions by the public in the UK (nfpsynergy, 2011; Charity Commission, 2012).  
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21 Public trust, i.e. the extent to which the public trust charities, is essential for the continued  
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23 strength of the charitable sector. Greater levels of public trust could help the charitable sector  
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25 to attract more donations in terms of both money and labour. According to Sargeant and Lee  
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27 (2004a), higher degrees of trust in a charity predict greater willingness to become a donor and  
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29 to make a larger amount of donation, and higher levels of trust improve the possibility that  
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31 enduring donor-charity relationships will develop. Moreover, in relationships where  
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33 intangible services are provided, such as by charities, trust is particularly important because  
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35 objective criteria are not usually available to assess the performance of the charity (Sargeant  
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37 & Lee, 2004b). In such cases, consumers seek to remedy this by favouring providers who  
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39 inspire trust (Hansmann, 1980). In addition, a high level of public trust is helpful for charities  
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41 to maintain a positive social image, which is an essential prerequisite for fundraising and the  
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43 fulfilment of their objectives (Bendapudi, Singh, & Bendapudi, 1996).  
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52 Uslaner (1999) has stated that trust is underpinned by shared values. Public trust in relation to  
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54 voluntary organisations is also suggested to rest heavily on public identification with the  
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56 values that these organisations represent (Tonkiss & Passey, 1999). Parsons (1970) has noted  
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58 that, to generate general trust, all parties must believe that action supports common values,  
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1 and these common values must be translatable into common and specific goals. These values  
2 could be the purpose of a charity, ethical positions such as being not-for-profit, and  
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4 organisational philosophy such as views on the origins of social problems and the way to  
5 solve them. In other words, public trust in charities is connected to the core ethos and social  
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7 objectives of voluntary organisations as recognized by the public.  
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12 Value similarity, which could play an essential role in trusting relations between the public  
13 and charities, however, is understudied. Extant literature has not provided sufficient evidence  
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15 regarding whether value similarity is a key domain of public trust in charities, and whether  
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17 value similarity is a significant factor influencing “blind” trust in charities when individuals  
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19 lack in depth knowledge of the organizations. Filling the gap of research would facilitate a  
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21 deeper insight into the associations between trust and value similarity, help researchers and  
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23 practitioners to discern the construct of public trust, and provide guidance on how to cultivate  
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25 public trust in the sector in order to boost charitable resources from the public.  
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33 This article seeks to demonstrate the importance of value similarity in securing trust in  
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35 charitable organisations from the general public. First, previous studies on relations of charity,  
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37 trust and value similarity are reviewed, and gaps therein are identified, based on which two  
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39 research questions are proposed. Second, a focus group study is undertaken to explore roles  
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41 of value similarity in the establishment of trust in charities when individuals lack in depth  
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43 knowledge of charities. Third, the construct of public trust in charities considering the  
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45 domain of value similarity is examined through factor analysis based on a UK sample. It aims  
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47 to interrogate whether value similarity would be able to serve as a key domain of public trust  
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49 in charities, and its extent of importance if so. Finally, implications, limitations, and  
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51 suggestions for future studies were discussed.  
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## Theoretical Background and Research Questions

### Value, Charity and Trust

Why is value so important that it needs much attention when studying public trust in charitable organisations particularly? It is self-evident when considering the unique characteristics of the charitable sector where value lays at its heart. This section underlies the essentiality of value for charities, and discusses associations between value similarity and trust in charities. Two research questions are proposed based on deficits of previous literature.

Value is the foundation of charitable organisations. According to Ball (1975), “the word ‘charity’ has never been defined or is capable of exact definition” (p.174), while the phrase “charitable purpose” is a technical term easier to avoid confusion. In the context of the UK where the present study was undertaken, charity is defined as “any institution, corporate or not, which is established for charitable purpose according to the law of England and Wales” (Charity Act 1960, sec.45). The renewed Charity Act 2011 confirmed that “for the purposes of the law of England and Wales, ‘charity’ means an institution which (1) is established for charitable purposes only, and (2) falls to be subject to the control of the High Court in the exercise of its jurisdiction with respect to charities” (sec.1). It illustrates that the starting point of the definition is “charitable purpose”, which indicates that charitable organisations are value driven.

The Preamble to the English Statute of Charitable Uses 1601, classified charitable purposes into four groups: the relief of poverty; the advancement of education; the advancement of religion; and other purposes beneficial to the community (Quint, 1994). The Preamble laid the foundations of contemporary charity law. Scholars have, however, argued that the charitable purposes itemised were too ambiguous to be able to cover activities of the many

1 and various kinds of charities (e.g. Mitchell & Moody, 2000). In recent years, “charitable  
2 purpose” has been extended to thirteen groups according to the Charity Act 2011.  
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5 However, having one or more charitable purposes as its exclusive aims is not, of itself,  
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7 sufficient for a body to qualify for charitable status. Ware (1989) notes that there are two  
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9 further conditions that a charity must meet: first, it must aim to provide a tangible benefit to  
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11 the public; second, it must not engage in the distribution of profits, substantially political  
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13 activities and self-help. It underlies ethics of charitable organisations.  
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18 The characteristic of being value driven distinguishes charitable organisations from other  
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20 social institutions. Chen, Lune, and Queen (2013) suggest that this value-based prioritization  
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22 “can give nonprofits a competitive, though short-lived, advantage over for-profit and public  
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24 sector organisations” (p. 870) in gaining public support. Unlike commercial organisations and  
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26 governments, “charities are identified with, and legitimated by, the causes they serve”  
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28 (Tonkiss & Passey, 1999: p. 266). Moreover, due to the “nondistribution constraint” that a  
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30 “nonprofit organisation is not allowed to distribute its surplus resources in financial form to  
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32 those who control the organisation” (Speckbacher, 2013, p.1013), charitable organisations are  
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34 perceived as more trustworthy than profit-oriented organisations (nfpSynergy, 2014).  
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41 Rothschild (2013) has suggested that an association with civic virtue and civic capacity  
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43 creates a “halo” around charities (p.887), which also contributes to trust in this sector. The  
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45 “halo” effect in charitable organisations, at least in the UK, is supported by empirical studies.  
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47 An nfpSynergy (2011) study of 1,000 UK adults found that public trust in charities was  
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49 greater than for-profit companies, government, the Royal Family, and politicians (although  
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51 lower than trust for the armed forces and the National Health Service). A further survey of a  
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53 representative sample of 1,142 UK adults by the Charity Commission (2012) rated charities  
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1 as the third most trusted by the public, just behind doctors and the police, and ahead of social  
2 services, local authorities, and private companies.  
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5 Value is so important for charities that people may trust charities merely based on their  
6 appreciation of charitable purposes without considering impacts of other factors (Siegrist,  
7 Cvetkovich, & Roth, 2000). Charity Commission (2014) report that “a quarter of people  
8 (26%) who say they trust a charity or type of charity more than another because that they  
9 believe in the cause/what they are trying to do” (p.24) based on a UK sample.  
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11  
12 Therefore, the values of charitable organisations perceived and shared by the general public  
13 are playing significant roles in trusting relationships (Uslaner, 1999). Poortinga and Pidgeon  
14 (2003) find that value similarity is an important factor in explaining and predicting trust. It is  
15 powerful in facilitating trust between two parties who did not engage in interaction before if  
16 they share some characteristics in common (Zucker, 1986). People who perceive that they  
17 hold similar values to the organisation tend to trust it more than those who do not,  
18 particularly when familiarity with the organisation is low (Cvetkovich & Winter, 2003).  
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21 When they do not have the resources or interest to make a detailed assessment of  
22 trustworthiness, individuals endow their trust based on shared values (Earle & Cvetkovich,  
23 1995).  
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26 Shared value is essential for identification-based trust, which is the highest level of trust as  
27 well as the most stable state of trust according to Shapiro, Sheppard, and Cheraskin (1992).  
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30 This kind of trust requires fully internalization the other’s preferences, desires and intentions  
31 and allows the trusted party to act as an agent for the trusting one in interpersonal transactions.  
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34 The existence of identification-based trust can also make it possible to form a shared strategic  
35 focus and sustained consensus to achieve the mutual objectives. The conditions for the  
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1 construction of the identification-based trust are shared values, joint products and goals, name,  
2 and proximity (Shapiro, Sheppard, & Cheraskin, 1992).  
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5 Although value similarity could be an important factor or element of trust in charities, this  
6 has not been investigated thoroughly. First of all, few studies have considered value  
7 similarity as an element of trust. Previous studies suggest that trust is a multifaceted  
8 phenomenon, which is manifested in its various dimensions. Among the widely accepted  
9 views, Lewis and Weigert (1985) note that trust consists of cognitive, emotional, and  
10 behavioral dimensions; Sztompka (1998) states that a comprehensive definition of trust  
11 should include at least three dimensions, namely, “reflected trustworthiness”, “basic  
12 trustfulness”, and “generalized, cultural orientations” (p.20); Hoffman argues that (2002)  
13 trust is an interaction between expectations and behavioral intentions.  
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28 Relevant domains like “value congruence” and “shared value” have been identified in trust  
29 studies. For example, Sitkin and Roth (1993) distinguish two dimensions of trust: task-  
30 specific reliability and value congruence, and show how legalistic mechanisms respond only  
31 to reliability concerns, while ignoring value-related concerns. Hart et al. (1986) identify  
32 shared value as a dimension of organisational trust in a case study of General Motors.  
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34 Nevertheless, the importance and applicability of this value-related domain has not been  
35 sufficiently examined in empirical studies on trust, such as trust measurement. For example,  
36 in a scale measuring organisational trust developed by Mayer and Davis (1999), this domain  
37 is reflected through a single item (“I like top management’s values”) used to measure  
38 integrity of the organisation. The measurement is established upon a conceptual model of  
39 trust in general organisations (Mayer, Davis, & Schoorman, 1995) that has been extensively  
40 cited over 1300 times according to the Web of Science (McEvily & Tortoriello, 2011). This  
41 model conceptualizes organisational trust as a phenomenon based upon the truster’s  
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1 propensity to trust and the trustee's perceived trustworthiness in forms of ability, integrity,  
2 and benevolence. Value similarity is not considered as a separate basis in the conceptual  
3 model of trust.  
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8 Public trust is a complex, multifaceted concept that incorporates values, risk, and  
9 expectations. Previous empirical studies by authors such as Gaskin (1999), Sargeant and Lee  
10 (2001), Charity Commission (2010; 2012; 2014), and nfpSynergy (2011; 2014), have  
11 explored factors that might be able to explain public trust in charities. However, they have  
12 proved insufficiently integrative as they have failed to take shared value into consideration.  
13 They either focus on the traits of trustees, in other words the trustworthiness of charitable  
14 organisations, or the characteristics of trusters, such as the willingness to be vulnerable in the  
15 relationship with trustees involving risks. Thus, there has been a lack of interrogation of the  
16 contribution of value similarity to explaining the level of trust.  
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31 Additionally, many studies, as discussed previously, have implied the effect of value  
32 similarity on "blind" trust from the public towards charities when familiarity with the  
33 organisation is low. However, there lacks solid empirical evidence regarding how strong the  
34 effect is. The study seeks to fill the gap by using mixed methods to explore the role of value  
35 similarity in establishing and explaining public trust in charitable organisations. It will be  
36 helpful for uncovering the extent of the importance of shared value in fostering public trust in  
37 charities.  
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49 Accordingly, two research questions are proposed: (1) Does value similarity between the  
50 public and charitable organisations serve as an important driver of trust in charities when  
51 individuals lack in depth knowledge of them? (2) Does value similarity serve as a component  
52 of public trust in charities?  
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## Conceptualization of Public Trust in Charities

In order to address the second question proposed above, all the domains of trust need to be specified to explore the extent to which value similarity, as one hypothetically key domain of trust, could explain trust in charities. The importance of each domain in explaining public trust in charities is illustrated and compared in the process of factor analysis that is discussed in detail in the later methodology section. This section discusses the conceptualization of trust in charities considering its theoretical domains including value similarity.

Although there is no agreement on a single definition of trust in the extant literature, the trusting relationship is suggested to represent an interaction between the trusting actor's intention to accept vulnerability and the perceived potential for the trustee to represent the interests of the truster through their ability, benevolence, and integrity. Thus, trust, in this context, is an interaction between expectations and behavioral intentions (Hoffman, 2002).

This study regards trust as a multifaceted phenomenon. First, the author agrees with the view of, such as, Cook and Wall (1980), Laezalere and Huston (1980), Doney and Cannon (1997): trust is the extent that a party believes another party (an individual or a group of people, or institutions) to to have integrity, be benevolent, and competent to fulfil the commitment.

Moreover, as trust exists in uncertain environment or risky situations (Schlenher et al., 1973), the author also agrees with the conceptualization by, such as, Mayer and Davis (1999) that trust is the extent of willingness to be vulnerable to the action of another party.

With the recognition of these two important aspects of trust, the final definition synthesizes them by adopting the conceptualizations proposed by, such as, Giliepie (2003) and Rousseau et al. (1998) that trust is a psychological state comprising the intention to accept vulnerability

1 and positive expectations of the intentions or behaviours of another. This holistic definition  
2 avoids segmentation of trust conceptualizations and takes each party of a trusting relationship  
3 into consideration.  
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8 Combining the definition of trust discussed above and the most prominent trait of general  
9 charities, “public trust in charities” in this study is defined as the extent of willingness of  
10 individuals to accept vulnerability in the relationship with charitable organisations, the extent  
11 that individuals believe charities to have integrity, be benevolent, and competent to fulfil its  
12 missions, as well as to hold shared values. General charities are not-for-profit, legal and  
13 formal institutions established for charitable purposes only. Classifications of charitable  
14 purposes are clarified in the Charity Act 2011 (section 3).  
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26 Charity competence is the ability of charities to fulfil missions and complete tasks. Charity  
27 benevolence is the extent to which charities are believed to intend to uphold and further  
28 public interest. Charity integrity is the extent to which charities are believed to fulfil their  
29 fiduciary obligations and to be conscientious. Value similarity or shared value is the  
30 alignment of values between the individual and the charitable sector. This element of trust is  
31 particularly important for trust in charitable organisations that are identified with, and  
32 legitimated by, the causes they serve.  
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44 According to the definition, the conceptual model of public trust in charities is described in  
45 Figure 1. It demonstrates that trust is a dyadic and interactive relationship involving both  
46 trusters and trustees. The dimension of willingness to accept vulnerability reflects traits of  
47 trusters; the dimension of perceived trustworthiness indicates features of trustees; and the  
48 dimension of value similarity indicates shared traits of both parties.  
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57 **Figure 1 here**  
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1 It is noteworthy that Zaheer, McEvily and Perrone (1998) have demonstrated that trust in  
2 people and in institutions/organisations are different constructs. However, value similarity  
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4 can be applied to both interpersonal and inter-organisational trust as suggested by Zucker  
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6 (1986), and Creed and Miles (1996). Therefore, although this study focuses on people's trust  
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8 in organisations, which is somewhat different from interpersonal and inter-organisational  
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10 trust, shared value is applicable to such trusting relationship, as it is reasonable for an  
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12 individual and an organisation or a group of organisations to share similar values.  
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18 The domains displayed in figure 1 are identified in order to provide the foundation of  
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20 exploring the construct of public trust in charities. As mentioned previously, the contribution  
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22 of value similarity to explaining public trust in charitable organisations is operationalized  
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24 through factor analysis. The process can demonstrate the contribution of each component to  
25  
26 explaining trust, which is comparable among different domains. It can also identify items  
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28 capable of indicating or reflecting trust and particularly value similarity, which would  
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30 provide abundant information about the operational meaning of the concepts. Details about  
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32 the method are illustrated in the following section.  
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### 43 **Methodology**

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46 This research acknowledges that public trust towards charitable organizations does exist as a  
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48 reality, but is “only imperfectly apprehendable because of the flawed human intellectual  
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50 mechanisms and the fundamentally intractable nature of the phenomenon” (Guba and Lincoln,  
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52 1994, p.110). In other words, the “reality” of trust has constructs and mechanisms that we as  
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54 scientists cannot discover directly. However, it is possible to explain observable aspects of  
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56 this phenomenon, which manifest the underlying mechanisms.  
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Following the principles of critical realism, this study adopts mixed methods to understand trust as a reality by exploring the observable aspects of it. On the one hand, trust as a “real” reality is measurable through quantitative methods; on the other hand, as trust is subjected to individuals’ comprehension, qualitative techniques, such as focus group interviews, are adopted to further the understanding of this phenomenon.

### **Focus Group Interview**

The research starts with a focus group interview that explored the association between value similarity and “blind” trust in charities when there lack of information of charities.

Participants were asked to rank their trust in different types of charities working for specific causes from 1 to 10; the higher the score, the higher the trust. There are ten types of charitable causes in the list, such as those working for health, environment, and religion (see Appendix). Charitable causes are categorised according to Charity Act 2011 and previous studies by, such as, Charity Navigator (2015) and Waterlow Information Services (2001) on encyclopaedia of charities. A Friedman test was performed to investigate the difference of the ranking. If the ranking is statistically significant, it indicates there is a significant effect of public recognised charitable causes on trust in charity types. Participants were also asked to explain the reason why they have more or less trust in certain charities and to validate domains of trust in charities identified in literature. Interview data were analysed using thematic analysis in which interviews were reviewed to identify the key themes and illustrative quotes. Interviews took place on a UK university campus.

All participants were UK residents. The sample included two groups, and there were four and five participants for each group respectively. According to the guidance on group size, the sample size is common and seldom goes beyond a minimum of four and a maximum of twelve participants per group (Carlsen & Glenton, 2011; Krueger & Casey, 2009; Kitzinger,

1995; Stewart, Shamdasani, & Rook, 2007). Among these two groups, one consisted of stakeholders of charities, which included one manager, one beneficiary and three contributors (one volunteer and two donors). In contrast, the other group was constituted by four “non-stakeholders” of charities, who neither worked for nor made any contribution to a charity, nor received any help from charitable organisations.

The samples were recruited in two ways: first, call-for-participants emails were sent out to university students and staff; second, a charity manager was invited for the interview through the personal network of the author. Following this, eight interviewees were selected from twelve people who were willing to participate from the email trawl by asking whether they were beneficiaries, volunteers, donors or none of the above. It ensured the sample contain both stakeholders and non-stakeholders of charities.

### **Questionnaire Survey**

In the second stage of the study, a questionnaire survey was undertaken in order to obtain data to explore the construct of public trust in charities and its relation with value similarity. This was achieved through factor analysis, which revealed the construct of public trust in charities. It examined whether value similarity was a component of public trust in charities, and to what extent these domains could explain this concept.

Adult participants (no less than 16 years old) who had lived in the UK for at least one year were recruited using three methods: a web-based call-for-participants, through university classes, and by sampling at a university library. There were 743 cases obtained in total. Of these, 409 were collected via a web-based questionnaire survey by sending call-for-participants email and advertising in online forums; 108 respondents and 226 respondents were obtained among random students in class and library of a university, respectively. The

1 sample is 52.8% females; 73.4% White, 14.8% Asian or Asian British, 6.4% Black or Black  
2 British, 3.0% from mixed ethnic groups and 2.4% Arabic or other. The average age of  
3 respondents is 27 (SD was 10.19).  
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8 The weakness of the sample is that it is averagely young and relatively highly educated.  
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10 Although McDougall and Munro (1994) have noted that a representative sample is not  
11 required for factor analysis, potential negative effect of the sample imperfection on findings  
12 should be considered. Thus, it is safe to say that analyses results reflect trust in the charitable  
13 sector from the perspective of people who were relatively young and received a higher level  
14 of education, due to the limited accessibility of resources for sample collection.  
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24 The questionnaire used for the survey contains items capable of indicating public trust in  
25 charitable organisations, and questions regarding demographic variables. There are 40 items  
26 reflecting key domains of the concept of public trust in charities based on a thorough review  
27 of literature, the focus group interview, and expert analysis. First, there were 51 items  
28 identified from previous studies by, such as, Barber (1983), Hardin, (2002), Hollis (1998),  
29 Luhmann (1979), Baier (1995), Rotter (1967), Mayer, Davis and Schoorman (1995), Uslaner  
30 (1999). Among them, 42 items were retained and amended based on the focus group  
31 interviews in the first stage of the study. The focus group study explored the public's  
32 perspectives on charities, roles of public trust therein, and key attributes of trust and mistrust  
33 in charities in the UK. It helped to validate the key dimensions of trust identified in the  
34 literature, detect other aspects did not cover previously, and spot any unsuitable items.  
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50 Subsequently, items were reviewed by experts to decide face validity and content validity.

51 Face validity of items was examined by eleven respondents who were English speakers and  
52 familiar with charities in the UK. It aimed to identify duplicate items and potential sources of  
53 ambiguity, and to make items more specific and straightforward. Content validity was  
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1 assessed by two experts who had completed considerable research in NGO study,  
2 multivariate statistics, and model selection techniques. They evaluated the clarity and  
3 accuracy of the items. Finally, there were 40 items retained to measure public trust in  
4 charities. Item scoring was based on a Likert scale design, ranging from 1 (strongly disagree)  
5 to 5 (strongly agree). Samples of items can be referred to in Table 2.  
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12 The construct of public trust in charities was revealed through factor analysis following  
13 approaches proposed by Churchill (1979) and DeVellis (2012). First, principal component  
14 analysis (PCA) with direct oblimin rotation was undertaken to derive a set of correlated  
15 factors that explained the maximum amount of variation among the scale items. PCA was  
16 useful for exploring the percentage of variation of public trust in charities that value  
17 similarity could explain and to compare with the percentage of other domains.  
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28 Subsequently, confirmatory factor analysis (CFA) was performed to evaluate the model fit. It  
29 aimed to examine whether the relation between value similarity and trust revealed through  
30 PCA was valid. In other words, CFA was capable to confirm or support that value similarity  
31 was a key domain of trust in charities if it was indicated through PCA.  
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39 According to the guideline provided by Tabachnick and Fidell (2007), Brown (2006), Hair, et  
40 al. (2010), for a valid model: (1)  $\chi^2$  should be insignificant; (2) normed  $\chi^2$  (ratio of  $\chi^2$  to the  
41 degree of freedom) below 2 is expected; (3) SRMS below 0.08 is expected; (4) RMSEA  
42 below 0.08 is expected; (5) GFI above 0.90 is expected; (6) AGFI above 0.90 is expected; (7)  
43 CFI or TLI above 0.95 is expected; (8) IFI above 0.95 is expected. For models that do not  
44 have a good fit, they can be modified based on factor loadings, standardized residuals, and  
45 modification indices.  
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1 Within the total sample of 743 respondents, 490 cases were used for principal component  
2 analysis. They included 409 cases collected online and 81 cases obtained in the first wave of  
3 library survey. The 253 cases obtained subsequently from the second wave of library survey  
4 and class survey were used for confirmatory factor analysis.  
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## 10 **Findings**

### 11 **Value Similarity as a Significant Factor of “Blind” Trust in Charities**

12 The focus group interview showed there was a difference of extent of trust in charities  
13 working for various charitable purposes. For example, some participants did not hold trust in  
14 charities with religious links as “I do not believe in religion”; while others had considerable  
15 trust in charities working for health and poverty relief for the reasons of, such as, they “work  
16 for the cause I believe”, and “the charity serves the cause I care about”.

17 As mentioned in the section of methodology, in order to examine the effect of public  
18 recognised charitable causes, which serve as one aspect of value similarity, on “blind” trust in  
19 charities, a Friedman test was performed to investigate the difference of the ranking of trust  
20 levels in charities working for ten types of charitable purposes by participants. Results  
21 suggested that there was a significant difference in the scores ( $p < .05$ ). Charities working for  
22 the causes of “health” and “society” won a significantly higher level of trust, while that of  
23 “environment and animals” and “religion” were endowed a significantly lower level of trust  
24 (see Table 1).

25 Table 1 here

1 The finding indicates the essential and indispensable role that value similarity plays in trust.  
2  
3 As one of the important aspects of value similarity, the appreciation of charitable causes by  
4  
5 the public is able to determine trust in charities, even without consideration of other  
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7 information of particular charities. In other words, there is a significant difference of the level  
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9 of trust in charities affected by value similarity between the public and charitable  
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11 organisations when individuals lack in depth knowledge of them.  
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### 18 **Value Similarity as a Key Domain of Public Trust in Charities**

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21 To further explore the role of value similarity in explaining trust in charitable organisations,  
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23 the construct of public trust in charities was interrogated through factor analysis based on the  
24  
25 sample of 743 UK respondents. Results of principal component analysis (PCA) with direct  
26  
27 oblimin rotation revealed a clear and stable structure with 20 items and three components,  
28  
29 which were named: value similarity (VS), perceived charity integrity (PI), and perceived  
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31 charity competence (PC). These three components explained a total of 50.39% of the  
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33 variance, with component 1 (VS) contributing 32.85%, component 2 (PI) contributing 9.55%,  
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35 and component 3 (PC) contributing 7.99%. Details of items and statistics can be referred to in  
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41 Table 2.  
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44 Table 2 here  
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48 Validity of the construct of public trust in charities was examined through confirmatory  
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50 factor analysis (CFA). Initial model estimation suggested the deletion of four items (V21,  
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52 V37, V18, V19) negatively affecting the model fit and model construct validity based on  
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54 factor loadings, standardized residuals, and modification indices. After model modification,  
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1 findings of CFA demonstrated a good fit and validity for the final model constituted by the  
2 three components revealed through CPA (see Table 3).  
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### 5 Table 3 here 6 7

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9 Of these three domains, value similarity is the alignment of values between the individual and  
10 the charitable sector; charity integrity is the extent to which charities are believed to fulfil  
11 their fiduciary obligations and to be conscientious; charity competence is the ability to fulfil  
12 missions and to uphold and further public interests.  
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18 Value similarity was found as the component making the greatest contribution to the  
19 explanation of the variance of public trust in charities. In the study, “value similarity”  
20 measured through the scale was not limited to the appreciation of charitable causes and ethics.  
21 It also captured shared aims/goals, shared opinions about social problems, shared beliefs  
22 about how society should be developed, shared beliefs of essentiality of charities for society  
23 between the public and the charitable sector, as well as the agreement of the way that  
24 charities deal with many social problems (see Appendix 2). These items were developed from  
25 relevant literature (e.g. Siegrist et al. 2000; Poortinga & Pidgeon, 2003; Mayer & Davis,  
26 1999).  
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## 48 **Discussions** 49

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51 This study examined the relation of public trust in charities and value similarity between the  
52 public and the charitable sector. Results of focus group interviews showed that individuals  
53 could trust charities blindly merely based on charitable causes they work for. It indicated that  
54 appreciation of charitable causes was a significant factor influencing people’s trust in  
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1 different charities. Subsequently, the construct of public trust in charities was revealed  
2 through PCA, of which the validity was evidenced through CFA. Findings showed that value  
3 similarity was one of the key domains of public trust in charities. It was also the one making  
4 the largest contribution to the explanation of this concept.  
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10 An important contribution of the study is that it demonstrates the importance of value  
11 similarity as a component of public trust in charities. Value similarity, which has not  
12 previously been considered as an element of trust in charities, made the largest contribution  
13 among the three components to explaining trust. Practitioners and researchers focusing on the  
14 voluntary sector should be aware of the significance of value similarity in organisational trust.  
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22 Additionally, charities should be aware of the important implications of changes and  
23 contradictions to their publicly perceived values in order to secure public trust.  
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28 “Value similarity” includes various aspects such as appreciation of charitable causes and  
29 ethics, shared aims/goals, shared opinions about social problems, shared beliefs about how  
30 society should be developed, and the agreement of the way that charities deal with many  
31 social problems. For charitable organisations working for causes not widely appreciated by  
32 the public, such as “religion” and “environment and animals” revealed in this study, they are  
33 suggested to make more efforts on the alignment of other aspects of “values” with the public  
34 in order to foster public trust. For example, they could maximise the local action to increase  
35 people’s identification with charities about opinions of many social problems and how they  
36 should be dealt with based on good communication.  
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51 Another implication for charitable organisations is that they need to stick to their values,  
52 particularly ethics, rather than departing from them, especially those publicly recognized ones,  
53 in order to secure public trust. Publicly perceived charitable ethics, such as not-for-profit,  
54 independence, and promoting public benefit, are crucial for the sustainability of the sector. It  
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1 is easy to lose support from the public if charities violate any of them. For example, one of  
2 the values, as well as a key driver of public trust in charities, is that charities are able to  
3  
4 “make independent decisions” (Charity Commission, 2014, p. 22). It indicates that the public  
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6 would trust the sector less if it depends on other sectors, such as the government, for the  
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8 purpose of, for example, obtaining financial resources. In the UK, it is reported that the  
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10 independence of the charitable sector is at serious risk (Independence Panel, 2015). The  
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12 debate generated by the controversial Lobby Act, which restricts the charities’ ability to  
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14 campaign, shows the complicated relationship between charities and government.  
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20 The improper interference from the government that damages independence of the charitable  
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22 sector provides an implication for policy makers and charity partners. They need to aware of  
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24 the importance of charitable values that serve as the foundation of charities. Policy makers in  
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26 the UK have taken several measures intended to channel more resources towards the  
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28 charitable sector, making it easier to work with government and to run a charity. However,  
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30 most charity workers doubt the government of England and Wales has achieved any of these  
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32 goals (Saxton, 2015). Although this study focuses on value similarity between the public and  
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34 charitable organisations, good partnership between the government and the charitable sector  
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36 should also be established based upon respecting and preserving values of charities, such as  
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38 independence. Damaging values of charitable organisations would not only hinder good  
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40 government-charity collaboration, but would also diminish trust from the general public. It  
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42 would be of great interest for future studies to demonstrate the significance of value-based  
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44 partnership and the mechanism of establishing it.  
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## Limitations and Future Research

This research provides an insight into the associations of value similarity and trust. It contributes alongside other relevant studies to theories, practice and policy. However, given the scope of the study, it inevitably has its limitations.

This study is limited by the sample used due to a relatively small sample size of the interview and the low representativeness for the survey sample. Firstly, although the focus group interview contained various “stakeholders” and “non-stakeholders” of charities, the size for each of them was small. Moreover, the use of an online sample for the survey excluded those who did not have access to the internet. Besides, the other part of the sample consisted of students of a single university and, therefore, was unrepresentative of the UK population. Although it is acceptable to use a convenience sample for factor analysis, a more representative sample would lower the probability of bias in respondents’ perspectives on charities.

It is suggested for future studies to cross-validate the findings using a representative sample to test and improve the generalizability. Longitudinal studies are also recommended to demonstrate the stability of the construct of public trust in charities over time by, for instance, examining test-retest reliability. As the study is limited to a UK sample, the cross-cultural validity of the construct is unknown. Thus comparative analyses will facilitate further understanding of value similarity and identify differences that may exist across cultures and contexts.

Future studies could also interrogate whether value similarity can be generalized as a domain of trust in other types of organisations or general institutions. Value similarity was not regarded as an independent component of trust in general organizations in most previous

1 studies of organizational trust. This demonstrated that context and the specific characteristics  
2 of the organization/sector were of great importance. Differences of the organization/sector do  
3 have influence on the trust construct. However, as charities generally have a good reputation  
4 in society, value similarity could be subject to social desirability bias. Therefore, it would be  
5 of great interest to explore whether this domain can be generalized to trust in other types of  
6 organizations or general institutions in future studies.  
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### 20 **Final Conclusion**

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23 To conclude, value similarity is the key to securing public trust in charities. It is not only a  
24 driver of “blind” trust in charities, it is also a significant domain of public trust in charities  
25 making the greatest contribution to explaining this concept. The study has important  
26 implications for charity practitioners, researchers, and policy makers as it uncovers a  
27 phenomenon that is essential to the charitable sector’s welfare.  
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## Appendix 1: Charity Types (Classified by Causes)

### 1 for Environment, Animals

e.g. Nature and conservation; Animal welfare; Wildlife; Pet; Zoo; General/other

### 2 for Armed Services

e.g. Ex Services; Army; General/other

### 3 for Arts, Cultural, Humanities

e.g. Heritage; Music; Theatre; General/other

### 4 for Disability

e.g. Blind; Children; Deaf; Deaf-Blind; Down syndrome; Learning difficulty; Support Group; Other Disabled; General/other

### 5 for Education

e.g. Higher education; Academy; Training; Pre-School; Science and Technology; Special education; General/other

### 6 for Health

e.g. Addictions; Broadcasting; Cancer; Children; Ethnic Minority; HIV/AIDS; Holistic/alternative; Hospices; Hospitals; Maternity; Medical Research/Animal Welfare; Medical Research/Welfare; Mental Health; Support; Undiagnosed; Women; General/other

### 7 for Religion

e.g. Christian; Christian/Welfare; Islam; Other Religious

### 8 for Society

e.g. Children/Youth; Community; Community Care/Relations; Ethnic/Foreign; Family Welfare; Gay/Lesbian; Homelessness; Marriage; Older People; Social Welfare; Poverty; Support; Voluntary Services; Women Issues; General/other

### 9 for Sports

e.g. Athletics and Sport; Recreation; Other

### 10 for Services for Charities

e.g. Accounting; Computer Software; Direct Marketing; Fundraising Consultants; Insurance; Legal; Mobility Equipment; Online fundraising; Print and Design; Web Design; Other

## Appendix 2: Dimensions and Items of Public Trust in Charities

Dimensions	Items
	V4 Charities share my opinions about many social problems.
Value	V42 The charitable sector and I share similar values.
Similarity	V6 Charities share beliefs with me about how society should be developed.
	V43 I agree with the way that charities deal with many social problems.
	V16 The aims of charities generally fit well with mine.
	V48 The charitable sector and I share beliefs of essentiality of charities for society.
	V3 The money donated to charities is used in a corrupt way.
Perceptive	V45 Charities do not follow through on their stated intentions.
Integrity	V41 The money donated to charities is wasted.
	V25 Charities are manipulated by companies for profit.
	V13 Charities distort facts in their favor.
	V33 Charities have a good image.
	V2 News about charities is generally positive.
Perceptive	V20 Charities are performing well.
Competence	V38 Charities are capable of performing their job adequately.
	V14 The behavior of charities is guided by sound principles.

# **Value Similarity: The Key to Building Public Trust in Charitable Organisations**

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## **Abstract**

This article explores the relationship between value similarity and public trust in charitable organisations. Through a focus group interview and an empirical study based on a UK sample, findings show that value similarity between the public and charitable organisations is an important driver of trust in charities even when individuals lack in depth knowledge of them. It is also an elemental domain of public trust in charities and makes the greatest contribution to explaining this concept. It is concluded that value similarity is the key to understanding and establishing public trust that is essential for prosperity of the voluntary sector.

## **Keywords**

Charitable organisation; Trust; Value similarity; Value

## Introduction

“Value” is an important concept in the voluntary sector: the most prominent trait of charitable organisations is that they are driven by charitable values instead of profit (Knutson, 2013).

The value-driven motivation of charitable organisation leads to an inherent belief among people that charities will spend effectively and wisely even though donors have little knowledge of how charities use their resources (NCVO, 2011). This pro-charity belief contributes to trust in this sector that charitable organisations are rated as the third most trusted institutions by the public in the UK (nfpsynergy, 2011; Charity Commission, 2012).

Public trust, i.e. the extent to which the public trust charities, is essential for the continued strength of the charitable sector. Greater levels of public trust could help the charitable sector to attract more donations in terms of both money and labour. According to Sargeant and Lee (2004a), higher degrees of trust in a charity predict greater willingness to become a donor and to make a larger amount of donation, and higher levels of trust improve the possibility that enduring donor-charity relationships will develop. Moreover, in relationships where intangible services are provided, such as by charities, trust is particularly important because objective criteria are not usually available to assess the performance of the charity (Sargeant & Lee, 2004b). In such cases, consumers seek to remedy this by favouring providers who inspire trust (Hansmann, 1980). In addition, a high level of public trust is helpful for charities to maintain a positive social image, which is an essential prerequisite for fundraising and the fulfilment of their objectives (Bendapudi, Singh, & Bendapudi, 1996).

Uslaner (1999) has stated that trust is underpinned by shared values. Public trust in relation to voluntary organisations is also suggested to rest heavily on public identification with the values that these organisations represent (Tonkiss & Passey, 1999). Parsons (1970) has noted that, to generate general trust, all parties must believe that action supports common values,

and these common values must be translatable into common and specific goals. These values could be the purpose of a charity, ethical positions such as being not-for-profit, and organisational philosophy such as views on the origins of social problems and the way to solve them. In other words, public trust in charities is connected to the core ethos and social objectives of voluntary organisations as recognized by the public.

Value similarity, which could play an essential role in trusting relations between the public and charities, however, is understudied. Extant literature has not provided sufficient evidence regarding whether value similarity is a key domain of public trust in charities, and whether value similarity is a significant factor influencing “blind” trust in charities when individuals lack in depth knowledge of the organizations. Filling the gap of research would facilitate a deeper insight into the associations between trust and value similarity, help researchers and practitioners to discern the construct of public trust, and provide guidance on how to cultivate public trust in the sector in order to boost charitable resources from the public.

This article seeks to demonstrate the importance of value similarity in securing trust in charitable organisations from the general public. First, previous studies on relations of charity, trust and value similarity are reviewed, and gaps therein are identified, based on which two research questions are proposed. Second, a focus group study is undertaken to explore roles of value similarity in the establishment of trust in charities when individuals lack in depth knowledge of charities. Third, the construct of public trust in charities considering the domain of value similarity is examined through factor analysis based on a UK sample. It aims to interrogate whether value similarity would be able to serve as a key domain of public trust in charities, and its extent of importance if so. Finally, implications, limitations, and suggestions for future studies were discussed.

## Theoretical Background and Research Questions

### Value, Charity and Trust

Why is value so important that it needs much attention when studying public trust in charitable organisations particularly? It is self-evident when considering the unique characteristics of the charitable sector where value lays at its heart. This section underlies the essentiality of value for charities, and discusses associations between value similarity and trust in charities. Two research questions are proposed based on deficits of previous literature.

Value is the foundation of charitable organisations. According to Ball (1975), “the word ‘charity’ has never been defined or is capable of exact definition” (p.174), while the phrase “charitable purpose” is a technical term easier to avoid confusion. In the context of the UK where the present study was undertaken, charity is defined as “any institution, corporate or not, which is established for charitable purpose according to the law of England and Wales” (Charity Act 1960, sec.45). The renewed Charity Act 2011 confirmed that “for the purposes of the law of England and Wales, ‘charity’ means an institution which (1) is established for charitable purposes only, and (2) falls to be subject to the control of the High Court in the exercise of its jurisdiction with respect to charities” (sec.1). It illustrates that the starting point of the definition is “charitable purpose”, which indicates that charitable organisations are value driven.

The Preamble to the English Statute of Charitable Uses 1601, classified charitable purposes into four groups: the relief of poverty; the advancement of education; the advancement of religion; and other purposes beneficial to the community (Quint, 1994). The Preamble laid the foundations of contemporary charity law. Scholars have, however, argued that the charitable purposes itemised were too ambiguous to be able to cover activities of the many

and various kinds of charities (e.g. Mitchell & Moody, 2000). In recent years, “charitable purpose” has been extended to thirteen groups according to the Charity Act 2011.

However, having one or more charitable purposes as its exclusive aims is not, of itself, sufficient for a body to qualify for charitable status. Ware (1989) notes that there are two further conditions that a charity must meet: first, it must [aim to](#) provide a tangible benefit to the public; second, it must not engage in the distribution of profits, substantially political activities and self-help. It underlies ethics of charitable organisations.

The characteristic of being value driven distinguishes charitable organisations from other social institutions. Chen, Lune, and Queen (2013) suggest that this value-based prioritization “can give nonprofits a competitive, though short-lived, advantage over for-profit and public sector organisations” (p. 870) in gaining public support. Unlike commercial organisations and governments, “charities are identified with, and legitimated by, the causes they serve” (Tonkiss & Passey, 1999: p. 266). Moreover, due to the “nondistribution constraint” that a “nonprofit organisation is not allowed to distribute its surplus resources in financial form to those who control the organisation” (Speckbacher, 2013, p.1013), charitable organisations are perceived as more trustworthy than profit-oriented organisations (nfpSynergy, 2014).

Rothschild (2013) has suggested that an association with civic virtue and civic capacity creates a “halo” around charities (p.887), which also contributes to trust in this sector. The “halo” effect in charitable organisations, at least in the UK, is supported by empirical studies. An nfpSynergy (2011) study of 1,000 UK adults found that public trust in charities was greater than for-profit companies, government, the Royal Family, and politicians (although lower than trust for the armed forces and the National Health Service). A further survey of a representative sample of 1,142 UK adults by the Charity Commission (2012) rated charities

as the third most trusted by the public, just behind doctors and the police, and ahead of social services, local authorities, and private companies.

Value is so important for charities that people may trust charities merely based on their appreciation of charitable purposes without considering impacts of other factors (Siegrist, Cvetkovich, & Roth, 2000). Charity Commission (2014) report that “a quarter of people (26%) who say they trust a charity or type of charity more than another because that they believe in the cause/what they are trying to do” (p.24) based on a UK sample.

Therefore, the values of charitable organisations perceived and shared by the general public are playing significant roles in trusting relationships (Uslaner, 1999). Poortinga and Pidgeon (2003) find that value similarity is an important factor in explaining and predicting trust. It is powerful in facilitating trust between two parties who did not engage in interaction before if they share some characteristics in common (Zucker, 1986). People who perceive that they hold similar values to the organisation tend to trust it more than those who do not, particularly when familiarity with the organisation is low (Cvetkovich & Winter, 2003).

When they do not have the resources or interest to make a detailed assessment of trustworthiness, individuals endow their trust based on shared values (Earle & Cvetkovich, 1995).

Shared value is essential for identification-based trust, which is the highest level of trust as well as the most stable state of trust according to Shapiro, Sheppard, and Cheraskin (1992). This kind of trust requires fully internalization the other's preferences, desires and intentions and allows the trusted party to act as an agent for the trusting one in interpersonal transactions. The existence of identification-based trust can also make it possible to form a shared strategic focus and sustained consensus to achieve the mutual objectives. The conditions for the

construction of the identification-based trust are shared values, joint products and goals, name, and proximity (Shapiro, Sheppard, & Cheraskin, 1992).

Although value similarity could be an important factor or element of trust in charities, this has not been investigated thoroughly. First of all, few studies have considered value similarity as an element of trust. Previous studies suggest that trust is a multifaceted phenomenon, which is manifested in its various dimensions. Among the widely accepted views, Lewis and Weigert (1985) note that trust consists of cognitive, emotional, and behavioral dimensions; Sztompka (1998) states that a comprehensive definition of trust should include at least three dimensions, namely, “reflected trustworthiness”, “basic trustfulness”, and “generalized, cultural orientations” (p.20); Hoffman argues that (2002) trust is an interaction between expectations and behavioral intentions.

Relevant domains like “value congruence” and “shared value” have been identified in trust studies. [For example, Sitkin and Roth \(1993\) distinguish two dimensions of trust: task-specific reliability and value congruence, and show how legalistic mechanisms respond only to reliability concerns, while ignoring value-related concerns.](#) ~~(e.g. Hart, et al. (1986) identify shared value as a dimension of organisational trust in a case study of General Motors Capps, Cangemi, & Caillouet, 1986; Sitkin & Roth, 1993).~~ ~~nevertheless~~ Nevertheless, the importance and applicability of this [value-related](#) domain has not been sufficiently examined in empirical studies on trust, [such as trust measurement](#). For example, in a scale measuring organisational trust developed by Mayer and Davis (1999), this domain is reflected through a single item (“I like top management’s values”) used to measure integrity of the organisation. The measurement is established upon a conceptual model of trust in general organisations (Mayer, Davis, & Schoorman, 1995) that has been extensively cited over 1300 times according to the Web of Science (McEvily & Tortoriello, 2011). This model conceptualizes organisational

trust as a phenomenon based upon the truster's propensity to trust and the trustee's perceived trustworthiness in forms of ability, integrity, and benevolence. Value similarity is not considered as a separate basis in the conceptual model of trust.

Public trust is a complex, multifaceted concept that incorporates values, risk, and expectations. Previous empirical studies by authors such as Gaskin (1999), Sargeant and Lee (2001), Charity Commission (2010; 2012; 2014), and nfpSynergy (2011; 2014), have explored factors that might be able to explain public trust in charities. However, they have proved insufficiently integrative as they have failed to take shared value into consideration. They either focus on the traits of trustees, in other words the trustworthiness of charitable organisations, or the characteristics of trusters, such as the willingness to be vulnerable in the relationship with trustees involving risks. Thus, there has been a lack of interrogation of the contribution of value similarity to explaining the level of trust.

Additionally, many studies, as discussed previously, have implied the effect of value similarity on "blind" trust from the public towards charities when familiarity with the organisation is low. However, there lacks solid empirical evidence regarding how strong the effect is. The study seeks to fill the gap by using mixed methods to explore the role of value similarity in establishing and explaining public trust in charitable organisations. It will be helpful for uncovering the extent of the importance of shared value in fostering public trust in charities.

Accordingly, two research questions are proposed: (1) Does value similarity between the public and charitable organisations serve as an important driver of trust in charities when individuals lack in depth knowledge of them? (2) Does value similarity serve as a component of public trust in charities?

## **Conceptualization of Public Trust in Charities**

In order to address the second question proposed above, all the domains of trust need to be specified to explore the extent to which value similarity, as one hypothetically key domain of trust, could explain trust in charities. The importance of each domain in explaining public trust in charities is illustrated and compared in the process of factor analysis that is discussed in detail in the later methodology section. This section discusses the conceptualization of trust in charities considering its theoretical domains including value similarity.

Although there is no agreement on a single definition of trust in the extant literature, the trusting relationship is suggested to represent an interaction between the trusting actor's intention to accept vulnerability and the perceived potential for the trustee to represent the interests of the truster through their ability, benevolence, and integrity. Thus, trust, in this context, is an interaction between expectations and behavioral intentions (Hoffman, 2002).

This study regards trust as a multifaceted phenomenon. First, the author agrees with the view of, such as, Cook and Wall (1980), Laezalere and Huston (1980), Doney and Cannon (1997): trust is the extent that a party believes another party (an individual or a group of people, or institutions) to to have integrity, be benevolent, and competent to fulfil the commitment. Moreover, as trust exists in uncertain environment or risky situations (Schlenher et al., 1973), the author also agrees with the conceptualization by, such as, Mayer and Davis (1999) that trust is the extent of willingness to be vulnerable to the action of another party.

With the recognition of these two important aspects of trust, the final definition synthesizes them by adopting the conceptualizations proposed by, such as, Gilleppe (2003) and Rousseau et al. (1998) that trust is a psychological state comprising the intention to accept vulnerability

and positive expectations of the intentions or behaviours of another. This holistic definition avoids segmentation of trust conceptualizations and takes each party of a trusting relationship into consideration.

Combining the definition of trust discussed above and the most prominent trait of general charities, “public trust in charities” in this study is defined as the extent of willingness of individuals to accept vulnerability in the relationship with charitable organisations, the extent that individuals believe charities to have integrity, be benevolent, and competent to fulfil its missions, as well as to hold shared values. General charities are not-for-profit, legal and formal institutions established for charitable purposes only. Classifications of charitable purposes are clarified in the Charity Act 2011 (section 3).

Charity competence is the ability of charities to fulfil missions and complete tasks. Charity benevolence is the extent to which charities are believed to intend to uphold and further public interest. Charity integrity is the extent to which charities are believed to fulfil their fiduciary obligations and to be conscientious. Value similarity or shared value is the alignment of values between the individual and the charitable sector. This element of trust is particularly important for trust in charitable organisations that are identified with, and legitimated by, the causes they serve.

According to the definition, the conceptual model of public trust in charities is described in Figure 1. It demonstrates that trust is a dyadic and interactive relationship involving both trusters and trustees. The dimension of willingness to accept vulnerability reflects traits of trusters; the dimension of perceived trustworthiness indicates features of trustees; and the dimension of value similarity indicates shared traits of both parties.

Figure 1 here

It is noteworthy that Zaheer, McEvily and Perrone (1998) have demonstrated that trust in people and in institutions/organisations are different constructs. However, value similarity can be applied to both interpersonal and inter-organisational trust as suggested by Zucker (1986), and Creed and Miles (1996). Therefore, although this study focuses on people's trust in organisations, which is somewhat different from interpersonal and inter-organisational trust, shared value is applicable to such trusting relationship, as it is reasonable for an individual and an organisation or a group of organisations to share similar values.

The domains displayed in figure 1 are identified in order to provide the foundation of exploring the construct of public trust in charities. As mentioned previously, the contribution of value similarity to explaining public trust in charitable organisations is operationalized through factor analysis. The process can demonstrate the contribution of each component to explaining trust, which is comparable among different domains. It can also identify items capable of indicating or reflecting trust and particularly value similarity, which would provide abundant information about the operational meaning of the concepts. Details about the method are illustrated in the following section.

## **Methodology**

This research acknowledges that public trust towards charitable organizations does exist as a reality, but is “only imperfectly apprehendable because of the flawed human intellectual mechanisms and the fundamentally intractable nature of the phenomenon” (Guba and Lincoln, 1994, p.110). In other words, the “reality” of trust has constructs and mechanisms that we as scientists cannot discover directly. However, it is possible to explain observable aspects of this phenomenon, which manifest the underlying mechanisms.

Following the principles of critical realism, this study adopts mixed methods to understand trust as a reality by exploring the observable aspects of it. On the one hand, trust as a “real” reality is measurable through quantitative methods; on the other hand, as trust is subjected to individuals’ comprehension, qualitative techniques, such as focus group interviews, are adopted to further the understanding of this phenomenon.

### **Focus Group Interview**

The research starts with a focus group interview that explored the association between value similarity and “blind” trust in charities when there lack of information of charities.

Participants were asked to rank their trust in different types of charities working for specific causes from 1 to 10; the higher the score, the higher the trust. There are ten types of charitable causes in the list, such as those working for health, environment, and religion (see Appendix). [Charitable causes are categorised according to Charity Act 2011 and previous studies by, such as, Charity Navigator \(2015\) and Waterlow Information Services \(2001\) on encyclopaedia of charities.](#) A Friedman test was performed to investigate the difference of the ranking. If the ranking is statistically significant, it indicates there is a significant effect of public recognised charitable causes on trust in charity types. Participants were also asked to explain the reason why they have more or less trust in certain charities and to validate domains of trust in charities identified in literature. Interview data were analysed using thematic analysis in which interviews were reviewed to identify the key themes and illustrative quotes. Interviews took place on a UK university campus.

All participants were UK residents. The sample included two groups, and there were four and five participants for each group respectively. According to the guidance on group size, the sample size is common and seldom goes beyond a minimum of four and a maximum of twelve participants per group (Carlsen & Glenton, 2011; Krueger & Casey, 2009; Kitzinger,

1995; Stewart, Shamdasani, & Rook, 2007). Among these two groups, one consisted of stakeholders of charities, which included one manager, one beneficiary and three contributors (one volunteer and two donors). In contrast, the other group was constituted by four “non-stakeholders” of charities, who neither worked for nor made any contribution to a charity, nor received any help from charitable organisations.

The samples were recruited in two ways: first, call-for-participants emails were sent out to university students and staff; second, a charity manager was invited for the interview through the personal network of the author. Following this, eight interviewees were selected from twelve people who were willing to participate from the email trawl by asking whether they were beneficiaries, volunteers, donors or none of the above. It ensured the sample contain both stakeholders and non-stakeholders of charities.

### **Questionnaire Survey**

In the second stage of the study, a questionnaire survey was undertaken in order to obtain data to explore the construct of public trust in charities and its relation with value similarity. This was achieved through factor analysis, which revealed the construct of public trust in charities. It examined whether value similarity was a component of public trust in charities, and to what extent these domains could explain this concept.

Adult participants (no less than 16 years old) who had lived in the UK for at least one year were recruited using three methods: a web-based call-for-participants, through university classes, and by sampling at a university library. There were 743 cases obtained in total. Of these, 409 were collected via a web-based questionnaire survey by sending call-for-participants email and advertising in online forums; 108 respondents and 226 respondents were obtained among random students in class and library of a university, respectively. The

sample is 52.8% females; 73.4% White, 14.8% Asian or Asian British, 6.4% Black or Black British, 3.0% from mixed ethnic groups and 2.4% Arabic or other. The average age of respondents is 27 (SD was 10.19).

The weakness of the sample is that it is averagely young and relatively highly educated. Although McDougall and Munro (1994) have noted that a representative sample is not required for factor analysis, potential negative effect of the sample imperfection on findings should be considered. Thus, it is safe to say that analyses results reflect trust in the charitable sector from the perspective of people who were relatively young and received a higher level of education, due to the limited accessibility of resources for sample collection.

The questionnaire used for the survey contains items capable of indicating public trust in charitable organisations, and questions regarding demographic variables. There are 40 items reflecting key domains of the concept of public trust in charities based on a thorough review of literature, the focus group interview, and expert analysis. First, there were 51 items identified from previous studies by, such as, Barber (1983), Hardin, (2002), Hollis (1998), Luhmann (1979), Baier (1995), Rotter (1967), Mayer, Davis and Schoorman (1995), Uslaner (1999). Among them, 42 items were retained and amended based on the focus group interviews in the first stage of the study. [The focus group study explored the public's perspectives on charities, roles of public trust therein, and key attributes of trust and mistrust in charities in the UK. It helped to validate the key dimensions of trust identified in the literature, detect other aspects did not cover previously, and spot any unsuitable items.](#) Subsequently, items were reviewed by 13 experts to decide face validity and content validity. [Face validity of items was examined by eleven respondents who were English speakers and familiar with charities in the UK. It aimed to identify duplicate items and potential sources of ambiguity, and to make items more specific and straightforward. Content validity was](#)

assessed by two experts who had completed considerable research in NGO study, multivariate statistics, and model selection techniques. They evaluated the clarity and accuracy of the items. Finally, there were 40 items retained to measure public trust in charities. Item scoring was based on a Likert scale design, ranging from 1 (strongly disagree) to 5 (strongly agree). Samples of items can be referred to in Table 2.

The construct of public trust in charities was revealed through factor analysis following approaches proposed by Churchill (1979) and DeVellis (2012). First, principal component analysis (PCA) with direct oblimin rotation was undertaken to derive a set of correlated factors that explained the maximum amount of variation among the scale items. PCA was useful for exploring the percentage of variation of public trust in charities that value similarity could explain and to compare with the percentage of other domains.

Subsequently, confirmatory factor analysis (CFA) was performed to evaluate the model fit. It aimed to examine whether the relation between value similarity and trust revealed through PCA was valid. In other words, CFA was capable to confirm or support that value similarity was a key domain of trust in charities if it was indicated through PCA.

According to the guideline provided by Tabachnick and Fidell (2007), Brown (2006), Hair, et al. (2010), for a valid model: (1)  $\chi^2$  should be insignificant; (2) normed  $\chi^2$  (ratio of  $\chi^2$  to the degree of freedom) below 2 is expected; (3) SRMS below 0.08 is expected; (4) RMSEA below 0.08 is expected; (5) GFI above 0.90 is expected; (6) AGFI above 0.90 is expected; (7) CFI or TLI above 0.95 is expected; (8) IFI above 0.95 is expected. For models that do not have a good fit, they can be modified based on factor loadings, standardized residuals, and modification indices.

Within the total sample of 743 respondents, 490 cases were used for principal component analysis. They included 409 cases collected online and 81 cases obtained in the first wave of library survey. The 253 cases obtained subsequently from the second wave of library survey and class survey were used for confirmatory factor analysis.

## Findings

### Value Similarity as a Significant Factor of “Blind” Trust in Charities

The focus group interview showed there was a difference of extent of trust in charities working for various charitable purposes. For example, some participants did not hold trust in charities with religious links as “I do not believe in religion”; while others had considerable trust in charities working for health and poverty relief for the reasons of, such as, they “work for the cause I believe”, and “the charity serves the cause I care about”.

As mentioned in the section of methodology, in order to examine the effect of [public recognised charitable causes, which serve as one aspect of](#) value similarity, on “blind” trust in charities, a Friedman test was performed to investigate the difference of the ranking of trust levels in charities working for ten types of charitable purposes by participants. Results suggested that there was a significant difference in the scores ( $p < .05$ ). Charities working for the causes of “health” and “society” won a significantly higher level of trust, while that of “environment and animals” and “religion” were endowed a significantly lower level of trust (see Table 1).

Table 1 here

The finding indicates the essential and indispensable role that value similarity plays in trust. As one of the important aspects of value similarity, the appreciation of charitable causes by the public is able to determine trust in charities, even without consideration of other information of particular charities. In other words, there is a significant difference of the level of trust in charities affected by value similarity between the public and charitable organisations when individuals lack in depth knowledge of them.

### **Value Similarity as a Key Domain of Public Trust in Charities**

To further explore the role of value similarity in explaining trust in charitable organisations, the construct of public trust in charities was interrogated through factor analysis based on the sample of 743 UK respondents. Results of principal component analysis (PCA) with direct oblimin rotation revealed a clear and stable structure with 20 items and three components, which were named: value similarity (VS), perceived charity integrity (PI), and perceived charity competence (PC). These three components explained a total of 50.39% of the variance, with component 1 (VS) contributing 32.85%, component 2 (PI) contributing 9.55%, and component 3 (PC) contributing 7.99%. Details of items and statistics can be referred to in Table 2.

Table 2 here

Validity of the construct of public trust in charities was examined through confirmatory factor analysis (CFA). Initial model estimation suggested the deletion of four items (V21, V37, V18, V19) negatively affecting the model fit and model construct validity based on factor loadings, standardized residuals, and modification indices. After model modification,

findings of CFA demonstrated a good fit and validity for the final model constituted by the three components revealed through CPA (see Table 3).

### Table 3 here

Of these three domains, value similarity is the alignment of values between the individual and the charitable sector; charity integrity is the extent to which charities are believed to fulfil their fiduciary obligations and to be conscientious; charity competence is the ability to fulfil missions and to uphold and further public interests.

Value similarity was found as the component making the greatest contribution to the explanation of the variance of public trust in charities. In the study, “value similarity” measured through the scale was not limited to the appreciation of charitable causes and ethics. It also captured shared aims/goals, shared opinions about social problems, shared beliefs about how society should be developed, shared beliefs of essentiality of charities for society between the public and the charitable sector, as well as the agreement of the way that charities deal with many social problems (see Appendix 2). These items were developed from relevant literature (e.g. Siegrist et al. 2000; Poortinga & Pidgeon, 2003; Mayer & Davis, 1999).

## **Discussions**

This study examined the relation of public trust in charities and value similarity between the public and the charitable sector. Results of focus group interviews showed that individuals could trust charities blindly merely based on charitable causes they work for. It indicated that appreciation of charitable causes was a significant factor influencing people’s trust in

different charities. Subsequently, the construct of public trust in charities was revealed through PCA, of which the validity was evidenced through CFA. Findings showed that value similarity was one of the key domains of public trust in charities. It was also the one making the largest contribution to the explanation of this concept.

An important contribution of the study is that it demonstrates the importance of value similarity as a component of public trust in charities. Value similarity, which has not previously been considered as an element of trust in charities, made the largest contribution among the three components to explaining trust. Practitioners and researchers focusing on the voluntary sector should be aware of the significance of value similarity in organisational trust. Additionally, charities should be aware of the important implications of changes and contradictions to their publicly perceived values in order to secure public trust.

“Value similarity” includes various aspects such as appreciation of charitable causes and ethics, shared aims/goals, shared opinions about social problems, shared beliefs about how society should be developed, and the agreement of the way that charities deal with many social problems. For charitable organisations working for causes not widely appreciated by the public, such as “religion” and “environment and animals” revealed in this study, they are suggested to make more efforts on the alignment of other aspects of “values” with the public in order to foster public trust. For example, they could maximise the local action to increase people’s identification with charities about opinions of many social problems and how they should be dealt with based on good communication.

Another implication for charitable organisations is that they need to stick to their values, particularly ethics, rather than departing from them, especially those publicly recognized ones, in order to secure public trust. Publicly perceived charitable ethics, such as not-for-profit, independence, and promoting public benefit, are crucial for the sustainability of the sector. It

is easy to lose support from the public if charities violate any of them. For example, one of the values, as well as a key driver of public trust in charities, is that charities are able to “make independent decisions” (Charity Commission, 2014, p. 22). It indicates that the public would trust the sector less if it depends on other sectors, such as the government, for the purpose of, for example, obtaining financial resources. In the UK, it is reported that the independence of the charitable sector is at serious risk (Independence Panel, 2015). The debate generated by the controversial Lobby Act, which restricts the charities’ ability to campaign, shows the complicated relationship between charities and government.

The improper interference from the government that damages independence of the charitable sector provides an implication for policy makers and charity partners. They need to aware of the importance of charitable values that serve as the foundation of charities. Policy makers in the UK have taken several measures intended to channel more resources towards the charitable sector, making it easier to work with government and to run a charity. However, most charity workers doubt the government of England and Wales has achieved any of these goals (Saxton, 2015). Although this study focuses on value similarity between the public and charitable organisations, good partnership between the government and the charitable sector should also be established based upon respecting and preserving values of charities, such as independence. Damaging values of charitable organisations would not only hinder good government-charity collaboration, but would also diminish trust from the general public. It would be of great interest for future studies to demonstrate the significance of value-based partnership and the mechanism of establishing it.

## **Limitations and Future Research**

This research provides an insight into the associations of value similarity and trust. It contributes alongside other relevant studies to theories, practice and policy. However, given the scope of the study, it inevitably has its limitations.

This study is limited by the sample used due to a relatively small sample size of the interview and the low representativeness for the survey sample. Firstly, although the focus group interview contained various “stakeholders” and “non-stakeholders” of charities, the size for each of them was small. Moreover, the use of an online sample for the survey excluded those who did not have access to the internet. Besides, the other part of the sample consisted of students of a single university and, therefore, was unrepresentative of the UK population. Although it is acceptable to use a convenience sample for factor analysis, a more representative sample would lower the probability of bias in respondents’ perspectives on charities.

It is suggested for future studies to cross-validate the findings using a representative sample to test and improve the generalizability. Longitudinal studies are also recommended to demonstrate the stability of the construct of public trust in charities over time by, for instance, examining test-retest reliability. As the study is limited to a UK sample, the cross-cultural validity of the construct is unknown. Thus comparative analyses will facilitate further understanding of value similarity and identify differences that may exist across cultures and contexts.

Future studies could also interrogate whether value similarity can be generalized as a domain of trust in other types of organisations or general institutions. Value similarity was not regarded as an independent component of trust in general organizations in most previous

studies of organizational trust. This demonstrated that context and the specific characteristics of the organization/sector were of great importance. Differences of the organization/sector do have influence on the trust construct. However, as charities generally have a good reputation in society, value similarity could be subject to social desirability bias. Therefore, it would be of great interest to explore whether this domain can be generalized to trust in other types of organizations or general institutions in future studies.

### **Final Conclusion**

To conclude, value similarity is the key to securing public trust in charities. It is not only a driver of “blind” trust in charities, it is also a significant domain of public trust in charities making the greatest contribution to explaining this concept. The study has important implications for charity practitioners, researchers, and policy makers as it uncovers a phenomenon that is essential to the charitable sector’s welfare.

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## **Appendix 1: Charity Types (Classified by Causes)**

### **1 for Environment, Animals**

e.g. Nature and conservation; Animal welfare; Wildlife; Pet; Zoo; General/other

### **2 for Armed Services**

e.g. Ex Services; Army; General/other

### **3 for Arts, Cultural, Humanities**

e.g. Heritage; Music; Theatre; General/other

### **4 for Disability**

e.g. Blind; Children; Deaf; Deaf-Blind; Down syndrome; Learning difficulty; Support Group; Other Disabled; General/other

### **5 for Education**

e.g. Higher education; Academy; Training; Pre-School; Science and Technology; Special education; General/other

### **6 for Health**

e.g. Addictions; Broadcasting; Cancer; Children; Ethnic Minority; HIV/AIDS; Holistic/alternative; Hospices; Hospitals; Maternity; Medical Research/Animal Welfare; Medical Research/Welfare; Mental Health; Support; Undiagnosed; Women; General/other

### **7 for Religion**

e.g. Christian; Christian/Welfare; Islam; Other Religious

### **8 for Society**

e.g. Children/Youth; Community; Community Care/Relations; Ethnic/Foreign; Family Welfare; Gay/Lesbian; Homelessness; Marriage; Older People; Social Welfare; Poverty; Support; Voluntary Services; Women Issues; General/other

### **9 for Sports**

e.g. Athletics and Sport; Recreation; Other

### **10 for Services for Charities**

e.g. Accounting; Computer Software; Direct Marketing; Fundraising Consultants; Insurance; Legal; Mobility Equipment; Online fundraising; Print and Design; Web Design; Other

## Appendix 2: Dimensions and Items of Public Trust in Charities

Dimensions	Items
Value	V4 Charities share my opinions about many social problems.
	V42 The charitable sector and I share similar values.
Similarity	V6 Charities share beliefs with me about how society should be developed.
	V43 I agree with the way that charities deal with many social problems.
	V16 The aims of charities generally fit well with mine.
	V48 The charitable sector and I share beliefs of essentiality of charities for society.
Perceptive Integrity	V3 The money donated to charities is used in a corrupt way.
	V45 Charities do not follow through on their stated intentions.
	V41 The money donated to charities is wasted.
	V25 Charities are manipulated by companies for profit.
	V13 Charities distort facts in their favor.
Perceptive Competence	V33 Charities have a good image.
	V2 News about charities is generally positive.
	V20 Charities are performing well.
	V38 Charities are capable of performing their job adequately.
	V14 The behavior of charities is guided by sound principles.

# **Value Similarity: The Key to Building Public Trust in Charitable Organisations**

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## **Abstract**

This article explores the relationship between value similarity and public trust in charitable organisations. Through a focus group interview and an empirical study based on a UK sample, findings show that value similarity between the public and charitable organisations is an important driver of trust in charities even when individuals lack in depth knowledge of them. It is also an elemental domain of public trust in charities and makes the greatest contribution to explaining this concept. It is concluded that value similarity is the key to understanding and establishing public trust that is essential for prosperity of the voluntary sector.

## **Keywords**

Charitable organisation; Trust; Value similarity; Value

## Introduction

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2  
3 “Value” is an important concept in the voluntary sector: the most prominent trait of charitable  
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5 organisations is that they are driven by charitable values instead of profit (Knutsen, 2013).  
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8 The value-driven motivation of charitable organisation leads to an inherent belief among  
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10 people that charities will spend effectively and wisely even though donors have little  
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12 knowledge of how charities use their resources (NCVO, 2011). This pro-charity belief  
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14 contributes to trust in this sector that charitable organisations are rated as the third most  
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16 trusted institutions by the public in the UK (nfpsynergy, 2011; Charity Commission, 2012).  
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21 Public trust, i.e. the extent to which the public trust charities, is essential for the continued  
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23 strength of the charitable sector. Greater levels of public trust could help the charitable sector  
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25 to attract more donations in terms of both money and labour. According to Sargeant and Lee  
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27 (2004a), higher degrees of trust in a charity predict greater willingness to become a donor and  
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29 to make a larger amount of donation, and higher levels of trust improve the possibility that  
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31 enduring donor-charity relationships will develop. Moreover, in relationships where  
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33 intangible services are provided, such as by charities, trust is particularly important because  
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35 objective criteria are not usually available to assess the performance of the charity (Sargeant  
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37 & Lee, 2004b). In such cases, consumers seek to remedy this by favouring providers who  
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39 inspire trust (Hansmann, 1980). In addition, a high level of public trust is helpful for charities  
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41 to maintain a positive social image, which is an essential prerequisite for fundraising and the  
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43 fulfilment of their objectives (Bendapudi, Singh, & Bendapudi, 1996).  
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52 Uslaner (1999) has stated that trust is underpinned by shared values. Public trust in relation to  
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54 voluntary organisations is also suggested to rest heavily on public identification with the  
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56 values that these organisations represent (Tonkiss & Passey, 1999). Parsons (1970) has noted  
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58 that, to generate general trust, all parties must believe that action supports common values,  
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1 and these common values must be translatable into common and specific goals. These values  
2 could be the purpose of a charity, ethical positions such as being not-for-profit, and  
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4 organisational philosophy such as views on the origins of social problems and the way to  
5 solve them. In other words, public trust in charities is connected to the core ethos and social  
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7 objectives of voluntary organisations as recognized by the public.  
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12 Value similarity, which could play an essential role in trusting relations between the public  
13 and charities, however, is understudied. Extant literature has not provided sufficient evidence  
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15 regarding whether value similarity is a key domain of public trust in charities, and whether  
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17 value similarity is a significant factor influencing “blind” trust in charities when individuals  
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19 lack in depth knowledge of the organizations. Filling the gap of research would facilitate a  
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21 deeper insight into the associations between trust and value similarity, help researchers and  
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23 practitioners to discern the construct of public trust, and provide guidance on how to cultivate  
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25 public trust in the sector in order to boost charitable resources from the public.  
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33 This article seeks to demonstrate the importance of value similarity in securing trust in  
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35 charitable organisations from the general public. First, previous studies on relations of charity,  
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37 trust and value similarity are reviewed, and gaps therein are identified, based on which two  
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39 research questions are proposed. Second, a focus group study is undertaken to explore roles  
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41 of value similarity in the establishment of trust in charities when individuals lack in depth  
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43 knowledge of charities. Third, the construct of public trust in charities considering the  
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45 domain of value similarity is examined through factor analysis based on a UK sample. It aims  
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47 to interrogate whether value similarity would be able to serve as a key domain of public trust  
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49 in charities, and its extent of importance if so. Finally, implications, limitations, and  
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51 suggestions for future studies were discussed.  
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## Theoretical Background and Research Questions

### Value, Charity and Trust

Why is value so important that it needs much attention when studying public trust in charitable organisations particularly? It is self-evident when considering the unique characteristics of the charitable sector where value lays at its heart. This section underlies the essentiality of value for charities, and discusses associations between value similarity and trust in charities. Two research questions are proposed based on deficits of previous literature.

Value is the foundation of charitable organisations. According to Ball (1975), “the word ‘charity’ has never been defined or is capable of exact definition” (p.174), while the phrase “charitable purpose” is a technical term easier to avoid confusion. In the context of the UK where the present study was undertaken, charity is defined as “any institution, corporate or not, which is established for charitable purpose according to the law of England and Wales” (Charity Act 1960, sec.45). The renewed Charity Act 2011 confirmed that “for the purposes of the law of England and Wales, ‘charity’ means an institution which (1) is established for charitable purposes only, and (2) falls to be subject to the control of the High Court in the exercise of its jurisdiction with respect to charities” (sec.1). It illustrates that the starting point of the definition is “charitable purpose”, which indicates that charitable organisations are value driven.

The Preamble to the English Statute of Charitable Uses 1601, classified charitable purposes into four groups: the relief of poverty; the advancement of education; the advancement of religion; and other purposes beneficial to the community (Quint, 1994). The Preamble laid the foundations of contemporary charity law. Scholars have, however, argued that the charitable purposes itemised were too ambiguous to be able to cover activities of the many

1 and various kinds of charities (e.g. Mitchell & Moody, 2000). In recent years, “charitable  
2 purpose” has been extended to thirteen groups according to the Charity Act 2011.  
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5 However, having one or more charitable purposes as its exclusive aims is not, of itself,  
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7 sufficient for a body to qualify for charitable status. Ware (1989) notes that there are two  
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9 further conditions that a charity must meet: first, it must aim to provide a tangible benefit to  
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11 the public; second, it must not engage in the distribution of profits, substantially political  
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13 activities and self-help. It underlies ethics of charitable organisations.  
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18 The characteristic of being value driven distinguishes charitable organisations from other  
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20 social institutions. Chen, Lune, and Queen (2013) suggest that this value-based prioritization  
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22 “can give nonprofits a competitive, though short-lived, advantage over for-profit and public  
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24 sector organisations” (p. 870) in gaining public support. Unlike commercial organisations and  
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26 governments, “charities are identified with, and legitimated by, the causes they serve”  
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28 (Tonkiss & Passey, 1999: p. 266). Moreover, due to the “nondistribution constraint” that a  
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30 “nonprofit organisation is not allowed to distribute its surplus resources in financial form to  
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32 those who control the organisation” (Speckbacher, 2013, p.1013), charitable organisations are  
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34 perceived as more trustworthy than profit-oriented organisations (nfpSynergy, 2014).  
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41 Rothschild (2013) has suggested that an association with civic virtue and civic capacity  
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43 creates a “halo” around charities (p.887), which also contributes to trust in this sector. The  
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45 “halo” effect in charitable organisations, at least in the UK, is supported by empirical studies.  
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47 An nfpSynergy (2011) study of 1,000 UK adults found that public trust in charities was  
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49 greater than for-profit companies, government, the Royal Family, and politicians (although  
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51 lower than trust for the armed forces and the National Health Service). A further survey of a  
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53 representative sample of 1,142 UK adults by the Charity Commission (2012) rated charities  
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1 as the third most trusted by the public, just behind doctors and the police, and ahead of social  
2 services, local authorities, and private companies.  
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5 Value is so important for charities that people may trust charities merely based on their  
6 appreciation of charitable purposes without considering impacts of other factors (Siegrist,  
7 Cvetkovich, & Roth, 2000). Charity Commission (2014) report that “a quarter of people  
8 (26%) who say they trust a charity or type of charity more than another because that they  
9 believe in the cause/what they are trying to do” (p.24) based on a UK sample.  
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11  
12 Therefore, the values of charitable organisations perceived and shared by the general public  
13 are playing significant roles in trusting relationships (Uslaner, 1999). Poortinga and Pidgeon  
14 (2003) find that value similarity is an important factor in explaining and predicting trust. It is  
15 powerful in facilitating trust between two parties who did not engage in interaction before if  
16 they share some characteristics in common (Zucker, 1986). People who perceive that they  
17 hold similar values to the organisation tend to trust it more than those who do not,  
18 particularly when familiarity with the organisation is low (Cvetkovich & Winter, 2003).  
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21 When they do not have the resources or interest to make a detailed assessment of  
22 trustworthiness, individuals endow their trust based on shared values (Earle & Cvetkovich,  
23 1995).  
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26 Shared value is essential for identification-based trust, which is the highest level of trust as  
27 well as the most stable state of trust according to Shapiro, Sheppard, and Cheraskin (1992).  
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30 This kind of trust requires fully internalization the other’s preferences, desires and intentions  
31 and allows the trusted party to act as an agent for the trusting one in interpersonal transactions.  
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34 The existence of identification-based trust can also make it possible to form a shared strategic  
35 focus and sustained consensus to achieve the mutual objectives. The conditions for the  
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1 construction of the identification-based trust are shared values, joint products and goals, name,  
2 and proximity (Shapiro, Sheppard, & Cheraskin, 1992).  
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5 Although value similarity could be an important factor or element of trust in charities, this  
6 has not been investigated thoroughly. First of all, few studies have considered value  
7 similarity as an element of trust. Previous studies suggest that trust is a multifaceted  
8 phenomenon, which is manifested in its various dimensions. Among the widely accepted  
9 views, Lewis and Weigert (1985) note that trust consists of cognitive, emotional, and  
10 behavioral dimensions; Sztompka (1998) states that a comprehensive definition of trust  
11 should include at least three dimensions, namely, “reflected trustworthiness”, “basic  
12 trustfulness”, and “generalized, cultural orientations” (p.20); Hoffman argues that (2002)  
13 trust is an interaction between expectations and behavioral intentions.  
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28 Relevant domains like “value congruence” and “shared value” have been identified in trust  
29 studies. For example, Sitkin and Roth (1993) distinguish two dimensions of trust: task-  
30 specific reliability and value congruence, and show how legalistic mechanisms respond only  
31 to reliability concerns, while ignoring value-related concerns. Hart et al. (1986) identify  
32 shared value as a dimension of organisational trust in a case study of General Motors.  
33  
34 Nevertheless, the importance and applicability of this value-related domain has not been  
35 sufficiently examined in empirical studies on trust, such as trust measurement. For example,  
36 in a scale measuring organisational trust developed by Mayer and Davis (1999), this domain  
37 is reflected through a single item (“I like top management’s values”) used to measure  
38 integrity of the organisation. The measurement is established upon a conceptual model of  
39 trust in general organisations (Mayer, Davis, & Schoorman, 1995) that has been extensively  
40 cited over 1300 times according to the Web of Science (McEvily & Tortoriello, 2011). This  
41 model conceptualizes organisational trust as a phenomenon based upon the truster’s  
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1 propensity to trust and the trustee's perceived trustworthiness in forms of ability, integrity,  
2 and benevolence. Value similarity is not considered as a separate basis in the conceptual  
3 model of trust.  
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8 Public trust is a complex, multifaceted concept that incorporates values, risk, and  
9 expectations. Previous empirical studies by authors such as Gaskin (1999), Sargeant and Lee  
10 (2001), Charity Commission (2010; 2012; 2014), and nfpSynergy (2011; 2014), have  
11 explored factors that might be able to explain public trust in charities. However, they have  
12 proved insufficiently integrative as they have failed to take shared value into consideration.  
13 They either focus on the traits of trustees, in other words the trustworthiness of charitable  
14 organisations, or the characteristics of trusters, such as the willingness to be vulnerable in the  
15 relationship with trustees involving risks. Thus, there has been a lack of interrogation of the  
16 contribution of value similarity to explaining the level of trust.  
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31 Additionally, many studies, as discussed previously, have implied the effect of value  
32 similarity on "blind" trust from the public towards charities when familiarity with the  
33 organisation is low. However, there lacks solid empirical evidence regarding how strong the  
34 effect is. The study seeks to fill the gap by using mixed methods to explore the role of value  
35 similarity in establishing and explaining public trust in charitable organisations. It will be  
36 helpful for uncovering the extent of the importance of shared value in fostering public trust in  
37 charities.  
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49 Accordingly, two research questions are proposed: (1) Does value similarity between the  
50 public and charitable organisations serve as an important driver of trust in charities when  
51 individuals lack in depth knowledge of them? (2) Does value similarity serve as a component  
52 of public trust in charities?  
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## Conceptualization of Public Trust in Charities

In order to address the second question proposed above, all the domains of trust need to be specified to explore the extent to which value similarity, as one hypothetically key domain of trust, could explain trust in charities. The importance of each domain in explaining public trust in charities is illustrated and compared in the process of factor analysis that is discussed in detail in the later methodology section. This section discusses the conceptualization of trust in charities considering its theoretical domains including value similarity.

Although there is no agreement on a single definition of trust in the extant literature, the trusting relationship is suggested to represent an interaction between the trusting actor's intention to accept vulnerability and the perceived potential for the trustee to represent the interests of the truster through their ability, benevolence, and integrity. Thus, trust, in this context, is an interaction between expectations and behavioral intentions (Hoffman, 2002).

This study regards trust as a multifaceted phenomenon. First, the author agrees with the view of, such as, Cook and Wall (1980), Laezalere and Huston (1980), Doney and Cannon (1997): trust is the extent that a party believes another party (an individual or a group of people, or institutions) to to have integrity, be benevolent, and competent to fulfil the commitment.

Moreover, as trust exists in uncertain environment or risky situations (Schlenher et al., 1973), the author also agrees with the conceptualization by, such as, Mayer and Davis (1999) that trust is the extent of willingness to be vulnerable to the action of another party.

With the recognition of these two important aspects of trust, the final definition synthesizes them by adopting the conceptualizations proposed by, such as, Giliepie (2003) and Rousseau et al. (1998) that trust is a psychological state comprising the intention to accept vulnerability

1 and positive expectations of the intentions or behaviours of another. This holistic definition  
2 avoids segmentation of trust conceptualizations and takes each party of a trusting relationship  
3 into consideration.  
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8 Combining the definition of trust discussed above and the most prominent trait of general  
9 charities, “public trust in charities” in this study is defined as the extent of willingness of  
10 individuals to accept vulnerability in the relationship with charitable organisations, the extent  
11 that individuals believe charities to have integrity, be benevolent, and competent to fulfil its  
12 missions, as well as to hold shared values. General charities are not-for-profit, legal and  
13 formal institutions established for charitable purposes only. Classifications of charitable  
14 purposes are clarified in the Charity Act 2011 (section 3).  
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26 Charity competence is the ability of charities to fulfil missions and complete tasks. Charity  
27 benevolence is the extent to which charities are believed to intend to uphold and further  
28 public interest. Charity integrity is the extent to which charities are believed to fulfil their  
29 fiduciary obligations and to be conscientious. Value similarity or shared value is the  
30 alignment of values between the individual and the charitable sector. This element of trust is  
31 particularly important for trust in charitable organisations that are identified with, and  
32 legitimated by, the causes they serve.  
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44 According to the definition, the conceptual model of public trust in charities is described in  
45 Figure 1. It demonstrates that trust is a dyadic and interactive relationship involving both  
46 trusters and trustees. The dimension of willingness to accept vulnerability reflects traits of  
47 trusters; the dimension of perceived trustworthiness indicates features of trustees; and the  
48 dimension of value similarity indicates shared traits of both parties.  
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57 **Figure 1 here**  
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1 It is noteworthy that Zaheer, McEvily and Perrone (1998) have demonstrated that trust in  
2 people and in institutions/organisations are different constructs. However, value similarity  
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4 can be applied to both interpersonal and inter-organisational trust as suggested by Zucker  
5  
6 (1986), and Creed and Miles (1996). Therefore, although this study focuses on people's trust  
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8 in organisations, which is somewhat different from interpersonal and inter-organisational  
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10 trust, shared value is applicable to such trusting relationship, as it is reasonable for an  
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12 individual and an organisation or a group of organisations to share similar values.  
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18 The domains displayed in figure 1 are identified in order to provide the foundation of  
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20 exploring the construct of public trust in charities. As mentioned previously, the contribution  
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22 of value similarity to explaining public trust in charitable organisations is operationalized  
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24 through factor analysis. The process can demonstrate the contribution of each component to  
25  
26 explaining trust, which is comparable among different domains. It can also identify items  
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28 capable of indicating or reflecting trust and particularly value similarity, which would  
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30 provide abundant information about the operational meaning of the concepts. Details about  
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32 the method are illustrated in the following section.  
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### 43 **Methodology**

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46 This research acknowledges that public trust towards charitable organizations does exist as a  
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48 reality, but is “only imperfectly apprehendable because of the flawed human intellectual  
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50 mechanisms and the fundamentally intractable nature of the phenomenon” (Guba and Lincoln,  
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52 1994, p.110). In other words, the “reality” of trust has constructs and mechanisms that we as  
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54 scientists cannot discover directly. However, it is possible to explain observable aspects of  
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56 this phenomenon, which manifest the underlying mechanisms.  
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Following the principles of critical realism, this study adopts mixed methods to understand trust as a reality by exploring the observable aspects of it. On the one hand, trust as a “real” reality is measurable through quantitative methods; on the other hand, as trust is subjected to individuals’ comprehension, qualitative techniques, such as focus group interviews, are adopted to further the understanding of this phenomenon.

### **Focus Group Interview**

The research starts with a focus group interview that explored the association between value similarity and “blind” trust in charities when there lack of information of charities.

Participants were asked to rank their trust in different types of charities working for specific causes from 1 to 10; the higher the score, the higher the trust. There are ten types of charitable causes in the list, such as those working for health, environment, and religion (see Appendix). Charitable causes are categorised according to Charity Act 2011 and previous studies by, such as, Charity Navigator (2015) and Waterlow Information Services (2001) on encyclopaedia of charities. A Friedman test was performed to investigate the difference of the ranking. If the ranking is statistically significant, it indicates there is a significant effect of public recognised charitable causes on trust in charity types. Participants were also asked to explain the reason why they have more or less trust in certain charities and to validate domains of trust in charities identified in literature. Interview data were analysed using thematic analysis in which interviews were reviewed to identify the key themes and illustrative quotes. Interviews took place on a UK university campus.

All participants were UK residents. The sample included two groups, and there were four and five participants for each group respectively. According to the guidance on group size, the sample size is common and seldom goes beyond a minimum of four and a maximum of twelve participants per group (Carlsen & Glenton, 2011; Krueger & Casey, 2009; Kitzinger,

1995; Stewart, Shamdasani, & Rook, 2007). Among these two groups, one consisted of stakeholders of charities, which included one manager, one beneficiary and three contributors (one volunteer and two donors). In contrast, the other group was constituted by four “non-stakeholders” of charities, who neither worked for nor made any contribution to a charity, nor received any help from charitable organisations.

The samples were recruited in two ways: first, call-for-participants emails were sent out to university students and staff; second, a charity manager was invited for the interview through the personal network of the author. Following this, eight interviewees were selected from twelve people who were willing to participate from the email trawl by asking whether they were beneficiaries, volunteers, donors or none of the above. It ensured the sample contain both stakeholders and non-stakeholders of charities.

### **Questionnaire Survey**

In the second stage of the study, a questionnaire survey was undertaken in order to obtain data to explore the construct of public trust in charities and its relation with value similarity. This was achieved through factor analysis, which revealed the construct of public trust in charities. It examined whether value similarity was a component of public trust in charities, and to what extent these domains could explain this concept.

Adult participants (no less than 16 years old) who had lived in the UK for at least one year were recruited using three methods: a web-based call-for-participants, through university classes, and by sampling at a university library. There were 743 cases obtained in total. Of these, 409 were collected via a web-based questionnaire survey by sending call-for-participants email and advertising in online forums; 108 respondents and 226 respondents were obtained among random students in class and library of a university, respectively. The

1 sample is 52.8% females; 73.4% White, 14.8% Asian or Asian British, 6.4% Black or Black  
2 British, 3.0% from mixed ethnic groups and 2.4% Arabic or other. The average age of  
3 respondents is 27 (SD was 10.19).  
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8 The weakness of the sample is that it is averagely young and relatively highly educated.  
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10 Although McDougall and Munro (1994) have noted that a representative sample is not  
11 required for factor analysis, potential negative effect of the sample imperfection on findings  
12 should be considered. Thus, it is safe to say that analyses results reflect trust in the charitable  
13 sector from the perspective of people who were relatively young and received a higher level  
14 of education, due to the limited accessibility of resources for sample collection.  
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24 The questionnaire used for the survey contains items capable of indicating public trust in  
25 charitable organisations, and questions regarding demographic variables. There are 40 items  
26 reflecting key domains of the concept of public trust in charities based on a thorough review  
27 of literature, the focus group interview, and expert analysis. First, there were 51 items  
28 identified from previous studies by, such as, Barber (1983), Hardin, (2002), Hollis (1998),  
29 Luhmann (1979), Baier (1995), Rotter (1967), Mayer, Davis and Schoorman (1995), Uslaner  
30 (1999). Among them, 42 items were retained and amended based on the focus group  
31 interviews in the first stage of the study. The focus group study explored the public's  
32 perspectives on charities, roles of public trust therein, and key attributes of trust and mistrust  
33 in charities in the UK. It helped to validate the key dimensions of trust identified in the  
34 literature, detect other aspects did not cover previously, and spot any unsuitable items.  
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50 Subsequently, items were reviewed by experts to decide face validity and content validity.

51 Face validity of items was examined by eleven respondents who were English speakers and  
52 familiar with charities in the UK. It aimed to identify duplicate items and potential sources of  
53 ambiguity, and to make items more specific and straightforward. Content validity was  
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1 assessed by two experts who had completed considerable research in NGO study,  
2 multivariate statistics, and model selection techniques. They evaluated the clarity and  
3 accuracy of the items. Finally, there were 40 items retained to measure public trust in  
4 charities. Item scoring was based on a Likert scale design, ranging from 1 (strongly disagree)  
5 to 5 (strongly agree). Samples of items can be referred to in Table 2.  
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12 The construct of public trust in charities was revealed through factor analysis following  
13 approaches proposed by Churchill (1979) and DeVellis (2012). First, principal component  
14 analysis (PCA) with direct oblimin rotation was undertaken to derive a set of correlated  
15 factors that explained the maximum amount of variation among the scale items. PCA was  
16 useful for exploring the percentage of variation of public trust in charities that value  
17 similarity could explain and to compare with the percentage of other domains.  
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28 Subsequently, confirmatory factor analysis (CFA) was performed to evaluate the model fit. It  
29 aimed to examine whether the relation between value similarity and trust revealed through  
30 PCA was valid. In other words, CFA was capable to confirm or support that value similarity  
31 was a key domain of trust in charities if it was indicated through PCA.  
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39 According to the guideline provided by Tabachnick and Fidell (2007), Brown (2006), Hair, et  
40 al. (2010), for a valid model: (1)  $\chi^2$  should be insignificant; (2) normed  $\chi^2$  (ratio of  $\chi^2$  to the  
41 degree of freedom) below 2 is expected; (3) SRMS below 0.08 is expected; (4) RMSEA  
42 below 0.08 is expected; (5) GFI above 0.90 is expected; (6) AGFI above 0.90 is expected; (7)  
43 CFI or TLI above 0.95 is expected; (8) IFI above 0.95 is expected. For models that do not  
44 have a good fit, they can be modified based on factor loadings, standardized residuals, and  
45 modification indices.  
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1 Within the total sample of 743 respondents, 490 cases were used for principal component  
2 analysis. They included 409 cases collected online and 81 cases obtained in the first wave of  
3 library survey. The 253 cases obtained subsequently from the second wave of library survey  
4 and class survey were used for confirmatory factor analysis.  
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## 10 **Findings**

### 11 **Value Similarity as a Significant Factor of “Blind” Trust in Charities**

12 The focus group interview showed there was a difference of extent of trust in charities  
13 working for various charitable purposes. For example, some participants did not hold trust in  
14 charities with religious links as “I do not believe in religion”; while others had considerable  
15 trust in charities working for health and poverty relief for the reasons of, such as, they “work  
16 for the cause I believe”, and “the charity serves the cause I care about”.

17 As mentioned in the section of methodology, in order to examine the effect of public  
18 recognised charitable causes, which serve as one aspect of value similarity, on “blind” trust in  
19 charities, a Friedman test was performed to investigate the difference of the ranking of trust  
20 levels in charities working for ten types of charitable purposes by participants. Results  
21 suggested that there was a significant difference in the scores ( $p < .05$ ). Charities working for  
22 the causes of “health” and “society” won a significantly higher level of trust, while that of  
23 “environment and animals” and “religion” were endowed a significantly lower level of trust  
24 (see Table 1).

25 Table 1 here

1 The finding indicates the essential and indispensable role that value similarity plays in trust.  
2  
3 As one of the important aspects of value similarity, the appreciation of charitable causes by  
4  
5 the public is able to determine trust in charities, even without consideration of other  
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7 information of particular charities. In other words, there is a significant difference of the level  
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9 of trust in charities affected by value similarity between the public and charitable  
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11 organisations when individuals lack in depth knowledge of them.  
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### 18 **Value Similarity as a Key Domain of Public Trust in Charities**

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21 To further explore the role of value similarity in explaining trust in charitable organisations,  
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23 the construct of public trust in charities was interrogated through factor analysis based on the  
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25 sample of 743 UK respondents. Results of principal component analysis (PCA) with direct  
26  
27 oblimin rotation revealed a clear and stable structure with 20 items and three components,  
28  
29 which were named: value similarity (VS), perceived charity integrity (PI), and perceived  
30  
31 charity competence (PC). These three components explained a total of 50.39% of the  
32  
33 variance, with component 1 (VS) contributing 32.85%, component 2 (PI) contributing 9.55%,  
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35 and component 3 (PC) contributing 7.99%. Details of items and statistics can be referred to in  
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41 Table 2.  
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44 Table 2 here  
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48 Validity of the construct of public trust in charities was examined through confirmatory  
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50 factor analysis (CFA). Initial model estimation suggested the deletion of four items (V21,  
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52 V37, V18, V19) negatively affecting the model fit and model construct validity based on  
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54 factor loadings, standardized residuals, and modification indices. After model modification,  
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1 findings of CFA demonstrated a good fit and validity for the final model constituted by the  
2 three components revealed through CPA (see Table 3).  
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### 5 Table 3 here 6 7

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9 Of these three domains, value similarity is the alignment of values between the individual and  
10 the charitable sector; charity integrity is the extent to which charities are believed to fulfil  
11 their fiduciary obligations and to be conscientious; charity competence is the ability to fulfil  
12 missions and to uphold and further public interests.  
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18 Value similarity was found as the component making the greatest contribution to the  
19 explanation of the variance of public trust in charities. In the study, “value similarity”  
20 measured through the scale was not limited to the appreciation of charitable causes and ethics.  
21 It also captured shared aims/goals, shared opinions about social problems, shared beliefs  
22 about how society should be developed, shared beliefs of essentiality of charities for society  
23 between the public and the charitable sector, as well as the agreement of the way that  
24 charities deal with many social problems (see Appendix 2). These items were developed from  
25 relevant literature (e.g. Siegrist et al. 2000; Poortinga & Pidgeon, 2003; Mayer & Davis,  
26 1999).  
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## 48 **Discussions** 49

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51 This study examined the relation of public trust in charities and value similarity between the  
52 public and the charitable sector. Results of focus group interviews showed that individuals  
53 could trust charities blindly merely based on charitable causes they work for. It indicated that  
54 appreciation of charitable causes was a significant factor influencing people’s trust in  
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1 different charities. Subsequently, the construct of public trust in charities was revealed  
2 through PCA, of which the validity was evidenced through CFA. Findings showed that value  
3 similarity was one of the key domains of public trust in charities. It was also the one making  
4 the largest contribution to the explanation of this concept.  
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10 An important contribution of the study is that it demonstrates the importance of value  
11 similarity as a component of public trust in charities. Value similarity, which has not  
12 previously been considered as an element of trust in charities, made the largest contribution  
13 among the three components to explaining trust. Practitioners and researchers focusing on the  
14 voluntary sector should be aware of the significance of value similarity in organisational trust.  
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22 Additionally, charities should be aware of the important implications of changes and  
23 contradictions to their publicly perceived values in order to secure public trust.  
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28 “Value similarity” includes various aspects such as appreciation of charitable causes and  
29 ethics, shared aims/goals, shared opinions about social problems, shared beliefs about how  
30 society should be developed, and the agreement of the way that charities deal with many  
31 social problems. For charitable organisations working for causes not widely appreciated by  
32 the public, such as “religion” and “environment and animals” revealed in this study, they are  
33 suggested to make more efforts on the alignment of other aspects of “values” with the public  
34 in order to foster public trust. For example, they could maximise the local action to increase  
35 people’s identification with charities about opinions of many social problems and how they  
36 should be dealt with based on good communication.  
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51 Another implication for charitable organisations is that they need to stick to their values,  
52 particularly ethics, rather than departing from them, especially those publicly recognized ones,  
53 in order to secure public trust. Publicly perceived charitable ethics, such as not-for-profit,  
54 independence, and promoting public benefit, are crucial for the sustainability of the sector. It  
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1 is easy to lose support from the public if charities violate any of them. For example, one of  
2 the values, as well as a key driver of public trust in charities, is that charities are able to  
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4 “make independent decisions” (Charity Commission, 2014, p. 22). It indicates that the public  
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6 would trust the sector less if it depends on other sectors, such as the government, for the  
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8 purpose of, for example, obtaining financial resources. In the UK, it is reported that the  
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10 independence of the charitable sector is at serious risk (Independence Panel, 2015). The  
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12 debate generated by the controversial Lobby Act, which restricts the charities’ ability to  
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14 campaign, shows the complicated relationship between charities and government.  
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20 The improper interference from the government that damages independence of the charitable  
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22 sector provides an implication for policy makers and charity partners. They need to aware of  
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24 the importance of charitable values that serve as the foundation of charities. Policy makers in  
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26 the UK have taken several measures intended to channel more resources towards the  
27  
28 charitable sector, making it easier to work with government and to run a charity. However,  
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30 most charity workers doubt the government of England and Wales has achieved any of these  
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32 goals (Saxton, 2015). Although this study focuses on value similarity between the public and  
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34 charitable organisations, good partnership between the government and the charitable sector  
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36 should also be established based upon respecting and preserving values of charities, such as  
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38 independence. Damaging values of charitable organisations would not only hinder good  
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40 government-charity collaboration, but would also diminish trust from the general public. It  
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42 would be of great interest for future studies to demonstrate the significance of value-based  
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44 partnership and the mechanism of establishing it.  
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## Limitations and Future Research

This research provides an insight into the associations of value similarity and trust. It contributes alongside other relevant studies to theories, practice and policy. However, given the scope of the study, it inevitably has its limitations.

This study is limited by the sample used due to a relatively small sample size of the interview and the low representativeness for the survey sample. Firstly, although the focus group interview contained various “stakeholders” and “non-stakeholders” of charities, the size for each of them was small. Moreover, the use of an online sample for the survey excluded those who did not have access to the internet. Besides, the other part of the sample consisted of students of a single university and, therefore, was unrepresentative of the UK population. Although it is acceptable to use a convenience sample for factor analysis, a more representative sample would lower the probability of bias in respondents’ perspectives on charities.

It is suggested for future studies to cross-validate the findings using a representative sample to test and improve the generalizability. Longitudinal studies are also recommended to demonstrate the stability of the construct of public trust in charities over time by, for instance, examining test-retest reliability. As the study is limited to a UK sample, the cross-cultural validity of the construct is unknown. Thus comparative analyses will facilitate further understanding of value similarity and identify differences that may exist across cultures and contexts.

Future studies could also interrogate whether value similarity can be generalized as a domain of trust in other types of organisations or general institutions. Value similarity was not regarded as an independent component of trust in general organizations in most previous

1 studies of organizational trust. This demonstrated that context and the specific characteristics  
2 of the organization/sector were of great importance. Differences of the organization/sector do  
3 have influence on the trust construct. However, as charities generally have a good reputation  
4 in society, value similarity could be subject to social desirability bias. Therefore, it would be  
5 of great interest to explore whether this domain can be generalized to trust in other types of  
6 organizations or general institutions in future studies.  
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### 20 **Final Conclusion**

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23 To conclude, value similarity is the key to securing public trust in charities. It is not only a  
24 driver of “blind” trust in charities, it is also a significant domain of public trust in charities  
25 making the greatest contribution to explaining this concept. The study has important  
26 implications for charity practitioners, researchers, and policy makers as it uncovers a  
27 phenomenon that is essential to the charitable sector’s welfare.  
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## Appendix 1: Charity Types (Classified by Causes)

### 1 for Environment, Animals

e.g. Nature and conservation; Animal welfare; Wildlife; Pet; Zoo; General/other

### 2 for Armed Services

e.g. Ex Services; Army; General/other

### 3 for Arts, Cultural, Humanities

e.g. Heritage; Music; Theatre; General/other

### 4 for Disability

e.g. Blind; Children; Deaf; Deaf-Blind; Down syndrome; Learning difficulty; Support Group; Other Disabled; General/other

### 5 for Education

e.g. Higher education; Academy; Training; Pre-School; Science and Technology; Special education; General/other

### 6 for Health

e.g. Addictions; Broadcasting; Cancer; Children; Ethnic Minority; HIV/AIDS; Holistic/alternative; Hospices; Hospitals; Maternity; Medical Research/Animal Welfare; Medical Research/Welfare; Mental Health; Support; Undiagnosed; Women; General/other

### 7 for Religion

e.g. Christian; Christian/Welfare; Islam; Other Religious

### 8 for Society

e.g. Children/Youth; Community; Community Care/Relations; Ethnic/Foreign; Family Welfare; Gay/Lesbian; Homelessness; Marriage; Older People; Social Welfare; Poverty; Support; Voluntary Services; Women Issues; General/other

### 9 for Sports

e.g. Athletics and Sport; Recreation; Other

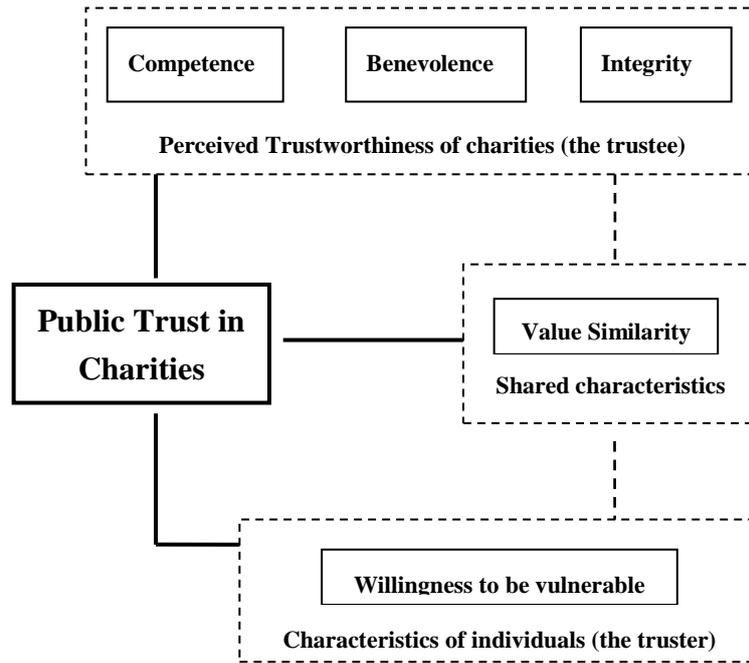
### 10 for Services for Charities

e.g. Accounting; Computer Software; Direct Marketing; Fundraising Consultants; Insurance; Legal; Mobility Equipment; Online fundraising; Print and Design; Web Design; Other

## Appendix 2: Dimensions and Items of Public Trust in Charities

Dimensions	Items
	V4 Charities share my opinions about many social problems.
Value	V42 The charitable sector and I share similar values.
Similarity	V6 Charities share beliefs with me about how society should be developed.
	V43 I agree with the way that charities deal with many social problems.
	V16 The aims of charities generally fit well with mine.
	V48 The charitable sector and I share beliefs of essentiality of charities for society.
	V3 The money donated to charities is used in a corrupt way.
Perceptive	V45 Charities do not follow through on their stated intentions.
Integrity	V41 The money donated to charities is wasted.
	V25 Charities are manipulated by companies for profit.
	V13 Charities distort facts in their favor.
	V33 Charities have a good image.
	V2 News about charities is generally positive.
Perceptive	V20 Charities are performing well.
Competence	V38 Charities are capable of performing their job adequately.
	V14 The behavior of charities is guided by sound principles.

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**Figure 1.** Conceptual Model of Public Trust in Charitable Organizations

**Table 1.** Rank of Public Trust by Charitable Causes.

<b>Causes</b>	<b>Mean Rank</b>
Health	8.14
Society	8.07
Disability	6.79
Education	5.50
Armed Services	5.07
Arts, Culture, Humanities	5.00
Services for Charities	4.21
Sports	4.14
Religion	4.07
Environment, Animals	4.00

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**Table 2.** Component Matrix of Public Trust in Charities.

	<b>VS</b>	<b>PI</b>	<b>PC</b>
V4 Charities share my opinions about many social problems.	.864		
V42 The charitable sector and I share similar values.	.773		
V6 Charities share beliefs with me about how society should be developed.	.744		
V43 I agree with the way that charities deal with many social problems.	.588		
V48 The charitable sector and I share beliefs of essentiality of charities for society.	.586		
V16 The aims of charities generally fit well with mine.	.582		
V37 My contributions to charities are important.	.446		
V3: The money donated to charities is used in a corrupt way.		.756	
V25: Charities are manipulated by companies for profit.		.739	
V13: Charities distort facts in their favour.		.710	
V45: Charities do not follow through on their stated intentions.		.665	
V41: The money donated to charities is wasted.		.644	
V21 Charities are well regarded by the public.			.750
V19 Charities keep the interests of their supporters in mind.			.701
V33 Charities have a good image.			.700
V20 Charities are performing well.			.679
V18 Charities would not knowingly do anything to hurt me.			.572
V2 News about charities is generally positive.			.563
V38 Charities are capable of performing their job adequately.			.548
V14 The behaviour of charities is guided by sound principles.			.441
Eigenvalues	6.570	1.910	1.597
% variance	32.85%	9.55%	7.99%
Internal consistency (Cronbach's alpha)	0.844	0.768	0.819

*Note:* N=490. VS=value similarity; PI=perceived charity integrity; PC=perceived charity competence.  
Only factor loadings 0.4 are noted. Items were deleted if their factor loadings were less than 0.40;  
items correlated at greater than or equal to 0.50 with at least 1 factor but correlated at greater than  
0.30 with the other factors were also dropped.  
Kaiser-Meyer-Olkin (KM): 0.944  
Bartlett's test of sphericity,  $p < .001$   
Cronbach's alpha coefficient of a reliable scale should be above 0.7.

**Table 3.** CPA Goodness-of-fit Statistics for the Initial and the final Model

	<b>Initial model</b>	<b>Final model</b>
<b>Chi-square (<math>\chi^2</math>)</b>		
$\chi^2$	271.276 (p<0.001)	124.411 (p=0.037)
Degrees of freedom	167	98
<b>Absolute Fit Indices</b>		
Goodness of fit index (GFI)	0.897	0.94
Root mean square error of approximation	0.052	0.034
90 percent confidence intervals for RMSEA	(0.041, 0.063)	(0.009, 0.051)
Standard root mean square residual (SRMS)	0.058	0.047
Normed $\chi^2$	1.624	1.269
<b>Incremental Fit Indices</b>		
Incremental fit index (IFI)	0.896	0.967
Tucker-Lewis index (TLI)	0.879	0.959
Comparative fit index (CFI)	0.893	0.966
<b>Parsimony Fit Indices</b>		
Adjusted goodness of fit index (AGFI)	0.870	0.916