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Concept of Trust and Its Effect on Performance in an Organisation

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Abstract:
Every organisation exists to effectively work towards the achievement of greater organisational goals with high performance through the consistent action of trust while working together on the work that relies on each individual contribution. This shows why and how it is to have a good atmosphere of trust in an organisation. The organisation consist of people from different background who work together to achieve a common goal. So to effectively perform and achieve the set mission, vision and overall goal requires effective human resource practices, Cooperative behaviours, interdependency on each individual support and effort which can only be effective on a driver called Trust which increases group performance, the problem today in businesses is lack of trust. The objectives of the study were to examine the drivers of trust in the organisation, to identify the Human resources practices that create trust in the organisation, and to examine the effects of trust on employees' performance in the organisation. It was found out that the level of trust employees has for the organisation is low due to the fact that they are not highly involve in decision making, also it was known that there is no fairness in performance appraisal evaluation, managers do not give much delegation of responsibilities to the employees. It was suggested that, mmanagers must build confidence in the people by encouraging, delegating shared responsibilities, limiting criticism on their performance standard.

Keywords: Trust, performance, drivers, and human resource practices.

1. Introduction

Trust is the "willingness of an individual or group to be vulnerable to the actions of others based on the expectation that they will perform a particular important action, irrespective of the ability to monitor or control performance" (Mayer, Davis, & Schoorman, 1995, p.712). Trust helps you to develop effective individual, intergroup, and cross-group relationships and provides the foundation for a minded set that can lead to greater levels of performance, as well as collaboration, within your organisation (Jones & George, 1998; Poon, 2006). This mindset therefore includes a sense of obligation to corporate with others, a high degree of self confidence and confidence in one's colleagues, a willingness to support one's colleagues, willingness to subjugate one's personal needs for the greater good. Trust can therefore be demonstrated in two levels namely trust in self which focus on task oriented that is competencies and the other level is trust in others which refer to the relationship. To have a greater performance requires an everyday feeling or level of trust in an organisation. Failure to these, lead to a low trust climate and low performance in an organisation. This therefore end up with employees feeling angry and betrayed because their expectations of the organisation's toward them are not met.

Trust is being vulnerable to someone even when they are trustworthy; trustworthiness is the characteristics or behaviours of one person that inspire positive expectations in another person, and trust propensity being able to rely on people. Once trust is lost, by obvious violation of one of these three determinants, it is very hard to regain. Trust should exist among all the people in the organisation especially the hierarchical relationship. There should be a relationship between the supervisor and the peer, also between co-workers and the entire stakeholders of the organisation. To create trust and gain trust is quiet challenging but not impossible. Since organisation exist to successfully satisfy stakeholders there must be a pro relationship between all the levels in the organisation and also quality human resource practices, leadership style, human resource policies in managing to be able to work effectively and achieve greater performance.

The human resources practices are equal opportunity, equitable treatment, indirect monitoring, quality performance appraisal, quality training, decision making, effective coaching, quality feedback mechanism etc. Create an atmosphere of trust with cooperation among employees and managers in the organisation which results in quality business result and overall performance, the vice versa of these leads to a negative business result. Trust should largely be driven by the entire people in the organisational hierarchy and influence all the individual relationship within the organization to achieve a greater performance and enjoyable organisation. Trust is therefore a necessary ingredient for effective performance in the organisation.

1.1. Objectives of the Study

   i. To examine the drivers of trust in the organisation
   ii. To identify the Human resources practices that creates trust in the organisation.
   iii. To examine the effects of trust on employee's performance in the organisation

2. Literature Review

2.1. Concept of Trust and Performance

Merriam-Webster online dictionary tells us that trust is 'assured reliance on the character, ability, strength, or truth of someone or something'. The associated meaning in the Merriam-Webster online thesaurus is a 'firm belief in the integrity, ability, effectiveness, or genuineness of someone or something'. Trust is the "willingness of an individual or group to be vulnerable to the actions of others based on the expectation that they will perform a particular important action, irrespective of the ability to monitor or control performance" (Mayer, Davis, & Schoorman, 1995, p.712).

Trust helps you to develop effective individual, intergroup, and cross-group relationships and provides the foundation for a minded set that can lead to greater levels of performance, as well as collaboration, within your organisation (Jones & George, 1998; Poon, 2006). This mindset therefore includes a sense of obligation to corporate with others, a high degree of self confidence and confidence in one's colleagues, a willingness to support one's colleagues, a willingness to subjugate one's personal needs for the greater good. Trust is one of several social constructs, an element of the social reality. It is naturally attributable to relationships between social actors, both individuals and groups (social systems). Because trust is a social construct, it is valid to discuss whether trust can be trusted, i.e. whether social trust operates as expected. Also according to (Sally Bibb and Jeremy Kourdi 2004), refer it as 'building blocks of trust': authentic communication, competence, supporting processes, boundaries, contact, positive intent and forgiveness' (Bibb & Kourdi 2004, pp. 9–10). They remind us that trust is 'something that we find hard to put into words, something that we can more easily define by its absence than its presence' (p. 10).

2.2. Levels of Trust by Bibb and Kourdi

Additionally, Sally Bibb and Kourdi (2004) came with different levels of trust, and these are helpful for the purposes of this review: The level of Self-trust: the trust that people need to be confident of their capabilities and judgments in given situations. Relational trust level: Sally and Kourdi (2004), suggested that the trust a person puts in another person or group of people is a generalised type of trust usually established over time. Structural trust level: (Adapted from Bibb & Kourdi 2004), said trust that we put in entire institutions, companies and brands, for example, we may trust a country, a company with a particular brand. Transactional trust: this is trust that is specific, often one-off and pertains to a particular context at a particular time. Organisation needs trust because it increasingly finds itself operating at the edge between confidence in what is known from everyday experience, and contingency of new possibilities.

Without trust, all contingent possibilities should be always considered, leading to a paralysis of inaction. Trust can be seen as a bet on one of contingent futures, the one that may deliver benefits. Once the bet is decided (i.e. trust is granted), the trustor suspends his or her disbelief, and the possibility of a negative course of action is not considered at all. Because of it, trust acts as a reductor of social complexity, allowing for actions that are otherwise too complex to be considered trust as a variable that has direct effects on work group process and performance. Kurt T. Dirk (1999), Trust could, however, operate on group performance indirectly through a moderating role specifically for cooperation.

2.3. Creating an Atmosphere of Trust for Effective Performance

According to (Salamon & Robbinson, 2008), creating and sustaining your own atmosphere of trust is by providing employees, teams with the following autonomy, empowerment, flexibility, reward and recognition. Also employees should respond to the larger organisational conditions and the efforts towards building an atmosphere of trust. So to create an atmosphere of trust that can lead to effective performance managers' actions and employees' actions therefore must be positive towards building the level of trust in the organisation and understanding the drivers of trust.

2.4. Drivers of Trust in the Organisation

2.4.1. Power Difference

On the organisational hierarchy, we could see that power and orders comes from the top level management through the middle level management and finally to the lower level. So this automatically creates a power difference among the levels. According to (Edward M. Mone & Manuel London, 2010), managers must have in mind the inherent inequality in the manager employee relationships. Since they directly impact on every activity of the employees in terms of the career, salary, workloads etc. they exercise a legitimate power which need to be used effectively without abusing the power.

2.4.2. Propensity to Trust

This is about the tendency to show trust. According to (McKnight & Chervany, 2006), the readiness to trust directly affects behaviour at the beginning of a new relationship, and these early actions whether trusting or none trusting, influence how the relationship unfolds. Here there should not be different propensities to trust this serve as a potential to start off with difficulty. So to achieve an effective performance both party's relationship needs to be build with trust by demonstrating it.

2.4.3. Perception

Perception is the ability to see, hear or become aware of something through the senses. The reality of how your employees perceive manager's trustworthiness is a key factor or driver of trust. Employees' perception is based on the propensity to trust as well as their experiences with other manager. The behaviour of managers is view differently by each employee, so as a manager you need to pay attention to the behaviour and the management practices that you use. According to (Brockerner, 2006), one need to be fair and foster the impression of fairness among the employees and could even motivate them to work hard and achieve effective performance.

2.4.4. Reciprocity

Reciprocity builds trust. According to Edward M. Mone & Manuel London (2010), this driver simply applies the Golden rule principle that is "the give and take" action. As a manager your first action with employee should show trust and in response employees will also show trust. So the reciprocity impact performance.

2.5. Effects of Trust on Performance

Trust is a value that is invested in relationship and task. When this is effectively ensured it will affect performance positively. However, when there is lack of trust in the organisation performance will therefore be low. According to (Gibbons 2004), Trust is important in all spheres of social life. It binds friendship facilitates bargaining and negotiations (Olekalns and Smith 2005), reduces transaction costs in interfirm exchanges (Bharadwaj and Matsuno 2006), and even resolves international political conflicts (Kelman 2005). Trust also affects investment decisions. Lorenz (Lorenz 1988) argues that trust enables effective investment in assets by assuring parties there will be no abuse of bargaining power. Also Empirical research has also examined the main effects of trust on a variety of dependent variables including organizational citizenship behaviours (e.g., McAllister, 1995; Podsakoff, MacKenzie, Moorman, & Fetter, 1990; Robinson, 1996), effort (e.g., Williams & Karau, 1991), conflict (e.g., Ferrin & Shah, 1997), communication (e.g., Mellinger, 1959; O'Reilly and Roberts, 1974; Roberts & O'Reilly, 1974), decision making (e.g., Zand, 1972), and group performance (e.g., Friedlander, 1970; Klimoski & Karol, 1976).
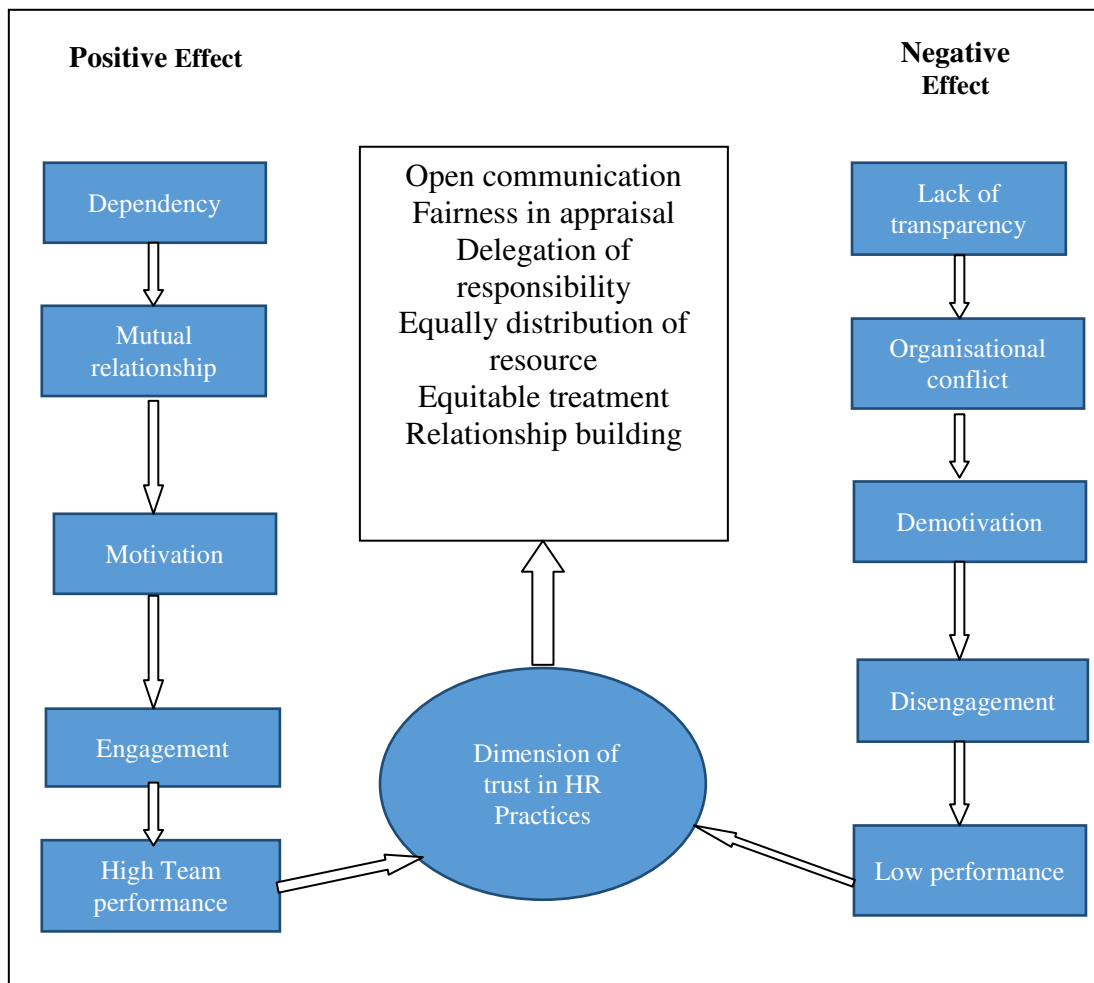
2.6. Models on Effect of Trust on Performance

Figure 1

2.7. Managing an Effective Atmosphere of Trust in the Organisation
Several authors have discussed actions that have been shown to help build organisational level of trust action. The following are atmosphere of trust in an organisation, be open: disclose information in an accurate and timely fashion. Give both positive and negative feedback. Be open and direct about task problems. Be honest and open about your motives. Manage mutual expectations: clarify general expectations early on and explore specific expectations in detail, surface and negotiate differences in expectations, process and evaluate how effectively you are working together. Share influence: initiate and accept changes to your decisions. Seek and accept the counsel of other people. Give and receive help and assistance, recognize the legitimacy of each other's interests. Show care and concern for the others. Delegate: make yourself dependent on the other person's action, delegate tasks. Give responsibility to other people, take responsibility rather than make excuse and explore specific expectations in detail, surface and negotiate. Managing the propensity to trust, power difference, perception and reciprocity of trust are very important points to consider.

3. Methodology
This shows how the study was conducted using the very corrective methods. To ensure that all aspects of this descriptive research are analyzed critically before drawing relevant conclusions, both quantitative and qualitative approaches were employed. The sample size of 50 respondents was used. The sampling technique used for the study was census sampling. Since the sample size was small everybody stands a chance of been selected. This method was adopted because of its conveniences, close at hand and easy access approach.

4. Data Analysis

Questions	Labels	Total N=50	Percentages (100%)
1. Managers power to order, command and control	a. strongly agrees	15	30.0
	b. Agree	20	40.0
	c. Disagree	8	16.0
	d. Strongly disagree	7	14.0
2. Provision of adequate resources	a. strongly agrees	10	20.0
	b. Agree	5	10.0
	c. Disagree	21	42.0
	d. Strongly disagree	14	28.0
3. Managers tendency to trust	a. strongly agrees	9	18.0
	b. Agree	6	12.0
	c. Disagree	18	36.0
	d. Strongly disagree	17	34.0
4. Tendency to trust among colleagues	a. strongly agree	10	20.0
	b. Agree	7	14.0
	c. Disagree	20	40.0
	d. Strongly disagree	13	26.0
5. Disclose information accurately and timely	a. strongly agree	4	8.0
	b. Agree	5	10.0
	c. Disagree	31	62.0
	d. Strongly disagree	10	20.0
6. High trust in relationship	a. strongly agree	8	16.0
	b. Agree	8	16.0
	c. Disagree	12	24.0
	d. Strongly disagree	22	44.0
7. Commitment to the mission, vision, goal	a. strongly agree	29	58.0
	b. Agree	10	30.0
	c. Disagree	6	12.0
	d. Strongly disagree	5	10.0
8. Am Highly involve in decision making	a. strongly agree	10	20.0
	b. Agree	6	12.0
	c. Disagree	16	32.0
	d. Strongly disagree	18	36.0
9.There is Indirect monitoring and controlling	a. strongly agree	11	22.0
	b. Agree	13	26.0
	c. Disagree	10	20.0
	d. Strongly disagree	16	32.0
10. There is fairness in performance evaluation	a. strongly agree	10	20.0
	b. Agree	9	18.0

	c. Disagree	17	34.0
	d. Strongly disagree	14	28.0
11. Share and delegate responsibility for employees	a. strongly agree	10	20.0
	b. Agree	5	10.0
	c. Disagree	16	32.0
	d. Strongly disagree	19	38.0
12. Unequally distribution of compensation	a. strongly agree	15	30.0
	b. Agree	14	28.0
	c. Disagree	10	20.0
	d. Strongly disagree	11	22.0
13. Low level of managers trust improves performance standard	a. Strongly agree	9	18.0
	b. Agree	11	22.0
	c. Disagree	14	28.0
	d. Strongly disagree	16	32.0
14. Low Level of trust affect team performance	a. strongly agree	19	38.0
	b. Agree	15	30.0
	c. Disagree	7	14.0
	d. Strongly disagree	9	18.0
15.perform effectively with my team	a. strongly agree	10	20.0
	b. Agree	11	22.0
	c. Disagree	17	34.0
	d. Strongly disagree	12	24.0
16. low level of Trust has led to low level of engagement	a. strongly agree	23	46.0
	b. Agree	17	34.0
	c. Disagree	6	12.0
	d. Strongly disagree	4	8.0
17. less cooperation has affected group effectiveness in the organisation	a. strongly agree	18	36.0
	b. Agree	16	32.0
	c. Disagree	7	14.0
	d. Strongly disagree	9	18.0
18. Continue high trust in both relationship will lead to high performance	a. Yes	40	80.0
	b. No	7	14.0
	c. neither	3	6.0

Table 1

5. Findings

Firstly, from the above, it could be inferred that majority of the respondents representing (40%), agreed to the fact that managers power to order, command, and control drives trust in the organisation. However, the respondents representing (42%) disagreed and (28%) strongly disagreed that the position power of managers in the organisation do not provide adequate resource for them, also (36%) of the respondents disagreed and (34%) that managers do not demonstrate the tendency of trust in the organisation, the respondents representing (40%) disagreed and (26%) of the respondents strongly agreed to the fact that there is strong tendency of trust among colleagues in the organisation. About (62%) of the respondents disagreed that managers disclose information accurately and timely to them, again (58%) of the respondents agreed that commitment to the mission, vision and goals of the organisation drives trust in the organisation.

Secondly, respondent was asked to identify the human resources practices that affect their level of trust in the organisation. From the above it could be interpreted that (36%) representing the respondents strongly disagreed that they are involved in decision making while (32%) of the respondent also disagreed that they do involve them in decision making. This shows that the workers level of trust for the organisation is low. Again (32%) representing the respondents strongly disagreed that indirect monitoring and controlling affects the level of trust in the organisation. Also (34%) representing the respondent disagreed, (28%) strongly disagreed that there is fairness in performance evaluation, also workers representing (70%), disagreed, to the fact that managers share and delegate responsibilities to employee. Majority of the respondents representing (58%) agreed that unequally distribution of compensation affect their level of performance. So the above revealed human resource practices affect the employees' level of trust in the organisation.

Lastly, from the above it can be interpreted that (60%) representing the majority of the respondents disagreed that low level of trust improves their individual performance, majority of the respondent representing (68%) also said low level of trust affects their team performance. In addition to this, more than half of the respondents representing (80%) also said that the low level of trust has affected the level of engagement at the workplace. And with low level of engagement clearly show that there is low performance. Furthermore (68%) representing the majority of the respondent agreed that less cooperation has affected the effectiveness of group performance and lastly the respondents were asked if continual level of trust between both managers and the entire employees will increase high performance of which (80%) of the employees said yes to that. This shows that the employees need high level of trust to accelerate the level of performance in the organisation.

6. Conclusion

It was found out that manager's power is to dictate, command, control the people in the organisation, it was also revealed that the managers do not use their power to supply employees with the adequate resources needed in the organisation, again it was showed that managers do not disclose information on time, it was also discovered that the organisational mission, vision and goals drives the level of trust they have for the organisation. Additionally, it was found out that the level of trust employees has for the organisation is low due to the fact that they are not highly involve in decision making, also it was known that there is no fairness in performance appraisal evaluation, managers do not give much delegation of responsibilities to the employees. These human resource practices reveal the areas where there is trust. It was also found that low level of trust affects their individual performance, team performance, the level of trust in the organisation has affected the level of commitment, and the engagement they have for their work.

Also, due to the level of trust that in the organisation there was low level of cooperation, among employees which has affect the effectiveness of group performance. And lastly it was found out that if there is continually and consistent high level of trust among managers and employees, the level of trust will be high and will intend to influence their level of passion they will have for their work. This will then help them to work effectively and efficiently to achieve higher performance and results in the organisation. The researchers, therefore suggested that human resource practices should be administed effectively, the human resource manager need to know much about the employees' passion and the very areas that could drive the level of trust, and there should be reciprocity of trust among all organisational members. Managers must build confidence in the people by encouraging, delegating shared responsibilities, limiting criticism on their performance standard and also developing and encouraging good interpersonal relationship in the organisation and relationship building.

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