

# A study to examine the relationship between level of Organizational trust and Job satisfaction within organizational structures

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## **Abstract:**

**Background:** Employees in all organizations wish to work in an environment of trust and respect where they feel they are making a real contribution to organizational goals and objectives. This occurs only when the organization structure allows them to do so. It has been seen that trust and job satisfaction are essential elements of organization's success. Hence, organizations need to develop a structure and culture that empowers and allows the growth of their employees.

**Materials and Methods:** The present study adopted a descriptive research design. The purpose of the study was to examine the relationship between employee's level of organizational trust and job satisfaction within organization structure. The influence of high-performance organization structure and traditional hierarchical organization structure on the levels of organizational trust and job satisfaction were examined. The data was collected using snowball sampling by distributing questionnaires and the sample size was limited to 152 of which 68 belonged to traditional hierarchical structure and 84 respondents belonged to high-performance organization structure.

**Results:** The findings of the study indicate that the employees in high-performance organization had a greater level of trust and job satisfaction when compared to traditional hierarchical organization structure. Also, a strong relationship exists between employee's organizational trust and job satisfaction levels.

**Conclusion:** Organization structure has a significant impact on the levels of organizational trust and job satisfaction. A strong positive relationship does exist between organizational trust and job satisfaction. Although trust acts as a partial determinant to job satisfaction, various other factors could also affect the job satisfaction of an employee.

**Key Word:** Organizational trust, organization structure, job satisfaction, high-performance organization, traditional hierarchical organization, employees.

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## **I. Introduction**

Organizations do have goals and objectives which are met through the employees. To meet these goals and objectives, work is divided among the employees and better coordinated through formal rules. The structure of the organization must enhance the performance and support the employees. In the recent past years, there have been companies that are downsizing and the annual employee turnover rates have increased. This occurs majorly due to low satisfaction levels and the lack of trust in the management. The companies that empower their employees by creating a mutual trust between employees and managers, and including them in the decision-making process are called high-performance organizations (De Waal, 2007). A high-performance organization is an organization that achieves financial results that are better than those of its peer group over a longer period by adapting well to changes and reacting quickly, managing for the long term, setting up an integrated and aligned management structure, by continuously improving its core capabilities, and by truly treating the employees as its main asset (Dammen, 2001). Organizational trust is the positive expectations individuals have about the intent and behaviors of multiple organizational members based on organizational roles, relationships, experiences, and interdependencies (Zalabak et.al., 2000). Trust between individuals and groups within organizations is a highly important ingredient in the long-term stability of the organization and the well-being of its members (Cook & Wall, 1980). Trust within an organization is an important factor that determines an employee's performance. When the management trusts the employees, empowers them, and believes in their capacity to integrate their values, beliefs, and goals into the organization and exercise this through communication and mutual trust then, employees develop organizational trust (Jordan, 1999).

Job satisfaction is the pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences (Locke, 1969). Job satisfaction represents a feeling that appears as a result of the perception that the job enables the material and psychological needs (Aziri, 2011). The way authority flows also goes a long way to influence the behavior of workers and hence their expressions of job satisfaction. Trust has been linked to a variety of factors that influence job satisfaction. Job satisfaction indicates the commitment level of employees whereas dissatisfaction could result in turnover, absenteeism, strikes, low productivity, etc. In high-performance organizations, workers are given more responsibilities and are trusted to achieve the goals necessary for the company to succeed; not only does the organization succeed, but the workers also do as well because they are viewed as a valuable asset which motivates them to want to succeed (Latifi&Shooshtrian, 2004). Unfortunately, most traditional hierarchical organizations do not have the same thoughts. When information regarding the working of the organization and the performance is shared, workers are provided with the knowledge about what they need to do and perform well in their job (Dammen, 2001).

## **II. Material And Methods(11 Bold)**

The current study was carried out on various high-performance and traditional organizations within India which included various private companies, start-ups and government organizations as well. The study was carried out from November 2021 to June 2022. A total of 152 subjects were part of this study.

**Study Design:** Descriptive research design.

**Study Location:** The study was conducted in various organizations within India.

**Study Duration:** November 2021 to June 2022

**Sample size:** 152 employees.

**Subjects & selection method:** The sample size was limited to 152 of which 84 respondents belonged to High-performance organizations and 68 respondents were from Traditional hierarchical organizations.

**Inclusion criteria:** The inclusion criteria of the study include that the respondent should be currently working and an employee of an organization.

**Exclusion criteria:** The exclusion criteria include individuals who were working, employees of cottage industries, and freelancers.

### **Procedure methodology:**

The study intended to find the relationship between the level of organizational trust and job satisfaction within organizational structures. To analyze this, a brief questionnaire was created with various sections. The participants were invited to take part in a research study and were given a brief about the objective of the study. The confidentiality of the data was assured. Basic demographic details such as name, age, gender, etc. were collected. Information regarding the organization such as the type of organization structure, job function, industry, years in the organization, size of the organization, etc. was collected for research purposes.

Organizational Trust Index (Zalabak et.al., 2000) was used to find the organizational trust levels of the employees. It is a 29-item instrument that measures the organizational trust in five dimensions- Openness/Honesty, Reliability, Concern for Employees, Identification, and Competence. The Openness, Reliability, Concern for employees, Identification, and Competence consists of 9, 4, 7, 5, and 4 items each. Each item is rated on a 5-point Likert scale from strongly disagree to strongly agree. This instrument is proven to have high reliability and high internal consistency. The Cronbach's reliability is found to be 0.94 which indicates that the test is very reliable and has an excellent consistency.

Generic Job Satisfaction Scale (Macdonald & MacIntyre 1997) was used to determine the Job satisfaction levels of the employees. It is a 10-item instrument used to measure the overall job satisfaction of the employee. Compared with other general scales that range between 50 and 100 items, this scale provides valid and reliable scores with only 10 items. Each item is rated on a 5-point Likert scale from totally disagree to agree. The exploratory factor analysis led to retaining 10 of the 44 items elaborated, which showed acceptable internal consistency ( $\alpha=0.77$ ). The reliability of the instrument is 0.75 which indicates that the instrument is reliable as a cut-off of 0.70 and above is sufficient for omega reliability.

### **Statistical analysis:**

Data was analyzed using SPSS version 28.0. The data were analyzed using the Mann-Whitney U test and computing a comparative study. Spearman's rank correlation was used to find the correlation between organizational trust and job satisfaction. Linear regression was used in the study to determine if the organizational trust had a significant influence on an employee's overall job satisfaction level.

**III. Result**

**Table no 1:** Result of Mann-Whitney U test comparing organizational trust among traditional hierarchical organization structure and high-performance organization structure.

Dimension		N	Mean Rank	U	Z	Sig.
Organizational trust	Traditional hierarchical organization	68	56.63	1505.000	-5.010	0.001
	High-performance organization	84	92.58			

Table 1 shows the result of the Mann-Whitney U test comparing organizational trust among traditional hierarchical organization structures and high-performance organization structures.

The mean rank of the traditional hierarchical organization structure is 56.63 and the high-performance organization structure is 92.58. The significant difference in mean ranks indicates that organizational structure has a substantial impact on organizational trust. From this table, it can be concluded that a high-performance organization structure has significantly higher organizational trust than the traditional hierarchical structure (U=1505, p=0.001)

The study indicates that there is a significant difference in overall trust between high-performance structures and traditional hierarchical structures. This result supports previous studies stating a significant difference between trust levels in high-performance and traditional hierarchical organizations (Dammen, 2001). The high amount of overall trust in a high-performance structure indicates that the organizational leadership is open and honest, and there exists a congruence between what the top management and executives of the companies do and what they expect and ask of their employees which brings about an immense impact on credibility, empathy and care promotes trust, there is active communication between staff and leaders, the employees identify with the goals and objectives and find believe in the organization’s ability to survive in the market (Weick, 1995).

**Table no2:** Result of Mann-Whitney U test comparing job satisfaction among traditional hierarchical organization structure and high-performance organization structure.

Dimension		N	Mean Rank	U	Z	Sig.
Job Satisfaction	Traditional hierarchical organization	68	60.05	1737.500	-4.160	0.001
	High-performance organization	84	89.82			

Table 2 shows the result of the Mann-Whitney U test comparing job satisfaction among traditional hierarchical organization structures and high-performance organization structures. From the table, it is found that the mean rank of the high-performance structure (=89.82) is higher when compared to the traditional hierarchical structure (=60.05). It is safe to conclude that employees in high-performance organizations have significantly higher job satisfaction than in traditional hierarchical structures (U=1737.500, p=0.001). The high overall job satisfaction in a high-performance structure indicates that communication, rewards, concern, supervision, co-workers and general satisfaction plays a major role in overall job satisfaction.

The result supports previous studies that there is a significant difference between overall job satisfaction levels in high-performance organizations and traditional hierarchical organizations. Although not all factors are affected by organizational structure, a few factors such as communication, supervision, and general satisfaction could majorly be

**Table no3:** Summary of Spearman’s rank correlation between the dimensions of organizational trust and job satisfaction.

Dimension	Job Satisfaction
Openness/ Honesty	.662**
Reliability	.566**
Concern for employees	.597**
Identification	.658**
Competence	.702**

\*\*p< 0.01 level.

**Table no4:**Summary of Spearman’s rank correlation between the overall organizational trust and job satisfaction.

Variable	Job Satisfaction
Organizational trust	.730**

\*\*p<0.01 level.

Spearman’s rank correlation was computed to analyze the relationship between employees’ level of organizational trust and job satisfaction. From table 3, it is found that all the five dimensions of organizational trust- openness/honesty, reliability, concern for employees, identification, and competence has a positive correlation with job satisfaction, which is statistically significant. Open and honest leadership, proper effective communication, consistent and dependable co-workers and management, efforts to understand others, and a strong belief that the organization will compete and survive in the marketplace have a positive effect on job satisfaction. The reliability ( $r_s = .566$ ) and concern for employees ( $r_s = .597$ ) dimension has a moderate correlation whereas, openness ( $r_s = 0.662$ ), identification ( $r_s = 0.658$ ) and competence ( $r_s = 0.702$ ) dimension has a strong positive correlation with job satisfaction.

From table 4, it is found that Spearman’s rank correlation coefficient,  $r_s$  is 0.730. The figure of 0.730 indicates that a strong positive correlation exists between overall organizational trust and job satisfaction. Through the test the monotonic relationship i.e., as the organizational trust increases the job satisfaction also increases, is explained. The p-value is <.001 which is less than the standard alpha value of 0.01. This indicates that the correlation is highly significant and not just a function of random sampling error.

The result supports the research studies that trust has been linked to a variety of factors that influence job satisfaction. When employees have trust in the top managers and management, their organizational commitment and organizational identity also improve, which in turn causes employees to work harder and spend more time and energy in their jobs. Employees who work in organizations with higher levels of organizational trust were more successful and innovative than in institutions with lower levels of trust which leads to job satisfaction (Zauderer, 2002).

**Table no 5:** Regression Analysis model summary predicting the job satisfaction by the organizational trust.

Model	R	R square	Adjusted R square	Std. estimate of error	B	T	Change statistics			
							F change	df	Sig. change	F
1	0.741 <sup>a</sup>	0.549	0.546	3.9166	0.297	13.525	182.913	151	0.001	

A regression analysis was computed to predict job satisfaction based on organizational trust. Results of the linear regression analysis indicated that there exists a moderate effect between organizational trust and job satisfaction ( $R^2 = 0.549$ ). The r-square value indicated that 54.9% of the variance in job satisfaction could be explained by the relationship with organizational trust ( $R^2 = 0.549$ ). Here,  $p < .001$ , which is less than 0.01 and indicates that the regression model is statistically significant. From table 5, the unstandardized coefficient B (= 0.297) predicted the degree of change in job satisfaction for every 1 unit change in organizational trust.

The result supports the studies that a strong relationship exists between organizational trust and job satisfaction, implying that organizational trust influences an employee’s job satisfaction levels (Dammen, 2001).

#### IV. Discussion

Employees in a high-performance organization structure have a greater level of organizational trust than those in a traditional hierarchical organization structure. Hence, organization structure has a significant impact on the levels of organizational trust.

Employees in a high-performance organization structure possess greater overall job satisfaction than those in a traditional hierarchical organization structure. Although not all factors are affected by organizational structure, a few factors such as communication, supervision, and general satisfaction could majorly be affected by the type of structure an organization follows.

Hence, organization structure has a significant impact on the employee’s overall job satisfaction. A strong relationship exists between organizational trust and job satisfaction, implying that organizational trust influences an employee’s job satisfaction levels. Organizational trust acts as a predicting factor for job satisfaction. Also, organizational trust is an important but only a partial determinant and various other factors affect the job satisfaction of an employee.

## V. Conclusion

The study was primarily conducted to examine the relationship between the level of organizational trust and job satisfaction within the organizational structure. It has been concluded that there are significant differences between organizational trust and job satisfaction in high-performance organizations and traditional hierarchical organizations. The findings suggest that employees in high-performance organization structures possess a greater level of organizational trust and job satisfaction. Hence, organization structure has a significant impact on the levels of trust and job satisfaction. Although the study suggests this, other variables not being studied could have influenced the responses of the participants. This would influence the results obtained. Also, it has been concluded that a direct positive relationship exists between organizational trust and overall job satisfaction, and trust levels act as a predicting factor for overall satisfaction.

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