Investigating Effective Individual, Social, Economical and Organizational Factors on the Extent of Organizational Trust

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ABSTRACT

In this research, the effective factors of Organizational Trust would be categorized in four groups (organizational, social, economical and individual) and the degree of influence of each factor and their sub factors on Organizational Trust would be analyzed. So the MAPNA Holding Company with staff group of about 700 employees was selected as statistical society. From among these employees, 150 people were chosen as statistical sample and the research questionnaires were distributed and collected. Then the data were collected with the help of Spearman correlation coefficients statistical test, analyzed by SPSS software and the following results were achieved.

There is no meaningful relation between economic and individual variables with organizational trust, but this relation exists between social and organizational variables with organizational trust.

Also, Organizational Trust, ordinary were the most affected by organizational factors and Social factors .Based on our results, Trust level in the MAPNA Company have described as moderate by 88% and upward by 12%.

Keywords: organizational trust, employee trust, the trust managers, MAPNA, organizational development.

1- INTRODUCTION

Trust is multilevel phenomenon could be investigated in individual, organizational, inter organizational and international levels. Trust in organizational level is divided into vertical and horizontal groups of trust. Horizontal trust is a trust between colleagues and vertical trust means trust between supervisor and employee (Kaskivirta, 2011, PP13-16). Trust element is the confidence of employees to an organization through a high level of trust between employees and their responsibilities and expression of trust by manager to employees (Shagholi, et al., 2010, PP255-259). As it has been broadly studied, trust between employee and superior or between staff and superiors would bring financially positive results both for organization and for these people. The reason of why trust is important and beneficial for organization can be stated as follow:

Due to fast changes in technology and global economy, physical obstacle is not considered as a problem in creating international trade anymore. Now most of companies not only compete in local and national market but in global one. In fact improving learning in organizations has emerged as an important component of trade for present competitive economy. In this period of investigating and improving organizational learning, organizations have found out that the rate of leaving work would slow down the rate of development. Many of organizations in all around the world encounter with such problem and the researchers have found out that money is not the main reason of staying or leaving work. They focused on job satisfaction, trust and respect received from supervisors and company because the main reason of leaving work is managers (Vatcharasirisook, Henschke, 2011, PP1-6). Therefore, trust can be one of effective factors in solving such problems. It is obvious that it facilitate the flow of coordination and completing work. Employees need to trust on organization, manager and their colleagues.

In any organization because of vulnerability and dependency of employment on their mangers, there is a common shape of relation between employees and managers and trust play a vital role in such a dual hierarchical relation. Therefore, it is important to study how the trust between employees and managers is created and what effect it has on their performance. Employees trust on managers has positive effects including tendency to work flow, job satisfaction, participation in decision-making, general performance and organizational commitment. Thus, trust is vital to inter organizational relationship (Shagholi, et al., 2010, PP255-259). Janson believes that although trust is not a personal characteristic, it is an aspect of relation changing constantly and a trust-based relation requires having following elements (Janson, 1993): 1- Honesty, 2- Accuracy, 3- sharing, 4- Collaborative tendencies, 5- Confidence. When a person having these features, we can say he relies on others. This research is going to assess organizational trust in MAPNA Company and identify effective factors on it to yield suggestions for organizationally improvement. In present study considered variables for organizational trust include individual, social, economical and organizational variables.

Here we are seeking this fact that how is the condition of trust building in MAPNA and what factors effecting on it. Or do economical, social, organizational and individual variables effect on organizational trust?

The purposes of this article are studying effective economical, social, organizational and individual factors on the extent of MAPNA organizational trust and reviewing and identifying the relationship between income, the sense of social dependency, informal relations, age, sex, education and work experience of personnel with the scope of trust building.

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2- REVIEWING THE THEORIES OF SOCIAL TRUST

Position and importance of trust in social theories have a particular place among the temporary philosophers. Thank to extensive intellectual efforts by Niklas Luhmann (1997) and Bernard Barber (1983), it has moved from margin to a significant place in social insights.

Due to broadness of this issue among philosophers, studying all theorizers and their ideas may not be possible to be carried out. Thus, it refers to some of the most important theorizers on the ground of trust:

1-2 Bernard Barber: In terms of trust, barber believes that there are three types of expectations constructing a part of substantial traits of trust. The most perfect expectation is the hope of stability and implementation of social, moral and natural discipline. The second expectation is the hope of fulfillment of technical role of people entered into social relations and systems along with us. Finally, the third expectation is the hope of each side for being committed against their responsibilities and duties. In other words, the responsibilities and duties which make people to prefer others' interests to their interests.

2-2 Niklas Luhmann: Luhmann has some theories about trust and he believes that lack of trust in a society may bring some troubles. He emphasizes that people are required to deliberately and in accordance to time and necessity trust on others. So, in his view, trust is a social approach in which expectation, functions and behaviors of people is regulated and lead. Ultimately, if the rules are perfectly carried out in society and if a legitimate power governs, it would be possible to observe cooperation and collaboration of society members in all levels. This issue is regarded as the impacts of trust on each other which it can reinforce trusting on other people.

3-2 David W. Jansen: Jansen has studied trust in retail, interpersonal and in group. He believes trust plays an influential role in growth and development of relations and the first crisis which most of relations encounter is relate to ability to trust. To create relation, there should be a space abundant of trust to decrease their worries about being rejected and rebuffed and increase the hope of acceptance, support and confirmation. Trust is not a personality and unchangeable characteristic. Trust is an aspect of relation which is constantly changing. Anything people do can increase or decrease trust level. In building and preserving trust in mutual relation, each side's action is of great importance.

4-2 Claus Offe: Offe in his article, 'How can trust on citizen', in justifying the necessity of the element of trust in society, refers to major requirements of society in establishing discipline and assuming the fact that trust exists in any society, emphasizes that activating and maintaining it is more corrected than establishing it. He knows individual motivations for stability and solidity of trust as incomplete and offers two solutions for it: First, caring groups as a reinforcement resource of common identity and feeling of individual dependency. Second, society organizations may broaden trust around the society through their capabilities.

5-2 James Coleman: According to logical and exchange selecting theories, Coleman considers actioners as purposeful factors which act a task more probably be successful. They think over their interest and harms.

Colman's discussion over trust encompasses the following notes:

- Trust whether in retail and major level, would have more benefits over distrusting, if it does not tend toward superfluity.
- If unilateral trust promotes to the level of mutual trust, it is more guaranteed to be retained.
- Trust media appeared in role of consulter, guarantor and investor may be effective in broadening and decreasing trust level in society and all society members are qualified to play these roles. Their success or failure in the issue of trust would effect on their approach toward society and social trust.
- If trust on elites is disappeared along the society, this trust would be formed in other place. For instance, if people trust on local media is declined, they would be inclined to other sources.
- Trust and distrust both are self-additive and they are not stable.

6-2 Piotr Sztompka: According to Sztompka, trust whose the most important feature is orientation to feature appears in the midst of human actions. The less our control over future actions, the more we need trust.

Trust means betting on an obscure future and uncontrollable actions of other people which is invariably adventurous.

Sztompka regards trust levels in layers start from the most concrete relations between family members and continue to the most abstract relations like trust on social discipline, system efficiency and, ….

7-2 Anthony Giddens: Giddens, a British contemporary known socialist, categorizes trust into four groups:

1- Existential trust and security

2- Trust on abstract and skilled systems

Under Giddens beliefs, trust may belongs to other abstract issues such as trust on discipline, democracy, science and so on.

3- Trust in personal relations

4- Trust backgrounds in pre modern and modern periods

8-2 Masuod Chalbi: Chalbi comments on social trust in two forms: Interpersonal trust specific to traditional society (expressive relation is in this context) and generalized trust specific to modern society (instrumental relations is the main feature).

3- METHODOLOGY

- **Research methodology**

Considering over mentioned purpose, this research is practical and in terms of the type of investigation of data, it is a surveyance.

- **Statistical society, sampling method and sample volume**

MAPNA Holding Company (Iran Power Plant Projects Management Company) with 700 employees is a statistical society considered for this research. From this population, 65% is expert, 4% is employees, 19% is managers, 7% is undertaker and 5% is secretary.

For sampling, categorized sampling method has been used.

Table 1: specifying sample volume

	Statistical society	expert	Employee	manager	undertaker	secretary
Statistical society	700	455	28	133	49	35
percent	100%	65%	4%	19%	7%	5%
Statistical sample	150	97	6	28	11	14

Since in this research, the volume of statistical society is specified, to determine the sample volume, the Kukran formula has been used.

$$n = \frac{Nz^2pq}{Nd^2 + z^2pq} = \frac{700 \times 1/96^2 \times 0/5 \times 0/5}{700 \times 0/071^2 + 1/96^2 \times 0/5 \times 0/5} = 150$$

- **The way of evaluating durability and permissibility of data collective tool**

In this research, questionnaire permissibility is studies by professors. The permissibility of evaluation instrument is calculated by Krunbakh Alpha Coefficient. Krunbakh α coefficient is a criterion for measuring internal compatibility. If this confident is bigger than 0.7, it shows the high stability of model and if α is smaller than 0.6, it is the indication of low confidence of model.

Research Hypotheses

- It seems that there is a relationship between economic variables and their organizational trust.
- It seems that there is a relationship between social variables and their organizational trust.
- It seems that there is a relationship between individual characteristics of personnel and their organizational trust.
- It seems that there is a relationship between organization variables and their organizational trust.
- It seems that there is a relationship between job opportunity of personnel and their organizational trust.
- It seems that there is a relationship between social dependency sense of personnel and their organizational trust.
- It seems that there is a relationship between personnel feeling about justice in company and their organizational trust.
- It seems that there is a relationship between informal relations of personnel and their organizational trust.
- It seems that there is a relationship between sex of personnel and their organizational trust.
- It seems that there is a relationship between work experience of personnel and their organizational trust.
- It seems that there is a relationship between education of personnel and their organizational trust.
- It seems that there is a relationship between age of personnel and their organizational trust.

4- Analyzing information

4-1 studying research hypotheses

In this section, the relationship of variable has studied and spearman correlation coefficient has been used for research hypotheses.

To evaluate the hypotheses, a questionnaire was designed and distributed among 103 experts, 8 employees, 30 managers, 13 undertakers and 7 secretaries of MAPNA Company according to categorized sampling method. They were asked about the situation of each indexes and variables. In the questionnaire, the importance of each question was determined in accordance with the scale defined from one to five. Number one is the indicator of extensive disagreement with question and number five shows the extensive agreement with a relevant question.

Each of these variables is calculated by some measurable indexes. The indexes are measured directly by question asked from them.

For reviewing organizational trust in MAPNA, 18 subjects have been considered and the most important poles in these subjects include honesty, accuracy, collaborative tendencies, sharing and confidence. To study social variables of MAPNA, five subjects have been used investigating the issue of social dependency of this company.

Organizational variables have studied by using 16 subjects in which distributive justice and informal relations are the main understudied subjects. Also, the economic variables and individual traits of employees have been presented as open questions whose results have been brought in the section of describing variables.

First hypothesis: there is a meaningful relationship between economic variables and organizational trust.

As referred in previous section, staff income and their job opportunity were posed as two economic variables. On the other hand, 18 subjects had been presented to assess organizational trust in questionnaire. Staff income were divided into 4 levels of under on million, between one to two million and over three million, job opportunity of staff were group into expert, manager, undertaker and secretary level and finally the organizational separated to three organizational trust. These facts show that:

In trust level of 95%, the meaningful level should be over 0.05. As following tables indicate, model Sig is bigger than error level (0.05 < 0.576); thus, H0 is confirmed and H1 is rejected. So there is no meaningful relationship between economic variables and organizational trust.

Table 2: relationship between income and organizational trust

Economic variables (independent variable)	Organizational trust (dependent variable)			Meaningful level	
	low	medium	high		
0.172	54.3	1.22	5.48	Under one million	Income
	2.2	0	4.27	One to two million	
	10.4	0	1.22	Two to three million	
	1.22	0	0	Over three million	
0.889	53.05	0.01	8.54	Expert	Job opportunity
	3.65	0	0.01	Employee	
	17.68	0	0.01	Manager	
	7.92	0.01	0.01	Undertaker	
	4.88	0	0	secretary	

Table 3: correlation coefficient of two variables of organizational trust and economic variables

Independent variable	Test and meaningful level	Dependent variable: organizational trust
Economic variables	Meaningful level	Economic variables
	Spearman coefficient	
	Sample number	

Second hypothesis: there is a meaningful relationship between social variables and organizational trust.
The understudied social variable is social dependency variable explained through five subjects. The relationship between five different subjects with three levels of organizational trust (low, medium, high) has illustrated in following table.

Table 4: relationship between social dependency subjects and organizational trust

Economic variables (independent variable)	Organizational trust (dependent variable)			Meaningful level	
	low	medium	High		
0.024 **0.889**	8.34	2.98	6.43	I see my personal interests in administrative relation with my colleagues.	Social dependency feeling
	8.32	4.31	4.23	I prefer my personal interests to company interests.	
	9.12	6.34	4.34	For solving my colleagues' problems, I see myself responsible.	
	11.98	4.12	4.23	I do not feel lonely at my workplace.	
	13.9	6.78	5.39	In case of appearing a problem, colleagues help each other.	

Spearman correlation coefficient shows the relationship of dependent and independent variable of model. As you can see from the following table, correlation coefficient between two variable of social dependency and organizational trust is 0.176 indicates the partly weak relationship of these variables:

Table 5: correlation coefficient of two variables of organizational trust and social variables

Independent variable	Test and meaningful level	Dependent variable: trust
social variables (organizational dependency)	Meaningful level	0.024
	Spearman coefficient	0.176
	Sample number	164

As the table show, trust level is 95%, error level is 0.05. The level of Sig is smaller than error level (0.024 < 0.05), so H0 is rejected and H0 is confirmed. In other words, considering Spearman correlation coefficient, there is a meaningful relation between organizational dependency and organizational trust. However, correlation coefficient of 0.176 indicates a low correlation between these two variables.

Third hypothesis: there is a meaningful relationship between organizational variables and organizational trust.
As seen in previous section, distributive justice and informal relationship were posed as two organizational variables of questionnaire. On the other hand, 18 subjects were presented for evaluating organizational trust. But 16 subjects also posed to study organizational variables in questionnaire. The following table demonstrates the relationship between organizational subject and the level of organizational trust in MAPNA Company.

Table 6: relationship between organizational variables and the levels of organizational trust

Dependent variable	Organizational trust (dependence variable)				
	Low	Medium	high	Low	Meaningful level
Distributive justice	Regarding my responsibility, I receive a fair award.	2.43	3.46	2.12	0.001
	Regarding my experience, I receive a fair award.	2.41	2.67	4.89	
	In paying salary and award, specialty and education are cared.	.19	3.11	3.282	
	Laborious employees are encouraged.	1.57	3.45	4.13	
	Good and innovative works are supported.	1.23	2.67	3.96	
	In paying salary and award, hardship and vulnerability of work are cared.	2.34	3.12	4.11	
	Company helps personnel equally.	2.98	2.23	3.97	
	Punishment is proportional to delinquency.	1.67	2.98	3.12	
	Job promotion is according to competence and eligibility.	2.12	2.19	3.69	
	My direct supervisor does not discriminate between personnel.	1.98	2.89	4.11	
	Job promotion is according to rules and principles.	2.23	0.67	3.83	
	Personnel are provided with ability to participate in any welfare projects.	1.34	1.79	2.35	
Informal relations	Personnel are permitted for membership in any convention or society.	7.45	1.79	15.95	0.007
	Sometime we are in manager's room and discussing about various subjects.	2.89	7.37	1.19	
	Sometimes manager call personnel by their first name.	6.45	5.27	8.34	
	Drinking tea or eating fruit with manager is possible.	2.43	9.21	12.78	

Spearman correlation coefficient indicates the relationship of dependent and independent of model. As is obvious in following table, correlation coefficient between two variables, organizational variables and organizational trust, is 0.285 which is the indicator of a fairly good relationship:

Table 7: correlation coefficient of two variables of organizational trust and social variables

Independent variable	Test and meaningful level	Dependent variable: trust
social variables (organizational dependency)	Meaningful level	0.00
	Spearman coefficient	0.285
	Sample number	164

As the table show, trust level is 95%, error level is 0.05. The level of Sig is smaller than error level (0.00 < 0.05), so H0 is rejected and H0 is confirmed. In other words, considering Spearman correlation coefficient, there is a meaningful relationship between organizational variables and organizational trust.

Forth hypothesis: there is a meaningful relationship between individual characteristic and organizational trust.

In previous section it was mentioned that sex, work experience, age and education are the individual variables of questionnaire. On the other hand 18 subjects were posed for measuring organizational trust. Sex were divided into two levels of females and males, education, work experience and age grouped into four, three and four levels respectively. The organizational trust has categorized into three levels of low, medium and high. The following table demonstrates the relationship between individual variables and three levels of organizational trust in MAPNA Company:

Table 8: relationship between variables and levels of organizational trust

Individual variables (dependent variable)		Organizational trust (dependent variable)			Meaningful level
		low	medium	high	
Sex	Man	7.36	23.09	3.90	0.266
	Woman	3.68	12.0	21.74	
Education	Under diploma	8.32	4.31	4.23	0.927
	Diploma	9.12	6.34	4.34	
	BA	0.01	0.00	0.00	
	MA	6.13	14.32	39.05	
		3.68	10.22	22.30	
	Above MA				
Work experience	Under 5 years	7.31	20.01	31.83	0.234
	Between 5 to 10	3.04	8.83	19.44	
	Over 10 years	0	0	9.54	
Age	20 to 30 years	8.23	12.56	15.23	0.128
	31 to 10 years	10.02	12.33	22.98	
	41 to 50 years	1.62	4.34	8.33	
	Over 50 years	0	0	4.34	

Spearman correlation coefficient shows the relationship between dependant and independent variable (individual traits and organizational trust). As it is clear from the following table, there is no meaningful relation between these two variables, individual traits and organizational trust.

Table 9: correlation coefficient of two variables of organizational trust and individual traits

Independent variable	Test and meaningful level	Dependent variable: trust
social variables (organizational dependency)	Meaningful level	0.224
	Spearman coefficient	0.095
	Sample number	164

As the table show, trust level is 95%, error level is 0.05. The level of Sig is smaller than error level (0.00 < 0.05), so H0 is confirmed and H0 is rejected. In other words, considering Spearman correlation coefficient, there is a meaningful relationship between organizational variables and organizational trust.

Other variables of questionnaire

According to ultimate results, second and forth hypothesis, i.e. the relationship between organizational trust with social variables and organizational variables, in trust level of 95% were confirmed and the first and the third hypothesis were rejected, it means there is no meaningful relationship between economic variables and individual traits with organizational trust. From among subordinate hypotheses, subordinate hypothesis of social variables (i.e. the relationship between social dependency and organizational trust) and subordinate hypothesis of organizational variables (i.e. the relationship between distributive justice and organizational trust and relationship between informal relations and organizational trust) in the level of 95% were confirmed. By studying the calculated coefficient correlation between organizational trust and confirmed variables, it was determined that organizational trust accept the most influence from distributive justice (0.301) and informal relations (0.210) , social dependency (0.176) respectively have the most impact on organizational trust. The general results have been presented in following table.

Table 10: final results from evaluating hypotheses

Variables' trust	Organizational trust		
	Meaningful level	Coefficient correlation	Meaningful relationships of variables with trust
Income	0.107	0.107	Do not have
Social dependency	0.024	0.176	Have
Distributive justice	0.00	0.301	Have
Informal relations	0.007	0.210	Have
Sex	0.266	-0.088	Do not have
Education	0.927	0.007	Do not have
Work experience	0.234	0.094	Do not have
Age	**0.128**	**0.120**	Do not have

In all hypotheses, organizational trust has been considered as a dependence variable to permit studying other variables' influence. Thus, according to obtained results, organizational trust variable is categorized into following groups:

- High organizational trust- grade of 3
- Medium organizational trust- grade of 2
- Low organizational trust- grade of 1

By studying the results achieved through questionnaire, it was determined that in MAPNA Company, the high level of trust is 12%, medium level is about 88% and the low level is 0%.

5- Conclusion and suggestions

By testing the main and subordinate hypotheses, it was specified that organizational variables (distributive justice and informal relationship) have the most influence on organizational trust and social dependency variable (social variables) is in the second place.

The variables of education, sex, age, work experience (individual traits), job opportunity and staff income do not have any meaningful relationship with organizational trust of MAPNA Company. The trust level of this company was assessed medium (88%) and high (12%). By specifying these relationships, the conclusions and suggestions would be studied in next chapter.

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