

## CONCEPTUAL APPROACH TO THE ORGANIZATIONAL TRUST BUILDING IN COMMITMENT PERSPECTIVE

### ÖRGÜTSEL GÜVENİN TESİSİNE BAĞLILIK PERSPEKTİFİNDEN KAVRAMSAL YAKLAŞIM

Mustafa Emre CİVELEK<sup>(1)</sup>, Murat ÇEMBERCİ<sup>(2)</sup>,  
Mehmet Saim AŞÇI<sup>(3)</sup>

<sup>(1)</sup> Istanbul Commerce University, Vocational School

<sup>(2)</sup> Istanbul Commerce University, Faculty of Applied Sciences

<sup>(3)</sup> Istanbul Medipol University, Social Sciences Vocational School

<sup>(1)</sup> ecivelek@ticaret.edu.tr; <sup>(2)</sup> mcemberci@ticaret.edu.tr; <sup>(3)</sup> msasci@medipol.edu.tr

**ABSTRACT:** Trust is a psychological factor that is the premise of social relations. The trust level in a country is connected with the culture and forms the social capital. Organizational trust may be defined that the employees don't require protecting themselves against the policies of organization which would affect them. Organizational commitment is defined that the employees internalize the organization values and creating the will of staying in the organization. The trust is considered as the most important premise of commitment. In this study the conceptual approach is developed how the organizational trust would be built in the commitment perspective.

**Key Words:** Trust; Social Capital; Organizational Trust; Organizational Commitment

**JEL Classifications:** M10; M120; M14

**ÖZET:** Güven her türlü sosyal ilişkinin öncülü olan psikolojik bir faktördür. Bir ülke içindeki güven düzeyi o ülkenin kültürü ile bağlantılıdır ve ülkenin sosyal sermayesini oluşturur. Örgütsel güven ise, risk içeren durumlarda bile çalışanın örgütün kendisini etkileyecek uygulama ve politikalarına karşı kendini koruma ihtiyacı duymaması olarak tanımlanabilir. Örgütsel bağlılık, çalışanların örgüt amaçlarını ve değerlerini içselleştirmesi ve örgüt içerisinde kalma isteği oluşturması olarak tanımlanabilir. Örgütsel güven bağlılık açısından değerlendirildiğinde, güven bağlılığın en önemli öncülü olarak kabul edilmektedir. Bu çalışmada, literatürde yer alan örgütsel güven ve bağlılık alanındaki çalışmalar incelenmiş, örgütsel güvenin bağlılık perspektifinden nasıl tesis edileceği ile ilgili kavramsal bir yaklaşım geliştirilmiştir.

**Anahtar Kelimeler:** Güven; Sosyal Sermaye; Örgütsel Güven; Örgütsel Bağlılık.

### 1. Introduction

The most critical production factor is the knowledge in creating the competition advantage by the organizations within the today's competitive environment. Cooperation of employees with each other, obtaining information from the different sources and sharing this information with each other will contribute to the process of creating the new knowledge within the organization. New knowledge, created within the organization, may provide the different solutions to the problems which the organization faces with. Therefore, the processes, which are designed incorrectly or inefficiently within the organization, will be improved, and this will provide the competition advantage to the organizations. Being creative of employees, working in

cooperation, taking responsibility and initiation are critical for the organizations in an environment changing fast and competitive environment becoming gradually harder. In order to obtain such cooperation environment, first of all, the employees should trust each other, directors and the organization that they work in. This trust leads to the commitment of employees to the organization. Even though it is revealed that it is necessary to empower the personnel in order to create the company commitment in the scientific works on management, the Taylorist applications are still found in many companies (Hamid, Nordin, Adnan, & Sirun, 2013). This causes that the employees feel themselves worthless. When the employees mention any idea related to any problem, they may be afraid of being perceived as a troublemaker or may believe that the recommendation would not cause any change and not be considered. Such and similar attitudes of employees may be interpreted as not trusting their colleagues and directors in the organization (Chang, Shih, & Lin, 2010).

It is very critical for organizations to establish the cooperation with their employees and to obtain their opinions on every subject in the vehement competitive environment of today's information age. The precondition of cooperation is that the people trust each other. In order that the people trust each other, the trust should become the part of organization culture. This is associated with the concept of organizational trust. In this work, first of all, the concepts of trust and organizational trust shall be studied and then, the relation of these concepts with the organization commitment shall be discussed.

## **2. Conceptual Framework**

The trust is a psychological factor which may not be underestimated as a premise of social interaction at every level. Since the human is a living being that lives depending to each other, he/she should trust each other in order to cooperate. The trust is a psychological factor which is inherent in us. Trust occurs in case of mistrustfulness. Namely, in the event that we don't know how the person against us would act, we put ourselves in a defenseless position by trusting him/her (Lewis & Weigert, 2012). The concept of being defenseless is emphasized in many resources in the literature. Mayer and Davis define the concept of trust as 'desire to become defenseless against the actions of person whom will be trusted' (Kramer & Cook, 2004).

The trust within the society emerges from the primarily shared values. It is connected with the culture of country. The trust level within the country corresponds to a measurable economic value. So, the economy may not be discussed independent from the culture. Social capitals of developed countries are higher. Social capital is the ability of human to work in groups and organizations for the common objectives. Social capital creates the effect of reducing the costs and increasing the productivity on the economy. The reason is that the persons, having the shared value, may take the decision fast as a result of trusting each other and reduce the operating costs. By this way, the people will spend the time and energy which they must spend them for defending themselves against each other to their works. The trust, which allows the people to work and live together without leading to the endless waster conflict and discussion rushes, is the primary facilitator of all social activities (Cohen & Prusak, 2001). Self-socializing, which is the sub-dimension of social capital, means the meeting of people without any compulsion. Francis Fukuyama, making the significant

contributions to the literature on trust, generally discussed the Germany and Japan examples. He suggests that even though those two countries were defeated, especially during the Second World War and suffered the significant damages, they become the most important economies of the world, because their societies have the higher social capitals. According to Fukuyama's view, despite the fact that American society also takes part among the societies having the higher social capital, the social capital was adversely affected by Taylorism, especially at the beginning of century. Even though Taylorism was weakened, especially upon emerging of neoclassical method theories, it left the significant traces in the American business life. Due to the possible negative impacts of Taylorism arising from the division of labor and specialization, it still causes the employees feel worthless and becoming estranged to the company in which they work (Fukuyama, 1996).

Trust is an adhesive holding the relations together. Without trust, no vision is achieved. In fact, nothing works well without trust. Unless the trust is available between the employee and employer, employees and customers, and company, the productivity, quality, sales and income all will diminish (Rosen, 1998). When there is not any trust, the company community turns into a crowd consisting of the unsatisfied wage slaves and managers in the defensive position. People still do their work, but don't show their ideas, enthusiasm and spirits (Solomon & Flores, 2001).

The concept of trust is categorized under two groups: emotional trust and cognitive trust. Cognitive trust is a rational and predictable fact. It is the fact that the person may trust another person whom he/she trusts based on the rational reasons considering his/her past behaviors. Namely, in the cognitive trust, the person should make a rational choice related to under which conditions and what reasons he/she will trust to the person whom he/she will trust. The cognitive trust is a calculated and knowledge-based trust. The sense of trust in the people doesn't always occur rationally. Adolf Hitler may be the example for this. Creating the sense of trust in his followers despite of his unethical behaviors may be explained with the emotional trust, namely, the followers identify themselves with the leader. Emotional trust occurs in case of sharing the ideas and emotions with the trusted person. It is associated with the identification of person with the person whom he/she trusts. Emotional trust occurs upon the person, who trusts, assumes that the trusted person is the philanthropist. That is, it is mostly based on the assumption and occurs emotionally. This trust type, also called as identification-based trust, is based on the assumptions related to and empathizing the opposite party (Lewis & Weigert, 2012).

### **2.1. Trust in Organizations**

There are some factors which lead to the creation of distrustfulness climate within the organization. For example, lack of trust, perceived by employee against the management and thinking by the management that the employee acts only for his/her benefit may cause thinking by the management that it knows the best and as a result of them, distrusting its employee. Organizational trust is defined that the employee doesn't need to protect himself/herself against the applications and policies which may affect him/her even in the risk involving cases (Kramer & Cook, 2004).

Perception of organizational injustice causes arising of reaction against the managers. This reaction may occur as the keeping silent by the employee, presenting the passive behaviors, having the hidden attitude and ideas. Organizational trust, first, occurs upon employees trust to the leader. In this case, the trust is defined as

the psychological state consisting of the positive expectations and perceptions on the leader's intentions and behaviors. As Fukuyama states, creating a safe organizational climate based on the policies, implemented by the leader, results the increasing of social capital within the company. Social capital is discussed at three levels. First is accelerating the works within the organization and reducing the process costs. The second level is to create the self-socializing between the organization members. Third is the adaptive behavior of organization members toward obeying the authority (Kramer & Cook, 2004).

The preconditions of creating the organizational trust within the organization are giving importance to the ethic concept, determining the universal values and rules, and observing such rules. Adoption of such values by the employees and reflecting them to their behaviors are closely related to the culture of community which they belong to (Pucetaite & Lamsa, 2008).

Creation of organizational trust may directly be associated with the organizational culture. As a result of organizational culture, a trustful organization climate appears. The culture may be defined as an integrity consisting of the values which are learnt and shared by the people, adopted beliefs, behavior manners, symbols and slogans. Within this general culture, the sub-cultures may be created which the different values, beliefs and symbols are shared. Each enterprise is, actually, a small community. Thus, this small community will also have the shared values set, namely the culture. In this context, the organizational culture may be considered as the sub-culture which is created under the general culture that is adopted by the community in the country where the organization operates. As Fukuyama states, the primary reason of which Germany and Japan become the most important economies of the world is that the general culture, dominant in such countries, is powerful and builds the trust between the people. Since the people have a cultural structure which they experience the problem related to trust each other in some countries, this superior culture penetrates into the organizational culture which is the sub-culture of community and makes difficult to create an organizational culture which will support the organizational trust within the organizations (Fukuyama, 1996).

According to Camerer and Peters, the culture of community, which the employees are the member, affect the behaviors of employees within the organization. Furthermore, in the studies executed by Gordon and Smith during 1991 and 1992, the organizational behavior varies depending on the community culture in the organizations which operate in the different countries. It is thought that the organizational trust is associated with the cultural features of the community which the organization members are the part of it (Essounga, 2009). Of course, the people reflect the sense of trust which they have to the others at the certain degree (Uzzi, 1997). Gradual increasing of trust in this manner is one of the sources of organizational trust, and establishes a bridge between the personal trust and organizational trust and helps the spreading of trust throughout the organization.

Organizational trust doesn't appear itself within the organization. Creation of organizational trust is related to the manner of management which the managers apply. In order to establish the trust in the organizations, it is necessary the managers should act ethical, and show the philanthropy to the employees.

It is necessary that the managers create such environment within the organization in order to encourage the employees having the innovative ideas in the corporate organizations. With a good or bad grace, the leaders are, unavoidably, the culture builders (Perkins & Wilson, 1999). When the leaders are consistent, fair, reasonable and trustworthy, those qualifications spread throughout the organization. Kuratko and Hodgetts list the activities necessary to create such environment as follows (Daft, 1997).

- Incentive activities.
- When possible, holding the informal meetings.
- Tolerating the errors. Considering those errors as the didactic experience.
- Awarding the personnel having the innovative ideas.
- Keeping the informal communication channels open.
- Establishing the teams for the future projects.
- Avoiding the strict business processes and paperwork.

Another factor, leading to creation of distrustful climate in the organizations, is the beliefs of managers related to the employees. Some managers believe that the employees are selfish and it should not be trusted them. The second belief, which some managers have, is that they know the best in favor of the organization. The third belief, having the managers, is that it is necessary to avoid the discrepancy, disagreement and conflicts within the organization. Such type of managers sees the different ideas as the source of conflict, and tries to suppress them in order to maintain the order.

Another factor, leading to the distrustfulness in the organizations, is the organization structure. Especially, the hierarchic organization structure prevents the employees to trust by restricting the participation of them in the management, and information flow.

Nowadays, the companies need the teams which collaborate and synergize more. This is the case which can be achieved with the leaders who really appreciate the employees and win their trust. It is not sufficient to promise the employees change and to excite them for the future only. They need the leaders who give importance to their personal development, establish the organic relation with them, briefly, intensify the sense of trust. The concept of authentic leadership is discussed as a next level of transformational leadership in the management literature. Authentic means the genuine. Namely, the leaders, who establish the organizational trust by dealing plain to the employees, not deceiving them and establishing the realistic relations, have the positive impact on the organizational commitment of employees. Authentic leaders create the positive impact on the attitudes and behaviors of employees by establishing the close relation with them (Wang & Hsieh, 2013).

As Lawler states in his work, 1992, more participatory management manner and team work are gradually adopted in the organizations. In a study executed by Wellins et al. in 1991, it was found that self-managing teams became the part of organization in 27% of American companies. Emerging of self-managing teams and increasing of commitment of the companies to the empowered employees cause that the concept of trust gradually become important (Mayer, Davis, & Schoorman, 1995).

## 2.2. Dimensions of Organizational Trust

Leader is very important to establish the organization trust. According to Robert Rosen, the leaders must be realistic, avoid affectations, be believable, keep his/her word, and his/her behaviors must be consistent and predictable and can waive his personal interests for the benefit of group in order to establish the organizational trust (Rosen, 1998). Employees know that the leaders, having such characteristics, believe in them. Therefore, they also believe in the leader. When the people feel that they are appreciated, they believe in the leader, even if they are skeptical (Rosen, 1998). According to Robert Rosen, the leader, who will establish the organization trust, has four characteristics. Those are sharing, listening, being predictable and opening all communication channels (Rosen, 1998).

**Sharing:** In general, the leaders, who don't believe in the employees, prefer to keep the information themselves. However, the employees would like to be informed about what happens in the organization. Sharing the information in the organization increases the trust. Including the people in the decision-making processes within the organization and informing them so as seeing the big picture have the positive impact on their motivations.

**Listening:** In general, the employees and customers say what they want, but since many managers are not the good listener, they miss the important parts. Becoming a good listener will allow the leader to determine the deficiencies within the organization and to perform the correct applications. In addition, since listening the people shows that we value them, it increases the trust.

**Being predictable:** Some people don't trust those whom they may not predict how those will act. A consistent leader allows the employees in the organization to feel in safe. The people, who work in a safe environment, may take the risk by taking initiative.

**Opening all communication channels:** There are two steps for open communication. First, all data, including the financial situation of the company, is shared with the employees. Second, it is understood what this data means and how this data will affect the employees' performance. Since the employees will understand how the work, which they carry out, is important regarding the company's performance, they will try to increase their performances.

In the researches within the literature, the scale, which is mostly used for the organizational trust, is the organizational trust scale that was developed by Daboval et al. in 1994. According to Daboval, the trust is built both between the individuals and throughout the organization. Eventually, trust of individuals each other and organization is associated and creates the organizational trust. This scale, developed by Daboval et al., consists of three dimensions. These dimensions are the employee policies, manager and employee relations and the communication. It is possible to explain those dimensions as follows:

**Employee policies:** This dimension is defined as developing the policies so as creating the system that the colleagues will trust each other or the employees will trust each other throughout the organization.

**Manager and employee relations:** It is defined as trust of employees to manager. The managers are responsible for creating the organizational culture at the first degree. The employees draw a conclusion related to their trust the organization from their relation with the managers. When the employees trust the managers, this trust spread throughout the organization.

**Communication:** Opening the communication channels within the organization obstructs the efficiency of rumors and gossips throughout the organization. If the people are correctly informed about the management's objectives, they adopt more the organization's objectives. For these reasons, opening the communication channels is important to build the organizational trust (Daboval, Comish, Swindle, & Gaster, 1994).

### 2.3. Commitment in Organizations

Efficiently using of human resource in the today's competition environment is one of the most important factors which provide the competition advantage to the organizations. Higher cycle rate arising from not keeping the employees within the organization increases the cost. Thus, the today's organizations try to enhance the commitment of employee. It will be wrong to think to pay the good wage the qualified employees in order to keep them in the organization, because it is found that sometimes, the qualified employees accept to work in another company with low salary. The reason of why is that the organization fails to motivate the employee and to build his/her commitment.

Organizational commitment is defined as internalizing the organization's objectives by the employees and creating the desire to stay in the organization by this way. Organizational commitment has a positive impact on the organizational performance (Kima & Brymer, 2011) (Wua & Cavusgil, 2006) (Zehir, Şehitoğlu, & Erdoğan, 2012). The reason is that an employee, having the organizational commitment, works willingly and by himself/herself without requiring any control and forcing toward the organization's objectives. This, first of all, enhances the employee's performance and depending on it, the general performance of the organization enhances. When the minimizing of cost arising from the higher cycle rate is added to this case, the organization's performance enhances more. The employees, having the higher organizational commitment, feel more responsibility and take more initiative. Furthermore, they adopt the innovative ideas fast and are successful on change and creativeness.

The trust is important for the organizations, but it is not a magic wand. Some organizations, having the relatively lower trust levels but the products with unique attractiveness, are successful despite of price, created regarding the productivity and employees. Not all organizations, having the higher trust, are successful. However, the effects of trust have the overwhelming positiveness. The trust is one of the preconditions of real collaboration-based work. It minimizes the process costs and other organizational conflicts, and becomes the basis for other benefits to be obtained from the social capital (Cohen & Prusak, 2001).

As much as an organization relies upon the creativeness and collaboration of employees, so much the trust is important. It is not a comprehensible policy to employ those who are the best, brightest and assiduous, but then, to treat them as if they are distrustful children. When the people believe that there is a powerful and

supportive hand which will hold them on the opposite side, they do such entrepreneur somersault (Ghoshal & Barlet, 1997).

#### **2.4. Dimensions of Organizational Commitment**

Since the organizational commitment is a complicated fact, it will be correct to separate it into the dimensions and to describe each dimension rather than summarizing it with a general description. The scale, which explains the organizational commitment and more widely used in the scientific researches, is the scale, known as Allen-Meyer scale and developed by John P. Meyer and Natalie J. Allen. In Allen-Meyer scale, there are three primary dimensions of organizational commitment. Those are described as follows (Meyer, Allen, & Smith, 1993).

**Affective Commitment:** It is described as identifying by the employee with the organization and adopting the organization's objectives and values. It is the most powerful among the commitment types. It appears as respecting and loving the organization and management, regarding the organization as an indispensable entity and when necessary, not looking after his/her own interest.

**Continuance Commitment:** Employees have the various advantages from the organization. When they leave the organization, they think that they would go without such advantages, and if they change their belief based on this, then they would not want to leave the organization. This type of commitment is called as continuance commitment. Such advantages may be the salary, title, statute or the close friendships making with the colleagues within the business environment.

**Normative Commitment:** It is possible that the employees may not adopt the organization's objectives and values. However, they show the organization commitment action as the requirement of ethical values that they have and of the business and professional ethics. The employees, who have such commitment, accept the organization commitment as the part of sense mission.

### **3. Conclusion**

Since the collaboration capability of the employees in the organizations, which establish the organizational trust, is higher, they have the advantage of competition against other organizations. Furthermore, the sense of trust increases the commitment of employees to the organization. However, since the organizational commitment is not a single dimension concept, it should be described based on the different dimensions. Since the dimensions, which are used mostly for the organizational commitment in the literature, are the dimensions which are created based on the Allen-Meyer scale, the researches to measure the relation between these dimensions and trust occur more widely in the literature.

In general, since the results from the researches support each other, the relation between organizational commitment and organizational trust is summarized as follows based on the results obtained from the research executed by Lui and Wang in 2013 (Lui & Wang, 2013).

It is found that there is only powerful correlation between the organizational trust and affective commitment as a result of analyses performed in order to determine the relation between the organizational trust and organizational commitment. There



is a relation between the organizational trust and normative commitment, but not powerful. It is determined that there is not any correlation between the organizational trust and continuance commitment.

The one, which is most powerful and desired by the management among the commitment types, is to build the affective commitment in the employees. In the researches, found in the literature, it is determined that this commitment type is connected with the organizational trust. Even one may say that the trust is the precondition of affective commitment.

If we look at the correlation between the continuance commitment and trust, since this commitment type is sourced from the mutual benefit or difficulties, the correlation between this commitment type and trust is, naturally, not determined in the works within the literature.

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