Building Organizational Trust for Positive Workplace Attitude

Abstract: Present study has examined organizational level factors as predictors of organizational trust and its impact on employees’ attitude and behaviour namely knowledge sharing, affective commitment, and turnover intention. The data were collected from 303 respondents belonging to six manufacturing and service organizations. The results confirmed that organizational level variables except job security significantly predicted organizational trust. The organizational trust positively influenced workplace attitudes of the employees.

Key words: Organizational trust workplace attitude.

There is no denying the fact that structural reform after the liberalization has brought significant changes in organizational structure, functions, process, and behaviour of employees. Organizations have undergone major changes in response to the challenges of technology, globalization, international competition, and economic reforms. Companies have switched over from hierarchical to team-based structure. Downsizing, de-layering, restructuring, and economic rationalism have become buzz-words. With the structural reforms, it has been marked that there has been a general decline in trust among the employees. Further, within work organizations, the nature of work itself is also changing. Work is increasingly centered on intellectual labour, and depends heavily on the willing engagement of employees. In response to these challenges, facilitating workforce effectiveness and building and maintaining a trusting relationship are critical to effective organizational functioning. Organizations are searching for new ways to promote collaboration and cooperation among employees and groups to enhance the value they create. Therefore, it is not surprising that interest in the concept of trust and, in particular,
ways of promoting it is increasing (Kramer & Tyler, 1996). Golembiewski and McConkie (1975) stated very pertinently, "There is no single variable which so thoroughly influences interpersonal and group behavior". Trust is increasingly being recognized as an important determinant of organizational success, stability, and wellbeing of employees in a turbulent business environment (Cook & Wall, 1980; Shaw, 1997; Tyler & Kramer, 1996).

In the backdrop of turbulent business environment, the present research, however, has attempted to identify macro level factors, which would directly affect the kind of relationship which would be shared between employer and employees. Companies providing job security in most unpredictable times, procedural justice adhered to despite inevitable changes in policies and procedures, perceived organizational support by the employees, and the kind of communication the company practises, would build trust with employees. Beyond the antecedents of trust, it is important to understand the potential consequences of trust. Interpersonal trust and organizational trust are supposed to have a combined impact on workplace attitude and behaviour. In the present corporate environment, organizations which thrive on the voluntary cooperation of their knowledge workers and strive to retain their employees in a market flooded with vast career opportunity, it would not be unjustifiable to judge the most relevant behaviour such as knowledge sharing, affective commitment, and turnover intention as potential outcomes of trust. Therefore, it is important to understand the referents of trust and the important role played by these factors in organizational dynamics.

**Organizational trust**
Gambetta (1998) defined organizational trust as “the global evaluation of an organization’s trustworthiness as perceived by the employees”. It is the employee’s confidence that the organization will perform an action that is meaningful or at least not detrimental to him or her. It is more impersonal in nature (i.e., less dyadic). Trust in management results from a social exchange process, in which employees interpret and reciprocate the actions of the management. The assumption taken here is that employees constantly monitor the work environment in order to assess whether they will trust top management or not. This aspect highlights the reciprocal property of trust (Fox, 1974, 1985). The study endorses the view that Management’s attitude towards its employees is communicated through the decisions and policies. Employees will reciprocate trust communicated by the management. Conversely, if the structures, roles, and climate of organization communicate lack of trust in employees by top management, employees will respond with distrust.

Trust in organization is associated with system wide variables, which are more global in nature and is under the control of top management. McCauley and Kuhnet (1992) found that system wide variables (such as the fairness of organization's performance appraisal system, and job security) explain additional and unique variance in trust in management over job and relational variables (such as job autonomy and supervisory support). Higher level of trust motivates employees towards team & organizational goals rather than individual objectives (Mishra, 1996). The organization or system wide variables influencing organizational trust, which were identified to be relevant in the present study, include job security, procedural justice, communication and perceived organizational support. The consequences of organizational trust, proposed to be
examined in this study, include affective commitment, knowledge sharing and decreased turnover intention.

Trust in organizations is believed to be influenced by certain system-wide variables, which reveal an organizations’ attitude and approach towards its employees. In the present study, variables which have been treated as potential antecedents of organizational trust are job security, procedural justice, perceived organizational support, and communication. A brief description is presented below.

**Job security:** The relationship between job security and trust in organization is theoretically grounded in the psychological contract literature (Robinson & Rousseau, 1994), and social exchange theory (Blau, 1964). The psychological contract between the individual and organization is specific. It involves beliefs about the specific terms and conditions of the employment. The psychological contract comprises both transactional and relational elements (Morrison & Robinson, 1997). Therefore, psychological contract suggests that employees’ feeling about job security would influence levels of organizational trust. In a changing business environment, restructuring and redundancy programmes undertaken both in public and private sectors, suggest that satisfaction with job security can potentially influence employee’s attitude, more specifically trust in organization. Given that employees have implicit expectations about job security (Rousseau, 1989; Shore & Tetrick, 1994), any perceived threat to that security implies a possible violation of the psychological contract, which can trigger reassessment of the contract. Psychological distancing can be manifested in terms of a reduced trust between the parties (Parks & Kidder, 1994). In support of this argument, Ashford, Lee, and Bobko (1989) showed that the greater the perceived job insecurity, the lower would be the level
of employees’ trust in organization. Carnevale and Wechsler (1992) argued that “the decision to trust the motives and intentions of organizational agents and to take risks in relation to the organization derive in part from belief about job security”. Individuals, who are confident that their jobs are secured, will be more likely to take risks and develop trusting attitudes than those who believe that their jobs are in jeopardy. The findings of Wong Ngo, and Wong (2000) suggested that in Chinese joint ventures, employees’ trust in organization was directly affected by their perceived job security. In a study conducted by Chawla and Kelloway (2004), job security predicted trust directly and indirectly via procedural justice. Thus, job security was considered to be an important factor that can affect the level of trust in the organization. In the present dynamic business environment, where the survival of the fittest is the driving force, security of jobs is generally not vouched by the companies. Therefore, a question that needs to be answered in such a scenario is – Is there a positive relationship between job security and trust. The study proposes to explore this relationship.

**Procedural justice:** is concerned with the impact of the fairness of decision-making procedures on the attitude and behaviour of people involved in and affected by those decisions (Korsgaard, Schweiger, & Sapienza 1995). Research on procedural justice has evolved from equity theory (Adams, 1965), which is concerned with fair distribution of resources. Since the conceptual development of procedural justice in the mid 1970’s (e.g. Thibaut & Walker, 1975; Leventhal, 1976), several studies have demonstrated that the perception of procedural justice is positively related to the trust in leader or management. Trust not only depends on the perception of fairness of allocation and outcome, but also on the procedures used to arrive at such decisions. Folger and Konovsky (1989) found
employees who felt that their supervisor who had conducted appraisal in a fair manner tended to trust them. Brockner and Siegel (1996) found that the individual’s positive view of process and procedural justice was likely to be linked to higher levels of trust in an organization and in supervisor. The use of procedurally fair practices impresses higher order issues such as employees' commitment to the system and trust in its authorities. The use of fair procedures demonstrates an authority's respect for the rights and dignities of the employees. Procedural justice is a typical metric for judging the fairness of social exchange. In terms of evaluating procedural justice, Leventhal (1980) proposed that procedures are judged based on their consistency of application, prevailing ethical standards, the degree of their bias, accuracy, correctability, and the extent to which they represent all people concerned. Furthermore, they claim that although the structural aspects of procedural justice can change, the nature of institutional forces suggests that they are more likely to be stable over time for an organization. Thus, if an organization uses fair procedures once, they are believed to use fair procedures always leading employees to believe that the organization can be counted on or trusted to operate this way in the long run (Brockner & Siegel, 1996; Knovosky & Cropanzano, 1991; Knovosky & Pugh, 1994). Although all the three dimensions of justice (i.e. distributive, procedural and interactional justice) are hypothesized to predict trust, procedural justice is expected to be the strongest predictor, as it is more likely to be controlled by, or at least constrained by, the larger organizational system and not by any individual. Findings of Hubbel and Chory-Assad (2005) confirmed that procedural justice was the strongest predictor of organizational trust compared to other forms of justice. Procedural justice judgments were found to unwaveringly demonstrate positive and significant affect on the
higher order attitudes of trust in head office management among the global strategic decision-making teams (Kim & Mouborgne, 1991). Folger and Knovosky (1989) have reported that procedural justice, not distributive justice, predicts trust in manager. In a study conducted by Aryee, Bhudwar, and Chen (2002), procedural justice was found to be a stronger predictor of trust in organizations, compared to other dimensions of justice. In multifoci approach, procedural justice has been found to be related with trust in organizations (Gopinath & Becker, 2000; Pearce, Branyiczki, & Bakacsi, 1994; Pillai et al., 1999). Aryee et al.'s (2002) findings showed that when procedures and their enactment are separated, procedural justice emerged as a better predictor of trust in organization.

**Perceived organizational support:** refers to the extent to which employees experience that they are valued by their organization and that the organization cares about their wellbeing (Eisenberger, Huntington, Hutchison, & Sowa, 1986). Perceived organizational support would be valued as an assurance that help will be available from the organization when needed to carry out one's job effectively and to deal with stressful situations (George, Reed, Ballard, Colin & Fielding, 1993). The theoretical linkages with perceived organizational support and trust are, again, based on social exchange theory (Blau, 1964). The positive work experiences provided by the organization (e.g. fair treatment) would make the employees believe that the organization values his or her contributions and cares for their wellbeing, which generates trust towards the organization. Research has indicated that employees with high perceived support are more committed to fulfil their job requirements and less inclined to leave the organization (Farrell & Rusbult, 1981). In accordance with this view, Eisenberger, Huntington, Hutchison, and Sowa (1986)
proposed that the perceived organizational support would be significantly related to a variety of employee attitudes and behaviours including trust. A study by Albrecht and Travaglione (2003) revealed that perceived organizational support was a significant determinant of trust in public-sector senior management. Tan and Tan (2000) also found that organizational support is a potential antecedent of trust in management. Recent researches have further confirmed the findings of prior research that perceived organizational support and trust in organization are strongly correlated. Eisenberger, Fasolo, and Davis-LaMastro (1990) suggested that trust in management mediates the relationship between employee perception of the organization's support and their commitment response. This finding was further supported by Whitener (2001), who reported that trust in management partially mediated the relationship between perceived organizational support and organizational commitment. Several studies have looked into other kinds of perception (e.g. procedural justice or individuals’ support), that generated similar results consistent with this notion. Perceived organizational support has been linked with other variables, especially procedural justice, and supported by past studies.

The relationship between perceived organizational support and organizational trust has significantly received less attention from researchers especially in the Indian context. Thus, it can be said that perceived organizational support may be considered as an important predictor affecting organizational trust.

**Communication:** In the complex and changing contemporary organizational environment, communication is a critical ingredient. DeCharms (1968) found that individuals want their organizational environments to be more supportive/open. Professionals and researchers alike seem to believe that employees who perceive the
communication climate in their organization in a positive manner, would develop positive perceptions towards their work and organizations. Evidence is also available that management's action can substantially influence employees' perception of communication climate (Kulhavy & Schwartz, 1981). Using Deutsch's (1949) trust and cooperation framework, Loomis (1959) examined the role of communication in a trusting relationship and concluded that communication is positively related to perceptions of trust, and the levels of trust increases with communication. Many communication variables contribute to trust formation. Sekhar and Anjaiah (1996) investigated the relationship between communication and interpersonal trust in organizational setting and concluded that trust and number of communication facets (adequacy, amount, quality, frequency, informality and direction) were positively related. Cufaude (1999) found that frequency, timeliness, and forthrightness of communication are conducive to trust. Gilbert and Tang (1998) emphasized that the communication provides increased levels of information. They describe mentoring, informal network centrality, and work group cohesion as some of the possible means for establishing a continuous information flow. Whatever may be the method of communication, two important aspects, which makes the communication meaningful are openness and accuracy, and considered to be the essential factors determining trust. Companies with open and accurate communication give contextually relevant information to employees about the company, explain the rational behind the management and HR decisions, encourage employee’s involvement, and communicate company’s values (Caudron, 2002). This enhances transparency and faith between employees and management. Gilbert and Tang (1998) found that if an individual is part of the channel, providing essential information, then he/she is more likely to
experience organizational trust. In general terms, trust can be developed through increasing the quantity and/or quality of communication exchange over time. Study of Roberts and O’Reilly (1974) showed that accuracy in information flow had the strongest positive relationship with trust compared to other variables. Open communication in which managers exchange thoughts and ideas freely with employees, enhances the perception of trust (Butler, 1991; Farris, Senner & Butterfield, 1973; Gabarro, 1978). In addition, employees see managers as trustworthy, when their communication is accurate (Folger & Konovsky, 1989; Konovsky & Cropanzano, 1991). Mishra and Morrissey (1990) determined that open communication and sharing of critical information were related to trust. Korsgaard, Brodt, and Whitener (2002) showed the importance of open communication and of expressing concern in developing trusting relationship. They found that the negative outcome of disagreement between an employee and manager does not necessarily result in low trust, when managers communicated openly in a transparent manner and demonstrated concern. Barker and Camarata (1998) found that sharing of information and promoting openness and dialogue facilitated positive organizational transformation. Communication is the reflection of organizational culture. According to Randolph (1995) and Whetten and Cameron (1998), sharing information raises the level of employees’ trust in management. In a similar vein, Shaw (1997) and Weatherup (1997) suggested that high trust culture requires the encouragement of openness and minimizing the amount of political behaviour. The relationship between communication and trust is guided by social exchange theory, where open and accurate communication gives employees positive feelings about the company, and they reciprocate with improved trust on management. Findings of Tzafrir, Harel, Baruch, and Dolan (2003) also confirm that
manager's openness in communicating with employees had significant positive influence on the higher levels of employees' trust. Nevertheless, research to date presents inadequate understanding of which communication action of management will most probably bring about desired result such as greater employee trust in management. Studies of organizational trust from communication perspective are scant as most of the studies have focused on interpersonal trust. Therefore, the present study aims to investigate the two broad aspects of communication i.e. openness and accuracy in relation to trust in management. The presence of trust is believed to have a positive impact on employees’ attitude and behaviour. The present study has made an effort to examine knowledge sharing, organizational citizenship behaviours, affective commitment and turnover intention as some of the consequences of trust at interpersonal and organizational level.

**Knowledge sharing:** Knowledge is a “justified true belief” (Nonaka, 1991), or stock of expertise (Starbuck, 1992). Knowledge is the capacity for effective action (Senge, 1997). Bartol and Srivastava (2002) considered knowledge to include information, ideas and expertise relevant for tasks performed by individuals, teams, work units, and organization as a whole. Senge (1997) explained that knowledge sharing is not about giving people something or getting something from them (it is only valid for information sharing). Knowledge sharing occurs when people are genuinely interested in helping one another. Edvinson and associates (2004) suggested that developing an organization-wide system of knowledge-base and managing it with effective utilization and creation of new knowledge is important for innovation and performance. An organization can develop its knowledge-base and competitiveness with an effective sharing process. (Andrews &
Delahaye, 2000; McEvily et al., 2000). Researchers expressing their concern said that effective sharing of knowledge among individuals or teams may not take place in an organization (Fisher & Fisher, 1998; Tobin, 1998). French and Raven, (1959) identified knowledge (expertise) as a source of power, the disclosure of which might lead to erosion of individual power, thereby partly explaining an individual’s reluctance to share it with others. Davenport (1993) said, “Sharing and using knowledge are often unnatural acts because the natural tendency of human is to hoard.” It is for this reason that trust plays an important role in knowledge sharing. The employees must trust one another to share information and knowledge (Connelly & Kelloway, 2000). Trust is essential because it provides an open system necessary for knowledge development (Boussoara & Deakins, 2000). The foundation of trust provides faith that the knowledge shared will not be misutilised. Complex knowledge sharing is suggested to be a spiral process, which starts at the individual level and expands to greater organizational communities. Therefore, encouraging knowledge sharing within dyadic relationship would be the first step towards building a sharing culture, organization wide. An IBM study found that it was trust, not the presence of strong ties that led to effective knowledge sharing (Levin, Cross, Abrams & Lesser, 2003). Findings of Chowdhury (2005) suggest that trust within dyads in the teams significantly predicted the extent of complex knowledge sharing. March and Olsen (1990) suggest that learning between partners and decisions to exchange knowledge are also based on trust. The findings of Lin (2006) also indicated that trust exerted the most significant effect on intention to facilitate knowledge sharing among the senior executives in Taiwanese organizations. It has been found that the propensity to share tacit knowledge can migrate upward and downward depending on
trust and motivation created and maintained in a relationship (Kaser & Miles, 2001). With organizational trust, the employees have an understanding that there are safety nets protecting their interest related with the risk of divulging their knowledge. Therefore, it requires empirical evidence to find out the impact of organizational trust on knowledge sharing.

**Affective commitment:** The foundational concept of workplace commitment is identified along multiple foci, including commitment to one’s work, career, job, union, and organization (Mueller, Wallace & Zanna, 1992). Organizational commitment has three major dimensions: affective, continuance, and normative commitment. The most prevalent theme is manifested in affective orientation, in which commitment is considered as an affective or emotional attachment to the organization. Employees with strong affective commitment work in the organization because “they want to”. Greenberg (1999) saw affective commitment as strength of the people’s desire to continue working for an organization because they agree with its underlying goals and values. More than continuance or normative commitment, affective commitment has positive influence on a number of variables related to organizational wellbeing such as job satisfaction (Meyer et al., 2002), perceived organizational support (Rhoades & Eisenberger, 2002), job involvement, job performance, and OCB (Allen & Meyer, 1996). Owing to this positive relationship, employees with strong affective commitment contribute more to the accomplishment of organizational goals. The relationship between trust and organizational commitment has been studied quite extensively. The most compelling reason for interest in the relationship between trust and commitment is the importance of organizational commitment which has received substantial support as an antecedent to
different effectiveness and performance indicators. Therefore, by establishing the link between trust and organizational commitment, it can be argued that trust affects organizational effectiveness and performance. In support of this argument, Hosmer (1995) posited that organizational success is the union of trust, commitment, and effort. Treating people fairly creates trust, trust builds commitment, and commitment ensures effort, which if rationally directed and coordinated, leads to organizational success. Further, Morgan and Hunt (1994) argued that, since trust is so highly valued, individuals commit themselves to those they trust. Empowerment of staff nurses had influence on their trust in management and ultimately influenced affective commitment (Lashinger, Finegan, & Shamian, 2001). A study conducted on employees of Chinese joint ventures revealed that trust in organization mediated the relationship between affective commitment and its antecedent variable (Wong, Ngo, & Wong, 2002).

**Turnover intention:** is considered a conscious and deliberate willingness to leave the organization (Tett & Meyer, 1993). Elangovan (2001) defined it as the strength of an individual’s conviction that he/she will stay with or leave the organization, in which she/he is currently employed. Intention to leave is probably the most important predictor of actual turnover. This is often measured with reference to a specific interval (e.g., within the next six months) and has been regarded last in the withdrawal cognition, consisting of a set of thinking of quitting and an intent to search for alternative employment (Tett & Meyer, 1993). Excessive employee turnover rate is related to the direct and indirect cost, affecting morale, productivity, reputation and survival of the organization (Hinkin & Tracey, 2000). Apart from this, over time, organizations invest substantial resources in their employees (Lee & Mitchell, 1994). Therefore, it is a matter
of concern in the present competitive environment for the organizations faced with lack of employee continuity. Identifying the causes of turnover intentions is important for understanding, and controlling such behaviour (Vandenberg & Nelson, 1999). Previous research on turnover intention have focused exclusively on job related variables (e.g. role conflict, role ambiguity, role overload, work conditions, job task and autonomy), and demographic variables (e.g. gender, age, tenure and education) as determinants affecting turnover intentions (Kim 1999; Lum, Kervin, Clark, Reid, & Sirola, 1998; Parnell & Crandell, 2003). This study extends the understanding of employees' cognitive attitude i.e. trust, on turnover intentions. A number of studies conducted in a variety of settings support the relationship between organizational trust and intention to leave. This line of thought is consistent with Fishbein and Ajzen's (1975) theory of reasoned action which postulates that attitude is consistently related to behavioural intention. Costigan, Ilter, and Berman (1998), and Mishra and Morrisey (1990) found that reduction in employee turnover was one of the advantages of trust. The increased collaboration, connection and effective communication stemming from trust would lead to positive social network, feeling of support and greater attachment to peer and organization. A meta-analysis showed that satisfied employees feel productive, contribute to organizational goals, and generally have lower turnover intentions (Harter, Schmidt, & Hayes, 2002). In the context of Chinese joint venture, workers’ trust in the organization had a strong negative impact on intention to leave the organization (Wong, Ngo & Wong, 2003). Schnake and Dumbler (2000) reported that trust in organization was negatively and significantly related to turnover intentions. A recent finding by Hemdi and Nasurdin (2006) indicates that employees' turnover intentions were significantly reduced when employees had more
trust in top management. Trust in organization has been empirically reported as an important intervening variable affecting one's beliefs and behavioural intentions or outcomes. The findings of Hemdi and Nasurdin (2006) highlighted the importance of employees' trust in organization as the key mediating role between perceptions of HRM practices and turnover intentions.

Thus it is evident from the literature that organizational trust is positively related to job security, perceived organizational support, procedural justice and communication. However, the role of trust in Indian context perceived organizational support and communication as predictors and affective commitment as outcome demand more empirical support. Therefore the main objective of the study was to examine the effect of job security, perceived organizational support, procedural justice and communication in determining organizational trust. To examine the relationship between organizational trust and employees workplace attitude such as knowledge sharing, affective commitment and turnover intentions. The following hypotheses were formulated to test these objectives.

**H1:** Employees perceived organizational support, job security, procedural justice and open and accurate communication would be positively related with organizational trust.

**H2:** Organizational trust would significantly predict knowledge sharing, affective commitment and lowered turnover intentions.

**Method**

**Sample**
The sample consisted of 303 managers from top, middle, and lower managerial levels from manufacturing and service organizations through stratified random sampling. A total of 500 survey instruments were distributed out of which 360 (72 percent) returned. The response rate was considered satisfactory for self-report survey of this type (Babbie, 2001; Miller, 1991; Yammarino, Skinner & Childers, 1991). Out of the total sample 24 percent managers belonged to top, 34 percent belonged to middle and 42 percent belonged to lower levels of hierarchy. The percentage of graduates, postgraduates and doctorates were 56, 40 and 4 percent respectively. The average age of the participants was 37 years. The duration of service of the participants with present employer was 10 years, whereas the duration of participants with present career was 13 years. Participants were assured of their confidentiality and that the Data would be reported in the aggregate. No administrative personnel had access to the study data at any point of time in the data collection process.

**Measures:** The questionnaire administered in the survey consisted of 106 items using different scales on a 7-point likert scale. The items were selected from standardized scales and few of them were modified as per the requirement of the study. Brief descriptions of measures are given below.

**Organizational Trust:** This variable was assessed with a 9 item scale developed by Pearce, Branyiczki, and Bakacsi (1994) to measure how much employees trusted the organization to take care of their interest. The Cronbach’s alpha for the scale was .82

**Job security.** This variable was measured using a 6-item scale taken from a scale developed by Oldham, Kulik, Ambrose, Stepina, and Brand, 1986 (1986) and used by George (2003). The scale assessed individuals’ belief that their jobs were secure with
their current employer. The reliability index as represented by the Cronbach’s alpha was .90.

**Procedural Justice.** Procedural Justice was measured using the 7-items formal procedures scale developed by Moorman (1991). This was consistent with the conceptualization of the procedural justice construct in the present study. The Cronbach’s alpha of this scale was .92.

**Perceived Organizational Support:** In order to measure the perceived organizational support a scale developed by Eisenberger, Fasolo and Davis (1990) was used. The reliability of this scale based on Cronbach’s alpha was .89.

**Communication:** Communication was measured with 10 item scale originally developed by O’Reilly and Roberts (1977). The scale covered two dimensions of communication namely, accuracy and openness respectively. Each of these dimensions had five items. Based on the reliability analysis one item was dropped from this scale, as the item showed very poor correlation (i.e. <.30) with the item total. The reliability coefficient was .80.

**Knowledge Sharing.** It measured the genuine interest towards sharing knowledge and information to help others using the 5-item scale developed by Darroch (2003). The Cronbach’s alpha for this scale was found to be .81.

**Turnover Intentions.** The 3-item measure of intention to change jobs from Camman, Fichman, Jenkins, and Klesh, (1979) was modified and adopted in this study. The coefficient alpha of this scale was .80.
Affective Commitment: Affective commitment was measured using 8 items drawn from multidimensional commitment instrument of Meyer and Allen (1991). The Cronbach’s alpha for this measure was found to be .79.

Results and Discussion

The study was conducted in exploratory framework to examine the strength of association between job security, perceived organizational support, procedural justice and communication as determinants of organizational trust and further the impact of trust on the knowledge sharing, affective commitment and turnover intention. The Data were subjected to exploratory factor analysis to establish the construct validity of the instrument. A principal component analysis with a varimax rotation was done to identify factors associated with the construct.

Organizational Trust Scale.
The factor analysis result of 9 item organizational trust scale formed only one factor as it was in the original scale. Therefore, organizational trust emerged as a single factor with an Eigen value of 2.57, and explained a variance of 29 per cent.

Job Security Scale
Job security scale was subjected to factor analysis, which also resulted in emergence of single factor. The Eigen value of the scale was 3.15, and it accounted a variance of 63 per cent.

Procedural Justice Scale
Factor analysis was performed on seven item scale of procedural justice which resulted in only one distinct factor with an Eigen value of 4.21 accounting for 60.19 per cent of variance.
Perceived Organizational Support Scale

The scale of perceived organizational support was factor analyzed, which resulted in two distinct factors namely, organizational care and organizational support. It was different from the original scale, which had only one factor. The Eigen values of the factors were 3.19 and 2.07 respectively, together the factors accounted for 59 per cent of variance.

Communication Scale

The factor analysis was performed for the communication scale which resulted in three factors. The factors were informal network, accurate communication and open communication, with Eigen values of 2.25, 1.99, and 1.49, and accounting for 57 per cent of variance. The eighth item of the scale was dropped for its poor loading.

Knowledge Sharing Scale

Factor analysis results for the scale showed a single dimension scale. All the items loaded to one single factor with an Eigen value of 2.39 and accounted for 48 percent of variance.

Turnover Intention Scale

Factor analysis performed on turnover intention scale resulted in one factor confirming to the original scale with an Eigen value of 1.53 and a variance of 53 percent.

Affective Commitment Scale

The factor analysis results for the affective commitment scale resulted single factors which had the Eigen value of 2.13, and accounted for a total variance of 49 percent. The item 7 was dropped for loading below .50.

The further statistical analysis was based on the factor analysis results. SPSS (19.0) was used for the purpose of data analysis. First of all intercorrelation among all the factors were computed to examine the degree of relationship among them. The results showed
that multicolinearity was not a problem as correlation coefficient of all the independent variables are not very high and was below .75. The variables showed positive and significant relationship. Organizational trust was strongly and positively correlated with both predictor and consequent variables except turnover intentions

**Table 1: Correlation between Independent and dependent variables**

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**. Correlation is significant at the 0.01 level (2-tailed).**

*. Correlation is significant at the 0.05 level (2-tailed).
Table 2: summary of multiple regression analysis results incorporating factors of job security, perceived organizational support, procedural justice, and communication as predictor variables and organizational trust as criterion variables for the overall sample

<table>
<thead>
<tr>
<th>Predictor Variables</th>
<th>Criterion Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>POS</td>
<td>.32**</td>
</tr>
<tr>
<td>PJ</td>
<td>.27**</td>
</tr>
<tr>
<td>ACC</td>
<td>.21**</td>
</tr>
<tr>
<td>OP</td>
<td>.14**</td>
</tr>
<tr>
<td>R</td>
<td>0.68</td>
</tr>
<tr>
<td>R²</td>
<td>0.46</td>
</tr>
<tr>
<td>R²</td>
<td>0.45</td>
</tr>
<tr>
<td>F</td>
<td>64.295**</td>
</tr>
</tbody>
</table>

β values ** Significant at the 0.01 level * Significant at the 0.05 level.

POS – Perceived Organizational Support  ACC- Accurate Communication  OT- Organizational Trust

PJ – Procedural Justice  OP- Open Communication

The results showed that organizational trust was significantly predicted by perceived organizational support (β = .32), procedural justice (β = .27), accuracy (β = .21), and open communication (β = .14) which together accounted for 46 per cent of variance (R²=.46,
F=64.295, p <.01). Perceived organizational support (POS), emerged to be the strongest predictor of organizational trust ($\beta = .32$). This shows that employees value the relational aspect such as care and concern shown by the management and the work-related support given by the organization to carry out one's job effectively. Perceived organizational support goes a step ahead to explain the human approach shown by the management of the organization, and hence was valued more by the employees. Thus, it can be argued that trust being relational in nature, is influenced more by the relational aspect of employment relationship. Studies did confirm a positive relationship between POS and trust. A study by Albrecht and Travaglione (2003) revealed that perceived organizational support was a significant determinant of trust in public-sector senior management. Tan and Tan (2000) also found that organizational support is a potential antecedent of trust in management. The present study clearly indicates that the care dimension of POS had a strong influence on trust in organization.

Procedural justice was another predictor which showed a strong association with organizational trust ($\beta = .27$). Employees who perceived fairness in the formal procedures for allocation of resources, decisions, and the outcome of their performance, exhibited higher levels of trust towards organization. Thus, this result, while confirming the findings of earlier researches, supported the view that procedural justice is a potent predictor of employees’ support for prosocial behaviour toward the organizational member and institutions (Tyler, 1990). It can be explained by using relational models of justice such as the group-value model (Lind & Tyler, 1988), the relational model of authority (Tyler & Lind, 1992) and the group-engagement model (Tyler & Blader, 2003). The models point out that leaders’ adoption of fair procedures communicates to employees that they are valued and worthy members of the organization, and the enacting authority or leader can be trusted in treating them well in the future. Indeed, being
treated fairly is something that is awarded to core group and organizational members, and as such procedural justice significantly influences employees’ sense of self-esteem and perceptions of the authorities’ trustworthiness (Tyler & Degoe, 1996; Tyler & Kramer, 1996). In a cross-cultural study, Pillai, Williams, and Tan (2001) confirmed that in India, procedural justice was related only to trust. It is possible that the nurturant and benevolent style of leadership which is prevalent in India (Sinha, 1995), generates a certain degree of confidence in the supervisor's ability to take care of procedural issue.

The findings provide an insight into the importance of employees' perceptions of the communication climate in the organization. Both the dimensions of communication i.e. openness and accuracy were positively associated with organizational trust for the overall sample, thereby confirming the earlier findings that open communication in which managers exchange thoughts and ideas freely with employees enhances the perception of trust (Butler, 1991; Tzafrir, Harel, Baruch, & Dolan 2003; Farris, Senner & Butterfield, 1973; Gabarro, 1978). Open communication generates a large image for employees, helping them to understand the role of self within the organization (Bowen & Lawler, 1995). Open communication in organizations reduces the fear of unknown effects of change, reduces anxieties, stemming from ambiguity and enhances a feeling of belonging to an organizational community. In addition, employees see the manager as trustworthy when manager’s communication is accurate (Folger & Konovsky, 1989; Konovsky & Cropanzano, 1991). The results of the study indicated that among the communication dimensions, accuracy of information was a better predictor of organizational trust ($\beta = .21$) as compared to openness ($\beta = .14$). Previous researches have confirmed the importance of both accurate and open communication, but research to date presents inadequate understanding of which communication action by the management will most probably bring
about the desired result such as greater employee trust in management. Therefore, the present study throws light on this aspect and explains that accuracy of information communicated significantly contributes to the development of trust in organization.

**Table 3.3**: Summary of multiple regression analysis results related to factors of interpersonal and organizational trust as predictor variable and factors of knowledge sharing, organizational citizenship behaviour, affective commitment, and turnover intention as criterion variables in overall sample.

<table>
<thead>
<tr>
<th>Predictors</th>
<th>Criterion Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variables</td>
<td>KS</td>
</tr>
<tr>
<td>OT</td>
<td>.37**</td>
</tr>
<tr>
<td>R</td>
<td>0.37</td>
</tr>
<tr>
<td>R²</td>
<td>0.14</td>
</tr>
<tr>
<td>R²</td>
<td>0.13</td>
</tr>
<tr>
<td>F</td>
<td>49.23**</td>
</tr>
</tbody>
</table>

β values** Significant at the 0.01 level * Significant at the 0.05 level.

**OT** – Organizational Trust  
**AC** – Affective Commitment  
**TI** – Turnover Intention  
**KS** – Knowledge Sharing

The results are discussed for each of the outcome variables one by one.

**Knowledge Sharing (KS)** – The knowledge sharing behaviour among the role incumbents was significantly predicted by organizational trust (β = .37). It accounted for 14 per cent of variance in knowledge sharing ($R^2 = 14$, $F = 49.823$, $p< 0.01$). This study provides much needed empirical evidence about the positive influence of organizational trust on knowledge sharing. Employees
develop trust in organization with the understanding that there are safety nets with regard to specific organizational policies protecting their interests associated with the risk of divulging their knowledge. Findings of Renzel (2006) supported the result that trust in management increases knowledge sharing within and between teams through reduced fear of losing one's unique value, and improved willingness to share knowledge for organizational benefit. Further, the role incumbents generally indulge in this kind of positive workplace behaviour with a faith that organization will recognize and reward their efforts in sharing knowledge. Therefore, it can be argued that if organizations want to facilitate knowledge sharing among the employees, through well-built policies and procedure, employees would willingly share their knowledge. However knowledge sharing behaviour among the employees is further strengthened by the presence of trust in the interpersonal relationship shared by colleagues and supervisor (Singh and Srivastava, 2009) not covered in the present study. Trust at both individual and organizational level plays an important role in knowledge sharing and cannot be just restricted to organizational factors.

Affective Commitment (AC) – Employees sense of belongingness, the affection for and attachment to the organization was found to be related to trust in organization ($\beta = .46$), and accounted for 22 per cent of variance ($R^2 = .22$, $F = 84.53$, $p< 0.01$). The strong positive relationship between organizational trust and affective commitment was on expected lines, as employees having trust in their organization reciprocated by identifying themselves with the organization. In the present scenario, where most of the organizations follow team-based structure in congruence with collectivistic culture, social relationship and in-group harmony are valued by the employees. Employees generally prefer working in a team where they share a healthy work relationship stemming from trust and understanding with minimum politics. All
these together, affect their performance and mental health. Further, to an extent, management practices also play an important role in fostering positive workplace environment based on trust. Therefore, trusting relationship with coworkers and boss has ripple effect in building up belongingness with the employing organization. Holmes and Remple (1989) purported that if the coworker is trustworthy, then commitment to the relationship and the organization could be fostered. To add up further, it should be accepted that in the changing environment where companies are facing high employee turnover, the role of organizational trust in determining affective commitment is diminishing as development of trust demands greater time and stability in a relationship.

**Turnover Intention (TI)** - Turnover intention was significantly but negatively predicted by trust in organization ($\beta = -.11$) and explained a variance of 4 per cent. ($R^2 = 0.01$, $F = 3.88$, $p < 0.05$). The negative association between trust in organization and turnover intention is consistent with the findings of previous studies (Brashear et al., 2003; Dirks & Ferrin, 2002; Mulki et al., 2006). The important part of the finding was the weak association between trust in organization and turnover intention. Possibly, it could be attributed to the availability of jobs in the market, which is volatile. Young professionals prefer to keep an open eye on alternative jobs that may be more attractive to them (Pearce & Randel, 2004). Various personal factors such as an individual's career stage, age, future plans and organizational factors such as affective commitment, job security, job satisfaction, employee development, and HRM practices play a significant role in employees' decision to quit. The result of a meta-analysis showed that satisfied employees feel productive, contribute to organizational goals, and generally have lower turnover intentions (Harter, Schmidt & Hayes, 2002; Mulki et al., 2006). Another study conducted in a Chinese joint venture revealed that both affective commitment and perceived job security of employees
negatively predicted their turnover intentions. Within hospitality industry, HRM practices, particularly those related to career advancement negatively predicted turnover intentions (Hemdi & Nasurudin, 2006) Ferres et al. (2005) confirmed that employees' turnover intentions decreased with increase in age, regardless of organizational environment. The weak association between organizational trust and turnover intention raises an issue for future exploration as workforce turnover is a pressing issue in many organizations and directly affects organizational productivity.

**Concluding Comments.**

This study endeavours to make both a theoretical and practical contribution to the existing literature. It enhances our understanding of the dynamics of trust within Indian manufacturing and service organizations. In building employees trust’ towards organization, the role of procedural justice, perceived organizational support, and accuracy of communication were dominant across manufacturing and service sector. This reflects that employees at workplace value fairness in all practices, care and support extended by management and accuracy in communication shared, above other factors. The findings dismantled the long established positive impact of job security on organizational trust, and trust having an impact on lowering turnover intentions. This reveals the metamorphosis of workforce in a changed economic scenario that is driven more by achievement motive, valuing employability above employment security. The findings reinforce the notion that social exchange-based employment relationship stems from trust, and therefore, is crucial for organizations to manage trust effectively. The strong influence of procedural justice, perceived organizational support and dimensions of communication on organizational trust provides managers with specific areas to concentrate for the development of trust at workplace. With this knowledge, managers can focus on those conditions that will
enhance the identified predictors. The management should take care of accuracy of communication disseminated apart from practising open communication. Perceived organizational support can be fostered by implementing formal feedback procedures so that employees receive periodic updates on their performance, discretionary rewards, promotions, training and recognition to deserving employees and showing fairness and justice in formal procedures. In the present study, the long-established positive relationship between job security and organizational trust was redundant. The use of self-report questionnaire and Likert type scales pose the threat of social desirability response bias additional studies using different types of measures are needed to increase confidence in the findings of such studies


