The Role of Employees’ Trust in Management and Supervisors on Developing Attitudes and Behaviours for Organisational Change

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Abstract

The purpose of this study is to develop and investigate a conceptual approach based on trust to promote employees’ readiness to organisational change. In this regard, the effects of employee trust in management and supervisors have been examined by the sample of 320 obtained from the public sector academic institutions of a developing country. By applying a survey questionnaire data were collected and used Multiple Regression Analysis (MRA) for testing hypotheses. Results showed that employees trust in management and supervisors have positive and significant impact on developing positive attitudes and behaviours. However, trust in supervisor has more impact than to trust in management. This study reveals an approach based on trust could be effective for developing employees’ openness in a developing country culture. This study contributes to the change management literature and support to managers, employers and change agents to develop employees attitudes and behaviours to organisational change.

Keywords: Change, Employee Readiness, Trust in Management, Trust in Supervisor, Change Attitude and Behaviour

1. Introduction

Today, change is not only anxiety for the organisation but it is also the strain for employees within the organisation as a whole. Due to increasing competition, communication and advanced technology, organisation considers changing their policies and strategies. Apart of that rapid growth of economies also consider for the firms to adapt changes (Peng, 2003). Organisational changes always lead to the new situations and that situation might be involved to uncertainty, cynicism and stress among the employees as a whole and for organisation. However, in the literature many researchers and change agents are interested to know the causes and impact of factors which can affect to employees for readiness to organisational change (Rafferty & Simons, 2006; Elias, 2009).

In fact, organisation needs to change successfully and for that a change strategies must be developed by change agents keeping employees psychological process into account. Without developing these strategies, the results of change initiative might be failed (Deloitte & Touche, 2005). If change initiatives fail than employees can get experiences of cynicism and stress which might be reduce his or her job satisfaction, organisational commitment, motivation and trust in the organisation (Rush, Schoel, & Barnard, 1995; Schweiger & DeNisi, 1991).

As organisations increasingly rely on individual factors because of employees uncertainty, stress, and anxiety due to transferring a situation from the known to unknown (Shah, 2011). To this extent employees can have different attitudes and behaviours towards the organisation which may also impact on organisation productivity, reputation and stability. In view of large number of previous studies using the different factors such that organisational and career commitment, employees skills and knowledge, job demands, salary, supervisors and peers relationships, job involvement, social support and relationships in the workplace, self-efficacy, management support, and personal valence (Hanpachern et al., 1998; Cunningham et al., 2002;
The dominant focus of the literature is individuals' behavioural and attitudinal factors and there is great debate among researchers and practitioners to consider the employees' perception while positive implementation of change (Jansen, 2000; Shah & Irani, 2012). Following to this journey, the researcher proposed that developing trust among employees while organisational change may impact positively and significantly. Here we conceptualise a psychological state of employee through trust providing a thought of how individuals getting their relationship with organisation in change situations (Dirks & Ferrin, 2001). We posit that the development of trust among the employees from the higher authority can add positive attitudes and behaviours. In this research we attempt to understand that what is the impact of organisational trust on employees towards the organisational change? This deeper understanding of the trust factor may contribute to the employees’ change readiness theory and can be useful in developing policies and procedures for the change process. Furthermore this research may also contribute to the change management literature, organisational behaviour and human resources development.

Aim and Objectives of the Study

The purpose of this research was to develop a conceptual framework that explains how employees develop their positive attitudes and behaviours with reference to organisational change. Based on it, this study investigated following the following research objectives.

1. To examine the role of trust in management on developing of employees' attitudes and behaviours to organisational change.
2. To test the role of trust in supervisor on developing employees' attitudes and behaviours to organisational change.
3. To investigate the conceptual framework that may support to the researchers to confirm the external validity of western theories in a developing economies.

2. Literature Review and Conceptual Framework

Today, the pace of challenges is growing in organisation and researchers are very much anxious to face the situation because of organisation success and future survival in the competitive era. Change is related with the development of organisation in order to solve the problems and challenges of the organisation. According to Chonko (2004) organisational change is concerned with the shifting from one stage to another or creating new one through breaking down existing situations. The level of change may be small or large but are concerned with variation, modification of something, alteration or improvement. However, such situations are very uncertain due to the behaviours of the employers. To this extent, employee of the organisation can develop different ideas and feelings towards the organisation which might be alarming for the both stakeholders. The important things is that human might have different approaches as some individuals perceive the change as an opportunity for learning and growth, while others think it as a threat (Shah & Irani, 2012). In that situation, success of change is very important for the organisation as well as employees because of successful change can prove high levels of enthusiasm, growth and also provide opportunities for learning (Holt et al., 2007). Thus, researchers and change agents are anxious to understand the maximum level of employees’ attitudes and behaviours as to get positive results from the change.

In the literature, success of change is depended by employee attitudes, beliefs and behaviours (Beer & Walton, 1990). Arnold et al. (1995, p-167) describe that “Attitudes reflect a person’s tendency to feel, think or behave in a positive or negative manner towards the object of the attitude”. To this extent, researchers like Kotter (1996); Martin (1999); Eby et al. (2000); Shah & Shah (2010); Shah & Irani (2012) focused on examine the employees attitudes and behaviours to effective organisational change programmes. In this connection many factors such that change efficacy, communications, organisational justice, job knowledge and skills, job involvement, social relations at workplace, organisational commitment, participation, participation, and job satisfaction factors support of successful change programmes (Wanberg & Banas, 2000; Cunningham et al., 2002; Chawla & Kelloway, 2004; Madsen et al., 2005; Rafferty & Simons, 2006; Shah, 2010).
2010; Shah & Irani, 2012). To view the literature, the researcher found that the impact of employee trust in management and supervisor has been ignored for readiness to organisational change. To this extent few studies such as Bernerth et al. (2007) examined justice, cynicism and commitment and Foster (2010) worked on resistance, justice and commitment to change. Based on the literature gap, this research study has been conceptualised to investigate the role of employee trust in management and supervisors for employees’ readiness to organisational change.

Now a day, organisational trust is a significant issue because of many benefits for the employees and the organisation. Trust has been defined by Mayer et al. (1995, p. 712) as the “willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party”. In the literature, the term trust reveals as an aggregate of integrity, benevolence and ability. According to Meyer et al., (1995) integrity is concerned with the perception that the trustee adheres to a set of principles that the trustor finds acceptable, benevolence explains the extent to which the trustee is believed to want to do good to the trustor and ability is concerned with to trusted on one topic and not another. During organisational change these conditions are appropriate because employees perceive trust in management and supervisors. To this extent, employees may realise more comfortable if the top management consider them as able and ethical for the organisational change.

In the literature trust has been connected with different number of ways like Lind & Tyler (1988) explained trust with reference to employee’s economic concern because of providing information about the likely benefits. In these benefits employee can expect future gains from employer for his or her career development and training. In another way trust has been recognised as non instrumental concerns (Lind & Tyler, 1988). Researchers reveal that trust might also provide individuals with identity relevant information (Tyler & Degoey, 1996). To this extent, trust can show employee and employer’s information about their standing where they are within the organisation. Literature witnessed that organisational trust is known as a critical factor in change because of successful completion of the change process (Buono & Bowditch, 1989). For example fear of job security, uncertainty about future situation, facing with new situation and loss of control etc. However, if employees perceive that their organisation is a more competent and capable of dealing with any change situation and management also confidence on their employees to face any critical situation which changing process this may be address the importance of employee trust on organisation and that show employee readiness towards the organisational change. A review of literature witnessed many research studies addressed the importance of organisational trust in a change context (Rousseau et al., 1998; Whitener et al., 1998; Gomez & Rosen, 2001). Continuous to this argument, we proposed following two hypotheses:

H1: Employee trust to the organisation has positive and significant relationship towards the development of positive attitude and behaviours in organisation change situation

H2: Employee trust in supervisor has positive and significant relationship towards the development of positive attitude and behaviours in organisation change situation.

3. Research Methodology

Based on literature review, this study has been proposed to conduct as a cross sectional study in which the relationships of employee attitudes towards organisational change, employee trust and demographic variables such as gender, age and marital status examined. Researcher was interested to examine the employee attitudes towards organisational change as a dependent variable and employee trust along with demographic variables used as independent variables. For data collection a survey questionnaire has been adapted from the relevant literature. However, data were collected from higher educational institutions of Pakistan. In this regard, only public sector universities were selected where education reforms announced by the government for the academic staff (Shami & Hussain, 2005; Siddiqui, 2006). The rationale for this study is that employees of public sector organisation can develop positive attitudes and behaviour on the basis of
financial, psychological and social relations factors Chang, 1999 & Shah, 2010). Thus, trust factor require
more attention for developing employee attitudes and behaviours in general literature and the context of
Pakistan particularly. This study was proposed to investigate the employee trust on management for
developing positive attitudes and behaviour for organisational change. The rationale for this study to conduct
in public sector higher educational institutions was that these institutions were under changes and employees
had resistance.

Participants and Procedure

Full time employees from public sector higher academic institutions of Pakistan were selected
randomly. In this study all categories of employees like lecturers, assistant professor, associate professors
and professors were selected to participate from all over the country. The survey questionnaire was
administered to the participants through mixed methods via email, post mail and personal visits. List of
employees were obtained through internet and personal visits to the selected institutions. During data
collection research tried to provide participations from around the country. However, all random selected
participants were contacted before sending out the questionnaire for getting their willingness to take part in
the study. A set of survey including a survey questionnaire, a formal consent form, a covering letter
mentioning the purpose of the study and instructions on how to complete the survey instrument was sent to
each participants After gaining an affirmative response from the participants. The participant were
administered a survey instrument in English language.

Measurement Scales

A survey instrument was adapted from the literature on the basis of what type of data was required. In
this study, researcher used dependent and independent variables. By applying independent variable such that
employee trust on management and demographic characteristics researcher was interested to know the
employee attitudes and behaviour for organisational change. All these variables consisted with many options
of Likert scales for the variety of choice of individuals.

Dependent Variable

Readiness for organisational change

Readiness for change factor was adapted from Hanpachern’s original Scale (with slightly alterations)
based on McNabb &Sepic (1995). In this scale fourteen items were adapted which is applied by Madsen et
al. (2005). Participants were asked to select any one of seven numbers on a Likert Scale (1 = Very Unlikely
and 7 = Very Likely). Sample items from this scale included “My willingness to create new ideas is” and
“My willingness to learn new things is”. Cronbach’s alpha for the scale readiness for organisational change
was 0.84.

Independent Variables

Trust in Management

Three items were used to measure the employee perceptions of trust in management. These item scales
was developed by Brockner et al. (1997) and respondents were asked to select any one of five point Likert
Scale (1 = Strongly Agreed and 5 = Strongly Disagreed) with each of the statements “I can usually trust my
career development supervisor to do what is good for me”, “Management can be trusted to make decisions
that are also good for me”, “I trust the management to treat me fairly”. Cronbach’s alpha for the scale trust in
management was 0.81.

Trust in Supervisor

Eight items were used to measure employee trust in supervisors originally developed by Nyhan &
Marlowe (1997). The respondents were asked the questions on five point Likert Scale from Strongly Agree
to Strongly Disagree. Examples of the questions items are “I trust in my supervisor that he/she follows
through what he/she says”; “I have confidence that my immediate supervisor knows what to do”. Cronbach’s
alpha for the trust in supervisor scale was 0.87.
Demography
Demographics included gender, age, and marital status.

Data Analysis
For analysing the data, the researcher applied Statistical Package for Social Sciences (SPSS) version 20.0 for Windows. Initially data were entered, coded, and cleaned. After cleaning data statistical analysis tests were conducted to infer the results from the objects. A descriptive statistics test was conducted to describe the demographic results. All factors were loaded to know the group of items of relevant factor. In this regard a principal component analysis technique were used to determine the factor analysis for the measures of employee readiness for organisational change and employee trust in management are empirically different from each other and conceptually validated. To assess the reliability of survey instrument, researcher used Cronbach’s coefficient alpha. Moreover, the survey questionnaire validity was carried out through field experts (Tabachnick & Fidell, 2007). Finally, Multiple Regression Analysis technique was applied to examine the hypotheses. According to (Hair et al., 2005, p-18) “regression analysis is an appropriate and most widely used method for investigating the relationship between a dependent variable and two or more independent variables due to its well-developed underlying statistical theory”. However, multiple regression tests is robust in social science and psychological domain

4. Results
Factor Analysis
Factor loading was performed through exploratory factor analysis. In this analysis dimensions of each variable were assessed because of having different family of items. By applying principal component analysis with a varimax rotation different group of factors were loaded (see in Table 1). Different items of three factors were loaded and results showed that employee readiness for organisational change factor which was originally loaded with fourteen items but was loaded only on six original items. Another factor was employee trust in management which was originally loaded with three items. Finally, trust in supervisor factor was originally loaded with five out of eight items. The variance explained by each factor was 49.89% for readiness for change and 14.52% for employee trust in management and 10.26% for trust in supervisors. The cumulative variance explained was 62.31% in total.

<table>
<thead>
<tr>
<th>Items</th>
<th>CHRE</th>
<th>TRIM</th>
<th>TRIS</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHRE1</td>
<td>.874</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHRE2</td>
<td>.862</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHRE3</td>
<td>.841</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHRE4</td>
<td>.833</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHRE5</td>
<td>.817</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHRE 6</td>
<td>.798</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRIM1</td>
<td></td>
<td>.845</td>
<td></td>
</tr>
<tr>
<td>TRIM2</td>
<td></td>
<td>.821</td>
<td></td>
</tr>
<tr>
<td>TRIM3</td>
<td></td>
<td>.811</td>
<td></td>
</tr>
<tr>
<td>TRIS1</td>
<td></td>
<td></td>
<td>.825</td>
</tr>
<tr>
<td>TRIS2</td>
<td></td>
<td></td>
<td>.801</td>
</tr>
<tr>
<td>TRIS3</td>
<td></td>
<td></td>
<td>.791</td>
</tr>
<tr>
<td>TRIS4</td>
<td></td>
<td></td>
<td>.752</td>
</tr>
<tr>
<td>TRIS5</td>
<td></td>
<td></td>
<td>.713</td>
</tr>
</tbody>
</table>

Note: CHRE = Change Readiness; TRIM = Trust in Management; TRIS = Trust in Supervisors
After factor loading, reliability of factors was measured through Cronbach’s Alpha. Overall reliability of questionnaire was .89 and individual factor reliability such as employee readiness for change, employee trust in management, and employee trust in supervisor factors has been found .84, .81, .87 respectively (see Table 2). Results of descriptive statistics reveal that overall participants perceived themselves as open and ready for change (see Table 2). However, correlation test was conducted through Pearson’s Correlations. In this test significant correlations between the scales were determined at two levels (p=0.05 and p=0.01). From the Pearson’s correlation results, it was found that employee trust in management and trust in supervisor has significant and positive relationship with employee readiness for organisational change. However from demographic variables such that age, gender and marital status was not found significant readiness for change (see Table 2).

Table 2: Descriptive Statistics, Reliability and Pearson Correlations (N=360)

<table>
<thead>
<tr>
<th>Variable</th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Employee readiness</td>
<td>4.95</td>
<td>0.98</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Trust in Management</td>
<td>3.77</td>
<td>1.02</td>
<td>.511*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Trust in Supervisors</td>
<td>4.1</td>
<td>0.89</td>
<td>.436*</td>
<td>.213*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Gender</td>
<td>---</td>
<td>---</td>
<td>.013</td>
<td>-.023</td>
<td>.032</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Age</td>
<td>---</td>
<td>---</td>
<td>.051</td>
<td>.094</td>
<td>-.014</td>
<td>.042</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 Marital status</td>
<td>---</td>
<td>---</td>
<td>.026</td>
<td>.060</td>
<td>.082</td>
<td>-.051</td>
<td>-.71</td>
<td></td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

Note: M = Mean, SD = Standard Deviation

Testing Hypotheses

Hypotheses of this study was tested by using beta and t values (critical ratio = t). The t value for employee trust in management was above the 1.96 critical values (p ≤ 0.01) (see Table 3). Results of regression weights showed that the employee trust in management had the impact on employees readiness for organisational change (β = .265, p < 0.01, t = 10.784) thus, H1 was accepted. The influence of the trust in supervisor was also found to be positive and significant to employee readiness for change (β = .312, p < 0.01, t = 9.436), hence, H2 was accepted.

Table 3: Multiple Regression Results

<table>
<thead>
<tr>
<th>Variables</th>
<th>Model 1</th>
<th>Model 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>B</td>
</tr>
<tr>
<td><strong>Step 1: Control variables</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>.013</td>
<td>.013</td>
</tr>
<tr>
<td>Age</td>
<td>.013</td>
<td>.084</td>
</tr>
<tr>
<td>Marital status</td>
<td>-.019</td>
<td>.054</td>
</tr>
<tr>
<td><strong>Step 2: Main effects</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust in Management</td>
<td>.265**</td>
<td></td>
</tr>
<tr>
<td>Trust in Supervisors</td>
<td>.312**</td>
<td></td>
</tr>
<tr>
<td>F value</td>
<td>.077</td>
<td>44.325**</td>
</tr>
<tr>
<td>R²</td>
<td>.001</td>
<td>.382</td>
</tr>
<tr>
<td>Adjusted R²</td>
<td>-.008</td>
<td>.374</td>
</tr>
<tr>
<td>Change in adjusted R²</td>
<td>.001</td>
<td>.382</td>
</tr>
</tbody>
</table>

Note: p* < 0.10; p** < 0.05
5. Discussions and Conclusions

Recently change management literature has been focussed on successful organisational change programs to facilitate change. In this regard, employee has been found main object for success of any change. Change is unavoidable and involves tracking the new situations and causes uncertainty, anxiety and stress for organisation as well employees. There is debate among practitioners and researchers on the success of change and methods of developing employee attitudes and behaviours so as to be receptive towards organisational change (Bernerth, 2004; Rafferty & Simons, 2006; Holt, et al., 2007; Elias, 2009). It was found as substantial domain of interest to know the ways to make change successful because organisations have no control over the employee decisions (Neves, 2009). Thus, research is necessary to understand the predictors that may support the development of positive employee attitudes, beliefs and behaviours to enhance the likelihood of successful organisational change.

Therefore, the study investigates the combined effect of employees trust in management and supervisors for readiness to organisational change. The findings show that employee trust in management and supervisors are significant and positively related on readiness to organisational change. The present research study provides empirical evidence that employee trust in supervisor has more positive influence on readiness to organisational change than to trust in management in a developing country. Thus maintaining and developing a high level of trust among employees and in organisation might be a strong catalyst to develop positive attitudes and behaviours towards organisational change. This trust based approach can reduce the employees’ resistance and speed up the successful change process in the organisation. In this literature similar findings have been found like Pettit et al. (1997); Erturk (2008). According to the researchers, employees trust in supervisor increased when they receive sufficient and useful information during organisational change process. However, supervisory trust can speed up where employees receive high levels of communications and knowing about the future opportunities from their supervisors. In turn, findings show a positive and significant relationship among trust in management and supervisor and employees’ readiness to organisational change. In a collective and paternalistic dominating society, employees’ trust in management and supervisors were found to exercise the positive effect on readiness to organisational change of a developing country’s employees. To this extent, organisations trying to speed up employees’ readiness to organisational change are advised to investigate the level of trust through the organisation.

This study has several theoretical and practical implications. The influence of trust variables indicates positive attitudes and behaviours on employees’ readiness to organisational change. Empirical results provide strong support for the employees’ openness through trust factors such as trust in management and supervisor. The findings also provide the notion that managers or employers in a developing country should discover how to manage change effectively in order to get organisational goals and future changes with organisations. To this extent, organisation must improve the trust building capacity of employees in order to achieve successful changes in organisation. A trust based factors facilitate organisational change in a developing country. This study reveals that during change process trust in management and supervisors play a vital role for developing positive attitudes and behaviours in a developing country context. In this context, managers or employers should focus on managing employees’ trust in management and their supervisors. In the literature, trust factor has been found a foremost thought of top level management to obtain the objects of sustainable organisational change (Erturk, 2008). According to the empirical findings of this study, that management and supervisors should not ignore employees and response their grievances or appeals to get a high level of trust among them. However, in a collective and paternalistic culture of a developing country, management and supervisors who show affinity and consideration for their subordinates may give more attraction for openness to organisational change.

This study has a number of methodological limitations that needs to improve for future research. First, this is a cross sectional study and all data were collected at same time. Therefore, results of the study can be presumed but not confirm causality. Second, the sample of the study was from public sector organisation in a developing country. The results may not be generalised to all other organisations. Third, the data were collected by self report measures that might be influenced by a social desirability response bias. Finally, by the using same questionnaire for all data, the researcher can not rule out the effects of common method bias.
Despite of these limitations, this study provides deep insights into understanding the importance of trust in the developing culture. In conclusion, the empirical results of this study reveal a significant relationship of employees trust in management and supervisors on readiness to organisational change in a developing country. However, in the future, the researchers propose to investigate other factors of trust that could affect the employee readiness to organisational change of developing countries.

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