THE EFFECTS OF ORGANIZATIONAL STRUCTURE ON

EMPLOYEE TRUST AND JOB SATISFACTION

by

Kelli J. Dammen

A Research Paper

Submitted in Partial Fulfillment of the
Requirement for the
Master of Science Degree in
Training and Development

Approved for Completion of 4 Semester Credits
TRHRD-735 Field Problem in Training and Development

_____

Joseph A. Benkowski, Research Advisor

The Graduate School
University of Wisconsin-Stout
May 2001

The Graduate College

University of Wisconsin-Stout

Menomonie, WI 54751

ABSTRACT

	Dammen	Kelli	J
(Writer)	(Last Name)	(First)	(Initial)

The Effects of Organizational Structure on Employee Trust and Job Satisfaction			
(Title)			

Training and Development	Joseph A. Benkowski	5/2001	61
(Graduate Major)	(Research Advisor)	(Month/Year)	(No. of Pages)

American Psychological Association (A.P.A) Style	
(Name of Style Manual Used in this Study)	

Keywords: organizational trust, job satisfaction, high performance organization, and traditional organization.

Employees in all organizations want to work in an environment of trust and respect where they feel they are making a real contribution to organizational goals and objectives. They want to be able to have the opportunity to show management that they can accomplish a task with the creativity obtained from working in teams.

There is a consensus in the literature reviewed that trust and job satisfaction are essential elements to an organizations success. Cook and Wall (1980) conclude that "trust between individuals and groups within organizations is a highly important ingredient in the long-term stability of the organization and the well-being of its members" (39). By examining the relationship between trust in management and employee job satisfaction, corporations will have the knowledge necessary to assess their current culture and, if

needed, develop a culture that allows for growth of its employees through high levels of trust.

The purpose of this study was to research the possible relationship that exists between the individual's level of organizational trust and the individual's job satisfaction. Also examined was the influence the organizational culture (high performance vs. traditional hierarchical organization) had on the individual's level of trust and job satisfaction.

To examine this relationship, three hypotheses were tested using a survey that examined organizational trust and job satisfaction. Organizational trust was measured by four dimensions (openness/honesty, reliability, concern for employees and identification). Four organizations agreed to participate in the study. Each organization was sent 25 surveys to distribute to personnel. Two of the organizations were, by definition, traditional hierarchical organizations and the other two were high performance organizations. Out of the 100 surveys distributed, 84 completed and valid surveys were returned. Therefore, the overall response rate was 84 percent.

The findings of this study indicate that a relationship does exist between an individual's level of organizational trust and his/her overall job satisfaction. The study also indicated that a significant relationship exists between the structures of the organization and overall levels of both trust and job satisfaction.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ACKNOWLEDGEMENTS

Looking back on my graduate studies, I would like to thank those individuals who have supported me and helped me throughout the entire process. This would not have been possible without the love and understanding of my family, professors and classmates.

Dr. Joe Benkowski, my advisor—who has shared his knowledge and experience with me. You have been a true inspiration to me to keep going and stop at nothing less than the best. Thank you for your constant encouragement and support, without it I probably would not be where I am. Thank you for all your help and advice throughout the writing of my research paper.

To my friends and classmates for your support, help and fun times we had.

To my parents, Cindy and Lee Dammen—thank you for your constant questions and persistence that pushed me to work harder and become the person I am today. Thank you for instilling in me an appreciation for education and instilling its value in me. Most of all, thank you for letting me know that when I put my mind to it, there's nothing I cannot achieve.

And finally, to my fiancé, Jim— thank you for being tolerant and patient throughout this study. Most of all, thank you for always being there to show your support and encouragement and for always being around to make me smile.

Chapter One

INTRODUCTION

<u>Background</u>

In recent years, there have been many companies that are downsizing due to slow

periods (Caudron, 1996). Typically, those workers that were laid off tend not to be

rehired with the same company, leaving them with no option but to start all over. This

type of company tends not to see the value of their workers. Companies that do see the

value of their workers create a culture of mutual trust between management and

employees. This mutual trust has the opportunity to not only occur between management

and employees, but also with customers and suppliers. These organizations are also

known as high performance organizations (Phillips, 1997). The reason high performance

organizations have high trust among co-workers as well as among management is

because they empower their employees. This empowerment requires management to

place trust in the workers to finish the task(s) they are assigned to complete (Costigan,

Ilter and Berman, 1998). An organizational climate of trust enables employees to surface

their ideas and feelings, use each other as resources, and learn together. Without trust

people have a tendency to keep to themselves, rather than share their thoughts, which

inhibits creativity (Jordan, 1999).

Individuals want to work in an environment of trust and respect where they have

the ability to make contributions to the organizational goals and objectives. They want to

be able to have the opportunity to show management that they can accomplish a task with

the creativity obtained from working in teams. High performance organizations offer

individuals the opportunity to obtain the level of success they desire. According to the U.S. Department of Labor Office of the American Workplace (1994),

> Workers gain the opportunity to make informed decisions that will affect the service or product they offer. When combined with information sharing, the result is greater job satisfactions and an employee commitment to high quality and increased customer satisfaction (p. 2).

High performance organizations share any information regarding the organization with their workers. This sharing provides workers with the knowledge they need to perform their job well and to enjoy what they are doing.

The literature review section will discuss each component (trust, job satisfaction, and high performance organization vs. traditional hierarchical organization) further.

Purpose of Study

The purpose of this study is to research the relationship that apparently exists between the level of trust individuals possess towards the organization in which they work and the individuals overall job satisfaction. Also being examined is the influence the organizational structure (high performance vs. traditional hierarchical organization) has on the individual's level of trust and job satisfaction.

The characteristics of trust and job satisfaction were chosen for study because having an understanding of them appears to provide the greatest opportunity for creating an organization that allows for the growth of employees. Dalton (2000) reported that high performance organizations are designed to bring out the best in people and create an exceptional capability to deliver high-end results. The results will provide management,

as well as employees with research regarding the influence organizational culture has on workers trust towards and job satisfaction.

Research Objectives

The objectives of this research study are as follows:

1. To evaluate the level of organizational trust in both high performance and traditional hierarchical organizations.

2. To evaluate the level of job satisfaction in both high performance and traditional hierarchical organizations.

3. To identify the apparent relationship between an individual's level of organizational trust and his/her level of job satisfaction.

Significance of Study

There is a consensus in the literature reviewed that trust and job satisfaction are essential elements to an organizations success. Cook and Wall (1980) conclude that "trust between individuals and groups within organizations is a highly important ingredient in the long-term stability of the organization and the well-being of its members" (39). By examining the relationship between organizational trust and employee job satisfaction, corporations will have knowledge necessary to assess their current culture and, if needed, develop a culture that allows for growth of its employees through high levels of trust.

Limitations

The following are limitations to the study:

1. The study focuses on the data gathered only form corporations located Wisconsin and Minnesota.

3

2. The time allotted for this study is short (four months).

3. The desire to keep the questionnaire simple and brief may limit information received.

4. Only four organizations were surveyed.

Assumptions

The following assumptions apply to the study:

1. The respondents will be truthful when responding to the survey.

2. The surveys will be sent back to the researcher by the time requested.

3. The researcher will be able to accurately analyze the information received into meaningful data.

4. The resources used are valid and reliable.

Methodology Overview

As stated earlier, the purpose of this study is to research the relationship between an individual's level of trust in management and their level of job satisfaction due to that trust. In order to acquire meaningful information on this topic, the researcher will distribute a survey among management and subordinates in both high performance organizations and traditional hierarchical organizations. These surveys will be distributed to corporations in both Wisconsin and Minnesota.

Summary of Research Paper

The following chapter will discuss the literature review, the methods and procedures used to conduct the study, a discussion of the study results, and conclusions

and recommendations for the research study. Chapter two reviews literature relevant to the study.

<div align="center">Key Terms</div>

Organizational Trust: "positive expectations individuals have about the intent and behaviors of multiple organizational members based on organizational roles, relationships, experiences, and interdependencies" (Shockley-Zalabak, Ellis and Winograd, 2000, p. 36).

Job Satisfaction: "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences" (Locke, 1976, p. 1300).

High Performance Organization: "an organization that creates respect and a deep appreciation for the value of people; is cohesive and adaptable; has good strategy; and its leaders understand that good people are a competitive advantage" (People Process Culture Handbook, p. 12).

Traditional Hierarchical Organization: "any large, complex administrative structure with job specialization and complex rules. Is based on the principle of hierarchical authority, job specialization, and formal rules" (Muchinsky, 1990, p. 272).

REVIEW OF LITERATURE

Introduction

The purpose of this chapter is to review past and present literature regarding organizational trust and employee job satisfaction. Also being looked at is the influence the organizational culture (high performance organization vs. traditional hierarchical organizations) has on trust and job satisfaction. The literature discussed in this chapter will provide a base from which hypotheses will be made. The sections in the chapter include organizational trust according to theorists and management consultants; dimensions of organizational trust; job satisfaction and its components; low trust organizations compared to high trust organizations; and finally, the differences between high performance organizations and traditional hierarchical organizations.

Organizational Trust

Many modern organizational theories see mutual trust development and interaction as an integral force in organizations (Dwivedi, 1983; McCauley & Kuhnert, 1992). Shea (1984) states that trust is the "miracle ingredient in organizational life-a lubricant that reduces friction, a bonding agent that glues together disparate parts, and a catalyst that facilitates action. No substitute-neither threat nor promise-will do the job as well" (p. 2).

Organizational theorists have been writing about the importance of organizational trust for decades. Theorists such as McGregor (1967), Argyris (1973) and Likert (1967)

have all supported the idea of trust importance in their work. Just as organizational theorists have noted the importance of trust in organizations, so have management consultants.

<u>According to Theorists</u>

Douglas McGregor (1967) outlined two theories of management behavior that explain why some managers adopt certain management strategies. The two theories are Theory X and Theory Y. The latter of the two is the one that is most desired by individuals. The earlier theory, Theory X, is mostly associated with bureaucratic management theory. Here, "management distrusts workers, feels that employees dislike their work, and can only be made to cooperate through precise management and heightened control (McCauley and Kuhnert, 1992, p. 267). In contrast to Theory X, managers practicing Theory Y trust people, empower employees, and believe in their capacity to integrate their own values, beliefs and goals into the organization (McGregor, 1967). Open communication and mutual trust between all members of an organization will help facilitate the basis behind Theory Y, creating an organization that is effective in all its endeavors.

Argyris (1973) believes that organizations should take on the belief that human growth is important. He claims that when mistrust in organizations rises, individuals will look out for themselves, rather than working together. The result is decreased productivity due to the lack of information flow, conformity, and ineffective decision-making. Argyris (1973) proposes that organizations of the future should "seek to enrich work, minimize unilateral dependence, and increase openness, trust, risk-taking, and expression of feelings" (p. 40).

Likert (1967) developed a more thorough and complex model than McGregor's. Likert proposed the existence of four organization systems. They are exploitive, benevolent authoritative, consultative, and participative group. They are also thought of as systems 1 through 4. Traditional, control-oriented management practices represent a strategy of dividing work into small, fixed job where individuals can be held accountable. This approach is associated with Likert's System 1 organization. Likert's System 4 organizations are "characterized by managerial confidence and trust, solicitation and utilization of subordinate input, open and accurate communication, integrated and involved decision-making process, jointly established and fully accepted goals, low control procedures, high productivity, low absence and turnover and less waste and loss" (McCauley and Kuhnert, 1992, p. 267).

According to Management Consultants

"The significance of trust within organizations has also been voiced by organization consultants and practicing managers who subscribe to a management strategy based on commitment rather than control" (McCauley and Kuhnert, 1992, p. 265).

According to Culbert and McDonough (1985), "we've long contended that the trusting relationship is the most effective management tool ever invented. We know of no other management device that saves more time ore promotes more organizational effectiveness…In short, trusting relationships create the conditions for organizational success" (p. 3).

McCauley and Kuhnert (1992) notes Ron Capelle (1994) as another individual who understands the importance of organizational trust. He claims that individuals within

organizations tend to enter into commitments or agreements with other co-workers so to finish a task. Trust will develop within an organization when the commitments are successfully fulfilled.

Gordon Shea (1984) proclaims that companies with less trust will ultimately be less productive. The low levels of productivity will create an environment that does not support trust, therefore not allowing trust to arise between individuals.

<p align="center">Dimensions of Organizational Trust</p>

Organizational trust is not a simple concept to understand. It requires many factors be considered when measuring it. According to the Mishra Model for Organizational Trust (1996), there are four dimensions of organizational trust. They are competence, openness and honesty, concern for employees, and reliability. Recently, research has been done to show that there is yet another factor to consider—identification (Shockley-Zalabak, Ellis and Winograd, 2000; Shockley-Zalabak, Ellis and Cesaria, 1999).

> The first dimension is competence. According to Shockley-Zalabak, et.al (1999), "competence is a generalized perception that assumes the effectiveness not only of the leadership, but also of the organization's ability to survive in the marketplace. At an organizational level, competence connects with the extent to which employees see the organization as effective: whether it will survive and be able to compete (p. 35).

The second dimension is openness and honesty. This is the dimension that is most frequently referred to when speaking in respect to organizational trust (Shockley, et.al, 2000). This dimension involves the amount and accuracy of information shared, as well

as the way in which it was communicated (Shockley-Zalabak, et. al 1999). The third

dimension is concern for employees. This dimension pertains to the efforts by others to

understand the feelings of caring, empathy, tolerance, and safety when in business

activities. The fourth dimension is reliability. This dimension deals with the question; can

you count on your co-worker, team, supplier, or organization to do what they say? Do

they act consistently and dependably? The final dimension is identification. This

dimension "measures the extent to which we hold in common goals, norms, values, and

beliefs associated with our organization's culture. This dimension indicates how

connected we feel to management and to our co-workers" (Shockley-Zalabak, et.al, 1999,

p. 10).

<div align="center">Job Satisfaction</div>

"Employees in all organizations want to work in an environment of trust and

respect where they feel they are making a real contribution to organizational goals and

objectives" (Anderson and Pulich, 2000, p. 51). Job satisfaction is one of the most widely

studied variables in research (Rich, 1997; Muchinsky, 1990). As discussed in earlier

sections, trust within an organization is an important facet in many organizations.

Similarly, job satisfaction has also been viewed as an important factor in organizations

(Muchinsky, 1990). Previous research has found that trust has been linked to a variety of

factors that influence overall job satisfaction (Shockley-Zalabak, Ellis and Winograd,

2000; Driscoll, 1978). When evaluating overall job satisfaction, there is not one set of

factors that is common to every job.

Components (Factors) of Job Satisfaction

In researching components of job satisfaction, five major components were found.

They are: attitude toward the work group, general working conditions, attitude toward the

company, monetary benefits, and attitude toward management (Byars and Rue, 1997).

Other factors that affect job satisfaction include an individual's health, age, social status,

social relationships, and perceived opportunities (Byars and Rue, 1997). Since there are

approximately five to twenty influencing factors, depending on the job, this current

research will be focusing on the factors associated with the job (pay, promotion,

supervision, meaningful work, communication, relationships and working conditions).

Figure 2.1 depicts the major factors that influence an employee's level of satisfaction or

dissatisfaction.

Figure 2.1 **Factors Influencing Employee Satisfaction and Dissatisfaction**

Style and Quality of Management		Commitment to the organization
Job design (interest, perceived value)	Job Satisfaction	
Compensation		
Social relationships		
Working conditions	or	
Perceived long-range opportunities		Turnover, absenteeism, tardiness, accidents, strikes, grievances, sabotage
Perceived opportunities elsewhere	Job Dissatisfaction	
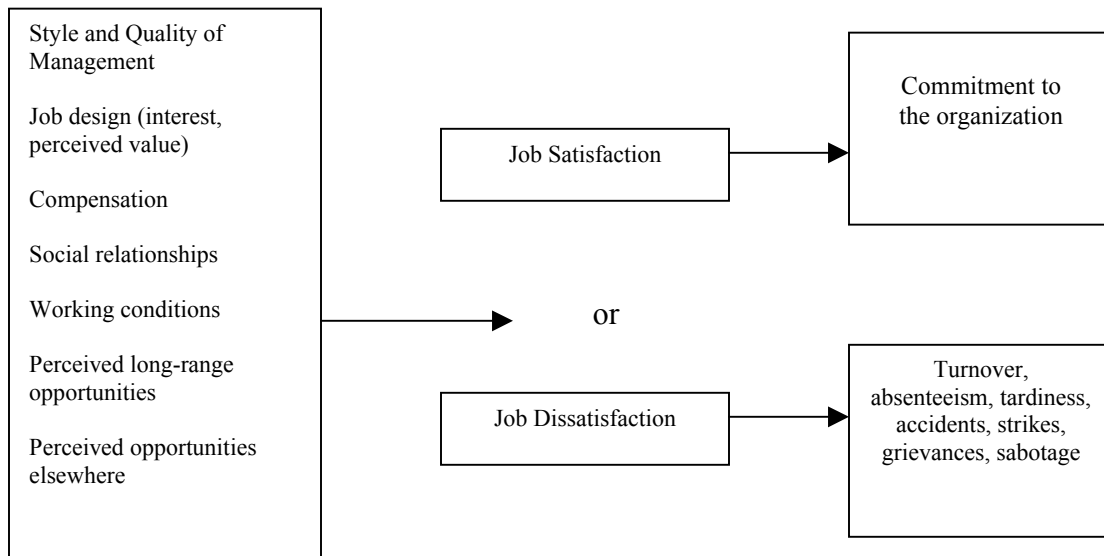
SOURCE: From *Human Resource Management* (5th ed.) (p. 319) by L. L. Byars and L.

W. Rue, 1997, Boston, MA: Irwin/McGraw Hill.

11

The far left of Figure 2.1 is a summary of the major factors that cause or influence an individual to be satisfied or dissatisfied with his/her job. The right side indicates the results that are obtained as a result of the individual's satisfaction or dissatisfaction. Those individuals that tend to be satisfied are generally more committed to the organization; whereas employee dissatisfaction can lead to several detrimental behaviors (turnover, absenteeism, tardiness, etc.). To assist in the prevention of the detrimental behaviors, organizations need to understand what leads to employee satisfaction. Generally speaking, "having challenging and meaningful work leads to high work satisfaction and, if rewarded by the organization, to higher satisfaction with rewards as well" (Harris and DeSimone, 1994, p. 414). A study conducted on quality work environments found that those individuals who found their job meaningful also worked for organizations that were considered to be great places to work (Caudron, 1997). As noted before, there are many factors that affect employee job satisfaction. It is important to understand the value behind each factor when assessing the satisfaction levels of employees because satisfied employees can make the work environment more pleasant.

Comparison of Low Trust Organizations to High Trust Organizations

Unlike what many may think, people cannot demand the trust of another. Trust must be earned and developed over time (Fairholm, 1994). Those people that feel that others should just trust them are often left out in the cold because people often trust others based on their moral character or integrity. An individual demanding trust from others is not exercise strong moral character. This type of behavior may lead to an environment of distrust, rather than mutual trust (Fairholm, 1994). An organization of distrust can also be thought of as one with low levels of trust.

So, what does an organization plagued with low levels of trust look like? According to Savage (1982):

❖ The atmosphere is usually quiet; with a low level of energy and commitment

❖ There is no conflict, as anyone who "bucks the system" with complaints is punished or fired

❖ Any change is viewed with suspicion and alarm

❖ Management is a top down affair; status is very important; decisions are checked out through the entire chain of command

❖ People feel locked into their jobs (p. 55).

This type of organization tends to be less effectively than those with high levels of trust because "employees in organizations marked by low levels of trust usually operate under high levels of stress. They spend a great deal of effort covering their backsides, justifying past decisions, or looking for scapegoats when something doesn't work out. This prevents employees from focusing on the work they should be doing, and productivity ultimately declines" (Sonnenburg, 1994, p. 20). As trust decreases, so does the willingness of individuals to follow their managers (Fairholm, 1994). These organizations resemble McGregor's Theory X and Likert's System 1.

Strickland (1958) suggests that low trust will lead to a greater amount of surveillance or monitoring of work progress. The employee might interpret this frequent monitoring and surveillance as the supervisors distrust in the employee, which may result in the employee double-crossing the supervisor.

Often, open and honest communication between individuals in low trust organizations is eroded due to barriers that are erected. The result is employees are

required to work with incomplete information and not consider other employee's suggestions (Sonnenburg, 1994).

On the other end of the spectrum lie high trust organizations. According to Carol Phillips (1997), high trust organizations share five elements. They are:

- ❖ "They all have leaders who see the value of engaging the workforce in running the business.

- ❖ The leaders are visionary, and they articulate their vision clearly and often.

- ❖ They believe in sharing the wealth with employees and do.

- ❖ They understand the value of intellectual capital, and they invest in it and nurture it.

- ❖ They understand the value of loyalty and find ways to develop and maintain it. by inspiring loyalty in their employees, they also have more loyalty and less turnover form their customers and stockholders" (p. 8).

An organizational climate of trust allows employees to surface their ideas and feelings and learn together. Without trust, people may take on unfavorable positions that can inhibit learning (Costigan, et. al, 1998). Trust flourishes in situations where individuals have the freedom to perform their day-to-day task without being monitored by supervisors (Fairholm, 1994). Those that support this freedom will also support an environment of high trust among employees and management.

According to Sonnenburg (1994), high levels of trust within organizations:

- ❖ Reduces friction among employees,

- ❖ Bond people together,

- ❖ Increase productivity,

❖ Stimulate growth,

❖ Improve employee morale,

❖ Reduce employee turnover, absenteeism,

❖ Create an environment where innovation can flourish (p. 42).

The following diagram (Figure 2.2) illustrates the relationships involved in maintaining trust within high trust organizations. This figure can also assist organizations that experience low levels of trust by showing what variables are needed to build the necessary trust.

Figure 2.2 **Values Associated with Maintaining (or Building) Trust**

Causal Variables	**Personal**
	-integrity -honesty -competence -loyalty -openness -fairness
	Job/Relational
	-meaningful work -participation -open communication -autonomy -feedback

⇩

| **Intervening Variables** | -trust
-loyalty
-commitment |

⇩

| **End-result Variables** | -increased productivity
-high employee morale
-reduced absenteeism
& turnover
-innovation
-long-run stability |
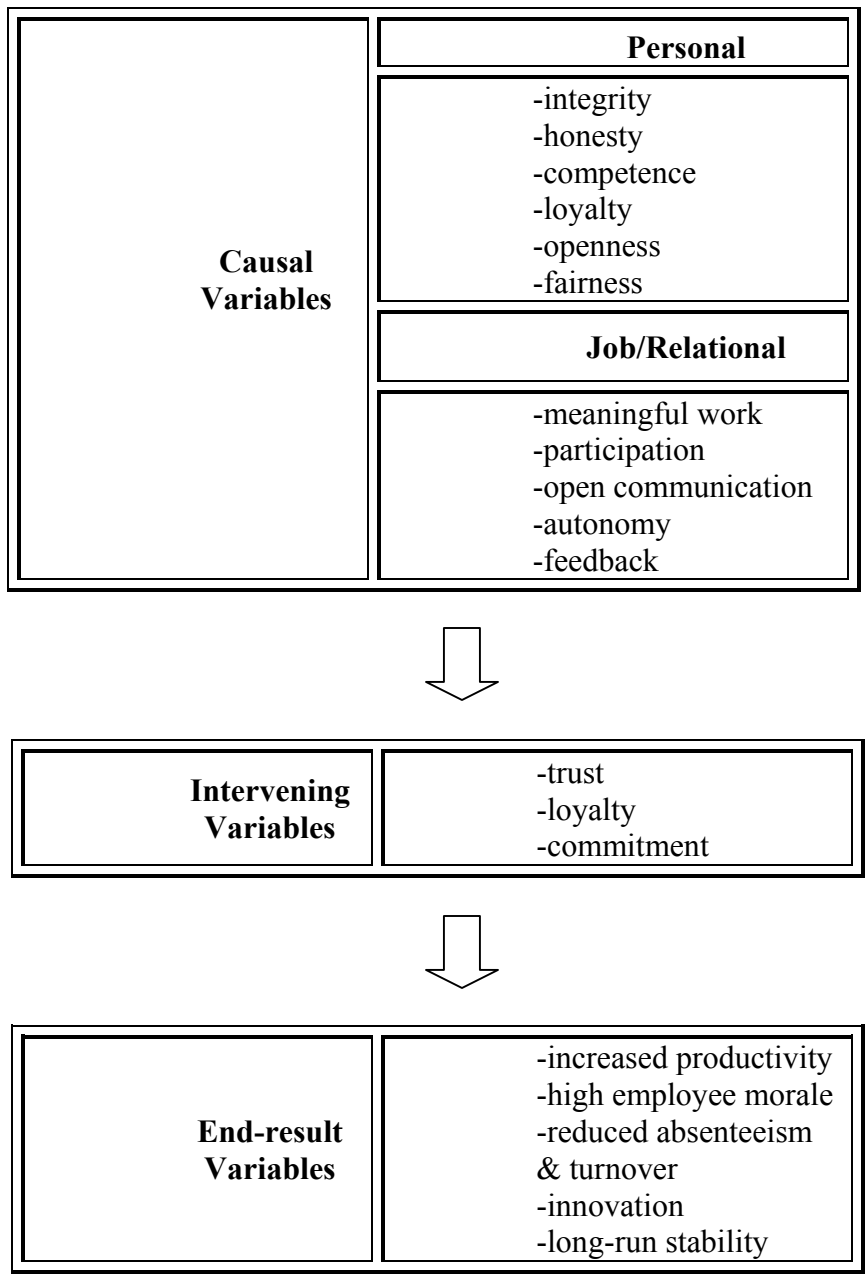
High Performance Organizations vs. Traditional Hierarchical Organizations

Throughout the past couple of decades, a new form of organization has been taking front stage. These organizations focus on a team based approach rather than the typical individual approach in organizations. They are often referred to as high performance organizations—an organization that tries to bring out the best in individuals and create an exceptional capability to deliver high-end results (Dalton, 2000). These organizations produce goods and services at higher quality than traditional organizations and tend to the same or fewer resources (Jordan, 1999). With this newfound identity, high performance organizations seem to be overtaking the traditional hierarchical organization.

There are many aspects that are similar between traditional organizations as well as high performance organizations, but unlike traditional organizations, high performance organizations build on those similarities to create a more meaningful work experience. One particular aspect that is quite different between the two is that of job roles, both management and worker. In a traditional organization, the managements and workers roles tend to be completely segregated, which is not true of high performance organizations. In traditional organizations, workers tend to have one specific task or role that they perform every day. High performance organizations take the approach of emphasizing skills that will allow the worker to better serve the company by solving problems and interacting with customer, other workers and other departments (U.S. Department, 1994).

Another aspect that differs between traditional organizations and high performance organizations is the goals, both business and human, that each perceives to

be important. Goals that traditional organizations tend to focus on are primarily how well

the company is doing (business goals) and that everything is within the organization is

secure for the workers (i.e., working conditions, economic security, fair treatment).

However, high performance organizations go beyond just the basic fundamental goals of

traditional organizations. Their goals tend to be more related to customer satisfaction,

learning, as well as adapting to change within the workplace. When it comes down to

human goals, high performance organizations expand on those of the traditional

organization by adding job satisfaction. Job satisfaction is an important concept to

consider in any organization, no matter what structure is present.

In high performance organizations, workers are given more responsibilities and

are trusted to achieve the goals necessary for the company to succeed; but not only does

the organization succeed, the workers do as well because they are viewed as a valuable

asset which motivates them to want to succeed. Unfortunately, most traditional

hierarchical organizations do not have the same thoughts. According to McCauley and

Kuhnert (1992), "traditional, control-oriented approaches of work force management

represent a strategy of dividing work into small, fixed jobs for which individuals can be

held accountable" (p. 268). On the other hand, individuals in high performance

organizations tend to work in groups, which makes everyone accountable. (People

Process, 2001, p. 30). According to Jordan (1999), there are eight characteristics of high

performance organizations. They:

> 1) are clear in their mission; 2) define outcomes and focus on results; 3) empower
>
> employees; 4) motivate and inspire people to succeed; 5) are flexible and adjust
>
> nimble to new conditions; 6) are competitive in terms of performance;

7) restructure work processes to meet customer needs; and 8) maintain

communications with stakeholders (p. 12).

The eight characteristics define what many organizations would like to say how they run

their business. However, not many companies actually have the ability to achieve this

goal. According to Pfeffer (1998), fewer than 10 percent of all American companies

develop and maintain a high performance organization. This is primarily due to

management not "walking-the-talk." Walking the talk create environments that foster

communication, build trust, and facilitate teamwork (People Process, 2001). When this is

not done, employees place their trust in other people, rather than the organization leaders.

In order for an organization to be truly high performance, management needs to

understand that there is not a linear structure; instead it is more of a flat structure. This is

where trust and job satisfaction come into play. When management says they are going to

do one thing and then turn around and do another, vertical trust tends to be lost, which

then indirectly affects job satisfaction.

Summary

The body of literature reviewed in this chapter has concentrated on those theories

and factors associated with organizational trust and job satisfaction. This chapter also

examined the difference between the traditional hierarchical organization and high

performance organizations. Throughout the chapter, emphasis was placed on showing

how each of the dimensions being studied (organizational trust, job satisfaction and

traditional vs. high performance organizations) is related.

RESEARCH METHODOLOGY

The intention of this chapter is to discuss the research methodology of this study. The research design and procedures employed for this descriptive study were used to answer questions concerning the objectives of this study. This chapter includes the following sections: research design, hypotheses, research model, instrumentation, data analysis, and finally, a summary of the chapter.

Research Design

The present study sought to determine what level of influence organizational trust has on employees' overall job satisfaction. Also being examined was the impact the organizational structure had on both organizational trust and overall job satisfaction. The researcher sent research packages in March 15, 2001 to six organization presidents in the manufacturing, service and education industries requesting their participation in the study. The research package contained a cover letter stating the purpose of the study, the importance of the study and a confidentiality statement (Appendix A), a copy of the questionnaire (Appendix D), and a postcard that was used determine whether they were willing to participate or if they were declining participation. Four organizations agreed to participate. The researcher sent those organizations each twenty-five surveys and 25 postage-paid envelopes to distribute to employees, primarily low-level managers and hourly employees on April 5, 2001. When finished, the respondents were directed to place the survey in the envelope, seal it and return it to the president (Appendix C). The presidents were requested to return the surveys received before April 19, 2001 (Appendix

B). Since no names were taken, no follow-up surveys were distributed. Of the 100

surveys distributed, 84 surveys were returned.

<u>Research Model</u>

The following figure depicts the model used to test the hypotheses pertaining to

organizational trust, job satisfaction and organizational culture.

<u>Figure 3.1</u> **Organizational Trust, Job Satisfaction and Culture**
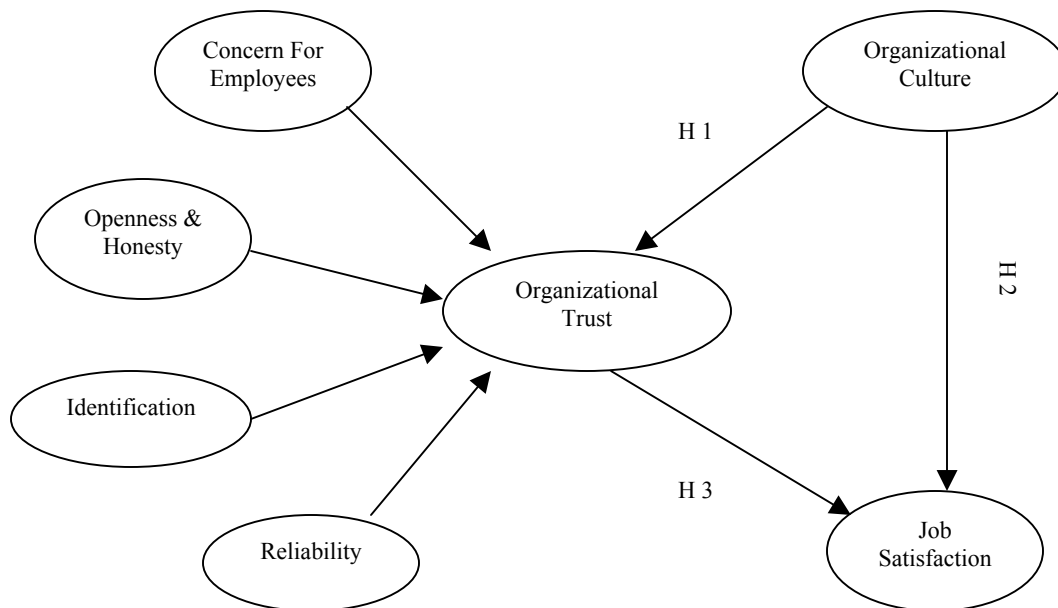
The elements on the left hand side of the research model represent four dimensions that

have been found to be significantly related to organizational trust (Shockley-Zalabak,

Ellis, and Cesaria, 1999). Since organizational trust is not a simple and unified concept,

each dimension needs to be looked at to effectively measure the overall trust levels.

Chapter 2 discussed five dimensions of organizational trust; however, the present study is

not measuring employees' view of the effectiveness of the organization. Therefore, the

dimension of competence was not measured. The research model represents the relationship existent between the different variables. As mentioned before, the four dimensions on the left-hand side constitute different aspects of organizational trust. The relationship between organizational trust and organizational culture what found in the research regarding high trust and low trust organizations. The last facet of the research model is that of job satisfaction. The research has shown the relationship between organizational culture and organizational trust for many years. This model reiterates that research.

<u>Hypotheses</u>

To evaluate the objectives raised in chapter one regarding the research, the present study tested three hypotheses. These hypotheses are derived from a research model (See Figure 3.1). The model shows the relationship between the variables of organizational culture (high performance organization vs. traditional organization), organizational trust, and job satisfaction. The first hypothesis is generated from the information regarding the differences between high trust and low trust organizations.

<u>Hypothesis 1</u>: Employees in high performance organizations will have a greater level of organizational trust than those in traditional hierarchical organizations.

According to the research, high performance organizations tend to have higher levels of organizational trust based on the factors being measured (reliability, openness and honesty, identification, and concern for employees). It has also been noted that employees in high performance organizations have an overall high level of job

satisfaction because of the amount of responsibility and other components of their job.
Hypothesis 2 examined this belief.

Hypothesis 2: Employees in high performance organizations will possess greater

overall job satisfaction than those in traditional hierarchical

organizations.

The final hypothesis examines the influence that organizational trust has on
employee's overall job satisfaction. This influence has been found in prior research as a
significant factor in employee's job satisfaction.

Hypothesis 3: An employee's level of organizational trust will be positively

related to his/her overall job satisfaction.

Instrumentation

The primary instrument of this study was a questionnaire. The questionnaire was
derived from the Organizational Trust Index developed by Shockley-Zalabak, Ellis and
Cesaria (1999). As stated in the previous section, questions regarding the dimension of
competence were disregard due to the irrelevance to the present study. The remaining
four dimensions—openness and honesty, concern for employees, reliability, and
identification were utilized. Overall job satisfaction was measured using questions
developed by the researcher from previous coursework pertaining to job satisfaction. The
questions pertained to items such as pay, promotion, benefits, supervisor, nature of work,
co-workers, operating conditions and communication. The questionnaire contained three
pages. An introductory and directional paragraph was placed at the beginning of the
questionnaire. A cover letter preceded the questionnaire. The cover letter stated the
purpose of the study, its significance and a confidentiality statement.

The questionnaire contained two sections. The first section was used to evaluate the employees trust levels and overall job satisfaction. The questions were answered using a Likert type scale. To determine the levels of organizational trust and job satisfaction, a five-point scale was used with one being strongly disagree and five being strongly agree. The higher the rating, the higher the trust and job satisfaction levels.

The last section of the questionnaire was used for the demographics of the sample. The primary purpose of this section was to collect basic information from each respondent, pertaining to both them and the organization. The questions on the demographics of gender, length of time with organization, industry in which the organization is in, organization size, and whether they were management or non-management. Following the demographics section was a place for individuals to place any comments they had.

Data Analysis

MINITAB Statistical Software was employed to analyze the statistics. Descriptive statistics were applied for computing means and standard deviations. Cross-tabulation was used to describe the demography of all respondents. Two-sample t-tests were used to examine the relationships between the variables of organization trust and job satisfaction for both types of organizational structures. Regression analysis, correlation and two-sample t-tests were used to examine the relationship between overall organizational trust and job satisfaction. Correlation coefficients were also used to examine the relationship between the dimensions of organizational trust and overall organizational trust. The interpretation and summary of the analysis are discussed in chapter four.

Summary

This chapter discussed the procedures employed in collecting and analyzing the data. Three hypotheses were developed from the information obtained in the literature review that was used to examine the relationship between organizational trust and job satisfaction in traditional hierarchical organization and high performance organizations.

Chapter Four

RESULTS

<u>Overview</u>

The purpose of this study is to research the relationship that apparently exists

between the level of organizational trust individuals possess and the individuals job

satisfaction. Also being examined is the influence the organizational culture (high

performance vs. traditional hierarchical organization) has on the individual's level of trust

and job satisfaction. As discussed earlier in chapter three, a survey was designed as a

research instrument for data collection. This chapter presents the results regarding the

organizational trust and job satisfaction levels of individuals in both traditional

hierarchical organizations and high performance organizations. Data and information

found in this study were analyzed and discussed in accordance with the research

objectives introduced in chapter one.

MINITAB Statistical Software was utilized to analyze the data received in this

study. Nominal data involved frequency and percentage distributions for the last part of

the survey regarding gender, length of employment at organization, the industry the

organization was in, the size of the company and the respondent's job function were used

for the demographics of the sample. Mean, standard deviation, and two-sample t-tests

were used to test the first two hypotheses previously stated in chapter three. A correlation

regression analysis was calculated to determine the relationship between overall

organizational trust and overall job satisfaction. To assure that the four dimensions of

organizational trust were highly related to overall organizational trust, correlation coefficients were calculated and analyzed.

<u>Response Rate</u>

In this study, 25 surveys were distributed throughout each of four organizations (two high performance organizations and two traditional hierarchical organizations) for a total of 100 surveys. The president of the company distributed the surveys during the Month of April 2001. To ensure confidentiality the completed surveys were placed in individual envelopes returned by the president. Of the 100 surveys distributed, 84 completed and valid surveys were yielded throughout this study. Therefore, the overall response rate was 84 percent (Table 1).

<u>Table 1.</u> **Response rates**

Population Number	100
Total Responses	84
Sample of traditional hierarchical organizations	43
Sample of high performance organizations	41
Overall Response Rate (84/100)	84%

<u>Respondents' Profile</u>

In the last part of the survey, questions on the demographics of gender, years with organization, what industry the organization was in, the size of the organization and whether the individual was management or non-management. The data served as a demographic profile of the respondents in the study.

The results in Table 2 show that 39 percent of the respondents were male and 61 percent of the respondents were female. Among the 84 respondents, 31 percent were in management level job functions and 69 percent were classified as having a non-management job function (Table 2).

Table 2. **Respondents' Profile**

N=84	n	Percent
Gender		
Male	33	39%
Female	51	61%
Job Function		
Management	26	31%
Non-Management	58	69%

The results in Table 3 show that slightly over 3 percent (3.6%) of the respondents have only been with their organization for less than six months; thirteen percent indicated they have been with their organization for six months to one year; twenty-eight percent (28.6%) have been there for one to three years; slightly over twenty-three percent (23.8%) indicated they have been at their organization for three to six years; and over thirty percent (31%) have been with their organization for more than six years.

Table 3. **Percentages of years with organization**

N=84	n	Percent
Years in Organization		
Less than 6 months	3	3.6%
6 months to 1 year	11	13.0%
1 year to 3 years	24	28.6%
3 years to 6 years	20	23.8%
Over 6 years	26	31.0%

Over forty percent of the respondents indicated they work in the customer service industry; nineteen percent indicated they work within the manufacturing industry; six percent in the education industry; and thirty-one percent indicated they work in other industries that were not listed (Table 4). Over fifty percent (55%) of the respondents indicated that their organization employed less than 50 employees; one-fourth (25%) of the respondents indicated that their organization employed between 51 and 150 employees; and one-fifth (20%) indicated that between 401 and 1000 employees were employed at their organization (Table 5).

Table 4. **Percentages of organization's industry**

N=84	n	Percent
Industry		
Manufacturing	16	19%
Customer Service	37	44%
Education	5	6%
Other	26	31%

Table 5. **Percentage of organization's size**

N=84	n	Percent
Organization size		
Less than 50 employees	46	55%
51-150 employees	21	25%
401-1000 employees	17	20%

Organizational Trust Dimension Relationships

Chapter 2 discussed five dimensions that have been proven to be valid determinants of organizational trust. The research model described in chapter 3 showed the relationship that four of the five dimensions possessed to organizational trust. To assure that those dimensions were highly related to organizational trust, correlation coefficients were found for each dimension. T-tests were run to determine the level of significance. Figure 4.1 shows the relationship found between each dimension and organizational trust.

<u>Figure 4.1</u> **Model for relationships among organizational trust dimensions**
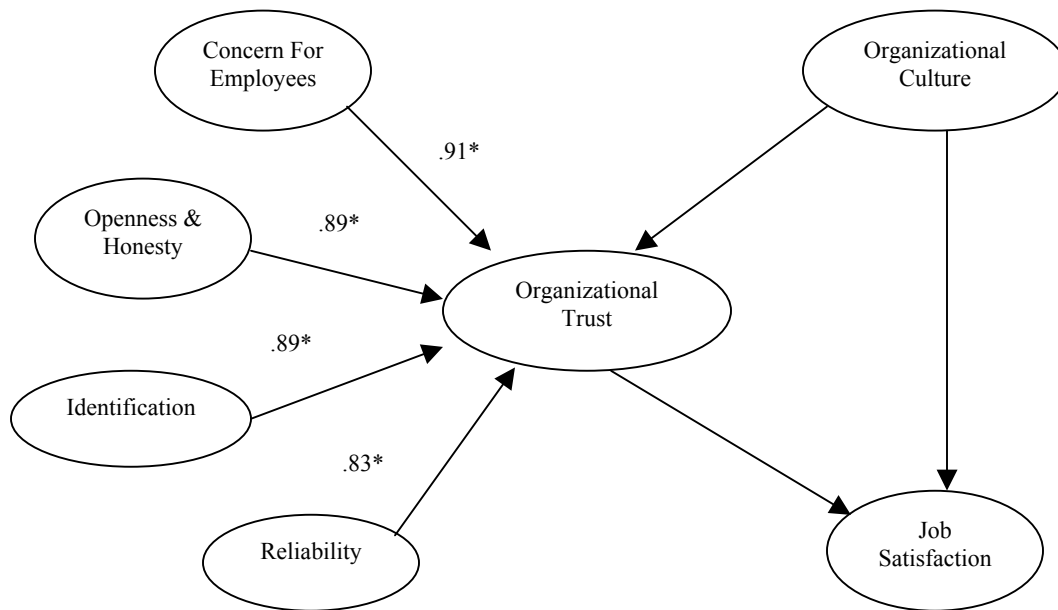
*Indicates statistically significant. Standardized path parameters range from 0 to

1.00. The higher the path parameter, the stronger the path. (significance, p < .05)

As anticipated, each of the four dimensions was highly related to overall organizational

trust. This reiterated the research regarding the validity of the dimensions.

<u>Hypothesis Testing</u>

<u>Hypothesis 1</u>

Employees in high performance organizations will have a greater level of

organizational trust than those in traditional hierarchical organizations.   To thoroughly

examine this hypothesis, means and standard deviations were computed and analyzed for

each question of the four dimensions of organizational trust. Means and standard

deviations were also computed and analyzed for the overall total trust levels as well as

the total for each dimension.

Table 6 is the frequency distribution of the openness/honesty dimension of

organizational trust.

Table 6. **Openness/honesty dimension**

Question	HPO			Traditional		
	N	M	SD	N	M	SD
I can tell my immediate supervisor when things are going wrong..	41	4.34	.73	43	3.79	.94
I am free to disagree with my immediate supervisor.	41	4.02	.69	43	3.37	.93
I have a say in decisions that affect my job.	41	**4.05**	**.89**	43	**2.97**	**1.20**
My immediate supervisor keeps confidences.	41	4.12	.78	43	2.95	.95
I receive adequate information regarding how well I am doing in my job.	41	3.41	.87	43	2.88	.98
I receive adequate information regarding how well I am being evaluated.	41	3.32	1.01	43	2.95	1.09
I receive adequate information regarding how my job-related problems are handled.	41	3.71	.87	43	3.12	.85
I receive adequate information regarding how organizational decisions are made that affect my job.	41	3.75	.92	43	2.63	1.11
I receive adequate information regarding the long-term strategies of my organization.	41	3.98	.79	43	2.72	1.10

Note: response scale   1=strongly disagree   2=disagree   3=neutral   4=agree   5=strongly disagree

Although there was not a significant difference between the standard deviations of

each question, there was a significant difference for "I have a say in decisions that affect

my job." Employees in traditional hierarchical organizations have a larger standard

deviation (S.D. > 1.1) indicating that not all employees were in agreement—there was a

wider array of answers. Also apparent is the differences between the means between high

performance organizations and traditional hierarchical organizations. The means in the

high performance organizations were higher, with a lower standard deviation than those

in the traditional hierarchical organizations. This indicates that there was a lower variance

of answers in the high performance organizations than in the traditional hierarchical

organizations (See Table 6).

Table 7 is the frequency distribution of the reliability dimension of organizational trust.

Table 7. **Reliability dimension**

Question	HPO			Traditional		
	N	M	SD	N	M	SD
My immediate supervisor follows through with what he/she says.	41	**4.10**	.83	43	**2.88**	1.09
My immediate supervisor behaves in a consistent manner from day to day.	41	**4.05**	.77	43	**3.09**	1.09
Top management keeps their commitments to employees.	41	**4.05**	.77	43	**2.84**	.97
My immediate supervisor keeps his/her commitments to team members.	41	**4.07**	.61	43	**3.00**	.87
Note: response scale 1=strongly disagree 2=disagree 3=neutral 4=agree 5=strongly disagree						

Although the standard deviations for both high performance organizations and traditional hierarchical organizations were less than 1.1, the means of the high performance organization indicate that those employees believe that their employer is more reliable than those of traditional hierarchical organizations. The low standard deviations indicate that the employees answered the questions within the same mark, creating low levels of variance between the answers. There is a significant difference between the high performance organizations means and the traditional hierarchical organizations means. The lowest mean in the high performance is 4.05 and the highest is 4.10, whereas in the traditional hierarchical the lowest is 2.84 and the highest is 3.09 (See Table 7).

Table 8 is the frequency distribution of the concern for employees dimension of organizational trust.

Table 8. **Concern for employees dimension**

Question	HPO			Traditional		
	N	M	SD	N	M	SD
My immediate supervisor listens to me.	41	**4.34**	**.62**	43	**3.33**	**1.13**
Top management is sincere in their efforts to communicate with employees.	41	**4.07**	**.93**	43	**2.84**	**1.11**
Top management listens to employees' concerns.	41	**4.02**	**.72**	43	**2.95**	**1.07**
My immediate supervisor is concerned about my personal well-being.	41	**4.05**	**.71**	43	**3.16**	**1.09**
Top management is concerned about employees' well-being.	41	**3.97**	**.91**	43	**3.00**	**1.09**
My immediate supervisor is sincere in his/her efforts to communicate with team members.	41	**4.10**	**.63**	43	**3.10**	**.95**
My immediate supervisor speaks positively about subordinates in front of others.	41	**4.07**	**.72**	43	**2.79**	**.91**

Note: response scale   1=strongly disagree   2=disagree   3=neutral   4=agree   5=strongly disagree

Although the standard deviations for both high performance organizations and traditional hierarchical organizations were less than 1.15, the standard deviations of the high performance organizations are significantly lower than those of the traditional hierarchical organizations. This indicates that the employees of the high performance organizations are in greater agreement than those in the traditional hierarchical organizations. There is a significant difference between the high performance organizations means and the traditional hierarchical organizations means. The higher means of the high performance organization indicate that those employees believe that their employer has greater concern for the employees. The lowest mean in the high performance is 3.97 and the highest is 4.34, whereas in the traditional hierarchical organizations, the lowest is 2.79 and the highest is 3.33 (See Table 8).

Table 9 is the frequency distribution of the identification dimension of organizational trust.

Table 9. **Identification dimension**

Question	HPO			Traditional		
	N	M	SD	N	M	SD
I feel connected to my peers.	41	**3.76**	**.92**	43	**3.58**	**.73**
I feel connected to my organization.	41	4.07	.82	43	3.33	.92
I feel connected to my immediate supervisor.	41	4.05	.63	43	3.12	1.03
My values are similar to the values of my peers.	41	3.88	.78	43	3.23	.99
My values are similar to the values of my immediate supervisor.	41	4.10	.62	43	3.12	.98
Note: response scale	1=strongly disagree	2=disagree	3=neutral	4=agree	5=strongly disagree	

Although most of the means and standard deviations of the high performance organizations are greater than those of the traditional hierarchical organizations, the question, "I feel connected to my peers" is different. The mean is greater in the high performance organization, but the standard deviation is higher, indicating that there is greater variance in the answers provided by the participants. The mean of the traditional organization is slightly lower, but has also has a lower standard deviation than the high performance organization. So in retrospect, both types of organizations have similar beliefs regarding connectedness with peers.

Table 10 provides descriptive statistics to explain the level of employees' organizational trust in high performance organizations and traditional hierarchical organizations. T-tests were used to determine the level of significance between the high performance and traditional hierarchical organizations.

Table 10. **Relationship between organizational trust and organizational structure**

Dimension	HPO Mean	Trad Mean	HPO Standard Deviation	Trad Standard Deviation	HPO Median	Trad Median	p
Openness/Honesty	**34.71**	**27.40**	5.23	6.57	34	27	**.00**
Reliability	**16.27**	**11.81**	2.21	3.40	16	12	**.00**
Concern for Employees	**28.63**	**21.16**	3.81	6.00	29	22	**.00**
Identification	**19.85**	**16.37**	2.81	3.77	20	16	**.00**
Overall Trust	**99.5**	**76.7**	12.1	18.2	98	76	**.00**

Since the t-value was greater than the critical t-value for a confidence level of 95% (+/- 2.00), the null hypothesis was rejected and the alternative hypothesis was accepted. Thee study indicated that there was a significant difference between trust levels in high performance organizations and traditional hierarchical organizations (significance, p=. 00). As with the overall levels of organizational trust, the separate dimensions of organizational trust also showed significant differences between the high performance organization and traditional hierarchical organization. (See Table 10).

Hypothesis 2

Employees in high performance organizations will possess greater overall job satisfaction than those in traditional hierarchical organizations. To test this hypothesis, a two-sample t-test was analyzed. Means and standard deviations were also analyzed for the questions pertaining to job satisfaction. This analysis was broken up in regards to the different components of job satisfaction that the survey questioned.

Table 11 is the frequency distribution of the components of job satisfaction.

Table 11. **Components of job satisfaction**

Component	Question	HPO			Traditional		
		N	M	SD	N	M	SD
Pay	• I feel I am being paid a fair amount for the work I do.	41	**3.91**	**.86**	43	**3.09**	**1.32**
	• I feel satisfied with my chances for salary increases	41	**3.39**	**1.20**	43	**2.98**	**1.14**
Supervision	• My supervisor is quite competent in doing his/her job.	41	4.41	.67	43	3.58	.88
	• I like my supervisor.	41	4.37	.54	43	3.58	.93
Rewards	• When I do a good job, I receive the recognition for it that I should receive.	41	3.73	.98	43	2.74	1.07
Coworkers	• I like the people I work with.	41	4.27	.71	43	4.12	.73
	• I enjoy my coworkers	41	4.09	.74	43	3.98	.83
Communication	• Communications seem good within this organization.	41	3.51	.93	43	2.67	1.17
Promotion	• Those who do well on the job stand a fair chance of being promoted.	41	3.24	.86	43	2.95	.95
	• People get ahead as fast here as they do in other places.	41	3.30	.85	43	2.58	1.03
	• I am satisfied with my chances for promotion.	41	3.24	.92	43	3.09	1.02
Benefits	• The benefits we receive are as good as most other organizations offer.	41	4.29	.60	43	3.04	1.09
	• The benefit package we have is equitable.	41	4.17	.63	43	2.86	.97
Operating Conditions	• My efforts to do a good job are seldom blocked by red tape.	41	3.85	.79	43	3.28	.91
Nature of Work	• I like doing the things I do at work.	41	4.07	.76	43	3.67	.84
	• I feel a sense of pride in doing my job.	41	4.37	.77	43	3.88	.70
	• My job is enjoyable.	41	4.09	.70	43	3.49	.83
General	• I am satisfied with the career opportunities available to me.	41	3.20	.95	43	2.98	1.12
	• I would recommend this organization as a good place to work.	41	4.37	.70	43	3.67	.94
	• Generally speaking, I am satisfied with my job.	41	4.27	.71	43	4.27	.71

Note: response scale   1=strongly disagree   2=disagree   3=neutral   4=agree   5=strongly disagree

Although most of the means and standard deviations of the high performance organizations are greater than those of the traditional hierarchical organizations, the question, "I feel satisfied with my chances for salary increases" is different. The mean is

37

greater in the high performance organization, but the standard deviation is higher, indicating that there is greater variance in the answers provided by the employees. The mean of the traditional organization is slightly lower, but has also has a lower standard deviation than the high performance organization. Both organizations have standard deviations slightly higher than 1.1, indicating that there is some variance in the answers provided.

The question "I feel I am being paid a fair amount for the work I do," the means of both the high performance organizations and the traditional hierarchical organizations are slightly different, but are still close in proximity. However, the standard deviation of the traditional hierarchical organizations is significantly higher than the high performance organizations (S.D. traditional = 1.32 vs. S.D. hpo = .86), indicating that there is more agreement between the employees of the high performance organizations than in the traditional hierarchical organizations.

Table 12 provides descriptive statistics to explain employees' job satisfaction levels in high performance organizations and traditional hierarchical organizations. T-tests were used to determine the level of significance between the high performance and traditional hierarchical organizations.

Table 12. **Relationship between job satisfaction and organizational structure**

Job Satisfaction Component	HPO Mean	Trad Mean	HPO Standard Deviation	Trad Standard Deviation	p
Pay	**7.29**	**6.12**	1.72	2.27	**.01**
Supervision	**8.78**	**7.19**	1.04	1.53	**.00**
Rewards	**3.73**	**2.79**	.98	1.05	**.00**
Coworkers	8.37	8.10	1.34	1.48	.38
Communication	**3.51**	2.71	.93	1.15	**.00**
Promotion	**9.76**	8.62	2.20	2.60	**.04**
Benefits	**8.46**	6.00	1.10	1.75	**.00**
Operating Conditions	**3.85**	3.31	.79	.90	**.01**
Nature of Work	**12.54**	11.05	2.04	2.04	**.00**
General	**11.83**	10.14	1.88	2.52	**.00**
Overall Job Satisfaction	**78.12**	**65.7**	9.21	12.3	**.00**

Since the t-value was greater than the critical t-value for a confidence level of 95% (+/- 2.00), the null hypothesis was rejected and the alternative hypothesis was accepted. Thee study indicated that there was a significant difference between overall job satisfaction levels in high performance organizations and traditional hierarchical organizations (significance, p =. 00). Although the overall levels of job satisfaction showed a significant relationship, not every component had a significant relationship between high performance and traditional hierarchical organizations. The coworker component of job satisfaction was the only component that did not show a significant relationship (p =. 38). The remainder of the components showed a significant relationship between the two organizational structures and overall job satisfaction (See Table 12).

<u>Hypothesis 3</u>

An employee's level of organizational trust will influence his/her overall job satisfaction. To test this hypothesis, a two-sample t-test, regression analysis and a correlation coefficient were analyzed.

<u>Table 13.</u> **Relationship between overall organizational trust and overall job satisfaction**

	Correlation Coefficient	Regression Analysis		
Job Satisfaction		t-ratio	p	R-sq.
Predictor Constant	20.88	6.96	.00	78.3%
Overall Trust	.58	17.35	.00	

Since the t-value for job satisfaction is greater than the critical t-value for a confidence level of 95% (+/- 1.98), the null hypothesis was rejected and the regression analysis was applied. The study indicated that there was a relationship between an employee's level of job satisfaction and organizational trust. The r-square value indicated that 78.3% of the variance in job satisfaction could be explained by the relationship with organizational trust. The overall model and overall trust levels showed a significant relationship towards overall job satisfaction (significance, p = .00). (See Table 13).

Chapter Five

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

Trust and job satisfaction are increasingly becoming extremely important

ideas to understand. Employees in all organizations want to work in an environment of

trust and respect where making a contribution to organizational goals and objectives is

achieved. There is a consensus in the literature reviewed that trust and job satisfaction are

essential elements to an organizations success. Cook and Wall (1980) conclude that "trust

between individuals and groups within organizations is a highly important ingredient in

the long-term stability of the organization and the well-being of its members" (39). With

this ever-increasing need to understand organizational trust and job satisfaction, a study

to find the relationship between the two is necessary.

Purpose of Study

The purpose of this study was to research the relationship that apparently exists

between the level of trust individuals possess towards the organization in which they

work and the individuals overall job satisfaction. Also examined was the influence the

organizational structure (high performance vs. traditional hierarchical organization) has

on the individual's level of trust and job satisfaction.

Summary of Procedures

Sample Population

The study included 100 participants from Wisconsin, 50 from high performance

organizations (both management and non-management) and 50 from traditional

hierarchical organizations (both management and non-management). These populations were identified by the formal definitions of what a high performance organization is and what a traditional hierarchical organization is.

Instrumentation

A survey instrument was used to collect the data pertaining to the research objectives and hypotheses of the study. The survey was composed of questions regarding organizational trust and job satisfaction.

The questions pertaining to organizational trust were taken from a survey instrument developed by Shockley-Zalabak, Ellis and Cesaria (1999). The researcher received permission to use the survey from Pamela Shockley-Zalabak via email. The original instrument measured five dimensions of organizational trust; however, the researcher felt that the dimension of competence did not pertain to this study. The four other dimensions were utilized—openness/honesty, reliability, concern for employees and identification.

The researcher developed the questions pertaining to job satisfaction for the purpose of gathering information on various factors that influence job satisfaction. Some of those include: pay, promotion, coworkers, benefits and nature of work.

Data Collection

Research packages were sent out to six organization presidents in the manufacturing, service and education industries requesting their participation in the study. The research package contained a cover letter stating the purpose of the study, the importance of the study and a confidentiality statement, a copy of the questionnaire, and a

postcard that was used determine whether they were willing to participate or if they were declining participation. Four organizations agreed to participate. The researcher sent those organizations each twenty-five surveys and 25 postage-paid envelopes to distribute to employees, primarily low-level managers and hourly employees. When finished, the respondents were directed to place the survey in the envelope, seal it and return it to the president. The presidents were requested to return the surveys received. Since no names were taken, no follow-up surveys were sent.

Survey Response Rate

The study population included 100 participants from four Wisconsin organizations (two high performance organizations and two traditional hierarchical organizations). The study examined organizations from different industries. That data collection process yielded 84 responses, 41 from high performance organizations, and 43 form traditional hierarchical organizations, for an overall return of 84.0%.

<center>Hypotheses</center>

To examine the relationship between organizational trust, job satisfaction and the organizational structure, three hypotheses were generated. The first two were in regards to the influence the organizational structure had on both organizational trust and job satisfaction. The third hypothesis dealt with the relationship present between organizational trust and job satisfaction.

<u>Hypothesis 1</u>

Hypothesis one examined the relationship between organizational structure and the level of trust that the employees had towards the organization. Two-sample t-tests were used to determine if there was a significant relationship between the organizational structure and the employee's level of organizational trust. Means and standard deviations showed the variance that existed between the high performance organizations and the traditional hierarchical organizations. The t-test showed strong statistical significance between organizational structure and overall trust levels. Employees in high performance organizations possessed greater levels of organizational trust than employees in traditional hierarchical organizations.

To examine all aspects of this hypothesis, two-sample t-tests were also used to determine the significance between the overall trust levels and the overall scores of the four dimensions of organizational trust. The t-tests showed strong statistical significances between the four dimension scores and overall trust levels. Correlation analysis was also used to examine the association between the dimensions and overall trust. All dimensions showed a correlation of .8 or higher indicating that a strong association exists.

<center>44</center>

<u>Hypothesis 2</u>

Hypothesis two examined the relationship between organizational structure and overall levels of employee job satisfaction. Means and standard deviations were analyzed to examine the difference between high performance organizations and traditional organizations in regards to the various job satisfaction components within the survey. Two-sample t-tests were used to determine the significance between organizational structure and the components of job satisfaction being measured. The coworker component was the only job satisfaction component that did not show a significant difference between high performance organizations and traditional hierarchical organizations.

To determine the significance level between organizational structure and overall levels of employee job satisfaction a two-sample t-test was analyzed. The t-test showed a strong statistical significance between an employee's overall level of job satisfaction and the structure of the organization in which they worked. Employees in high performance organizations possessed greater levels of job satisfaction than employees in traditional hierarchical organizations.

<u>Hypothesis 3</u>

Hypothesis three examined the relationship between overall organizational trust and overall job satisfaction levels of employees. To test this hypothesis, a regression correlation analysis was analyzed to determine if organizational trust had a significant influence on an employee's overall job satisfaction level. Since organizational structure was not being analyzed within this hypothesis, all overall trust scores were analyzed together and all overall job satisfaction scores were analyzed together.

This study found a strong relationship between organizational trust and job satisfaction, implying that organizational trust has an influence on an employee's job satisfaction levels.

Conclusions

The study indicated that there are significant differences between organizational trust and job satisfaction in high performance organizations and traditional hierarchical organizations. Each hypothesis tested showed significant relationships between the variables under investigation.

This study provided general information regarding various aspects of organizational trust and job satisfaction in an organization setting. This study also provided information regarding the elements of a high performance (high-trust) and a traditional hierarchical (low-trust) organization and how those structures influence the employees within them. Although the findings of this study indicated that employees in high performance organizations have greater levels in regards to both organizational trust and job satisfaction, other variables not being studied could have influenced the responses of the participants. This would influence the results obtained. The results could have also been affected by variables beyond the researchers control such as whom the organization presidents distributed the surveys to. It is a possibility that the presidents distributed the surveys to employees that were known as having a trusting relationship with others.

Recommendations for Traditional Hierarchical Organizations

There are many aspects that are similar between traditional organizations as well as high performance organizations, but unlike traditional organizations, high performance organizations build on those similarities to create a more meaningful work experience. The results of this study indicate that traditional hierarchical organizations have not truly evolved into an organization that is looked upon as "people friendly" because of the low levels of trust and job satisfaction. However, those organizations that have realized that certain areas within the organization are not producing as they should, being able to adopt concepts from high performance organizations in regards to treating employees may help in reaching organizational effectiveness, both financially and culturally. These organizations should focus a large amount of their time on developing ways to effectively communicate with employees when changes are to be done, as well as when it affects the employee's job. This will allow the employee to become more in tune with his/her responsibilities.

Recommendations for High Performance Organizations

All areas covered in this study pertained to the investigation of organizational trust and job satisfaction in high performance organizations and traditional hierarchical organizations. Within all areas, employees in high performance organizations achieved high levels of organizational trust and job satisfaction. With the ever-increasing benefits of high performance organizations, including high levels of trust and job satisfaction, it is important for those organizations to continue placing their employee's first—empowering them to make important decisions pertaining to their job, as well as communicating information about the organization. This type of organizational structure

does not work for every organization, but can provide some benefits to those companies that are looking for a little less structure.

<u>Recommendations for Future Research</u>

1. Expand the study to include union organizations. Then comparing union and non-union levels of trust and job satisfaction.

2. Change the survey to include the competence dimension of organizational trust explained by Shockley-Zalabak, Ellis and Cesaria (1999).

3. Determine if similar results would be true for all union organizations, both high performance and traditional hierarchical.

4. Duplicate the study, surveying all non-management employees.

5. Study the overall level of trust in management, rather than overall organizational trust. Compare those results to overall job satisfaction levels.

6. Expand the study to include more industries beyond manufacturing, customer service, and education.

References

Anderson, P. and Pulich, M. (2000). Retaining good employees in tough times. The Health Care Manager, 19(1), 50-58.

Argryis, C. (1973). On organizations of the future. Beverly Hills: Sage.

Byars, L.L and Rue, L.W. (1997). Human Resource Management (5th ed.). Boston, MA: Irwin / McGraw-Hill.

Caudron, S. (1996). Rebuilding employee trust. Training and Development, 50(8), 18-21.

Caudron, S. (1997). The search for meaning at work. Training and Development, 51(9), 24-27.

Cook, J. and Wall, T. New work attitude measures of trust, organizational commitment and personal need nonfulfillment. Journal of Occupational Psychology, 53, 39-52.

Costigan, R.D., Ilter, S.S., & Berman, J.J. (1998). A multi-dimensional study of trust in organizations. Journal of Managerial Issues, 10 (3), 303-317.

Culbert, S.A and McDonough, J.J. (1985). Radical management: Power, politics and the pursuit of trust. New York: Free Press.

Dalton, D. (2000). Understanding high performance organizations. Security, 37, 69-73.

Driscoll, J.W. (1978). Trust and participation in decision-making as predictors of satisfaction. Academy of Management Review, 21, 44-56.

Dwivedi, R.S. (1983). Management by trust: A conceptual model. Group and Organizational Studies, 8, 375-402.

Ellis, K. and Shockley-Zalabak, P. (1999). <u>Communicating with management: Relating trust to job satisfaction and organizational effectiveness.</u> Paper presented at National Communication Association Convention, Chicago, IL, November 1999.

Fairholm, G.W. (1994). <u>Leadership and the culture of trust</u>. Westport, CT: Praeger.

Harris, D.M. and DeSimone, R.L. (1994). <u>Human Resource Development</u>. Fort Worth, TX: The Dryden Press.

Jordan, S.A. (1999). Innovative cultures + empowered employees = high performance organizations. <u>Public Productivity and Management Review, 23,</u> 109-115.

Likert, R. (1967). <u>The human organizations: Its management and value</u>. New York: McGraw-Hill.

Locke, E.A. (1976). <u>The nature and causes of job satisfaction.</u> In Handbook of Industrial and Organizational Psychology. Ed. Marvin Dunnette. Chicago: Rand McNally, 1297-1350.

McCauley, D.P. and Kuhnert, K.W. (1992). A theoretical review and empirical investigation of employee trust in management. <u>Public Administration Quarterly, 16(2),</u> 265-285.

McGregor, D. (1967). <u>The professional manager</u>. New York: McGraw-Hill.

Mishra, A.K. (1996). Organizational responses to crisis: The centrality of trust. In R.M. Kramer & T.R. Tyler (Eds.), <u>Trust in organizations: Frontiers of theory and research</u>: 261-287. Thousand Oaks, CA: Sage.

Muchinsky, P.M. (1990). <u>Psychology applied to work: An introduction to industrial and organizational psychology</u>. Pacific Grove, CA: Brooks/Cole Publishing Co.

People Process Culture Handbook, 2001. Department of Communication, Education and Training. University of Wisconsin-Stout, Menomonie, WI 54751

Pfeffer, J. (1998). The human equation. Boston, MA: Harvard Business School Press.

Phillips, C.J. (1997). Do you trust me? Executive Excellence, 14, 7-10.

Rich, G.A. (1997). The sales manager as a role model: Effects on trust, job satisfaction, and performance of salespeople. Academy of Marketing Science Journal, 25, 319-328.

Savage, D. (1982). Trust as a productivity management tool. Training and Development Journal, 54-57.

Shea, G. (1984). Building trust in the workplace. New York: McGraw-Hill.

Shockley-Zalabak, P., Ellis, K. and Cesaria, R. (1999). Measuring organizational trust: Trust and distrust across cultures. Paper funded by IABC Research Foundation.

Shockley-Zalabak, P., Ellis, K. and Winograd, G. (2000). Organizational trust: What it means and why it matters. Organizational Development Journal, 18(4), 35-48.

Sonnenburg, F.K. (1994). Managing with a conscience. New York: McGraw-Hill.

Strickland, L.H. (1958). Surveillance and trust. Journal of Personality, 26, 200-215.

U.S. Department of Labor Office of the American Workplace (1994). Road to high-performance workplaces: A guide to better jobs and better business results. Washington DC: U.S. Government Printing Office.

APPENDIX A

LETTER TO ORGANIZATION PRESIDENTS

March 15, 2001

<Company Name>
<Street Address>
<City, State, Zip Code>

Dear <Company President>,

 As a candidate for my M.S. in Training and Development, I am requesting your
 participation in my research study. The goal of this study is to determine the
 relationship between organizational trust and job satisfaction of employees. By
 examining the relationship between organizational trust and employee job satisfaction,
 corporations will have the knowledge necessary to assess their current organization
 and, if needed, develop themselves into an organization that allows for growth of its
 employees through high levels of trust.

I have enclosed a copy of the survey for your review and a prepaid postcard to return. The postcard
will inform me whether you wish to participate or not. If you do wish to participate, 25 copies of
the survey, along with 25 envelopes will be sent to you. It is to your discretion which employees
receive the survey. Directions explaining confidentiality of the responses and when to return the
completed surveys will be sent to you with the surveys.

Participation in this research is voluntary. There are no risks associated with your participation in
this study. However, the findings of this study will benefit organizations to better understand the
importance of organizational trust and job satisfaction of employees. To assure enough time to
distribute the survey, please return the prepaid postcard by **March 25, 2001.**

Should you have any questions about this study or other matters concerning your
requested participation in this study, feel free to contact Dr. Joseph Benkowski at (715)
232-5266 or by email at benkowskij@uwstout.edu. Your response is much appreciated.

Sincerely,

Kelli Dammen

Enclosures: survey
            Prepaid postcard

APPENDIX B

SECOND LETTER TO ORGANIZATION PRESIDENTS

April 5, 2001

<Company Name>
<Street Address>
<City, State, Zip Code>

Dear <Company President>,

You recently agreed to participate in my research study for my M.S. in Training and Development. To refresh your memory, the goal of this study is to determine the relationship between organizational trust and job satisfaction of employees. By examining the relationship between organizational trust and employee job satisfaction, corporations will have the knowledge necessary to assess their current organization and, if needed, develop themselves into an organization that allows for growth of its employees through high levels of trust.

Enclosed you will find 25 surveys and envelopes. Please distribute the 25 surveys to employees within your organization. If possible, please distribute them to low-level managers and hourly employees. The employees will be asked to return the surveys to you in the envelope provided. Please return the surveys you receive by **April 19, 2001**.

All responses will remain confidential to all but me as the researcher. A summary of the data will be placed in my research paper but no references will be made to identify you as the contributor of any particular data. The results of this survey will be available to surveyed individuals, as well as participating organizations.

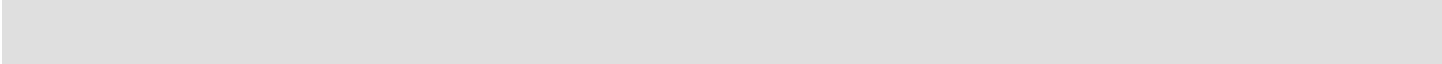Thank you again for your agreed participation in this study.

Sincerely,

Kelli Dammen

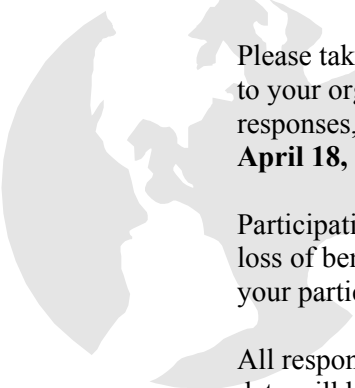Enclosures: surveys
               envelopes

APPENDIX C

COVER LETTER

April 5, 2001

Dear Sir or Madam,

As a candidate for my M.S. in Training and Development, I am requesting your participation in my research study. The goal of this study is to determine the relationship between organizational trust and job satisfaction of employees. By examining the relationship between organizational trust and employee job satisfaction, corporations will have the knowledge necessary to assess their current organization and, if needed, develop themselves into an organization that allows for growth of its employees through high levels of trust.

Please take approximately 10-15 minutes to complete the following survey and return it to your organization president in the envelope provided. To assure confidentiality of your responses, please seal the envelope before returning it. Please return the survey before **April 18, 2001.**

Participation in this study is voluntary. Non-participation will not result in any penalty or loss of benefits to which you are otherwise entitled. There are no risks associated with your participation in this study.

All responses will remain confidential to all but me as the researcher. A summary of the data will be placed in my research paper but no references will be made to identify you as the contributor of any particular data.

Should you have any questions regarding the survey or your participation, feel free to contact Dr. Joseph Benkowski at (715) 232-5266 or by email at benkowskij@uwstout.edu. Your response is much appreciated.

Sincerely,

Kelli Dammen

Enclosure: survey
              envelope

APPENDIX D

ORGANIZATIONAL TRUST AND JOB SATISFACTION SURVEY

Organizational Trust and Job Satisfaction Survey

Directions: This survey is designed to assess the level of organizational trust and job satisfaction individuals possess. Following are statements about your organization, as well as yourself. Please circle the response that best indicates the current reality of your organization.

Use the following ratings:
① = SD = Strongly Disagree
② = D = Disagree
③ = N = Neutral
④ = A = Agree
⑤ = SA = Strongly Agree

	SD ①	D ②	N ③	A ④	SA ⑤
1. I can tell my immediate supervisor when things are going wrong.	①	②	③	④	⑤
2. My immediate supervisor follows through with what he/she says.	①	②	③	④	⑤
3. I feel I am being paid a fair amount for the work I do.	①	②	③	④	⑤
4. My immediate supervisor listens to me.	①	②	③	④	⑤
5. My supervisor is quite competent in doing his/her job.	①	②	③	④	⑤
6. I feel connected to my peers.	①	②	③	④	⑤
7. I am free to disagree with my immediate supervisor.	①	②	③	④	⑤
8. When I do a good job, I receive the recognition for it that I should receive.	①	②	③	④	⑤
9. I like the people I work with.	①	②	③	④	⑤
10. Communications seem good within this organization.	①	②	③	④	⑤
11. Top management is sincere in their efforts to communicate with employees.	①	②	③	④	⑤
12. My immediate supervisor behave in a consistent manner from day to day.	①	②	③	④	⑤
13. Those who do well on the job stand a fair chance of being promoted.	①	②	③	④	⑤
14. The benefits we receive are as good as most other organizations offer.	①	②	③	④	⑤
15. I feel connected to my organization.	①	②	③	④	⑤
16. I have a say in decision that affect my job.	①	②	③	④	⑤
17. My immediate supervisor keeps confidences.	①	②	③	④	⑤
18. I receive adequate information regarding how well I am doing in my job.	①	②	③	④	⑤
19. My efforts to do a good job are seldom blocked by red tape	①	②	③	④	⑤
20. I like doing the things I do at work.	①	②	③	④	⑤
21. I receive adequate information regarding how I am being evaluated.	①	②	③	④	⑤
22. Top management listens to employees' concerns.	①	②	③	④	⑤
23. Top management keeps their commitments to employees.	①	②	③	④	⑤

	SD ①	D ②	N ③	A ④	SA ⑤
24. People get ahead as fast here as they do in other places.	①	②	③	④	⑤
25. The benefit package we have is equitable.	①	②	③	④	⑤
26. I feel connected to my immediate supervisor.	①	②	③	④	⑤
27. I receive adequate information regarding how my job-related problems are handled.	①	②	③	④	⑤
28. I enjoy my coworkers.	①	②	③	④	⑤
29. I feel a sense of pride in doing my job.	①	②	③	④	⑤
30. I feel satisfied with my chances for salary increases.	①	②	③	④	⑤
31. My immediate supervisor is concerned about my personal well-being.	①	②	③	④	⑤
32. My values are similar to the values of my peers.	①	②	③	④	⑤
33. I receive adequate information regarding how organizational decisions are made that affect my job.	①	②	③	④	⑤
34. Top management is concerned about employees' well-being.	①	②	③	④	⑤
35. I like my supervisor.	①	②	③	④	⑤
36. I am satisfied with my chances for promotion.	①	②	③	④	⑤
37. My immediate supervisor keeps his/her commitments to team members.	①	②	③	④	⑤
38. My values are similar to the values of my immediate supervisor.	①	②	③	④	⑤
39. I receive adequate information regarding the long-term strategies of my organization.	①	②	③	④	⑤
40. My job is enjoyable.	①	②	③	④	⑤
41. My immediate supervisor is sincere in his/her efforts to communicate with team members.	①	②	③	④	⑤
42. My immediate supervisor speaks positively about subordinates in front of others.	①	②	③	④	⑤
43. I am satisfied with the career opportunities available to me.	①	②	③	④	⑤
44. I would recommend this organization as a good place to work.	①	②	③	④	⑤
45. Generally speaking, I am satisfied with my job.	①	②	③	④	⑤

Demographics

46. Gender: ___M ___F

47. How long have you been with your organization?

___ less that 6 months   ___ 1-3 years   ___ 6+ years
___ 6 months to 1-year   ___ 3-6 years

48. What industry do you work in?

___ Manufacturing   ___ Sales   ___ Education
___ Customer Service   ___ Banking   ___ Other _____

49. What is the size of your organization?

       ___ Less than 50 employees   ___ 151-400 employees   __ Over 1000
       ___ 51-150 employees   ___ 401-1000 employees

50. What is your job function?

       ___ Management   ___ Non management

Comments_____
_____
_____
_____
_____

Thank you for taking the time to complete this survey.