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## Value creation through trust, decision making and teamwork in educational environment

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### Abstract

The purpose of this study was to explore the extend of trust element in organization and its relationship with decision making and teamwork. Trust element is an employee's confidence in an organization through the existence of high level of trust among employee and delegate responsibility and expresses confidence in employee by manager. This research measures trust in a sample of 903 employees who work in educational organizations in seven districts of Mashhad in Iran. Findings from this study include (a) Employee believe that the trust exist in organization in seven districts in Mashhad. (b) There is a significant relationship between trust and decision making. (c) There is a significant relationship between trust and teamwork. Findings of the study can be used to make some changes to the management process and applicability of trust, decision making and teamwork in enhancing performance of organization.

*Keyword:* Trust; decision making; teamwork; educational organization.

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### 1. Introduction

Trust enables cooperative human endeavours ( Fukuyama, 1996) and is vital to inter-organizational relationships ( Blomqvist, 2002; Fox, 1974; Gambetta, 1988; Rousseau et al., 1998). According to Friedman, People trust people, not technology (Friedman et al., 2000). Trust is also seen as an expression of confidence in organizational, which leads to cooperative behaviour among individuals and groups within and between organizations (Nandhakumar et al, 2006). According to Robbins (1999), trust takes a long time to build, can be easily destroyed, and is hard to regain. Also, since breaking trust gives rise to distrust, maintaining trust requires careful attention from management. It appears that effective managers today must develop trusting relationships with those they seek to lead. Trust is influenced by past experiences and chances of future interactions, that both relevant within organisations.

According to Bijlsma & Koopman (2003) trust is a key to organisational performance because it enables voluntary cooperation. This form of cooperation becomes increasingly important when command and control styles of management are no longer effective. According to Luhmann (1988) trust is a solution for specific problems of

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risk in relations between actors, because it is an attitude that allows for risk-taking. If actors choose one course of action in preference to alternatives, in spite of the possibility of being disappointed by the action of others, they define the situation as one of trust. Trust is a complex concept, it related with confident expectation that persons involved in the action will act competently and dutifully (Smith, 2005). Trust is considered at the interpersonal level, reflecting the relationship between employer and employee (Marlow & Patton, 2002).

### *1.1 Research on Trust*

Trust is an increasingly important concept in leading modern organizations. Interest in the concept of trust grew throughout the 1980s and into the 1990s, and trust has been studied from a variety of perspectives over the past several decades (Martins, 2002). Indeed, research indicates that as trust increases, social complexity in organizations falls (Luhmann, 1979) and strategic flexibility (Young-Ybarra & Wiersema, 1999) and supports greater organizational adaptability (Lorenz, 1988) and reducing opportunism (Wathne & Heidi, 2000). Trust is affected by levels of interpersonal trust that are linked, leadership relationships, organizational effectiveness, (Bryk & Schneider, 2002; Smith et al., 2001; Tschannen-Moran, 2001). Work relationships characterized by trust may strengthen cooperation, reduce conflicts, increase organizational commitment and diminish the tendency to leave (Tschannen-Moran and Hoy, 2000). When management power is shared; subordinates have opportunity to take advantage of the ability to influence decisions. Given this possibility, managers need to work out whether subordinates are sufficiently trustworthy to participate positively and consistently in the process of empowerment without abusing it. Managers need to trust in the competence and commitment of employees when inviting their participation in the decision-making process (Whitener et al., 1998). Based on the quality and attributes of employees' current behaviour, managers may increase their trust in employee dependability. Managers are likely to invite employee participation if they trust in employee dependability. Managers may also need to develop trust in employee loyalty and good faith before they share power with employees and hope that employees will contribute positively to the management process (Whitener, 1998). Trust in leadership, also conceptualized as "trust in management," has been associated with positive organizational outcomes, including intention to turnover, job satisfaction, satisfaction with participation in decision making, overall performance, and organizational commitment (Dirks & Skarlicki, 2004; Kiffin-Peterson & Cordery, 2003). Trust enables cooperative human endeavours (Fukuyama, 1996) and is vital to inter-organizational relationships (Blomqvist, 2002). Indeed, research indicates that as trust increases, social complexity in organization is increase (Luhmann, 1979). Hence, levels of trust among organizational members assist in determining the effectiveness of collective action (Tschannen-Moran, 2001) at both the interpersonal and institutional levels (Shapiro, 1987). According to Blevins trust has relationship with decision-making (Benito, 2005 ; Eugene,2001; Dirks & Ferrin ,2002) communications (Eugene,2001), and collaboration ( Eugene,2001; Dee & Henkin, 2001). Perceptions of servant management correlated positively with organizational trust (Joseph & Winston, 2005).

### *1.2 Trust and Decision Making*

Decision-making style is defined as the degrees to which managers are willing to allow participation by subordinates in decision-making processes. Decision-making processes include two basic issues: first, who is involved in the decision-making process? Secondly, are decisions made formally by the boss or jointly with subordinates? The second issue involves the degree to which subordinates are able to influence decisions and how well their interests are reflected in the outcomes through participation in the decision-making process (Vroom & Jago, 1988 ). Employee participation in decision making has been widely advocated as a means of increasing organizational effectiveness. On the one hand, it increases productivity, ability, and the development of employee motivation and commitment (Lam et al., 2002). On the other hand, it allows management to benefit from subordinates' knowledge, expertise, and experience. Trust in subordinates is believed to be closely related to managerial willingness to employ participative decision-making processes (Dirks & Ferrin, 2002). The degree of willingness with which managers promote participation is believed to relate to the extent of their trust in employees. Researchers found that most highly satisfied managers are clearly those who enjoy both high trust and confidence from their superiors and high levels of participation invited by their supervisors. Managers need to trust in the competence and commitment of employees when inviting their participation in the decision-making process. Perceived employee behaviours of loyalty and commitment to work provide conditions that encourage managers to develop trust in employee good faith (Whitener et al., 1998).

### 1.3 Trust and Teamwork

Trust affects all relationships between individuals and groups of individuals so; trust is critical to the effective functioning of groups or teams in organizations (Costa, 2003; Dirks, 2000; Kiffin-Peterson & Cordery, 2003; Gillespie & Mann, 2004). The responsibilities of teams are quite comprehensive, and may include the distribution of duties, planning and programming of schedules, making decisions about products and services, creating new ideas and solving problems. Trust is an interpersonal phenomenon (Costa, 2003; Tzafir, 2004) based on relationships between an individual and another person or group of persons. Trust in individuals, groups, and organizations have been examined by researchers (Dirks & Ferrin, 2002; Shamir & Lapidot, 2003; Lewicki et al, 2006). because teamwork is frequently considered a best way to deliver superior performance (Henkin & Wanat, 1994; Naquin & Tynan, 2003). Team work offers the potential to achieve outcomes that could not be achieved by individuals working in isolation ( Rice and Schneider, 1994). Suggested organizational benefits of teams include increased workplace productivity, improvements to service quality, a reduced management structure, lower level of absenteeism, and reduced employee turnover and increase organizational effectiveness (Bryk & Schneider, 2002; Smith et al., 2001). Team performance may be evaluated against a variety of criteria, such as reducing mistakes, continuous improvement in the quality of outputs, increased productivity, or customer satisfaction (Manz & Neck, 1997). Research on trust in teams suggests that trust increases the ability of group members to function together, with higher levels of trust resulting in better team performance, high team satisfaction, high commitment (Costa, 2003; Dirks, 2000). Developing high performance teams that can fulfil their demanding and dynamic responsibilities is only possible where there are high levels of co-operation between team members. But the co-operation desired in teamwork should be continuous, intensive and should be reflex behaviour for team members. This can only be achieved providing that trust comes to be the primary value of the team culture. Trust also provides an atmosphere of psychological safety for team members, and only in such an atmosphere can members accept criticisms easily, discuss mistakes and express their thoughts freely so that they can increase synergy (Edmondson, 2002).

## 2. Methodology

In this study by using this definition researcher received opinion of employee about behaviours of manager related trust, decision making and teamwork. This research measures three variables in a sample of 903 employees who work in organization in seven districts in Mashhad in Iran. The instruments used in this survey study are questionnaire because it is motivated to collect data from a large number of respondents (Anderson & Arsenault, 2002; Mc Burney 2001). In order to determine the reliability of questionnaires researcher use pilot study. Hence, at least 30 employees from several selected organization in different districts of Mashhad participate in this pilot study. The result showed reliability of questionnaires was more than 0.80. A test of statistical search on the reliability can be found by using (SPSS) software to find Cronbach Alpha for internal consistency of the instrument. The steps of research methodology as follow: Step I: Distribution of the survey instrument to the identified sample and collection of the answered survey after two weeks. Follow-up interviews were made wherever necessary to verify some data. Step II: Document analysis of meetings Step III: Descriptive and correlation statistical analyses were utilized in this study. Accordingly, Pearson's product moment correlation was used to determine the interrelationships among trust, decision making and team work.

## 3. Results

Findings from this study include the following: (a) Employees believe that the trust exists in organization in seven districts in Mashhad. (b) There is a statistically significant relationship between trust and decision making. (c) There is a statistically significant relationship between trust and teamwork. The results show that overall means score for the Trust (from the maximum score 100) was 72.9, and the standard deviation value was 17.56. This means that there was a prominent level of Trust in organization in Mashhad district. In addition overall means score for the Decision making and Team work (from the maximum score 100) i.e. were 67.5, 68.8 and the standard deviation value i.e. were 20.35, 19.77. This means that there was a prominent level of Decision making and Team work in organization in Mashhad district. The student's t-test one sided has been used in this research. By calculation, the overall t-test value Trust was 22.034 at 0.000 significant level and overall t-test value Decision making and Teamwork i.e. were 11.134, 13.376 at 0.000 significant level. So trust, Decision making and Teamwork were at a

desirable state in the organizations in seven districts in Mashhad. In addition, by the correlation analysis, the findings indicate there were strong and significant correlations (high correlation with 99% coefficient level) among the Trust, Decision making and Teamwork. The results show that the correlation among Trust and Decision making was 0.722 whereas correlation among Trust and Team working was 0.686. In addition the correlation among Decision making and Team work was 0.775.

#### 4. Discussion and Conclusion

The results of this research strongly support the positive relationship between the trust and decision making and teamwork. Trust must therefore form the behavioural basis of teamwork, which in turn impacts upon organisational synergy and performance. The development of trust in organisational life is definitely not merely an individual responsibility, but also an organisational responsibility. Karl states trust between employee and managers are at an all-time low. Morris (1995) survey results conclude 56 percent of employees view lack of trust as a problem in their organization. Therefore Organisations should transform indicators of trustworthy behaviours into performance appraisal criteria and taking measures to protect and promote them as organisational values. Findings of the study can be used to make some changes to the management process and improve organizational performance.

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