

Employees Trust towards Employers and its Influence on Productivity in IT Sector

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Abstract: Does trust explain for productivity between employees and employers? This paper suggests that trust plays a significant role for productivity. Drawing a consensus from the available literature, Cook and Wall (1980) conclude that "trust between individuals and groups within organizations are a highly important ingredient in the long term stability of the organization and the well-being of its members." Renewed interest in the concept of trust in organizations has come from the recent trend. Despite trust being the foundation of any kind of relationship, even a professional one, neither the researchers nor do the organizations focus on understanding and emphasizing its importance. Thus the study proved to gain an understanding of the strength of relationship between trust and work productivity in order to highlight its importance in the IT sector using 60 employees through a quantitative approach. To procure the results, the statistical tests used were correlation and t-test. This particular study is proved to be significant; employee's trust towards employer plays a major role in their increased productivity in IT sector. Organizations can use this as a tool to encourage each other to develop varied dimensions of trust such as integrity, credibility and benevolence, simultaneously providing a cooperative and motivating environment, which leads to increase in work productivity. This would in turn have a direct effect on the overall turnover, organizational growth of the company, healthy workplace relationships and employee satisfaction. With such a three-way benefit in place, this study is of high significance.

Key Words: trust, productivity

1. Introduction

The concept of trust has appeared as an essential point in a wide range of organizational studies including those focusing on performance. (Colquitt, Scott, & LePine, 2007; Lenton & Mosley, 2011; Lewicki, Wiethoff, & Tomlinson, 2005). Cultivating trust between employees and employers could be vital in raising productivity and improving company performance, affirms a recent research published in the Journal of Economic Behaviour and Organization. Experts often identify trust as one of the most vital factor for their business (Bergh, Thorgen, & Vincent, 2012; Gounaris, 2005).

A. Informational Technology (IT) Sector in India

Information technology industry is an emerging sector of Indian economy. In the last decade this sector has played a major role in positioning India on the international map. This sector has served as an important ground for growth for entrepreneurial class with their innovative corporate strategies. The size of the sector has increased tremendously at the rate of 35% per year during the last decade. The contribution to national GDP is also expected to increase as in line with United

States today. Since IT has emerged as an major global source for growth and employment, it has been as an economic facet which has increased productivity in developed countries. It is been predicted that Indian IT-BPO revenues may reach up to US\$225 billion by 2020. (Vijayasri, 2005).

B. Research Problem

Existing literature in the field of organizational psychology reveals that not much research has been done in the area of trust at workplace. Furthermore, few studies are present on the influence of trust on work productivity. Despite trust being the foundation of any kind of relationship, even a professional one, neither the researchers nor do the organizations focus on understanding and emphasizing its importance. Thus the study would seek to gain an understanding of the strength of relationship between trust and work productivity in order to highlight its importance in the working sector.

C. Rationale of the Study

Enormous research has been done on trust in close relationships but not much focus is being given in the organizational perspective. (Djellal & Gallouj, 2013). This reveals a gap in literature, wherein no connection has been established between trust and work productivity. The theories on attachment and Erikson's psychosocial development affirm how trusting relationship needs to be established in order for a child to optimally perform his daily activities. An analogy could be made to this affirmation, wherein formation of quality trust between employees and superiors is going to affect their optimal performance at work. This theoretical analogy, further rationalizes the focus of the study.

D. Significance of the Study

The research is significant because trust is one of the basic factors to create, build and sustain any relationship. In order to encourage and motivate the employees in the organization to retain and work better, the organization needs to provide a sense of trust towards the employee. If this particular study is proved to be significant then we could assume that Trust between the employee and the employer plays a major role in their increased productivity. Organizations can use this as a tool to encourage each other to develop varied dimensions of trust such as integrity, credibility and benevolence, simultaneously providing a cooperative and motivating environment, which leads to increase in work productivity. This would in turn have a direct effect on the overall turnover, organizational growth of the company, healthy workplace relationships and employee satisfaction. With such a three-way benefit in place, this study is of high significance.

E. Objective of the Study

The objective of the study is to measure the level of trust and workplace productivity among IT employees.

2. Review of Literature

After all the review of literature done, a lot emphasis has been given on the concept Trust but not many have found how this affects the productivity of the employee. But variables such as motivation and job satisfaction do contribute to productivity indicated by several researches. We can see there is a relationship between trust and performance of the employee. When an employee is motivated due to the trusting relationships he performs better (Dickson & Yamagishi, 1986). When an employee is satisfied with his work due to trusting relationship he performs better (Bozionelos, 2016). When the employee feels committed to his organization due to trusting relationship he performs better (Yamagishi & Yamagishi, 1984).

However, no connection has been established between trust and work productivity exclusively on these two variables. Several studies mentioned above focus on factors that contribute to trust and productivity but not many studies have been done exclusively on these factors. It is essential to make a clear connection between these two variables because many organizations focus on how to sustain employees through providing a positive environment. The research is significant because trust is one of the basic factors to create, build and sustain any relationship. In order to encourage and motivate the employees in the organization to retain and work better, the organization needs to provide a sense of trust towards the employee. If this particular study is proved to be significant then we could assume that trust between the employee and the employer plays a major role in their increased productivity. Organizations can use this as a tool to encourage each other to develop varied dimensions of trust such as integrity, credibility and benevolence, simultaneously providing a cooperative and motivating environment, which leads to increase in work productivity. This would in turn have a direct effect on the overall turnover, organizational growth of the company, healthy workplace relationships and employee satisfaction. With such a three-way benefit in place, this study is of high significance.

A. Hypothesis

H1: There is a significant relationship between trust and work productivity.

3. Conclusion

The concept of trust has appeared as an essential point in a wide range of organizational studies including those focusing on performance. (Colquitt, Scott, & LePine, 2007; Lenton & Mosley, 2011; Lewicki, Wiethoff, & Tomlinson, 2005). The term trust can simply be stated as a firm belief in someone and in their reliability, consistency and their ability. Rousseau and her colleagues (1998) offer the following definition of Trust as a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another. Similarly, Lewicki and his colleagues

(1998) describe trust as an individual's belief in, and willingness to act on the basis of, the words, actions, and decisions of another. So far, most emphasis has been given on Trust in interpersonal relationships. But recently Trust at workplace has been gaining attention like other factors that contribute to performance of an employee.

Despite trust being the foundation of any kind of relationship, even a professional one, neither the researchers nor do the organizations focus on understanding and emphasizing its importance. Thus the study would seek to gain an understanding of the strength of relationship between trust and work productivity in order to highlight its importance in the working sector. The research is significant because trust is one of the basic factors to create, build and sustain any relationship. In order to encourage and motivate the employees in the organization to retain and work better, the organization needs to provide a sense of trust towards the employee.

This is done by measuring the levels of trust and productivity of the employees of the IT sector. In order to achieve this, the data was collected from the IT employees who have experience of 2 years and more in the same organizations. The participants were given two questionnaires, which were, Trust scale for leaders developed by Adams and Sartori in 2005 and Endicott's work productivity scale which was developed by Jean Endicott. The participants were asked to fill 47 items in total. The participants were approached individually and their informed consent was obtained. They were screened using the demographic tool devised by the researcher and if they met the inclusion criteria of the sample they were then allowed to participate in the study. The researcher provided them with instructions and further asked them to complete the two questionnaires provided to them. The questionnaire was distributed to 60 IT employees who were then considered for further analysis. Based on scoring taken from the manual, we can observe that if the trust scores and productivity scores are inversely proportionate where trust score must be high and productivity score must be low due the reverse scoring of productivity scale, it indicates that trust has an effect on productivity. The responses were further scored and tabulated. In order to achieve the objective, correlation was done between Trust scores and productivity scores, and t-test was done between gender work experience and the two variables.

The hypothesis (H1) was accepted as it indicated that employee trust towards employers was found to correlate. The study also found that work experience did not have any influence over trust and productivity levels of employees in IT sector. In addition, gender was also not found to have any difference between trust and productivity in employees of IT sector. The above data was found using non-parametric tests for the analysis due to the fact that the data was not normally distributed.

The data collected can help organizations can use this as a tool to encourage each other to develop varied dimensions of trust such as integrity, credibility and benevolence, simultaneously providing a cooperative and motivating

environment, which leads to increase in work productivity. This would in turn have a direct effect on the overall turnover, organizational growth of the company, healthy workplace relationships and employee satisfaction. With such a three-way benefit in place, this study is of high significance.

The findings of the study helped in understanding the relationship between the two variables such as trust and productivity in IT sector. The findings also indicated relationship between work experience, trust and productivity. Lastly, it has also indicated the difference in gender, trust and productivity.

- Trust and productivity was negatively correlated which means employees trust towards employers has significant relationship with the productivity levels.
- Trust, productivity and work experience have no significant relationship between them.
- Trust, productivity and gender have no significant difference between them.

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