

Impact of Trust Climate on Employees' Performance in the Private Sector Hospitals of Pakistan: A case of District Abbottabad

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Abstract

Organizations continuously endeavor to improve trust climate because it is beneficial for improved employees and organization's productivity as well as effective implementation of strategic plans. In this study we investigate that trust climate gives a conducive environment to develop employees' performance and also develop organizational efficiency and effectiveness. In this study we analyzed that trust climate has an impact on the employees' performance. The population of this study was private sector hospitals of Hazara Division from which a sample of 26 hospitals was chosen. Data was collected from 197 employees of the private sector hospitals of the Hazara Division using self-administered questionnaires, whereas data from 60 patients and 20 hospitals owners and administrative officers was collected using open ended questions. To evaluate the concepts data was analyzed by using descriptive statistics, correlation and regression tests. Hypothesis results indicate a positive relationship between independent variable and dependent variable. Lastly, Research limitation, recommendations for the future research and hospitals' practitioners and conclusion were discussed in detail.

Key words: Trust Climate, Employees performance and Private sector hospitals.

Introduction/Background

Recently most of the organizations are working for the improvement of the trust climate in the organization for the better performance of the employees'. The trust climate concept becomes known in the late 1930s with the work of social scientists Lewin and his colleagues (Lewin et al., 1939).

The trust climate can be explained as an important attribute of organizational climate professed by an employee based on employee's subjective assessment for the entire workplace environment where he/she performs his/her duties (Costigan, Ilter, 1998). The need of the trust among the employees and its co-workers is essential because it affects the performance of the employees at workplace (Mayer, Davis & Schoorman, 1995; McAllister, 1995). Trust climate is a main element which affects the performance of the employees at the workplace.

Hooijberg, Lane, and Diversé (2010) explained that Trust climate contribute to the performance of the employees' They said that trust climate among the organization member be beneficial for the performance of the employees'.

According to the definition, trust climate could be regarded as a special feature of organizational climate, reflecting a general and diffusive evaluation for trustworthiness of the environment in which employees perform their duties. This study has conducted in China in manufacturing and IT organization by LI Ning, YAN Jin in 2009. Their study explains that the role of the employees on the job regarding trust climate is vital. If

the employees feel secure themselves then they perform well.

This study will explore the ways to identify the relationship of effective team building, employee's performance and the development of team cohesion on the strength of trust within the organization. This research work will also explore the techniques that are most effective in strengthening the relationship among the employees at the workplace. Therefore the creation of trust requires structure to provide information about the trusted party to ensure that the self-interest of the trusted party is aligned with the interest of the trusting party. When reliance is refined, it requires that the trusted party be motivated to insure the goal achievement of the organization. The performance indicators are that the employees will perform will for the overall goal of the organization.

Trust climate represents the way in which its members perceive what they observe and feel at their work place.

Literature review

A review of studies conducted by different researchers defines that in the private sector organizations employees' performance is dependent on the variables like trust climate, coordination, (Judge & Hies, 2002). Employees' performance is important for improving the performance of hospitals.

Conflict management in the organization build the organization trust and it also improve performance level of the employees' within the organization (Olu, Ojo1, Dupe, Adesubomi, Abolade (2014). This study

explained that conflict management move the volatile situation into a normalized situation.

Mwita (2000) defined that employees' performance can be a major factor of multidimensional aspects those have the strategic and strong link to the objectives of the organization. Organization productivity and efficiency at the work place can be measured by the real performance of the employees (Cascio, 2006). Performance can also be explained that employees' in according to organization rules and policies are carrying out his/her job discretion, assignment or task. It defines that accomplishment of a work or task that employees complete on his job. It explains that employees that how to do a work in the organization setup and accomplish his task as according to the organization policies and procedure.

Employees' performance is related with the Job performance which can be defined as, the final productivity of the employees' which is achieved by modification in their skills and abilities (Jones, 2003; Porter, Stress, Mowday & Boulin, 1974). Employees' performance is the individual (employee) identification and involvement to a particular task of the organization. Employees' performance is the name of employees' commitment with the organization Which is according to Poter at al. (1974) include a desire to work in the organization for long time; work enthusiastically from his/her own will and; have the belief for the acceptance of the goals and tasks of the organization.

The employees' performance can be defined as that is related to the effectiveness of the employees' against their task and assignment (Medly & Shannon, 1994).

Hughes (2007) conducted surveyed of different industries at multiple level he explained that work place quality affect the employees' attitude and increases their productivity level.

In the contemporary world, competitive environment of the organization has become the most important factor both for private and public sector organizations. The scholars working on the public or private administration have highlighted the need for betterment pliability and competitiveness (Behn 1995; Pooja & Renu, 2005). They also argued in their study that performance of the employees' can be achieved if they feel secure at the work place.

Employees' performance mainly depends on various aspects like performance appraisals, salary, employees trust, motivation, job satisfaction, compensation, training and development, organizational structure and coaching etc (Tzafrir, Harel, Baruch & Dolan, 2004). Dyer and Holder (1988) described in their study that high level of training and coaching investment promotes employee performance in the organization.

Thus training and coaching to employees indicates that the organizational management cares about them and wants to promote their skills and knowledge about their jobs. Training and coaching give employees a skill which affects the performance of the employees. Hence, employees' performance can be operationally defined as the typical level of output an individual (employee) delivers in a normal way to fulfill a role of his job. Performance shows the employees' productivity against their job description.

Employee performance can also be operationally defined as that it shapes and conditions the value of learning new skills for employee's perception at work place. If the perceptions of employees are positive, then the psychological state of the employees will be positive and as a result they will feel secure in an organization. Performance is also a function of individual differences such as an aptitude for the job task. Performance of the employees is related to their motivation at workplace.

In current era organization goals can't be achieved by the efforts of one or two individuals, but it needs combined attempt of all the member of the organization (Crampton & Wagner, 1994). The better performance of the employees, the organization needs to build the employees' skill and knowledge (Moon, 2001). Therefore, nowadays employees are considered to be main actors and valuable capital of organizations. They have the effective and collaborative role in organization and in this manner they give meaning and brains to organization.

Moreover, if the employees in an organization are having trust within and out of the organization, it would improve the capacity of the employees (Barney & Wright, 1998). This means that link among organization and its employees needs to be built on trust. Within the organizational environment, if employees' feel lack of trust, this will bring organizational increase in costs, employees' absence from job, lack of commitment, refusal to show services against the job responsibilities, strikes and conflict, lack of interest, achievement and motivation level, decrease in inspiration and novelty, lack of internal collaboration, difficulties in achieving the organizational objectives, and ultimately a decrease in the productivity level of the employees (Cappelli 1997; Straka 1996; Reed 2009).

This shows that organization trust climate is a necessary factor for the employees' to show their performance. A trustworthy manager can motivate the employees for the achievement of the organization goals. Trust climate and employees' performance have a strong link with one another. Hence, trust climate in this study is taken as an independent variable.

Miguel Ángel, Navarro and Vicente,(2013) evaluated in their study the combined effect that trust in firms located in the petrochemical complex and trust in public institutions has on citizens' health risk perception, considering simultaneously the relationship between both dimensions of social trust. They explained that if petro chemical and trust with in the institution can be builds safely it will mitigate the health risk and people feel secutity where they are living. Oluwakemi and Olusoji (2013) in his study explained that trust climate in the organization can be created if the appraisal system for the employees' is not favorable so fair and transparent source appraisal system should be the part of the organization. The observations on trust climate by Kramer (1999) show that trust can trim down transaction costs, boost unprompted sociability, and lessen organizational staff communication gap to authorities.

Yang and Mossholder (2010) explained that there is some facts to recommend that relation among trust and employees' performance that might be differed regarding capacity and skill at work place. An employee's productivity level can be different in the same working environment.

Kouzes and Posner (2008) contributed to analyze the promotion of employees' performance in public sector organizations for the role of organizational trust. This study explains the relationship between employees' trust and employees' morale has a strong link. Employees' morale has strong relationship with the organization trust. Employees' morale is built because of organizational trust and environment, whereas, the communication gap can affect the performance of the employees and also the organizational objectives.

In the health care research on public trust is relatively not enough (Goudge & Gilson, 2005). Trust between the employees and other public groups are important for the best services that an organization is giving to their customers. If there is a gap between organization services and public trust, the organizational objectives cannot be achieved.

Research scholars observed that trust climate could be studied in connection with leadership, stress management, organization politics, communication, conflict management, system change, and organizational learning. It has long been well explained and expressed by the researcher the importance of the trust for the organizational valuable output (Argyris, 1964; Batlis, 1980; Likert, 1967).The organizational trust mechanisms actually explains the employees' performance slightly (Mayer & Gavin, 2005).Due to the globalization importance of trust has also increased in the organization due to internal structure change, human resource polices,style and organization environment (Shockley-Zalabak. Ellis,& Winograd, 2000).

In the organization what employees see, observe and get experience at the workplace is called as trust climate and conditions that support, reward, and reinforce less or more expected behaviors are the projections of the human resource policies and practices(Bowen & Ostroff, 2004; Collins & Smith, 2006; Kopelman, Brief & Guzze, 1990). In the organization structure different types of HR policies, practices, and trust climates affect the outcome of the employees. It means that HR rules and practice are also significant to build up employees' satisfaction and performance during the job.

Trust can also be explained as, the employees' willingness to perform his/her task efficiently for the employer based on the expectation and demand of the organization(Mayer, and Davis 1995). Trust is that in which future actions of a person are depended on others' actions, making him/her ready to be defenseless to others actions (Mayer, Davis, 1995; Robinson 1996). It means the trust climate defines the favorable circumstances of the organization environment where employees perform his duty. Trust gives a constructive interpersonal relationship in diverse settings (Fox, 1974; Lewis & Weibert, 1985) because it is acting as a central part in how we interrelate with others (Berscheid, 1994; Golembiewski & McConkie, 1975). The significance of trust is essential during periods of insecurity and anxiety when an organization is passing through crisis (Mishra, 1996; Webb, 1996; Weick & Roberts, 1993). It means that trust has both positive and negative role, which can leave affect the performance of an organization. Different researcher research on trust shows that employees' trust for the different staff member, like subordinate, supervisor and organization top management is related with the working attitude and behaviors at working place (Aryee, Budhwarand Chen, 2002; Atuahene-Gima & Li, 2002; Dirks 2002; Mayer, 2005; Wong, Wong & Ngo, 2002).

Different theories have been propounded about trust; in which social exchange theory of trust presented by Whitener (2001) has special significance which explains that trust become known through the mutual benefits sharing between the two parties. This means that trust building among the employees within the organization is brought about by mutual sharing and benefits.

Blue (1964) explained that we help those who want to be helped and not to harm us. This theory defines that trust increases due to the collaboration between two parties like employers and employees.

Trust Climate defined by different authors by various ways as that it is environmental beliefs, norms, values and people motivation in a perceived subjective formal system as well as supervisor's informal style of

the organization (Litwin & Stringer, 1968). Trust climate could influence perceptions of safe climate for the employees' in the organization.

Neal and Griffen (2002) illustrated that trust climate can be measured with the organization management behaviour and attitude. Although a variety of work is associated with trust climate and employees' performance, the methods and procedures behind this relation remain unclear (Mayer & Gavin, 2005).

Trust climate represents the way in which its members perceive it. We cannot see or touch, but it is there. Trust (Rousseau, Sitkin, & Camerer, 1996) is "a psychological state composing the intention to accept vulnerability based on positive expectations of the intentions or behaviours of another" (p. 23).

McAllister (1995) explains that interpersonal trust composed of two distinct dimensions: first part include cognitive part and second part one affective part. Cognitive part of the trust represents such problem and issues like these are integrity, reliability and honesty of a person. On the other aspect affective forms of trust related to a relationship among the persons which may be able to affect the referent, which elaborate their views about the truster's prosperity and welfare. First part shows overall measurement and assessment of the employees' performance. Second part explains the relationship between top management and subordinate regarding human resource policies of the organization.

Robert (2009) found that trust within the employees have a psychologically strong link with the organizational employment. If this relationship becomes

.on the basis of the comprehensive literature review the following model was developed. A

The framework is based on the assumptions that trust climate will always favour an organization success. As a consequence, the framework also assumes that employees' in the private sector hospitals of Pakistan will feel positively and strongly about the organization to they belong and will voluntarily support it.

strong, it can give the employers a guarantee of employees' commitment to the organization.

Hwee and Augustine (2009) defined three delicate uniqueness of the trustee: ability, generosity, and integrity of coworkers, as experiences of trust in coworkers. Benevolence and integrity are positively related and have the importance in trust among employees and their ability to react to the work place environment.

Tan and Lim (2009) stated that trust in co-workers as "the willingness of a person to be vulnerable to the actions of fellow co-workers whose behavior and actions that person cannot control".

Masterson, Goldman and Taylor (2000) suggested that organization performance and employees both are concern by the level of trust in the organization. The findings of their study reveal that trust is the best factor for the analysis of the organization and its employees' performance. If employees are working in the organization in trustworthy environment, they feel comfortable and show their performance.

Trust climate can be operationally defined as how employees are acquainted with the feature of organizational environment and understand them as according to their own well-being. Perception about trust climate is related to employees' performance. If the employees are feeling trust within the organizational environment, they will play their role more efficiently and effectively. Trust climate defines organization environment that develops the trust among the employees.

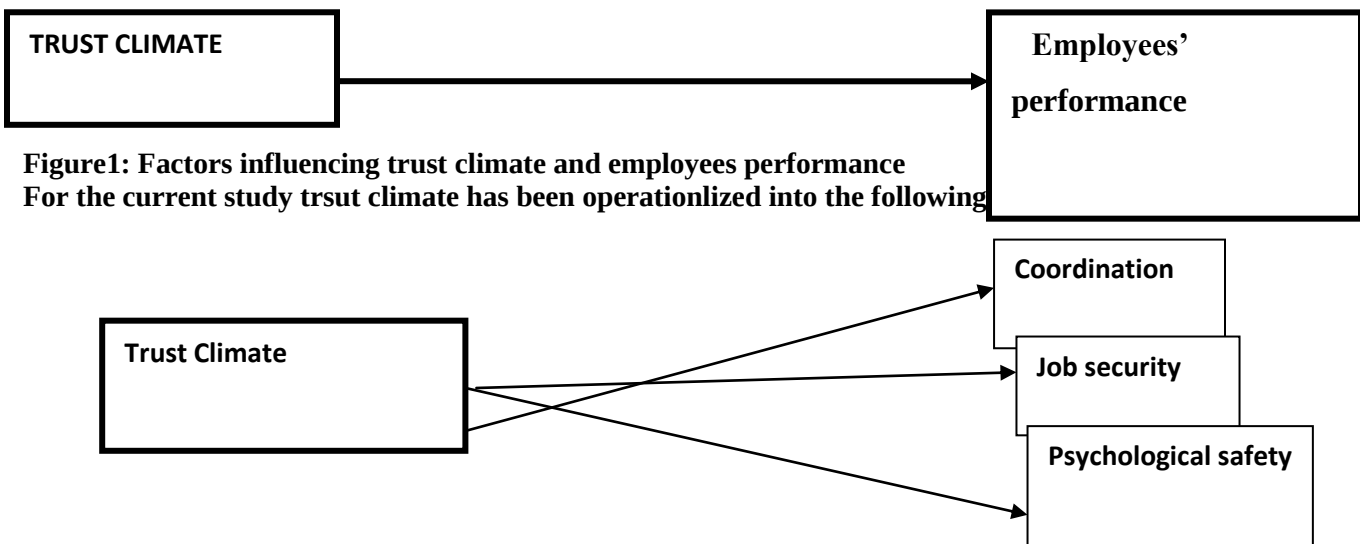


Figure1: Factors influencing trust climate and employees performance
For the current study trust climate has been operationlized into the following

Methodology

The unit of analysis for this study was private sector hospitals of Hazara Division. This study was aimed at identifying the relationship between the trust climate and employees' performance in the private sector hospitals of Hazara division.

The main focus group of this research was private sector hospitals' employees because they are the best judges in order to evaluate hospitals environment. Employees' responses about hospitals trust climate performance are collected through self administrative questionnaire. The study is descriptive in nature.

Questionnaire was designed as a tool for survey, and distributed to employees' of the private sector hospitals of Hazara Division, Pakistan. In questionnaire 25 questions were included. For the target population questionnaire was distributed among 30 % doctor, 20% nurses, 30 % administrative staff and 20 % supporting staff.

Questionnaire was distributed among the 215 employees from whom only 196 filled questionnaires were received. Overall 72 % males and 28 females were the respondents. The response rate was 92%.

The population for the current study was employees of the private sector hospitals of the Hazara Division. Simple random sampling technique was used to collect the data.

A sample of 26 hospitals was selected from a population of private sector hospitals of Hazara division. The collected data was analyzed by using Ms-Excel and Statistical Package for Social Sciences (SPSS) version 15.0.

Discussions

To test the association of independent variable such as trust climate with dependent variable such as employees' performance regression analysis was applied. By applying regression analysis the value of R^2 was found to be 46% which shows that trust climate has strong relationship with the employees' performance. This means that there is 46% variation in employees' performance due to trust climate. The results are depicted in the following table.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.682(a)	.464	.453	.48039

The results highlight that employees' performance in private sector hospitals can be improved by developing trust climate. Establish research questions were tested by the statistical analysis.

It has been confirmed in the light of this research that trust climate development within the organization can lead an organization towards success in terms of employees' performance. R^2 value .464 shows that 46% variation in the employees' performance is due to trust climate by applying regression analysis.

On the other questionnaires were distributed in Questionnaire was distributed among the 215 employees from whom only 196 filled questionnaires were received. Overall 72 % males and 28 females were the respondents. The response rate was 92%. This response rate from the male side was quite well and female response almost half less than as compare to the male response rate. The overall finding explained that if within the organization if employees' feel job security, psychological safety and coordination among each other they will perform better as compare those employees who are working under stress situation. In this study the information that was is also observed that mental satisfaction, respect for the employees' on the job can

enhance the productivity level of the employees' to achieve the

This research aims is to evaluate the trust climate and its impact upon employees' performance in the private sector hospitals of Hazara Division of Khyber Pakhtoonkhwa, Pakistan. The overall aim of this study was to develop a concept for the private sector employer who are not practicing the coordination, psychological safety and job security in their hospitals can't achieve the desire target of the organization.

Conclusion

The following conclusions can be drawn from the study in the light of the responses given by the respondents. Most of the employees analyzed that trust climate and employees performance are highly correlated among each other. From the data analysis it was found that 46% of the variation in the employees' performance is due to the trust climate by applying multiple regression. In this study generally data was highly associated for the variables under investigation (trust climate and employees' performance). Most of the employees' viewed that trust climate is a necessary factor for the performance of the employees and also it is also important to increase the satisfaction level of the employees with the services of the hospitals. Future research could be conducted in finding other factors, which affect employees' trust. Scope of this research should be enlarged by addressing larger sample size through online questionnaire facilities.

During the course of this study it is clear that most of the employees' knows the importance of the trust climate at the work place. On the base of the findings the following recommendations can be handy for the future research.

This research study suggested that unfavorable environment affect the employees' performance directly and supportive environments have the significance and positive effect on the employees' performance and its productivity level. Here authorities need to understand the trust climate importance for the better results of the

organization development. Organization should realize the need of trust climate to build a long term strategic goals of the organization. Hospitals owner should need to revise their policies regarding employees trust. For the generalization of the result the data can be tested for the large data test for testing the theoretical model.

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