

# Assessment of Organizational Transparency and Employee Trust with Special Reference to Technical Employees – Motors and Transformers

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**Abstract** - Transparency in an organization can come in varying degrees. It can also have a slightly different meaning for each business, but in essence it means not holding back valuable information from employees. Whether the information is positive, negative or neutral, organizational transparency means sharing and keeping employees in the loop. The more the employees know, the more they feel a part of what organization is doing. Employee trust is defined as an employee's feeling of confidence that the organization will perform actions that are beneficial, or at least not detrimental, to him or her however, transparency also requires trust. Trust requires a reciprocal relationship. In the case of transparency, organizations must trust their employees to use the information responsibly. This paper aims to study the perception of employees on factors of organizational transparency and trust existing among the technical employees and also the relationship between organizational transparency and employee trust. For this purpose the study was conducted at one of the leading motor manufacturing and transformer unit based in Hubli- Dharwad which comprised of technical employees where employees from motors and transformers were taken. The close-ended questionnaire was prepared using Likert five point scale and the same was personally administered to the respondents. The collected data were organized , coded and analyzed using MS-Excel. Statistical techniques like tabulation, graphical representation, means, chi square test and Anova-Single factor test have been used. The analysis is presented in 4 parts. For the 1<sup>st</sup> Part 11 hypothesis were created to test the perception of the employees of motors and transformers on different dimensions of organizational transparency by Anova-Single Factor test, The 2<sup>nd</sup> part a set of 4 hypothesis were created to test the perception of employees on different dimensions of trust by Anova-Single Factor test, For the 3<sup>rd</sup> part hypothesis was set to know statistically significant relationship between organizational transparency and employee trust using Chi-Square test, For the 4<sup>th</sup> part means were calculated to know the level of organizational transparency and employee trust

**Keywords :** Organizational Transparency, Employee Trust, Technical Employees, Motors and Transformers, Anova-Single factor, Chi-Square.

## I. ORGANIZATIONAL TRANSPARENCY

Modern-day employees have a lot of expectations when it comes to their companies. Given the talent war that continues to rage on, highly skilled top performers can afford to be selective about the type of company they work for and it has been increasingly shown that employees want to be part of honest, authentic and transparent organizations.

Transparency in an organization can come in varying degrees. It can also have a slightly different meaning for each business, but in essence it means not holding back valuable information from your employees. Whether the

information is positive, negative or neutral, organizational transparency means sharing and keeping employees in the loop, because they care about the state and success of your organization as much as you do. The more your employees know, the more they feel a part of what organization are doing.

### **Importance of transparency in an organization**

**Transparency builds trust:** Transparency is key to building trust in an organization. The more organization share with your employees, the more faith they will have in it and the more they will show themselves to be trustworthy.

**Transparency is good for recruitment:** An Atlassian survey recently demonstrated that 87% of people want to work for transparent companies. The more organizations build transparency into your values and company culture, the more they will build a transparent reputation, which will make them a more desirable employer.

**Transparency motivates your employees:** If organizations are wondering how to motivate employees to perform to a higher standard, they might want to consider becoming more transparent, as transparency can motivate and inspire employees to work longer and harder.

**Transparency results in increased employee engagement:** When employees know more about their company, they generally care much more and become highly engaged with their business.

**Transparent companies are more enduring:** Transparent businesses generally benefit from greater profitability (two-thirds of consumers would spend more if it meant buying from a transparent company, for example), increased innovation and better decision making

#### **Employee Trust:**

The confidence in someone's or something's ability and intention to perform an action that leads to value creation, without being able to control or enforce the action or the outcome.

Employee trust focuses particularly on the trust that employees have in their employer.

The elements of employee trust differ from the elements of other trust relationships. When someone trusts herself, or is looking for trust in a relationship between two people, other dynamics play a role. Employee trust is largely defined by the power inequality between the individual and the organisation. At the same time, the relationship between the individual and employer creates mutual benefits; the individual wouldn't thrive without a job, and the organisation wouldn't thrive without employees.

If an individual trusts an employer, he or she will trust both the people representing it, as well as all the other items related to it. The product, the procedures, even the public image is trusted.

#### **The dimensions of employee trust are:**

- a. **Fairness** Impartial and just treatment or behaviour without favouritism or
- b. discrimination
- c. **Competence** The ability to do something successfully or efficiently
- d. **Identification** The sense of association or linking with something or someone
- e. **Reciprocity** The exchange of equal or identical advantages or privileges
- f. **Transparency** Operating in a way that it is easy for others to see what actions are performed

#### **Relationship between organizational transparency and employee trust**

Transparency at work results in the following tangible benefits: Transparency builds trust: Transparency is key to building trust in an organization. The more organizations share with their employees, the more faith they will have in them and the more they will show themselves to be trustworthy

The literature on transparency and trust suggest the two concepts are related. While this idea is logical on its face, using an instrument that measures both transparency and trust, analysis of employee opinion supports this notion. In particular, organizations that encourage and allow employee participation, share substantial information so their employees can make informed decisions, give balanced reports that hold them accountable, and open themselves up to scrutiny, are more likely to be trusted

## **II. PROBLEM STATEMENT**

Transparency in an organization can come in varying degrees. It can also have a slightly different meaning for each business, but in essence it means not holding back valuable information from your employees. Whether the information is positive, negative or neutral, organizational transparency means sharing and keeping employees in the loop, because employees care about the state and success of organization as much as they do. The more the employees know, the more they feel a part of what they are doing. Organizational trust is defined as an employee's feeling of confidence that the organization will perform actions that are beneficial, or at least not detrimental, to him or her however, transparency also requires trust. Being transparent requires a willingness to be vulnerable because you can't ensure how people will use the information you share. Therefore, organizations must also trust their employees in order to risk being transparent. Trust requires a reciprocal relationship. Organizations can't expect trust from employees if they are not willing to trust them first In the case of transparency, organizations must trust their employees to use the information responsibly. Hence the study focuses on understanding the organizational transparency, trust and the relationship between organizational transparency and trust

## **III. OBJECTIVES OF THE STUDY**

- To understand the perception of technical employees of motors and transformers on different factors of organizational transparency that is organizational transparency between communication efforts being participative, communication efforts provide substantial information, communication efforts provide accountability, and communication efforts are secretive and overall transparency.
- To understand the perception of technical employees of motors and transformers on different factors of trust such as organization shows competence, organization

shows integrity, organization shows goodwill and overall trust.

- To know whether the differences in the perception on various dimensions of organizational transparency and employee trust are statistically significant.
- To analyze the level of organizational transparency and employee trust and to know the statistically significant relationship between organizational transparency and employee trust.

#### IV. HYPOTHESIS

Sl.No	Proposed Hypothesis
H1	Difference in the opinion of employees of Motors and Transformers with respect to communication efforts are participative as concerned to organizational transparency is statistically significant
H2	Difference in the opinion of employees from Motors and Transformers with respect to communication efforts provide substantial information as concerned to organizational transparency is statistically significant
H3	Difference in the opinion of employees from Motors and Transformers with respect to communication efforts provide accountability as concerned to organizational transparency is statistically significant.
H4	Difference in the opinion of employees from Motors and Transformers with respect to <b>communication efforts are secretive</b> as concerned to organizational transparency provide accountability is statistically significant
H5	Difference in the opinion of employees from Motors and Transformers with respect to overall transparency is statistically significant
H6	Difference in the opinion of employees from Motors and Transformers with respect to organization shows competence as concerned to employee trust is statistically significant
H7	Difference in the opinion of employees from Motors and Transformers with respect to organization shows integrity as concerned to employee trust is statistically significant
H8	Difference in the opinion of employees from Motors and Transformers with respect to organization shows goodwill as concerned to employee trust is statistically significant

H9	Difference in the opinion of employees from Motors and Transformers with respect to communication efforts provide accountability is statistically significant
H10	Difference in the opinion of employees from Motors and Transformers with respect to organization shows overall trust is statistically significant
H11	Relationship between employees of motors and transformers regarding the opinion on relationship between organizational transparency and employee trust. is statistically significant

#### V. METHODOLOGY

**Type of Research:** The research is descriptive type. Descriptive research provides the researchers with a general understanding of the problem and seeks conclusive data to answer question necessary to determine a particular cause of action.

**Sample Unit:** The study was conducted at one of the leading motor manufacturing and transformer unit based in Hubli- which comprised of 120 employees

**Sample Size:** The data is prepared based on the gathered information. The sample size of 25 from two divisions i.e. motors and transformers are taken, thus the total sample size chosen for the study is 50 respondents.

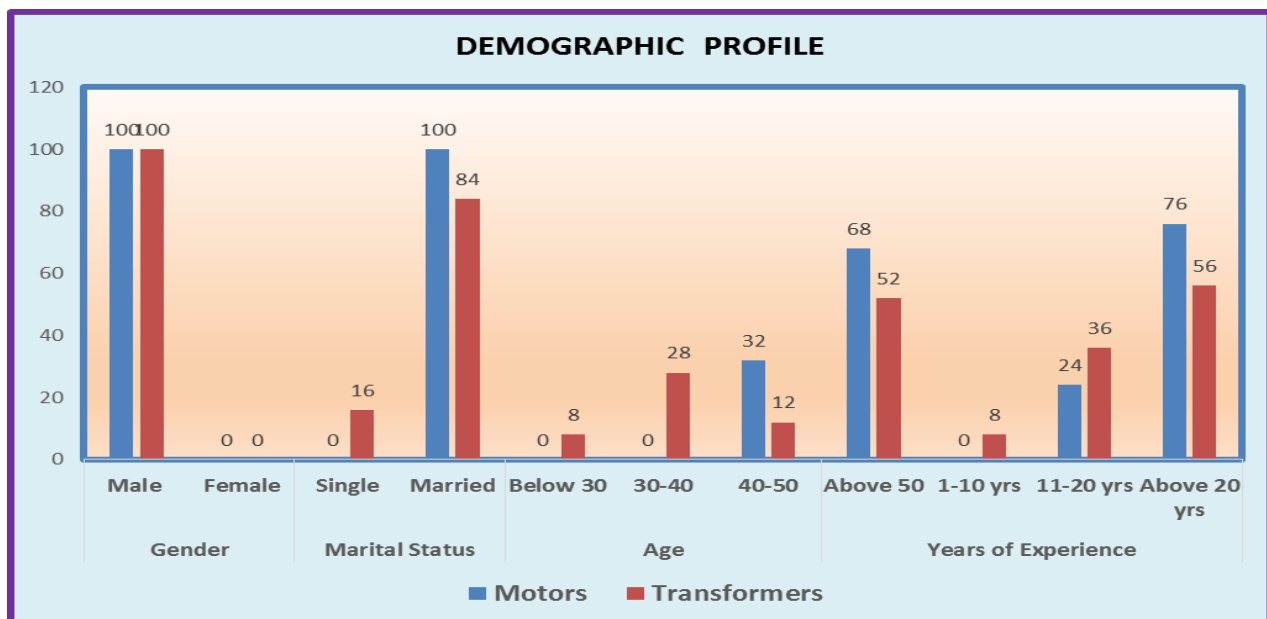
**Sampling Method:** The respondents were chosen on the basis of probability method of sampling called stratified sampling.

**Method of Analysis:** Raw primary data was collected with the help of a questionnaire. The raw data was then tabulated. Based on this bar chart and pie chart were prepared. Analysis was conducted and interpreted. Conclusions were drawn based on that.

**Statistical Tools for Analysis:** Statistical tools such as ANOVA-Single factor test, Chi square test, means tabulation, percentage calculation, and construction of bar charts and pie charts column charts are used.

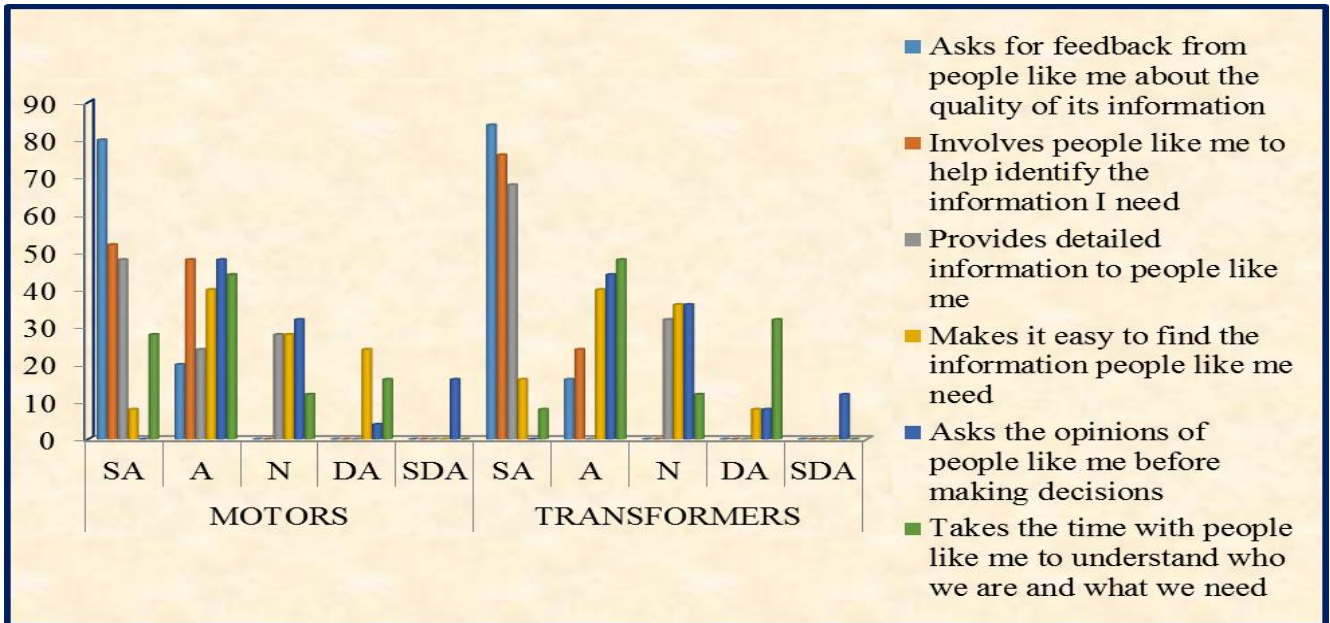
#### VI. ANALYSIS AND INTERPRETATION

##### 1. PERSONAL PROFILE OF RESPONDENTS



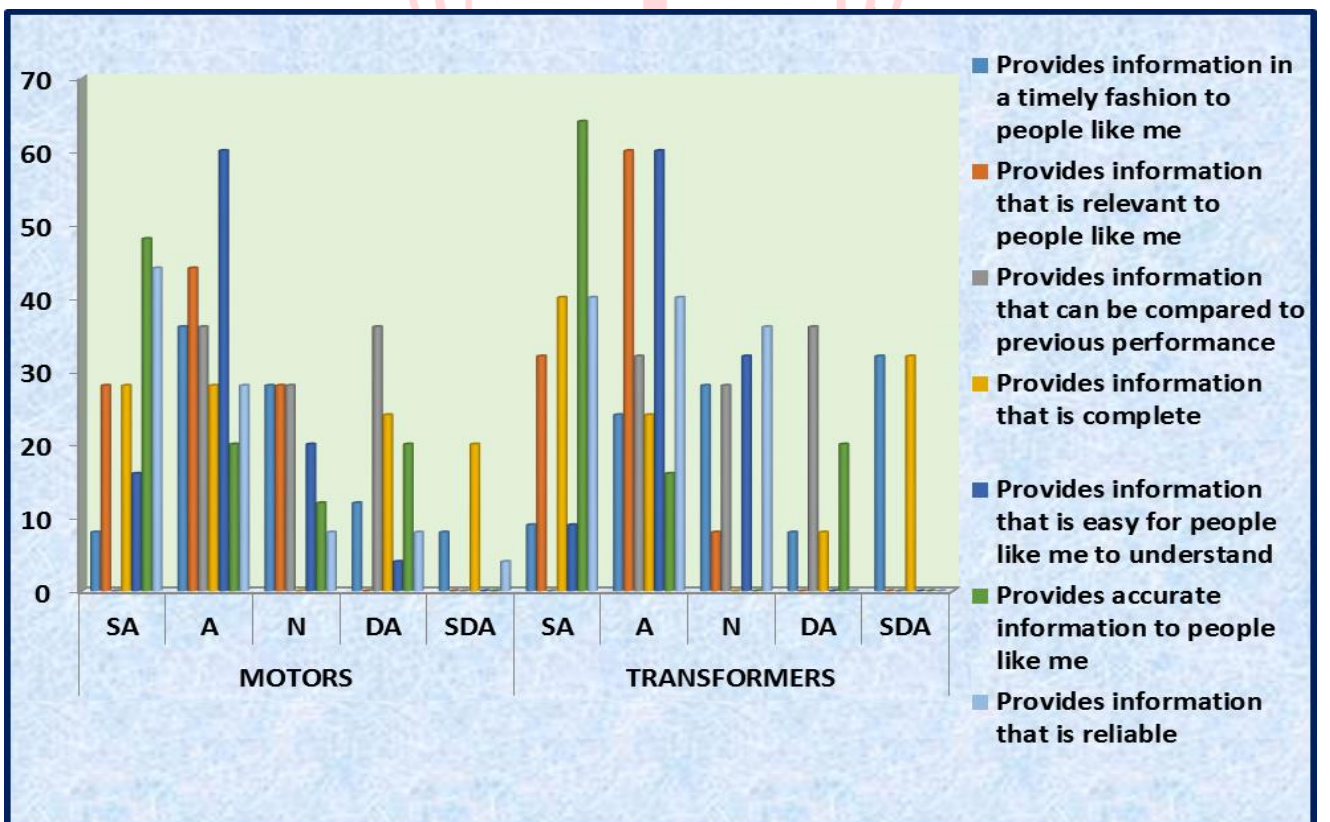
##### ORGANISATIONAL TRANSPARENCY

2. Communication efforts are participative.



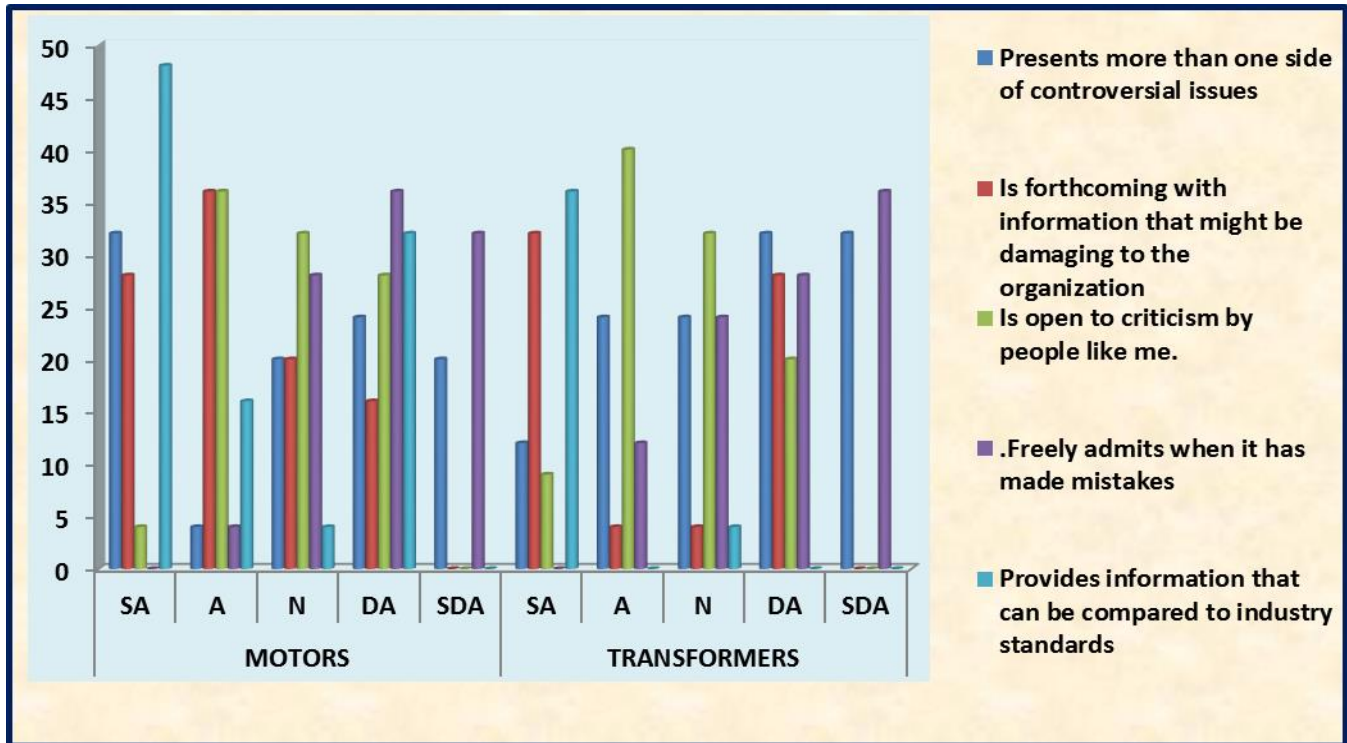
In both the employees of motors and transformers it is found there is moderately high organizational transparency in terms of communication efforts are being participative where it was found that the agreement level was high with respect to the organization asking feedback from workers, about the quality of information, it involves people in identifying the information employees need, provides detailed information to employees, and makes it easy for employees to find information that employees need

3. Communication efforts provide substantial information.



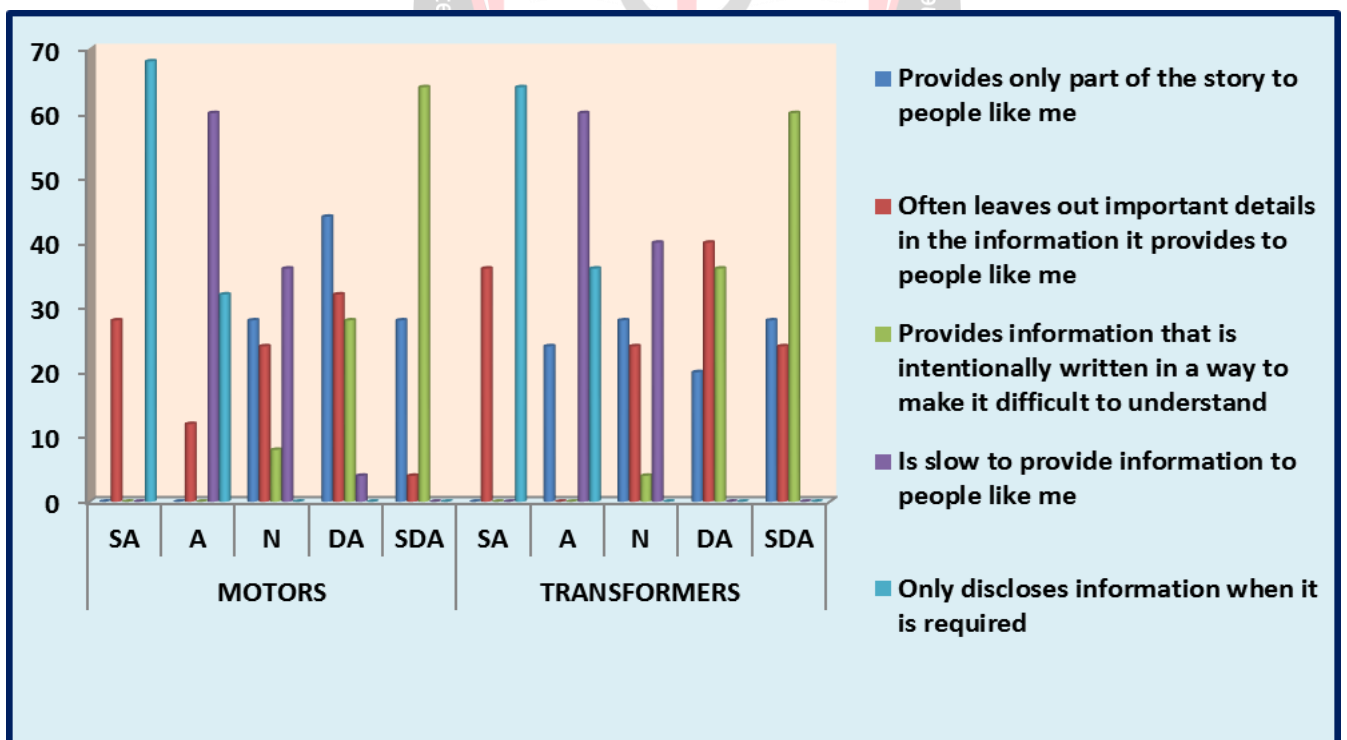
The percentage of both the employees' responses collected from the survey it is found that the employees had moderately high level of agreement that the organization provides information that is relevant to the people, providing information that is easy to understand, providing accurate information, provides reliable information. But the level of agreement was moderate in context of the organization providing timely information, information that can be compared to previous performance, provides information that is complete overall the organization transparency with communication efforts provides substantial information was moderate.

4. Communication efforts provide accountability.



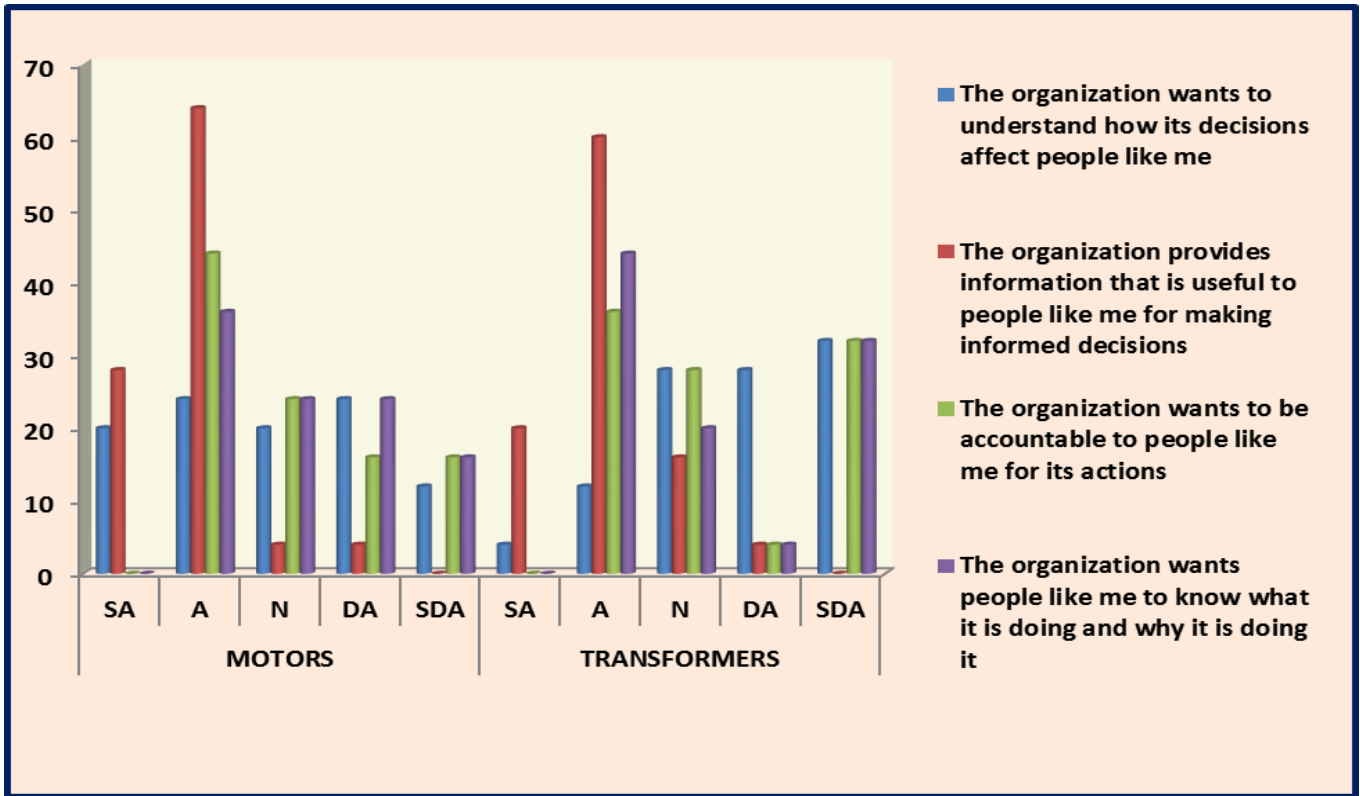
From the survey it is found that there was moderate level of agreement in motors and moderately low agreement in transformers that is organization providing more than one side of controversial issue, had moderately high level of agreement regarding organization being forthcoming with information that might be damaging to the organization and is open to criticism by people, provides information compared to industry standards but respect to employees freely admitting when they make mistake the agreement level was low. Overall the agreement level on the above parameters was moderate.

5. Communication efforts are secretive (reverse Item)



From the employees of transformers and motors it is found that the organization disclosing information only when required had higher agreement level and often the organization leaving out the details in the information needed to be provided to the employees was moderate and in all the other parameters that is provides only part of the story, providing information that is intentionally written in a way to make it difficult to understand , is slow to provide information to employees the agreement level was low thus it was found that the communication efforts being secretive had low level of agreement

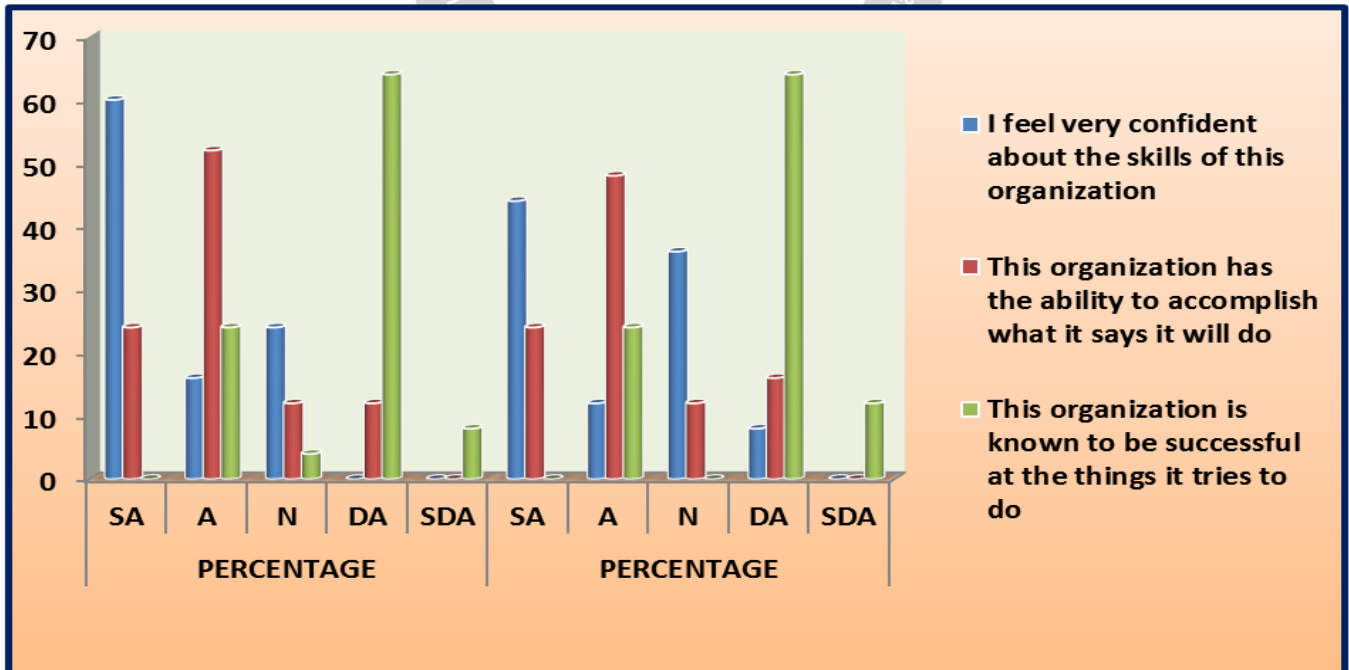
6. Overall Transparency.



From the employees of motors and transformers it is found that as regards overall transparency the employees had moderate level of agreement that organization provided them with information that is useful to them for making informed decisions, organization wanted to understand how these decisions affected people but the agreement level was low on the statement that the organization want to be accountable and organization wanting people to know what it is doing and why it is doing thus, it is found the overall transparency on the above parameter is moderate.

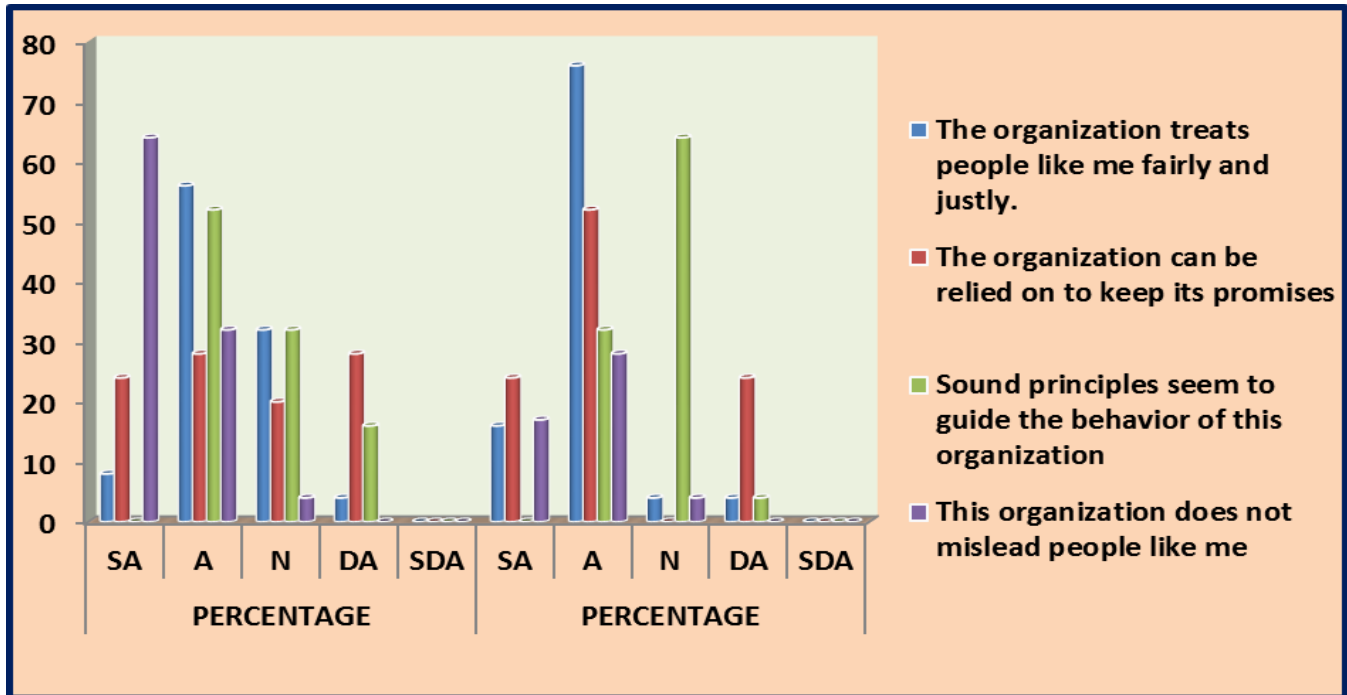
**EMPLOYEES TRUST**

1. Organization shows competence



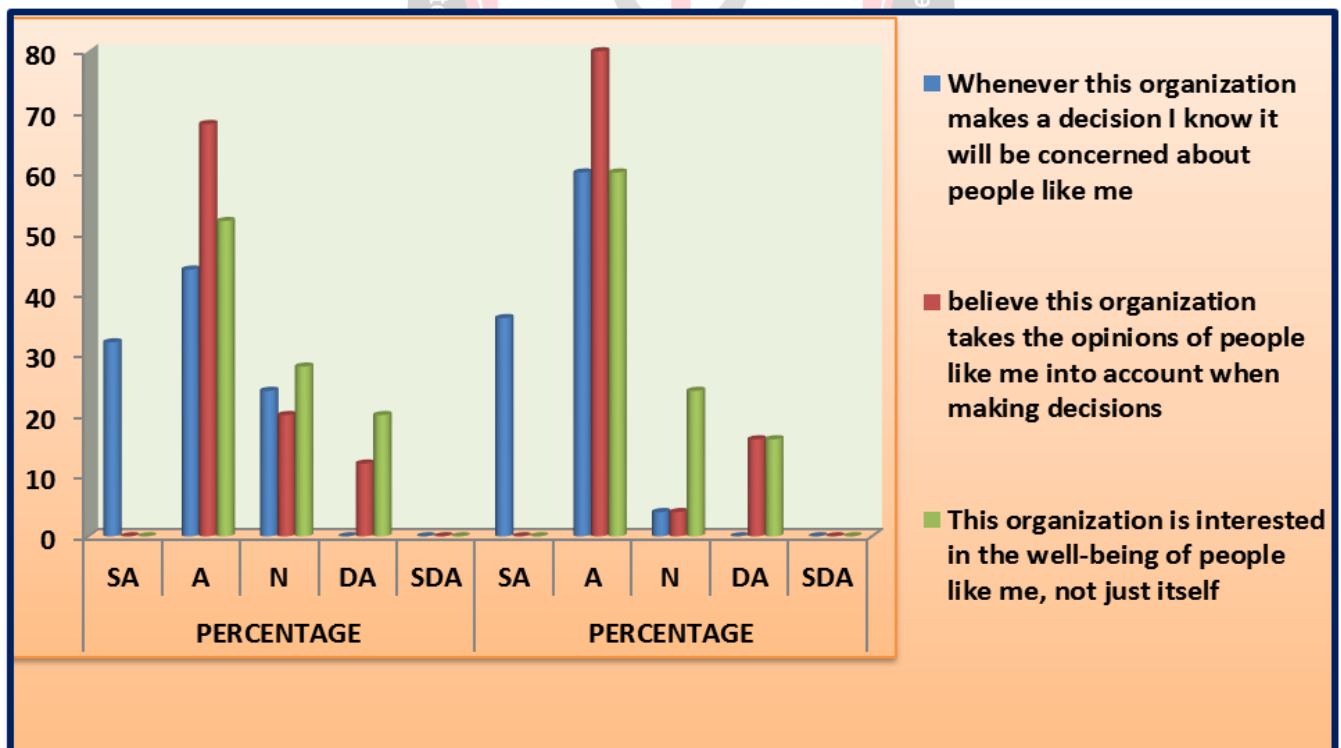
It was found as regards employee trust with respect to organization showing competence over all the agreement level was moderately high, on the parameters that employees feel confident about their skill, the agreement was high, the organization having the ability to accomplish was moderately high and the organization is known to be successful at the things tries to do was low.

2. Organization shows integrity



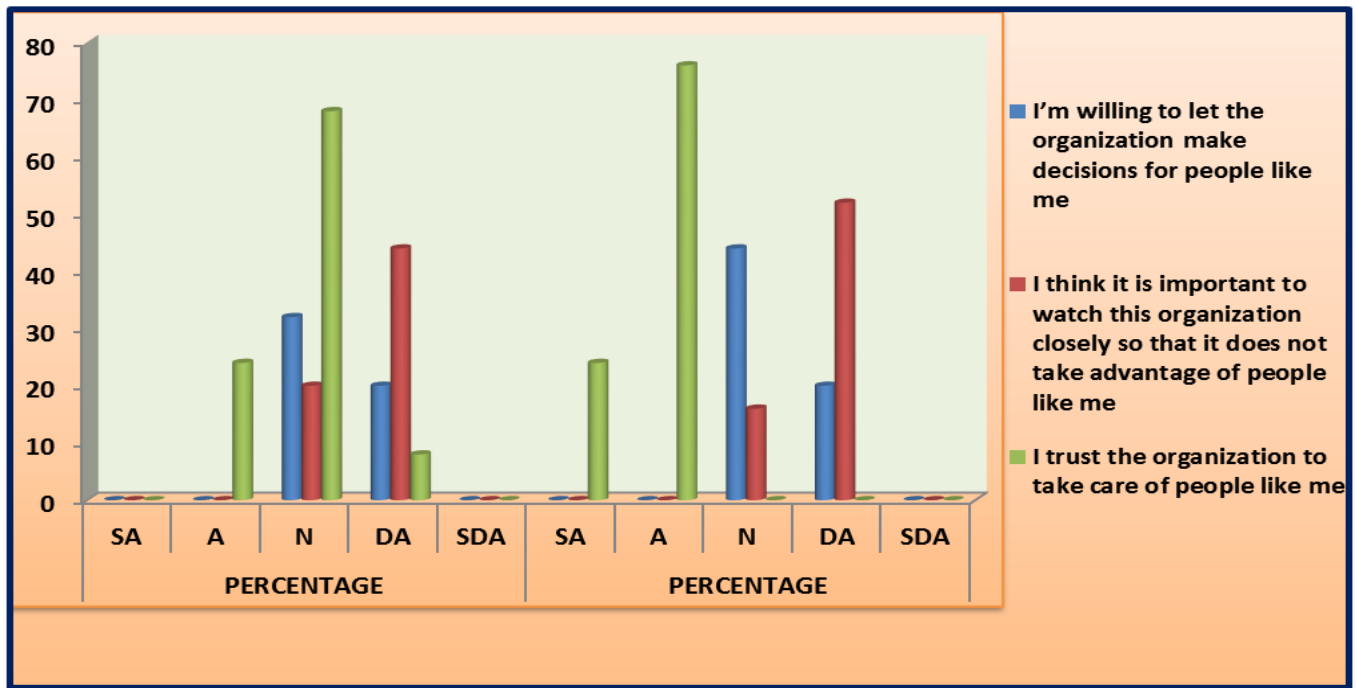
From the survey it is found that the agreement level was high on the parameter that the organization treats people fairly and justly and does not mislead the employees but was moderate in other parameters like the organization can be relied upon to keep its promise and has sound principles to guide the behavior of this organization. Overall the employee’s agreement level was moderately high in this context

3. Organization Shows Goodwill



From the responses collected from employees of motors and transformers it is found that the organization showing goodwill the agreement level was moderately high as in all the parameters taken into consideration that is the organization taking decisions that they know is concerned about them, the belief that the organization takes the opinion of the people like them into account and the organization is interested in wellbeing of the people was moderately high.

4. Overall Trust



From the responses collected it is found that the agreement level regarding the employees willing to let the organization make decision for them was moderately high but as regards the level of agreement on that it is not important to watch the organization closely so that the organization does not take advantage and they trust the organization to take care of the people was moderately agreed, And there is a moderate agreement level on the statement that it is not important to watch the organization closely so that it does not take advantage of employees. Overall there was moderate agreement level which showed the overall trust was moderate.

7. STATISTICAL ANALYSIS

PARTICULARS	F-value	P-value	F –critical value	Inference
<b>A. ORGANIZATIONAL TRANSPARENCY</b>				
1. Communication efforts are participative	0.00119	0.97313	4.9646	NS
2. Communication efforts provide substantial information.	0.06415	0.80435	4.74723	NS
3. Communication efforts provide accountability.	0.29079	0.60439	5.31766	NS
4. Communication efforts are secretive (reverse item)	0.35579	0.56735	5.31766	NS
5. Overall Transparency	0.52434	0.49625	5.98738	NS
<b>B. EMPLOYEES TRUST</b>				
1. Organization shows competence	0.06849	0.80647	7.7086	NS
2. Organization shows integrity	0.14089	0.72031	5.9874	NS
3. Organization shows goodwill	0.54943	0.49971	7.7086	NS
4. Overall Trust	1.58222	0.27687	7.7086	NS
<b>RELATIONSHIP BETWEEN ORGANIZATIONAL TRANSPARENCY AND EMPLOYEE TRUST</b>				
PARTICULARS	Chi square	Chi square value		
C. Relationship between Organizational Transparency and Employee Trust	3.57729	9.488		S

Source: Field Survey

\*Note: 'NS' defines Not Statistically significant 'S' defines Statistically Significant



## VII. ORGANIZATIONAL TRANSPARENCY

### 1. Communication efforts are participative:

The calculated value i.e.,  $F=0.001192$  is less than the  $F_{critical}$  value= $4.964603$  and  $P\text{-value}=0.973134 > \alpha=0.05$ , we come to the conclusion that the differences in the perception of employees with respect to communication efforts being participative between Motors and Transformers are not statistically significant.

### 2. Communication efforts provide substantial information:

As the calculated value i.e.  $F=0.064145$  is less than  $F_{critical}$  value= $4.747225$  and  $P\text{-value}=0.804348$  is greater  $\alpha=0.05$ , we come to the conclusion that the differences in the perception with respect to communication efforts provide substantial information between employees from Motors and Transformers are not statistically significant.

### 3. Communication efforts provide accountability:

As the calculated value that is  $F=0.290792$  is less than  $F_{critical}$  value =  $5.317655$  and  $P\text{-value}= 0.604393$  is greater  $\alpha=0.05$ , hence we come to the conclusion that the differences of opinion of employees from Motors and Transformers with respect to communication efforts provide accountability are not statistically significant.

### 4. Communication efforts are secretive (reverse item):

As the calculated value that is  $F= 0.355787$  is less than  $F_{critical}$  value =  $5.317655$  and  $P\text{-value}=0.567346$  is greater  $\alpha=0.05$ , hence we come to the conclusion that the differences of opinion of employees from Motors and Transformers with respect to communication efforts are secretive (reverse item) are not statistically significant.

### 5. Overall Transparency:

As the calculated value i.e.  $F=0.524342$  is less than  $F_{critical}$  value =  $5.987378$  and  $P\text{-value}=0.496247$  is greater  $\alpha=0.05$ , hence we come to the conclusion that the differences of opinion of employees from Motors and Transformers with respect to **Overall Transparency** are not statistically significant.

### EMPLOYEE TRUST:

#### 1. Organization shows competence:

As the calculated value i.e.  $F= 0.068493$  is less than  $F_{critical}$  value =  $7.708647$  and  $P\text{-value}= 0.806467$  is greater  $\alpha=0.05$ , hence we come to the conclusion that the differences of opinion of employees from Motors and Transformers with respect to **Organization shows competence** are not statistically significant.

#### 2. Organization shows integrity:

As the calculated value i.e.  $F= 0.140889$  is less than  $F_{critical}$  value =  $5.987378$  and  $P\text{-value}= 0.720311$  is greater  $\alpha=0.05$ , hence we come to the conclusion that the differences of opinion of employees from Motors and Transformers with respect to **Organization shows integrity** are not statistically significant.

#### 3. Organization shows goodwill:

As the calculated value i.e.  $F= 0.54943$  is less than  $F_{critical}$  value =  $7.708647$  and  $P\text{-value}= 0.499707$  is greater  $\alpha=0.05$ , , hence we come to the conclusion that the differences of opinion of employees from Motors and Transformers with respect to **Organization shows goodwill** are not statistically significant.

#### 4. Overall Trust:

As the calculated value i.e.  $F= 1.582223$  is less than  $F_{critical}$  value =  $7.708647$  and  $P\text{-value}= 0.276865$  is greater  $\alpha=0.05$ , hence we come to the conclusion that the differences of opinion of employees from Motors and Transformers with respect to overall trust are not statistically significant.

### RELATIONSHIP BETWEEN ORGANIZATIONAL TRANSPARENCY AND EMPLOYEE'S TRUST

The calculated value of chi square  $31.47371$  is greater than chi square  $(0.05) 9.488$  so the null hypothesis gets rejected an alternative hypotheses gets accepted showing that there is statistically significant relationship between organizational transparency and employee trust.

### LEVEL OF ORGANIZATIONAL TRANSPARENCY AND EMPLOYEE TRUST

SL.NO	TRANSPARENCY	TRUST
MOTORS	3.31	3.53
TRANSFORMERS	3.31	3.62

### Level of organizational transparency and employee trust was calculated through means depicted above

From the above table it is evident that the total mean value of transparency for the employees of motors (3.31) is same as the total mean value of transparency for employees of transformers and there is moderate transparency in both the context. As regards trust the total mean value of transformers is more than Motors and in both the context there is moderate employee trust

## VIII. CONCLUSION

Transparency builds trust, and makes employees feel that they're working for a company with higher ethical standards. According to a 2014 American Psychological Association Survey, 25% of employees do not trust their

employer. Half of them believe their employer is not upfront with them and open to the overall vision of the company

When transparency is added to the corporate culture, employees will be more engaged and committed to the vision of the company

When you add in transparency to your everyday work with your employees they seem to be more engaged and intrigued by what is going on. Why? Because, they actually understand what is going on, now that they have the same information as you, they can help you and even have ideas for you to go off. Bonus: Employees are now a critical cog in the solution — people love adding value.

It was found from the study that the overall transparency communication efforts are participative for motors was moderately high and for transformers it was high, for communication efforts providing substantial information it was found for motors that it was moderately high and even for transformers it was same, as regards communication efforts providing accountability it was found for motors it was moderate and for transformers it was low, for communication efforts being secretive it was found that it was low in motors and moderate in transformers, as regards overall transparency it was moderate in motors and low in transformers.

The study revealed that as regards trust, with regards to organization shows competence it was found that it was moderately high for motors and it was moderately high for transformers and it was moderate for transformers, as regards organization shows integrity it was found that it was moderately high for both motors and transformers and as regards overall trust it was moderate for motors and moderately high for transformers.

The study revealed that there was relationship between organizational transparency and employee trust and it was also statistically proved

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