

The Effect of Organizational Trust on Organizational Transformation

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ABSTRACT

The objective of conducting the present research is to investigate the effect of organizational trust on organizational transformation. The methodology in terms of objective, nature and descriptive method is applied and survey respectively. The statistical population of the research includes 160 employees of Alimoradian Hospital of Nahavand that using Cochran sample size table, 113 persons were chosen by systematic random sampling method. The required data were collected using two researcher-made questionnaires. In this research, content validity of the questionnaires is confirmed by expert professors in this regard and the reliability of questionnaires was examined by Cronbach's alpha that was 0.80 for the questionnaire of organizational trusts and 0.875 for the questionnaire of organizational transformation. Linear regression was used to test the research hypotheses. The results of the present research show that organizational trust affects organizational transformation and organizational trust makes 43% of changes in organizational transformation. In addition, the findings indicated that all components of organizational trust affect organizational transformation.

KEYWORDS: Organizational Trust, Organizational Transformation, Truthfulness, Competency, Fidelity.

INTRODUCTION

Trust is defined as a belief that we are dependent on others in order to achieve our expectations. Charlton says that leaders trust their employees in order to do the work they need to do. Similarly, leaders show in these definitions that trust is a dynamic phenomenon needing speech and deed (Martins, 2002, 756-757).

On the other hand, organizational transformation includes a planned process in changing the culture of an organization through using theory, research and techniques of behavioral sciences (Burke, 1994). Organizational transformation is a series of theories, values, strategies and techniques based on the behavioral sciences used in the process of planned change of organizational workplace (Porras & Robertson, 1992).

Over the three past decades, we have observed the development of hygiene and therapy network system, significant quantity development in medical teaching, as well as serious consideration of work force category and improvement of health indices. In the document of twenty-year perspective of the Islamic Republic of Iran, the growth of science, technology, education and research the issue of health, its providing factors and different economic and social dimensions which result in health are emphasized so that we have a healthy and wealthy society by 2025. The achievement of other goals and features of this document would be impossible disregarding the category of health (hygiene and therapy) (Zali, 2006, 206).

In the Fourth and Fifth Development Plan, health development, human security, social justice and e-government services expansion are emphasized. Concerning general policies of official system, some cases such as superior, modern and qualitative service offering in order to promote people's satisfaction and trust level, supporting innovation spirit, official system transformation in the Ministry of Health and Medical Education and establishing the comprehensive system of HRM, serious participation of thinkers of jurisdiction and university in explaining the issue of justice and its requirements, transformation in higher education system and research are mentioned and stressed. In the Five-year Plan of the Fifth Development Plan, the Ministry of Health and Medical Education is obliged to administer validating models and clinical governance, which have a particular position in the health sector, which are remembered as two great transformation and it should attempt to create, develop and change hygienic and therapeutic units and provide, assign and distribute medical equipments and requirements based on the country's need in the leveling frame of health services.

Regarding constant analysis of systems and work methods are one of the most important aspects of dynamism of an organization like hospital in order to identify and solve existing problems and inadequacies using new thoughts and solutions, revising in existing work methods is indispensable in order to achieve goals such as reducing organization's costs and dynamism and so forth. In other words, purposeful and planned analysis and effort in the direction of improving and reforming work methods are considered among the most important affairs. The growth of equipments technology, the increase of different patients' needs, the appearance of various viruses, and more various needs in individuals compared to the past are among the main

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issues that hospitals and all hygienic and therapeutic are encountered with and they should be transformed in many fields in step with competitors and pave the way for efficient grounds of this transformation in a particular atmosphere with unique characteristics of domestic organizations.

Now, respecting the perspective of hospital that mentions Alimoradian Hospital should be converted to one of the best and most pioneering hospitals in the country by observing standards and quality of services, the personnel should be at a level of competency that are considered among the best personnel and reach a status that the personnel feel proud of working in such a hospital. Until now, in the researcher's view, made changes and transformations have not been in favor of the hospital and its personnel and this issue has laid the ground for distrust among personnel in relation to the made changes and this is a challenge itself blocking the way of transformation in the organization. Thus, the organization's managers play a crucial role in making fundamental transformations and in the direction from the status quo to the optimum status.

On the other hand, the level of trust is the index of final line that can improve the organization's economic status greatly, but this issue requires many years of effort and constant work. This level can or should be measured as well as it can be considered as a vital index for each organization that is sensitive to relations and credit (Rollins, 2007, 52-53).

When management decides to remain silent about rumors, employees are inclined to believe these rumors. Negligence by management reinforces the lack of trust (Kotter, 2006). Management and employees need greater authority and participation for using control and leading processes (DuBrin, 2005).

Organization should accept and manage all turbulent and complex changes in the relevant settings in order to survive and succeed (Gunningham & Sinclair, 2009). The ability to create and motivate creativity requires a level of trusts through relation and honesty (Covey & Merrill, 2006).

Now, according to the necessity of transformation in organizations and research vacancy particularly in educational and therapeutic organizations as well as the consideration of the ever-increasing importance of management in today's organizations, in the present study, the effect of organizational trust on organizational transformation in one of the hospital centers is investigated.

Thus, the question under investigation in this paper is that what is the effect of organizational trust on organizational transformation?

Research Objectives

Research General Objective

Identification of the effect of organizational trust on organizational transformation

Research Sub-objectives

1. Investigation of the effect of honesty on organizational transformation
2. Investigation of the effect of competency on organizational transformation
3. Investigation of the effect of stability on organizational transformation
4. Investigation of the effect of fidelity on organizational transformation
5. Investigation of the effect of integrity on organizational transformation

Research Hypotheses

Main Hypothesis

Organizational trust affects organizational transformation.

Research Sub-hypotheses

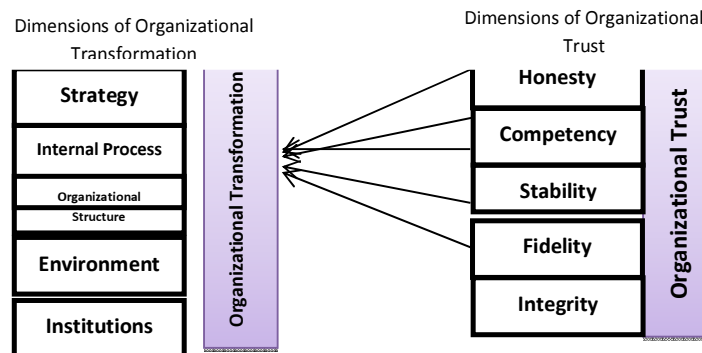
Hypothesis 1: Honesty affects organizational transformation.

Hypothesis 2: Competency affects organizational transformation.

Hypothesis 3: Stability affects organizational transformation.

Hypothesis 4: Fidelity affects organizational transformation.

Hypothesis 5: Integrity affects organizational transformation.



Source: Research Conceptual Model

Ed S. Turner III. (2010). A CORRELATIONAL STUDY OF TRUST IN AN ORGANIZATION UNDERGOING CHANGE. A Dissertation Presented in Partial Fulfillment of the Requirements for the Degree Doctor of Management in Organizational Leadership. UNIVERSITY OF PHOENIX.

METHODOLOGY

The methodology in terms of objective, nature and descriptive method is applied and survey respectively.

Statistical Population and Sampling Method

The statistical population of the research includes 160 employees of Alimoradian Hospital of Nahavand that using Cochran sample size table, 113 persons were chosen by systematic random sampling method.

Data Collection Methods

In this research, the required data were collected using two researcher-made questionnaires for measuring the variable of “organizational trust” (including 23 questions) and “organizational transformation” (including 29 questions) by five-point Likert scale.

Validity of Measurement Tools

The formal and content validity of the designed questionnaires is confirmed by academic and organizational experts in this regard as well as supervisor and advisor professors.

Reliability of Measurement Tools

One of the methods that can examine the reliability of the questionnaires is Cronbach’s alpha that in the research it was obtained 0.80 and 0.875 for the questionnaire of organizational trust and organizational transformation respectively greater than 0.7. Therefore, the obtained values show the reliability of the two questionnaires.

Statistical Analysis Method

Linear regression test by SPSS 18th edition was used to analyze the collected data and predict the contribution of each independent variable in explaining the dependent variable.

Table 1: Description of variable of work record

Work Record	Number	Percentage	Sum Frequency
From 5 to 9 years	58	51.33	51.33
From 10 to 14 years	22	19.47	70.80
From 15 to 19 years	19	16.81	87.61
From 20 to 24 years	11	9.73	97.35
Over the age of 24	3	2.65	100.00
Sum	113	100.00	

According to the above table, we observe that 58 persons (51.33%) of respondents have work record from 5 to 9 years, 22 persons (19.47%) from 10 to 14 years, 19 persons (16.81%) from 15 to 19 years, 11 persons (9.73%) from 20 to 24 years and 3 persons (2.65%) over the age of 24.

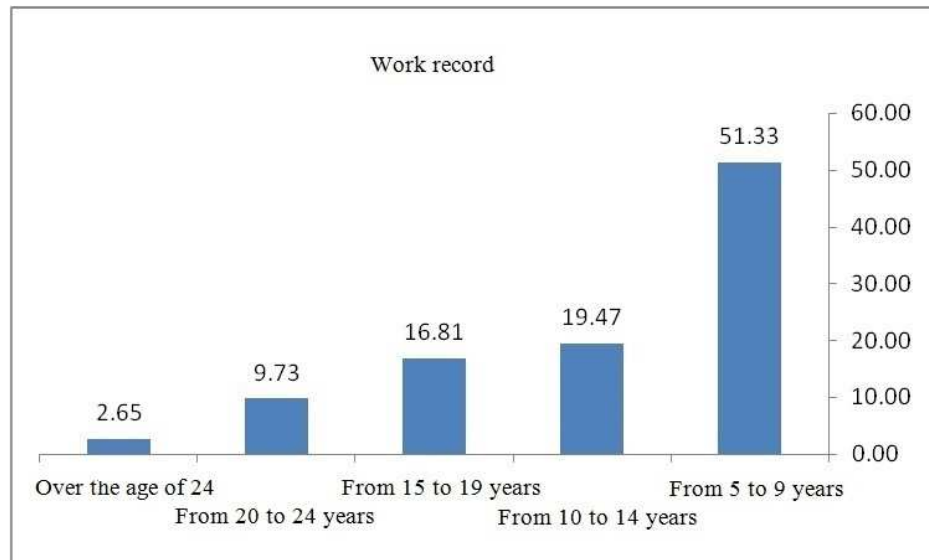


Diagram 1: Description of the variable of work record

Table 2: One-way variance analysis of the variable of organizational trust according to the service record

Organizational Trust	Sum of Squares	Freedom Degree	Mean of Squares	F-statistic	Significance Level
Intergroup	3.04	4	0.76	3.36	0.012
Intragroup	24.44	108	0.23		
Sum	27.48	112			

According to the above table showing the results of one-way variance analysis for the variable of organizational trust in the different groups of service record, we observe that the significance level is 0.012 lower than 0.05. It shows that the null hypothesis suggesting the equality of groups in the variable of trust is rejected. In other words, groups have significant difference.

Table 3: Duncan test for comparing means

Organizational Trust			
Record	Number	Subset for alpha = .05	
		1	2
From 5 to 9 years	58	2.99	
From 10 to 14 years	11	3.17	3.17
From 15 to 19 years	22	3.23	3.23
From 20 to 24 years	19	3.35	3.35
Over the age of 24	3		3.64
Sig.		0.143	0.054

According to Duncan's post hoc test that compares two-to-two groups, we observe that employees' organizational trust level having 5 to 9 years record significantly is lower than those with over the age of 24.

Table 4: Variance analysis from the variable of organizational transformation according to the service record

Organizational Transformation	Sum of Squares	Freedom Degree	Mean of Squares	F-statistic	Significance Level
Intergroup	4.85	4	1.21	3.16	0.017
Intragroup	41.40	108	0.38		
Sum	46.24	112			

According to the above table showing the results of one-way variance analysis for the variable of organizational transformation in the different groups of service record, we observe that the significance level is 0.017 lower than 0.05. It shows that the null hypothesis suggesting the equality of groups in the variable of trust is rejected. In other words, groups have significant difference.

Table 5: Duncan test for comparing means

Organizational Transformation			
Record	Number	Subset for alpha = .05	
		1	2
From 20 to 24 years	11	2.54	
From 5 to 9 years	58	2.59	
From 10 to 14 years	22	2.74	
Over the age of 24	3	3.10	3.10
From 15 to 19 years	19		3.12
Sig.		0.073	0.963

According to Duncan's post hoc test that compares two-to-two groups, we observe that individuals having 15 to 19 years have significant difference with those with 20 to 24 years record as well as 5 to 9 years and 10 to 14 years.

Employment Type	Number	Percentage	Sum Frequency
Formal	55	48.67	48.67
Conventional	47	41.59	90.27
Contractual	11	9.73	100.00
Sum	113	100.00	

According to the above table, we observe that 55 persons (48.67%) of respondent are formal, 47 persons (41.59%) conventional and 11 persons (9.73%) contractual.

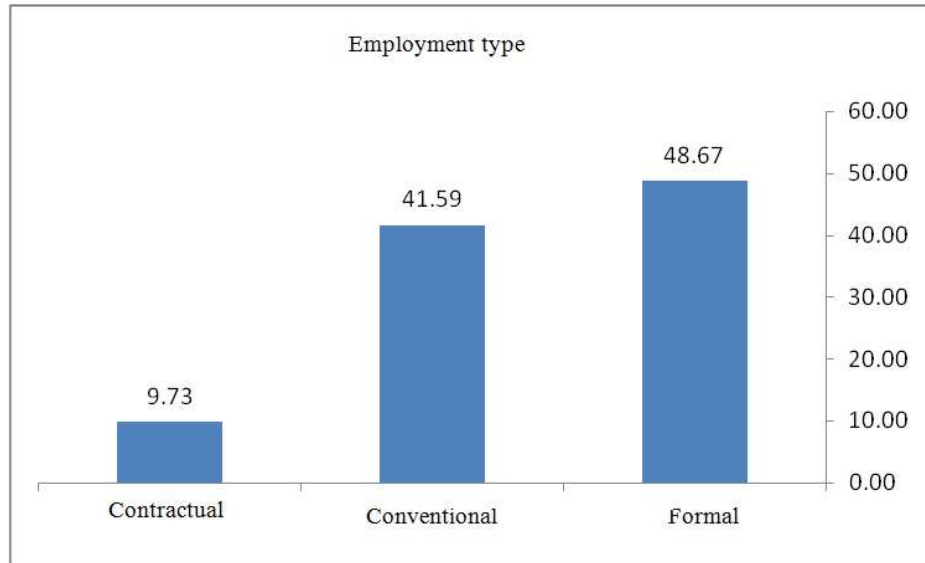


Diagram 2: Description of the variable of employment type

Table 7: One-way variance analysis of the variable of organizational trusts according to the employment type

Organizational Trust	Sum of Squares	Freedom Degree	Mean of Squares	F-statistic	Significance Level
Intergroup	2.23	2	1.11	4.86	0.010
Intragroup	25.25	110	0.23		
Sum	27.48	112			

According to the above table showing the results of one-way variance analysis for the variable of organizational trust in the different groups of employment type, we observe that the significance level is 0.010 lower than 0.05. It shows that the null hypothesis suggesting the equality of groups in the variable of trust is rejected. In other words, groups have significant difference.

Table 8: Duncan test for comparing means

Organizational Trust			
Employment Type	Number	Subset for alpha = .05	
		1	2
Conventional	47	2.97	
Formal	55	3.23	3.23
Contractual	11		3.32
Sig.		0.062	0.537

According to Duncan's post hoc test that compares two-to-two groups, we observe that contractual and conventional employees have significant difference with each other so that the level of contractual employees' organizational trust is higher than that of conventional ones.

Research Hypotheses

Main Hypothesis

Organizational trust affects organizational transformation.

Effect	Determination Coefficient	Correlation Coefficient	Significance Level	Result
Organizational trust on organizational transformation	0.43	0.659	0.000	It affects

Result of the main hypothesis: according to the fact that the significance level (0.000) is lower than 5%, therefore, organizational trust affects organizational transformation. In respect to the determination coefficient value is 0.43, thus, it can be mentioned 43% of changes in the variable of organizational transformation are resulted from organizational trust.

Research Sub-hypotheses

Hypothesis 1: Honesty affects organizational transformation.

Effect	Determination Coefficient	Correlation Coefficient	Significance Level	Result
Honesty on organizational transformation	0.28	0.536	0.000	It affects

Result of the sub-hypothesis 1: according to the fact that the significance level (0.000) is lower than 5%, therefore, honesty affects organizational transformation. In respect to the determination coefficient value is 0.29, thus, it can be mentioned 29% of changes in the variable of organizational transformation are resulted from honesty and 71% from other factors.

Hypothesis 2: Competency affects organizational transformation.

Effect	Determination Coefficient	Correlation Coefficient	Significance Level	Result
Competency on organizational transformation	0.18	0.430	0.000	It affects

Result of the sub-hypothesis 2: according to the fact that the significance level (0.000) is lower than 5%, therefore, competency affects organizational transformation. In respect to the determination coefficient value is 0.18, thus, it can be mentioned 18% of changes in the variable of organizational transformation are resulted from competency and 82% from other factors.

Hypothesis 3: Stability affects organizational transformation.

Effect	Determination Coefficient	Correlation Coefficient	Significance Level	Result
Stability on organizational transformation	0.10	0.237	0.012	It affects

Result of the sub-hypothesis 3: according to the fact that the significance level (0.012) is lower than 5%, therefore, stability affects organizational transformation. In respect to the determination coefficient value is 0.10, thus, it can be mentioned 10% of changes in the variable of organizational transformation are resulted from stability and 90% from other factors.

Hypothesis 4: Fidelity affects organizational transformation.

Effect	Determination Coefficient	Correlation Coefficient	Significance Level	Result
Fidelity on organizational transformation	0.16	0.401	0.000	It affects

Result of the sub-hypothesis 4: according to the fact that the significance level (0.000) is lower than 5%, therefore, fidelity affects organizational transformation. In respect to the determination coefficient value is 0.16, thus, it can be mentioned 16% of changes in the variable of organizational transformation are resulted from fidelity and 84% from other factors.

Hypothesis 5: Integrity affects organizational transformation.

Effect	Determination Coefficient	Correlation Coefficient	Significance Level	Result
Integrity on organizational transformation	0.36	0.597	0.000	It affects

Result of the sub-hypothesis 5: according to the fact that the significance level (0.000) is lower than 5%, therefore, integrity affects organizational transformation. In respect to the determination coefficient value is 0.36, thus, it can be mentioned 36% of changes in the variable of organizational transformation are resulted from integrity and 64% from other factors.

Conclusion and Suggestions

The results of the present research showed that organizational trusts affects organizational transformation and the rate of this effect is 43%. In other words, 43% of changes in organizational transformation are resulted from organizational trust. In addition, the results showed that all components of organizational trust affect organizational transformation.

In the conducted domestic and foreign researches, that are similar to the subject of the present paper in terms of the title thesis titles, the following results are obtained which are in consistent with results of the researcher, while the researcher have found new results.

1. Resistance against change is as resistance against a behavior, which employees receive in the process of change and dissatisfied employees manifest wrathful reaction because of their understanding of injustice of change.
2. If the nature of change is not interpreted properly, individuals affected by change are under lateral pressures and fear from change. If change is imposed on individuals, is personal and ignores the internalized values in the group, individual would be resistant against change.
3. The development of knowledge results in constructive change and if employees are more supported and have relatively great trust, they would be committed to do work.
4. Employees' perceptions of organizational justice are positively related with trust in supervisor.
5. There is a relation between serving leadership and trust in organization.
6. There is a relation between civic-social behavior and trust in organization.
7. Change usually affects individuals' psyche.
8. Proper conduct of changes and appropriate laying the groundwork manifest employees' creativity and innovation as well as their inclination to cooperate with their colleagues.
9. Innovations and organizational changes affect employees' beliefs and behavioral indices hierarchically.
10. Hidden capacities particularly employees' creativity would not be used properly without providing free space in the face of change.
11. Manifesting the effects of changes and innovation on solving organization's problems, employees' trust in relation to the organization can be improved.

In the case of comparing the results of this research with other domestic and foreign conducted researches, we realize that education and readiness for change psychic support and decrease of job stress, providing good conditions for manifesting creativity and innovation and correct and timely information to the employees are effective in creating and reinforcing organizational trust and conclude that organizational trust affects organizational transformation. Furthermore, the following results are obtained:

1. The rate of fidelity is lower than number 3, which is the mean value; therefore, plans should be made in the direction of increasing employees' fidelity to the organization, their motivation and satisfaction.
2. The rate of integrity is lower than number 3, which is the mean value; therefore, plans should be made in the direction of correct, accurate, clear and timely information to the employees.
3. The rate of culture is lower than number 3, which is the mean value; therefore, plans should be made in the direction of increasing the spirit of teamwork and employees' safety, empowering and development of employees' capacities.
4. The rate of process is lower than number 3, which is the mean value; therefore, plans should be made in the direction of reforming processes, rewarding teamwork, supporting new ideas befitting the needs of the hospital.
5. The rate of environment is lower than number 3, which is the mean value; therefore, plans should be made in the direction of reducing job-related stress and psychic work pressure, increasing respect and credit in employees.
6. The rate of resources is lower than number 3, which is the mean value; therefore, plans should be made in the direction of personal payments, timely education of and giving perfect opportunity for participating in educational classes and providing necessary resources for implementing change.
7. The rate of organizational transformation is lower than number 3, which is the mean value; therefore, plans should be made in the direction of preparing personnel for new change and holding educational courses and timely information.
8. The rate of contractual employees' organizational trust is higher than that of conventional ones.
9. The rate of employees' organizational trust with record between 5 and 9 years is lower than that of those with record over the age of 24.

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