

ORGANIZATIONAL TRUST AND JOB SATISFACTION: ANALYZING GENDER AS A MODERATOR

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ABSTRACT

Organizational trust is one of the most fundamental concepts in evoking positive work related attitude among employees. Trust is a formidable building block between employee and organization. This study examines the relationship between organizational trust and job satisfaction, which is considered as one of the most critical work attitude in an organization. It also examines the role of gender as a moderator between organizational trust and job satisfaction. Data is collected from National Capital Region (NCR) of India. The respondents were part of organizations that come under the umbrella of Tourism industry. Statistical techniques like simple linear equation and hierarchical multiple regression were used to find the results. The results indicate that trust significantly predicts job satisfaction and gender moderates their relationship. The outcomes are discussed and scope for further research is delineated.

INTRODUCTION

Trust has a subject of research has been a popular concept across various disciplines like economics (e.g., Williamson, 1993), sociology (e.g., Zucker, 1986) and psychology (e.g., Rotter, 1967). Similarly management as a discipline has been interested in understanding the various conceptions of trust and its importance in predicting critical individual and organizational outcomes. Management researchers in the field of organizational behaviour are concerned more with organizational trust, which is seen as perception of employees trust towards the organisation. A comprehensive definition of trust is given by Mayer, Davis, and Shoorman (1995) which states that organizational trust is “the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a

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particular action important to the trust or, irrespective of the ability to monitor or control that other party". Cummings and Bromiley (1996) define organizational trust "as an individual's belief that others (individual or group) will make a good faith effort to keep commitments, be honest, and not take advantage of another." (303)

Scholars have argued that effectiveness of an organization is very closely related to trust(Burt, and Camerer 1998; Nootboom 2002). Trust in organization mainly represents a belief that management has good intentions toward its employees and would not pursue any path that would harm the employees. Employer should aim at building employee trust butZhang et al. (2008)think that developing and maintaining employees' trust in the organization is still an elusive goal , which is hard to achieve.

Organizational trust has been an important predictor of various outcomes in organization like organizational commitment (Aryee, Budhwar, and Chen 2002) cooperative behavior (Zalabak, Ellis, and Winograd 2000), organizational citizenship behavior (Van Dyne, Vandewalle, Kostova, Latham, and Cummings 2000), employee loyalty (Costigan, Ilter, and Berman 1998). Burt and Knez (1995) saw trust as a 'cure' for rigidity in organizations and for creating adaptive and sustaining relations. Bromiley and Cummings (1992) in their insightful result found that enhancement of trust levels in organization leads to a reduction in the transaction costs. Zaheer, McEvily and Perrone (1998) and Dyer and Chu (2003) also found that a interpersonal trust and organizational trust together pull down negotiation costs in inter-organizational decision making.

Mainly four aspects of the trustee - benevolence, predictability, ability and integrity- emerge as the most salient ones. Deitz & Hartog (2006) define each one as follows: benevolence reflects amiable intent and kindness for others in a trustor-trustee relation; predictability refers to undeviating and uniform behaviour; ability means the capacity to meet one's obligations and commitment; and integrity implies following principles that are admissible and respected by the other party, and that would include fairness and trustworthiness and avoiding double standards.

JOB SATISFACTION

Though job satisfaction is defined by many scholars but Locke's (1976) definition of job satisfaction is widely accepted and used . He defined it as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences". Building on this definition, Hulin and Judge (2003) asserted that job satisfaction is a multi-dimensional reaction to one's job characteristics having evaluative, emotional, and behavioural dimensions.

One of the most famous theory explaining job satisfaction is the job characteristics model (JCM) which advocates that those jobs which possess inner motivating features will lead to enhanced levels of job satisfaction (Hackman & Oldham, 1976). It defines these core features as (1) Task Identity :degree to which one identifies with our work from start to finish (2) Task Significance : degree to which we see our work as significant (3) Skill Variety : the opportunity our job gives us to do different jobs. (4) Autonomy :the level of control one has over how to perform our task (5) Feedback : the extent to which one gets an assessment of how one is performing. This theory states that jobs that have these essential characteristics have a likelihood to be more satisfying and motivating in comparison to jobs that are devoid of these features.

The Value-Percept theory of Locke (1976) argued that those features of a job which an employee value is important in determining job satisfaction. Individuals analyse multiple facets of a job and the overall

satisfaction is assessed by seeing across all contents of a job, which are rated as per their significance to the individual. The Comellmodel as proposed by Hulin, Roznowski, and Hachiya (1985) assimilates the past theories of attitude formation. The model proposes that the inputs of individuals (e.g., training, experience, time, and effort) and role outcome (pay, status, working condition etc) are assessed by the individual. More the outcome in relation to the inputs, the job satisfaction will be higher.

Job satisfaction is associated with large number of workplace behaviors like work attendance (Scott & Taylor, 1985); turnover decisions (Hom, 2001; Miller, Katerberg, & Hulin, 1979); decisions to retire (Hanisch & Hulin, 1990); psychological withdrawal behaviors (Roznowski, Miller, & Rosse, 1992); organizational citizenship behaviors (Bateman & Organ, 1983); less unionization activity (Hamner & Smith, 1978); job performance (Gudge, Thoresen, Bono, & Patton, 2001); and workplace incivility (Mount, Ilies, & Johnson, 2006)

ORGANIZATIONAL TRUST AND JOB SATISFACTION

Callaway et al. (2007) in their research in a federal organization in USA found that trust in organization lead to job satisfaction among employees of the organization. Fard & Karimi (2015) study in a university with 180 respondents concluded that trust in organization have a positive effect on job satisfaction of employees. Shockley-Zalabak, P., Ellis, K., & Winograd, G. (2000) also drew a positive relation between trust and job satisfaction.

The theory behind the possible relation between organizational trust and job satisfaction can be understood through social information-processing theory. The social information theory (Salancik and Pfeffer, 1978) proposes that the social environment of an organization gives multiple indications or cues that employees register and create meaning that influence their attitude. Pollock et al (2000) have demonstrated that job satisfaction as a concept is understood and explained by social information theory as well. Organizational trust is broadly understood as benevolence, predictability, ability and integrity which a trustor has in the trustee. The cues by the social environment that may reflect the attributes mentioned above would influence the job satisfaction of an employee. Hence, perception of organizational trust should lead to job satisfaction.

GENDER AS A MODERATOR

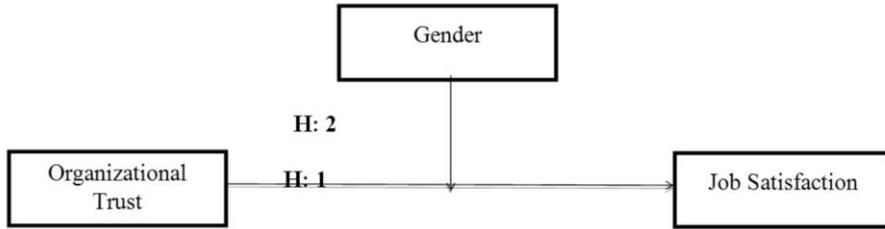
According to Mathieu & Zajac (1990) gender is studied as a personal characteristic and it is likely to impact employee's perception of the organization and their attitude towards others and the organization. There are very few organizational studies that explore how gender might change the relationship between two important organizational variables (Babin & Boles, 1998; Organ & Ryan, 1995). This paper attempts to bridge this literature gap by studying gender as a moderating variable between organizational trust and job satisfaction. Also the author did not come across any study in the tourism industry in India which studied the relationships under consideration.

Based on the above, the hypotheses are as follows:

Hypothesis 1: Organizational trust significantly predicts job satisfaction

Hypothesis 2: Gender moderates the relation between organizational trust and job satisfaction

Figure 1 Framework of the study



RESEARCH METHODOLOGY

Sample and Data Collection

The data for this study was collected from Delhi, Gurgaon and Noida which are the most important (business activity and population wise) cities in the National Capital Region of Delhi. The data was collected across categories which largely comprise the tourism industry. These include Hotel/Accommodation, Restaurant/Food establishment, Travel agency/Tour operator, online travel agent / Portal, Event management/MICE (Meetings, Incentives, conferences and exhibitions), Airlines and Adventure tour operators.

Majority of the sample population were sent an e-mail and some were provided with a physical copy of the survey. All the respondents were given a brief explanation about the study, seeking their cooperation in completing the study. The final sample consisted of 204 valid responses, out of the total 325 distributed surveys. This came to a reasonable response rate of 62.75%.

Measurement Scales : The respondents were asked to make their choice on a five- point Likert-scale ranging from 1 to 5, with 1 indicating 'strongly disagree' and 5 for 'strongly agree'.

Organizational Trust (OT) & Job satisfaction (JS)

Organizational trust was measured by a validated scale developed by Robinson (1996).The Cronbach alpha was .79. Job satisfaction was measured by 3 item scale taken from Cammann et al. (1979).The scale demonstrated an internal consistency (alpha) reliability of .73 in the current study.

RESULTS

Table 1

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.682 ^a	.464	.462	.69603

a. Predictors: (Constant), ORG_TRUST

Table 2
ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	84.878	1	84.878	175.201	.000 ^b
	Residual	97.861	202	.484		
	Total	182.739	203			

a. Dependent Variable: JOB_SATISFACTION

b. Predictors: (Constant), ORG_TRUST

Table 3
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.641	.226		2.839	.005
	ORG_TRUST	.842	.064	.682	13.236	.000

a. Dependent Variable: JOB_SATISFACTION

To determine whether our independent variable, organizational trust significantly predicted the dependent variable, job satisfaction, a simple linear regression was performed. Tables 1, 2&3 indicate the results. Organizational trust significantly predicted job satisfaction, $b = .84$, $t(202) = 2.83$, $p < .001$. Organizational trust also explained a very significant proportion of variance in job satisfaction, $R^2 = .46$, $F(1, 202) = 175.20$, $p < .001$. Based on the results of simple linear regression, the first hypothesis is accepted.

Table 4
Model Summary

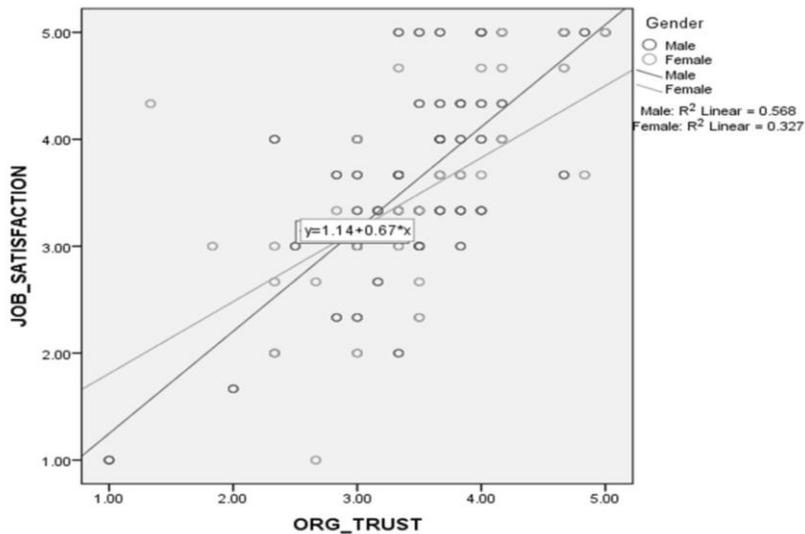
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.685 ^a	.469	.464	.69481	.469	88.766	2	201	.000
2	.694 ^b	.482	.474	.68819	.013	4.883	1	200	.028

a. Predictors: (Constant), Gender, ORG_TRUST

b. Predictors: (Constant), Gender, ORG_TRUST, INT

To test the hypothesis, whether gender moderates the relationship between organizational trust and job satisfaction, a hierarchical multiple regression analysis was conducted (see table 4). In the first step, organizational trust and gender were entered. These variables accounted for a significant amount of variance in job satisfaction, $R^2 = .469$, $F(2, 201) = 88.76$, $p < .001$. In the next step, the interaction term between organization trust and gender was added to the regression model. The addition of interaction term changed the variance explained by the first model, $\Delta R^2 = .013$, $\Delta F(1, 200) = 4.88$, $p < .05$.

Therefore, the moderator variable, gender has a significant effect on the relationship between organizational trust and job satisfaction. This can also be seen in the interaction plot (figure 2) below. Non-parallel lines are also indicative of moderation. Hence, the second hypothesis is also accepted.



Interaction plot between organizational trust and gender **Figure 2**

DISCUSSION

This paper envisaged to understand job satisfaction in relation to organizational trust, and further to examine the role of an important variable, gender, as a moderating variable between organizational trust and job satisfaction. Organizational trust was found to be positively correlated and it also significantly predicted job satisfaction. Gender as a moderator was found to have a significant effect. Males and females showed significant difference regarding level of job satisfaction within their organization.

The findings confirm the results obtained by Callaway et al. (2007) in their research. This paper strengthens our understanding of job satisfaction, in particular the role of organizational trust that employees have in the employer in enhancing job satisfaction. Employees take cues from the social environment that resonate trust in organization and that advances job satisfaction of the employee.

The outcome of the research also help in understanding how organizational trust in conjunction with the most important demographic variable, gender, influence job satisfaction. Gender does play a significant role in conjunction with OT to explain satisfaction. Males in relation to organizational trust show increased job satisfaction in comparison to females, who also reflect increase job satisfaction but less than males. (See Interaction graph).

The significance of this study also lies in its sample. Tourism industry is a growing industry in India and is tipped to play a vital role in economic development, foreign exchange earnings and a platform to showcase India as rising economic super power. This paper provides a perspective on the employees managing these organizations on very important variables, enriching our understanding.

IMPLICATIONS, LIMITATIONS AND FURTHER RESEARCH

Job satisfaction of employees lead to positive outcome for organization. Managers should try to understand the multiple attributes of organizational trust and absorb them in the overall functioning of the organization that would enhance satisfaction level of the employees. These should also reflect in the human resource policies of the organization , which essentially communicate the organizations intention and support towards the employees. Limitations of this study can be as follows. As it is a cross-sectional study,the outcomes with reference to relationships should be accepted with prudence. The data collected was on the self-reported basis and can have several potential sources of bias like common-method variance. This work is only on tourism industry and that too in NCR therefore generalizations across other sectors and regions should be done with caution. The future direction of research may focus on expanding the area of research and having respondents from across India. Other service sector organizations can also be studied to understand whether the variables show the same relation. Other moderators should also be tested to fully comprehend the two constructs.

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