INFLUENCE OF EMPLOYEE ORGANIZATIONAL TRUST ON PERCEIVED PERFORMANCE IN OIL COMPANIES OPERATING IN KENYA.

BY

IRUNGU MARY WAITHIRA

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

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A Research Project Report Submitted to the Chandaria School of Business in Partial Fulfillment of the Requirement for the Degree of Masters in Business Administration (MBA).

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

SPRING 2015
STUDENT’S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

Signed: ___________________________  Date: ___________________________

Mary Irungu (ID 634890)

This project has been presented for examination with my approval as the appointed supervisor.

Signed: ___________________________  Date: ___________________________

Prof. Scott Bellows

Signed: ___________________________  Date: ___________________________

Dean, Chandaria School of Business
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ABSTRACT

This study focuses on the influence of employee organizational trust on perceived performance in Oil Marketing Companies (OMCs) operating in Kenya. The study aimed to answer three research questions: How does the employees’ belief in the organization’s ability influence perceived performance in oil companies in Kenya? How does the employees’ belief in the organization’s benevolence influence perceived performance in oil companies in Kenya? How does the employees’ belief in the organization’s integrity influence perceived performance in oil companies in Kenya?

A descriptive study was used to draw the relationships between the variables under investigation. The study population was 180 middle level employees working for five medium sized OMC’s: Hashi Energy Limited, GAPCO Kenya Limited, Galana Oil Kenya, Mogas Kenya Limited and Gulf Energy limited. A sample of 130 employees was selected from different departments using a systematic random sampling technique. Data was collected using a structured questionnaire and follows ups were done using emails. Out of the 130 questionnaires that were distributed, the researcher managed to get 120 questionnaires. This represented a response rate of 92.3% which was considered a sufficient representation of the whole population.

Data analysis was done by descriptive statistics, correlation and regression analysis. The results of the analysis revealed that employees’ belief in management’s ability, benevolence and integrity had a positive influence on the perceived performance. The correlations analysis found that there are positive relationships between employees’ belief in management’s ability, benevolence and integrity and perceived employee’s performance. Individually each antecedent was relatively high with correlation at 0.718, 0.678 and 0.725 for ability, benevolence and integrity respectively. Further regression analysis found the three variables; management’s ability, benevolence and integrity had a significant relationship to employees’ perceived performance.

In conclusion, the study showed that employees ‘organizational trust highly influences their perceived performance with the antecedents of trust differing in influential value in the following order: benevolence, integrity and ability when assessed together.
The study recommended that the organization should seek to address concerns by employees vis a vis ability, benevolence and integrity so as to retain a workforce that is willing to give over and above even the call of duty. When employees trust the organization, performance will definitely improve and this is incentive to the management of OMCs in Kenya to look into building their employee’s trust in them.
ACKNOWLEDGEMENT

I would like to sincerely thank everyone who played a part in the research and compilation of this research project. I especially would like to thank Prof. Scott Bellows for his step by step evaluation and supervision of this proposal and his valuable contributions to the final copy of this project. I am grateful for all his input and sincerely appreciate the feedback and advice throughout the entire project.

Further thanks to my friends, family and classmates for their unlimited support during my project preparation and study of the entire Master of Business Administration degree course.

Most importantly I would like to thank the Almighty God for taking me through this course for His never ending grace, strength and provision. I wouldn’t have done it without Him.
DEDICATION

I would like to dedicate this research project to my family and more so my parents for their never ending support throughout every step of this journey. I am grateful for their constant motivation, supporting my dreams and ambitions and pushing me to do better in everything I do. I am eternally grateful for the sacrifices they have made for me to be where I am today.
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<table>
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<th>Description</th>
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<tbody>
<tr>
<td>ERC</td>
<td>Energy Regulatory Commission</td>
</tr>
<tr>
<td>KPC</td>
<td>Kenya Pipeline Company</td>
</tr>
<tr>
<td>KPRL</td>
<td>Kenya Petroleum Refineries Ltd</td>
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<tr>
<td>MNCs</td>
<td>Multi-National Corporations</td>
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<td>SPSS</td>
<td>Statistical Package For Social Science</td>
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<td>OMCs</td>
<td>Oil Marketing Companies</td>
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<td>PIEA</td>
<td>Petroleum Institute of East Africa</td>
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Problem

Trust is a paradoxical issue in the modern society which is characterized by increasing uncertainty, complexity and risk. Trust is needed more than ever. Yet, opportunities for trust to be built are becoming less since globalization, virtualization and a more ‘hectic’ way of life; in general, do not support the forms of trust developing incrementally in interactive processes between parties (Blomqvist, 2004). While trust has been defined in various ways it remains without a generally accepted definition (Savoilanen, 2008). There are many approaches to trust in the research: the role and significance, how it is built and achieved, sustained, and what are its outcomes. Processes of trust are quite scarcely studied so far, in other words, how it is created, built and re-built. Many theorists have suggested that trust evolves over time based on a series of interactions. A critical issue is the process by which trust evolves (Mayer, Davis and Schoorman, 1995).

Savoilanen (2008) depicts that trust comprises of a person’s beliefs and expectations on how the trustee will behave. She further asserts that trust is a person’s assessment of another’s trustworthiness and benevolence. Furthermore, trust describes the positive expectations of a person in relation to the object of trust behaving respectfully also in situations of risk. Risk taking is at the center of trust. Trust is a wellspring of security. It is therefore clear that the more an individual trusts another's future activities; the more securely and with more certainty the said individual will engage in the exercises of the object of trust.

The social definition of trust as put forth by Mayer et.al (1995): the willingness of an individual to be susceptible to the actions of someone else believing that the said person will perform a specific activity critical to the trustor, independent of the capacity to screen or control that other party. This meaning of trust is material to dyadic connections in an authoritative connection, i.e., in a relationship between a trustor and a trustee who is seen as acting of their own volition toward the trustor.
Making oneself susceptible is taking a risk and suggests that there is something of significance to be lost. Trust is not taking a risk as such, but instead it is a readiness to take a risk (Mayer et.al 1995). Cooperation, confidence and predictability are used often synonymously with trust and they are apparently overlapping concepts. Even though trust does not resolve all of the problems in organizations, it may result in creativity, openness, and higher efficiency in utilizing human and financial resources; the transaction costs decrease and decision making becomes less complex (Savoilanen, 2008).

Yee and Yeung, (2002) define trust as the perceived credibility and benevolence of the trustee Kramer (1999) contended that trust conceptualization can be set into two expansive points of view. The main viewpoint conceptualizes trust as a mental state, highlighting concerns over unpredictability, susceptibility and risk. The second point of view presents trust as a decision that is either calculative and logical or social and relationally based (Gill, 2007) Pararells have been drawn between organizational trust and advancement (Savolainen, 2008) however there isn’t a considerable measure of examination with regard to how it affects employee perceived performance especially in the context of Oil Marketing companies.

Starnes,Truhorn and McCarthy (2010),assert that a wide range of meanings of trust are found in organizational behavior writing yet they all allude to comparative, abstract attributes of human practices. Three portrayals of trust are: The faith in the integrity, benevolence, and ability of a leader, Reciprocal faith in one's intentions and behaviors, a confidant reliance on the integrity, honesty, or justice of another. Trustworthiness, character, capacity, confidence, unwavering quality, genuineness, and equity are solid words to live up to in the advanced working environment. Yet, it is these exclusive expectations that create a culture of organizational trust.

A popular model of trust by Mayer, Davis, and Schoorman (1995) suggests that three major factors determine organizational trust: characteristics of the trustor, characteristics of the trustee, and the perceived risk. The penchant of the trustor and the components of dependability that the trustee possesses impact the present level of trust. The attributes of the trustor are displayed as the inclination of the trustor to trust. As such, a few people are more trusting than others. The qualities of the trustee are displayed as trustworthiness.
According to Mayer et al., there are three components of trustworthiness: Ability (capacity)-the skill the trustee has in the particular area; Benevolence (Kindheartedness) the eagerness of the trustee to do good for the truster; and Integrity (uprightness) whether the trustee has a value system that guides their conduct.

Organizations need employees to be productive and collaborative in the work environment, however employee behavior is regularly indigent upon authoritative components, for example, culture or leader support. Case in point, numerous studies have found that workers intentionally go well beyond the call of duty in the event that they trust the organization or if they believe the organization cares about them (Dirks & Ferrin, 2002).

One of the greatest challenges organizations are facing is acknowledging the cultural differences presented by the staff they hire and to manage the business cohesively in order to achieve corporate objectives and enhance employee performance. The Oil marketing companies in Kenya are no different.

Kenya is a net importer of petroleum products and has a refinery owned and managed by the Kenya Petroleum Refineries Ltd (KPRL) currently out of service, an 800 km cross country oil pipeline from Mombasa to Nairobi and Western Kenya with terminals in Nairobi, Nakuru, Eldoret and Kisumu, kept running by the Kenya Pipeline Company (KPC). The sector also boasts of over 30 oil importing and marketing companies comprising of five noteworthy organizations namely Shell / Vivo, Total, Kenol Kobil, Oil Libya, Gulf and other emerging oil companies which include the Government owned National Oil Corporation of Kenya (ERC Website). The industry therefore employs a significant number of employees. It also presents a unique scenario with most of the major players being MNCs.

The oil business is normally divided into three noteworthy segments: upstream, midstream and downstream. Midstream operations are normally included in the downstream classification. The first part covers the exploration, production and transportation of unrefined petroleum and gas to the point of transformation into final products (mainly refineries) (Ministry of Energy, 2014). The downstream activities deal with the processing of unrefined petroleum in refineries, the marketing and distribution activities of all the oil derived products, Raed et al. (2006).
Petroleum is Kenya’s main source of commercial energy and over the years has accounted for about 80% of the country’s commercial energy requirements. The local demand for the various petroleum fuels is at an average of 2.5 million tons per year, entirely imported from the Gulf, either as crude oil for processing at the now defunct Kenya Petroleum Refineries Limited or as refined petroleum products ready for sale (Ministry of Energy, 2014).

Kenya Institute for Public Policy Research and Analysis (KIPPRA) (2011) indicated that the oil marketing sector in Kenya has had a great deal of difficulties. The situation in Kenyan oil industry and its environment has been worsened by the introduction of stringent tax regimes by the Kenya Revenue Authority (KRA). This requires upfront prepayment of 100% taxes on oil imports. 70% of the fuel sold locally used to be refined by the Kenya Petroleum Refineries Limited (KPRL) while 30% was imported as fully refined until the closure of KPRL. Currently the country only imports refined oil products on which 100% duty payment is levied upfront. The government introduced the Open Tender System (OTS), which means that all the crude oil imported is supplied by one supplier to minimize costs and level the retail prices. Oil companies are then invited to bid for the delivery and the company with the lowest bid automatically wins the tender to import the crude and have it discharged into KPC tanks (Ministry of Energy, 2014).

There are very few studies done on organizational trust in OMCs and they have not focused on the effect this has on the performance of the employees. There is a gap to be explored here and mainly in the Kenyan context. Many MNCs have opened branches in Kenya as their way of penetrating the Eastern Africa market. Five of the top 10 OMCs in Kenya are MNCs. What they perhaps may overlook is that their success in terms of employee productivity and job performance will be influenced by just how much the folk who work for them more so the Kenyans trust the parent company. (Oloko and Ogutu, 2012)

While fear of losing their jobs will ensure their employees work hard and deliver on their tasks, trust will inspire them. It will help them work better, be more productive, innovative, effective and efficient. (Uddin, Luva & Hossian, 2013).
Tong, Tak and Wong (2013) points out the importance of knowledge sharing as this will impact organizational trust as employees appreciate being involved as it’s an indicator that their output is valued. There are very few studies on the Kenyan employment scene but a quick glance at many of our organizations shows a lot of distrust between the employers and employees and even among peers. This is no different in the OMCs operating in Kenya (Oloko and Ogutu, 2012). This has then led to undercutting, organizational inefficiencies, unhealthy competition and a culture of survival for the fittest as opposed to one of mutual assistance.

Job performance is a human behavior the result of which is an important factor for individual work effectiveness evaluation. From this perspective, it could be said that an organization’s prosperity or collapse is dependent on the job performance of the people in that organization. This is similar to Muchinsky (2003) who said that job performance is the set of worker's behaviors that can be checked, measured, and evaluated at an individual level. Besides, these practices are likewise in accordance with the organizational goals. Staff’s job performance is a vital element to push forward to be a great organization. In performance appraisal, there are numerous suitable boards being the appraisers with each kind of appraiser having diverse advantages and disadvantages for example, immediate supervisor, peer rating, committees, self-rating and subordinate (Smithikrai, 2007). This study underscored on self-appraised job performance that is called “perceived job performance”. It is outlined from the audits of perceptions and assessment of staff on their own actions or pertinent practices and attributes that impact organizational objectives and responses to the organization's tasks (Saetang, Sulumnad, Thampitak & Sungkaew, 2010).

Studies have indicated that there exists a relationship between organizational trust and employee performance. Magee (2002) in this very point argued that organizational trust is inherently connected to organizational practices; therefore organizational performance is conditional on organizational trust. According to Hellriegel and Slocum (2009), organizational trust can enhance performance in a large scale if it can be understood that that’s what sustains a culture.
1.2 Statement of the Problem

Mayer and Gavin (2005) assert that despite there being many publications on trust, its relationship with perceived performance is still unclear. Evidence seems to be clearer at the organizational level, and clearer for performance assessed in terms of organizational citizenship behaviors (OCBs; employees’ contributions that go beyond their job descriptions).

Dirks and Ferrin (2002) asserted that there was very little empirical research that investigated how trust affects perceived performance. A better understanding of the means through which trust can enhance performance is needed to clarify this relationship and thus reveal more effective means of improving performance. Dirks and Ferrin (2002) also suggested that trust in various levels of management might have different relationships with other variables of interest. This study presents rare evidence of the effects of employee trust in multiple levels of management and the effect this has on perceived performance.

There is a transactional kind of leadership where people get rewarded for results but the element of whether they (employees) actually trust the organization is what we will seek to look at and find the link between this and perceived performance. Trust is a valued commodity in an organization but a rare one. Reina and Reina (2009) found that a vast majority of workers have encountered a violation of trust at their places of employment a number of times. A survey on morals and ethics at the workplace completed by Deloitte (PR Newswire, 2010) demonstrated that 65% of Fortune 100 executives were worried that their staff would be seeking alternative employment in the near future and that the absence of trust would be a significant contributor to their need to search for other places of employment and to their performance at their current jobs being at the bare minimum.

The existing literature shows that employee trust leads to positive perceived performance. Dirks (2000) found trust in coaches to be related to the performance of basketball teams. Similarly, Davis and Mayer (2000) found trust in restaurant general managers was related to the facilities’ sales and profits. Zaheer, McEvily, and Perrone (1998) found trust was related to the performance of inter-organizational relationships, which they measured as competitive price, delivery timeliness, supply quality, and supplier flexibility.
Starnes, Truhon and McCarthy (2010) contend that in today’s global economy that is increasingly dependent on virtual organizations, trust is essential because direct leaders often do not see their employees. Organizational trust in international business brings in a measure of cultural diversity.

Numerous organizations have in the past had great difficulties in building, retaining, or rebuilding the trust of distinctive partner groups with special bias to the employees as this tends to trickle down to other stakeholders (Voelpel and Kearney, 2008). These troubles stem from recent changes, with conspicuous instances of mismanagement (e.g., the Enron or WorldCom outrages) being an extreme case, yet positively not the most critical. Considerably more critically, numerous associations now see huge benefits as the principle, as well as the main reason for their existence.

To this end, numerous organizations no longer give the professional stability, advantages, and pay structures that an expansive area of the workforce could depend on like before. Voelpel and Kearney (2008) further assert that globalization and fast innovative changes have done their part to build intensity and fuel the scramble for survival in a business domain in which unfriendly takeovers or indebtedness are consistent dangers. The recognition that the fulfillment of employees is not at the highest priority on the rundown of needs for most organizations (which, in numerous settings, it has never been) and the universal risk of cutting back, outsourcing, and offshoring and the attendant cutbacks have, on the part of the employees, led to a disintegration in trust in their organizations (Connell, Ferres, & Travaglione, 2003).

A vast part of the workforce has become critical and withdrawn. Next to zero increments in inflation-adjusted salaries and large scale terminations of long-term workers combined with steadily rising pay bundles for top administrators and expanding organizational overall revenues have done their part in lessening worker’s trust in and identification with their employers (Voelpel & Kearney, 2008).

1.3 Purpose of the Study
The purpose of this study is to determine the influence of employees’ organizational trust on perceived performance in oil marketing companies operating in Kenya.
1.4 Research Questions

1. How does the employees’ belief in the organization’s ability influence perceived performance in oil companies in Kenya?
2. How does the employees’ belief in the organization’s benevolence influence perceived performance in oil companies in Kenya?
3. How does the employees’ belief in the organization’s integrity influence perceived performance in oil companies in Kenya?

1.5 Significance of the Study

1.5.1 Academically

Academically this study adds to the current body of knowledge on organizational trust. It brings in a new dimension with regard to oil marketing companies and the link between the different antecedents of trust in the company’s management and employees’ perceived performance.

1.5.2 Oil Marketing Companies

It also helps OMCs get some knowledge that will not only help them retain a satisfied workforce but a performing one as well. It will give these companies a lot of perspective from the employees’ view of things.

1.6 Scope of the Study

This focuses on OMCs operating in Kenya. The study will seek to get the employees’ perspective on how the level of trust they have for the organizations they work for has affected their perceived performance.

The study will also seek to find out how the different determinants of organizational trust affect the employees’ perceived performance and how these OMCs can build trust in their employees. It will cut across OMCs domiciled in Kenya and those that are subsidiaries of MNCs operating in Kenya.
1.7 Definition of Terms

1.7.1 Organizational Trust

Organizational trust may be better portrayed as intraorganizational trust, a term that can be utilized in distinctive ways: a few scientists concentrate on the relationship between employees and their immediate bosses (e.g., supervisors), while others take a look at the relationship between employees and those running the organization (e.g., senior management) (Starnes, Truhon and McCarthy 2010).

1.7.2 Perceived Performance

It is summarized from the surveys of observation and assessment of staff on their own actions or applicable practices and attributes that impact organizational objectives and responses to organization's tasks (Saetang, Sulumnad, Thampitak and Sungkaew, 2010)

1.7.3 Ability

Ability is the perception that a trustee has skills and competencies in the domain of interest (Mayer & Davis, 2005).

1.7.4 Benevolence

Benevolence is the degree to which a trustee is believed to want to do good to the trustor, aside from an egocentric profit motive (Yongjun, 2013).

1.7.5 Integrity

Integrity is the the observation that the trustee holds fast to a value system that the trustor finds satisfactory (Mayer & Davis, 2005).

1.8 Chapter Summary

This chapter looks into the background on the area of employee organizational trust in oil marketing companies operating in Kenya and the bearing it has on perceived performance. This is there having been a relationship established between the two variables but a gap existing on the extent to which employee organizational trust has a bearing on perceived performance.
This study will focus on oil marketing companies operating in Kenya assessing how much the employees trust both their top and middle level management and how this affects their performance and how the three main variables identified with regard to organizational trust individually affect their perceived performance.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

In this segment, we will take a closer look at the three major antecedents of organizational trust and how they affect perceived performance. We will seek to understand individually each of the three and the link between them and the impact they have on perceived performance together as the determinants of organizational trust. Perceived performance here focuses on how an employee would rate the quality of his or her own performance in his /her job and how he/she thinks his/her organization would rate the quality of his/her performance.

2.2 Employees’ Belief in the Organization’s Ability and its Influence on Perceived Performance

2.2.1 Trust Stages and Types of Trust

The challenge facing researchers looking into trust is that a lot is involved in the process of the trustor trusting the trustee. The principal thought is the conceivable structures that trust can take. Drawing on components from the most-cited definitions of trust this can be split into three constituent parts: trust as a conviction (belief), as a choice (decision), and as an action (Dietz, 2006).

The first type of trust is a subjective, collected, and confident set of beliefs about the other party and one's association with her/him, which lead one to accept that the other party's possible activities will have positive results for oneself. Another way of representing this belief is as an evaluation of the other party's dependability. However, trustworthiness and trust are two separate concepts (Mayer et al., 1995). Trustworthiness is a quality that the trustee has, while trusting is something that the trustor does. Although one party may consider another to be trustworthy it does not necessarily mean that they (the trustor) will actually trust the trustee. Other influencing factors may come into play. The trustor’s belief in the trustee’s trustworthiness is still expected to be highly influential in the trustor’s decision to trust the trustee, since the belief is reliant on “probabilities” and conveys an essential "quality of feeling" that elevates it above just hopefulness, blind faith or guilelessness (McEvily et al, 2003).
The second type of trust is the choice to really trust the other party. This is the point at which the confidence in the others’ trustworthiness is shown – in part – in trust itself. For an honest state of trust to exist, the expectation of trustworthy conduct and the desire to act based upon it must be present (Huff and Kelley, 2003). Trust is similarly viewed as “a process model where the choice on whether to trust is based on an underlying subjective base of trust which conditions the intention to trust” (Costa, 2003). At this stage, the trustor considers the trustee to be trustworthy, and further intends to allow her/himself to be subject to the risk of potentially detrimental actions on the part of the trustee, on the premise that such outcomes are improbable (Costa, 2003).

However, this decision implies only an intention to act. For the trustor to demonstrate unequivocally her/his trust in the trustee, (s)he must follow through on this decision by engaging in any of the trust-informed risk-taking behaviours proposed by different authors (Costa et al., 2001). Gillespie (2003, 2004) usefully divides these into two broad categories: “reliance”-related behaviours (such as, for example, a manager surrendering control over valuable resources or decisions to a subordinate, or deliberately reducing control over, or monitoring of, the subordinate’s actions, and “disclosure” in the sense of sharing potentially incriminating or damaging information with another party (such as a management team revealing commercially sensitive future strategy to union officials).

Note that these risk-taking behaviours undertaken by the trustor in the light of her/his assessment of the trustee’s trustworthiness need to be kept distinct from behaviours that indicate the trustor’s own trustworthiness, or the trustee’s behavioural response to being trusted (such as, in both cases, meeting certain obligations, keeping promises, dealing honestly with others, and resisting opportunism). Importantly, the action of trusting another is at best only a likely consequence of the decision to trust; it is by no means guaranteed. Although the trustor might be willing to trust the trustee, there may nevertheless be consequences for the trustor beyond her/his relationship with the trustee that may forestall the decision, such as the impact on a third party’s assessment of the trustor should he/she decide to trust the trustee (Nooteboom, 2003).
The question of whether the action of trusting should be incorporated into an overall model of trust is a point of contention. In part, this is an etymological problem brought about by the everyday connotations and uses of the word “trust” (Mayer and Davis, 1999), where trust as a belief, decision and a resulting action are regularly conflicted. Whilst the most commonly cited conceptualization, Mayer et al. (1995) separate trust from its associated behaviours, this conceptualization reflects the distinction drawn by McEvily et al. (2003, p. 93) between trust’s three necessary constituent parts: as “an expectation, a willingness to be vulnerable and a risk-taking act”.

2.2.2 Ability as an Antecedent of Trust

Trust is understood as a complex compilation of judgments by the trustor on different characteristics of the trustee. Butler and Cantrell (1984) proposed integrity, competence, consistency, loyalty and openness as key elements. Butler (1991) extended this to 11 separate conditions that the trusted party might be expected to fulfill: competence, integrity, consistency, discreetness, fairness, promise fulfillment, loyalty, availability, openness, receptivity, and overall trustworthiness. In their classic article, Mayer et al. (1995) focused on ability, benevolence and integrity. Cunningham and McGregor (2000) and Mishra (1996) have both made powerful arguments for including predictability (or reliability). Overall, these three attributes of the trustee – ability, benevolence and integrity appear most often, and we consider them to be the most salient.

The researcher defined ability as follows: competence (ability) refers to the other party’s capabilities to carry out her/his obligations (in terms of skills and knowledge) In any assessment of another’s trustworthiness, ability is significant in itself as the content of trust is multi-faceted and is clearly not uni-dimensional (Mayer et al., 1995).

Mayer et al. (1995) defined ability as the perceived level of relevant skills, competencies, and characteristics that enable a person to have influence in a specific domain. Ability captures the “can-do” part of trustworthiness by depicting whether the trustee has the right skills and capacities expected to act in a suitable manner (Colquitt, Scott and Lepine, 2007). Showcases of capability create trustor discernments that the trustee has the information important to be effective, which advances trust improvement (Gilstrap & Collins, 2012).
Most authoritative organizational researchers have seen the traits of trustees as the key determinants of the extent to which they are trusted. Given the assertion that individuals are more predisposed to trust somebody who is reliable, researchers have attempted to identify singular attributes that give rise to impressions of trustworthiness (Lee, Robertson, Lewis, Sloane, Gilliam & Nomachi, 2012).

Taking into account their survey of relevant literature, Mayer et al. (1995) ability as an antecedent of trust. Considering an organization or network scenario, evaluation of others' trustworthiness frequently depends on their character or reputation. Especially when picking those with whom one can team up with, potential associate’s character or reputation is almost always an essential premise for gaging their trustworthiness. Case in point, investigation of connections among attire firms found that the foundation of one relationship was frequently after taking into account a referral from a third individual who had associated with both potential associates. Besides, given an inclination for one’s repute to spread within a network, associates who are seen as trustworthy by some of the members are likely to be seen, all things considered, by others too. Consequently, Butler and Cantrell (1984) gauged trustworthiness to some extent by trustees' repute with regard to their genuineness and honesty (Lee et al, 2012).

With respect to ability, the researcher intends to get answers to the workers' perspective on how frequently their immediate supervisors are effective in overcoming confinements so as to get them the fundamental hardware or even staff they need to accomplish their tasks, or how much they feel that their immediate supervisor can do to further their career in the said organization.

The researcher also seeks to find out just how much weight the immediate superiors’ recommendations would have in any decision which would affect the employees’ standing in the organization such as promotions and transfers.
2.2.3 Ability and Perceived Performance

Performance is the capacity (both physical and mental) to perform a specific assignment in a particular technique that can be assessed as well done, standard or below par in scale (Raza, Anjum & Zia, 2014). The term performance is generally used to explain different aspects for example, performance of the institution, performance of staff and performance of a person. Two perspectives of performance are illustrated. The first is the behavioral angle and the second is the results performance angle. In the first aspect the conduct or behavior is supposed to be in tandem with the circumstances and the job description. The behavioral aspect is the capacity to properly execute the institutional goals and objectives and is therefore primarily adjudged on results.

Mayer, Bobko, Davis and Gavin (2011) consider supervisory power and influence tactics as precursors to the development of the ability measure of trustworthiness. Researchers have long been keen on leaders’ use of power and its different outcomes. A meta-analysis found discovered managers to be an especially vital referent of trust (Dirks & Ferrin, 2002).

Mayer et al. (2011) explore the impacts of changes in supervisory utilization of power and different influence tactics on changes in employees’ trust in their supervisors vis a vis the trustworthiness variable of ability.

The utilization of different power bases (e.g., referent, expert) and other supervisory activities can be relied upon to influence the attributions an individual makes about the supervisor (Tomlinson & Mayer, 2009). It then follows that the nature of the influence attempts by supervisors should affect not only fulfillment with the supervisor as Carson et al. found, but also the level of willingness to be susceptible or vulnerable to the supervisor (i.e., trust in the supervisor) as well. Therefore, one advantageous method of building an individual’s trust ought to be to train supervisors to influence their employees in more effective ways that accomplish the purposes of the supervisor while building or maintaining trust.

Mayer et al. (2011) recommended that influence attempts made through the utilization of expert power and referent power ought to build trust in the supervisor with regard to ability as a measure of trustworthiness.
This seems rational, as both expert and referent power make notable that the supervisor is more inclined to act in ways that are useful to the person now and again when s/he can’t impact or even screen the supervisor’s actions. Ceteris paribus, if the trustee (supervisor) acts in ways that fortify positive attributions the trustor (employee) makes about him/her, we ought to anticipate that the trustor will be all the more willing to accept vulnerability to the trustee (supervisor).

Mayer et al. (2011) likewise suggested that utilizing rewards to impact conduct increases the supervisor’s allure, and subsequently expands the supervisor’s referent power. In the event that referent power decidedly identified with trust as recommended above, we ought to in this manner additionally anticipate that reward power will be emphatically identified with trust.

The use of rewards also makes salient that when given a choice about how to treat the employee’s interests, the supervisor is more likely to bring about positive outcomes for the employee. As proposed above, it then follows that the use of reward power ought to be identified with trust in light of the fact that it makes striking the positive results that are more likely to flow from vulnerability to the supervisor.

Rewards are a prominent and important tool of successful managers. As such, employees may be required to anticipate that a manager ought to be skilled at using rewards to motivate employees. In the event that a supervisor does not utilize accessible rewards or give a greater amount of them to additionally meriting employees, they (employees) may surmise that the supervisor is lacking in administrative capacity (Mayer et al. 2011).

2.3 Employees’ belief in the organization’s Benevolence and its influence on perceived performance

2.3.1 Benevolence as an Antecedent of Trust

Benevolence is the degree to which a trustee is believed to want to do good to the trustor, aside from an egocentric profit motive with similar terms including dependability, openness, caring, mindful or supportiveness (Yongjun, 2013).
Benevolence suggests that the trustee has some particular connection to the trustor and an impression of a positive orientation of the trustee toward the trustor (Mayer et al., 1995). Trustee benevolence demonstrates the trustee is steadfast, mindful, and steady (Colquitt, Scott, & LePine, 2007), which creates goodwill in the trustor.

With regard to benevolence, the researcher aims to get answers to the employees’ view on how free they feel to discuss with their immediate superiors the problems and difficulties they have in their jobs without jeopardizing their positions or having it "held against them" later, to what extent they have confidence and trust in their immediate superior regarding his/her general fairness and whether they trust that when their immediate superiors make decisions that seemingly appear to be against their interests, that these decisions may have been influenced by other factors and considerations. The researcher defined benevolence as follows: benevolence reflects benign motives and a personal degree of kindness toward the other party, and a genuine concern for their welfare (Mayer et al., 1995).

Performance has been associated with human behavior with Porathe (2009) reiterating that the learning and comprehension of behavior is of utmost importance because it not only drives an individual’s performance but also impacts strongly others’ performance. Human behavior is the sum total of psychological, physical, emotional and social occurrences experienced as one goes through the various stages of life and influenced by culture, society, ethics, belief systems, morals and family traits. Cascio (2003) affirmed that human behavior will never be the same in differing circumstances and for different organisms. Thompson (2006) asserted that human behavior can be viewed or assessed in different dimensions.

Hartt (2006) showed family traits (genetics) as one dimension while Bartol (2003) revealed that different people behave contrastingly in the same circumstances and that this difference in conduct could be as a result of inborn features, relationship to the prevailing situation, and their understanding of environmental aspects and different elements that impact on behavior.
2.3.2 Benevolence and Perceived Performance

Perceived Organizational Support (POS) is an enabler or a mediating factor when it comes to the relationship between perceived performance and benevolence (Tremblay and Landreville, 2014). POS is interpreted as assurance that the company will do everything to help and support employees experiencing difficulties (Rhoades & Eisenberger, 2002).

Perceived Organizational Support (POS) is portrayed as an employee’s sense of the employer’s care and concern for the employee’s job success and needs in difficult circumstances. POS is presented as the employee’s belief in organizational support in return for employee loyalty to and involvement with the organization (Francis, 2011).

Employees with a strong sense of POS believe that their employer is committed to them, values their contributions, is concerned about their well-being, and will support them whenever they face problems in their personal and professional life (Tremblay, Cloutier, Simard, Chenevert & Vandenbergh, 2010).

According to Tremblay et al., 2010, POS is increased through normal everyday actions, particularly when the company shows an interest in employees’ opinions, values, and problems. Therefore, human resource practices that value employees’ contributions are likely to be perceived as constituting a sign of support from the organization (Allen Shore, & Griffeth, 2003).

According to organizational support theorists, high POS tends to improve work attitudes and engender effective work behavior for two reasons. To begin with, these useful impacts result from a process of social exchange. Studies suggest that staff examine the optional actions of discretion done and then workers infer that they are being supported. They then try to repay this favorable treatment. Like that, employees become more hardworking and dedicated (Miao & Kim, 2010)

Miao and Kim (2010) further contend that it seems that if an organization’s employees are given adequate training, resources, and support from management, it is more likely that members would both want their organization to succeed and be more capable of helping their organization succeed.
In this way, it seems likely that the degree to which the employees perceive that they are bolstered will be positively attributable to their perceived performance in and for the organization. In addition, benevolence can likewise be improved by expansions in several other supervisory impact strategies: i.e., praising staff, supportive behaviors, and showing trust in the worker.

Mayer et al. (2011) propose that criticism and different types of conduct that infer dismissal create obstructions to trust. It follows; then, one should expect that a supervisor’s use of recognition and praise or other actions that signal acknowledgement will help to develop trust. We define praise as conduct of a person conveying acknowledgment of another's certain qualities and properties. While such communication is part of the more general category of rewards, our judgment is that it is a supervisor’s use of praise that increases the perception that the supervisor is benevolent to the trustor. Since praise is relied upon to emphatically impact the impression of benevolence, on account of the causal chain depicted before in this paper, it ought to likewise be expected to influence trust.

Moreover, as the commendation is internalized, the individual’s self-esteem is enhanced. It is assumed here that having one’s self-esteem boosted is pleasurable. If the trustor sees the supervisor as a continued well spring of improved self-esteem, it appears sensible that the trustor will be more willing to be vulnerable to the supervisor because they feel assured that when faced with choices about how to treat that individual’s interests, the supervisor will be more inclined to bring about positive outcomes for the trustor (Mayer et al., 2011).

Work-related supportive behaviors by the supervisor are another way of impacting the practices and responses that ought to build trust. Work-related steady practices are characterized as endeavors to provide appropriate resources and help to make it less demanding for the employee to perform his/her job. Mayer et al. (2011) theorized that the demonstration of offering to help another encourages the advancement of trust.

Likewise, by utilizing a measure of supportive behaviors that was centered on individual sentiments, they discovered a significant relationship between such individualized steady practices and a measure of trust. Supportive behaviors could likewise be conceptualized as business related practices that encourage the individual’s capacity to make mental progress.
These practices incorporate encouraging the obtaining of vital data and resources or responding to work-related suggestions and requests. Such practices would empower the trustor to accomplish higher performance, higher self-regard, and increased psychological success (Guinot, Chiva & Mallen, 2013).

To the degree that the trustor sees the supervisor’s behavior as empowering the accomplishment of positive results (both extraneous and inborn), ceteris paribus, that individual is likely to perceive the supervisor as more benevolent (Guinot, Chiva & Mallen, 2013).

2.4 Employees’ belief in the organization’s Integrity and its influence on perceived performance

2.4.1 Integrity as an antecedent of trust

Integrity alludes to the trustor's discernment that the trustee sticks to a set of principles that the trustor finds adequate. Once employees are willing to make themselves vulnerable to others (their co-workers, immediate superiors, subordinates, top management, or the organization as a whole) they are more likely to engage in behavioral manifestations of trust (Guinot, Chiva & Mallen, 2013).

The researcher deems that integrity involves adherence to a set of principles acceptable to the other party, encompassing honesty and fair treatment, and the avoidance of hypocrisy. With regard to integrity, the researcher aims to get answers to the employees’ view on whether the organization treats them fairly, whether the organization takes significant measures to lead them in the right direction, whether the organization encourages openness in the relationship among employees and whether the organization communicates with them openly and honestly (Mayer et al., 1995).

Employees can deliver independently and modify their own conduct according to the prevailing work circumstances. Behavior majorly influences the performance of employees and that of other members in the team (Raza, Anjum & Zia, 2014).
This study lays emphasis on self-appraised job performance that is called “perceived job performance”. It is outlined from the reviews of perceptions and assessment of staff on their own actions or pertinent practices and attributes that impact organizational objectives and responses to the organization's tasks (Saetang, Sulumnad, Thampitak & Sungkaew, 2010).

2.4.2 Integrity and Perceived Performance

Impressions of integrity are emphatically identified with trust in interpersonal referents (Colquitt et al., 2007). For example, interpersonal trust is higher when the trustee is seen to have the capacity to uphold commitments, especially when the trustee has sufficient autonomy to do so (Perrone, Zaheer, & McEvily, 2003).

Integrity has also been viewed through the justice and fairness lens. Research has found that the experience of justice from others promotes interpersonal trust (Johnson & Lord, 2010). Integrity is also highly relevant in trust repair. Across different post violation strategies the trustee can adopt, trust repair appears to be more effective to the extent that the trustor perceives the trustee has repented (Dirks, Kim, Ferrin, & Cooper, 2011). A promise to change behavior has also been found to repair trust effectively (Schweitzer, Hershey, & Bradlow, 2006). In the case that a distributive harm has occurred, large compensations or overcompensations have been found to repair trust so long as the violator is not perceived to have caused the harm intentionally and the compensations are provided voluntarily (Desmet, De Cremer, & Van Dijk, 2010, 2011).

Integrity also is a highly relevant dimension for individual trust in leaders. Leaders’ behavioral integrity, which refers to word–deed consistency or alignment and includes keeping promises and enacting espoused values, has been hypothesized to be an important antecedent of trust in leaders. Both ethical leadership and ethical stewardship have been linked to trust in leaders (Colquitt et al., 2007).

Justice and fairness also are reasons why integrity is critical for the leader referent: Research has found that distributive, procedural, and interactional justice perceptions of leaders and of the organization relate to trust in proximal leaders (e.g., supervisors; Colquitt, LePine, Piccolo, Zapata, & Rich, 2012).
Participative and consulting decision making that gives followers a voice is a key dimension of procedural justice and has been found to be a key factor in trust in leaders at the individual level (Huang, Iun, Liu & Gong, 2010).

2.4.3 The link between the antecedents of trust

The Mayer et al. (1995) model incorporates both perceived characteristics of the trustee and disposition of the trustor. Mayer et al. proposed that individuals determine the trustworthiness of others based on their beliefs in the trustee's ability (knowledge, skills, and competencies), benevolence (the extent to which a trustor believes that a trustee will act in the best interest of the trustor), and integrity (the degree to which the trustor sees the trustee as acting in accordance with a value system that the trustor finds acceptable). A trusting relationship has a higher likelihood of developing if a particular trustee is perceived as having high ability, benevolence, and integrity (Gill, Boies, Finegan & McNally, 2005).

2.4.4 Organizational Trust and Perceived Performance

In order to meet the organizational objectives and achieve competitive advantages, all organizations are striving to recruit highly performing individuals. On the other hand, individuals need to trust that their organizations want to help them reach individual objectives. Therefore, an organization is a consciously coordinated system where characteristics of individuals, groups and organization interact with each other and effective interaction among them highly depends on organizational trust that shapes the individual’s performance (Kozlowski & Klein, 2000) and in most of cases high performers are more appreciated and promoted than low performers (Cross et al., 2000). As a result, evaluation of employee performance basically depends on the factors like performance appraisals, compensation, employee recognition, employee motivation, training and development, job security, flexible time system, organizational structure, employee satisfaction etc. But, this paper has concentrated on the basic factor or the roots of all the above traits and that is the organizational trust (Uddin, Luva & Hossian, 2013).

This paper has looked at how the three antecedents of organizational trust individually influence employees’ perceived performance and has sought to show which one of the three is most influential and the existing relationship between all three.
2.5 Chapter Summary

This chapter looks at the three major variables of organizational trust—the various elements that affect them and their effect on perceived employee performance in Oil Marketing Companies. It examines ability as a factor influencing perceived performance, and the same for both benevolence and integrity.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter examines the research design used, the population sampled and the research philosophy behind the study. It explains the type of study and the sampling methodology as well as the data collection tools that were used methods of data collection, instrumentation issues with regard to validity and reliability, operational definition of variables, method of data analysis to be used in conducting the research and finally the summary of the chapter and the type of data collected.

3.2 Research Design

Research design is the applied structure for satisfying research objectives and responding to questions. It is the conceptual structure within which research is conducted; it is the blue print for accumulation, measurement and examination of information. It is the game plan of conditions for gathering and analysis of data in a manner that aims to combine significance to research purpose with economy in procedure (Saunders, Lewis and Thornhill, 2009).

The research problem was examined by applying a descriptive survey research design. As indicated by Cooper and Schindler (2003), a descriptive study is concerned with figuring out the what, where and how of the matter at hand. It is popular in business research because of its versatility. This study subsequently has the capacity to generalize the findings to all the OMCs in Kenya. This method concerns the thorough investigation of problem solving circumstances in which the said issues are pertinent to the research problem.

Research philosophy is an over-arching term relating to the development of knowledge and the nature of that knowledge (Saunders, et al 2009). The research philosophy of this paper is practical which holds that the most imperative determinant of the exploration rationality received is the examination question in this case the influence that employees’ organizational trust has on perceived performance as assessed on OMCs operating in Kenya.
The research used a descriptive study in establishing the influence of employees’ organizational trust on perceived performance. It sought to explain the nature of certain relationships as put forth in the hypothesis tailored to answer the research questions.

Correlational research endeavors to figure out if and to what degree, a relationship exists between two or more quantifiable (numerical) variables. At the point when two variables are related you can utilize the relationship to foresee the worth on one variable for a member in the event that you realize that member's quality on the other variable. Correlation implies forecasting but not causation. The investigator frequently reports the correlation coefficient, and the p-value to determine strength of the relationship.

The study also used regression analysis to test the hypothesis of the study on the relationship between organizational trust and employees’ performance in OMC’s. Data used was quantitative as it sought to quantify statistically the correlation between the various variables of organizational trust (independent variable) and perceived performance (dependent variable). Data was collected via use of online surveys and questionnaires disbursed via email.

3.3 Population and Sampling Design

3.3.1 Population

Ngechu (2004) explains that a study populace is a well-defined or pre-determined group of individuals, group of things, family units, organizations, services, elements or events which are being examined.

There are 36 OMC’s that are licensed to work and operate in Kenya. The three largest companies, mainly multinationals, account for 72% of total market share. The rest of the companies, about 33 or so, compete for the remaining market share (ERC Annual Report 2012-2013). The population of study comprised employees working for five OMCs operating in Kenya. The five firms were picked from medium firms as they formed the biggest percentage of all the firms in Kenya at 47.2%. Purposive sampling was used to select the five OMC’s out of the medium companies because they were deemed to have a large scale of operations by virtue of having won the largest number of MOE tenders to supply the industry with petroleum products over the last three years (MOE, 2013).
### Table 3.1: Target Population

<table>
<thead>
<tr>
<th>OMCs</th>
<th>Population</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large</td>
<td>3</td>
<td>8.3</td>
</tr>
<tr>
<td>Medium</td>
<td>17</td>
<td>47.2</td>
</tr>
<tr>
<td>Small</td>
<td>16</td>
<td>44.4</td>
</tr>
<tr>
<td>Total</td>
<td>36</td>
<td>100</td>
</tr>
</tbody>
</table>

#### 3.3.2 Sampling Design

The sampling design constitutes of the sampling frame, sampling technique and the sample size.

#### 3.3.2.1 Sampling Frame

According to Field (2005) a sample is a smaller collection of units from a population used to determine truths about that population. The sample size ought to be illustrative of the populace. A sampling frame incorporates a numerical identifier for each individual, in addition to other identifying data about the traits of the people, to help in investigation and allow for division into further groupings for a more thorough examination (Kombo and Tromp, 2006).

The sampling frame was the middle level employees working for oil companies operating in Kenya for at least five years. These are employees who had a supervisor or who reported to middle level management. Middle level employees were targeted as most would have worked for between five to ten years on average, and thus have a better understanding of organizational trust and hence more generalizable responses. The study targeted employees in all departments. Their opinion was sought on the nature of the relationships between employee organizational trust and perceived performance in OMCs operating in Kenya.
Table 3.2: Sample

<table>
<thead>
<tr>
<th>OMCs</th>
<th>Population (Employees)</th>
<th>Sample Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hashi Energy Limited</td>
<td>65</td>
<td>36.14</td>
</tr>
<tr>
<td>GAPCO Kenya Limited</td>
<td>40</td>
<td>21.69</td>
</tr>
<tr>
<td>Galana Oil Kenya</td>
<td>30</td>
<td>15.66</td>
</tr>
<tr>
<td>Mogas Kenya Limited</td>
<td>20</td>
<td>12.05</td>
</tr>
<tr>
<td>Gulf Energy limited</td>
<td>25</td>
<td>14.46</td>
</tr>
<tr>
<td></td>
<td>180</td>
<td>100.00</td>
</tr>
</tbody>
</table>

3.3.2.2 Sampling Technique

A stratified random sampling technique was used to select the respondents from each of the OMCs. The stratification was based on the respondents’ department in the organization – operations, finance, administration and technical. According to (Kerry & Bland (2008) the technique produces assessments of general populace parameters with more prominent accuracy and guarantees a more illustrative specimen is gotten from a generally homogeneous populace.

3.3.2.3 Sample Size

A sample study of five OMCs operating in Kenya was conducted with a target of at least 20 middle level employees in each organization to respond to the questionnaire. One hundred and thirty questionnaires were disseminated.

3.4 Data Collection Methods

The primary data was collected via online surveys and questionnaires. A copy of the questionnaire is attached in appendix 1. The constructs in the study were developed by using measurement scales adopted from prior studies. All of the survey items, excluding demographic ones were responded to on five-point Likert scales, with anchors ranging from strongly Disagree (1) to strongly Agree (5). Disseminating the questionnaires to the respondents through email was chosen because it gave the respondent ample time to give true and accurate information, less costly than personal interviews.
3.5 **Research Procedures**

The researcher contacted the middle level managers to reach out to the specific employees in the categories selected. The researcher reached out to contacts in these OMCs to follow up for responses. The questionnaires were designed and distributed by the researcher in selected Oil Marketing Companies. Electronic sources were used to obtain feedback and to make follow ups to enhance the response rate.

3.6 **Data Analysis Methods**

SPSS was used to in data analysis purposes Bivariate analysis is a kind of data analysis that explores the association between two variables. Quantitative data collected was analyzed using SPSS and presented through percentages and frequencies. The information was displayed by use of tables.

This involved tallying up responses, computing percentages of variations in response as well as describing and interpreting the data in line with the study objectives and assumptions through use of SPSS.

3.7 **Chapter Summary**

This chapter covers the research design the researcher used, the target population, the sampling technique that was used, the data collection methods and how the collected data was analyzed. The research will take the survey approach which was conducted using a structured questionnaire. The sample frame was obtained from employees of Oil Companies in Kenya. The sample was selected through a purposive non-probability sampling method. The analysis of the data was done using the SPSS data analysis tool.

The following chapter, which is chapter four; covers the results and findings; this information was gathered after the data had been collected and broken down. Chapter five discusses conclusions and recommendations based on the findings of the research on the impact of organizational trust on employee perceived performance to OMCs operating in Kenya.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction
The study was guided by a broad objective which was to determine how organizational trust influences employee perceived performance in oil marketing companies operating in Kenya. Data was collected from middle level employees who report to middle level management. This is because this category of employees is deemed to have a close relationship with the middle level management and is thus more likely to understand how organizational trust affect perceived performance in selected oil marketing companies.

4.2 General Information
This is general information on the chosen category of the respondents who are expected to give answers in relation to the study objectives. Here we look at the profile of the respondents. 130 questionnaires were distributed to three categories of oil marketing companies: large, medium and small. Out of the 130 questionnaires distributed, 120 were returned to the researcher. This represents a response rate of 92.3 % which was considered sufficient for making generalization.

4.2.1 Service to More than one Company
The researcher requested the respondents to indicate whether they had worked for an oil marketing company before their current employment. The findings are presented in table 4.1 below:

Table 4.1: Service

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>100</td>
<td>83</td>
</tr>
<tr>
<td>No</td>
<td>20</td>
<td>17</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>100.0</td>
</tr>
</tbody>
</table>
The findings above in table 4.1 and figure 4.1 found that 83% had worked for more than one OMC while only 17% worked for one OMC. This was an indication that most respondents had a relevant experience and thus understood how organizational trust influenced perceived performance.

4.2.2 Length of Service

The respondents were asked to indicate the length of the duration that they had served in the organization to determine whether they were in a position to provide accurate and reliable information in relation to how organizational trust influenced perceived performance.

Table 4.2: Length of Service

<table>
<thead>
<tr>
<th>Length of service</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 1 year</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>1-2 years</td>
<td>35</td>
<td>29</td>
</tr>
<tr>
<td>2-3 years</td>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td>3-5 years</td>
<td>55</td>
<td>45</td>
</tr>
<tr>
<td>Over 5 years</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Totals</td>
<td>120</td>
<td>100.0</td>
</tr>
</tbody>
</table>
From the findings, 45% of the respondents had served between 3-5 years, 29% of the respondents served between 1-2 years, 13% of the respondents had served between 2-3 years, 8% of the respondents had served for over 5 years while only 5% of the respondents served below 1 year. It can be concluded that over 50% of the respondents had worked for more than 3 years. This implies that most of the respondents had a good understanding of how organizational trust influenced perceived performance.

**4.2.3 Department**

The respondents were requested to indicate the department that work to find out whether they were in a position to understand the concept of organizational trust and perceived employees’ performance.

**Table 4.3: Department**

<table>
<thead>
<tr>
<th>Department</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance and Accounting</td>
<td>40</td>
<td>33</td>
</tr>
<tr>
<td>Operations and Logistics</td>
<td>25</td>
<td>21</td>
</tr>
<tr>
<td>Administration</td>
<td>17</td>
<td>14</td>
</tr>
<tr>
<td>IT</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td>Supply and Trading</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Sales and Marketing</td>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td>Human Resource</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>120</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>
The above findings in table 4.3 and figure 4.3 showed that 33% of the respondents worked in the finance and accounting department, 21% in the operations and logistics department, 14% in administration department, 13% in sales and marketing departments, 8% in IT department, 7% in supply and trading department while only 4% of the respondents worked in Human resource department. The study established that most of the respondents worked in finance and accounting department.

4.3 Employees’ belief in the Organization’s Ability and its Influence on Perceived Performance

4.3.1. Employees’ Confidence in the Organization’s Skills and its Relationship with Perceived Performance

The study sought to determine whether the respondents understood the organization and how that improved their performance. The findings are presented in the table 4.4.
Table 4.4: Ability

<table>
<thead>
<tr>
<th>Extent</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>24</td>
<td>20</td>
</tr>
<tr>
<td>Agree</td>
<td>75</td>
<td>62</td>
</tr>
<tr>
<td>Neutral</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td>Disagree</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

| Total          | 120       | 100.0   |

From the above findings, majority of the respondents felt confident that their understanding of the organization improved their performances. This was accounted by 82% of the respondents. 8% of the respondents were neutral while only 10% disagreed.

4.3.2 The Ability of the Organization to accomplish its Set Goals and its relationship with Employee’s Perceived Performance

The study sought to determine the ability of the organization to achieve its goals helped to improve employee’s performance. The findings are presented in the table 4.5 below.

Table 4.5: Goal Accomplishment

<table>
<thead>
<tr>
<th>Extent</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Agree</td>
<td>80</td>
<td>67</td>
</tr>
<tr>
<td>Neutral</td>
<td>23</td>
<td>19</td>
</tr>
<tr>
<td>Disagree</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

| Total          | 120       | 100.0   |

From the above findings, majority of respondents agreed that that the ability of the organization to achieve its goals helped to improve employee’s performance. This was accounted by 67% of the respondents who agreed and 7% of the respondents who strongly agreed. On the other hand, 19% were neutral while 7% disagreed that the ability of the organization to accomplish its set goals highly influenced employee’s performance.
4.3.3 The Organization’s Success and Employee’s Motivation to Perform

The respondents were requested to indicate the extent to which the organization’s success motivated them to perform. The findings are presented in the table 4.6 below:

**Table 4.6: Organization Success**

<table>
<thead>
<tr>
<th>Extent</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>9</td>
<td>7.5</td>
</tr>
<tr>
<td>Agree</td>
<td>85</td>
<td>70</td>
</tr>
<tr>
<td>Neutral</td>
<td>18</td>
<td>15</td>
</tr>
<tr>
<td>Disagree</td>
<td>7</td>
<td>6.6</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>1</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>120</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

The results found that majority of the respondents were of the opinion that organization’s success was a great motivator towards employee’s performance in the organization. This was accounted by 77.5% of the respondents who strongly agreed. 15% of the respondents remained neutral while 7.5% of the respondents disagreed. This is implies that most of the respondents concurred that the organization’s success was a great motivator towards their performance in the organization.

4.3.4 Ability-Descriptive Statistics

Findings on mean and standard deviation on how belief in the organization’s ability affect employee’s perceived performance are presented in table 4.7:
Table 4.7: Ability (Descriptive Statistics)

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I feel confident about the organization’s skills and this has improved my performance</td>
<td>120</td>
<td>4.71</td>
<td>.645</td>
</tr>
<tr>
<td>The organization has the ability to accomplish what its says it will do and this has improved performance</td>
<td>120</td>
<td>3.87</td>
<td>.569</td>
</tr>
<tr>
<td>The organization is known to be successful at the things it tries to do and thus I am motivated to perform better</td>
<td>120</td>
<td>3.37</td>
<td>.525</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>120</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

From the findings, it was revealed that majority of the respondents were confident that the skills they has gained from the organization improved their performance with a mean score of 4.71 and S.D of .645. Further it was revealed that the organization’s ability to accomplish its goals improved employees’ performance. The scores were as follows: (M=3.87 and S.D=.569). The results also found that organization’s success also led to improved performance. The scores were as follows (M=3.37 and S.D=.525). The above results imply that the organizations’ ability to accomplish its goals and improve its employee’s knowledge and skills was a contributor towards their performances.

4.4 Employees’ belief in the Organization’s Benevolence and its Influence on Perceived Performance

The study sought to determine the employee’s belief in management’s benevolence and how it affects the perceived performance in oil companies in Kenya. Below are the results of the findings:

4.4.1 Organizational Decisions

The respondents were requested to indicate the extent to which the organization considers them in decision making and whether that affects their performances. The results are presented in the table 4.8:
Table 4.8: Organizational Decisions

<table>
<thead>
<tr>
<th>Extent</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td>Agree</td>
<td>65</td>
<td>54</td>
</tr>
<tr>
<td>Neutral</td>
<td>21</td>
<td>18</td>
</tr>
<tr>
<td>Disagree</td>
<td>14</td>
<td>12</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>120</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

It was observed that 62% of the respondents agreed that the employees were highly considered in the decisions of the organization and this motivated them to perform better, 18% of the respondents remained neutral and only 20% of the respondents disagreed that employees were highly considered in decisions and this motivated them to perform better.

4.4.2 Decision Making on Behalf of Employees

The respondents were asked to comment on the extent of their willingness for the organization to make decisions on their behalf and how this affects their performances. The results are presented in table 4.9 below.

Table 4.9: Decision Making on Behalf of Employees

<table>
<thead>
<tr>
<th>Extent</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td>Agree</td>
<td>55</td>
<td>46</td>
</tr>
<tr>
<td>Neutral</td>
<td>21</td>
<td>18</td>
</tr>
<tr>
<td>Disagree</td>
<td>24</td>
<td>20</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>120</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

The results revealed that majority of the respondents concurred that they were willing to allow the organization to make decisions on their behalf and this did not affect their performance. This was accounted for by 54% of the respondents, 18% of the respondents were neutral while only 28% of the respondents disagreed.
4.4.3 The Organization Takes Advantage of its Employees

The study sought to determine whether the employees’ believed or felt that the organization takes advantage of them and if this affects their performances. The results are presented in table 4.10 below.

**Table 4.10: Organization Advantage**

<table>
<thead>
<tr>
<th>Extent</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td>Agree</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td>Neutral</td>
<td>24</td>
<td>15</td>
</tr>
<tr>
<td>Disagree</td>
<td>66</td>
<td>55</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td><strong>120</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

The findings depicted that majority of the respondents disagreed that the organization takes advantage of them and that had no relationship with their performances. This was accounted by 63% of the respondents, 15% of the remained neutral while only 16% of the respondents agreed that the organization takes advantage of them and this negatively affected employees’ performance.

4.4.4 Benevolence-Descriptive Statistics

Findings on mean and standard deviation on how belief in the organization’s benevolence affect employee’s perceived performance are presented in table 4.11:
Table 4.11: Benevolence (Descriptive Statistics)

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organization is concerned about me in all its decisions I go out of my way to work better</td>
<td>120</td>
<td>4.51</td>
<td>.822</td>
</tr>
<tr>
<td>I am willing to let this organization make decisions for me and this in no way affects my levels of performance</td>
<td>120</td>
<td>3.89</td>
<td>.607</td>
</tr>
<tr>
<td>I feel that the organization takes advantages of me and this has affected my performance</td>
<td>120</td>
<td>3.51</td>
<td>.689</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>120</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

According to the findings, most of the respondents agreed that the organization was concerned about them in all their decisions and this improved their performances. The scores were as follows (M=4.51 and S.D=.822). The results confirmed that most of the respondents were willing to let the organizations make decisions on their behalf. This did not affect their levels of performances. The results are as follows (M=3.89 and S.D=.607). On the other hand, majority of the respondents disagreed that the organization took advantage of them and this did not affect their performances. The mean score was (3.51) and the standard deviation (.689).

4.5 Employees’ belief in the Organization’s Integrity and its Influence on Perceived Performance

The study sought to determine the extent to which the employee’s belief in management’s integrity affect perceived performance in oil companies in Kenya. The results are as follows:

4.5.1 The organization treats its Employees Fairly and Justly

The respondents were requested to indicate the extent to which the organization treated its employees fairly and just and whether that motivated them to work harder. The results are presented in the table 4.12:
Table 4.12: Equity and Fairness

<table>
<thead>
<tr>
<th>Extent</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Agree</td>
<td>56</td>
<td>47</td>
</tr>
<tr>
<td>Neutral</td>
<td>20</td>
<td>17</td>
</tr>
<tr>
<td>Disagree</td>
<td>24</td>
<td>20</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>120</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The results indicate that at least more than 50% of the respondents agreed the organization treated its employees fairly and just and this highly motivated them to work harder. 28% of the respondents disagreed while 17% remained neutral.

4.5.2 Sound Principles

The respondents were asked to indicate whether the sound principles guided the organization’s behavior and its effect of employees’ performance. The results are presented in the table 4.13 below:

Table 4.13: Sound Principles

<table>
<thead>
<tr>
<th>Extent</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Agree</td>
<td>60</td>
<td>50</td>
</tr>
<tr>
<td>Neutral</td>
<td>18</td>
<td>15</td>
</tr>
<tr>
<td>Disagree</td>
<td>24</td>
<td>20</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>120</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The results established that 57% of the respondents agreed that sound principles guided the organization’s behavior and this positively impacted on employee’s performance. 28% of the respondents disagreed and only 15% of the respondents were neutral.
This was an indication that although quite a number of the respondents disagreed (28%), most of the respondents (57%) agreed that sound principles guided the organization’s behavior and this impacted on employee’s performance.

4.5.3 Rewards

The study sought to determine whether the organization honor pledges to its employees. Below are the results of the findings in table 4.14 below:

**Table 4.14: Rewards**

<table>
<thead>
<tr>
<th>Extent</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Agree</td>
<td>60</td>
<td>50</td>
</tr>
<tr>
<td>Neutral</td>
<td>17</td>
<td>15</td>
</tr>
<tr>
<td>Disagree</td>
<td>20</td>
<td>17</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td><strong>120</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

The results of the findings indicate that 57% of the respondents agreed that the organization honored pledges on rewards to its employees. 17% of the respondents remained neutral while 28% of the respondents disagreed; they argued that the organization did not honor its pledges. It can be concluded that at least more than half (57%) of the respondents agreed that the organization honored its pledges.

4.5.4 Integrity-Descriptive Statistics

The findings on mean and standard deviation on how belief in the organization’s integrity affect employee’s perceived performance are presented in table 4.15:
From the above findings, the respondents were of the opinion that the organization treated them fairly and justly and thus they were motivated to work better.

The results were as follows: (M=4.07, S.D=. 707). According to the respondents the organization adopted sound principles to guide the behavior and improve employees’ performances. The results are as follows (M=3.63, S.D =.695). The findings further revealed that most of the OMC’s kept their promises about rewarding employees’ performances. This is shown by (M=3.15, S.D=.490). The study can therefore conclude that most of the OMC’s practiced integrity and this improved employees’ performance.

4.5.6 The Antecedents of Trust and Perceived Performance

The study sought to determine the extent to which organizational trust influences employee perceived performance in oil marketing companies operating in Kenya. A summated scale was used to obtain the cumulative responses vis a vis the three antecedents of trust and their influence on perceived performance as is represented in the table 4.16:
Table 4.16: Perceived Performance

<table>
<thead>
<tr>
<th>Extent</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>29</td>
<td>24</td>
</tr>
<tr>
<td>Agree</td>
<td>61</td>
<td>51</td>
</tr>
<tr>
<td>Neutral</td>
<td>16</td>
<td>13</td>
</tr>
<tr>
<td>Disagree</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>120</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

The graphical representation of the same is as seen below in figure 4.3

Figure 4.3: Perceived Performance

From the results in table 4.16 and figure 4.3, the findings reveals that 75% of the respondents pointed out that their belief in the organization possessing the three antecedents of trust namely: ability, benevolence and integrity influenced their performance in the organization. 13% of the respondents remained neutral while 12% of the respondents disagreed with the premise that the organization possessing the three antecedents influenced their performance in the organization. This signified that most of the employees’ belief in the organization’s ability, benevolence and integrity influenced their performance.
4.5.6.1 Correlation Analysis

The study sought to determine how organizational trust influences employee perceived performance in oil marketing companies operating in Kenya. All the parameters of organizational trust were correlated with each of the employees’ performance factors. Pearson’s correlation coefficient technique was used to establish the relationship between organizational trust and employee perceived performance.

The results are provided in the table 4.17 below:

**Table 4.17: Correlation between Organizational Trust and Employees’ Perceived Performance**

<table>
<thead>
<tr>
<th></th>
<th>Length of service</th>
<th>Management’s ability</th>
<th>Benevolence</th>
<th>Integrity</th>
<th>Employees’ performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Length of service</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management’s ability</td>
<td>.556**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benevolence</td>
<td>.684</td>
<td>.530</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrity</td>
<td>.703</td>
<td>.530</td>
<td>.124</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Employees’ performance</td>
<td>.578*</td>
<td>.718</td>
<td>.678</td>
<td>.725</td>
<td>1</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).  
*. Correlation is significant at the 0.05 level (2-tailed).  

According to the above results, there was a strong relationship with employees’ belief in management ability, benevolence and integrity with the perceived employees’ performance. There scores are as follows. R=.718, R=.678 and R=.725. Further it was observed that there was a moderately strong correlation between the length of service and employees’ performance by OMC’s in Kenya.
4.5.6.2 Regression Analysis and Hypothesis Testing

Regression analysis was used to establish the extent to which the independent variables: management’s ability, benevolence and integrity contribute to improved employees’ performance. A linear regression model was used. The results are presented in the table 4.20 below.

Table 4.18: Regression Model Summary

<table>
<thead>
<tr>
<th>Model Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mode 1</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), ability, benevolence, integrity

From the above findings, the results show a very strong correlation between the variables (R=.889). The coefficient of determination which is \( R^2=68.1\% \) show the extent to which changes in the dependent variable (employees’ performance) can be explained by the change in the independent variables.

4.5.6.3 Analysis of Variance

To test the level of significance of the model, ANOVA was used for this purpose and the results are provided in the in table 4.19:
Table 4.19: Analysis of Variance

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>14.721</td>
<td>3</td>
<td>4.907</td>
<td>66.852</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>8.513</td>
<td>116</td>
<td>.0734</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>23.234</td>
<td>119</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: employees performance  
b. Predictors: (Constant), ability, benevolence, integrity  

From the findings, the p-value of 0.000 is an indication that the regression model is significant in predicting the relationship between ability, benevolence, integrity and employees’ performance of OMCs’

4.5.6.4 Model of Coefficients

The study intended to test the coefficient to define the direction of the relationship between ability, benevolence, integrity and employees’ performance of OMCS’ in Kenya. The results are provided in the table 4.20 below:

Table 4.20: Model of Coefficients

<table>
<thead>
<tr>
<th>Coefficientsa</th>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Constant)</td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td>.004</td>
</tr>
<tr>
<td></td>
<td>Management’s ability</td>
<td>.254</td>
<td>.355</td>
<td>.391</td>
<td>1.105</td>
</tr>
<tr>
<td></td>
<td>Benevolence</td>
<td>.715</td>
<td>.124</td>
<td>.053</td>
<td>.017</td>
</tr>
<tr>
<td></td>
<td>Integrity</td>
<td>.634</td>
<td>.134</td>
<td>.174</td>
<td>2.770</td>
</tr>
</tbody>
</table>

a. Dependent Variable: employees’ performance  
From the above findings, the regression model is as follows;  
PP= 1.006+.254X₁+.715X₂+.634X₃
From the regression model obtained above, holding all the other factors constant, a unit increase in management’s ability, and benevolence and integrity results to a corresponding increase in employees’ perceived performance.

The above analysis was conducted at 5% significance level. The criteria for comparing whether the predictor variables were significant in the model was done by comparing the corresponding probability value obtained; $\alpha=0.05$. If the probability value was less than $\alpha$, then the predictor variable was significant. From the above analysis all the independent variables namely: management’s ability, benevolence and integrity were found to be significant in the model. This is because their p-values were less than 5%. This is consistent with the hypothesis of the study which had predicted a negative relationship between the variables.

4.6 Chapter Summary

The results revealed that employees’ belief on the management’s ability, benevolence and integrity led influence perceived employee’s performance in oil marketing companies in Kenya. These results tally with the correlation analysis which shows a strong relationship with employees’ believe in management ability, benevolence and integrity with the perceived employees’ performance.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
This chapter covers the introduction, summary, discussions, conclusions and recommendation. It covers a summary of the study, the research questions and the major findings in the first section and conclusions drawn from the discussion and recommendations arising from the same.

5.2 Summary
The general objective of the study was to determine how employee organizational trust influences perceived performance in oil marketing companies operating in Kenya. The research questions were as follows: How does the employees’ belief in the organization’s ability influence perceived performance in oil companies in Kenya? How does the employees’ belief in the organization’s benevolence influence perceived performance in oil companies in Kenya? How does the employees’ belief in the organization’s integrity influence perceived performance in oil companies in Kenya?

The research applied a descriptive study in establishing the influence of employee organizational trust on perceived performance of OMC’s. The research employed structured questionnaires which were distributed to 130 middle level employees in five oil marketing companies headquartered in Nairobi Kenya. These are: Hashi Energy Limited, GAPCO Kenya Limited, Galana Oil Kenya, Mogas Kenya Limited and Gulf Energy limited. Stratified random sampling technique was used to select employees from various departments. Out of the 130 questionnaires distributed, 120 were successfully completed and returned.

Data was analyzed using descriptive statistics; measures of central tendency such as the mean, measures of dispersion such as standard deviation and inferential statistics (A linear regression model showing the relationship between the three independent variables(ability, benevolence, integrity) and the dependent variable(Perceived Performance) was established).
The tool used for the data analysis was SPSS. The results revealed that employees’ belief on the management’s ability, benevolence and integrity led influence perceived employee’s performance in oil marketing companies in Kenya.

5.3 Discussion

5.3.1 Influence of Employees’ Belief in the Organization’s Ability on Perceived Performance in OMCs operating in Kenya

From the findings we see that 82% of the respondents agreed that their understanding of the organization influenced their performance, 10% disagreed while 8% remained neutral in their response. These findings are coherent with Dirks (2000) as majority of the respondents acknowledged that their understanding of the organization was a great motivator towards improving their performance at their place of work.

The findings show that 74% of the respondents agreed that organization’s ability to accomplish its set goals influenced their performance; 19% were neutral in their responses while 7% disagreed. Mayer et al. (1995) defined ability as the perceived level of relevant skills, competencies, and characteristics that enable a person to have influence in a specific domain. Ability captures the “can-do” part of trustworthiness by depicting whether the trustee has the right skills and capacities expected to act in a suitable manner (Coloquitt, Scott and Lepine, 2007). These findings are in line with this assertion.

The results of the study revealed that 77.5% of the respondents agreed that the organization’s success influenced their performance. Fifteen percent were neutral in their responses while 7.5 % disagreed. Gilstrap and Collins (2012) advanced that showcases of capability are indicators of success and the trustor in this case the employee discerns this as trustworthy behavior and thus boosting performance. Especially when picking those with whom one can team up with, potential associate’s character or reputation is almost always an essential premise for gaging their trustworthiness. Consequently, Butler and Cantrell (1984) gauged trustworthiness to some extent by trustees' repute with regard to their genuineness and honesty (Lee et al, 2012) and the findings were in line with this.
The findings also showed a strong positive correlation of 0.718 between employees’ belief in management’s ability and perceived performance. In the linear regression model we also find a positive relationship with a unit increase in the organization’s ability resulting in a corresponding increase in perceived performance as per the following formula: \( PP = 1.006 + 0.254X_1 \) where \( X_1 \) represents the organization’s ability (holding other factors constant).

### 5.3.2 Influence of Employees’ Belief in the Organization’s Benevolence on Perceived Performance in OMCs operating in Kenya

From the study findings, 62% of the respondents agreed that they believed the organization would be concerned about them while making decisions and this influenced their performance. Twenty percent of the respondents disagreed with this premise while 8% remained neutral in their responses. These findings are consistent with the arguments by Dirks and Ferrin (2002) who indicated the importance of involving employees in decision making.

The results also showed that 54% of the respondents were comfortable with decisions being made on their behalf without prior consultations and this would in no way affect their performance while 28% disagreed with this premise and 18% gave neutral responses. This was in tandem with research that showed the utilization of different power bases (e.g., referent, expert) and other supervisory activities can be relied upon to influence the attributions an individual makes about the supervisor (Tomlinson & Mayer, 2009). It then follows that the nature of the influence attempts by supervisors should affect not only fulfillment with the supervisor as Carson et al. found, but also the level of willingness to be susceptible or vulnerable to the supervisor (i.e., trust in the supervisor) as well.

These findings are in line with studies that suggest that staff examine the optional actions of discretion done and then workers infer that they are being supported. They then try to repay this favorable treatment. Like that, employees become more hardworking and dedicated (Miao & Kim, 2010).
The findings also revealed that the 63% of the respondents disagreed with the notion that the organization takes advantage of its employees, whilst 16% agreed with this notion and 155 gave neutral responses. Most of the employees agreed that all what the organization did was for the good of its employees and the entire organization. This was in line with the assertion that employees with a strong sense of POS believe that their employer is committed to them, values their contributions, is concerned about their well-being, and will support them whenever they face problems in their personal and professional life and thus they will be motivated to perform (Tremblay, Cloutier, Simard, Chenevert & Vandenberghhe, 2010).

The findings also showed a strong positive correlation of 0.678 between employees’ belief in management’s benevolence and perceived performance. In the linear regression model we also find a positive relationship with a unit increase in the organization’s benevolence resulting in a corresponding increase in perceived performance as per the following formula: 

\[ PP = 1.006 + 0.715X2 \]

where \( X2 \) represents the organization’s benevolence (holding other factors constant).

**5.3.3 Influence of Employees’ Belief in the Organization's Integrity on Perceived Performance in OMCs operating in Kenya**

The findings showed that 55% of the respondents felt that the organization treated its employees with equity and fairness, 28% disagreed while 17% gave neutral responses. This is in line with research that has found that the experience of justice from others promotes interpersonal trust and subsequent improved performance from employees (Johnson & Lord, 2010).

Results showed that 57% of the respondents agreed that sound principles guided the organization’s behavior and this positively impacted on their performance. On the same issue, 28% disagreed while 15% gave a neutral response. Research has shown that integrity alludes to the trustor's discernment that the trustee sticks to a set of principles that the trustor finds adequate. Once employees are willing to make themselves vulnerable to others (their co-workers, immediate superiors, subordinates, top management, or the organization as a whole) they are more likely to engage in behavioral manifestations of trust (Guinot, Chiva & Mallen, 2013).
Further, the results depicted that 57% of the respondents agreed that oil marketing companies honored pledges and rewards to their employees, while 17% of the respondents gave a neutral response and 28% disagreed with the notion. This is in line with research that showed that integrity is a highly relevant dimension for individual trust in leaders. Leaders’ behavioral integrity, which refers to word–deed consistency or alignment and includes keeping promises and enacting espoused values, has been hypothesized to be an important antecedent of trust in leaders (Colquitt et al., 2007).

Further, the results depicted that 57% of the respondents agreed that oil marketing companies honored pledges and rewards to their employees, while 17% of the respondents gave a neutral response and 28% disagreed with the notion. This is also in line with Guinot et al. (2013) who explained the benefits of an organization honoring pledges to its employees and how it contributes to improved performance. It is also in line with research that showed interpersonal trust is higher when the trustee is seen to have the capacity to uphold commitments, especially when the trustee has sufficient autonomy to do so (Perrone, Zaheer, & McEvily, 2003).

The findings also showed a strong positive correlation of 0.725 between employees’ belief in management’s integrity and perceived performance. In the linear regression model we also find a positive relationship with a unit increase in the organization’s integrity resulting in a corresponding increase in perceived performance as per the following formula: \( PP=1.006+0.634X3 \) where \( X3 \) represents the organization’s integrity (holding other factors constant).

5.4 Conclusion
The study concludes that organizational trust influences employee perceived performance in oil marketing companies operating in Kenya. This has been revealed in the following ways:-

5.4.1 Influence of Employees’ Belief in the Organization’s Ability on Perceived Performance in OMCs operating in Kenya

The study concludes that the employees’ belief in the organization’s ability influences their perceived performance. The success of an organization and its ability to accomplish its set goals and objectives highly motivates employees’ to perform better and live-up to the expectations of the organization.
5.4.2 Influence of Employees’ Belief in the Organization’s Benevolence on Perceived Performance in OMCs operating in Kenya

The study also concludes that employees’ belief in the organization’s benevolence influences their perceived performance. When employees’ believe the organization has their best interests they are motivated to do better going over and above the call of duty. A participative form of decision making motivates employee and makes them feel as part of the organization. It is a key driver towards organizational performance.

5.4.3 Influence of Employees’ Belief in the Organization’s Integrity on Perceived Performance in OMCs operating in Kenya

Integrity is one of the core values of most organizations since its acts as a guiding principle of how the management and employees should conduct business in an organization. The study concludes that employees’ belief in the organization’s integrity influences their perceived performance. Top management should treat its employees fairly and honor its pledges to motivate their employees to work extra hard.

5.5 Recommendations

5.5.1 Recommendations to Improve the Study

5.5.1.1 Influence of Employees’ Belief in the Organization’s Ability on Perceived Performance in OMCs operating in Kenya

The study examined the success of an organization as a motivator and a builder of confidence in the organization’s ability. The contra are where the underperformance of an organization could also possibly be a motivator for employees keen to bring tangible change and impact to the organization was not considered.

5.5.1.2 Influence of Employees’ Belief in the Organization’s Benevolence on Perceived Performance in OMCs operating in Kenya

The study did not consider whether other approaches or models of decision making process could still enhance employees’ performance in an organization.
For example it would have been recommendable to investigate whether failure to involve employees in decision making impacts positively on organizational performance as it was seen to be one of the areas that contribute to employees believing the organization is benevolent.

5.5.1.3 Influence of Employees’ Belief in the Organization’s Integrity on Perceived Performance in OMCs operating in Kenya

The study did not delve into the influence of the employees’ belief in the organization’s integrity on perceived performance in cases where there has been a breach of integrity by the said organization before and repair mechanisms put into place. This would measure the effectiveness of repair of breached trust and integrity on perceived performance.

5.5.2 Recommendations for Further Research

The study proposes the need to investigate appropriate ways to build more confidence and trust within the employees and to improve the relationship between an organization and its employees. This will enhance employees’ performance.

The study focused on a sample of the OMCS operating in Kenya. The researcher therefore recommends that future researchers should consider studying all oil marketing companies in Kenya and then compare the results.

The researcher also recommends that a similar study be done in other industries in Kenya for example, the manufacturing sector, hospitality, financial services sector and agricultural sector and then have a comparison across board. There could also be research done in the public sector that is compared against the private sector.

The study focused on the three antecedents of trust which mainly has to do with the character of the trustee. Trust is also influenced by the character of the trustor and prevailing circumstances which were not considered in the research. Future research can take these factors into consideration.

The study’s dependent variable was perceived performance which is purely an assessment by the employee on his or her performance. Future research could consider focusing on job performance as assessed by the organization or management.
REFERENCES


APPENDICES

Appendix I: Questionnaire

INFLUENCE OF EMPLOYEE ORGANIZATIONAL TRUST ON PERCEIVED PERFORMANCE IN OIL COMPANIES OPERATING IN KENYA

NB: All information collected in this questionnaire is confidential and will only be used to inform the researcher on the research problem.

SECTION 1: PERSONAL AND COMPANY INFORMATION

Have you worked for an oil marketing company before this one?

☐ Yes  ☐ No

How long have you worked for this organization?

☐ Below 1 year

☐ 1-2 years

☐ 2-3 years

☐ 3-5 years

☐ Over 5 years

What department do you work in?

☐ Finance and Accounting  ☐ Human Resources  ☐ Administration

☐ Operations and Logistics  ☐ IT

☐ Sales & Marketing  ☐ Supply & Trading

60
SECTION 2: MEASURES OF ORGANIZATIONAL TRUSTWORTHINESS

2.1 ABILITY

In the questions below indicate the level of agreement with each statement with regard to your organization.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I feel very confident about this organization’s skills and this has improved my performance.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. This organization has the ability to accomplish what it says it will do and this has helped me improve my performance.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. This organization is known to be successful at the things it tries to do and thus I am motivated to perform better.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2.2 BENEVOLENCE

In the questions below indicate the level of agreement with each statement with regard to your organization.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Whenever this organization makes an important decision, I know it will be concerned about me and therefore I go out of my way to work better.</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
2. I am very willing to let this organization make decisions for me and this in no way affects my levels of performance.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
</table>

3. I feel that this organization takes advantage of me and this has affected my performance.

### 2.3 INTEGRITY

In the questions below indicate the level of agreement with each statement with regard to your organization.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
</table>

1. This organization treats everyone fairly and justly and I am motivated to work harder.

2. Sound principles seem to guide this organization’s behavior and thus my performance is at its best.

3. My organization keeps its word and I am guaranteed that any promises given with regard to rewarding performance will be kept. This has affected my performance.
SECTION 3: PERCEIVED PERFORMANCE

In the questions indicate your level of agreement with regard to your performance.

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I am happy with this organization and I do my best at work.</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2. I feel important to this organization and that my input is valued.</td>
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<tr>
<td>3. I will easily work overtime if called upon to because I believe this organization has my best interests at heart.</td>
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<tr>
<td>4. I would leave this place immediately I got a better place.</td>
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<tr>
<td>5. I feel a sense of loyalty and commitment to this organization.</td>
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<tr>
<td>6. I have gained the relevant technical and professional knowledge to cope with future needs of my organization.</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>7. I usually meet set targets and surpass them in order to achieve this organization’s objectives.</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Thank you for taking time to respond to this questionnaire.
Appendix II: Registered Oil Companies in Kenya

Registered Oil Companies and overall Market share January to March 2014

**Large Companies**
1. Total Limited
2. Vivo Energy Ltd
3. Kenolkobil Limited

**Medium Companies**
4. Hashi Energy Ltd
5. Gulf Energy Limited
6. Libya Oil
7. Gapco Kenya Limited
8. Regnoil Oil Kenya Limited
9. Petro Oil Kenya Limited
10. National Oil Corporation Of Kenya
11. Hass Petroleum Limited
12. Fossil Fuels Limited
13. Engen Limited
14. Oryx Energies Ltd
15. Bakri International Energy Company
16. Royal Energy Kenya Limited
17. Mogas Kenya Limited
18. Tosha Petroleum Limited
19. Ainushamsi Energy Ltd
20. Galana Oil Limited

**Small Companies**
21. Olympic Petroleum Limited
22. Banoda Oil Ltd
23. Ranway Traders Limited
24. Essar Petroleum (East Africa) Ltd
25. City Oil Limited
26. Ramji Haribhai Devani Ltd
27. East Africa Gasoil Co. Limited
28. Dalbit Petroleum Limited
29. Trojan International Limited
30. Global Petroleum Products (K) Ltd
31. Axon Energy Ltd
32. Tiba Oil Company Limited
33. Futures Energy Company Limited
34. Tradiverse Kenya Limited
35. Fast Energy Limited
36. Kosmoil Petroleum (Ea) Limited