

**INVESTIGATING ANTECEDENTS OF ORGANIZATIONAL TRUST IN KENYAN  
START-UP VENTURES**

**BY**

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**UNITED STATES INTERNATIONAL UNIVERSITY**

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**By**

**STEPHANIE M. MUNYOKI**

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Fulfillment of the Requirement for the Degree of Masters in Business  
Administration (MBA)**

**UNITED STATES INTERNATIONAL UNIVERSITY**

**SUMMER 2017**

## 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:** \_\_\_\_\_

Stephanie Munyoki (ID 633463)

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

**Signed:** \_\_\_\_\_

**Date:** \_\_\_\_\_

Scott Bellows

**Signed:** \_\_\_\_\_

**Date:** \_\_\_\_\_

Dean, Chandaria School of Business

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I am grateful to God for granting me the ability, wisdom and good health to undertake this study.

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I am grateful to MSE's for their overwhelming support and particularly for consenting to be respondents in this study. I am also indebted to the research team who worked tirelessly and demonstrated a high sense of commitment and professionalism to ensure collection of highly quality data.

Finally, I extend my deep appreciation to my family for their love, understanding, support, encouragement and motivating me to complete this study.

## **DEDICATION**

This project is dedicated to my parents, Joel Munene and Josephine Munene and, to my sister Caroline Munyoki who have been such a source of support and inspiration in my life.

## **ABSTRACT**

The purpose of this study was to investigate the antecedents of organizational trust in the Kenyan small and medium enterprises (SMEs). The three antecedents included employee-related ability, integrity and benevolence. The study adopted the descriptive research design in collecting and analyzing data from the population of registered 379 SMEs in Westlands Sub-County in Nairobi County. Stratified random sampling was used to sample the respondents according to their strata, whereas simple random sampling was used to generate the sample from each stratum. Therefore, a sample of 75 was used for the study. The data was collected using a pretested structured questionnaire that was administered to the respondents and the data collected was analyzed using SPSS to generate the descriptive and regression analysis. All the completed questionnaires were entered into IBM SPSS 20.0 statistical software and data analyzed for descriptive statistics on employee ability, benevolence, and integrity. Results were presented in tables and figures showing the frequencies, percentages, and measures of central tendency such as Mean, Mode, Median, Standard Deviation, and Variance.

On employee ability, most of the respondents agreed that the top management was very capable at the job that they were performing, successful at whatever they tried to do, confident of their top management skills and were well qualified. On integrity, most of the respondents were not certain whether their top management had a strong sense of justice, and whether they would remain true to their word. However, most of the respondents agreed that the top management of their organizations tried hard to be fair in their dealings with others and that their actions and behaviors were consistent. They also liked the values of the top management and agreed that sound principles guided the behavior of their management. On benevolence, most of the respondents were uncertain that the top management were very concerned about their welfare, if their needs and desires were very important to the top management, whether the top management would not willingly hurt them, look out for what was important for them and whether the management would go out of their way to help them. The study found out that there was a significant and positive relationship between the constructs of benevolence and organizational trust in the MSE's. The study also established

that there is no significant relationship between the constructs of integrity, employee ability and, organizational trust in the MSE's.

The study therefore concluded that to varying degrees the constructs of ability, integrity and benevolence are all determinants of organizational trust in MSEs in Kenya. The study recommended that managements train their employees to eliminate skills vacuum and boost their chances for promotion. The study recommended that MSE managements ensure that the interests of their organizations do not necessarily interfere with the interests of their employees in order to engender a sense of justice. Finally, the study also recommended that MSE managements should employ measures that will assure their employees that their interests, needs and desires are taken care of by the management.



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## CHAPTER ONE

### 1.0. INTRODUCTION

#### 1.1. Background of the Problem

Presently, one of the most widely acknowledged definition of trust is that propounded by Rousseau, Sitkin, Burt and Camerer, (1998) that trust is the psychological state that comprises of the intention to accept vulnerability of the account of positive expectations regarding the behavior or intention of others. This definition is largely based on two critical perspectives, which have been widely acknowledged as the bases through which trust has been conceptualized. One of the bases is one's willingness to become vulnerable propounded by Mayer, Davis and Schoorman, (1995) and the positive expectation of the other parties as propounded by Lewicki & Bunker, (1996). More recently, scholars such as Gillespie, (2003) have increasingly emphasized that trust is the intention of one to behave in reliance to others and their willingness to disclose sensitive information to them. The Gillespie model trust is defined as the intention to engage in certain behavior that increases vulnerability. When compared to Mayer et al. (1995) definition, Gillespie (2003) definition is much closer to trust since it represents the willingness to undertake a risk instead of the actual behavior of taking risk.

In the organizational context, organization trust can also be regarded to as the positive expectation of the people in the organization and their expectations in regards to issues such as reliability, competence and benevolence (Fard & Karimi, 2015). Organizational trust can also be regarded as the psychological state that provides the feedback of how the organizational members perceive the problems that they are facing (Samadi, Wei, Seyfee, & Yusoff, 2015).

Besides, organization trust can be regarded as a basic need for modern organizations. This is because organization trust generates social integration and promotes a sense of democracy between the management and the employees. Subsequently, organizational trust is largely

considered as an important structure within the wide range of organizational management (Fard & Karimi, 2015).

The concept of organizational trust was first introduced in the 1940s with the studies on the effect of organizational trust in the labor field, with specific focus on the relationship between managers and the union workers. In the 60s the concept of organizational trust took hold as researchers considered the significance of the numerous dimensions of trust in the relationship between subordinates in organizations. In the 70s the focus on trust began switched to organizational development. The researchers began looking at the dynamics environment for employees and how sound communication played a critical role in enhancing organizational trust (Petrella, 2011).

Between the 70s and 80s the concept of trust was examined in numerous dimensions. This included the relationship between trust and the supervisor characteristics, organizational culture, leadership behavior and the leader –manager exchanges. During this stage of trust research, scholars began to regard trust as an indispensable component of social relationships within organizations. This stage also focused on the various effects of the subordinate trust in their managers; they also examined the role of trust as a consequence of the behavior of their managers (Petrella, 2011).

In the 90s researchers switched their focus to defining the concept of trust, an arduous task since every scholar attempted to conceptualize and used trust in their own ways, thereby creating an unclear and hazy understanding of the topic. In the mid-90s scholars began examining trust as an antecedent to the perceived level of risks in organization decision-making processes. Scholars acknowledged the significance of trust in understanding risk taking. Besides, the 90s also saw to the first attempt in the creating of integrative models of trust. Currently, trust has become a central concept in present organizational psychology (Petrella, 2011).

Modern organizations are working towards seeking solutions for improving the participations of its members and maximize on their input. All relations within organizations are

established based on trust amongst members. It is therefore, essential for managers and employees of an organization to take into consideration the importance of trust and the role that they have to play to enhance that trust (Fard & Karimi, 2015).

Organizational trust is characterized by interpersonal trust, which consists of the relationship between the individual members of the organization. It is the mutual belief and assurance between the organizational members in regards to their purpose and manner. Organizational members work well with one another when they share trust based on their common goals and a robust long-term relationship (Bakiev, 2013; Samadi et al., 2015).

The other dimension of trust is referred to as institutional trust. This is the sense of respect that the organizational members have towards their managers. For an organization to establish institutional trust the employees need to be made to acknowledge that the management is actually deserving to be in the position of leadership. The employees are easy to trust the management that has the expertise and employs motivation rather than coercion to achieve organizational goals (Fard & Karimi, 2015).

The development of trust in an organization demands for the employees to be willing to take risks and depend on each other. The establishment of trust also demands that the members see the trustworthiness of one another and maintain that perception even in uncertain situations. For organizational trust to be sustained it is imperative that that its recipient does not take advantage it irrespective of any incentives offered (Samadi et al., 2015).

There are various operational measurements that are used for organizational trust. They include integrity, which some studies have considered as a crucial feature of organizational trust whereas other have equated it to organizational honesty and openness (Komodromos & Halkias, 2016). Integrity is also considered as incorporating a degree of fairness within an organization (Mühl, 2014). Besides, the other measure of integrity is benevolence, which is regarded as the willingness for the organizational members to support the management and vice versa (Komodromos & Halkias, 2016).

As a measure of trust, benevolence is characterized by love or altruism and it is thus considered as the most essential basis for organizational relationships. Whenever benevolence is not provided there is a likelihood of all the other values to become harmful for organizational relationship (Mühl, 2014). Komodromos and Halkias, (2016) has defined benevolence as goodwill or rather the understanding and acceptance of the interests of other organization members as being legitimate and which demand the sacrifice of all in order for the organization to achieve them.

Benevolence thrive in organizations where the political environment is favorable to the stakeholders in a trust relationship and where individualistic opportunistic tendencies are less of a threat (Mühl, 2014). Benevolence also works effectively where the organizational members or the management favor some particular individuals due to the fact that they adhere to similar agenda to that which they themselves advocate (Elgoibar, Euwema, & Munduate, 2016).

The other measure of organizational trust is being concerned. This measure largely determines the “degree of which the trust relationship concerns the trustee from the individual opportunistic standpoint” (Mühl, 2014). The being concerned measure normally demonstrates the awareness of the impact of an individual’s action to the other members in the organization. Being concerned is also referred to as empathy. It is also regarded as the degree of one’s vulnerability to the wellbeing of the organization’s trustees (Elgoibar et al., 2016).

Competence or ability is the other measure of organizational trust. Ability is regarded in various dimensions. In technological organizations, ability consists of the combination of skills, knowledge, social skills, behavior and education, which are used in enhancing the performance of the organization (Komodromos & Halkias, 2016). Therefore, ability or competence is the quality or state of being adequately qualified to perform the roles specific to a particular organization. It is important to take note of the fact that social skills and empathy are also components of competence as some studies have pointed out. In circumstances in which competence is needed the “trustor might be less likely to grant the



trustee” if they are incompetent and therefore, technically incapable of performing the necessary actions that are required of them (Mühl, 2014).

On the other hand, the measure of openness involves the open mindedness of organizational members or the flexibility of their thoughts. It includes the ability of the members to perceive problem through various angles and being able to be empathetic with others situations. This measure overlaps with empathy and is not easily distinguished from integrity (Elgoibar et al., 2016). Reliability is the other measure of organizational trust that is demonstrated by the degree to which organizational trustees do what they initially intended. Reliability is also considered as the likelihood that a commitment or a promise that the organizational trustee makes to the trustor will be eventually honored (Komodromos & Halkias, 2016).

This study investigated three measures of organizational trust, which include ability, integrity and benevolence. In this study integrity was regarded in terms of fairness and openness to the principles set by the organization and as adhered to by the management and the employees (Mühl, 2014). This study also adopted the measure of benevolence. The study considered benevolence important as Elgoibar et al., (2016) argues that it is based on a common goal of the organization and in the event of a conflict of interest, then the organizational trustees grants benevolence to provide direction on what course of action ought to be taken. Besides, this study investigated competence or ability as the third measure of organizational competence. This is because as Komodromos and Halkias, (2016) points out ability is the most integral component in determining whether organizational members are able to perform some particular tasks, thereby making the organization both productive and competitive.

The study of organizational trust has gained prominence in numerous marketing and organizational researches. These studies conducted on organizational trust have highlighted the significance of trust in business environments given that it reinforces effective communication and work relationships between the employees and managers in numerous contexts (Fard & Karimi, 2015).

For instance, Adams et al., (2008) examined organization trust as manifest in the Canadian forces. They explored the dimensions that influence organizational trust and the manner in which trust is developed, the sociological underpinnings that act as preconditions of organizational trust and the referents of organizational trust. They also concluded that organizational trust influences organizational performance, organizational commitment and the job satisfaction of the employees. Vineburgh, (2010) examined how organizational trust affects the related variables amongst the faculty members of the Historically Black Colleges and Universities (HBCUs) around the United States. Vineburgh established that the high levels of employee empowerment, high levels of the support for innovation were both a function of organizational trust. Sonea and Campeanu-Sonea, (2014) conducted a case study of Romanian companies, focusing on their specific high-trust features. They found out that the fundamental role of building organizational trust in the companies was based on elements such as reliability, honesty and openness and the concerns that the companies had for their employees or stakeholders, which resulted in enhanced quality of service and benefits in regards to the growth of the companies.

Furthermore, Morreale and Shockley-Zalabak, (2014) conducted a qualitative study of organizational trust, examined the perception of leaders in Polish and Russian organizations. In acknowledging the significance of trust in organizations irrespective of their culture, Morreale and Shockley-Zalabak were interested to establish what organizational leaders in the two communist countries thought about trust. The study found that personal experiences in relation to organizational trust suggested the importance of the construct to organizations in both countries. Child and Möllering, (2000) investigated how organizational trust is developed in the Chinese business environment. They reconciled the sociological and managerial perspectives of the development of organizational trust in Chinese organizations. This study established that the contextual system of these organizations rather than the personal contact of the people that administer it inhibit or facilitated the development of trust amongst the employees.

Khanifar, Nazari, Emami, and Soltani, (2012) reviewed the relationship between organizational trust and organizational creation in Purge National Company in Kermanshah,

Iran. The results of this study showed there is a meaningful and positive relation between organizational trust and creativity. This implies that as the trust of the employees concerning their organization increases so does the level of their creativity increase. In another study, Abadi and Mobasheri, (2014) examined the effects of organizational trust on organizational transparency and loyalty of teachers in primary school at Zahedan City in Iran. The study established that organizational trust greatly influenced both organizational loyalty and organizational transparency. On one hand, transparency is affected regarding the degree of openness within the organization and information sharing. This in turn translates into confidence amongst the employees and other stakeholders in the organization.

Besides, Chinomona, (2013) studied the influence of servant leadership on the trust of in their leader and their commitment to their organization. This study was based on various sectors at Gauteng' Province in South Africa. The study established that servant leadership influences the perception of trust amongst employees in their leader. This in turn motivates the employees to be more committed to their organization. Nkrumah, (2013) studied how organizational trust and organizational empowerment affects the involvement of employees in their job. The study was conducted in a multinational organization in Ghana, the Nestle Ghana Limited. Nkrumah established that there was a positive relationship between organizational trust and the involvement of employees in their respective jobs. Management should therefore aim at creating highly trustworthy environments in order to achieve more involvement from their employees. Larbi, (2014) investigated how organizational trust, organizational justice affects contextual performance at the Electricity Company of Ghana. Larbi found out that both organizational trust and organizational justice were significant predictors of contextual performance at the company. Larbi concluded that in order for employees in organizations to engage in contextual performance it is necessary that the management establish good organization strategies that will increase the perception of trust and justice amongst the employees.

Abubakar, Chauhan, and Kura, (2014) examined the relationship between perceived organizational politics, human resource management practices, organizational trust and the turnover intentions of the Nigerian nurses. Their findings ascertained that organizational trust

was significantly and also negatively related to the turnover intentions of the registered Nigerian nurses. Usikalu, Ogunleye, and Effiong, (2015) looked at the relationship between organizational trust, job satisfaction and job performance amongst the teachers in Ekiti State in Nigeria. They established that organizational trust and job satisfaction greatly influenced the performance of individual teachers. Kura, Shamsudin, and Chauhan, (2016) studied how organizational trust mediates between perceived organizational support and constructive deviance. The study included a sample of 212 employees working in a public sector organization in Nigeria. The findings of the study demonstrated that even though partially, organizational trust mediates the relationship between constructive deviance and organizational support.

Omari, K'obonyo, and Kidombo, (2012) studied the moderating role of organizational justice in the relationship between the age, locus of control and the outcomes of employees. Notably, this study focused on the beneficence antecedent of organizational trust and noted that when employees perceived that their organization upheld fairness, they became more committed, satisfied and more trusting towards their employers. They therefore recommended that employers should take into account issues to do with fairness, particularly in their dealings with employees. Waithira, (2015) examined how employee organizational trust influences the perceived performance in the oil marketing companies that operate in Kenya, namely Galana Oil Kenya, Harshi Energy Limited, Gulf Energy Limited, Mogas Kenya Limited and GAPC Kenya Limited. The study concluded that employee organizational trust greatly affected the companies' performance though there were significant differences in that influence on the antecedents of trust in the order of benevolence, integrity and ability when they are assessed together.

Kagwe, (2016) examined the managerial attributes, employees traits and organizational factors and how they affect the employee trust of the top management and performance of the savings and credit co-operative society in Nairobi, Kenya. The study established that the employee trust of the top management significantly influence the organizational performance the savings and credit co-operative societies in Nairobi County. The study therefore, recommended the cultivation of employee trust towards the top management in a bid to

improve the performance of the organizations. Wanjiku, (2016) looked at how employee empowerment influences organizational commitment in the civil service in Kenya. Notably, this study focused on the employee ability antecedent of organizational trust. The study concluded that employees' empowerment significantly influenced the organizational commitment in the civil service in Kenya. This is largely drawn for the relationship between the aspects of psychological empowerment of the employees such as self-determination, competence cognition, meaning cognition and impact cognition. Mugane, (2016) examined the correlation between organizational trust and the job satisfaction of the subordinate staff at the East African Breweries Limited. The study concluded that the supervisor's level of transparency affect the job satisfaction of the subordinates, especially when the supervisors say what they mean what they say. The study also established that through avoiding hostile downsizing an organization can greatly improve their trust.

The examination of organizational trust in this study was in regards to the small and medium scale enterprises (SMEs) in Kenya. In Kenya, SMEs are defined as those organizations that employ between 1 to 50 employees and with an annual income that ranges between Ksh. 4 – 100 million. The SMEs sector is normally referred to as the Jua Kali and it consists of about 70 % of the manufacturing firms in Kenya (Kamunge, Njeru, and Tirimba, 2014; Ngugi and Bwisa, 2013; Nabintu, 2013).

The Small and Medium Enterprises (SMEs) are crucial for economic development through the creation of employment, poverty reduction and the creation of other firms. In Kenya SMEs account for about 70 % of the Gross Domestic Product (GDP) (Nthuni, 2014). The SMEs in Kenya make up a critical subsector that provides employment to about 80 % of the total Kenyan workforce (Gumboh, 2015).

In spite of their significance, statistics have shown that three out of five SMEs fail within their first few months of operation. Due to their small size, a simple management miscalculation is highly likely to result in the collapse of the enterprise and this leaves a small room for the start-ups to learn from their past mistakes (Jepleting, 2015). The establishment of organizational trust in the SMEs is a factor that may boost the chances of

the survival and ultimate sustainability of these enterprises. This study therefore, examined the five antecedents of organizational trust in the SMEs in Kenya.

## **1.2 Statement of the Problem**

The available studies out on SMEs in Kenya have largely focused on examining the factors that contribute to their performance, which include the ability of the management to closely monitor the employee and ensure that the customers' needs are met (Kamunge et al., 2014; Kinyua, 2014; Muthoni, 2015; Mwaniki, 2012; Nabintu, 2013). Other studies have looked at the factors facilitate the growth of SMEs in Kenya, which include technological changes (Ngugi and Bwisa, 2013); access to market information and managerial training (Mugodo, 2014); poor government policies and regulations (Mwangi, 2013) and stringent conditions for accessing finance (Magambo, 2015).

Komen, (2014) examined the factors that affect the competitiveness of SMEs. His study established that training in business management was essential in enhancing MSEs competitiveness. Ndagijimana, (2014) studied the factors that affect the working capital management practices in SMEs. The finding of his study pointed out that credit access is critical in enhancing effective working capital practices amongst the enterprises. On the other hand, Jepleting, (2015) found out that factors such as government policies and training in business influence the management of SMEs.

The growing bodies of knowledge on SMEs in Kenya have focused on crucial elements that facilitate their progression, including factors such as performance, growth, competitiveness and sound management. However, organizational trust is also a pivotal component in ensuring the survival and profitability of SMEs. This study therefore, examined the manifestation of ability, integrity, benevolence, reliance and disclosure in the MSEs and their relationship with organizational trust.

## **1.3 Purpose of the Study**

The purpose of this study was to investigate the antecedents of organizational trust in Kenyan start-up ventures.

## **1.4 Research Questions**

- 1.4.1 What employee related ability issues affect organizational trust?
- 1.4.2 In what way, does management integrity increase organizational trust?
- 1.4.3 How can benevolence be included in the company culture of Kenyan start-ups in order to improve organizational trust?

## **1.5 Significance of the Study**

The findings of this study are essential in supplementing the expanding field of research through developing a conceptual model that elaborates the relationship between antecedents of organizational trust and the developed trust within the start-up enterprises.

### **1.5.1 Business Owners**

As a core enabler of a high performance organizational culture, the absence or presence of trust can be either an accelerator or barrier of organizational strategy and performance. The study increases the business owners' awareness and knowledge of the importance building interpersonal trust within work relationships, particularly between them and their workers. It also helps the business owners to understand how trust influences organizational processes such as communication, cooperation, and information sharing, and how it affects productivity.

### **1.5.2 Managers**

Trust is foundational in management as it's the solid floor on which the rest of the manager-employee relationship is built. Without a strong foundation, a relationship is unsteady. The study, therefore, provide managers or the management of the Kenyan start-up ventures with insight on the formation of trustworthy relationships between them and their employees, which is expected to facilitate knowledge sharing and enhance their enterprise competitiveness.

### **1.5.3 Future Researchers**

The study broadens the understanding of the theoretical constructs of organizational trust and will therefore, be invaluable to future researchers who will wish to contribute towards the advancement of knowledge on organizational trust.

## **1.6 Scope of the Study**

This study involved the registered 379 SMEs in Westland Sub-County in Nairobi County. According to the PPOA (2016) report. The study, however, focused on the 75 enterprises in including wholesaler and retailers, service and manufacturing SMEs. The target population for this study included business owners who run the stated SME's and have been in business for the past 5 years, managers who run the businesses and do not necessarily own them and the employees who work for these businesses. The study was conducted from January 2016 to April 2016. The study focused on five dimensions of organizational trust; employee-related ability, employee integrity, benevolence, reliance and disclosure as factors that contribute towards organizational trust. The study was limited in terms of coverage as it only included one geographical location (Nairobi) and thus limited in regards to the generalization of results for the rest of the country (Kenya).

## **1.7 Definition of terms**

**1.7.1 Ability:** In technological organizations, ability consists of the combination of skills, knowledge, social skills, behavior and education, which are used in enhancing the performance of the organization (Komodromos and Halkias, 2016).

**1.7.2 Benevolence:** regarded as the willingness for the organizational members to support the management and vice versa. (Komodromos and Halkias, 2016).

**1.7.3 Integrity:** some studies have considered as a crucial feature of organizational trust whereas other have equated it to organizational honesty and openness (Komodromos and Halkias, 2016).



**1.7.4 Organizational Trust:** Organizational trust can be regarded to as the positive expectation of the people in the organization and their expectations in regards to issues such as reliability, competence and benevolence (Fard and Karimi, 2015).

**1.7.5 Reliability:** the likelihood that a commitment or a promise that the organizational trustee makes to the trustor will be eventually honored. (Komodromos and Halkias, 2016).

**1.7.6 Small and Medium Enterprise:** SMEs are defined as those organizations that employ between 1 to 50 employees and with an annual income that ranges between Ksh. 4 – 100 million. The SMEs sector is normally referred to as the Jua Kali and it consists of about 70 % of the manufacturing firms in Kenya (Kamunge et al., 2014; Ngugi and Bwisa, 2013; Nabintu, 2013).

## **1.8 Chapter Summary**

Chapter one provides the background of the constructs of organizational trust, identifies the problem statement, states the purpose of the study and lists the research questions addressed in the research project. It also gives the significance, scope and definition of terms used.

Chapter two looks into the literature review. It discusses the existing research literature on the employee related ability, integrity and benevolence as independent variables that lead to trust. The discussion addresses all the research questions and provides a firm theoretical background for the study.

Chapter three presents the research methodology used in this study. It details the research design, population and sampling, data collection methods, research procedures and data analysis.

Chapter four presents the results and findings of the study.

Chapter five presents the discussion, conclusion, and recommendations for action and further research.

## CHAPTER TWO

### 2.0 LITERATURE REVIEW

#### 2.1 Introduction

In this chapter, we take a critical review of the literature on the antecedents of trust, namely employee-related ability, integrity, benevolence, reliance and disclosure.

#### 2.2 Employee Related Ability

Employees play a significant role in any business entity. Their input does not just end with the development of products and services, they are also involved in linking the business to its target customers and other publics that are relevant to the organization. This is because the employees are amongst the first people in the organization to acquire firsthand information and knowledge about the customers' buying behaviors, their preferred features in a particular product or service and what they find amiss in the products that the business is providing.

As an antecedent of trust, employee-related ability is the potential competence of a particular entity to carry out a particular task and in this case, an essential trustworthiness dimension (Chen & Indartono, 2011; Fard & Karimi, 2015). In other words, ability is the set of competencies, characteristics and skills, which enable an organizational member to have influence in some specific domain (Partonia, 2013).

The trustor takes into account the qualities of the trustees to make them able to undertake the task due to their skill, expertise, knowledge, self-confidence, self-esteem and leadership. Ability is mainly a cognitive process and it is less based on emotion (Chen & Indartono, 2011; Fard & Karimi, 2015). In this case, the trustor can be the employee in an SME who entrust the management to provide leadership due to their expertise, knowledge and skills, thereby facilitating productivity and profitability of the enterprise. The trustor can also be the management who entrust the employee to use their knowledge, skills and expertise to develop competitive products and services for the business entity.

The domain of ability is quite specific given that the trustee or rather the employee may be highly competent in particular technical areas, thereby enabling them to gain other members trust in regards to the area of their expertise or competence. However, in the case the trustee or employee has limited aptitude, experience or training in some other areas such as interpersonal communication they may not be relied upon when it comes to initiating contact with potential customers, even though the organization solidly relies on them to undertake any analytical tasks on its behalf. This means that ability as an antecedent of trust is domain specific (Partonia, 2013). This also explains why employees could belong to the same organization yet they work under very different job descriptions. There are those employees that work in the backend of the organization, where they are basically involved with the development of product because they have the expertise and experience to make competitive products. Their contribution to the organization only ends at that point. There are others who work at the front end of the organization in departments such as marketing, promotion and customer service based on their proficiency in soft skills. All these domains are relevant for the organization and any staffing activities need to take into considering the unique abilities of the trustee or employee before deploying them to their respective departments.

Ability can regarded in various dimensions, including economic, technical and partnering competencies (Mühl, 2014). Ability may be evaluated as the soundness of the strategy and vision of the organizational management. The ability of the management to perform and their reputation for partnering are as well some components of competence. In technological organizations, ability consists of the combination of skills, knowledge, social skills, behavior and education, which are used in enhancing the performance of the organization (Komodromos & Halkias, 2016).

Therefore, ability or competence is the quality or state of being adequately qualified to perform the roles specific to a particular organization. It is important to take note of the fact that social skills and empathy are also components of competence as some studies have pointed out. In circumstances in which competence is needed the “trustor might be less likely to grant the trustee” if they are incompetent and therefore, technically incapable of performing the necessary actions that are required of them (Mühl, 2014).

Organizational members are more willing to take part in cooperative learning activities. In this regard, trust is a prerequisite in achieving effective organizational learning. (Celep & Yilmazturk, 2012; García, Varela, & Río, 2011). A high level of cognitive-based trust enables the trustor to engage actively in collaborative works and also seek knowledge from the members that they trust. In this case, both the affect-based trust and the cognitive-based trust affects knowledge sharing in the organization(Guinot, Chiva, & Mallén, 2014; Zeffane, Tipu, & Ryan, 2011).

On the other hand, the measure of openness involves the open mindedness of organizational members or the flexibility of their thoughts. It includes the ability of the members to perceive problem through various angles and being able to be empathetic with others situations. This measure overlaps with empathy and is not easily distinguished from integrity (Elgoibar et al., 2016; Gilbert & Tang, 1998).

Poon, Rahid, and Othman, (2006) regards ability as the group of competencies and skills, which enable one to gain influence within some particular domain. For the employees to develop trust in their managers they must perceive their managers as having the ability to succeed in their duties. When employees perceive managers as being incompetent they invariably become cynical to their managers.

As an antecedent of organizational trust, ability is determined by context. As previously highlighted by Partonia, (2013) ability is context specific, implying that high ability at a particular organizational task does not translate into high ability at another organizational task. Apart from that ability is influenced by the dynamics of the context in which the organizational task is undertaken. For instance, a new employee may be led to believe that their supervisor holds the key to advancing their career; however, this may change with the changes of the organization's top philosophy. Even though the skills of the employee are constant, the context within which those skills will be put into use has changed. In this case, the change in the leadership of the organization has invariably decreased the employee's perception of the ability of their supervisor (Kramer, 2006).

One of the key predictor of trust in organization is the degree of fairness in which the managers treat the employees. Trust is therefore a constructive ingredient that is necessary for advancing organizational effectiveness. This in turn influences the attitudes of the employees towards the organization and also enhances the productivity of the organization (Bakiev, 2013; Fu & Deshpande, 2012).

However, organizational trust does not automatically translate into performance. Studies such as (Gilbert, Halliday, Heavey, & Murphy, 2011) have pointed out that trust as a variable that positively affects organizational performance. These findings have been challenged by other studies such as Gaur et al. 2011. Guinot et al., 2014 notes that the reason for these conflicting findings could be as a result of the diversity in the methodologies used to study the constructs of trust. This however, points to the fact that having a high level of organizational trust does not guarantee the improvement of an organization's profitability and productivity.

### **2.3 Management on Organization Trust**

Blakey, (2016) points out integrity as an important antecedent to organizational trust. Komodromos and Halkias, (2016) notes that integrity is considered as a crucial feature of organizational trust whereas others have equated it to organizational honesty and openness. According to (Mühl, 2014), integrity is considered to incorporate a degree of fairness within an organization.

In a broader sense, integrity involves the compatibility of the beliefs of the employees to the values of the organization. In this case, the trustees' values are compared to those of the organization instead of considering the perception of the trustors' acceptability of the trustees' values (Chen & Indartono, 2011; Komodromos & Halkias, 2016; Zeffane, Tipu, & Ryan, 2011).

According to Mansour, (2014) employees count on their superiors not just because they are competent and benevolent but also because they demonstrate a sense of integrity. In this case,

integrity is the loyalty directed to one's rational convictions in terms of action. A trusting relationship between the organizational members and their leaders is founded upon integrity. It is a function of how the employees perceive their managers regarding how they align their words to their deeds.

Management also needs to observe the sound principles laid out for their organization in order to inspire a perception of dignity in their employees. Demonstrating a sense of justice too affects the extent to which the management will be judged as having integrity (Partonia, 2013; Brennan & Johnson, 2008). The management gain trust through being honest, principled, fair and consistent: the manager exhibiting these attributes are highly unlikely to undertake opportunistic behavior and the employees will therefore find no need of monitoring them to ascertain that they are actually trustworthy (Heyns & Rothmann, 2012; Poon et al., 2006).

Bachmann and Zaheer, (2006) argues that perception of the organizational members is key in determining the relationship between integrity and trust. For the trustor's perception to be positive the trustee needs to adhere to a set of principle, which the trustor finds acceptable. In this case, both the adherence to the principles and their acceptability is essential. There are a set of principles that are deemed acceptable to the trustor and if the trustee does not come out as having integrity if they do not adhere to them.

Organizational trust can also be regarded as the psychological state that provides the feedback of how the organizational members perceive the problems that they are facing (Samadi, Wei, Seyfee & Yusoff, 2015). This plays an important role in the employee integrity as how they view the organization that they are in will help them act with utmost sincerity or not. If their problems are well heard and taken care of, then their integrity will not be a point of concern.

Samadi et al., (2015) notes that as a psychological concept, trust influences the intentions and behaviors of individuals within the organization. Trust influences the acquisition and dissemination of information and knowledge and also significantly impacts on the

information sharing activities. Organizational trust generates social integration and promotes a sense of democracy between the management and the employees. Subsequently, organizational trust has become as an important structure within the wide range of organizational management (Fard & Karimi, 2015; Vineburgh, 2010).

There are other factors that influence the perception of integrity in the trustor. They include the belief that the trustee demonstrates a solid sense of justice, credible communication about the trustees, consistency in the trustees' past actions and the level at which the actions of the trustees' words are congruent to their actions. Arguably, there are various reasons the integrity of the trustees could be perceived as being lower or higher in the evaluation of their trustworthiness.

Consistency is also a great determinant of integrity. When there lacks integrity it becomes easy for the trustors to question the values that the trustees espouse (Partonia, 2013). However, consistency does not guarantee integrity since a trustee may consistently act in a manner that is self-serving. Integrity is also based on character (Mayer, Davis, & Schoorman, 1995).

Integrity is judged through examining the previous behavior of the trustees, their reputation and the consistency between what they say and what they do. Blakey, (2016) argues that integrity is neither content specific nor relation specific. It is rather person specific. Integrity includes elements of ethical and moral principles and is not associated with competence or skills. In turn, both ethical and moral principles are components of personal background. The higher levels of integrity significantly decrease distrust given that perceived increases in the alignment of the values between the trustee and the trustor.

Gilliland, Skarlicki, and Steiner, (2008) studied further than generally accepted principle and considered the notion of value congruence to integrity. This notion arises from the alignment and compatibility of values and beliefs between groups, individuals and organizations, which define their shared cultural norms and values that underpin their integrity. When deviant behavior such as deception and actions that are incongruent with what people say greatly

undermine their integrity. Organizational members perceive others as having integrity when they share congruent values, principles and beliefs.

Furthermore, the context of the organizational member's action also affects the perception of integrity. For instance, a middle level manager may make a decision, which may appear to be inconsistent with a decision that they had made earlier on. Given that the employees know nothing else about the rationale for that inconsistent decision they may end up questioning the integrity of the manager. However, the manager's decision may be influenced by the orders from higher managers and then the employees get to know about this they may stop to question the manager's integrity. The employee will deduce that the manager's actions as unavoidable given the context and they are likely to absolve him from the blame. In this way, the perception of integrity could be influenced by the particular contexts in which the actions are undertaken (Kramer, 2006).

In their study Poon et al., (2006) found out that the employees who perceived their supervisors as having organization at large. The study recommended that organizations that seek to have employees that are more affective need to take steps in enhancing the trustworthiness of their supervisors and assist them in the management of trust in regards to the employees. Such organizations should conduct careful recruitment and selection of the supervisory team through adopting selection criteria that identifies the attributes of integrity in the applicants or candidates for managerial positions.

Huotari and Livonen, (2006) further notes that working with integrity is a key prerequisite for attaining organizational trust. They note that in the organizational context integrity has got two dimensions. There is first the outer dimension that requires the organization to develop practices and values that affirm the customers and any other external stakeholder. Secondly, there is the inner dimension of integrity that requires both the organization and its leadership to come up with a cohesive and consistent approach towards business. Therefore, integrity in the organizational context is based on a clearly defined purpose, which consists of a clear vision, clearly set operational principles and performance targets; all of these



demand that the organizations' members become open their motives and objectives and more importantly, follow through on their commitment.

Organizational trust provides a framework through which information and knowledge can be transferred across the organizational boundaries. The employees are more willing to share information and knowledge in environments where they can trust the recipients of what they are sharing. Whenever, organizational members perceive that their colleagues, supervisors and managers are untrustworthy, they will be less inclined to engage them in the risk-taking behaviors such as sharing their expertise and knowledge (MacDuffie, 2011).

#### **2.4 Benevolence in a Company Culture**

Apart from employee-related ability and integrity is benevolence is the other crucial antecedent of organizational trust. Benevolence is regarded as the willingness for the organizational members to support the management and vice versa (Gilbert & Tang, 1998; Komodromos & Halkias, 2016). Benevolence implies that the trustees have a special attachment to the trustors. It involves the positive orientation of the trustees towards the trustors. Perceived benevolence plays a crucial role in assessing trustworthiness in the sense that when there is a high degree of benevolence in a relationship it tends to inversely relate to the motivation to lie (Mayer, et al., 1995; Partonia, 2013).

Brennan and Johnson, (2008) argues that benevolence the expected motivation of the trustee to support or help the trustor. In particular contexts the relationship between the trustee and the trustor cultivates benevolence, such as between the teacher and their student(s). In a similar analogy, Partonia, (2013) points out that the attachment that comes as a result of benevolence can be likened to the relationship that exists between a mentor or trustee and the protégé or trustor. In this case, the mentor intends to help the protégé to grow their knowledge and skills in a particular domain. The mentor is not obligated to help and there is no extrinsic reward that is attached to their help. However, they give their experience and expertise to the protégé nonetheless.

In that case, benevolence on the part of the employees as the trustees in an SME would entail the effort that they put in to ensure that the enterprise realized its business objectives. It means doing more than what the employee is paid to do, for instance putting in long hours, coming up with innovative solutions to organizational problems. On the other hand, benevolence on the part of the management as the trustee would entail protecting the financial and social interests of the employees at all costs, even if that may undercut the profit margins of the enterprise.

Poon, Rahid, and Othman, (2006) regards benevolence as the extent to which the trustors perceive that the trustees intends to do them good in their relationship. When the employees believe that the management has their interests at heart and consider their welfare, they become willing to put their trust in the management. According to Komodromos and Halkias, (2016) benevolence involves the desire or duty to care and protect the interests of one another. People with high benevolence exhibit high levels of loyalty through showing their willingness to support, protect and encourage one another. Therefore, benevolence involves a positive personal orientation of the trustor regarding the trustee.

As a measure of trust, benevolence is characterized by love or altruism and it is thus considered as the most essential basis for organizational relationships. Whenever benevolence is not provided there is a likelihood of all the other values to become harmful for organizational relationship (Heyns & Rothmann, 2012; Mühl, 2014). Komodromos and Halkias, (2016) has defined benevolence as goodwill or rather the understanding and acceptance of the interests of other organization members as being legitimate and which demand the sacrifice of all in order for the organization to achieve them.

Benevolence in organizations is occasioned by a number of factors. For one, the perceived levels of benevolence within organizations are a function of context. For instance, if an employee perceives that the new supervisor has preferences and attitudes that are similar to their own, they will invariably perceive quite higher levels of benevolence from that particular supervisor. In this case, the context of the situation, which is the perceived

similarity, influences the perceived level benevolence that the supervisor inspires in the employee (Kramer, 2006).

Benevolence thrives in organizations where the political environment is favorable to the stakeholders in a trust relationship and where individualistic opportunistic tendencies are less of a threat (Chen & Indartono, 2011; MacDuffie, 2011; Mühl, 2014). Benevolence also works effectively where the organizational members or the management favor some particular individuals due to the fact that they adhere to similar agenda to that which they themselves advocate (Elgoibar et al., 2016).

Fard and Karimi, (2015) argue that benevolence is a key component of close relationship and therefore, an antecedent of trustworthiness. It involves the disposition to act in a kind manner or to do good deeds. In this case, the trustee portrays goodwill in interacting with their partners, excluding the possibility of causing any harm even when the opportunity for doing so arises. This means that the trustor is specifically attached to the trustee, excluding the possibility of the trustor harboring any selfish motives that may injure the interests of the trustee.

Kannan-Narasimhan and Lawrence, (2012) argue that a trusting experience is the product of the interplay between people's values, principles and also their moods, attitudes and emotions or generally how they feel about each other. These particular feelings are based on the expectation of how the trustee will behave and if the resulting behavior reflects the needs and desires of the other trustor. In many instances, expectation is perceived as the fulcrum of trust.

Latifi and Shooshtarian, (2014) regard organizational trust as the employees' sense of confidence that the organization will undertake in actions that are beneficial or rather not detrimental to them. In this case, organizational trust can better be understood as intra-organizational trust. On one hand, this refers to the relationship between the employees and the management; on the other, this refers to the relationship between the management and the

employees. Most literature on trust has defined expectancy as benevolence: the extent to which the trustor regards that the trustee will do good to them.

Benevolence is provided in organization especially when the political environments favor the stakeholders in a relationship based on trust and if the opportunistic behavior of the individuals involved does not pose any threats. Benevolence is also realized when the teams of employees or the management favor particular individuals based on the fact that those individuals adhere to the agendas that the teams or managements want them to. In these circumstances the trustor is highly likely to show benevolence given that it is in their own interest as well (Mühl, 2014).

In most instances, benevolence is based on a common goal that the organization shares. Rarely does the trustor grants benevolence in situations where there is conflict of interest, unless other trust factors such as the degree of vulnerability, reliance or the agreement between the trustee and the trustor intermingles (Mühl, 2014).

When there is no adequate trust within an organization the individual employees spend more time and energy supervising each other behaviors in the attempt to protect their own interests. A high level of trust amongst the organizational members leads to individuals committing more of their resources in their jobs and this result into profits for themselves and their organization. Therefore, the lack of interpersonal trust in an organization invariably increases the cost of supervision (Paliszkievicz, Koohang, & Nord, 2014).

As an antecedent of trust benevolence has been used in establishing competitiveness in business organizations. According to Woodside, (2010) the characteristics of the market that an enterprise operates in and the trading of commodities invariably increases the relevance of organizational trust as the most desired feature of relationships, particularly in regards to benevolence. For instance, companies seek to establish relationships with few trustworthy suppliers instead of having many suppliers, taking into consideration that it harder to handle untrustworthy suppliers, some of whom may be competitors at the same time. Therefore,

many companies structure their businesses in such a manner that they focus on suppliers they know and can trust.

According to Bakiev, (2013) organizational trust is a significant ingredient in the realization of the success of an organization. For instance, organizational trust shapes the way in which its members perceive complexity, whereby positive organizational trust translates into job commitment and satisfaction. With the increase in competition, coupled with high expectation of the customers, organizations have had to rely on their employees to get involved in coming up with innovative solutions to the customers' unique needs. Organizational survival is therefore, pegged on effective response to the environmental challenges and this in turn demand for the open sharing of knowledge and information, which can only work when members trust each other.

There are also companies that have distinguished themselves from their competitors based on their demonstration of benevolence. Such companies emphasize the significance of having the chance to act opportunistically yet they choose instead to do the right thing, which in this case is not profitable for them (Woodside, 2010). Apart from that benevolence has proved to be effective in the sharing of information and knowledge within business organizations. Rivera and Campos, (2011) argues that as compared to the other antecedents, namely ability and integrity; benevolence trust is quite significant when it comes to organizational knowledge sharing. This is especially true given that when the whenever knowledge seekers are looking for important knowledge they invariably become vulnerable to the benevolence of the person giving the information or knowledge.

The trust between the management and the employees significantly impacts on the quality of public management. When there is a shortage of trust in public organizations the end-result is in most of the instances is characterized by apathy amongst the employees and the lack of inventiveness (Rezaei, Salehi, Shafiei, & Sabet, 2012; Zeffane et al., 2011). Furthermore, organizations that exhibit low levels of trust also experience low levels of discipline in work amongst the employees. In such organizations, the employees normally avoid to express their ideas since they fear that they will be rejected. Organizational trust does not only affect the

efficiency, performance and effectiveness of an organization; it also enhances the behavior, performance and their job satisfaction.(Bakiev, 2013; Mahajan, Bishop, and Scott, 2012; Rezaei et al., 2012).

## **2.5 Reliance**

Gillespie (2003) carried out a study with the aim of validating the separation between reliance and disclosure elements of behavioral trust. The study established that disclosure taps into the emotional aspect of trust; besides, it is based on the rational basis and that it is a crucial factor in the process of forming interpersonal attachment. On the other hand, the study established that reliance is based on the perceptions of the skills of the target employees and their dependability.

As a construct of organizational trust, reliance can be understood as depending on the skills, knowledge and ability of individuals within an organization and it therefore, involve some elements of the granting of autonomy and the delegation of duties (Woodside, 2010). Saunders, Skinner, Dietz, Gillespie, and Lewicki, (2010) concur that one of the dominant category of trusting behavior in the organizational context is which implies relying on the skills, judgments, knowledge and actions of others, which at times manifests as giving autonomy to the organization members or delegating duties and responsibilities to them. Paliszkievicz, (2011) further points out that reliance involves making oneself dependent of the actions of action and therefore, giving them responsibility through delegation or taking responsibility instead of making excuses.

Child and Möllering, (2000) note that as a counterpart of interpersonal trust, reliance covers a facet of the general construct of trust in relationships in organizations. Bakiev, (2013) and Rezaei et al., (2012) regard reliance as the positive expectations that is held by the members of the organization in the sense that the specific needs of the organization can be fulfilled through its exchange partner due to proven exchange of standards and proven capability. Such standards could include integrated systems, contracts, controlling and monitoring mechanisms. Reliance is far removed from dependency because it does not reflect a degree of passiveness but it rather results from the confidence one's party and their willing to rely on

their exchange partners. In essence, reliance does not depend on one's stated committed; it is rather connected to the idea of positive outcomes, reasonable expectations and proven capability.

Interactions at the organizational level takes place at two simultaneous levels that involve the inter-organizational relationships characterized by the dyadic and the interpersonal relationships amongst the members of the organization. Trust and reliance are positioned at two levels of organizational interaction and can therefore, be applied to inter-organizational and interpersonal relationships (Morreale & Shockley-Zalabak, 2014). For one, the interpersonal trust maintains its key role regarding relational contracting in the integrated framework in which both trust and control exists, whereby the rational reliance standards are represented by the written contracts of the long-lasting business relationships. Within the context of trust and reliance, it emerges that reliance is sufficient to facilitate the development and sustenance of relationships in the organization (Jiang, Naudé, & Henneberg, 2009).

When organizational leaders develop trust in their employees they are highly likely to undertake risk taking behaviors with them. Such risk taking behavior could manifest in various forms with the organizational context (Colgan, Creegan, McKearney, & Wright, 2006; Thomas & Plaut, 2007). For instance, when managers trust their subordinates they are likely to delegate crucial tasks to them as compared to when they do not them at all. They may also allow the subordinates to have more autonomy in making their own decisions. Besides, when managers trust their subordinates they may allow them more latitude to carry out their assigned duties. This is because the leader or manager is convinced that the subordinate need less supervision, guidance or instruction.

Law, Martinez, Ruggs, Hebl, and Akers, (2011) notes that the level of risk that the leader takes on their subordinate is indicative of the level of trust that they have in them. For instance, the more the subordinate is regarded as trustworthy the more they will be assigned additional and important tasks such as investment strategies and hiring decision. Wasti, Tan, and Erdil, (2010) note that the perception of organizational leaders on the cognitive trust of

their employees, which is characterized by their competence at particular tasks and their integrity in completing their assigned duties, forms the basis onto which the leaders engage their reliance behavior. In that regard, it is apparent that the reliance aspect of trust is greatly influenced by the cognitive component that is determined after the assessment of the subordinates' skills.

## **2.6 Disclosure**

Disclosure basically, refers to the sharing of personal information that may be sensitive in nature but which is related to the work at the organization. Saunders et al., (2010) notes that one of the dominant category of trusting behavior in the organizational context is disclosure, which is reflected through the sharing of personal information or personal information that is sensitive in nature. Paliszkiewicz, (2011) argues that disclosure is dependent on openness whereby one is free to disclose personal information in a manner that is timely and accurate. It also demands that one be open and direct about the problems that they are facing in tackling their tasks and also be open and positive about their motives.

Cappell, Tzafrir, Dolan, and Hockett, (2016) argues that unlike the employees whose particular diversity is explicit such as those belonging to the racial minority, the employees that have implicit stigma face a tough decision of whether or not to disclose and then manage their identity on an appropriate manner. This decision of whether or not they should come out is normally a very difficult one to make given the potential consequences that may accompany such disclosure. The employees are therefore, exposed to a disclosure dilemma whereby concealing their identity on one hand, produces a high level of anxiety and stress which results from the fear of being ostracized once found, and therefore, the constant quest to hide their stigma from their colleagues. Coming out, on the other hand, brings with it the risk of getting discriminated, facing social hostility, and harassment, and in some cases physical harm.

The complexity of the decision to disclose is largely based on its potential consequences and its very nature. With the aim of avoiding the impending discrimination at the organization, employees are normally selective while disclosing their stigma, which implies that they do



not just disclose to anyone or everyone but some particular people and they also management the extent of their private information that is shared out. Whenever organizational members experience ambiguity in regards to the anticipated acceptance of their particular stigma they begin by initiating a signaling process in which they seek to determine the risks that are involved in disclosing their particular stigma (Cappell et al., 2016).

The particular level of comfort that employees have to share their personal information, affects not just their personal well-being and that of their organization at large. Studies have demonstrated that the outcomes of the decision to disclose significantly affects the contribution and work attitudes of the employees (Cappell et al., 2016). This is best demonstrated by the fact that the employees who work in an environment that is supportive invariably establish sound relationship with their co-workers and are therefore, more productive, participative and committed as compared to those that exposed to a negative working environment (Colgan et al., 2006; Jones & King, 2014).

Day and Greene, (2008) reiterate the need for investigating the significance of inclusion in organizations particular since many workplaces are becoming increasingly diverse. For example, many organizations have come up policies that are aimed at creating a receptive environment for LGBTs, in recognition of sexual minorities within the human resource within its structure. However, there is no consensus amongst the studies that have examined such policies: there are some that have indicated that such policies are helpful in promoting disclosure and inclusiveness in organizations (Button, 2001; Law et al., 2011); while others have found that such polices have promoted disclosure and openness in a limited way (Griffith & Hebl, 2002). Other studies have actually established that these non-discrimination policies are in some cases associated with increased suspicion and hostility to the employees that they should be protecting. Studies such as Deery, Iverson, and Walsh, (2006) and Thomas and Plaut, (2007) have revealed that the introduction of diversity initiatives end up promoting counter reaction from the majority in the organization.

Therefore, the existence of policies that discourage discrimination at the workplace does not necessarily result into disclosure but it is rather a function of the confidence that the

employees have towards their superiors, which ultimately determine how they end up feeling about talking about their personal information (Clair, Beatty, & MacLean, 2005). Even in organizations where the employers are legally mandated to accommodate employees with some form of stigma, many employees are still reluctant to formally come out and normally base their decisions on their perceived reaction to such disclosure. Therefore, the level of employee trust in the manner in which their seniors and the organization will use their personal information is critical factor that determines disclosure (Pennington, 2010).

Findings of numerous studies such as Arthur and Kim, (2005), Lee, Gillespie, Mann, and Wearing, (2010) and Muthusamy and White, (2005) demonstrate that there is an established relationship between the trust that employees have on their fellow organizational members and their freedom to share sensitive information, which may include their personal opinions, problems, mistakes, wrongdoing, medical conditions and feelings. For instance, an employee may take the risk to share with their manager that they feel under qualified to undertake the task that they have been assigned to do. In doing this, such an employee knows too well that the manager could make him/her vulnerable or destroy their career. However, since he/she perceives their manager as being trustworthy and expects their support and guidance, they take the risk and disclose their concern. Stanley, Ridley, Manthorpe, Harris, and Hurst, (2007) found out that the readiness of the employees to reveal to their managers about their secret medical condition is largely determined by the perception that they have towards the managers. They will therefore, highly likely come out if the management attitude towards disability is positive and there is sufficient legal context to shield them from any negative consequences.

Cappell, Tzafrir, Dolan, and Hockett, (2016) note that employees develop various forms of trust based on their nature of interaction in the organization, proximity to supervisors and the power of relationship amongst themselves and their target of trust. The trust that employees have in their supervisors and the one that they have in their fellow colleagues is different due to the crucial power differential between the employees and the supervisors that is not present in the horizontal relationship that they have with fellow colleagues.

The trust that employees have towards their organization as a whole is rather impersonal and institutional and addresses general targets like the employer or rather the managerial team. This particular type of trust is based on the employees' perception of the norms and procedures of their institution instead of the one-on-one experience that they have with one another (Gillespie, Hurley, Dietz, & Bachmann, 2012) .It is essential that the top management provide their employee with psychological wellbeing so that they may have a sense of a psychologically safe climate. Managers have a significant role to play towards achieving such an environment through the provision of practical and emotional support to their employees to disclose without making themselves vulnerable in any way (Munir, Randall, Yarker, & Nielsen, 2009).

## **2.7 Chapter Summary**

This chapter has covered literature in regards to the antecedents of organizational trust and the theories that explain these particular constructs. We have discussed employee-related ability as involving their skills, knowledge and expertise in carrying out their organizational duties; integrity as involving the adherence of the generally accepted principles shared by the organizational members and benevolence as the sense of fairness and justice within the organization. The three elements work together in the development of organizational trust. Organizational trust is essential for enhancing productivity, competitiveness and organizational learning. The next chapter; Research Methodology, presents the research design, population and sampling design, data collection methods, research procedures and data analysis methods used in the study.

## **CHAPTER THREE**

### **3.0 METHODOLOGY**

#### **3.1 Introduction**

The purpose of this study was to investigate the antecedents of trust in start-up enterprises in Kenya, which included employee-related ability, integrity, benevolence, reliance and disclosure. This chapter presents the methodology of the study that was used to address the objectives of the study. The chapter therefore, outlines the research design, the population, sampling procedures and the sample size, data collection, research procedure and data analysis.

#### **3.2 Research Design**

According to Babbie, (2010) a research design is a systematic plan that outline the framework that a researcher uses in the collection and analysis of data. There are various types of research designs that may be adopted for a study. They include the explorative, descriptive, experimental and causal (Kombo & Tromp, 2012). The choice of a research design is determined by the research problem that the study seeks to resolve.

This study adopted the descriptive research design. Kothari, (2011) notes that the descriptive research design is recommended for studies that understand the characteristics of particular groups or individuals. The research design is also effective when seeking to explain the relationship between in a study. The descriptive research design was effective for this study as it sought to understand the relationship between constructs such as employee-related ability, integrity, benevolence, reliance and disclosure with organizational trust in small and micro-enterprises in Kenya.

#### **3.3 Population and Sampling**

##### **3.3.1 Population**

In the context of research population is regarded as the collection of elements that the study seeks to investigate, evaluate and/or measure (Mugenda & Mugenda, 2003). The population bears some similar characteristics that can be measured to provide data for the study (Kothari, 2011). The population in this study will consist of the 2515 small and medium

enterprises that are registered in Nairobi County. These enterprises are engaged in various trading activities including retail, manufacturing and wholesale. They also employ between 10 - 50 people.

### **3.3.2 Sampling Design**

#### **3.3.2.1 Sampling Frame**

According to Babbie, (2010) the sampling frame is a list of elements from which a probability sample can be drawn. The frame can also be regarded as the objective list of the study's population from which the researcher can derive the participants of the study. This list according to Kothari, (2011) should not only be updated but also include a significant portion of the population of the study. The sampling frame that will be used in this study is derived from the PPOA (2016) report.

#### **3.3.2.2 Sampling Technique**

Sampling is the process of selecting the participants to be included in the study. These participants are usually a representative or sample of the larger population of the study based on the estimate or their predictive value in terms of providing information that can be generalized to the study's population (Kothari, 2011). This study will use stratified random sampling and simple random sampling in generating the sample. According to Saunders, Lewis, and Thornhill, (2007) stratified random sampling involves the probability selection of the participants who are randomly sampled for the population that is divided into distinct strata. The strata used in this study were the subsectors in the SMEs in Nairobi County. They included the manufacturing subsector, which consists of SMEs that develop products for consumption in the local market; hospitality subsector, which included SMEs such as restaurants and cafes; retailers, which were small-scale supermarkets that sold either imported or locally products. The other strata that were considered in the study included the wholesalers that supply goods to the retailers.

The simple random sampling technique involves the selection of the study's sample from the sampling frame at random. This is a controlled procedure, which ensures that all the elements within a population are accorded an equal chance for selection (Kombo & Tromp, 2012). The

simple random sampling was used in selecting the participants from the strata included in the study.

### 3.3.2.3 Sample Size

Cooper and Schindler, (2008) recommends a sample size of more than 10 % - 30 % for studied in social science related subjects. The population in this study will consist of the 2 515 registered SMEs in Nairobi County, . This study will use a sample size of 20 % of the population, which will be more than a half of the percentage that Cooper and Schindler recommend for such studies and will also yield a manageable sample of the total population. The sample will be derived as indicated in Table 3.1 below:

Sub-Sector	Total Number of SMEs	Sample Ratio	Sample Size
Wholesale/ Retail	106	20%	21
Manufacturers	147	20%	29
Service	126	20%	25
<b>Total Number</b>	<b>379</b>		<b>75</b>

**Table 3.1: Distribution Table**

### 3.4 Data Collection Method

The questionnaire was used in the collection of data in this study. The questionnaire is basically made up of a list of questions, based on the objectives of the study (Mugenda & Mugenda, 2003). The questionnaire is suitable for this study because it is a consistent and stable data collection tool, which provides the researcher with an objective perspective of the issues being investigated (Kombo & Tromp, 2012). The questionnaire were a convenient tool of data collection in this study, as they allowed the participants to provide their responses through the email (Saunders et al., 2007).

The questionnaires used in this study included an introductory letter that explained to the respondents the purpose of the study and that the findings would be used only for educational

purposes. The introductory letter was provided by the University and therefore, indicated that that the researcher was conducting this study with the knowledge and permission of the University. The questionnaire itself was divided into sections, covering the objectives of the study.

### **3.5 Research Procedure**

The questionnaire was pre-tested before it was used in the actual data collection. Mugenda and Mugenda, (2003) note that pretesting questionnaires involves undertaking preliminary tests of the data collection in order to crosscheck the effectiveness of the tools used. This is helpful in pointing out and eliminating any arising challenges through revising the research instruments. The use of pretested instruments significantly increases the reliability of the data collected. In this study the researcher ascertained the reliability of the questionnaire through pretesting it with five SMEs from the study's population.

The test-retest technique was also used to ascertain the reliability of the data derived using the questionnaire. The test-retest technique involves administering the research instrument to a select group of the respondents, and retesting after a given duration of time to assess the correlation between the scores derived (Saunders et al., 2007). The study test-retested with the SMEs after a duration of two weeks and correlated the derived sets of findings. Furthermore, in order to ascertain the validity of the questionnaire the researcher specified the domain that indicated the relevant concepts that the study was measuring, which included the antecedents of organizational trust namely: employee-related ability, integrity, benevolence, reliance and disclosure.

After confirming the reliability and validity of the questionnaire, the researcher then went out to collect the data for the study. The questionnaires was distributed was largely delivered in hardcopy to the respondents. The respondents were given a period of two weeks within which to respond to the questionnaire. A reminder was sent after one week to encourage the respondents to provide their responses in time.

### **3.6 Data Analysis**

Kothari, (2011) recommend the use of Statistical Package for Social Sciences (SPSS) for analyzing quantitative data. This is due to the fact that SPSS cannot only efficiently handle large quantitative data but also contains various statistical procedures that are specifically designed for social sciences. The questionnaires used as the data collection tools largely yield quantitative data. The study, therefore, used both descriptive statistics and regression analysis. The data was presented using pie charts, frequency distribution tables and bar graphs.

### **3.7 Chapter Summary**

In this chapter, we have discussed the methodology that was used in this study. The descriptive research design was adopted as the framework for collecting and analyzing data amongst the study's population of 379 SMEs. Stratified random sampling was used to generate the sample based on the strata or the subsectors of the SMEs. Random sampling was used to determine the respondents in each stratum; hence the sample of 75. The data was collected through the use of the questionnaire and SPSS was used to generate the descriptive and regression analysis. The results of the study presented in Chapter Four, and discussed in Chapter Five, which also presents the conclusions and recommendations of the study.



## CHAPTER FOUR

### 4.0 RESULTS AND FINDINGS

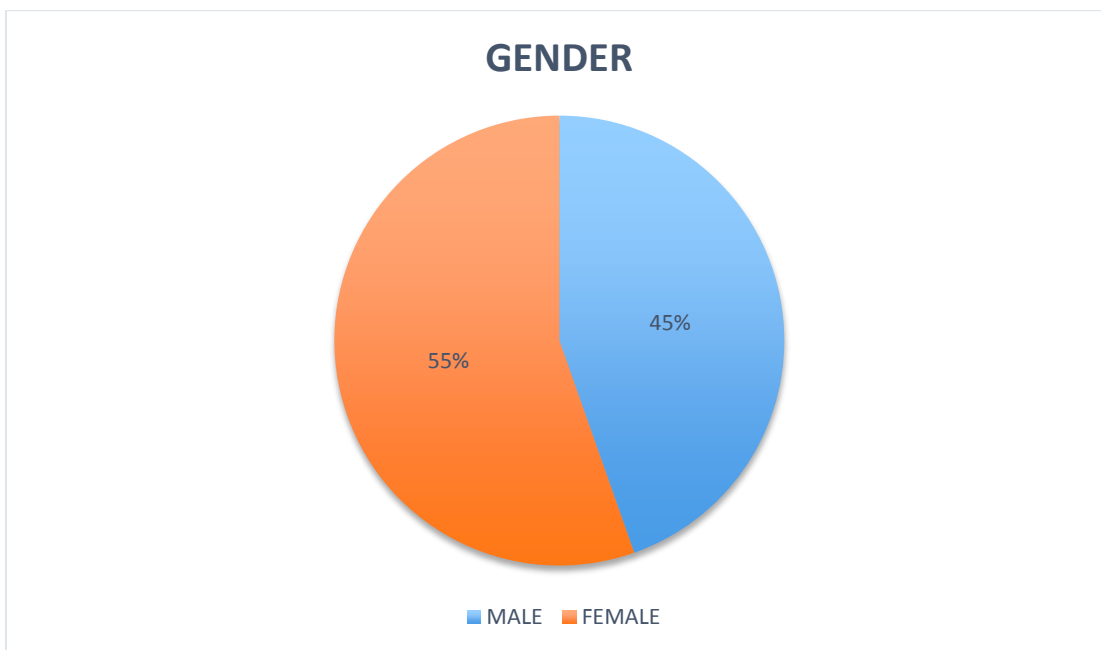
#### 4.1 Introduction

The purpose of this study was to examine the relationship between constructs such as ability, benevolence, integrity, reliance and disclosure with organizational trust in small and medium enterprises. This chapter presents the results and findings of the research study.

#### 4.2 Demographic Information

##### 4.2.1 The Gender of Respondents

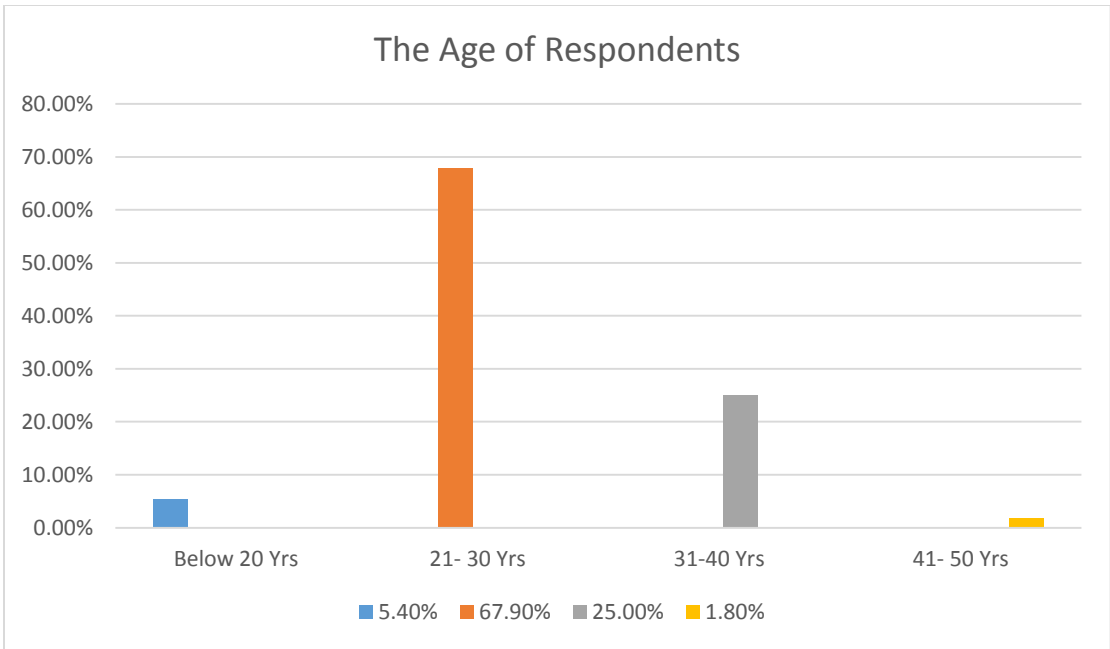
The descriptive statistics showed that 55.4 % of the respondents were female whereas 44.6% were male. (See Figure 4.1)



**Figure 4.1: The Gender of the Respondents**

##### 4.2.2 The Age of the Respondents

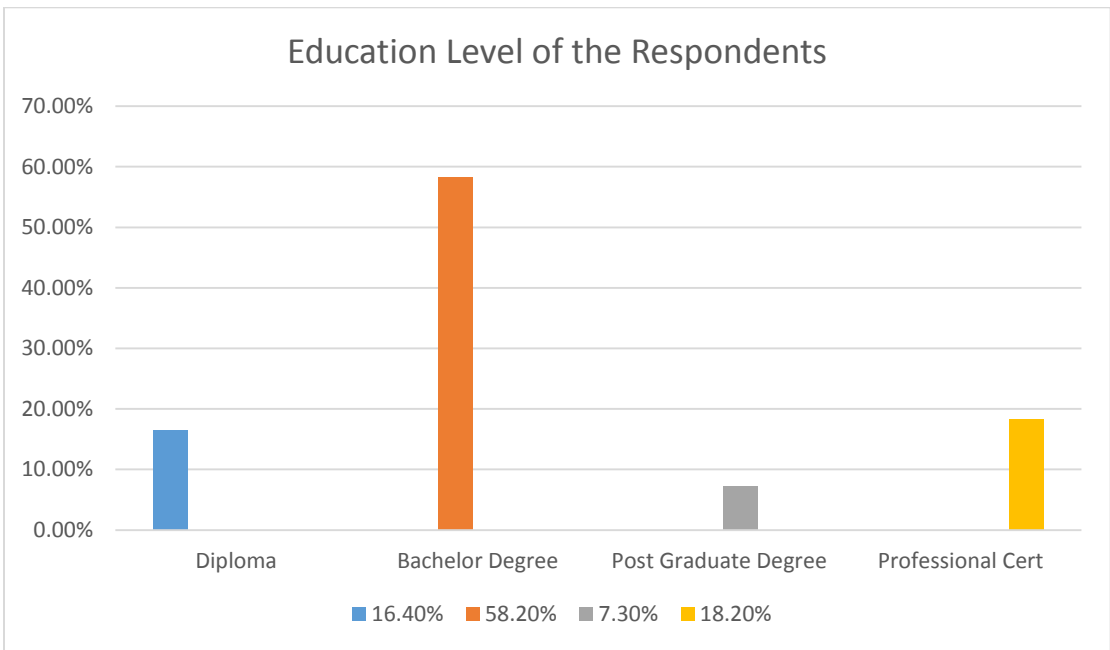
The findings of this study showed that 5.4% of the respondents were aged below 20 years; 67.9 % were aged between 21 – 30 years; 25.0 % were aged 31 – 41 years; whereas 1.8 % were aged between 41 – 50 years. (See Table Figure 4.2 below)



**Figure 4.2: The Age of the Respondents**

#### 4.2.3 The Level of Education of Respondents

The findings of the study demonstrated that 16.4 % of the respondents had Diplomas, 58. 2% had Bachelor Degrees; 7.3 % has post-graduate degrees whereas 18.2 % has professional certificates. (See Figure below)



**Figure 4.3: The Education Level of the Respondents**

#### 4.2.4 The Job Level of the Respondents

The findings of the study showed that most of the respondents were employees in their organization. A total of 5.5% of the responders were owner managers, 10.9 % were managers whereas 81.8% were employees. (See Table 4.1 below)

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Owner Management	3	5.4	5.5	5.5
Manager	6	10.7	10.9	16.4
Employer	45	80.4	81.8	98.2
4	1	1.8	1.8	100.0
Total	55	98.2	100.0	
Missing 9	1	1.8		
Total	56	100.0		

**Table 4.1: The Job Level of the Respondents**

#### 4.2.5 The Number of Years Working in the Organization

The findings of the study showed that most of the respondents had worked in their organization between 1 – 5 years; this accounted for 55.4% of the respondents; 12.5% of the respondents had worked for less than one year; 21.4% had worked for 6 – 10 years whereas 10.7 % had worked in their organization between 11-15 years. (See Table 4.2 below)

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Less than 1 Year	7	12.5	12.5	12.5
1-5 Years	31	55.4	55.4	67.9
6-10 Years	12	21.4	21.4	89.3
11-15 Years	6	10.7	10.7	100.0
Total	56	100.0	100.0	

**Table 4.2: The Number of Years Working in the Organization**

#### **4.3 The Measure of Employee Ability as a Construct of Organizational Trust**

The respondents rated various elements of ability construct in regards to their organizational trust. The percentages, mean and standard deviation were used to determine the overall perception of the respondents on ability in regards to organizational trust. The responses with a mean of 1 indicated that the respondents strongly disagreed; 2 meant that they disagreed; 3 indicated that they were uncertain; 4 showed that they agreed while 5, they strongly agreed. Most of the respondents agreed that the construct of ability was related to organizational trust. The mean of 3.92 showed that most of the respondents (65%) agreed that the top management was very capable at the job that they were performing. The mean of 3.76 showed most of the respondents (61%) agreed that the management was successful at whatever they tried to do. The mean of 3.74 showed that most of the respondents (44%) agreed that their management was knowledgeable about the work that needed to be done. With the mean of 3.78 most of the respondents (52%) also agreed that they were confident of their top management skills. The mean of 3.71 demonstrated most respondents (39%) agreed that their management had specialized capabilities that can improve their performance whereas the mean of 3.82 showed that most of the respondents (61%) agreed that they top management was well qualified. (See Table 4.3 below)

Variables	N	Mean	Std. Deviation
Top management is very capable of performing its job	56	3.9259	0.74863
Top management is known to be successful at the thing it tries to do	56	3.7679	0.89425
Top management has much knowledge about the work that needs to be done	56	3.7455	1.00403
I feel very confident about top management's skills	56	3.7857	0.84669
Top management has specialized capabilities that can increase our performance	56	3.7143	1.12354
Top management is well qualified	56	3.8214	0.85508

**Table 4.3: Employee Ability as a Construct of Organizational Trust**

#### **4.4 The Measure of Integrity as a Construct of Organizational Trust**

The respondents rated various elements of integrity in relation to organizational trust. The mean and standard deviation were used to determine the overall perception of the respondents concerning the relationship between integrity and their organizational trust. With a mean of 3.08 most of the respondents (38%) were not certain whether their top management had a strong sense of justice. The mean of 3.38 showed that most respondents (41%) were uncertain whether their top management will remain true to their word. The mean of 3.58 showed that most of the respondents (62%) agreed that the top management of their organization tried hard to be fair in their dealing with others. Besides, the mean of 3.62 demonstrated that most of the respondents (32%) agreed that the action and behavior of the top management of their organizations were consistent. The mean of 3.58 showed that most of the respondents (58%) agreed that they liked the values of the top management; whereas the mean of 3.66 showed that most (43%) agreed that sound principles guided the behavior of their management. (See Table 4.4 below)

	N	Mean	Std. Deviation
Top management has a strong sense of justice	56	3.0893	1.0318
I never have to wonder whether top management will stick to its word	56	3.3889	1.03553
Top management tries hard to be fair in dealing with others	56	3.5818	0.91674
Top management's actions and behaviors are not very consistent	56	3.625	1.07132
I like top management's values	56	3.5818	1.14973
Sound principles seem to guide top management's behavior	56	3.6607	1.1326

**Table 4.4: Integrity as a Construct of Organizational Trust**

#### **4.5 The Measure of Benevolence as a Construct of Organizational Trust**

The respondents rated various elements of benevolence in relation to organizational trust. The mean and standard deviation were used to determine the overall perception of the respondents concerning the relationship between benevolence and their organizational trust. The findings showed that most of the respondents were uncertain that the top management were very concerned about their welfare with a mean 3.25. Besides the mean of 3.29 showed that most of the respondents (43%) were not sure if their needs and desires were very important to the top management. The mean of 3.49 showed that most of the respondents (33%) were uncertain whether the top management would not willingly hurt them. The mean of 3.07 demonstrated that most of the respondents (38%) were uncertain if the top management really looked out for what was important for them; whereas the mean of 3.39 showed that most of them (36%) were uncertain whether the management would go out of their way to help them. (See Table 4.5 below)

Variables	N	Mean	Std. Deviation
Top management is very concerned about my welfare	56	3.25	1.09959
My needs and dare very important to top management	56	3.2909	1.14944
Top management would not knowingly do anything to hurt me	56	3.4909	1.13648
Top management really looks out for what is important to me	56	3.0714	1.05928
Top management will go out of its way to help me	56	3.3929	1.12296

**Table 4.5: Benevolence as a Construct of Organizational Trust**

#### **4.6 Relationship between Reliance and Organizational Trust**

The respondents rated various elements of reliance construct and how it relates to organizational trust. The mean and standard deviation were used to determine the overall perception of the respondents concerning the relationship between reliance and their organizational trust. The findings of the study showed that most of the respondents were uncertain about the relationship between the reliance construct and trust in their organizations. The mean of 3.42 demonstrated that most of the respondents were uncertain if they relied on their leaders on work-related judgment. The mean of 3.39 showed that most of the respondents were not sure if they relied on their leaders in task related skills and abilities. The mean of 3.5 showed that most of the respondents agreed that they depended on their leader to handle important issues on their behalf. The mean of 3.26 demonstrated that most of the respondents were uncertain that their leader would represent their work in an accurate manner; whereas the mean of 3.41 showed that most of the respondents relied on their leaders to back them up during difficult situation. (See Table 4.6 below)

Variables	N	Mean	Std. Deviation
Rely on your leader's work-related judgment	56	3.4286	1.07631
Rely on your leader's task-related skills and abilities	56	3.3929	1.05621
Depend on your leader to handle an important issue on your behalf	56	3.5	1.16149
Rely on your leader to represent your work accurately to others	56	3.2679	1.07011
Depend on your leader to back you up in difficult situations	56	3.4107	1.18746

**Table 4.6: Relationship between Reliance and Organizational Trust**

#### **4.7 Relationship between Disclosure and Organizational Trust**

The respondents rated various elements of disclosure construct and how it relates to organizational trust. The mean and standard deviation were used to determine the overall perception of the respondents concerning the relationship between disclosure and their organizational trust. The mean of 3.19 demonstrated that most of the respondents were not certain whether they could share their personal feelings with their leader. The mean of 3.48 showed that most of the respondents did not confide with their leaders on personal issues that affected their work. The mean of 3.19 showed that most of the respondents were not certain to honestly discuss about their work, negative feelings and frustrations. Besides, the mean of 3.49 showed that most of the respondents were uncertain to discuss their work-related problems that could be used against them; whereas the mean of 3.12 showed that most of the respondents were uncertain to share their personal beliefs with their leaders. (See Table 4.7 below)



Variables	N	Mean	Std. Deviation
Share your personal feelings with your leader	56	3.1964	1.18198
Confide in your leader about personal issues that are affecting your work	56	3.4821	1.17537
Discuss how you honestly feel about your work, even negative feelings and frustration	56	3.1964	1.34055
Discuss work-related problems or difficulties that could potentially be used to disadvantage you	56	3.4909	1.08649
Share your personal beliefs with your leader	56	3.125	1.28009

**Table 4.7: Relationship between Disclosure and Organizational Trust**

#### **4.8 Regression Analysis**

In the Table below the Spearman's correlations and Sig. two-tailed levels for various variables in the study are presented. The correlation between integrity and ability was found to be statistically significant,  $r(56) = +.486$ ,  $p < 0.01$ , two-tailed. The correlation between integrity and benevolence was found to be statistically significant,  $r(56) = +.663$ ,  $p < 0.01$ , two-tailed. The correlation between reliance and ability was found to be statistically significant,  $r(56) = +.306$ ,  $p < 0.05$ , two-tailed. The correlation between reliance and benevolence was found to be statistically significant,  $r(56) = +.562$ ,  $p < 0.01$ , two-tailed. The correlation between reliance and integrity was found to be statistically significant,  $r(56) = +.408$ ,  $p < 0.01$ , two-tailed. The correlation between benevolence and disclosure was found to be statistically significant  $r(56) = +.542$ ,  $p < 0.01$ , two-tailed. The correlation between disclosure and age was found to be statistically significant,  $r(56) = +.370$ ,  $p < 0.01$ , two-tailed. The correlation between disclosure and reliance was found to be statistically significant  $r(56) = +.467$ ,  $p < 0.01$ , two-tailed.

		<b>Correlations</b>						
		1	2	3	4	5	6	7
1.Gender	Pearson Correlation							
2.Age	Pearson Correlation	-.139						
3.Ability	Pearson Correlation	-.161	-.019					
4.Benevolence	Pearson Correlation	-.085	.247	.223				
5.Integrity	Pearson Correlation	-.163	.121	.486**	.663**			
6.Reliance	Pearson Correlation	.063	.181	.306*	.562**	.408*		
7.Disclosure	Pearson Correlation	-.144	.370**	-.006	.542**	.167	.467**	

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

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

#### **Table 4.8: Correlations**

The Table 4.9 below shows the model analysis of regression. The analysis of regression indicates the strength of the relationship between the independent variables: integrity, ability and benevolence and the dependent variable of organizational trust. The R Square in this case is 0.432, which clearly indicates a strong relationship between integrity, ability and benevolence on one hand and, organizational trust on the other hand. This indicates that integrity, ability and benevolence share a variation of 43.2 % of organizational trust.

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.658 <sup>a</sup>	.432	.393	.55477

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

**Table 4.9: The Significance between Ability, Integrity and Benevolence and Organization Trust**

The Table 4.8 below indicates F-test ( $F = 10.920$ ,  $p\text{-value (sig)} = 0.000 < 0.05$ ) is significant, thus making the entire model to fit well.

**Table 4.10: Anova Analysis**

		ANOVA <sup>a</sup>				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.082	3	3.361	10.920	.000 <sup>b</sup>
	Residual	13.234	43	.308		
	Total	23.317	46			

a. Dependent Variable: Trust

b. Predictors: (Constant), integrity, Ability, Benevolence

According to Table 4.11 below the construct of ability was not found to have a linearly significant influence on organizational trust ( $\beta = -.043$ ,  $p = 0.781 < 0.05$ ,  $t\text{-value} = -0.280$ ). The construct of benevolence was found to have a linearly significant positive influence on organizational trust ( $\beta = 0.637$ ,  $p \leq 0.001$ ,  $t\text{-value} = 4.998$ ). The construct of integrity was not found to have a linearly significant influence on organizational trust ( $\beta = -0.192$ ,  $p = 0.293 < 0.05$ ,  $t\text{-value} = -1.064$ ).

		<b>Coefficients<sup>a</sup></b>				
		Unstandardized		Standardized		
		Coefficients		Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	2.043	.552		3.701	.001
	Ability	-.043	.153	-.037	-.280	.781
	Benevolence	.637	.127	.771	4.998	.000
	Integrity	-.192	.180	-.174	-1.064	.293

a. Dependent Variable: Trust

**Table 4.11: Coefficients**

#### **4.9 Chapter Summary**

This chapter presents the results and findings of the study. The findings are presented through graphs, frequency tables and figures. The presentation is based on the research questions that guided the study in regards to the constructs examined in this study, namely ability, integrity, benevolence, reliance and disclosure. The next chapter presents the discussion on the findings, the conclusion and recommendations.

## CHAPTER FIVE

### 5.0 DISCUSSION, CONCLUSION AND RECOMMENDATIONS

#### 5.1 Introduction

In this chapter, we present the discussion of the findings that are presented in the previous chapter. The discussion is based on the research questions that the study sought to answer. Besides the summary, the discussion is organized into the themes and subsections that were used in the previous chapter. This chapter also presents the conclusion, recommendations and the suggestions for further research as drawn from the findings of the quantitative study.

#### 5.2 Summary of findings

The purpose of this study was to investigate the antecedents of organizational trust in the Kenyan SMEs. The five antecedents examined in the study included employee ability, integrity, benevolence, reliance and disclosure. The study adopted the descriptive quantitative research design analyzing data from the population of 379 SMEs that are based in Nairobi County. A sample of 75 was generated using stratified random sampling. The completed questionnaires were entered into SPSS 24.0 statistical software and the data was analyzed using descriptive and correlational analysis. The results were presented in tables, graphs and pie charts, showing the percentages and the central measures of tendency such as mean and Standard Deviation. The study found out that there was a significant and positive relationship between the constructs of benevolence and organizational trust in the MSE's. The study also established that there is no significant relationship between the constructs of integrity, employee ability and, organizational trust in the MSE's.

The findings on the demographics of the participant showed that more women (55.4%) as compared to men (44.6%) participated in the study. This indicated the gender proportion of the people employed in the MSEs in Kenya. Most of the respondents fell between the age brackets of 21 – 32 years at 67.9% whereas only 1.8% of the participants were aged between 41- 50 years. Beside, a significant number of the participants (58.2%) were Bachelor's degree holders; those with professional certificates were 18.2%; those who held diplomas

were 16.4% whereas those with post-graduate degrees were only 7.3%. Furthermore, most of the participants in the study were employees (81.1%); others were managers (10.9%) at various levels in their organizations whereas only 5.5% were the owner managers. Most of the participants (55.4%) had worked in their organization for less than 5 years while about 10.75 had worked in their organizations for the duration between 11 – 15 years.

## **5.3 Discussion**

### **5.3.1 Employee Ability as a Construct of Organizational Trust**

With the mean of 4 on all of the elements of employee ability, most of the participants agreed that ability is manifest in their organization and enhances their trust in the capability of the management to perform its job: 65% of the respondents claimed their management was capable of performing their job well; 61% indicated that their management succeeded in everything they did; 44% agreed that their management understood the work that need to be done; 52% had confidence in their managements' skills; 39% acknowledged their managements' specialized capability in improving their performance; 61% affirmed of their managements' qualification. The regression analysis indicated that employee ability is not correlated with the constructs of reliance and disclosure. These findings do not concur with Chen and Indartono, (2011), and Fard and Karimi (2015) who argued that the trustor takes into account the qualities of the trustees to make them able to undertake the task due to their skill, expertise, knowledge, self-confidence, self-esteem and leadership. Poon, Rahid, and Othman, (2006) acknowledged ability as the group of competencies and skills that enable employees to gain influence within some particular domain. Therefore, for the employees to develop trust in their managers they must perceive their managers as having the ability to succeed in their duties. When employees perceive managers as being incompetent they invariably become cynical to their managers. The findings of this study differed with those of the previous studies and this could be explained in the sense that in the African context, people do not like to disclose to those that have high ability than them.

The findings also indicated that the confidence that the employees have on the skills of the top management, the qualification of the top management and their specialized capabilities are all significant determinants of organizational trust. Mühl, (2014) points out that ability or

competence is the quality or state of being adequately qualified to perform the roles specific to a particular organization. Komodromos and Halkias, (2016) ability consists of the combination of skills, knowledge, social skills, behavior and education, which are used in enhancing the performance of the organization. Generally, the p- value ( $p = 0.781 < 0.05$ ) indicated that there was not a linearly significant influence by employee ability on organizational trust.

Besides, the respondents were uncertain on discussing with their managers about work-related issues that could be used against them and they were also doubtful about sharing their beliefs with their managers. This is indicative of the strained relationship between the MSE employees and their managers as demonstrated by Lee, Gillespie, Mann, & Wearing, (2010) and Muthusamy and White, (2005) who concluded that there is an established relationship between the trust that employees have on their fellow organizational members and their freedom to share sensitive information, which may include their personal opinions, problems, mistakes, wrongdoing, medical conditions and feelings.

### **5.3.2 Integrity as a Construct of Organizational Trust**

The findings of the study indicated that the respondents were ambivalent about how some elements of integrity regarding the top management in their organizations. As Brennan and Johnson (2008) and Partonia, (2013) note that integrity in the organizational context incorporates a degree of fairness within the organization. With the mean of 4 about 38% of the participants in this study were uncertain whether their management had a strong sense of justice whether they would keep the promises that they have made to them. They therefore, could not rule out the possibility of their management engaging in unfair dealings if it suited the interests of their organizations, thereby questioning the trust of the employees to their organization. The participants therefore, hinted to their fear that they too could fall prey to the unfair under dealings of their managers.

However, the participants agreed that their top management was engaged in fair dealings. Heyns and Rothmann (2012) and Poon et al., (2006) managements gain trust through being honest, principled, fair and consistent: the manager exhibiting these attributes are highly

unlikely to undertake opportunistic behavior and the employees will therefore find no need of monitoring them to ascertain that they are actually trustworthy.

Furthermore, 58% of the participants agreed that they liked the values of the top management and that their behavior was guided by sound principles and, that 32% indicated that their top management action and behaviors were consistent. The p-value ( $p = 0.293 < 0.05$ ) showed that there was no significant relationship between the integrity construct and the trust that the employees have in their organization's management. This differed with Partonia, (2013) who argued that consistency is a great determinant of integrity, even though it does not guarantee integrity in the case where the trustee may consistently act in a manner that is self-serving. Blakey, (2016) notes that integrity is judged through examining the previous behavior of the trustees, their reputation and the consistency between what they say and what they do. The findings of this study differed from the others because in the African context the culture of many organizations have not put premium on integrity as an incentive for enhancing organizational trust.

Besides, the statistically significant relationship between integrity and ability implied that that the more skills and competencies that the organizational management has the more sense of integrity they inspire in their employees a sense of integrity. On the other hand, the statistically significant relationship between integrity and benevolence showed the more integrity the management has, the highly likely they were to show benevolence to their employees. This is in the sense that if the managers can keep their word they are then highly likely to ensure that the welfare of their employees are not hurt by their business' interests.

The findings also showed that the employees were uncertain if at all their managers would represent their work in an accurate manner. Saunders et al. (2010) note that one of the dominant category of trusting behavior in the organizational context is which implies relying on the skills, judgments, knowledge and actions of others, which at times manifests as giving autonomy to the organization members or delegating duties and responsibilities to them. In this regard, it can also be argued that the employee trust level to their managers is also low. Besides, the statistically significant relationship between reliance and integrity indicated that



the more the management is able to keep their word; the employees will also be free to depend on them to handle important issues on their behalf or back them when in difficult situations.

### **5.3.3 Benevolence as a Construct of Organizational Trust**

The measures of the various measures of benevolence as a construct of organizational trust demonstrated that the respondents were ambivalent about all the facets of the construct. The participants in this study were uncertain whether the top management was concerned about their welfare. They were also uncertain whether their needs and desires mattered to their managers. According to Poon, Rahid, and Othman, (2006) benevolence is the extent to which the trustors perceive that the trustees intends to do them good in their relationship. Whenever employees believe that the management considers their interests and welfare, they become more willing to trust the management of their organizations. Besides, Latifi and Shooshtarian, (2014) regard benevolence as the employees' sense of confidence that the organization will undertake actions that are beneficial or rather not detrimental to them.

Besides, the participants were not sure if their managers looked out for what was important for them or if they would go out of their way to help them. Komodromos and Halkias, (2016) noted that benevolence involves the desire or duty to care and protect the interests of one another. The people with high levels of benevolence exhibit high levels of loyalty in turn, through showing their willingness to support, protect and encourage one another. The participants in this study were not certain whether theirs deeply cared about their welfare and which according to Chen and Indartono (2011); MacDuffie (2011) and Mühl, (2014) is indicative of the political context within the MSEs. They argue that benevolence can only thrive in the contexts where the political environment favors the trust relationship and where individualistic opportunistic tendencies are less of a threat. Elgoibar et al., (2016) further notes that benevolence is viable where the management favor some particular individuals due to the fact that they adhere to similar agenda to that which they themselves advocate. Additionally, with the p-value of  $\leq 0.001$ , which is  $< 0.05$  indicates that there is a positive and significant correlation between benevolence and organizational trust.

The findings also indicated that the respondents relied on their managers in handling important issues on their behalf and to also support them when they are experiencing difficult situations. This demonstrated the employees trust in their management and concurs with Bakiev, (2013) and Rezaei et al., (2012) who regards reliance as the positive expectations that is held by the members of the organization in the sense that the specific needs of the organization can be fulfilled through its exchange partner due to proven exchange of standards and proven capability. The statistically significant relationship between reliance and benevolence imply that the more the management takes into account the welfare of the employees, the more the employees will rely on them in work-related judgments, and in making decisions about issues that affect their lives.

The statistically significant relationship between benevolence and disclosure imply that more the needs of the employees are important to the management; the more the employees are likely to share important personal or sensitive work-related information with their managers. The findings also indicated that the construct of disclosure was largely related to integrity. The respondents were generally ambivalent about the various elements of disclosure as a construct of organizational trust. In particular, the respondents were not certain if they could confide in their managers on the personal issues that affect their work; they could not honestly discuss with their managers about their work, negative feelings and frustrations. This indicated the lack of openness at the MSEs. Paliszkievicz, (2011) argues that disclosure is dependent on openness whereby the employees are free to disclose personal information in a manner that is timely and accurate. It also demands that one be open and direct about the problems that they are facing in tacking their tasks and also be open and positive about their motives.

## **5.4 Conclusion**

### **5.4.1 Employee Ability as a Construct of Organizational Trust**

This study concludes that most of the people working in the sample MSEs in Kenya are aged between 21 – 30 years and have worked in their organizations for less than 5 years. Besides, a significant proportion of this workforce is made up of women as compared to men and

most of them have acquired a university level of education. The low appreciation of employee ability construct of organizational trust fails to wholesomely take into account the management's specialized capabilities that can improve the employee performance. Therefore, to varying degrees the constructs of ability, integrity and benevolence are all determinants of organizational trust in MSEs in Kenya.

#### **5.4.2 Integrity as a Construct of Organizational Trust**

This study concludes that integrity is a significant construct in influencing organizational trust in the MSEs in Kenya. However, some of the elements of the construct of integrity in the MSEs in Kenya are questionable hinting the possibility of the managers to engage in unfair dealings, which minimizes the trust of the employees in their organization.

#### **5.4.3 Benevolence as a Construct of Organizational Trust**

This study concludes that as a construct, benevolence is a significantly correlated to organizational trust in the MSEs as compared to other constructs such as integrity and employee ability. This means that the trust in the MSEs is largely influenced by the concern of the management on the welfare of the employees; the willingness of the management to go out of their way to help the employees and the willingness of the management to look out for what is important for the employees. The study, therefore, concludes that benevolence construct is a significant determinant of organizational trust in the MSEs in Kenya given that most of the workforce in the sector is made up of young people that have worked in their organization.

### **5.5 Recommendations**

#### **5.5.1 Recommendations for Improvement**

##### **5.5.1.1 Employee Related Ability**

While the study demonstrated that the employees in the MSEs in Kenya generally agreed that they management was competent in various aspects and that boosted their performance, there is also need for these management to train their employees in the skills that they need to be effective in their work. This will ensure that there is no knowledge and skills vacuum when the employees are later on promoted to management positions in the organizations.

### **5.5.1.2 Management on Organizational Trust**

The MSEs managers need to align their actions to their words; they also need to be consistent in ensuring that the interests of their organizations do not necessarily interfere with the interests of their employees. This will engender a sense of justice, which is imperative in generating the trust of the employees towards their organization.

### **5.5.1.3 Benevolence in a Company Culture**

The managers in the MSEs need to undertake measures that will change the perception of their employees in regards to benevolence. Such measures should be aimed at ensuring that the employees feel sure that the management have their best interests at heart and that they can meet their needs and desires.

### **5.5.2 Further Research**

Given that most of the participants in this study agreed on most of the elements of employee ability as a significant construct of organizational trust, further research is recommended on investigating the most important or prominent construct of organizational trust amongst employee ability, integrity, benevolence, reliance and disclosure.

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## APPENDICES

### APPENDIX I: QUESTIONNAIRE

Stephanie Munyoki  
P.O. Box 5296-00506  
Nairobi.  
February 9, 2017.

Dear Respondent,

#### RE: DATA COLLECTION

I am a postgraduate student at United States International University- Africa. I am carrying out a research on the antecedents of organizational trust. You have been selected to be part of this study as a respondent. I kindly request you to spare some time and answer the questions to the best of your knowledge. Your identity will be treated with utmost confidentiality and any information provided on this questionnaire will be used for the purposes of this study only.

Thank you for your time.

Sincerely,

STEPHANIE MUNYOKI

**Part A** – This section has some demographic information. Kindly fill all the questions by either ticking the boxes or filling the spaces provided.

**Part B to E**– These sections requires you to provide the information as presented. Instructions have been provided.

## **SECTION A: DEMOGRAPHIC INFORMATION**

1. Gender

Male

Female

2. Age

Below 20 years

21 – 30 years

31 – 40 years

41 – 50 years

Over 50 years

3. Please indicate your level of education

Diploma

Bachelors Degree

Postgraduate Degree

Professional certification

Others (Please specify) \_\_\_\_\_

4. What job level do you fall under?

Owner Manager

Manager

Employee

5. How long have you worked at your organization?

Less than one year

1 – 5 years

6 – 10 years

11 – 15 years

More than 15 years

**SECTION B: RELATIONSHIP BETWEEN EMPLOYEE ABILITY AND ORGANIZATIONAL TRUST**

6. Indicate your response to the statements below regarding ability/competence as an element of your organization’s trust? Please tick (√) where appropriate in the space provided. Kindly respond to all items.

KEY: Using a scale 1-5 tick the appropriate answer from the alternatives, 1 stands for Strongly Disagree, 2 stands for Disagree, 3 stands for Uncertain, 4 stands for Agree, 5 stands for Strongly Agree

	1	2	3	4	5
Top management is very capable of performing its job.					
Top management is known to be successful at the things it tries to do.					
Top management has much knowledge about the work that needs to be done.					
I feel very confident about top management’s skills.					
Top management has specialized capabilities that can increase our performance.					
Top management is well qualified.					

**SECTION C: RELATIONSHIP BETWEEN INTEGRITY AND ORGANIZATIONAL TRUST**

7. Indicate your response to the statements below regarding integrity as an element of your organization’s trust? Please tick (√) where appropriate in the space provided. Kindly respond to all items.



KEY: Using a scale 1-5 tick the appropriate answer from the alternatives, 1 stands for Strongly Disagree, 2 stands for Disagree, 3 stands for Uncertain, 4 stands for Agree, 5 stands for Strongly Agree

	1	2	3	4	5
Top management has a strong sense of justice.					
I never have to wonder whether top management will stick to its word.					
Top management tries hard to be fair in dealings with others.					
Top management's actions and behaviors are not very consistent.					
I like top management's values.					
Sound principles seem to guide top management's behavior.					

**SECTION D: RELATIONSHIP BETWEEN BENEVOLENCE AND ORGANIZATIONAL TRUST**

8. Indicate your response to the statements below regarding benevolence as an element of your organizational trust? Please tick (√) where appropriate in the spaces provided. Kindly respond to all items.

KEY: Using a scale 1-5 tick the appropriate answer from the alternatives, 1 stands for Strongly Disagree, 2 stands for Disagree, 3 stands for Uncertain, 4 stands for Agree, 5 stands for Strongly Agree

	1	2	3	4	5
Top management is very concerned about my welfare.					
My needs and desires are very important to top management.					
Top management would not knowingly do anything to hurt me.					
Top management really looks out for what is important to me.					
Top management will go out of its way to help me.					

**9. SECTION D: RELATIONSHIP BETWEEN RELIANCE AND ORGANIZATIONAL TRUST**

Indicate your response to the statements below regarding benevolence as an element of your organizational trust? Please tick (√) where appropriate in the spaces provided. Kindly respond to all items.

KEY: Using a scale 1-5 tick the appropriate answer from the alternatives, 1 stands for Strongly Disagree, 2 stands for Disagree, 3 stands for Uncertain, 4 stands for Agree, 5 stands for Strongly Agree

	1	2	3	4	5
Rely on your leader's work-related judgments.					
Rely on your leader's task-related skills and abilities.					
Depend on your leader to handle an important issue on your behalf.					
Rely on your leader to represent your work accurately to others.					

Depend on your leader to back you up in difficult situations.					
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**10. SECTION D: RELATIONSHIP BETWEEN DISCLOSURE AND ORGANIZATIONAL TRUST**

Indicate your response to the statements below regarding benevolence as an element of your organizational trust? Please tick (√) where appropriate in the spaces provided. Kindly respond to all items.

KEY: Using a scale 1-5 tick the appropriate answer from the alternatives, 1 stands for Strongly Disagree, 2 stands for Disagree, 3 stands for Uncertain, 4 stands for Agree, 5 stands for Strongly Agree

	1	2	3	4	5
Share your personal feelings with your leader.					
Confide in your leader about personal issues that are affecting your work.					
Discuss how you honestly feel about your work, even negative feelings and frustration.					
Discuss work-related problems or difficulties that could potentially be used to disadvantage you.					
Share your personal beliefs with your leader.					

## APPENDIX II: BUDGET

<b>Item Description</b>	<b>Cost- KES</b>
Stationery &ICT Services	10,000
Travel costs, meals and per diem	10,000
Research Assistant for data collection	15,000
Contingency- airtime, internet bundles, etc.	10,000
<b>Total</b>	<b>45,000</b>

### APPENDIX III: RESEARCH SCHEDULE

Activity	TIMEFRAME															
	Month 1				Month 2				Month 3				Month 4			
	Week				Week				Week				Week			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Topic selection & approval	■															
Supervisor appointment		■														
Produce draft proposal			■	■												
Incorporate reviews by supervisor				■	■	■										
Draft proposal ready for presentation							■	■								
Incorporation of panel comments into proposal									■	■						
Pre-testing of questionnaire											■					
Data collection from selected sample												■	■			
Data processing and analysis													■	■		
Review of draft project by supervisor														■	■	
Incorporate supervisor comments															■	
Supervisor approves final Project																■
Incorporate external examiner input																■
Deliver bound copies to University																■