

TRUST AND ITS RELATIONSHIP TO THE QUALITY OF COMMUNICATION AND EMPLOYEE SATISFACTION IN A LARGE INDONESIAN WORKPLACE: A CASE STUDY

Maulina Pia WULANDARI

University of Brawijaya

E-mail: maulina.wulandari@studentmail.newcastle.edu.au

John BURGESS

Work, Employment Relations and Organisations Research Group at Newcastle Business School
University of Newcastle, UK

Abstract

Trust has been noticed as an important role on managerial and organizational effectiveness since the late 1950s. Trust also viewed as the fundamental aspect on developing communication relationship and satisfaction in the workplace. Utilizing 168 employees in the Indonesian oil industry, this study attempted to examine the relationships between trust and quality of communication relationship and employee's satisfaction. The study applies quantitative methods in order to undertake the ICA audits of the case study organization. Data from survey questionnaires is used. Descriptive statistic and Regression Analysis are suitable data analysis techniques applied. The result of study the study suggests that trust was positively related to both the quality of communication relationship and employees satisfaction. Regression analysis also indicated that trust in co-workers and immediate supervisor was positively related to employee's satisfaction on supervision and peers. In addition, trust in co-workers and immediate supervisor was positively associated with the quality of employees' relationships with their peers and their superiors.

Key Words: *trust, quality of communication relationships, satisfaction on supervision and peers*

JEL Classification: M54, M12

1. INTRODUCTION

The dimension of trust has long been perceived critical for organizational communication and organizational effectiveness (Thomas et al., 2009, Ellis and Shockley-Zalabak, 2001). Several researchers have examined the relationship between a variety of organizational variables such as organizational effectiveness (Ellis and Shockley-Zalabak, 2001, Thomas et al., 2009), organizational outcomes (Dirks, 1999, Dirks and Ferrin, 2001, Ruppel and Harrington, 2000), and communicative effectiveness (Tourish et al., 2004). Trust was viewed as an important subject in the organization's efforts in developing social capital, enhancing employee commitment, and developing a sharing of knowledge among employees (Thomas et al., 2009). Several studies suggested that trust was highly related with employee involvement and satisfaction in the workplace (Ellis and Shockley-Zalabak, 2001, Thomas et al., 2009, Callaway, 2006). Furthermore, previous studies revealed that trust was highly associated with all aspects of employee satisfaction (Muchinsky, 1977, Driscoll, 1978).

Current studies suggest that trust has a central role in developing effective communication and openness in the relationship between employees and management, between superiors and

subordinates, between trade union and management, and among workers in the workplace (Thomas et al., 2009, Tourish et al., 2004). Studies have demonstrated that effective and open communication in the workplace has a positive effect on job performance (Dirks, 1999, Dirks and Ferrin, 2001, Ellis and Shockley-Zalabak, 2001, Pincus, 1986, Ruppel and Harrington, 2000, Thomas et al., 2009). Trust also had an critical role in encouragi relationship harmony in the workplace (Dirks, 1999, Ellis and Shockley-Zalabak, 2001). People may not work collectively without trust unless under circumstances of strict control (Zeffane, 2006). Research found that trust can be viewed as the centre for building interpersonal relationships, cooperation and stability in organization (Lewicki et al., 1998). There has been limited exploration concerning the concept of trust and its relationship with the quality of communication relationship and employee's satisfaction, especially in the context of Indonesian workplace.

Hence, the purpose of this study is to explore the relationships between trust and the quality of the organizational communication relationship and organizational satisfaction at a large Indonesian workplace. The following hypotheses are tested:

Hypothesis 1: Trust will be positively related to the quality of the communication relationship.

Hypothesis 2: Trust will be positively associated with employee's satisfaction.

Hypothesis 3: Trust in co-workers and immediate supervisor will be positively associated with the quality of employees' relationships with their peers and their superiors.

Hypothesis 4: Trust in co-workers and immediate supervisors will be positively related to employee's satisfaction with supervision and peers.

2. METHODS

Data Collection

We collected data from employees of an Indonesian state-own company with 17,000 employees in the oil production and service industry. This organization was selected because it had a record of ongoing industrial disputes with employees in recent times. Two hundred fifty full time permanent employees have been asked to participate this study by The Human Resource department. Participation was voluntary, and respondents were allowed to complete the questionnaire during work hours. Of the 250, 67.2% responded.

Participants worked in one of three locations including the organization's headquarters in Jakarta, one location in Palembang, South Sumatra, and one location in Balikpapan, East Borneo. Participants represented six different organizational functions: refinery, corporate secretary, internal watch system, marketing, human resource management, and upstream (exploration operation area). All were full time employees (*PWTT – pegawai waktu tidak tertentu / non-particular time employees*). The respondents included vice president, managers, assistant manager, senior analyst, analyst, and non-supervisors that had more than 5 years work experience.

Measures

We applied the Organizational Communication Inventory (OCI) survey which is based on the ICA (International Communication Association) communication audit (Goldhaber and Krivonos, 1977, Goldhaber and Rogers, 1979), to collect data about the quality of communication relationship, employee's satisfaction, and trust among respondent in all level management. The OCI survey is the combination and modification of previous communication audit questionnaire instruments such

as Communication Satisfaction Questionnaire (CSQ)(Downs and Hazen, 1977), Communication Audit Survey (CAS)(Goldhaber and Rogers, 1979), and Organizational Communication Profile (OCP) (Mills et al., 1988) to measure the effectiveness of organizational communication systems. Since the OCI has developed based on the ICA audit, the OCI reliability and validity has validated. These instruments (CAS, CSQ, and OCP) have fulfilled reliability and validity criterion. In addition, the instruments have been applied across countries and different types of organizations (Downs and Adrian, 2004, Greenbaum et al., 1988, Gray and Laidlaw, 2004, Karen and Menno de, 2007, Clampitt and Downs, 2004, Sampson, 2005).

According to our review of theory, although this is the single organization case study, we believe that the relationship among variables found in this specific case could generalize to other organizations. On the contrary, in this single case organization we note that there are problems that may develop from including data from surveys in dissimilar organizations and different points in time.

Variables

Trust is the perception of the extent to which each employee feels that his or her subordinates, immediate supervisor, and co-workers can be trusted. Responses were measured using a 5-point Likert scale ranged from 1 = “strongly disagree” to 5 = “strongly agree”.

Employee’s Satisfaction is the perception of the extent to which each employee feels satisfied with his or her job, pay and benefits, promotion system, supervision, and organizational change. Responses were measured using 5-point Likert Scale ranged from 1 = “very dissatisfied” to 5 = “very satisfied”.

Quality of communication relationships is how each worker feels about their relationship with their superiors, subordinates, co-workers, top management, and the organization. This dimension were recorded on a 5-point Likert Scale ranged from 1 = “strongly disagree” to 5 = “strongly agree”.

Analytic Strategy

The Analyses consisted of descriptive statistics and correlation analysis. Specifically we are interested in the presence of trust and employee satisfaction in the organisation and the relationship between the quality of communications with trust and employee satisfaction.

Table 1. Descriptive Statistics and Correlations (N=168)

	Mean	SD	1	2	3	4	5	6	7	8	9
Trust	3.94	.48									
Trust of Supervisor	3.97	.56	.96**								
Trust of Co-workers	3.88	.49	.76**	.54**							
Employee’s Satisfaction	3.47	.58	.44**	.45**	.35**						
Satisfaction with Supervision	3.74	.65	.66**	.65**	.46**	.52**					
Satisfaction with Co-workers	3.94	.53	.64**	.55**	.63**	.41**	.55**				

The Quality of Communication Relationship	3.66	.45	.75**	.74**	.51**	.53**	.61**	.47**		
With Immediate Supervisor	3.78	.55	.71**	.73**	.45**	.52**	.66**	.44**	.92**	
With Co-workers	3.98	.54	.46**	.45**	.35**	.32**	.35**	.48**	.59**	.52**

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

3. RESULTS

Table 1 presents the means, standard deviations, and correlations among the measures used in this study. The descriptive statistics show high level of trust ($\mu = 3.94$ out of 5). Meanwhile, the level of the quality of communication relationship was reasonably good ($\mu = 3.66$ out of 5) and about the same as the level of employee's satisfaction ($\mu = 3.47$ out of 5). This suggests that trust in the organization was good (with $\mu > 3.60$ estimated mean value) and the quality of communication relationship was moderately harmonious since employees felt satisfied with their work and organization.

As can be seen in Table 1, descriptive statistics show the level of trust of the supervisor ($\mu = 3.97$ out of 5) and trust of co-workers ($\mu = 3.88$ out of 5) were high. It provides evidences that employees felt that they could trust in their co-workers and immediate supervisors was good. Moreover, employees also felt that their immediate supervisor and co-workers trust on them confidently and comfortably. The quality of communication relationship was moderately high, which included a high quality of the communication relationship with immediate supervisors ($\mu = 3.78$ out of 5; see Table 1) and with co-workers ($\mu = 3.98$ out of 5). It means that employee had a good relationship in the work place with their immediate supervisor and co-workers.

In hypothesis 1, we proposed that trust would be positively related with the quality of communication relationship. The quality of communication relations was high and significant predictor of trust ($\beta = .64, p = .000, (F(13.117, 115) = 114.44)$) that accounts for 40% of the variance in the predictor variable trust, R^2 of .40. This result indicates that Hypothesis 1, predicting a relation between trust and the quality of communication is supported.

Hypothesis 2 proposed that trust would be positively associated with employee's satisfaction. Organizational satisfaction was a significant predictor of trust ($\beta = .40, p = .000, (F(5.22, 162) = 32.196)$). However, the R^2 was 0.16. It reveals that employee's satisfaction explains a moderate proportion of variance in trust. This indicates that trust has a positive relation with employee's satisfaction.

Hypothesis 3 predicted that trust in co-workers and immediate supervisor would be positively associated with the quality of employees' relationships with their peers and their superiors. The quality of employees' relationships with their peers and their superiors was high and a significant predictor of trust in immediate supervisor and co-workers ($\beta = .72, p = .000, (F(20.110, 111) = 180.904)$) that account for 52% of the variance in the predictor variable trust in immediate supervisor and co-workers with an R^2 of .52. This finding signifies that the trust in immediate supervisor and co-workers was positively associated to the quality of employees' relationships with their peers and their superiors.

Hypothesis 4 proposed that trust in immediate supervisor and co-workers would be positively related to employee's satisfaction on supervision and peers. Employee's satisfaction on supervision and co-workers was high and a significant predictor of trust in immediate supervisor and co-workers ($\beta = .74$, $p = .000$, ($F(21.052, 105) = 199.569$)) that accounted for 54% of the variance in the predictor variable trust in immediate supervisor and co-workers, with a R^2 of .55. This result reveals that the trust in immediate supervisor and co-workers was positively associated to employee's satisfaction on supervision and peers.

4. DISCUSSION

The purpose of this study is to observe the relationships between trust and the quality of organizational communication relationship and employee's satisfaction in a large Indonesian workplace. Consistent with existing research, we found that trust was highly related with all aspects of employee's satisfaction in the workplace (Driscoll, 1978, Ellis and Shockley-Zalabak, 2001, Muchinsky, 1977). Trust also had an important role in building relationship in the workplace (Dirks, 1999, Ellis and Shockley-Zalabak, 2001). Trust was a critical foundation to build interpersonal relations, collaboration, and support in the workplace. Without trust, employees are not be able to work together otherwise there are forms of authoritarian control (Lewicki et al., 1998, Zeffane, 2006). Therefore, this research adds to growing body of evidence of specific linkages among trust, employee satisfaction, and the quality of communication relationship in the workplace.

This study analysed the association between trust and the quality of communication relationship as well as between trust and employee's satisfaction. The study suggests that trust was related to both of employee's satisfaction and the quality of the communication relations. When employees trust in their superior and co-worker, they will possible to build a good relationship with their immediate superior and fellow worker in the workplace. Furthermore, when employees trust in their supervisor and co-worker, they are more likely to be satisfied with their supervision and with their relationship with their peers in the workplace.

The research examined the relations between trust in immediate supervisor and co-workers and both the employees' satisfaction with supervision and peers, and the quality of employees' relationships with their peers and their superiors. The current study argues that the trust in immediate supervisor and co-workers was positively associated to the quality of employees' relationships with their peers and their superiors. Employees are more possible to feel confident and comfortable with their immediate supervisor to build a good relationship. When employees feel their immediate supervisor and fellow workers can be trusted, they will feel that their immediate superior and fellow workers are pleasant with them. Hence, they are able to build an understanding and a support for each other in their job relationship.

The research also analysed the relations between trust in immediate supervisor and co-workers and the employees' satisfaction on supervision and peers. This current research also provides valuable information as to one important variable that is moderately associated to the trust in immediate supervisor and co-workers: the employee's satisfaction in supervision and peers. Employees are more likely to feel confident and comfortable with their supervisor and colleagues. When employees feel that their supervisor and colleague could trust them, it is easier to work collectively with their supervisor and peers. At the same time, they will have confidence and trust their supervisor's capacity. Therefore, they will feel that they have every opportunity to have freedom to work on their own and not to be closely supervised.

There are several limitations present in the study. Firstly, this study was of a single organization case study. Secondly, the use of the ICA Communication Audit survey was limited in that it does not apply a comprehensive and sophisticated measure to identify the relationship between trust and the quality of communication relationship and employee's satisfaction. Upcoming research could apply comprehensive method of the trust, the quality of the communication relationship, and the employee's satisfaction. Finally, the importance and details of trust in the workplace relationship and its relationship with the quality of communication relationship and employee's satisfaction is not examined in depth. This would require the survey data to be supplemented by interviews, focus groups and workplace observation.

REFERENCES

- CALLAWAY, P. L. (2006) Relationship between organizational trust and job satisfaction: An analysis in the United States federal work force. United States -- Minnesota, Capella University.
- CLAMPITT, P. G. & DOWNS, C. W. (2004) Downs-Hazen Communication Satisfaction Questionnaire. IN DOWNS, C. W. & ADRIAN, A. D. (Eds.) *Assessing Organizational Communication: Strategic Communication Audits*. New York, The Guildford Press.
- DIRKS, K. T. (1999) The Effects of Interpersonal Trust on Work Group Performance. *Journal of Applied Psychology*, 84, 445-455.
- DIRKS, K. T. & FERRIN, D. L. (2001) The Role of Trust in Organizational Settings. *Organization Science*, 12, 450-467.
- DOWNS, C. W. & ADRIAN, A. D. (2004) *Assessing Organizational Communication - Strategic Communication Audits*, New York, The Guilford Press.
- DOWNS, C. W. & HAZEN, M. D. (1977) A Factor Analytic Study Of Communication Satisfaction. *Journal of Business Communication*, 14, 63-73.
- DRISCOLL, J. W. (1978) Trust and Participation in Organizational Decision Making as Predictors of Satisfaction. *Academy of Management Journal*, 21, 44-56.
- ELLIS, K. & SHOCKLEY-ZALABAK, P. (2001) Trust in top management and immediate supervisor: The relationship to satisfaction, perceived organizational effectiveness, and information receiving. *Communication Quarterly*, 49, 383-398.
- GOLDHABER, G. & ROGERS, D. (1979) *Auditing Organizational Communication Systems: The ICA Communication Audit*, Dubuque, IA, Kendall/Hunt.
- GOLDHABER, G. M. & KRIVONOS, P. D. (1977) The ICA Communication Audit: Process, Status, Critique. *Journal of Business Communication*, 15, 41-55.
- GRAY, J. & LAIDLAW, H. (2004) Improving The Measurement Of Communication Satisfaction. *Management Communication Quarterly : McQ*, 17, 425.
- GREENBAUM, H. H., CLAMPITT, P. & WILLIHNGANZ, S. (1988) Organizational Communication: An Examination of Four Instruments. *Management Communication Quarterly : McQ (1986-1998)*, 2, 245.

KAREN, Z.-K. & MENNO DE, J. (2007) Evaluating the Communication Satisfaction Questionnaire as a Communication Audit Tool. *Management Communication Quarterly : McQ*, 20, 261.

LEWICKI, R. J., MCALLISTER, D. J. & BIES, R. J. (1998) Trust And Distrust: New Relationships And Realities. *Academy of Management Review*, 23, 438-458.

MILLS, G. E., PACE, R. W. & PATERSON, B. D. (1988) *Analysis in Human Resource Training and Organization Development*, Reading, MA, Addison-Wesley.

MUCHINSKY, P. M. (1977) Organizational Communication: Relationships to Organizational Climate and Job Satisfaction. *Academy of Management Journal*, 20, 592-607.

PINCUS, J. D. (1986) Communication Satisfaction, Job Satisfaction, And Job Performance. *Human Communication Research*, 12, 395-419.

RUPPEL, C. P. & HARRINGTON, S. J. (2000) The Relationship Of Communication, Ethical Work Climate, And Trust To Commitment And Innovation. *Journal of Business Ethics*, 25, 313.

SAMPSON, W. R. (2005) Comparison of Communication Audit Questionnaire. Wisconsin, University of Wisconsin Eau Claire.

THOMAS, G. F., ZOLIN, R. & HARTMAN, J. L. (2009) The Central Role Of Communication In Developing Trust And Its Effect On Employee Involvement. *Journal of Business Communication*, 46, 287-310.

TOURISH, D., PAULSEN, N., HOBMAN, E. & BORDIA, P. (2004) The Downsides Of Downsizing: Communication Processes And Information Needs In The Aftermath Of A Workforce Reduction Strategy. *Management Communication Quarterly : McQ*, 17 (4), 485-516.

ZEFFANE, R. (2006) Factors affecting preferred sources of information: Exploring the impact of trust, job satisfaction, and communication effectiveness. *Management* 11, 93-110.