IMPACT OF ORGANIZATIONAL TRUST ON ORGANIZATIONAL PERFORMANCE OF ACADEMICIANS: AN EVIDENCE FROM HEIs’ KP, PAKISTAN

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Organizational Trust, Organizational Performance, Faculty Members, Higher Educational Institutions

ABSTRACT
The organization’s performance is typically an amalgamation of a number of characteristics that, when combined together produce organization’s overall performance. Every organization strives to achieve its stated objectives while giving serious concern to its ability to preserve its existence and profitability over the long term. Organizational trust is considered as a crucial factor to enhance employees’ performance and in turn organizational performance. The present study aimed to investigate the association and cause-and-effect relationships of organizational trust with organizational performance among the faculty members in context of HEIs in southern regions of KP, Pakistan. The data was collected from respondents through close-ended questionnaire. 313 faculty members from HEIs were surveyed. Results revealed a significant association & cause-and-effect relationships amid organizational trust and organizational performance. At the end, some valuable recommendations to policymakers of HEIs are offered. Additionally, some suggestions for future researchers are also provided by the researchers on the bases of current study findings.

INTRODUCTION
Enhancing trust within organizations is the pressing concern that all companies facing today. It is increasingly acknowledged that trust plays a pivotal role in improving organizational performance (Judeh, 2016; Ali, Ullah, Seed, Hamaayun & Akhtar, 2022; Karhapää, Savolainen & Malkamäki, 2022). Trust within organization contributes significantly to shaping its identity, fostering stability, satisfaction, conflict reduction and active problem-solving (Olander, Vanhala & Hurmelinna, 2016).
Organizational trust yields numerous benefits for both the organization and its employees. When trust is established, employees exhibit high morale and loyalty, leading to positive interactions with organization, colleagues, and managers (Gucer & Demirdag, 2014). Organizational performance is a crucial element in ensuring long-term survival and growth of organization. To achieve strategic objectives, organizations must prioritize performance across various dimensions and adopt effective strategies that align with needs of both employees and the organization (Deleruy & Gupta, 2018). This approach ensures organizational success while prioritizing interests of employees (Mehmood, Awaiz, Afzal, & Khalid, 2017). It is imperative for the organization to formulate clear strategies that directly impact performance. Performance serves as a critical factor of organizational success, with various factors playing a role in managing and accessing overall performance (Richard, Devinney, Yip & Johnson, 2009).

To attain long-term development, organizations are concerned with values and aspirations, forcing strategic approaches aligned with the desired outcomes. These values predominantly focus on the organization's long-term growth, requiring employees to possess additional capabilities to meet the desired standards (Kramer & Lewicki, 2010). Trust and performance within an organization share a direct relationship: higher trust levels correspond to greater performance, and vice versa. Thus, the lower trust levels result in diminished performance. This underscores the need for organizations to concentrate upon implementing well-defined strategies that enhance employees' trust (Gulati & Nickerson, 2008). Trust is also vital for maintaining employee confidence in organizational actions over time. The performance of both workforce and the organization itself is closely intertwined with organizational trust, as trust inspires employees to deliver higher performance effectively realizing organizational goals (Gilbert, Halliday, Heavey, & Murphy, 2011). Present study is a minute attempt to examine the association as well as cause-and-effect relationships of the organizational trust with organizational performance. Although these concepts are widely examined previously, however, in present study researchers try to explore these stated relationships among faculty members working at various positions in the context of higher educational institutions located in southern regions of Khyber Pakhtunkhwa, Pakistan.

LITERATURE REVIEW
The achievement of organizational performance is contingent upon the implementation of various effective measures by organization, aimed at promoting its well-being and reputation. Numerous factors contribute to enhancement of an organization's standing in competitive environments, thus influencing its performance (Katou & Budhwar, 2006). In order to attain favorable position amidst competition, employees must demonstrate their skills, knowledge, and performance by adopting best practices (Osemeke, 2012). Consequently, it becomes imperative for organizations to strive for optimal performance to sustain competitiveness, particularly in scenarios where many competitors engage in similar actions (Ali, Ullah, Seed, Hamayun & Akhtar, 2022). The performance appraisal process also plays a significant role in organizational performance. By evaluating employees' efforts, performance appraisals contribute to the improvement of their performance (Karhapää, Savolainen & Malkamäki, 2022). Higher performance is rewarded with recognition and respect, while lower/subpar performance can lead to punishments, demotions, and unfavorable consequences (Richard, Devinney, Yip & Johnson, 2009).
Trust is a critical aspect of relationships within organizations, encompassing collegial relationships, employee-supervisor dynamics, and supervisor-management interactions (Pervaiz, Imran, Arshad, Haq, Moeen & Khan, 2014). According to the study conducted by Lazim and Perlis (2016), two perceptions of trust exist: one pertains to individuals’ and organizational outcomes, while the other denotes degree of weakness or strength of the relationship between these concepts. Additionally, trust serves as a facilitator in connecting variables (predictors and criteria), playing a pivotal role in driving positive outcomes in organizational activities. Consequently, trust emerges as a significant predictor of organizational performance (Hassan, Toylan, Semercióz & Aksel, 2012). Organizational trust acts as a crucial predictor of various organizational outcomes, as the absence of trust inhibits employees from exhibiting their exceptional performance, thereby hindering the organization from achieving its desired objectives. Furthermore, organizational trust plays a vital role in maintaining the confidence of employees in tasks and responsibilities of the concerned organization (Park, Lee, Lee & Truex, 2012).

Organizational Trust
Organizational trust holds significant importance for all organizations, as it shapes the behavior of the organization towards its workforce and aids in maintaining competitive advantage. Trust plays a critical role in determining the essential procedures necessary for sustaining consistency within organizations (Celep & Yılmazturk, 2012). Accordingly, trust emerges as primary predictor of both workforce performance and the overall performance of the organization. It is vital for implementing fair policies that prioritize the well-being of employees, thereby enhancing their confidence in the organization (Molden & Finkel, 2010). Trustworthy employees are valuable assets to organizations, as they actively promote policies that align with the organization’s best interests. It is the belief that organization will act in a fair, reliable, and ethical manner, and that its intentions and actions are aligned with the best interests of its employees and stakeholders (Kramer & Lewicki, 2010). Trust is imperative as, without it, organizations may struggle to implement different strategies that drive higher levels of performance and lead to desired success (Gulati & Nickerson, 2008). In the context of education institutions, organizational trust holds standing due to significant role in development of the respective country.

Within realm of higher education, employees place a significant emphasis on institutional policies and strategies. Trust becomes the driving force that inspires them to maintain confidence in these policies, leading them to showcase their best performance in order to achieve institution’s desired ranking (Xiao, Zheng, Pan & Xie, 2010). Institutions prioritize the well-being of employees, while employees focus on institution’s long-term intents and status to uphold its integrity in competitive environments (Chiva & Mallén, 2013). Trust represents the employees’ confidence in organization’s actions, ensuring the effectiveness and smooth functioning of activities aligned with organization’s long-term commitment to success (Dyer & Chu, 2011). When trust is high, workers feel safe, valued, and respected, leading to increased job satisfaction, productivity, and collaboration. Organizational trust holds significance in maintaining employee confidence in the organization’s strategic actions toward organizational development. Trust serves as catalyst in upholding organization standards and aligning them with desired values, thereby defining strategic approaches of organization (Gilbert, Halliday, Heavey, & Murphy, 2011).
Organizational Performance

Organizational performance holds the utmost importance among organizational priorities, as it is closely tied to long-term success. Thus, organizations must place a strong emphasis on effectively managing performance to secure their strategic positions both internally and externally (Ntiamoah, 2014). In the modern competitive landscape, organizations that possess ability to efficiently manage performance are ones that thrive. Organizational performance is result of many efforts undertaken by the organization to pursue its objectives, and when combined, it becomes a measure of overall organizational performance (Khan, Khan & Khan, 2011). The ranking of organizations is directly linked to performances, as higher performance leads to greater success, while lower or ineffective performance results in diminished achievements and lower status in the competitive environments (Xiao, Zheng, Pan & Xie, 2010). Organizational performance holds significant weight in the global competition, as successful organizations are those capable of effectively and efficiently managing their performance. Conversely, organizations that the struggle to manage performance are likely to experience the lower achievements, diminished status, and undesirable outcomes (Anike & Ekwe, 2014). Performance is influenced by various factors that can have either positive or negative effects on organizational performance.

Nevertheless, the implementation of timely and effective measures by organizations is essential in attracting competent and capable workforce to fulfill their restoration tasks (Adenuga, 2015). Thus, organizations need to prioritize the arrangement of the performances within their entities to achieve the desired status and standing. Organizations rely heavily upon the performance to ensure smooth operations and effectiveness (Karhapää, Savolainen & Malkamäki, 2022). Managing performance effectively is their primary responsibility. When organizations achieve higher performance levels, they can excel even in the areas where outcomes might typically be lower. This requires focused attention to attract the opportunities and utilize the workforce’s efforts to address these challenges through exceptional performance (Enggetou, 2017). The success of organizations greatly depends on their performance, as it allows them to optimize their human and material resources through the efficient practices. This ultimately leads to positive outcomes for the organization. It is crucial for organizations to establish and manage programs that prioritize key themes for improving employee and organizational performance. Without effective performance, desired success may be difficult to attain (Choon & Embi, 2012).

Organizational Trust & Organizational Performance

The performance of an organization is intricately tied to level of trust among its employees. When trust and confidence are high, employee performance tends to be higher. This relationship is based on shared values and expectations between employees and the organization, established upon their entry into organization (Huff & Kelley, 2003). The reputation and goodwill of an organization are joint responsibilities of both employees and the organization, as they work together to progress from survival to development. Hence, in challenging environments, organizations heavily rely upon their employees’ valuable contributions, which are based upon their values and experiences, to secure competitive positions (Kath, Magley, & Marmet, 2010). The concept of the organizational trust has gained significant recognition in context of organizations because it plays a critical role in shaping...
employees’ confidence in organizational outcomes. The trust emerges as predictor of both workforce performance and the overall performance of the organization. In this connection, establishing trust is crucial for the organizations as it enables them to maintain a strategic advantage and outperform competitors, given that trust influences the organization’s values and standards (Gaur, Mukherjee, Gaur, & Schmid, 2011).

In educational institutions, employees specifically prioritize their professional affiliation and status, which motivates them to enhance their own value and contribute to institution’s positive reputation (Lagrosen & Lagrosen, 2012). Higher education institutions also place significant importance on attracting competent and dedicated employees who can effectively carry out their assigned tasks. As a result, for these institutions to succeed, both performance and trust are crucial. The concept of organizational trust has been extensively researched, as have its implications on range of variables, including employee performance, organizational performance, commitment, turnover intention, job satisfaction, and work commitment. For instance, Onyeizugbe et al. (2018) looked at the relationship between organizational trust and performance in their study. In this linking, they found a significant correlation between the two factors, demonstrating a relationship between higher organizational trust levels and better employee performance and ultimately this ultimately leads to the positive outcomes for the organization. Studies that looked at the impact of organizational trust upon work performance, such as those by Buenaventura–Vera and Gudziol–Vidal (2020), Li et al. (2018), Li et al. (2007), and therefore, these studies offer empirical evidence that human performance is partial by organizational trust.

Figure 1: Theoretical Framework

Organizational trust has been found to have an impact on organizational performance, according to studies by Guinot et al. (2014), Niculescu (2015). Organizational trust is essential to management function because of its profound implications upon a variety of organizational aspects, including as performance, commitment, and employee happiness. Conclusions of these researchers are consistent with the notion that organizational trust is the cornerstone of effective management. According to Zand (1972), building trust within an organization requires continuing efforts to promote a trusting working environment. Educational institutions priorities performance and trust due to important roles in impelling how people think and act (Krishnan, Martin & Noorderhav, 2006). Organizations that demonstrate strong ethical standards and integrity are more likely to earn trust (Lagrosen &
This involves following over on commitments, acting reliably with organizational values, and holding individuals accountable for their actions. It is crucial for implementing the fair policies that prioritize the well-being of employees, by improving their confidence in organization (Molden & Finkel, 2010). As a result, relationship between organizational trust and performance is particularly essential in context of education. Researchers have developed following theory in light of the discussion just given.

H1: Organizational trust is significantly positively related to the organizational performance among faculty members of HEIs, KP, Pakistan.

H2: Organizational trust has an impact on organizational performance among faculty members of HEIs, KP, Pakistan.

RESEARCH METHODOLOGY
The primary aim of this study is to analyze how organizational trust (Predictor variable) influences the overall performance of an organization. In current study, organizational performance is criterion variable. This study aims to analyze aforementioned links and provide some useful advice to higher education management, future researchers in southern Khyber Pakhtunkhwa region of Pakistan by taking into account higher education institutions and teachers as respondents. Focus is on exploring the connection between trust within organization and its performance, with primary data collection as the means of examination.

Population and Sample
Faculty members of public sector, HEIs in Pakistan formed study population. Convenient sampling method was utilized to choose 6 higher educational institutions located in KP, southern regions. Data collection involved distributing adopted questionnaires to employees, either over physical visits or via email, at selected universities. The research focused on faculty members in working on various academic positions of, Lecturers, Assistant Professors, Associate Professors and Professors, affiliated with the above stated HEIs of KP, Pakistan. Total 350 set questionnaire were distributed among the respondents in which 313, complete in all aspects, were considered for the current study data analyses.

Research Instrument
The data collection instrument used in this study was a close-ended questionnaire with Likert-type questions regarding the study variables. The measurement scales adopted for questionnaire were taken from existing literature and modified to fit specific research context, drawing inspiration from the research conducted by Naizi (2011) and Allen et al. (2007). The questionnaire consisted of six items that assessed organizational trust and 24 items that evaluated organizational performance. It was administered to employees, who were asked to provide opinions using a five-point Likert scale. The scale allowed participants to choose among five options, starting from strongly disagree (1) and ended with strongly agree (5).

Statistical Tools
In this study, teaching faculty members at different levels were surveyed to gather original data. The collected data was then presented through descriptive statistics and elaborate graphs. Research
employed a pre-existing questionnaire as data collection instrument. In this connection, the scale reliability, bivariate-correlation and regression were employed as data analyses statistical tools to attain desired outcomes.

RESULTS OF STUDY

Table 1 Reliability Coefficients

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Items</th>
<th>α</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational trust</td>
<td>10</td>
<td>0.932</td>
<td>0.89</td>
<td>0.82</td>
</tr>
<tr>
<td>Organizational Performance</td>
<td>24</td>
<td>0.95</td>
<td>0.91</td>
<td>0.89</td>
</tr>
</tbody>
</table>

In above table 1, the scale reliability coefficients results are presented. Results showed that both the construct taken under consideration for current study have achieved minimum acceptable value of “α” i.e. 0.70 according to Hair (2006). It can be observed that the Cronbach alpha “α” values are 0.89 and 0.91 for organizational trust and organizational performance respectively. It shows that the scales employed for study are reliable and researcher can proceed with these measurement scales for further analyses.

Table 2 Descriptive & Correlation Coefficients

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
<th>OT</th>
<th>OP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Trust [OT]</td>
<td>330</td>
<td>4.780</td>
<td>1.349</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Organizational Performance [OP]</td>
<td>330</td>
<td>5.167</td>
<td>1.159</td>
<td>.805**</td>
<td></td>
</tr>
</tbody>
</table>

The correlation matrix in Table 2 provides an evidence of significant as well as positive association of organizational trust and organizational performance among faculty members in the current study context. The correlation coefficient between the predictor and criterion variable is β=0.80 which reveals a strong and robust positive association between both the variables organizational trust and organizational performance.

Table 3 Summary of Regression Analysis

<table>
<thead>
<tr>
<th>Model Summary</th>
<th>R</th>
<th>R²</th>
<th>Adjusted R²</th>
<th>SSE</th>
<th>F</th>
<th>SIG</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.805</td>
<td>.649</td>
<td>.647</td>
<td>.286255</td>
<td>605.206</td>
<td>.000</td>
</tr>
</tbody>
</table>

Table 3a Summary of Regression Analysis

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Model</th>
<th>USC</th>
<th>SC</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>1.862</td>
<td>.14</td>
<td>13.338</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>Organizational Trust</td>
<td>.691</td>
<td>.028</td>
<td>.805</td>
<td>24.601</td>
<td>.000</td>
</tr>
</tbody>
</table>

In above table, regression analysis results are presented. The first part of table 3 illustrates values of R, R-square, adjusted R-Square, F-Statistics, overall model significance level. R value represents the strength of association between independent and dependent variable of current study i.e. .805 that
means that almost 80% change will occur in the value of dependent value due to one unit change in the value of independent value. In the above table, the value of R2 shows the collective variation occurs in the value of dependent variable due to change occur in the value of independent variable i.e. .649 which means that almost 65% change in the dependent variable caused due to change in independent variable. The value of adjusted R2 should be near to value of R2 which in the present case is also recorded satisfactory i.e. .647. The value of F shows the model fitness which crossed the minimum required value in present study analysis whereas the Sig. =.000 shows that overall model calculating impact of predictor on criterion variable is highly significant. Second portion of above table presents results about individual variation occurs in dependent variable due to independent variable. Here as in current study a single predicting variable i.e. organizational trust is used hence the same value of R is recorded as the variation in the value of organizational performance due to organizational trust which is .805 with p-value of .000. Hence hypothesis two developed for present study is also accepted.

DISCUSSION
The present study was amid to examine the association as well as cause-and-effect relationships of organizational trust and organizational performance among faculty members of higher educational institutions of southern regions, KP, Pakistan. Two research hypotheses were developed based on previous literature for current study. Total 313 faculty members from different higher educational institutions of said context were surveyed for this purpose. The collected data from respondents was analyzed through scale reliability, correlation and regression statistical tools. Results revealed that organizations trust is significantly associated and having significant cause-and-effect relationships with organizational performance among faculty members of the higher educational institutions of southern regions, KP, Pakistan. The findings of the current study align with previous results reported by Lagrosen and Lagrosen (2012). Their study emphasized the significant predictive role of trust, confidence, and commitment in enhancing the employee performance and consequently, improving institutional performance. Furthermore, current study findings also validate the previous results obtained by Mayer, Davis and Schoorman (2021), Huang, Martin and Huang (2022) and Loughry, Ohland and Moore (2022).

CONCLUSION
Based on the empirical findings obtained from present study, it is concluded that trust is, no doubt, an important motivational element which may boost the performance of employees and hence in turn the institutional and organizational performance among faculty members working at various positions in higher educational institutions of southern regions, KP, Pakistan. Trust is essential for effective collaboration and teamwork. When academicians trust each other and their organization, they are likely to share knowledge, collaborate on projects, and work together towards common goals, ultimately enhancing organizational performance. Employees within educational institutions exhibit concerns about their professional affiliation and status, which drive their efforts to enhance their value for personal development and contribute to reputation of their respective institutions. Trust fosters a sense of belonging and commitment among academicians, leading to higher levels of employee engagement. Engaged academicians are likely to be proactive, motivated, and invested.
in work, resulting in improved performance. These findings highlight the shared understanding of importance of trust and commitment in optimizing performance outcomes, supporting existing body of knowledge on current issues/topic.

REFERENCES


