



## A Review on the Relationship Variables to Employee Morale and Organizational Trust

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**Abstract:** This review explores with the variety of literature support the relationship of variables with respect to employee morale and organizational trust. To extend and facilitate further studies contextually and empirically, a mind-map is presented to show how these relationship variables relate to organizational trust and employee morale. This would enhance the studies related to organizational trust and employee morale in particular.

**Keywords:** Organizational trust, employee morale, mind-map.

This paper illustrates conceptually how the organizational trust and employee morale relates to each other and other variables. In this context, the definitions of organizational trust and employee morale, and their related components in the literature are presented. Further, this paper provides variety of literature in relation to the relationship of organizational trust to employee morale and other related components, and finally establishes a mind-map of this review that can facilitate the studies related to the organizational trust and employee morale.

### DEFINITIONS OF EMPLOYEE MORALE

Nowadays, organizations always focus on their performance. Performance and efficiency of work of an employee depends on the employee's morale. It is an essential component of business operations. According to Bowles and Cooper (2009), the morale is defined as:

*“the state of individual psychological wellbeing based upon a sense of confidence and usefulness and purpose.”*

Therefore, the morale is the feeling of employee enthusiasm, confidence and challenging tasks. Morale refers to how employees positively and supportively feel about and for their organization (e.g., Haddock, 2010).

Child (1941) explains that morale is a condition of mental health; it contributes to the person to act effectively and confidently; and it makes he/she very interested in performing his/her duties. Simply, morale means how individuals feel at a particular

point in time (Watson, 1988). Guion (1958) considers morale as a personal phenomenon. He states extent to which the person feels satisfaction in his/her job.

However, Glimmer (1961) indicates that the morale is a group concept and becomes general description of attitudes of the employees in an organisation. He argues that group interactions result in forming morale of employees in the organization. Johnsrud (1996) explains that morale holds satisfaction of work environment and also some characteristics such as excitement, emotion, commitment and loyalty to organization and tendency toward job.

Ransom (1995) emphasizes three characteristics of a high morale in an organization: (a) Offering freedom and autonomy to workers to do their work, (b) Rewarding the employee for exceeding the organizational expectations, and (c) Paying attention to employees and resolving their disputes immediately. Ransom (1995) also states that high morale of employees in organizations leads to more productive than competition. All of the above definitions imply that attaining high standards of morale is important to expose the feelings of employees and their abilities in the work.

Fardet *al.* (2010a) indicate that employee morale plays the major role in setting a healthy work place. The study also explores that high level of employee morale is linked with the employee work satisfaction, creativity and innovation, honourable mind with the work, employee commitment towards the organization, and anxiousness to achieve group objectives beyond individual

objectives, thus leading to enhance the organizational performance.

### VARIABLES ASSOCIATED WITH EMPLOYEE MORALE

Linzet *al.* (2006) indicate positive relationship between expected rewards and morale among the Russian employees. They explore that expected monetary rewards exhibit a greater influence on morale than expected non-monetary rewards. Their results indicate that there is a strong positive correlation between performance assessment and morale, as well as between positive work attitudes and morale.

Ngambi (2011) indicates that leadership approaches can influence the staff morale. His results revealed that the initiatives by the new leadership have a positive impact on morale and have significantly reduced the intentions of employees to leave their organization. Neely (1999) concludes that there is strong direct correlation between morale and productivity. According to Munck (2001), employee turnover causes a decrease in productivity and often contributes to low employee morale. Akintayo (2012) reveals significant relationships among working environment, workers morale and perceived productivity. The study also finds that flexible working environment and workers morale have significantly contributed to workers productivity.

Millett (2010) states six reasons why the employee morale is important in an organization: (a) improving productivity, (b) improving performance and creativity, (c) reducing number of leave days, (d) paying higher attention, (e) providing safe workplace and (f) improving quality of work. Mazin (2010) also indicates that high employee morale leads to on-time reporting of employees for work, and improving communication, recruitment and creativity of employees. He further indicates that high employee morale keeps retention of employees in the organization.

Dye and Garman (2006) states low level of employee morale is the result of loss of management trust, lack of interpersonal relations and improper working environment. Further, organizational layoffs, employee conflict/disputes over contract, high level of employee turnover, unfavourable changes of leadership, and indistinct expectation and corporate direction also lead to create the low employee morale in an organization (Dorsett, 2006). Upadhyay and Gupta (2012) find positive relationship of job satisfaction to morale of employees. It reflects satisfied persons have high level of morale in an organization.

### DEFINITIONS OF ORGANIZATIONAL TRUST

Fardet *al.* (2010a) indicates that organizational trust leads to organizational effectiveness and has impacts on intrapersonal and interpersonal relationships inside and outside of organization. Zalabaket *al.* (2000) defines organizational trust as the positive expectation employees have about organizational roles, experiences, and mutual dependency. Mathieu (1990) considers the trust in terms of both (a) the confidential feeling of employees on stable behaviour and (b) the response of an organization to the changing and risky conditions.

Gilbert and Tang (1998) defines organizational trust is a feeling of confidence and support in an organization. According to Mishra (1996),

*“Organizational trusts as a unidirectional tendency toward susceptibility to other party based on this expectation or believe that the other party is reliable, open and trustable.”*

Organizational trust can be defined as the employees' loyalty and confidence of their association with their leaders and organization, and as the employees' belief that any measure by the organization eventually benefits them without limitation. Cook and Wall (1980) concludes that trust among the individuals and groups in an organization are very important and significant for a long-term stability of organization and well-being of its members. Trust in organization reflects member's reliance on the integrity, strength, ability, and security of organizations and their leaders. If there is trust in an organization, all segments of workers hope on confidence in their organization, their supervisors, and their coworkers.

Carnevale and Wechsler (1992) indicate trust provides a basis for security and confidence in the intention and actions of supervisors, managers and organizational leaders. Dirks and Ferrin (2001) argue that trust results in effects such as positive attitude, higher level of cooperation, and workplace behavior and performance. The trust in the workplace is essential to organizational performance and competitiveness in an increasingly global economy (Lamsa and Pucetaite, 2006).

According to Laschinger *et al.* (2011), high level of organizational trust requires a change in organization. However, the organizational change

itself, in other way, dilute the organizational effectiveness and trust. The increasing level of workload and job insecurity can lead to (a) downsizing the number of employees and (b) affecting employee trust and morale. Laschinger *et al.* (2011) also indicate that some common characteristics of organizations with low trust are: increasing rate of absenteeism, extended breaks, lack of learning habits, unwillingness to accept responsibilities, negative thinking and reactive behaviour, and low level of creativity.

Zalabak *et al.* (2000) find higher levels of trust in the organization is more successful and innovative than the lower levels of trust in the organization. According to Tan and Tan (2000), organizational trust is the employees' perception overall assessment about credibility, reliability and beliefs on their organization, which they trust in that the organization is active in their best interests, without causing any harm to them.

#### VARIABLES ASSOCIATED WITH ORGANIZATIONAL TRUST

Fardet *al.* (2010a) explain that organizational trust leads to improvement of employee's morale. The study concludes positive correlative relationship ( $r=0.71$ ) between organizational trust and employee morale in public organization. Many studies are carried out in an organizational trust with other variables: commitment and involvement (e.g., Bussing, 2002), innovation and empowerment (e.g., Vineburgh, 2010), conflict (e.g., Hoy and Tschannen-Moran, 1999), Structural empowerment (e.g., Laschinger and Finegan, 2005), creativity and critical thinking (e.g., O'Brien, 2001), Human Resource Management Practices (e.g., Whitener, 1997) etc.

Bussing (2002) shows significant relationship of organizational trust with morale commitment, alienative commitment, job involvement and work involvement for healthcare personnel.<sup>1</sup>The study

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<sup>1</sup>According to Bussing (2002), the **morale commitment** can be defined as employee's willingness to recognize towards the organizational goals; **calculative commitment** is the mind state of an employee, where he/she finds motivation compatibly with his/her performance contribution to the organization; **alienative commitment** refers to an employee's mind state of (a) maintaining negative attachment with reluctance of meeting organizational expectation and (b) keeping the organizational membership, irrespective of discrepancy in awarding his/her performance; **job involvement** is the reliability and trust of an employee in carrying out his/her specific job in an organization; and **work involvement** refers to the

finds a positive correlation between personal trust in organization and morale commitment, and negative correlation between personal trust in organization and alienative commitment. This study reveals instrumental type of commitment (calculative commitment) is uncorrelated to personal trust for any group of employees. Further, this study also explores positive correlation between personal trust in organization and job involvement as not consistent in the different organizational context. The study also reveals slower correlations between personal trust and work involvement, compared to the correlations between personal trust and job involvement.

Vineburgh (2010) explores support for innovation and empowerment is a positive and significant determinant of organizational trust. Further, the study indicates that low level of interpersonal conflict is significantly linked with high level of organizational trust - a negative relationship between them, as explored by Hoy and Tschannen-Moran (1999).

According to Laschinger and Finegan (2005), there is a positive relationship of structural empowerment to interactional justice perception, as well as to the organizational trust of nurses. O'Brien (2001) indicates organizational trust boost the creativity and critical thinking at an employee's level, and also increase the productivity and quality. Hackman (2010) focuses on the business reasons for enhancing leadership and organizational trust. This study states organizational trust has a significant impact on overall organizational effectiveness and profitability.

Fardet *al.* (2010b) indicate positive relation between managerial competency and organizational trust in public organizations. According to DeFuria (1997), the high level of trust includes (a) encouraging innovations, (b) attaining emotional stability, (c) facilitating "acceptance and openness for free expression" and (d) encouraging to accept risk. Barney and Hansen (1994) demonstrate that organization's ability to build up the trustable relationships between employee and employer is an important source of gaining competitive advantage.

Karriker and Williams (2009) indicates positive employee-supervisor relationship can lead to develop the trust in the organization. Tan and Tan (2000) indicate that trust is related to organizational positive outcomes of higher sales and profits, and lower employee turnover. The trust also

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feeling of an employee about the importance and continuation of the work in the organization, for his/her life.

increases the levels of employee cooperative behavior (e.g., Gambetta, 1988). The absence of organizational trust is associated with the loss of interest among employees in their work and organization, employee early retirement, employee disobedience and increased levels of absenteeism, resistance to work and non-punctuality (Kowalski and Cangemi, 1993).

Whitener (1997) explains that employee trust in an organization can influence the successful implementation of the Human Resource Management (HRM) practices. Therefore, effective HRM policies and practices depend on the employees' trust on the management in an organization. HRM practices like training and development, promotions, compensation, job security, recruitment and selection, and performance evaluation have impact on developing employee trust in an organization. Cook and Wall (1980) find positive relationship between trust and organizational commitment.

Dirks (1999) explains that trust has impact on work group processes and its performance. Williams (2005) investigates the relationship of job satisfaction of nurses and their levels of organizational trust. The study findings show the contribution of job satisfaction to organizational trust, which consists of five dimensions: "competence", "openness and honesty", "concern for employees", "reliability" and "identification".

Fardet *al.* (2010a and 2010b) extend with the dimensions of organizational trust in Williams (2005), thus considering the organizational trust with: (a) "competency", (b) "honesty", (c) "reliability", (d) "preciosity and rectitude", (e) "attention to employees", (f) "vulnerability", (g) "feeling of existence and identity", (h) "mutual supervision", (i) "satisfaction" and (j) "commitment". Fardet *al.* (2010a) also indicate employee morale dimensions as: (a) "honoring the job", (b) "dependency", (c) "recommendation", (d) "job satisfaction", (e) "proper job", (f) "helping organization", (g) "not changing the organization", (h) "not changing job", (i) "thought of changing job", (j) "peer's view" and (k) "leaving organization".

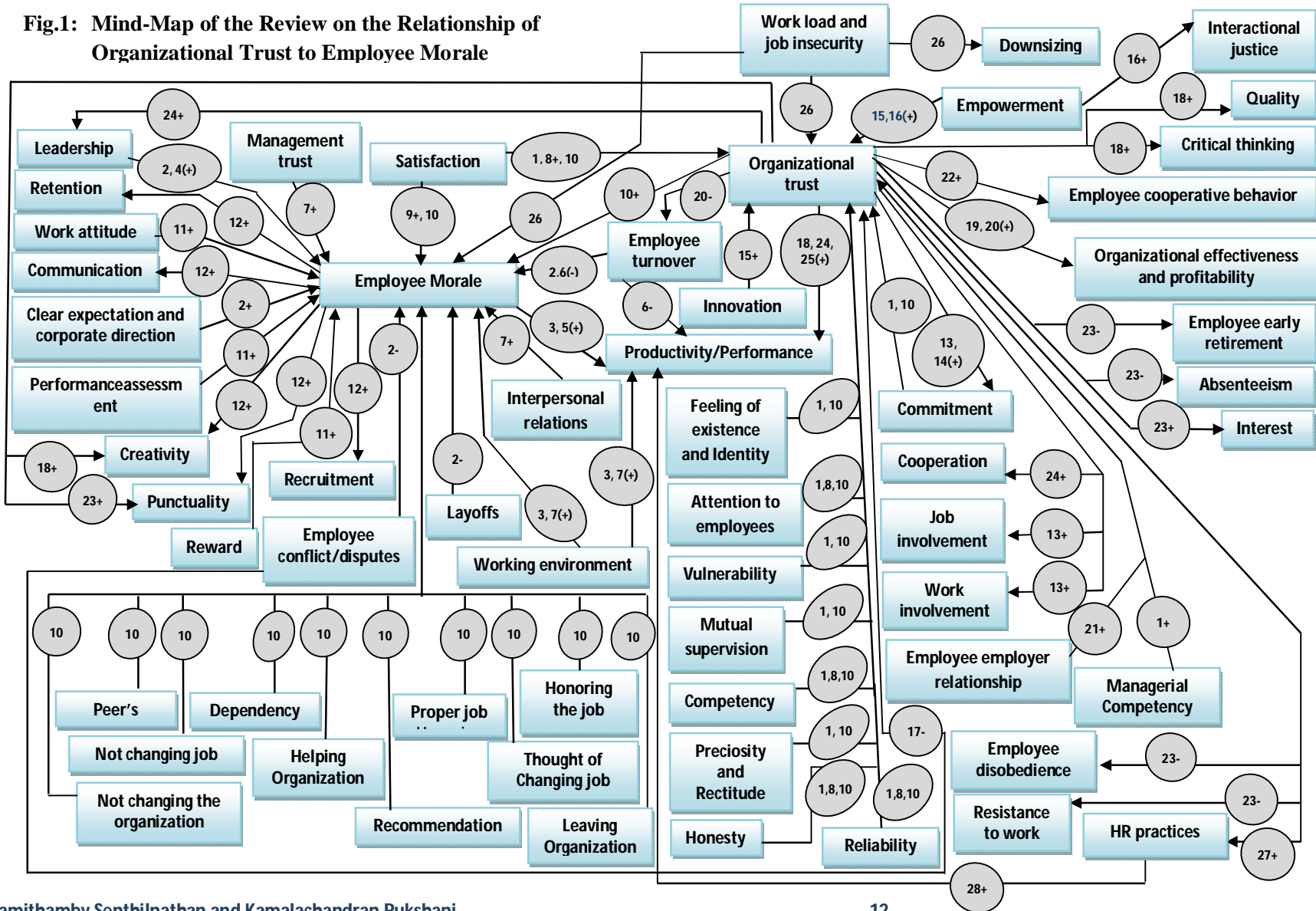
## CONCLUDING REMARKS

The above review gives explanations from studies on the organizational trust and employee morale with their related components and variables. Initially, this review defines employee morale as in the literature and its relationships in the context of endorsing the relationship of organizational trust to employee morale (e.g., Bowels and Cooper, 2009;

Haddock, 2010; Child, 1941); Guion, 1958; Glimmer, 1961; Johnsrud, 1996; Ransom, 1995; Fardet *al.*, 2010a). Further, this review provides evidences for the association of employee morale to other variables such as expected rewards (e.g., Linzet *al.*, 2006), leadership (e.g., Ngambi, 2011; Dorsett, 2006), productivity (e.g., Neely, 1999; Millett, 2010), employee turnover (e.g., Munch, 2001; Dorsett, 2006), working environment (e.g., Akintayo, 2012; Dye and Garman, 2006), improved performance, creativity and quality of work (e.g., Millett, 2010), improved employee reporting for work, communication and recruitment process (e.g., Mazin, 2010), management trust (e.g., Dye and Garman, 2006), job satisfaction (e.g., Upadhyay and Gupta, 2012), etc.

Finally, this view considers the definitions of organizational trust (e.g., Gilbert and Tang, 1998; Mishra, 1996) and its relationship to other variables such as organizational effectiveness, intrapersonal and interpersonal relationship (e.g., Fardet *al.*, 2010a), employees' expectations on their organizational roles, experiences and mutual dependency (e.g., Zalabak *et al.*, 2000), employee behavior (e.g., Mathieu, 1990), employees' reliance on the integrity, strength, ability, and security of organizations and their leaders (e.g., Cook and Wall, 1980), commitment and involvement (e.g., Bussing, 2002), innovation and empowerment (e.g., Vineburgh, 2010), conflict (e.g., Hoy and Tschannen-Moran, 1999), Structural empowerment (e.g., Laschinger and Finegan, 2005), creativity and critical thinking (e.g., O'Brien, 2001), Human Resource Management Practices (e.g., Whitener, 1997) etc. To extend and facilitate further studies with the literature support, a mind-map (see Fig.1) is presented to show these relationship variables to organizational trust and employee morale. This would facilitate the studies related to organizational trust and employee morale in particular.

**Fig.1: Mind-Map of the Review on the Relationship of Organizational Trust to Employee Morale**



In Fig.1, the numbers (and signs) in a circle indicate respective references as indicated below.

SN	Reference	SN	Reference
1.	Fard <i>et al.</i> (2010b)	15.	Vineburgh (2010)
2.	Dorsett (2006)	16.	Laschinger & Finegan (2005)
3.	Akintayo (2012)	17.	Hoy & Tschannen-Moran (1999)
4.	Ngambi (2011)	18.	O'Brien (2001)
5.	Neely (1999)	19.	Hackman (2010)
6.	Munck (2001)	20.	Tan & Tan (2000)
7.	Dye & Garman (2006)	21.	Karriker & Williams (2009)
8.	Williams (2005)	22.	Gambetta (1988)
9.	Upadhyay & Gupta (2012)	23.	Kowalski & Cangemi (2005)
10.	Fard <i>et al.</i> (2010a)	24.	Dirks & Ferrin (2001)
11.	Linz <i>et al.</i> (2006)	25.	Dirks (1999)
12.	Mazin (2010)	26.	Laschinger <i>et al.</i> (2011)
13.	Bussing (2002)	27.	Whitener (1997)
14.	Cook & Wall (1980)	28.	Atteya (2012)

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