

Trust Importance for the Employees' Performance in the Private Sector Banks of Pakistan

Waqar Ahmed^{a*}, Rashed Nawaz^b, Imran^c, Muhammad Arshad^d, Waseem Khan^e

^{a,b,d,e}PhD Scholar, Department of Management Sciences, Hazara University Mansehra, Pakistan

^cLecturer, Department of Management Sciences, Hazara University Mansehra, Pakistan

^aEmail: waqar5552@gmail.com

^bEmail: rashednawazpk@gmail.com

^cEmail: Imran_ews@yahoo.com

^dEmail: arshadtanoli@outlook.com

^eEmail: Wasikhan1@yahoo.com

Abstract

The study main theme lies in knowing the trust and the employees' performance relationship in the Private sector banks. In this study, it is analyzed that private Banks of Pakistan higher management continuously endeavor to improve coordination and trust because it is valuable for improving employees' performance. In this study, we investigate that coordination and trust gives a magnificent environment for the better efficiency and effectiveness of employees' performance. In this study, we analyzed that coordination plays a mediating role between trust and employees' performance. In this case study, survey method was used. Through random sampling, technique data were collected from 255 employees. To evaluate the data t SPSS 20 version was used.

Lastly, Research discussion and conclusion, directions for the future research of the private sectors banks employees' and recommendations were discussed in detail.

Keywords: coordination; trust; employees' performance.

* Corresponding author.

1. Introduction

The word trust is derived from the German word *trost*, which means comfort. How a trust build in the organization, among the different stakeholders different researchers have worked on the development and formation of the trust Private sector Banks of Pakistan [2]. How and why people trust among n each other. This concept remained questionable for the researchers for long period of time. A rich literature about trust points out that it is an important variable in intera-organizational and inter-organization cooperation. Trust play a significant role in satisfying the organization stakeholders either stakeholders' are patients, government employees' or any other organization members, supplier or consultant their role as a public trust is important which is also called as a inter-agency trust, which provide information on the performance of the different organizations system from a stakeholders, perspective [6]. Thus trust either it is a public trust or inter-agency trust both have vital importance for the effectiveness and efficiency of the organization.

2. Employees' Performance

Employees' performance can be major factor of multidimensional aspects those have the strategic and strong link to the objectives of the organization [36]. Organization productivity and efficiency at the work place can be measure by the real performance of the employees [17]. Performance can also be explained that employees' in according to organization rules and policies are carrying out his/her job discretion, assignment or task. It defines that accomplishment of a work or task that employees complete on his job. It explains that employees that how to do a work in the organization setup and accomplish his task as according to the organization polices and procedure.

Employees' performance is related with the Job performance which can be defined as, the final productivity of the employees' which is achieved by modification in their skills and abilities [12; 31]. Employees' performance is the individual (employee) identification and involvement to a particular task of the organization. Employees' performance is the name of employees' commitment with the organization Which is according to [31] include a desire to work in the organization for long time; work enthusiastically from his/her own will and; have the belief for the acceptance of the goals and tasks of the organization.

The employees' performance can be defined as that is related to the effectiveness of the employees' against their task and assignment [9]. In the contemporary world, competitive environment of the organization has become the most important factor both for private and public sector organizations. The scholars working on the public or private administration have highlighted the need for betterment pliability and competitiveness [17; 38]. They also argued in their study that performance of the employees' can be achieved if they feel secure at the work place.

Employees' performance mainly depends on various aspects like performance appraisals, salary, employees trust, motivation, job satisfaction, compensation, training and development, organizational structure and coaching etc [43]. Employee performance can also be operationally defined as that it shapes and conditions the value of learning new skills for employee's perception at work Place. If the perceptions of employees are

positive, then the psychological state of the employees will be positive and as a result they will feel secure in an organization. Performance is also a function of individual differences such as an aptitude for the job task. Performance of the employees is related to their motivation at workplace.

In current era organization goals can't be achieved by the efforts of one or two individuals, but it needs combined attempt of all the member of the organization [39]. The better performance of the employees, the organization needs to build the employees' skill and knowledge. Therefore, nowadays employees are considered to be main actors and valuable capital of organizations [32].

Moreover, if the employees in an organization are having trust within and out of the organization, it would improve the capacity of the employees [14]. Within the organizational environment, if employees' feel lack of trust, this will bring organizational increase in costs, employees' absence from job, lack of commitment, refusal to show services against the job responsibilities, strikes and conflict, lack of interest, achievement and motivation level, decrease in inspiration and novelty, lack of internal collaboration, difficulties in achieving the organizational objectives, and ultimately a decrease in the productivity level of the employees [2]. Employees, management are also a key for the employees' performance [18].

3. Trust

The word trust is derived from the German word *trost*, which means comfort. How a trust build in the organization, among the different stakeholders different researchers have worked on the development and formation [27]. How and why people trust among n each other. This concept remained questionable for the researchers for long period of time. A rich literature about trust points out that it is an important variable in intera-organizational and inter-organization cooperation. Trust play a significant role in satisfying the organization stakeholders either stakeholders' are patients, government employees' or any other organization members, supplier or consultant their role as a public trust is important which is also called as a inter-agency trust, which provide information on the performance of the different organizations system from a stakeholders, perspective [15]. Thus trust either it is a public trust or inter-agency trust both has vital importance for the effectiveness and efficiency of the organization.

4. Coordination

Coordination has been generally known as a mechanism to regulate interdependent objects in the form of the tasks, responsibility, capability, and information of different groups that must match for an integrated accomplishment of some common goals in appropriate time [44].

Coordination is the central and most significant part of the chain management, which works like lever in a machinery [37]. Coordination is the integral factor of the organization management which motivates the people to develop linkages with one another and also to define their role and responsibilities.

4.1 Theories of Coordination

The theories of coordination were explained by the author [25] which representing that coordination is necessary for the trust building in a n organization. They explicated four coordination mechanisms apposite for different kinds of environments these are: planning, mutual adjustment, direct supervision and standardization of work processes. In these theories they explained that for accomplishing the work output coordination is needed. The coordination remains an important research area for the researchers since classical contingency theorists, and it is also most important and central in current days. Theorists has explained a theory which they called them coordination theory of mechanism [44]. They explained that for the particular task accomplishment coordination among the employees' should be there. Researchers studied coordination in the manufacturing industrial systems [19]. They examined that new changes and system develop in the organization due to work on the coordination among the employees. Coordination plays a role of mediator because many activities completed by the support of third party [19]. This definition explain that coordination is working as mediator, for the exchange of information and knowledge among the employees. Theorists further explained Thomson's work by defining coordination is the process of managing dependencies between employees [44]. He further redefines the coordination that can be used for the analysis and redesigning of the organization. This theory gave a process which explains two conceptual ideas; one is direct activities output and other is coordination mechanism which is necessary to manage the various activities and resources of the organization. It is identified that linkage among internal employees' can be achieved by using psychological, philosophical, and practicable procedures by creating coordination among the employees [16]. So it is necessary for the organization members to work for the better performance of the employees' on the basis of the coordination, Coordination is a mutually reinforcing practice of interaction between communication and relationships carried out for task assimilation [22]. This means that coordination plays a role of medium for the communication among the members of any organization. To show an effective performance, the employees' work requires greater coordination and interaction between them. The employees have to work as according to the dilemma of coordination for the best performance of the organization. Different researchers study explains that coordination and employees' performance have the strong and positive relationship [45]. it reflects that coordination at the supervisor and sub ordinate level is necessary for better efficiency of the employees. The theory of coordination argues specifically that the effectiveness and efficiency could be achieved by quality of communication among employees at work place. It is dependent upon the worth of employees' underlying associations, specifically the extent to which they understand their goals and objectives, share knowledge and give mutual respect [20]. Coordination builds the value of relationships and communication among the employees.

Coordination makes clear the management about the importance of interdependencies between targets and output of the employees [44]. This definition shows that mutual sharing of information regarding tasks and targets is the name of coordination.

Coordination can also be defined as the organizational interdependencies among the employees who work on their task [23].

Coordination is expected to be particularly vital for achieving desired outcomes in such organization settings that can be achievable by interpersonal team work, and helps in the reduction of uncertainties and time constraints [33; 30]. Uncertainty among the employees further intensifies the need of coordination. Within the

organization if ambiguity is low, then task can be pre-planned and there require little coordination responses to changing conditions and if ambiguity is high then pre-planned tasks can't be achieved. This defined that coordination among employees of an organization improves by the quality of improving the exchange of information and knowledge.

Researchers have explained that improvement of performance outcomes of the employees, need coordination improvement among them. It means that coordination and employees' performance has a strong link [42]. Further scholars has identified and defined that high-quality coordination as one that is like a life giving process and a low quality coordination as one that is just like life depleting [17]. He explained that high coordination among the organizational members gave life to the employees' performance and low coordination affects their performance. The motivating nature of high quality coordination comes from the recognition and validation of one's self by others. Coordination creates a cycle of positive and negative responsiveness among the employees. Best practices within the organization and best reward from the employees depend upon the best coordination among the employees. If the coordination among the employees is effective then they can positively achieve the organizational goals. That will become the beauty of the work.

Trust is fundamental factor for the coordination among the employees. Trust decreased the lack of coordination among employees if it is not prevail within the employees of the organization. As it is explained in a study that "organizations are no longer built on force, but on trust," [34]. This describes that trust is the approach for the better organizational performance. It means that for the productive result there is a need of coordination but it should be on the base of trust.

The study of described the balance between team designing and team coordination [36] .He explained that performance is achieved by the managerial strategic control and coordination in the organization. He has the view that coordination is necessary for the team designing to achieve a target or task. Working atmosphere is mainly governed by group coordination which can affect any task. Team building and coordination process have a great impact on organization effectiveness both directly and indirectly through relationship with external people like organizational customers and among employees.

It is interpreted that from the groups of employees an individual relative measures may be more appropriate and simple for predicting individual performance as compared to organizational level climate concept[8].

5. Methodology

Research methodology consisting of problem identification, formulating of hypothesis, data collection of facts, data analyzing, reaching a conclusion that is related to a concern problems and generalization of the findings for the theoretical formulation [6]. Five point Likert scale method was used to collect the data from the respondents [41]. Actually, multistage sampling technique was used and from multistage sampling further, simple random sampling technique was used to collect the data from the respondents.

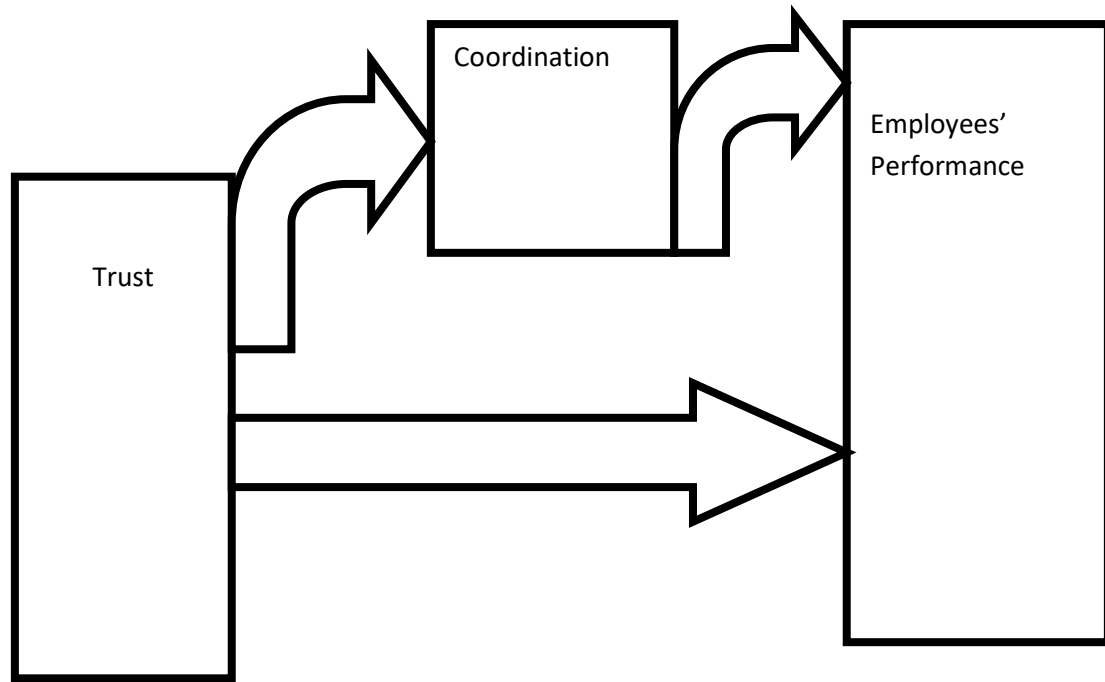


Figure 1: Model showing relationship of trust, coordination and Employees' Performance

5.1 Hypothesis

1. Trust has a positive and significant link with employees' performance.
2. Coordination has a positive and significant relationship with employees' performance.
3. Coordination has a mediating roel between trust and employees performance.

Validity Analysis

Psychometric properties is actually is called as assessing the validity of the scale. The following validity analysis was operated.

5.2 Face validity

For the correction of the questionnaire from the different professional face validity was used. On the basis of the suggestions changes in the questionnaire were made. Face validity actually provide us that whether questionnaire actually representing the construct or not [5].

5.3 Content validity

It is actually applied for the each statement of the questionnaire is representing the items [35]. It tells us that scale is representing a construct or not. Eperts opinion have made productive changes for the best representation of the construct.

5.4 Criterion validity

This validity analysis is actually explains us two things these are predictive validity an criterion validity. As in the current study variables are correlated with each other, that’s why predictive validity is applied,

5.5 Reliability Analysis

With different validity analysis validity analysis was checked which was quite satisfactory. .81 remained the Alpha value. This validity analysis is analyzed with the help of SPSS software.

6. Results Analysis

The data were analyzed by the help of two tests correlation and mediation test. The correlation test is also showing the psotive and significant relationship among the variables, trust, coordination and employees’ performance which is cleared from the table 1.

Table 1: Correlation

		Trust	Coordination	Employees’ Performance
Trust	Pearson Correlation	1	.675**	.591**
	Sig. (2-tailed)		.001	.000
	N	255	255	255
Coordination	Pearson Correlation	.712**	1	.682**
	Sig. (2-tailed)	.002		.000
	N	255	255	255
Employees’ Performance	Pearson Correlation	.591**	.682**	1
	Sig. (2-tailed)	.000	.000	
	N	255	255	255

From this table it cleared that hypotheses 1 and two are accepted.

For the mediating role of the coordination trust and employees’ performance mediation test was run on the data by the Andrew F Hayes method. The results from the methods are as follows.

Table 2 included three steps, in the first step the relationship between trust (predictor) and mediating variable which is taken as a dependent variable. These two variables are checked out in which beta has a value of value of .5405, r square .4046, t= 12.3641, and value of p is .0000 which shows a significant and positive relationships

between the variables. In the second step the independent variable (trust) and dependent variable relationship was checked out which also clarify a significant and positive relationship between these two because the value of beta is .4521, t value is 11.3421 and the value of p is .0000.

In the last step the mediating variable add with independent and dependent variables to check out the results of these. When the test was run the results was quite unique which show insignificant relationship, it means that there is a full mediation. The value of t is 2.7144 and the value of p is .0101 which declared that that the coordination plays a role of full mediation between trust and employees' performance. The Indirect effect of (X on Y) is also greater than zero which explains and the mediation role of the coordination between trust and employees' performance.

Table 2: Mediation Test

	Outcome COO			Outcome EP			Outcome EP		
	Beta	T	P	Beta	t	p	Beta	t	p
Trust	.5405	12.3641	.0000	.4521	11.3421	.0000	.1021	12.6302	.0101
COO							.6134	2.5785	.0000
R ²	.4046			.3273			.6132		
Indirect Effect of X on Y	.3314	Direct Effect	.1021		Total Effect	.4333			

7. Directions for the Future Study

The study is beneficial for the private sectors banks employees of the Pakistan. This study can be applied for the other organizations. The study interpretation further explains that coordination among the employees' of the organization should be enhancing for productivity of them. Banks and other organization should coordinate with their staffs for the better environment and also for better performance of the organization. Creativity and better solution of the problems of banks organization can be achieved by the adapting coordination technique on all hierarchal level.

Management should enhance the performance of the employees by building trust and coordination among the employees. Management should promote coordination among the employees of the banks enhance trust level.

The study explains the importance of trust in the private sector banks employees' has a gigantic affects on their performance. This study can be conducted in other organization as well. It depends on the environment and culture of the country where an organization run. The results can be same or change.

8. Recommendations for the Top Management

Trust and coordination are the main variables which play a significant role in the employees' performance. It means that private sectors banks management should produce the environment of trust and coordination for the employees. Coordination and trust are the ample proofs for the employees' commitment to the organization. High-level results can be achieved by practicing coordination and trust among the employees. Management should make the organization a learning organization for the flow of knowledge in the organization. A learning environment can only be achieved; when coordination, trust are present in the organization.

9. Conclusion

This study gave us the ample proof that there is positive and significant between trust and employees' performance and also there is a positive relationship between trust and coordination. On the other side, there is a mediating role of coordination between trust and employees performance. It means that there is a strong need for coordination among the employees and the top management to enhance the productivity level of employees in the organization by developing trust. This study also a little bit match with the results of [29,26] which was conducted in a multiethnic environment. It means that private sector banks owners and top management should ensure the coordination of the employees for the productive work. It is cleared that coordination plays a significant role in mediating between trust and employees' performance. Trust can be produced in the organization on the basis of personal attachment, intuitional and social level

10. Recommendations and Limitations

This study is vital for the top management of the private Banks of Pakistan. Top management should know about the mediating role of the coordination among the employees to build a trust among them. This study can be implementing in the organization environment as well. Employees' performance can be improved in any other organization by developing a strong and long-term coordination among the top, middle and lower levels management. Coordination plays a backbone role in the organization performance on the basis of trust. We are not able to approach every private Bank due to limited resources. Furthermore, multiple organizations should practice the role of coordination to strengthen trust for employees' performance. Lastly, this study is a starting point for the for the trust building among the employees' by strengthening the coordination among them, other variables like job security, psychological society, stress can be tested as mediating and moderating variables in a different cultural organization at the national level.

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