

The Effect of Contextual Factors on Degree of Trust in Kuwaiti Business Organization

Authors : Ali Muhammad

Abstract : The study investigates the effect of a number of contextual on the degree of trust within Kuwaiti business organizations. The model used in this study suggests that degree of trust within the organization is determined by four contextual variables, namely, centralization, formalization, role ambiguity, and procedural justice. Organizational trust refers to employee' positive assumptions in regard to the goal and behaviors of other members in the organization according to organizational duties, relationships, experiences, and interrelatedness. According to the norm of reciprocity, individuals with high perceived organizational justice will be compelled to react positively to the organization in the form of higher degree of trust. The duty to exchange kindness for kindness. Based on the exchange theory, this research proposes that procedural justice, role clarity, and voice in the organization will lead to the perception of an organization's discretionary positive treatment of employees and, in return enhances their trust in the organization. Survey data were collected from a sample of 206 employees working in Kuwaiti business organizations. Results of multiple regression analysis revealed that both organizational justice and formalization have positive effects on organizational trust. Furthermore, results indicate that lower degree of role ambiguity leads to higher degree of organizational trust. On the other hand, centralization was not found to have a significant effect on organizational trust. Implications of the findings and directions for future research are discussed.

Keywords : centralization, formalization, organizational justice, organizational trust, role ambiguity

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