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THE POWER OF TRUST IN ORGANIZATIONS: Two studies on the importance of building trusting relationships in organizational settings

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ABSTRACT

New forms of work require approaches and methods that generate a work climate based on trust. For this reason, this research aims to analyze first the consequences of the trust of the managers in the subordinates on variables such as participation or motivation. To this end, the data from the sixth survey "National Survey of Working Conditions" was used. The results obtained show that trust in employees improves participation and motivation processes in companies. Second, a bidirectional theoretical model is proposed which aims to analyze how trust is related to relevant variables such as innovation, the common welfare, leadership style and organizational structure. A model that shows how trust can improve the functioning of the organization and the well-being of agents. These two studies highlight the importance of building relationships of trust in organizations.

Key Words

Trust, Participation, Motivation, Employees, Vertical trust, Innovation, common Welfare, Leadership, Flat structure.



<u>INDEX</u>

1. INTRODUCTION	4
2. THEORETICAL FRAMEWORK	7
2.1. The concept of Trust	7
2.1.1. Dimensions of trust: Difference between trust based on affection and cognition.	8
2.1.2. Organizational trust typologies: intra-organizational and inter-organizational	9
2.1.3. Benefits of intra-organizational trust	. 12
2.1.4. Management behaviours that foster trust	. 13
2.2. Motivation	. 15
2.3. Participation	. 18
3. STUDY 1: EMPIRICAL STUDY	. 19
3.1 Statement of hypothesis	. 19
3.1.1. The effects of trust on participation	. 19
3.1.2. Motivate employees through trust	. 20
3.1.3. Motivate employees through participation	. 21
3.2. Study Sample	. 23
3.3. Methodology and analysis of results	. 28
3.4. Discussion, Limitations and Future research lines	. 33
4. STUDY 2: THEORETICAL MODEL ON TRUST	. 36
4.1. Introduction	. 36
4.2. Theoretical Proposals	. 38
4.2.1 The relationship between trust and horizontal structure	. 38
4.2.2 The relationship between trust and leadership style	. 40
4.2.3 The relationship between trust and innovation	. 42
4.2.4 The relationship between trust and the common welfare	. 44
4.3. Proposed theoretical model	. 45
4.4. Discussion and Suggestions for future research	. 47
5. CONCLUSIONS	. 49
6. BIBLIOGRAPHIC REFERENCES	. 51



INDEX OF FIGURES

Figure 1: Trust dimensions	9
Figure 2: Intra-organizational trust	11
Figure 3: Inter-organizational trust (e.g. Supplier - Customer)	11
Figure 4: Maslow's pyramid	
Figure 5: Summary of Study Results	
Figure 6: Biderectional Model Proposed	

TABLE INDEX

Table 1: Distribution of the sample according to educational level and sex	24
Table 2: Results of hypothesis 1 (P-value, t-student, β)	
Table 3: Results of ANOVA	29
Table 4: Results of hypothesis 2 (P-value, t-student, β)	29
Table 5: Results of ANOVA	30
Table 6: Results of hypothesis 3 (P-value, t-student, β)	30
Table 7: Results of ANOVA	

GRAPHIC INDEX

Graphic 1: Distribution of the sample by sex for N= 3,364	23
Graphic 2: Distribution of the sample according to economic activity	25
Graphic 3: Distribution of the sample according to the type of journey	25
Graphic 4: Distribution of the autonomous sample according to sex and sector	27



1. INTRODUCTION

Research on trust in an organizational context has advanced considerably in recent decades. Since the mid-1990s, the issue of trust in organizations has received considerable attention in the academic literature (Mayer, 1995; Rousseau, 1998; McAllister, 1995; Zaheer, 1998), as well as the popular press and publications of an informative nature. In this way, research on this subject has advanced considerably in recent decades. This growing interest has been due mainly to the positive effects that trust has shown to generate in employees, work teams and organizations as a whole. Organizational trust is a key element for the effective functioning of companies, as reflected in an increasing number of studies (for example, Gulati and Nickerson, 2008; Guinot et al., 2015).

Trust is defined as the desire to be vulnerable to the other part when that part can not be controlled or supervised (Mayer et al., 1995). If there is confidence, the parties involved will be willing to take more risks. For example, a supervisor may take a risk by delegating certain important tasks to the subordinate. That is, the level of confidence of the superior with the subordinate will determine the amount of risk that the supervisor is willing to assume (Mayer et al., 1995). Nowadays, leaders must be able to trust others and take risks, instead of trying to control them with excessive directives or rules that reduce mistrust and foster hostility and fear (Mackey and Sidodia, 2016). In addition, if workers perceive that their leaders trust them, they will be more involved, more productive and show higher levels of energy and creativity. Hence the importance of leaders showing trust in others.

Trust has been positioned as a key factor for the quality of interpersonal relationships and a source of competitive advantage for organizations (Barney and Hansen, 1994, Lin, 2010). It is also considered as an essential condition in any positive and productive social process (Zaheer et al., 1998). Likewise, it has been shown that trust leads to greater organizational performance since it improves the functioning of teams, the performance of workers and the relationships between the parties (Guinot et al., 2013). In addition, a high level of trust is essential to have a good work environment, increase levels of organizational commitment or loyalty, increase productivity rates, as well as reducing staff turnover rates (Caldwell and Clapham, 2003).



Normally, trust has been studied from an intra-organizational approach -that is, among employees of the same organization- to explain a wide range of issues of organizational phenomena such as productivity, working environment or the functioning of teams. This has generated a diverse and eclectic body of knowledge about the relationship between intra-organizational trust and various organizational outcomes. At the same time, intra-organizational trust has been characterized as a multidimensional variable that can be vertical or lateral (McCauley and Kuhnert, 1992). The lateral confidence refers to the trust existing among the employees. For its part, vertical trust refers to trust between workers and their subordinates, managers, or the organization as a whole.

In this research, we will try to investigate the trust phenomenon in two different studies in order to explain in depth and in detail the phenomenon of trust in organizations. To do this, we start with a first study that consists of an empirical study that aims to study the existence of empirical evidence regarding the hypothesis. Subsequently, we will continue with a second study that will deal with a proposal of a more theoretical nature, where a model of bidirectional relations centered on trust is proposed.

On the one hand, in study 1 we will focus on analyzing vertical trust, particularly the trust of management towards subordinates. So far, research has focused exclusively on analysing the effects of worker confidence on other higher levels of the hierarchy. However, new forms of work, based on human resource models that place the worker as a cornerstone giving him more responsibility, autonomy, participation and proactivity, require that business leaders or managers trust their workers (Brower et al., 2017). It is through these strategies that new HR models indicate that the commitment, involvement, motivation and performance of workers can be promoted (Chiva, 2014).

Based on these premises, this first study aims to analyze the consequences of managers' trust in employees about processes that are so relevant to the functioning and performance of companies, such as motivation and participation. In particular, participation in decision making is conceived as a fundamental pillar to improve job satisfaction, commitment and productivity (Lam et al., 2002, Fulmer and Gelfand 2012). For its parts, motivation helps companies to be more competitive and to be able to face changes better, also favouring creativity and innovation (Durant et al., 2006). Likewise, keep workers motivated benefits the company's



image, which may favour the company when it comes to attracting new talent and creative employees. At the same time, some studies suggest that a high level of interpersonal trust is capable of promoting the desire to participate in the practices of the organization and improve levels of motivation (Chiva, 2014).

In accordance with the above, in this first study we intend to offer a better understanding of the phenomenon of trust towards lower levels within companies. Despite the large number of studies that have been carried out in recent decades on trust, there is no empirical evidence showing how the trust of leaders in subordinates relates to such important variables as processes of participation and motivation in companies. In addition, this work aims to simultaneously find out whether participation could also boost levels of motivation in companies.

To carry out this research, we have decided to make quantitative research on the "6th European Working Conditions Survey" promoted by the European Foundation for the Improvement of Living and Working Conditions, to which a national sample has been added that allows its analysis separately for Spain. The 6th EWCS-Spain corresponds to the 2015 edition of the National Survey of Working Conditions. Their results provide detailed information on a wide variety of issues, including exposure to psychosocial and physical risks, the organization of work, the balance between work and family life, and health and well-being. For this analysis, the software platform of IBM SPSS has been used, a program that offers us to perform advanced statistical studies and analyze the relationships proposed in this work. On the other hand, regarding the second study of the work (Study 2), it is intended to analyze the trust and its relation with certain variables through a theoretical proposal. To do this, a bidirectional relations model is analyzed on four hypotheses where confidence occupies the central position. It is about a model that proposes novel relationships such as the bidirectional relationship between trust and innovation, common welfare, organizational structure and

This project contains the following structure: first, we have the theoretical framework where the literature of the phenomenon of trust and of the motivation and participation variables is collected. Second, the empirical study is reflected (study 1). Subsequently, we have the theoretical study (study 2). Each study contains a point of "discussion". And finally, we draft a final conclusion of all the work.

leadership.



2. THEORETICAL FRAMEWORK

2.1. The concept of Trust

Mayer (1995: 712) defined the concept of trust as "the willingness of one party to be vulnerable to the actions of another party based on the expectation that the other party will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party". From this definition we can highlight two very relevant aspects: (1) we trust voluntarily and (2) we are vulnerable to the actions of the other party. According to the RAE, trust is the security or firm hope that a person has of another individual or something. In addition, this concept is understood as faith in the intentions or actions of a person or group, with the expectation that ethical, fair and non-threatening behaviour will occur (Rousseau et al., 1998).

Trust is considered as a psychological state, which is perceived by the human being as a state with a certain vulnerability or risk derived from the dependence of the actions and interactions that a part can perform on the other parts (Kramer, 1999). Thus, trust is a mutual interaction that requires a certain degree of risk acceptance and reflection (Brower et al., 2017). Trust takes no risks by itself, but rather it is a complacency to take risks (Mayer and Davis, 1995). Therefore, trust is a psychological state that is made up of several factors used to investigate the effect of trust in organizations (Kramer, 1999). On the other hand, several authors (Mayer et al., 1995; Rousseau, 1998) specify trust as a positive expectation for others. That is, when an individual feels confident, this generates a state of satisfaction, security, motivation and responsibility. Moreover, it also tends to share trust, giving rise to mutual trust. However, in order to gain the trust of others, one must be transparent, keep the word, tell the truth and share ideas, emotions, feelings and knowledge (Brower, 2017). At the same time, trust is considered as an attribute and an essential human virtue, since trusting others and trusting others is a central element to be considered completely human (Makey and Sisodia, 2016).

In recent years, organizations around the world have given more importance to the trust factor, because trust is considered as the essential lubricant for the unimpeded functioning of organizations. But it should be noted that creating trust is a slow and difficult process (Makey and Sisodia, 2016). Hence, the existence of several studies, theories, methodologies and research that reveal the importance of trust in organizations ((Rousseua, 1998; Guinot et al., 2013).

ZINA BARGHOUTI



2.1.1. Dimensions of trust: Difference between trust based on affection and cognition

Interpersonal trust includes two fundamental dimensions such as cognitive trust and affective trust (Mc Allister, 1995).

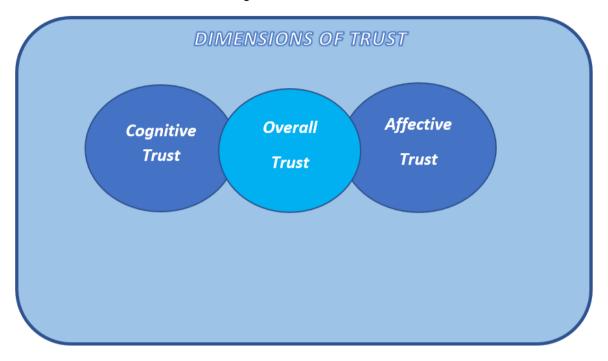
Cognitive Trust is the rational decision to trust another party based on qualities such as responsibility, reliability and competence (McAllister, 1995). Trust is based on cognition because "we choose who we will trust in what aspects and under what circumstances, and we base the choice on what we consider 'good reasons', which constitute evidence of trustworthy dignity" (McAllister,1995). When analyzed or studied what is trust based on cognition, comes to light a fundamental concept which is the "knowledge available" (Luhman, 1979). It is considered that the available knowledge serves as a basis for trust decisions and helps to choose who or what to trust and under what conditions and circumstances (Mc Allister, 1995; Luhman, 1979).

Regarding **trust based on affect** (Affective Trust), it is conceived and arises from the creation of emotional bonds between people based on reciprocal interpersonal care and concern (McAllister, 1995). When they suggest relationships of trust, individuals tend to express genuine care, show an interest and concern for others, and believe in the intrinsic virtue of such relationships and the belief that those feelings will be reciprocal (Möllering,2005; McAllister, 1995).

Another definition proposal combines these two dimensions into a single dimension that is known as general trust (Dirks and Ferrin, 2002). **General Trust** encompasses both the aspects and characteristics of cognitive trust and affective trust (see Figure 3). This study is based on this last definition on the concept of trust.



Figure 1: Trust dimensions



Source: Own elaboration

2.1.2. Organizational trust typologies: intra-organizational and interorganizational

Once we know what trust is at a general level, it is possible to specify on what organizational trust is based. For this, the literature basically distinguishes two types of trust at the organizational level: intra-organizational trust (trust within the organization) and interorganizational trust (trust between organizations). At the same time, intra-organizational trust is a multidimensional variable that can be lateral or vertical (McCauley and Kuhnert, 1992).

With respect to **intra-organizational trust**, it consists of the level of trust that is transmitted between the members of the organization (within the company), that is, between co-workers, between the manager-employee or the employee- subordinate (Guinot and Chiva, 2019). Intra-organizational trust is vital since it affects the behavior of individuals and this in turn can improve efficiency (Engle-Warnick and Slonim, 2006), can create a work climate based on energy, optimism and positivism (Mackey and Sisodia, 2016: 305). In addition, trust among people within the organization has been highlighted as an essential ingredient to achieve the long-term stability and well-being of its members (Cook and Wall, 1980).



On the other hand, **inter-organizational trust** is defined as the trust existing between the members of the organization and the associated companies (other organizations, partners, suppliers ...) (Guinot and Chiva, 2019). In addition, inter-organizational trust is considered as a factor of credibility among organizations (Seppänen,2007). Harris and Goode (2004) defined inter-organizational trust as a factor that generates loyalty based since the shared values, quality of service and customer satisfaction.

Likewise, when intra-organizational trust is studied, it can be analyzed from two perspectives that can be lateral or vertical (McCauley and Kuhnert, 1992; Guinot et al., 2014). **The lateral trust**_consists of that trust that is transmitted between the co-workers or colleagues who develop tasks that requires a sustainable communication between them. That is, between partners of the same hierarchical level. On the other hand, **vertical trust** deals with the trust existing between employees and their subordinates, superiors or the organization as a whole. The distinction between the two perspectives is vital to understand the phenomenon of trust in companies (Brower et al, 2017). In addition, it allows us to detect the degree of delegation and authority existing in the organization (Zak, 2017). That is, the degree of authority and delegation between superiors and employees, and among partners.

As previously mentioned, this study will focus on trust, particularly in the trust of managers towards subordinates. As normally the research has focused on studying the effects of the confidence of the workers towards superiors, however, this study consists of studying exactly the opposite, that is, to analyze the effects of the trust of superiors to subordinates.



To better understand the difference between the two, Illustration 1 and Illustration 2 show each type of trust in a schematic way.

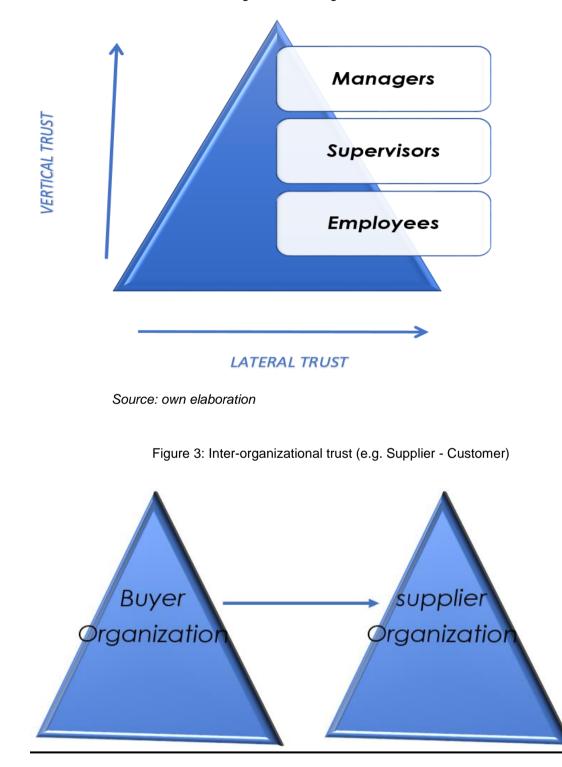


Figure 2: Intra-organizational trust

Source: own elaboration

ZINA BARGHOUTI



2.1.3. Benefits of intra-organizational trust

Several authors (Mayer, 1995; Guinot et al., 2013; Brower et al., 2017) suggest that organizational trust has significant benefits for organizations. For this, trust is considered as a phenomenon capable of facilitating certain behaviours that allow the parties to cooperate, participate and delegate (Mayer et al., 1995). Moreover, trust can generate a more favourable work environment for the development of work and achieve the objectives of the company. In addition, trust is conceived as an essential foundation of organizational effectiveness and the creation of an environment based on security, capacity and honesty.

The literature suggests that trust is a factor that generates sustainable benefits in organizations. Among other aspects, it allows to increase and improve communication, learn to delegate, accept constructive criticism, be transparent and consider human capital beyond the professional relationship (Brower et al., 2017). Thus, organizations must know what trust consist and identify the level of trust that exists within the company to take advantage of this phenomenon. In addition, trust could be a source of sustainable competitive advantage (Barney and Hansen, 1994) by creating work teams where employees and supervisors exchange trust in mutual ways (Mayer and Gavin, 2005). This promotes internal communication and the expansion of information within the organization, and having informed employees positively influences organizational performance (Mayer and Gavin, 2005; Chiva et al., 2014). Dyer and Chu (2003) affirm that trust is a mechanism capable of increasing productivity and minimizing transaction costs. Likewise, trust makes employees more involved and more efficient in their work, generating a synergy among agents (Mackey and Sisodia, 2016).

Trust improves coordination among the parties, which helps minimize inefficiencies and conflicts within organizations (Dyer and Chu, 2003). The provocative findings of Putman (1993) suggests that trust is a factor that increases spontaneous sociability among the members of the organization, and facilitates adaptability to the authorities of the organization. Therefore, the confidence factor can generate a virtuous circle in the company that will translate into benefits in the medium and long term.

It is worth mentioning that managers' trust in subordinates provides us other benefits related to employee participation, motivation, innovation, common good ... These benefits and others will be developed throughout our investigation.



2.1.4. Management behaviours that foster trust

Through the experiments and studies that have been carried out on organizational trust, Zak (2017) has identified eight management behaviours that promote trust. These behaviours are measurable and can be managed to improve performance in organizations. Next, I will try to explain each of the behaviours in detail.

I. Recognize excellence

Neuroscience confirms that the recognition of achievements immediately after achieving a certain objective generates a greater effect on trust, especially when the human being receives a public recognition (in front of his colleagues and subordinates) (Zak, 2017). The recognition yearns to foster mutual trust. On the one hand, the employee feels safe for the organization, which translates into an increase in loyalty and commitment towards the organization. On the other hand, through recognition, the organization shows its members that it trusts them, which improves performance (Zak, 2017)

II. Induce "challenge stress"

Zak (2017) suggests that challenging stress is a key behavior to build trust. However, stress can be challenged by substituting authoritarian works and individualistic objectives, by creating sustainable work teams where the collaboration of all the members is allowed. Therefore, working together is a way that reduces the stress that can be generated in jobs, and fosters trust among the members.

III. Enable work preparation

When organizations trust on employees to choose which projects they will work with (this means, that it is the employee himself who voluntarily chooses which project he wants to b part of instead of being assigned by subordinates), they tend to be more productive and concentrate their energies more (Browen et al., 2017). This results in greater motivation, participation, commitment, creativity and productivity. Therefore, the fact that an employee feels autonomous in his job, that is, that he can decide on his own which projects he wants to carry out, fosters trust and security (Zak, 2017).



IV. Share information

All the members of the organization must be well informed about the objectives, strategies and tactics of their company, it is necessary to have an internal communication and constantly. However, normally what happens in companies is that the information only concentrates on the top part does not go down (especially in companies with hierarchical and bureaucratic levels) (J. Zak, 2017). Moreover, normally in organizations it is observed how employees are governed by a series of orders and norms established by higher levels. That is, the superiors do not share the information with the employees. For this reason, superiors must trust subordinates sharing with them all the information, changes and decisions that are being made in the organization. This results in greater integration and satisfaction.

V. Build relationships

Trust and sociability are deeply rooted in our nature, however, usually in companies employees often receive the message that you have to focus on completing tasks, not making friends or establishing good relationships with colleagues. This philosophy gives rise to individualism and self-interest, however, when people build social relationships at work, their performance improves (Zak, 2017). Likewise, behaviours such as congratulating others for their work, volunteering to help in different tasks and communicating with colleagues beyond work promote good working relationships in the first place, and in the second place it results in greater trust among the members.

VI. Integral growth of the person

Organizations with high levels of trust allow and help people to develop on a personal and professional level (Zak, 2017). Companies with high confidence adopt a projected mentality towards growth in the development of talent, investment in the workforce generates a powerful effect on commitment and retention. These are companies that follow HR management models focused on trust, where they trust and believe in the capacity of employees and are supported to develop their talent, skills and creativity (Martinez and Bañon, 2015).



VII. Show vulnerability

Leaders who are part of companies that support high confidence, usually ask for help and participation of employees to make certain decisions instead of simply sending them to perform specific tasks of their position (Brower et al., 2017). J. Zak, 2017 confirms that "Asking for help is effective, as it taps into the natural impulse of the human being to cooperate with others."

VIII. Give people freedom in their work

Once the employees that integrate into the organization have acquired the necessary training and have been trained in the company and especially in their position, they must be left free to manage and execute the projects in their own way (Zak, 2017). Since autonomy promotes motivation and innovation (Herzberg, 1968).

2.2. Motivation

Chiavenato (2007) defines motivation as the result of the interaction between the human being and the situation that surrounds him. Depending on the situation in which the individual is and at a certain time in life the individual will be motivated or demotivated. Maslow (1943) suggests that motivation is the impulse that the human being has to satisfy his needs. For this reason, it classifies the needs of the human being in five categories starting from the most basic needs until reaching the needs of self-realization. In the first position, the basic needs are highlighted, which are the survival needs that all individuals must have; in the second level are the security and protection needs; in the third step are the needs related to social character, called membership needs; In the fourth level are the needs related to esteem towards oneself, and, finally, there are the needs for self-realization (see illustration 4).







Source: own elaboration

The literature suggests that motivation is an extremely important factor in achieving the objectives of the organization. For this reason, employees who are in a positive environment or context, will have a high degree of satisfaction which will be reflected in the commitment, loyalty and performance. On the contrary, individuals in a negative context will be unable to satisfaction the needs of the company (Benabou and Tirole, 2003). In addition, other authors (for example, Mackey and Sisodia, 2016: 137) suggest that the motivation factor is essential to improve communication between employees and company, and to promote business competitiveness.

Normally, when studying the motivation factor, different types of motivations are distinguished. The most studied distinction is made between the **intrinsic motivation**, which refers to doing something because it is inherently interesting, and **extrinsic motivation**, because it leads to a result (Ryan and Deci, 2000). The intrinsic motivation resides within the individual, and is directed by the needs of exploration, experimentation and curiosity. In addition, it is the underlying need in the individual for social competence and self-determination. That is, they are all behaviours free of external influences (Benabou and Tirole, 2003). This motivation results in high quality learning and creativity (Ryan and Deci, 2003). However, extrinsic motivation is driven from the outside by prizes, rewards or possible punishments (Ryan and



Deci, 2000). Thus, sometimes the individual is forced to do something that does not like simply for the reward.

Likewise, McGregor (1960), proposes two models of business operation, the first model is the theory X that is characterized as a more traditional model where the only thing that motivates the employee are monetary rewards. Subsequently, it appears the theory Y, a model that breaks the traditional limitations. The so-called theory X is a model that tries to explain the way of understanding the company and the worker that has been the majority until now. This traditional view considers the employee as a passive entity that must be forced to work, whose being tends to work as little as possible and whose motivation is to obtain a monetary reward. He is considered poorly informed, distrustful, incapable of managing changes, unambitious and his only motivation is money. Under this limitation, leadership is exercised in an authoritarian manner and based on continuous control, norms and rules. What's more, we are facing trustworthy leadership towards employees. With the passage of time, McGregor detected that it was necessary to start from a different theory that had a different vision of the worker and his role in the company. A theory that is characterized by the transmission of trust, by monetary and non-monetary rewards that motivate the employee, by participation and by their autonomy and freedom. The result of this was the theory Y. This theory starts with the idea that employees are not a passive element but active. In addition, it tells us the value and importance of motivation and challenge, a value that is not usually taken advantage of and prevents workers from developing until reaching their maximum potential. It is also not observed that employees pursue individual objectives, but that they usually work as a team where everyone participates and contributes ideas. Therefore, unlike theory X, this theory is intended to enrich the work by making the worker responsible for different tasks, and encourage it to be active and participatory, able to make their own decisions. Moreover, Y theory suggests training the employee, sharing information, negotiating objectives and generating a climate of mutual trust.



2.3. Participation

Lam et al (2002) define participation as the degree of involvement of employees in the work processes of their department or organization. Participation is any form of management of the company and the production in which the workers are part (Irvine 1989). Also, it can be defined as a set of measures and interventions of the worker in the organizational decision-making processes (Han et al, 2010).

Several researchers (for example, Cotton, VoUrath, Froggatt, Lengnick-Hall, & Jennings, 1988, Miller & Monge, 1986) have studied the consequences of the participation factor in the organization. These studies have confirmed that participation is a phenomenon that contributes to the improvement of performance levels and job satisfaction and reduces the turnover levels of personnel in companies, hence the growing interest in their study. In addition, Chao (2005) proposes that participation in the workplace allows workers to learn and further develop their professional practice, through participation in decision making, changes, strategies and the evolution of the organization. Likewise, when employees participate in decision-making, they feel more committed to achieving the desired results, becoming a powerful motivator for workers to be taken into consideration when deciding (Laloux, 2014).

The literature suggests that participation is a key element for increasing productivity, commitment and motivation. Thus, participation supposes the satisfaction on the one hand of the needs of self-fulfilment of the employees, and on the other hand the need to solve the problems that arise in the organization (Uhlaner, 1989; Chao, 2005. In addition, Chiva (2014) proposes that the participation of employees in the organization is a phenomenon that favours the creation of a positive work environment, where everyone interacts, suggests ideas and exchanges opinions. Likewise, increasingly new models of HR management are encouraging employee participation, since it has been proven that when workers are part of the organization (Laloux, 2014). We are talking about HRM management systems that emphasize the promotion of a participatory culture, characterized by high levels of employee participation in management decisions (Chiva, 2014).



3. STUDY 1: EMPIRICAL STUDY¹

Study 1 consists of an empirical study where the aim is to demonstrate how trust of leaders in subordinates is positively related to the variables participation and motivation. Likewise, it is intended to reveal if the participation could promote the levels of motivation in the company. As mentioned above, study 1 deals with quantitative research on the "6th European Survey of Working Conditions". To carry out this qualitative research, the IBM SPSS software platform has been used. This study consists of the approach of three hypotheses that are intended to investigate and affirm after analyzing the levels of significance between the relationships carried out. Thus, thanks to the statistical data provided by the SPSS program, we can analyze the existence of significant relationships between the variables.

3.1 Statement of hypothesis

3.1.1. The effects of trust on participation

The participation of workers in the improvement of the organization and direction of work has been a focus of academic research that has received increasing attention in recent years (Han et al., 2010). This is postulated as a variable that can benefit the functioning of organizations (Laloux, 2014). Even so, it is also a delicate process that requires specific conditions for its correct implementation. Normally organizations do not know the process or ways that can promote the degree of labour participation. In this sense, a climate of trust between workers and managers seems to be key to adequately promote participation within companies (Lam et al, 2002). Therefore, trust could be a firm path that can benefit organizations to promote and increase the degree of worker participation.

Research suggests that when individuals feel trust, they seem more willing to participate in decision making or organizational changes, assuming risks and responsibilities (Chiva et al., 2007; Guinot et al., 2013). Thus, a high level of trust increases the likelihood that one participates in the organization by taking risks, challenges, cooperating more and sharing information and ideas. When an employee perceives that the management trusts them, he

¹ A version of this study has been accepted for publication in the journal UCJC Business & Society Review (formerly known as Universia Business Review)



loses fear and is able to collaborate in the improvements of the organization assuming more easily the assumption of responsibility (Guinot et al, 2013).

Furthermore, it seems that trust of superiors in subordinates facilitates the creation of a positive work environment that results in more positive attitudes, such as organizational commitment and job satisfaction (Dirks and Ferrin, 2001). Thus, having a positive work environment allows workers to be motivated to participate in the improvements of the organization.

In this sense, if an employee does not participate in the improvements of the organization, he will always be more predisposed to criticize the decisions made "from above" because he does not feel that the organization trusts him and his participation (Chao,2005). Instead, if you feel that you have some responsibility, criticism of decisions will be more moderate and workers will be more focused on solving future problems. Thus, this research suggests that trust of superiors in subordinates is an essential condition to facilitate the processes of participation in companies. Consequently, the following hypothesis is proposed:

Hypothesis 1: Trust in employees is positively related to participation.

3.1.2. Motivate employees through trust

Motivation is vital for the development of both the human being and the organisation itself, as having motivated employees can generate a multitude of individual and collective advantages. For example, having motivated employees is reflected positively in results such as productivity or work commitment. Likewise, motivation in workplaces has been shown as a variable capable of promoting good behaviours and improving job satisfaction (Durant et al., 2006). At the organizational level, higher levels of motivation among employees are linked to a better performance and greater success of the organization, mainly through the promotion of a positive work environment (Barbuto, 2005). At the organizational level, higher levels of motivation among employees are linked to a better performance and greater success of the favouring of a positive working environment (Barbuto, 2005). Therefore, due to the significant benefits at individual and collective level in companies, it is very interesting to discover the favourable conditions of motivation in companies. In this sense, trust towards subordinates could play a key role.



Some authors (for example, Brower et al., 2017) have suggested that, if managers or superiors show employees that they trust them, they seem to be more committed to the organization and show more motivated. Moreover, the trust placed in workers helps them feel more valued in the company and motivated to take responsibility and take part in the activities of the organization (Grant and Sumanth, 2009). In addition, if the employee is motivated and satisfied in his job is difficult to leave the organization and go to the competition. In a parallel line of argument, Herzberg (1968) already pointed out that one way to motivate the members of an organization is to offer them challenging jobs in which they can assume responsibilities. For this, it result essential to first trust people. Therefore, it seems that trust on the abilities, skills, opinions of employees is postulated as an essential ingredient to win over people and that they perceive that the organization maintains a commitment with them that results in improving their levels of motivation. In this way, the confidence of superiors in subordinates could be a key element for the company to implement strategies that lead to an improvement in employee motivation. Therefore, the following hypothesis is suggested:

Hypothesis 2: Trust in employees is positively related to motivation

3.1.3. Motivate employees through participation

Implementing a program based on the participation of employees in the improvement of the organization seems to be a fundamental strategy to guarantee employee motivation. Turning employees into participants in the growth of the organization is an initiative that makes them feel more integrated and valued by the company (Lam et al., 2002), also implying their self-realization (Chiva, 2014). In fact, participatory work allows workers better access to information and communication and achieve greater levels of involvement, dedication and commitment on the part of them (Chiva, 2014). In this way, promoting participation can generate a sense of recognition, a sense of usefulness, personal fulfilment and respect for workers (Mackey and Sisodia, 2016). In addition, having motivated employees is reflected in the results, such as productivity, work commitment and fostering the workers' experience (Barbuto, 2005), and this could lead to a competitive advantage for the organization. Moreover, participation motivates the employee to be more creative and take full advantage of their internal potential to offer new ideas or suggestions to the organization (Han et al, .2010).



The attempt to get employees motivated through participation, generates a series of benefits or advantages to the organization, such as labour involvement, perceived equity, persistence, group support and higher goals (Durant,2006). In addition, the presence of a participatory work process allows workers a better access to information and communication (Guinot et al., 2015) and achieve levels of involvement, dedication and commitment on the part of these, which can facilitate the motivation of the workers.

According to McGregor's Theory Y (1960), a direction away from the traditional vision of direction and control (Theory X) and oriented to people, is the most effective way to manage people as it integrates individual interests with the organizational. This style of management recognizes that there is a relationship between a work with meaning and happiness. It is considered that people are capable of self-control and self-directed as a means of encouragement and motivation, and that the human being is able to accept and seek responsibility (McGregor, 1960). It is not in vain, it has been proven that certain styles of leadership condition the level of participation of employees in the improvements of the organization, and this can negatively influence motivation. For example, transactional leadership does not promote participation, and this gives rise to demotivated and disillusioned workers (Barbuto, 2005). In contrast, other types of participatory leadership, such as transformational leadership, promote the participation of all members in the processes and improvements of the organization (Burns 1978), which facilitates the development and motivation of the members. Therefore, we can say that the role that leaders play, especially participatory leaders, is fundamental to promote labour participation, and this in turn results in more motivated employees

All these considerations seem to suggest that the participation of employees in the improvements and growth of the organization favours their motivation. Therefore, we present the following hypothesis:

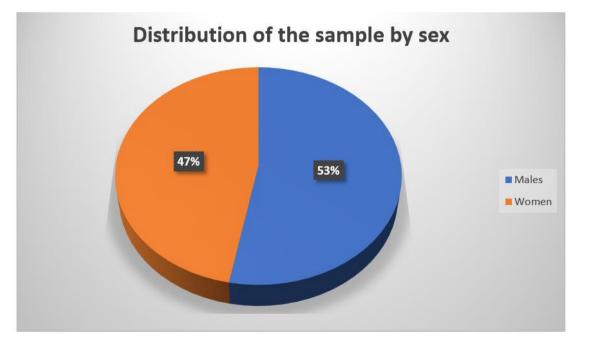
Hypothesis 3: Participation is positively related to motivation.



3.2. Study Sample

The empirical study is based on a National Survey of Working Conditions 6th EWCS - Spain. The sample consists of data for 2015 that have been made to a total of N = 3,364 workers from different sectors. For this, the sociodemographic variables such as sex, age, educational level and nationality are analyzed, as well as on different aspects of their working life, such as: the employment situation, the work schedule, the work organization, the balance between work life and social life, workplace, exposure to physical and psychosocial risks, learning and training, participation, health and well-being, as well as salary. On the other hand, are analyzed the variables related to the type of contract, types of days, different sectors and their activity are analyzed ...

The working population of the sample N = 3,364 represented in percentage highlights more the male presence with a 53% compared to 47% female. We observe that the difference between both sexes is not very varied, therefore, we can consider that of the total of the respondents there are almost the same men as women with a small deviation towards the male sex of 6%.



Graphic 1: Distribution of the sample by sex for N= 3,364

Source: Own elaboration



Regarding the level of education, the sample shows that more than a quarter of the workers surveyed have not completed secondary education, the percentage is not much different between women and men. However, there are differences in sex and disposition of higher education, where women highlight a higher percentage than men.

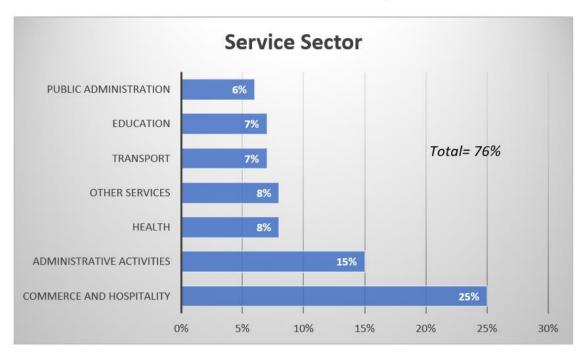
Education level	Man	Women	Total
Without full secondary education	28%	26%	27%
Secondary education	43%	39%	41%
Higher education	29%	34%	31%
Total	100%	100%	100%

Table 1: Distribution of the sample according to educational level and sex

Source: Own elaboration

It should be noted that the vast majority of surveyed (76%) are in activities belonging to the service sector. Mainly, the commercial, hospitality, administrative, auxiliary and transport activities stand out. The female gender is more reflected in administrative and auxiliary activities, however, the male gender stands out more in activities such as transport or commerce. Focusing on the service sector, it is observed that the vast majority of surveyed are engaged in the world of commerce and hospitality (25%). This specialization is due to the level of education that the surveyed have, since as we mentioned above, the vast majority do not have higher education.

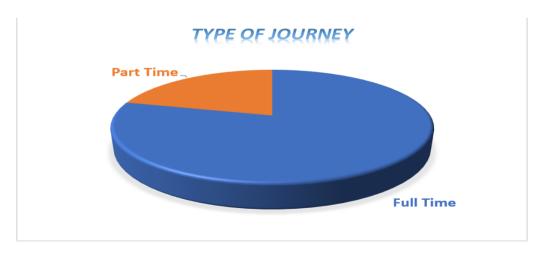




Graphic 2: Distribution of the sample according to economic activity

Source: Own elaboration

The vast majority of surveyed work full time (79%) and only 21% work part time. The 21% are occupied by those under 35, that is, they are those who normally work part-time. Moreover, they usually work in hospitality or other services. However, 79% are occupied by workers over the age of 35 years, especially those older than 49 years. This is due a little to the type of contract they have, since those over 35 usually have permanent contracts and have more stability (is shown in figure 4).



Graphic 3: Distribution of the sample according to the type of journey

Source: Own elaboration

ZINA BARGHOUTI



On the other hand, the vast majority of workers (66%) have an indefinite contract, but we also have workers who have temporary contracts (27%) or no contracts (6%). Temporary or non-contract contracts are mainly found in the Agriculture or Construction sector. Temporary contracts are also found in the Services sector, mainly in activities of strong seasons such as Commerce, Hospitality and Education. It should be noted that 60% of the workers surveyed have an antiquity in their five-year-old company, not having significant differences by sex.

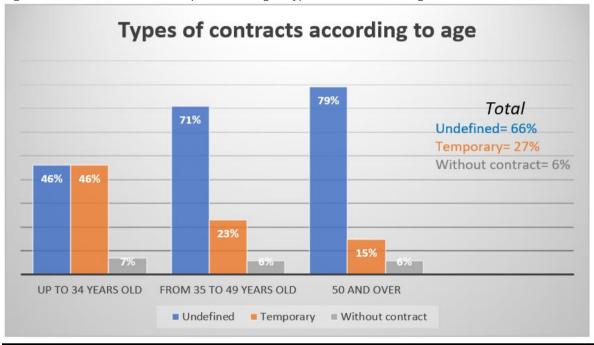


Figure 3: Distribution of the sample according to type of contract and age

Likewise, 588 workers in the sample are self-employed, and the cause of being self-employed is not having any alternative work or the work they do not motivate them. In addition, we see that there are more men in the self-employed sector than women and this proportion of self-employed people is greater the older they are, that is to say, there are more self-employed people over 35 than under 35. By activity sector, there are more self-employed workers in the Agriculture and Construction sector. In addition, we can not forget about certain activities in the Services sector where the presence of self-employed workers such as, Commerce, Hospitality and Transportation is highlighted.

Source: Own elaboration





Graphic 4: Distribution of the autonomous sample according to sex and sector

The sample for this research was carried out by autonomous communities (17), in each community they were selected proportionally to the maximum number of people to carry out the survey. The sample consists of a total of 2,776 valid questionnaires, although the number of interviews conducted was 3,364. The population scope of the 6th EWCS includes all those over 16 years of age, because this is the legal minimum age to work in Spain. The survey was conducted to those people who were in "employment situation". The interviews were personal, at the home of the worker and assisted by computer (CAPI). As for the duration of the interview, it had an average length of 42 minutes. The questionnaire was applied in Spanish, Catalan and Basque. The field work period was from March 3 to September 29, 2015.

To carry out our research, we have selected three items of the questionnaire that measure each of the variables studied. The questionnaire consists of a total of 106 items. Each of these items is measured on a Likert scale of 1 to 5 points, which shows the level of agreement and disagreement. The value 1 means "totally agree" and the value 5 "totally disagree". First of all, to measure the variable trust in the employees the following item of the questionnaire has been used: "The management trusts that the employees do their job well". The variable

Source: Own elaboration



motivation has been measured through the item: "the organization in which I work motivates me to give the best of me at work". Finally, to measure participation the item has been used: "participates in the improvement of the organization of work or work processes of your department or organization".

3.3. Methodology and analysis of results

The testing procedures performed for this investigation were based on the IBM SPSS® 23 software platform. This statistical support system offers several alternatives for advanced quantitative analysis and helps us diagnose the existence of significant relationships between the variables proposed in this work. In particular, a regression analysis has been used to study the hypotheses raised in the study. The regressions provide us with information or necessary data to observe and justify the existence of significant relationships between the variables studied. Likewise, we will study the existence of significant relationships through the data provided by the IBM SPSS 23 software platform such as "p-value", "t student", "significance", "Pearson's correlation factor" and through the approach of rejection of H0 (null hypothesis).

At this point, we will analyze the results of each of the hypotheses in order to make visible and justify the relationships raised in our research.

Table 2 shows the results obtained from the relationship Q70b "the management trusts that the employees do their job well" and Q61d "participates in the improvement of the work organization or the work processes of their department or organization". Effectively, the results validate us that the trust of managers in subordinates is positively related to participation (Hypothesis 1). Moreover, the value of t student is very high and p-value is 0.000 (H1: t = 13.918> 1.98, β 1 = 0.255, p = 0.000 <0.01), which shows that the relationship is very significant.

	T-student	P-value /sig	Pearson Correlation Coefficient	Standard Error
H1: Trust-Participation	13,918	0,000	0,255	0,021

Source: Own elaboration

ZINA BARGHOUTI



Table 3 also contains results of the hypothesis, but in this case it shows significant evidence through the quadratic means (Anova). In this sense, The more approximate the values of the quadratic mean factorial and the residual quadratic mean, the greater the probability of accepting the null hypothesis (H0: confidence is not positively related to participation). The results show that there are great differences between the quadratic factorial mean and the residual quadratic mean, that is, they do not approximate. Therefore, the null hypothesis is not accepted (it is rejected) and there is significant evidence that trust is positively related to participation. Thus, hypothesis 1 is confirmed.

H1 Model	Sum of squares	gl	Quadratic mean	F	
Regression	539,456	1	539,456	193,710	
Residue	7725,901	H0: Trust is not positively related to participation			
Total	8265,358	H1: Trust is positively related to participation			

Table 3: Results of ANOVA

Source: Own elaboration

Table 4 shows the results obtained from the relationship Q70b "the management trusts that the employees do their job well" and Q89e "the organization in which I work motivates me to give the best of me at work". The results confirm to us that if the managers or superiors trust the employees encourage the motivation of the same. That is, confidence is positively related to motivation. Moreover, the value of T student is very high and the P-value is less than 0.01 (H2: t = 27.038 > 1.98, β 2 = 0.457, p = 0,000 < 0.01), therefore, there are very significant relationships between both variables.

Table 4: Results of hypothesis 2 (P-value, t-student, β ...)

	T-student	P-value /sig	Pearson Correlation Coefficient	Standard Error
H2: Trust-Motivation	27,038	0,000	0,457	0,017
Source: Own elaboration				

ZINA BARGHOUTI



As in the previous case, significant evidence is shown by the analysis of the quadratic means. Indeed, we observe that there are great differences between the quadratic factorial and the residual quadratic mean. Therefore, we reject the null hypothesis against the alternative hypothesis. That is, trust in employees is positively related to motivation. The more managers trust employees; they will be more motivated at work.

H2 Model	Sum of squares	gl	Quadratic mean	F	
Regression	1342,159	1	1342,159	731,054	
Residue	5093,290	H0: Trust is not positively related to motivation			
Total	6435,449	H1: Trust in positively related to motivation			

Table 5: Results of ANOVA

Source: Own elaboration

Likewise, table 6 reflects the results of the third hypothesis where the existence of significant relationships between participation and motivation of employees is studied. To measure this relationship, the following items have been used: Q61d "participates in the improvement of the organization of work or work processes of your department or organization" and Q89e "the organization in which I work motivates me to give the best of me at work ". Effectively, the results indicate that participation is positively related to motivation (H3: t = 17,485> 1.98, β 3 = 0.289, p = 0.000 < 0.01). The significance of this relationship is very high.

Table 6: Results of hypothesis 3 (P-value, t-student, β ...)

	T-student	P-value /sig	Pearson Correlation Coefficient	Standard Error
H3: Participation-Motivation	17,485	0,000	0,289	0,017

Source: Own elaboration



As we can see in table 7, the existence of significant relationships between participation and motivation is deduced. Due to the existence of very high differences between the factorial and residual quadratic mean. Therefore, the rejection of the null hypothesis is affirmed (H0: participation is positively related to motivation). Thus, the participation of employees in the improvement of the organization positively influences their motivation (Hypothesis 3).

H1 Model	Sum of squares	gl	Quadratic mean	F	
Regression	973,615	1	973,615	305,720	
Residue	10706,847	H0: Participation is not positively related to motivat H1: Participation is positively related to motivation			
Total	11680,462	H1: Participatio	n is positively relate	a to motivation	

Table 7: Results of ANOVA

Source: Own elaboration



Figure 5 shows a summary of our study, of the hypotheses raised and studied. This summary reflects at first glance the existence of empirical evidence of the importance of trust in subordinates over the participation and motivation of them, since it is observed that the correlation is very high in the three cases.

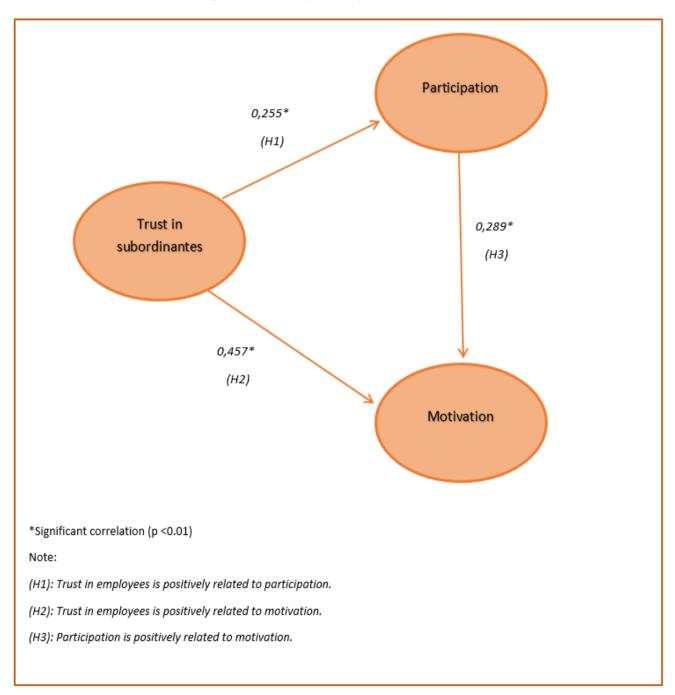


Figure 5: Summary of Study Results

Source: own elaboration

ZINA BARGHOUTI



3.4. Discussion, Limitations and Future research lines

The current business environments - increasingly changing and unpredictable - require guick and adaptive responses to maintain the survival and competitiveness of companies. This has given rise to forms of work in which greater worker involvement is increasingly needed, in which worker participation in decision-making is encouraged. On the other hand, the appearance of numerous evidences confirming that a healthy work environment in which the worker feels part of the decisions of the company and supported by it, improves individual performance and therefore the overall performance of the organization. Likewise, it is increasingly demanded that the worker takes initiative and knows how to self-manage in his position. In this line, HR management models have recently emerged that are based on fully participatory decision systems, self-managed work teams, horizontal structures with few hierarchical levels and participatory leadership styles (Martinez and Bañon, 2015). Therefore, to address the new changes in the environment, a change of paradigm is proposed, eliminating or reducing hierarchy and specialization, replacing bureaucracy with adhocracy and authority with autonomy (Chiva, 2014). These new models and forms of relationships within companies require a high level of interpersonal trust, in which it is essential that managers trust employees (Brower et al., 2017).

This study has tried to examine some of the consequences of trust in employees. The results of our study confirm that trust towards employees is a driving condition of the processes to favour participation and that this gives rise to certain actions and behaviours where risks are accepted and responsibility is delegated. On the other hand, trust in employees favours the company to further promote its motivation. Thus, by trusting them, management is more likely to take steps to invest in their human capital, including strategies to improve their motivation. Therefore, the results show that the trust of the managers in the subordinates is positively related both with the participation and motivation. In this way, since trust allows to create positive expectations of managers in employees, it is easier for the managers of the organization to promote strategies to encourage participation and motivation of their employees. Likewise, this study corroborates that to a greater participation of the worker the levels of motivation increase. Therefore, it is essential that the management involves the members of the organization in making decisions, changes and projects to have motivated workers in their jobs.



It should be noted that the leadership style that is followed in the organization seems to play a fundamental role when it comes to encouraging or not trust in the organization (Conchie, 2013). For example, it has been suggested that altruistic leadership tends to expand mutual trust, increase the motivation of workers, establish standards based on equality where everyone has the same rights, where mutual help is perceived, where everyone is heard and where everyone participates in the improvements of the organization (Guinot et al., 2015). An altruistic leader is one who puts people first and understands that their success as a leader is linked to the success of the people they lead, is a leader who trusts the workers and the workers trust him and thus jointly achieve the success. In support of this view, Grant and Sumanth (2009) showed that only employees who perceive their leader a certain degree of trust and security are more loyal to them and direct motivation in increasing task performance. This leader is able to create responsible professionals and give them the ability to respond with their own autonomy to the issues that are posed. In line with this, this study shows that a leadership style that trust on subordinates favours the participation of all the members in the improvements of the organization and will make the company have more motivated workers.

Unfortunately, in today's society we live in a crisis of trust. Studies like Edelman Trust Barometer (2019), reveal that there are low levels of trust within organizations. That is to say, there is a lot of distrust within the companies among the leaders and employees. For example, the results of the barometer place the trust index of Spanish companies as the third lowest in the world. To reverse this situation and try to build trust, companies must follow a higher purpose that unites workers and leaders in a lasting common project that seeks to provide value for all parties involved. In addition, it is required that the recruitment and selection processes are oriented towards the search of candidates capable of trusting and transmitting confidence through any level of the hierarchy. Likewise, performance management and compensation could also favour those employees or leaders with whom more trust links are generated. Other HR strategies, such as outdoor training, could also be designed so that employees and managers get to know each other better and trust can spread among them.

Managing trust in companies is not a simple matter. It is costly and difficult to build trust, and destroying it is very easy and fast. However, because trust is an essential component of a well-functioning business, companies must place special emphasis on building a culture of trust across all hierarchical levels and in all directions. Companies and leaders who sincerely



care about the well-being of all parties involved are able to create a climate and a culture of trust. These companies cultivate leaders capable of trusting employees, without the need to apply continuous controls and punishments and direct through fear. Through this culture of "We trust you" is how they get the most out of each of their employees, being attractive companies to work and overcome difficulties (Mackey and Sisodia, 2016). The efficient management of trust therefore involves creating an organisational culture that puts the value of trust at the centre. A culture based on mutual care and attention in which we can more easily trust others and be trustworthy.

Limitations of the study and future research lines

Among the limitations of this study, the heterogeneity in terms of size and industrial sector that the sample collects stand out. This is a sample that collects data from companies belonging to different sectors. For this reason, in future studies it would be useful to carry out this research by applying a comparison between two different sectors. That is to say, to focus basically on two totally different industries. For example, make a comparison between a more traditional sector and a more modern sector. This will allow us to make a broader comparison and detect in this case which industry drives trust from top to bottom. Also, it will be of great interest to make a comparison between countries that share different cultures. Since this sample contains data from companies at the national level. Therefore, it would be interesting to carry out this research on the basis of a sample that collects data from companies at an international level. Another limit in this study is the transversality of the sample, that is, the sample collects data at a certain point in time. For this reason, long-term longitudinal studies are needed to show what the cause is and what the consequence is. Also, a longitudinal study is usually more accurate because it collects data at different times of time. Another limitation in our study is that the sample assigns a single item for confidence. This may limit the results somewhat. Therefore, in future studies it would be useful to carry out this research with scales capable of measuring different dimensions of trust (i.e., affective trust and cognitive trust). This will allow us to obtain a more precise analysis on the phenomenon of trust.



4. STUDY 2: THEORETICAL MODEL ON TRUST

4.1. Introduction

Trust within organizations has been considered an essential attribute for the proper functioning of organizations. It's a key ingredient that makes a normal business become a successful business. (Mackey and Sisodia, 2016). Since several authors (e.g., Zaheer et al., 1998; Mackey and Sisodia, 2016) have confirmed that those companies that have a high level of trust tend to be energetic, positive, optimistic and creative, so that they are able to face turbulent changes and overcome the difficulties or problems that may be generated (Kim and Mauborgne, 2014). On the other hand, experts also point out that the lack of organizational trust can cause, among others, that organizational change processes are not successful and that conflicts increase in organizations (Gasalla and Navarro, 2008). Moreover, without trust the company will promote a defensive mentality, distrustful, insular and fearful (Mackey and Sisodia, 2016). Therefore, trust is the seed capable of achieving the proper development of the organization, and conversely, the lack of trust can lead to the decline of the organization.

Starting from the idea of trust, this study aims to analyze the consequences of trust on such relevant variables as innovation, leadership style, organizational structure and common welfare. It also analyzes how these variables in turn can promote trust. Therefore, we are dealing with a study with two-way relationships.

In particular, innovation has become a phenomenon pursued by organizations, this is because today's society is in constant change and evolution where innovation has been approached as an indispensable necessity to prevent the failure and disappearance of a company (Amabile, 1996). Moreover, innovation is highlighted as the most important engine of transformation and growth (Hamel et al, 2008). To this must be added the multiple benefits that it brings to the company such as increasing competitive advantage, facilitating the use of new opportunities and increasing profits (Nidumolu et al, 2009). For its part, the leadership style adopted by the company is vital to achieve this transformation and growth, hence the birth of a conscious leadership (Mackey and Sisodia, 2016). A leader who pursues creativity, innovation, common welfare and motivation of the members (Chatterjee, 2001). Moreover, it is characterized as a leader with high levels of intelligence, which conveys trust and transparency. Likewise, the organizational structure plays an essential role, since depending on the structure of the organization, the degree of trust, participation, motivation, innovation, autonomy and authority vary. In this study, we will focus on the flat or horizontal structure, a



structure characterized by decentralization, autonomy, freedom, communication and participation (Laloux, 2014). In addition, the flat or horizontal structure is considered as one of the most important structures today. This is due to the great benefits it brings to the company such as greater fluidity in communication between managers and employees, greater agility in decision-making, adaptation to changes in the environment and capacity for innovation. Likewise, those companies that pursue the common good are valued as excellent companies. This is because the common good is seen as a phenomenon that improves relations between all parties, to be more compassionate and more affective.

In this study, we intend to demonstrate that if companies make a special effort to foster trust in the organization, they will be able to enjoy the many advantages that trust brings. However, we cannot forget that in order to build trust it is necessary to be consistent and coherent with the organizational actions proposed and implemented, that is to say, in order to have the trust of the collaborators, the company must first demonstrate that it trusts them. Since trust may take years to build but it can be broken very easily. Therefore, study 2 reflects a theoretical model of trust, a bidirectional model where trust phenomenon occupies the central position. It is a bidirectional model, since our objective is to propose a theoretical proposal on how trust promotes innovation, common wellbeing, leadership and structure (Boutros and Joseph, 2007, Amabile, 1996, Laloux, 2014). Simultaneously, it is also intended to conduct a theoretical analysis of how these variables influence or contribute to generating a climate of trust among all members of the organization. With this study we want to make visible how two variables feedback on each other, that is, study, for example, how trust makes the organization more innovative and creative (Hamel et al., 2008), and at the same time, as the results of the Business innovation accelerates trust.

This theoretical model aims to explore lines of research on the phenomenon of trust that have not been addressed so far and serve as a frame of reference for further progress in the study of intra-organizational trust. It also seeks to highlight the importance of trust on highly significant and novel variables and that the proposals formulated can be used as a basic tool for the management of trust in companies.



4.2. Theoretical Proposals

As mentioned above, study 2 consists of a theoretical model of trust at a general level. It is a bidirectional model that consists of four relationships to investigate: the relationship between trust and horizontal structure, the relationship between trust and leadership style, the relationship between trust and innovation, and finally, the relationship between trust and the common good. Likewise, to carry out this theoretical proposal, we have studied each of these variables in depth with the support of academic articles, books and certain studies. Subsequently, we have raised the four relationships in order to make visible how trust fosters innovation, common good ..., at the same time, as trust feeds back from these variables. Hence the birth of this bidirectional theoretical model.

4.2.1 The relationship between trust and horizontal structure

The organizational structure is considered as the DNA of a company, which reflects the different levels and departments, as well as the degree of authority and responsibility (Laloux, 2014). When this concept is studied, two types of structures that can be centralized or decentralized are highlighted (Lunenburg, 2012). the centralized structures are those that stand out the figures of the managers above the other members. However, decentralized structures are delegated responsibilities at the middle or lower levels.

According to the above, the horizontal structure is considered as a decentralized structure, characterized by having very few levels or even no level of management intervention between the personnel and the company management (Laloux, 2014). Moreover, this structure is characterized by a low degree of authority, and focuses on the empowerment of employees by promoting autonomy and self-direction (Chiva, 2017). In this way, horizontal structures try to harness the talent and creativity of employees, and solve problems through collaboration (Lunenburg, 2012). Also, unlike high structures that lean toward a military style, horizontal structures lean toward a democratic style. In addition, the latter are structures oriented towards productivity and efficiency.

Horizontal structures generate sustainable advantages for the company, among others, improving communication between managers and their employees, fostering mutual trust, and participatory and rapid decision-making (Lunenburg, 2012). Thus, it could be considered that those organizations with a horizontal structure have high levels of trust. This is because this structure gives freedom and autonomy to the employee, and leaves it to the employee to



decide on matters related to his or her job without establishing standards, rules and continuous control. In addition, horizontal organizations reflect a high degree oftrust, making all staff members involved in the processes and decision making, and sharing information with them. Therefore, the horizontal structures position the employee as an important piece for the company, and this makes the employee trust the company because the company is showing that they trust him.

The philosophy of this structural variety is that workers are much more productive when they are directly involved in the company and not supervised closely by various superiors. Hence, the importance that this structure promotes trust within the organization, to get everyone involved and participate in the organization without establishing hierarchical levels or differences between members. This at the same time results in motivated and satisfied workers. Following the same lines of research, Chenall (2008) suggests that for horizontal structures to work, leaders must transmit trust to employees through fluid and multidirectional communication, collaboration and independence, fair treatment and recognition of errors.

Based on the above, we can say that the type of structure that the organization adopts influences the levels of trust. Therefore, a bidirectional relationship is proposed where it is intended to reflect that horizontal structures promote intra-organizational trust. As well, having high levels of trust in the company facilitates the creation of a horizontal structure.

Proposal 1: there is a bidirectional relationship between trust and the horizontal organizational structure



4.2.2 The relationship between trust and leadership style

The concept of leadership has been developed primarily in the organizational sphere, and consists of changes and transformations (Hernández et al., 2015). That is, the leader is the person capable of carrying out the changes and transformations of an organization (Burns, 2004). The leaders are considered as architects, builders and top-level reformers, who have a systematic sensitivity that allows them to understand the behavior of the members of the organization to subsequently carry out a series of changes and modifications (Mackey and Sisodia, 2016). Moreover, the leader is a vital component in the organization since it is in charge of coordinating the efforts of the rest of the organizers, as well as ensuring the progress and progress of the organization (Salazar, 2006). It must possess a series of key skills such as communication, the ability to motivate and delegate.

Normally, studies on leadership basically distinguish two styles of leadership that are transactional leadership and transformational leadership. Transactional leadership is a mode of leadership based on the application of rewards and sanctions to subordinates, based on the fulfillment of assigned tasks (Kuhnert and Lewis, 1987). This leader seeks to achieve the objectives through the implementation of an exchange of "give" and "take" between managers and employees (Barbuto, 2005). On the other hand, Burns (2004) defined transformational leadership as a leadership held by individuals with a strong vision and personality, who is capable of changing expectations, perceptions and motivations, as well as leading change within an organization. Likewise, the transformational leader is characterized by encouraging employee participation, believes in the abilities and ideas of the members of his group, motivates his team, cares about them and aims to transform the company taking risk (Hernández el al.,2015). Therefore, the leadership style that is followed in the company plays a very important role for the growth and evolution of an organization.

However, the company cannot limit itself to just developing these two types of leadership to find ways to build trust and make a real internal change in the organization. Therefore, this study suggests other leadership styles such as conscious leadership and authentic leadership that tend to boost trust. On the one hand, the conscious leader is that individual who admires his work, faces difficulties and problems with peace of mind, is a support for his team, helps others and likes to serve. Moreover, he is a leader who does not differentiate between superiors and subordinates and is excited to share his passion with others (Mackey and Sisodia, 2016). Therefore, it transmits trust, security, energy and enthusiasm. On the other hand, the authentic leader is the evolution of the conscious leader, that is, when the conscious



leader attains authenticity he becomes an authentic leader. A leader who knows what his purpose, his values, his beliefs and his passions are. This leader believes in him and his being, and transmits it to the outside world. Therefore, these leaders are able to promote mutual trust as they convey love, security, integration and equality.

In parallel, studies suggest that the work environment can determine the success or failure of an organization (Reichers and Schneider, 1990). This is because depending on the climate and the work environment people tend to respond in a certain way. That is, the work climate influences the behaviours, attitudes, behaviours and emotions of people (Ghanbari and Eskandari, 2013). Hence, several authors (for example, Hatfield, 1993, Reichers and Schneider, 1990, Goleman et al., 2013) consider that the members of an organization are affected by the positive or negative energy of their peers, leaders and the company as a whole. This is known as the "contagion of emotions." Therefore, the work environment can positively or negatively influence the behaviours, attitudes and feelings of people. And this, in turn, determines a style of leadership and employees who have been influenced by their environment. For example, a hostile work environment generates distrust, insecurity, inequality and individualism. However, a work climate based on trust leads to the leader himself being affected by his environment and adopting a leadership style based on the values, behaviours and attitudes he has acquired from the work environment. It is a style of leadership that is reborn from a climate of trust and has been fed back from its environment. Therefore, a climate of trust could contribute to the birth of a leadership style that is called conscious leadership.

Proposal 2: there is a bidirectional relationship between trust and conscious leadership style.



4.2.3 The relationship between trust and innovation

Innovation consists in the development and implementation of new ideas by people in an organizational environment (Van de Ven, 1986). It tries to implant new knowledge in processes, products, services or organization in general (Utterback and Afuah, 1998). At the same time, innovation requires both financial and human resources, hence the great importance of people and their involvement in the organization (Van de Ven, 1986). Hamel et al. (2008) defined innovation as a change or modification that implies the creation or implementation of something new. In this way, innovation appears linked to progress and creativity.

The literature suggests that innovation is equal to the generation of ideas plus the implantation of ideas (Urabe, 1988). That is to say, the innovation is formed by two parts, first starting from a good idea and then you have to know how to implement that idea. Moreover, innovation is considered as an essential constituent of long-term sustainable and effective competitive advantage, and its improvement in efficiency and value creation (Mackey and Sisodia, 2016). However, it should be noted that there is no innovation that generates permanent advantages, but rather that we must be continually making progress and introducing improvements in the organization (Prahalad, 2009). Because of this, today's innovative companies have centers of innovation, where technicians, scientists and professionals in general work together and participate in order to achieve change (Kim and Mauborgne, 2014).

Likewise, the literature distinguishes two types of innovation: incremental innovation and radical innovation. Respect to radical innovations are revolutionary or discontinuous changes, while incremental innovations are conventional or simple changes (Patel and Pavitt 1994). In turn, incremental innovation is based on existing knowledge and resources, and causes relatively small changes. However, radical innovation requires new knowledge and resources, and causes great changes (Dewar and Dutton, 1986). In this study, we will focus on innovation in general, including both radical and incremental.

Normally, today's organizations want to position themselves as innovative companies to adapt to changes in the environment and the needs of consumers. However, in order to be an innovative company, it is first necessary to analyze if the members of the organization are prepared for the changes, the taking of risks and the assumption of responsibilities. As well as, the company for its part must transmit confidence for the members to trust in it. Once a mutual trust is generated in the organization, all the members of the organization will be able to contribute in the creation of an innovative company (Dovey, 2009). Hence, the birth of



several studies (For example, Kim and Maubourgne, 2014, Ellonen et al., 2008) that suggest that trust is vital and promotes innovation. These studies propose that when there is trust within the organization, this makes the company innovate continuously and guickly (Blank and Dorf, 2012). For example, a team in which there is trust, its members are able to share ideas, knowledge and opinions, and when the contribution of each component has been shared and taken care of, the team's innovative capacity is fostered. In parallel, business innovation should be seen as an accelerator of trust, since innovation requires teamwork, participation, generation of ideas, worker involvement and personal development (Urabe, 1998). Therefore, if these requirements are met, high levels of trust in the company could result. Moreover, innovation requires a clear exchange of information and open communication, thus fostering an internal transparency that could capture trust of the members of the organization. Therefore, those innovative organizations could repeatedly cultivate trust (Amabile, 1994). For their part, experts have shown that those organisations that adopt innovation have intraorganisational trust levels above 80%, however, those more traditional and bureaucratic organisations tend to have trust levels of 40% (Edelman Trust Barometer, 2018). This is because innovation usually requires mutual help, collaboration, communication, assuming risks and responsibilities, and for all trust is presumed to be an essential factor. Thus, this study suggests a bidirectional relationship between trust and innovation, demonstrating that high levels of trust promote innovation, at the same time innovation in turn fosters trust.

Proposal 3: there is a bidirectional relationship between trust and innovation.



4.2.4 The relationship between trust and the common welfare

According to Felber (2015), the common welfare is indivisible and can only be achieved through the collaboration of all parties. Moreover, the common welfare is focused on satisfying what is the progress of individuals, and therefore, must be based on truth and justice. Normally, the common welfare is based on those values that make relations based on trust, cooperation, appreciation, democracy and solidarity flourish (Kim and Mauborgne, 2018). As well as, to obtain good relations is considered as the major source of motivation and happiness of the human beings (Felber, 2015). Mackey and Sisodia (2016) define the common welfare as the deeply motivating purpose that gratifies individuals fully, and is based on empathy for the needs and desires of others.

Usually, it is considered that the more social, ecological, democratic and solidary the activity of an organization, the better the results of the balance of the common welfare will be achieved (Felber, 2015). Hence the great importance that today's companies seek to establish good relationships with their suppliers, customers, shareholders, managers, workers and environment in general. These are companies committed to their environment under a business model based on the general interest and that pursues the good of all parties, not limiting itself exclusively to satisfying the particular interests of some (Zamagni, 2012). This results in the environment trusting the company, as it transmits trust through its values and behaviours. Thus, we can say that those companies prone to trust maintain close ties based on bonds of cooperation, affection, commitment and compassion. On the one hand, when an organization shows that it cares about others, that they trust them, that they know their needs and show interest in satisfying them, they improve their relationships with all parties and all benefit (Boutros and Joseph 2007). For example, if a company establishes a relationship with suppliers based on trust, that is, the company shows that it trusts them. This improves the relationship with them and builds a solid network where suppliers will be willing to help develop and offer the best products to the customer (Sheth and Sharma, 1997). On the other hand, if a company does not create a good relationship with the network of suppliers it will be more competitively vulnerable (Sheth and Sharma, 1997). Therefore, trust is a phenomenon that drives good relationships and the common welfare.

On the other hand, those companies that perceive the Stakeholders (suppliers, clients, shareholders, workers...) as a threat to the organization, tend to establish relations based on distrust where each party looks for its own interest, and as a consequence, a situation of competition and individualistic benefits is generated where one party is beneficial and the other



is harmed (Schnackenberg and Tomlinson, 2016). Therefore, in order to achieve the common welfare through trust, companies must have cooperative values and behaviours, not competitive behaviours. Likewise, those companies that pursue the common good, make their environment trust in their philosophy and business culture (Zamagni, 2012). Therefore, this study proposes a bidirectional relationship between trust at a general level and the common good. A relationship that aims to demonstrate that the propensity to trust all parties leads to the common good. In parallel, achieving the common good fosters trust, that is to say that the parties trust in the philosophy, values and behaviors of the company.

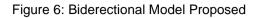
Proposal 4: there is a bidirectional relationship between trust and the common welfare.

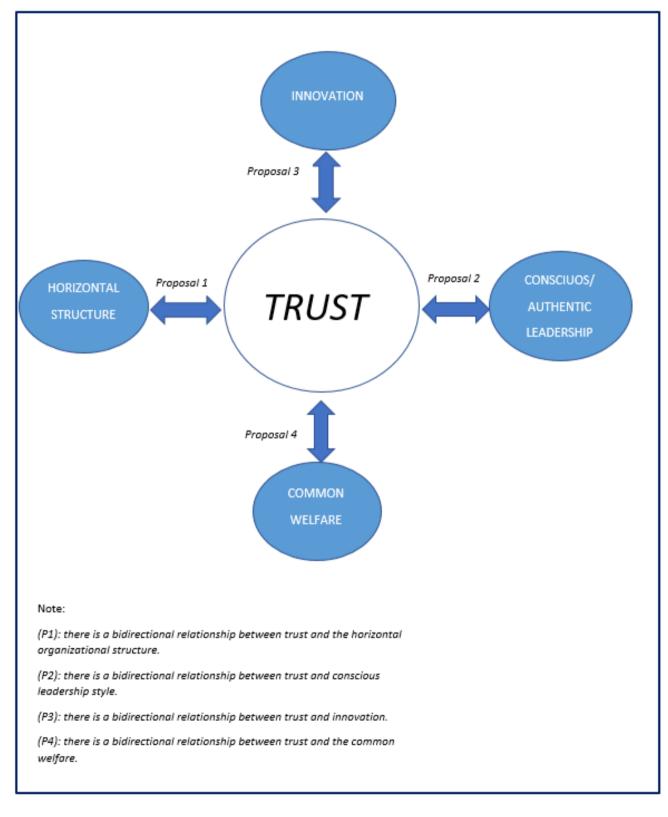
4.3. Proposed theoretical model

Our study gathers a theoretical model on trust and relevant variables such as innovation, leadership, organizational structure and common good. We propose a model that highlights bidirectional relationships between trust and variables. We intend to make visible how trust fosters each of these variables, as well as to study how these variables are capable of promoting trust.

The analysis began with a deep reading of each of the concepts. Starting in the first place, in discovering trust phenomenon at a general level, that is, not focusing only on trust between managers and employees, but we intend to investigate the consequences of trust towards all parties. Subsequently, each variable has been investigated, with the aim of detecting whether this model can effectively be carried out. The reading allowed us to discover a bidirectional theoretical model. It is a model that discovers four relationships that have not been examined so far and that improve the management and operation of the company. Each relationship can even be adopted as a strategy against competition. For example, we analyze how more trust leads to more innovation, so, those companies that want to promote innovation we propose how through trust can promote the levels of innovation in the company.







Source: own elaboration

ZINA BARGHOUTI



4.4. Discussion and Suggestions for future research

For years it has been suggested that trust is a very important phenomenon for the functioning of organizations and for establishing good relations with all parties (Mayer and Gavin, 2005; Guinot et al., 2014). In addition, the literature on trust suggests that trust gives rise to certain actions such as experimenting with new behaviors, expressing ideas, accepting risks and responsibilities (Mayer et al. 1995). As well as, the possibility of generating a sustainable competitive advantage for the organization. However, studies such as Trust Barometer (2018) indicate that there are very low levels of trust in organisations. This study reveals that companies are unaware of the benefits that trust can generate, and are based on creating a more hostile work environment instead of a climate of trust.

In this research, a model is suggested that highlights the importance of generating relationships of trust in companies as a strategy to improve the functioning of the same and the welfare of all agents. The literature identifies trust as an essential element that can be focused and related to very relevant variables such as innovation, leadership style, organizational structure and the common welfare. From there, the birth of a theoretical model that serves as a basis to deepen these relationships at the empirical or qualitative level. A bidirectional model is proposed that feeds back and that works in a self-sufficient way through the value of trust.

The results of this research show that trust facilitates the emergence of a new style of leadership known as conscious leadership. A leader who is able to lead the company to good functioning and common welfare. It is also stressed that a climate of trust can contribute to the common welfare. Authors such as Felber (2015) suggest that in order to achieve the common good it is necessary to start from values that include equality, compassion, solidarity and trust. Therefore, companies that tend to transmit trust to all parties, that are compassionate towards the feelings and emotions of others, that start from a philosophy based on equality, tend to position themselves as companies that reach the balance of the common welfare.

Companies are also often concerned about competition and want to improve their competitiveness. To this end, trust contributes to improving competitiveness through innovation. In order to be an innovative company, financial capital is important, but we cannot forget the great importance of human capital. Normally, organizations that want to be innovative tend to work more for investment in the latest technologies... But really, to be able to innovate you have to start from a good work team, a team that is faithful to the company,



that trusts it, that is capable of taking risks and suggesting new ideas. For this reason, it is proposed that trust is a driver of innovation, and at the same time, innovation fosters levels of trust in the company thanks to its transparency, i.e. innovation requires communication, information sharing and active listening, and this results in higher levels of trust in the company.

On the other hand, an alternative management model is proposed based on the promotion of egalitarian relations through a horizontal or flat structure that requires trust at all levels and is capable of generating a climate of trust. The flat structures focus on people, on communication and participatory decision-making (Laloux 2014). And this results in a climate of trust.

In terms of practical implications, this study suggests that organizations can use trust as a way to improve their functioning and their relationships. As well as, propose how trust in turn can be fed back from the variables mentioned in this study. Another interesting research path would be to explore a comparison at the empirical level or with quantitative works to give more validity to the model. Since the relationships raised in this study are novel and there are several studies on the subject. Also, future research should examine the evidence of this model in different sectors of activity. For example, to investigate whether the technology sector contains high levels of trust, since this sector is characterized by innovation, and one of the relationships studied in our study is that trust drives innovation and in turn innovation fosters levels of trust. It would also be interesting to introduce more variables into the model related to trust, such as female values, equal pay and horizontal promotion. This will result in a more complex and richer model to study.



5. CONCLUSIONS

In this research work we wanted to investigate trust phenomenon as the central concept and analyze its relationship with relevant variables of great interest. To this end, two studies have been carried out in order to validate the importance, benefits and value of trust in organisations. With the empirical study (Study 1), we intend to study the evidence of relationships between trust, motivation and participation. After carrying out the research in this study we have come to the conclusion that trust of managers in subordinates is positively related to the participation and motivation of employees. In other words, if managers or superiors trust employees, they will be more willing to participate in improvements to the organization and will be more motivated. Likewise, it is shown that participation at the same time is positively related to motivation. That is to say, when the employee is involved in the organization and decision making, this generates feelings of self-realization and satisfaction, which the employee will be more motivated, more committed, more faithful and more productive. The results of the study reveal the existence of significant evidence between the relationships raised. Therefore, it is very important to have leaders, managers or superiors who trust employees because it has been demonstrated that trust is a fundamental pillar in organizations, a phenomenon that generates great benefits for the company such as creating an environment of trust based on security, honesty and ability. As well as, it facilitates certain behaviours that allow the employee to cooperate, participate and delegate.

Subsequently, a theoretical study has been carried out to go deeper into trust factor. This second study has put in value a bidirectional model where trust occupies the central position. In this case, it is about trust at a general level without focusing exclusively on trust between management and employee or vice versa. This study suggests a bidirectional theoretical model that seeks to investigate relationships between trust and variables such as innovation, leadership style, flat structures and the common welfare. Our objective is to make visible how trust leads to more innovative organizations, to the creation of a horizontal structure free of hierarchical levels where everyone is boss, to the achievement of common welfare, and finally, how trust implies the birth of a more conscious leader. Effectively, after going deeper into the literature of each variable, we have come to the conclusion that trust fosters the variables we have mentioned above, but also, those variables are capable of fosters the levels of confidence in the organization. Thus one feeds off the other. Therefore, we can conclude that trust could be a strategy used by organizations to improve the operation of the same and achieve the common welfare of all parties.



After conducting these investigations, we wanted to close our work with a famous quote from Phil Jackson: "Good teams end up being great teams when their members trust each other enough to give up the "I" for the "we".



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