# Role of Human Resources in Developing Organizational Trust in Public-Sector Organizations of India

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**Attestation of Authorship**

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I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning.

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Sneha Jha Kapoor

Date:

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This research project has been more of a journey to me than being a mere academic accomplishment. And it is really heart-warming to see all the hard-work and efforts coming to fruition. Every aspect of this project has introduced me to new insights that I could not have known otherwise. As I write this, this research also introduced me to a new perspective of understanding Organizational Behavior's intricacies. But more than anything, I would take this opportunity express my gratitude for my Research Supervisor Dr. Marcus Ho for having faith in me to go ahead with such a vast and rarely attempted topic, for guiding, supporting and motivating me every time I seem to be faltering and providing me all the strength to pull through this research project.

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**Abstract**

Global economy has given rise to the strategic human resource management (SHRM) in recent times. On account of this, the HRM systems have been identified as one of the crucial aspects of any organization since last few decades (Robinson & Rousseau, 1994; Whitener, 1997; Searle & Dietz 2012). SHRM is in a constant need to redefine itself in order to create a competent workforce and restructure HRM systems that are on par with market demands. This has led many scholars to investigate trust as valuable resource within organizations (Cho & Poister, 2013; Snape & Redman, 2010).

Therefore, the researcher seeks to find how HRM contributes to the development of organizational trust in public sector organizations (PSO) in India. For this, the researcher has undertaken a multiple case study design where five Indian PSOs are selected. To highlight some of the important findings of the study, analysis reveals leadership practices, best practices and positive social exchange interactions in the organization creates trust. The study also reveals the role of upward communication, personal relationships and teamwork in developing trust. The contribution of this dissertation is in its ability to demonstrate the important themes such as autonomy, upward communication, policy revision, and personal relationships which were not reported in the existing literature.

# CHAPTER I

# INTRODUCTION

In recent years, a paradigm shift has been observed in the role of Human Resource Management changing to a more strategic role. This can be attributed to the challenges posed by globalization that necessitates organizations to foster trust at workplace. The increasing demand of strategic human resources and organizational trust has led to a significant focus in the field of HRM to examine the factors that leads to organizational trust. Alfes, Shantz, and Truss (2012) have stressed that in order to create a culture of trust, organizations must develop an HRM system that leverages the positive behaviour and attitudes of employees such as trust, performance and wellbeing at workplace. Many scholars in the organizational literature have examined the HRM variables that lead to organizational trust. For example, Tzafrir, Baruch and Dolan (2004) found that there is a significant influence of empowerment (i.e. delegation of decision making, need for recognition, competency), organisational communication and procedural justice as determinants of employees' trust in their managers. Narang and Singh (2012) argue that perceived organizational support (i.e. treatment by the organizations that indicate that they are caring and supportive towards employees) has a significant mediating effect on the relationship between HRM practices (i.e. career development, supervisory support and compensation) and organizational trust.

More recently, a study with 715 respondents from ICT and Forestry industries in Finland, examined the influence of HRM practices on the interpersonal trust (employees' perception about organization's abilities) in the organization (Vanhala and Ahteela,

2016). Findings reveal that learning & development, communication, performance & reward systems, internal career opportunities and employees' opinion have a significant and positive influence on interpersonal trust in the organization. Gould-Williams (2003) established ways to develop and enhance trust among employees and the results reported that a "bundle of HR practices" i.e. employment security, selective hiring, team-work, performance-related pay, training and development, equality and information sharing determined and influenced the interpersonal trust. Altogether, these studies have highlighted trust in private sector organizations (Roger C. Mayer, 1995; Snape & Redman, 2010; Tzafrir, 2005; Whitener, 2001; Williams, 2003).

Empirical and theoretical evidences related to organizational trust given above determine that they have taken HRM into account. However, they all have some gaps that needs to be addressed. Studies (Narang & Singh, 2012; Kim & Ryu, 2013; Tzafrir, 2005; Williams, 2003) indicate that there are other conditions as well through which HRM systems affect trust and this needs to be investigated in depth. In other words, it is strongly recommended to have in depth investigation of HRM and trust to unveil the factors that likely fosters organizational trust. It may be noted that trust and HRM has not been investigated in the Indian context largely. In addition, given the unique socio-economic, political and cultural factors that influence Indian PSOs, it would be interesting to examine the proposed study in Indian setting. Therefore, to address the paucity of research in the context of HRM and organizational trust; we call for an in-depth study using a multiple case design approach as such method involves detailed examination of the cases (Kohn, 1997).

This multiple case study design will involve collecting data through semi-structured interviews, archival data and secondary data collection (e.g., publicly available media articles on the organisations studied). The reason for selecting this methodology is that a multiple case design enables the researcher to analyse the given phenomenon within a single situation and across all the situations (Yin, 2004). Such method also provides for an opportunity to explore the research question in a broad sense leading to evolution of a theory (Eisenhardt & Graebner, 2007).

For data collection, the researcher had access to five public sector organizations (PSO) during her visit to India. This setting seemed appropriate for studying the phenomenon as these companies have undergone a lot of restructuring in terms of HR practices and policies after economic liberalization took place in India (1991). Liberalization and globalization necessitated restructuring of systems and policies in these PSOs as there was an increase in the attrition rate amongst employees who believed that multinationals were better in pay and perks than public sector firms. Further, Behn (1995) has also outlined the downward trend of trust prevailing in the public-sector organizations on account of globalization. This notion has been supported by Van de Walle, Van Roosbroek and Bouckaert (2008) as well. Therefore, in order to understand the factors that may lead to organizational trust in Indian PSOs, this setting was chosen. All the five organizations are headquartered in India and have employees ranging from 5,000 to 35,000 across all the work centres. Three companies where Union Government of India (popularly known as Central Government in India) is the majority stakeholder; whereas in the remaining two companies, provincial Government (known as State Government in India) is the majority stakeholder. These PSOs make significant contribution in the GDP of India each year. All these firms have successfully retained a market leadership in their products in India since their inception. The large size of organizations with different product orientation and structure enhances the generalizability of our findings.

This setting will unveil the variables on which trust is based in public sector organizations in India.

The researcher has studied and reviewed different HRM theories like High Performance Work Practices and Social Exchange theory in order to examine their interrelationship with organizational trust. During the course of analysis, different themes and theories emerged that indicates the factors that likely influences organizational trust. Although, the findings support and confirms the extant literature on HRM and Organizational Trust, it also addresses the notion of Narang and Singh (2012), Kim and Ryu (2013), Tzafrir (2005), Williams (2003) etc., that there are other conditions through which HRM affects trust. The qualitative approach of the study expands our understanding on "how" and "why" HRM influences organizational trust. The study supports the extant literature that establishes many predictors of trust- High Performance Work Practices like compensation, training, transparency, communication, job security, etc.; general HRM practices such as team work, theory of equity; social exchange theory. However, our study also adds to the knowledge establishing that there may be other factors as well that fosters trust at workplace – for instance, involving employees in corporate social responsibility activities, autonomy, upward communication, and personal relationships. To highlight some of the important findings of the study, analysis reveals that when the organization is small in size, trust is more. This is because small organizations mostly work in teams and on mutual trust. In such organizations, decision-making process is quick that resolves majority of the issues swiftly. Another important finding was to have sound personal relationships with everyone in the organization. This solves most of the procedural delays that likely happens in a politically controlled (bureaucratic) PSO system. Other than personal relationships, employee benefits emerged as a major predictor of trust as all the five organizations strongly supported that welfare measures provided by the organizations

makes them feel that the organization cares for them and their families. Analysis and findings of the study has been extensively studied in the findings and discussion chapters.

Researcher anticipates that findings of the research to be important and beneficial in many ways. Findings of this study will be beneficial to the employees in knowing how HRM systems affect them and how it would help in developing a healthy relationship between employees and employer. The research findings will give managers an insight about how to develop trust at workplace. For organizations, findings will elucidate how organizations can improve their productivity and foster better employment relations at workplace. The community at large will be able to identify how management processes in public sector organizations can be improved.

The second chapter showcases the development of different HRM models, their applications in the organizational context and arguments in the literature in the next chapter. Chapter two will also highlight the definitions of trust given by scholars in literature. We will try to establish the link between HRM and Trust in the second chapter, identify the gaps in the literature of HRM and trust followed by a review on HRM and PSOs leading to the development of our research question.

Chapter three discusses the methods used for conducting the research. This chapter describes the ontological and epistemological positions of the study followed by data collection process in detail. In this chapter, the researcher tries to make the readers aware about the interview process and analysis of the data collected from five organizations. This is followed by the ethical considerations of the study.

Chapter four talks about cases (organizations) taken under study. It broadly describes the findings of the study and discusses them in the light of the literature. Lastly, chapter five depicts the limitations along with conclusion.

# Chapter II

# REVIEW OF LITERATURE

## 2.1 INTRODUCTION

Globalization poses many challenges to the world economy. This requires managing the resources in a productive way with a view to gain competitive advantage (Ali & Bawa. 1999). In the current scenario where an increasing multicultural environment due to workplace diversity, advanced information technology, and decentralisation of decision-making pattern have come into being, organizational trust assumes a greater significant role (Shockley-Zalabak, Ellis, & Winograd, 2000). In this scenario, organizations are in greater need to foster trust at the workplaces to sustain itself in the competitive environment.

Globalization affects HRM systems as well. Therefore, in recent years, a paradigm shift has been observed in the role of HRM changing to a more strategic role. In an attempt to develop the domestic workforce in a way that they can compete in the volatile and competitive international market (Budhwar & Sparrow, 1997), the need SHRM has become imperative since past few decades. This necessitates restructuring of HRM policies and practices in both public and private sector enterprises (Bae & Rowley, 2001; Jones, 2002; Debrah & Budhwar, 2004). Such rearrangements have prompted several management researchers to conduct studies that can gauge the reaction of people towards various human resource practices and can provide for guidelines to the organizations to restructure themselves (Cho and Poister, 2012).

According to Cho and Poister (2012), the challenges of globalization has led the organizations to realise the need for "organizational trust". They have established that organizational trust is a valuable managerial resource within organizations; this is desirable to reduce the unprincipled behaviours while increasing voluntary adherence to organizational norms, which in turn, enhances individual and organizational performance. Considering such widespread impact of trust within an organization (public or private), it is vital to explore all possible ways that can help in developing trust at all levels. Trust and distrust in Public Sector Organization (PSOs) has been discussed in literature in different cultural contexts (Cho & Poister, 2013; Nye, 1997; Behn, 1995, Van de Walle, Van Roosbroek & Bouckaert, 2008). In India, the economy has been ruled by PSOs since the time of her independence (1947). The government has undertaken efforts to generate employment and enhance productivity by promoting PSOs (Ali, 1997). However, the impact of globalisation is very much evident in the Indian economy as well. PSOs in India are not excepted from the competition facing domestic as well as large multinational competition. Because of this, HRM in India is under continuous pressure to update itself so as to cope up with the changing business environment. Considering the increasing demands of SHRM and organizational trust, it is essential to examine the factors that lead to organizational trust.

This chapter will begin with the definition of organizational trust and unravel the theoretical framework of HRM and organizational trust that underpins the proposed study. We will conclude the chapter by reviewing the literature on trust and Indian PSO(s) followed by an overall conclusion and our research question.

## 2.2 THEORETICAL FRAMEWORK

The purpose of this section is to present the conceptual as well as empirical development in the literature of HRM and trust. We will thus begin by discussing the development of different HRM models, their applications and arguments in the literature. Subsequently, this section will emphasize on the definitions of trust given by scholars in literature. Following our discussion on HRM models and definition of trust, we will have a look at the link between HRM and organizational trust. Lastly, we will review the literature on two predominant theories that likely impacts the link between HRM and trust- Social Exchange and High-Performance Work Systems.

### 2.2.1. Strategic Human Resource Management and Different HRM Models

Technological and demographic changes require organizations to use more effective human resources practices and frameworks (Devanna, Fomburn & Tichy, 1986). Organizations must have a mission and vision and should be able to align their human resources to achieve the set mission. Having precise missions enable organizations to implement effective HR practices in time, so as to ensure optimal utilization of human resources (Daley, 2002). Hence, we arrive at the concept of SHRM. It is defined as, a well-organized study of HRM systems and their association with the organizational system as a whole, encompassing external and internal environments, elements that act as HRM systems, and stakeholders who are responsible for measuring the organizational productivity and its survival in the long-run (Devanna, Fomburn & Tichy, 1986). The prerequisite of SHRM is to have a more refined and systemic approach in human resources for achieving long-term plans.

During 1990s, Jeffrey Pfeffer (1994) proposed a set of Best HR Practices for the benefit of the firm and its employees. Under this model, Pfeffer stresses employers on having a high-cost employment policy (Marchington & Grugulis, 2000) as it is believed that such a model advocates more on quality and productivity (Nolan and O'Donnell, 1995). Pfeffer had initially identified 16 practices (1994) which was later renewed and cut down to seven (1998). These seven practices are namely, employment security, selective hiring, self-managed teams/teamwork, high compensation, extensive training, reduction of status differences, and sharing information. However, there have been arguments in literature against this model where it has been labelled as circumstantial (Hutchins & Burke, 2008). Whereas others have questioned the generalizability of this model stating that there can be no immediate solution to any problem across firms; and hence they believe the contingency model is more appropriate (Purcell, 1999). Despite this, best practices are still important because of the effect they have on general practice and the importance of bundling and horizontal integration. However, contingency models propose that management interventions like training are not applicable in all situations, thus leading to more elaborate models of SHRM.

Although the concept of SHRM emerged in 1980s, majority of the theoretical and empirical studies related to SHRM emanated during last two decades and were postulated by scholars from different regions of the world (Wright et al., 2007). However, many researchers have questioned the generalisability of those SHRM theories in cross-cultural context. For instance, Zupan and Kase (2005), enquired about the generalizability of the theories emanated by scholars in UK, USA and other European countries to the economies that are still in a developing stage. In contrast, Ericksen and Dyer (2005) discard the concept of country or region as the fundamental grounds that limit the generalizability of SHRM theories developed by scholars from different cultures and

regions; rather they choose to rely on an organizational context. Although SHRM does not specifically stress new HRM practices, it focusses more on establishing link between HRM and corporate strategies as well as the coordination between a set of HRM practices to foster organizational outcomes such as satisfaction, commitment, and performance (Festing, 2012).

Adding to the theory of SHRM and different cultural dimensions, is the study of Geert Hofstede (1980). It is popularly known as Hofstede's cultural dimension theory. While studying the impact of different cultures on business and international trade, Geert Hofstede (a former employee of IBM turned researcher and Professor) conducted a large-scale study where more than 10,000 questionnaires were used and data was collected from 50 countries where IBM was operating. His findings gave us four cultural dimensions which assumes that nations are categorized by a set of cultural values. Subsequent studies were conducted that supported Hofstede's cultural dimension theory by adding on two more dimensions (Bond 1991; Minkov, 2010). Although this Hofstede's theory is largely used in SHRM and international business nowadays, yet, many have argued against it on different grounds and emphasized that it overlooks the fact that world is considered to be a global village now where cross-cultural management has no defined border and this factor calls for an in-depth analysis (Cooke, 2010). As such, examining SHRM in different cultural and regional contexts require a consideration of the above factors and models in terms of their applicability.

### 2.2.2. What is Organizational Trust?

The literature has defined organizational trust in various ways. Researchers have developed theories that implies the significance of trust in understanding interpersonal

relationships, managerial effectiveness, job satisfaction, organizational citizenship behaviour and so on. For instance, trust in a sociological context is related to an individual's expectation for a positive outcome and the degree of trust in another individual depends on the past experiences (Goold, 2002). The prominent and most widely used definition of trust comes from Mayer, Davis, and Schoorman (1995). According to them, trust is the willingness of an individual to accept the actions of another believing that their actions will be important to them, irrespective of the fact that the latter may not have any control over their actions. In the words of McAllister (1995), it is the willingness of a person to act as per another person's words and decision. In management terms, it can be understood as the extent of trust between units of an organization or amongst various organizations (Kramer & Tyler, 1995). Other definitions of trust draw attention towards a general attitude in various social systems. For example, Barber (1983) identifies trust as mutual expectations that members of a society or organization have from each other.

Amid the wide-ranging aspects of organizational trust, the focus of scholars also varies accordingly. While some researchers emphasize on the relationship between workers and their organization that is called as intra-organizational trust (Bunt, Wittek, & Klepper, 2005), some other focus on the relationship between two organizations which is better described as inter-organizational trust (Velez-Sánchez, & Álvarez-Dardet, 2008; Seppänen, Blomqvist, & Sundqvist, 2007). Furthermore, there are scholars who also aim to highlight the relationship between a worker and a senior manager, or, within a single work group, known as interpersonal trust (Truhon, & McCarthy, 2016). Other aspects of organizational trust, as quoted by Mayer et al. (1995), are: trust between superior and subordinate, also known as vertical trust (Wilson & Allen, 2003), trust between employees, known as horizontal trust (Hadjikhani, A., & Thilenius, 2005; Rindfleisch,

2000) and institutional or impersonal trust (in relation to whole organization) (Pavlou, Tan, & Gefen, 2003). However, in this study we adopt the definition of trust by Mayer et al (1995, p. 712),

> "The willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party".

### 2.2.3. Why is Trust Important?

Developing trust within employees in an ever-changing business environment has become extremely important for organizations. Various academicians have tried to establish the significance of trust within the organizational context in numerous ways. According to Robinson (1996), trust in an organization relates to the employees' belief that the employer's actions will be beneficial and not harmful to their interest, and, is therefore an important determinant for the employees' attitude and behaviour in general. Alfes, Shantz, and Bailey (2012) highlight the importance of trust within organizations by stating that it strengthens the relationship between HRM and employee outcomes. This is because employees who trust their employers are likely to believe that the HRM system in their organization is nothing but an investment in themselves. Consequently, they will demonstrate efficiency in work. In contrast, the lack of trust between employees and HRM systems can lead to negative consequences such as, lower employee commitment, reduced job satisfaction and poor performance (Williams, 2003). This has led many scholars to investigate trust as a valuable resource within organizations (Cho & Poister, 2013; Snape & Redman, 2010; Tzafrir, 2005; Whitener, 2001; Williams, 2003). Lack of trust within an organization always requires an individual to devote more time in assessing others' behaviours or motives, so as to protect his own interest. But, when there is high level of trust at a workplace, an individual can concentrate more on channelizing

his resources towards achieving individual as well as organizational goals (Das & Teng, 1998). Thus, a lack of trust always incurs high supervision cost (Philip Bromiley, 2006).

Organizational trust is associated with the forming relationships based on trust within the organization and is a predictive parameter for superior performance and organizational goal accomplishment (Fukuyama, 1995). For instance, Wech (2002) and Steward (2004) tried to link the relationship between a leader and his workers with better organizational performance. They established that better relationship between workers and leaders lead to enhanced trust within the organization. Organizational trust is very important for effective leadership (Lester & Brower, 2003). Lester and Brower (2003) analysed the level of employees' perception regarding their manager's trust in them (felt-trustworthiness) influenced employees' performance, commitment and satisfaction. They established a correlation between felt-trustworthiness, performance, job satisfaction and commitment. This was supported by Mineo (2014) who said that when leaders trust their subordinates/followers, they are bound to excel. More recently, Dekker S. (2018) has shed some light on Organizational Trust and Accountability. According to Dekker (2018), it is the responsibility of organization to instore confidence in its people to any report safety issues that might occur at workplace. So that they are rest assured that organization will listen to them and act fairly.

The importance of trust has gained significant consideration over the past few decades and is likely to increase in the coming years. Factors like diversity in workforce and globalization requires people from different culture, gender and age groups to come together and work (Jackson & Alvarez, 1992). Berscheid and Walster (1978) concludes that the diverse workforce usually looks for similar background and experiences in people

to work on mutual willingness. Therefore, mutual trust is necessary to for people so as to come together and work efficiently.

Recently, Ozturk, A., & Karatepe, O. M. (2018), conducted a research amongst 159 hotel employees from Russia. They developed a research model to investigate whether organizational trust acts as a mediator of the impact of psychological capital (PsyCap) on intention to leave work early, getting late for work, absenteeism, and creative performance. They found that PsyCap positively affects creative performance through trust in organization. The findings further revealed that trust in organization is a full mediator between PsyCap and the aforesaid nonattendance intentions and absenteeism. Wong (2018) conducted a study with a sample size of 294 joint venture employees and 253 state-owned enterprise employees from China. He presented a model that links the constructs of trust in supervisor and trust in organization with job security and subordinate-supervisor relationship and examined their effects on turnover intention and organizational citizenship behaviour. The results supported the proposed model. Due to the different HRM practices in joint ventures and state-owned enterprises, several major differences were found in this study.

The selected studies reviewed above demonstrate that trust has been associated with various employee and organizational outcomes - job performance (Wech, 2002; Fukuto yama, 1995), leadership (Mineo, 2014; Joseph & Winston, 2005), and managing diverse workforce (Jackson & Alvarez, 1992), yet it is imperative for scholars to understand and study the relationships between organizational trust, cooperative behaviours and organization's ability to change in the volatile environment (Kamer & Tylor, 1996). Further, the above literature establishes that organizational trust is essential for varied

reasons, surprisingly little is known about how and why HRM contributes in enhancing trust. Therefore, in the following section, we summarize the studies related to HRM and trust and its significance for the proposed study.

### 2.2.4. HRM and Trust

Managers need to understand how and why one individual trusts another individual, group or organization and what factors promote trust at workplace (George, 1998). Alfes, Shantz, and Truss (2012) commented that it is imperative for organizations to build an HRM system which can influence positive employee behaviour, better performance and organizational trust. Numerous researchers in the field of management, have analysed HRM factors which influence organizational trust. For instance, Tzafrir, Baruch and Dolan (2004) found that there is a significant influence of empowerment (i.e. delegation of decision making, need for recognition, competency), organisational communication and procedural justice in determining the employees' trust in their managers. Narang and Singh (2012) drew 308 samples from 28 Indian companies and argued that perceived organizational support (i.e. an organization's actions that indicate a caring and supportive attitude towards employees) has a significant effect in mediating the relationship between HRM practices (i.e. career development, supervisory support and compensation) and organizational trust. Further, an examination with 715 respondents from ICT and Forest sectors in Finland inspected the impact of HRM on the interpersonal trust (i.e. employees' trust in organization) (Vanhala & Ahteela, 2016). They found that learning and development, communication, performance and reward systems, internal career opportunities and employees' opinions impact the organizational trust. Hence, they suggested that future research should be done to measure the propensity to trust. Gould-Williams (2003) defined approaches to foster and enhance trust at workplaces. Their

studies reported that a "bundle of HR practices" i.e., employment security, selective hiring, team-work, performance-related pay, training and development, equality and information sharing are affected by interpersonal trust. Condrey (1995) established that organizational trust reinforces the trust and fairness in performance related pay, appraisal system, and enhances the subordinate-leadership relationship.

Employees who have trust in their managers are likely to exhibit commitment and satisfaction (Dirks, 2000; Kramer, 1999). Likewise, studies also indicate that leaders having a good trusting relationship with their subordinates, spend more time in the upbringing and grooming them by engaging them in the organizational processes; such leaders are always engaged in motivating their employees for career development (Tzafrir & Eitam-Meilik, 2005). In accordance with the SET, employees feel obligated to their managers and repay them with commitment and better performance (Lewicka & Krot, 2015). SET and organizational trust will be explained in greater detail below. Taking managerial trust into account, scholars have studied the conditions of managerial trust empirically. Jennings (1971) and Gabarro (1978) identified five elements of managerial trust which was later extended by Butler and Cantrell (1984) where they studied these elements under two circumstances- managers' trust in subordinates (downward) and subordinates' trust in their managers (upward). In both the circumstances, these elements were placed in order of their importance- competence, integrity, consistency, loyalty and openness. Gabarro (1978) established in his study that of five, three elements namely, integrity, competence, and consistency were predominant in downward trust; whereas integrity, loyalty, and openness were noticeable in upward trust i.e., subordinates' trust in their managers. Butler and Cantrell's (1984) findings reinforced the downward premise, however, they could not validate the subordinates' trust in managers hypothesis.

In recent literature, a survey was conducted in Poland by Lewicka and Krot (2015). They utilized data using 370 employees from different organization. The study was conducted to identify the role of HRM and organizational trust on employee commitment. The findings, inter alia, revealed that the way managers implement HRM practices in an organization creates trust in the employees and vice-a-versa. It is also stressed that trust can be expected when managers clearly demonstrate the fair distribution of awards, formulate the principles of and provide for a continuous career development opportunity. Tzafrir and Gur (2007) empirically tested the influence of various HRM practices on quality of service through employees' trust in their managers. Four of five HRM practices such as supervision, promotion, compensation, and feedback were positively related to trust in superiors. It is worthwhile to note that the concept of self-directed teams likely increases trust as there is reduction in control and increase in interaction among team members as control mechanisms are reduced or removed and interaction increases (Larson & LaFasto, 1989; Mayer et. al, 1995).

The above studies are useful for the management practitioners and researchers both as they give an insight into different HRM theories and their interrelationships with organizational trust. However, we don't know how HRM truly affects trust. As studies of Narang and Singh (2012), Kim and Ryu (2013), and Tzafrir (2005) indicate that there are other conditions through which HRM systems affect trust; other variables that may be important for building trust needs to be explored in detail. We review these studies to unpack the new insights and challenges in the field of HRM and organizational trust internationally. It is may be submitted that the "why" and "how" of HRM and trust has been underexamined and least talked about. There is a need to consider more closely how

different HRM policies and practices contribute to developing organizational trust. Following our discussion on HRM and trust, we review the literature on two major theories- social exchange and High-Performance Work Systems and summarise the link between each theory and trust.

### 2.2.5. Social Exchange Theory and Trust

SET(SET) is one of the most recognised theories in organizational behaviour today. This concept can be explained as a long-term exchange of favours, where an individual does a favour to another and expects something in future return (Aryee, Budhwar, & Chen, 2002). Unlike the exchange of commodities, services or benefits that are involved in an economic exchange, expectations of favours and future return between two people, groups, or organization, within the purview of SET is measured in terms of mutual support, goodwill, and long-term relationship.

> "Social exchange . . . involves favour that create diffuse future obligations, not precisely specified ones, and the nature of the return cannot be bargained about but must be left to the discretion of the one who makes it.... Since there is no way to assure an appropriate return for a favour, social exchange requires trusting others to discharge their obligations". (Blau 1964, pp. 93-94)

Scholars like Blau (1964) have defined the theory of social exchange as a process where an individual extends services like help and advice to another without expecting a response in return. Hence, this theory is reciprocal in nature. These social exchanges always have certain risk and uncertainty, where it is difficult to say whether or not the other person will reciprocate or to what extent (Linda D. Molm, 2000). Aryee, Budhwar and Chen (2002) have further explained that this theory in an organizational context

assumes social exchange to be measurable in terms of fair treatment given by the organization to its employees, which in turn leads to an obligation on part of employees to give back positive work outcome. They have further asserted that the expectation of future return is at the discretion of the person who makes it. Since there is an associated risk factor, this discretionary nature of future return (in any kind) makes trust a vital component of the SET. This theory subtly indicates that when one person offers someone with resources and services like recognition and power they likely expect something from that person in future. Such social exchange can be in terms of better performance, job satisfaction, reduced absenteeism, cordial relationship between boss-subordinate or within employees. When a manager demonstrates confidence and trust within his team members, it promotes loyalty, organizational commitment and fosters better teamwork (Chandrasekar, 2011).

Bernerth and Walker (2009) conducted a study with 195 MBA students in a large south eastern university and their supervisors. The study was conducted with an aim to examine the influence of employees' inclination (propensity) to trust the rapport between supervisor and employee. It was based on the notion of SET (for example, subordinates' efforts are reciprocated by supervisors). Results showed that subordinates' propensity to trust was positively linked to their social exchange interactions with supervisors. But, the same could not be proved for supervisors' propensity to trust their subordinates. Reason for this variance could be due to the higher position held by supervisors. Like it happens while empowering employees, supervisors must ensure the trustworthiness of employees (Bernerth & Walker, 2009). Schilke, Reimann and Cook (2015), conducted a test to investigate how low and high-power impacts people's propensity to trust. The test confirmed that people having low power were more trusting than people with high power. One possible reason cited for this is that, people who have low power usually have higher

hopes and this in turn, increases their perception of their social exchange partner's benevolence which ultimately makes them more trusting (Schilke, Reimann, & Cook, 2015).

According to Rafferty and Restubog (2011) in their study established that social exchange and feeling of equality motivates employees and keep negative attitudes such as worry and frustration at bay. Hence, it is essential for employees to feel equal so that the negative employee attitudes such as dissatisfaction, frustration, and high employee turnover can be avoided. Williams (2007) conducted a study in a governmental organization in the UK to find the impact of negative social interactions on the attitudes of workers. Various HRM practices were taken as measure for social interactions. Findings revealed that the negative social exchange interactions were related to the unfair management practices. This stimulated stress, less motivation and employee turnover. However, findings also indicated that positive HRM practices (positive social interactions) stimulated better performance and positive attitude towards work. Consistent with SET, the positive social exchange interactions included equal rewards and recognition for similar work, teamwork approach, involving employees in work processes and trusting relationships between managers and subordinates. Scholars have suggested that when employees work in an organization where they feel their organizations more involved with them, employees tend to extend help and exhibit a caring attitude towards their colleagues; this creates a positive energy in the work culture and results into productivity and cordial relations amongst employees (Podsakoff, Ahearne, & MacKenzie, 1997). In a study conducted in 298 schools, Ostroff (1992) established that variables such as job satisfaction, stress and commitment lead to overall performance of an institution. This signifies that a positive social exchange interaction in an organization contributes to its overall growth.

SET has been extensively talked about in organizational behaviour. It has been closely linked with trust by many scholars (Dirks & Ferrin, 2002; Blau, 1964; Molm, Takahashi, & Peterson, 2000). However, the study of application of SET principles in management science has been scant in the recent years. We will unveil the probable application of this theory in the proposed study in the following chapters as we progress with analysing the data.

### 2.2.6. High Performance Work Systems

Human resource is said to be one of the most essential resources of the organization that can be attributed for better performance (Pfeffer, 1998). Thus, it is the concern of organizations to manage human resources in a way so as to reduce costs and yield productivity. Therefore, SHRM theorists have focussed on a set of human resource practices that can be said to have influencing performance; which are better known as high-performance work practices (HPWS) (Huselid, 1995). HPWSs include, for example, incentive compensation, training, employee participation, selectivity, and flexible work arrangements (Huselid, 1995; Pfeffer, 1998). Researchers have shown considerable interest in understanding the HPWS-organizational outcomes relationship. HPWS such as employment security, flexible work schedules, procedures for airing grievances, and high compensation can also increase motivation and employee commitment (Pfeffer, 1998; Youndt, et.al, 1996). In the recent years, Macky and Boxall (2007) conducted a study using random sampling technique. Findings supports that there is direct correlation between HPWS practices, employees' job satisfaction, and employees' trust in management. Findings further suggest that such practices bridges gap between both the parties- employees and management by providing a balancing act between them.

A prominent study in HPWS is that of Guthrie's (2001). A survey of 164 firms in New Zealand was conducted. Findings of the study indicate that when firms adopt HPWS, less employee turnover is seen with an increase in high productivity. Whereas, when firms adopt a controlling approach, employee turnover increases with consistency in high productivity. It is HPWS uses HRM practices that fosters reciprocal outcomes (Boxall & Macky, 2009). For instance, under HPWS system, hiring an employee based on their expertise, knowledge and interpersonal skills will increase the chances of the new recruit to adapt to the new workplace very well (Treadway et al., 2004); imparting training in the area of behavioural skills and technical knowledge will enhance the employee's competency and reliability (Pfeffer, 1998); Firms adopting HPWS strategies mostly pay a reasonably higher ate compared to others- this will build commitment amongst employees towards their organization (Levine, 1993). As Huselid (1995) and Delery and Shaw (2001) noted, however, it is also important to consider how HPWS affect the motivation of employees to exert effort on behalf of the organization.

Another theoretical framework that has gained importance is high commitment work practices (HCWP). According to Gowen (2006), HCWP defines relationship between SHRM and a set of progressive programmes and practices. In other words, HCWP is a set of practices that influences employee commitment and performance. As Gonzalez and Tacoronte (2006) have contended that employees with rare skills in the market are attracted and retained by the management by a bundle of sophisticated HR practices, including those aspects of high commitment practices incorporated under the HPWS banner. The bundle of sophisticated practices may include selective staffing, performance related pay, competitive salary and incentives, training and development activities

(Whitener, 2001). Scholars view commitment as a necessity so as to job satisfaction and low attrition rate (Mathieu & Zajac, 1990), and higher organization citizenship behaviour (Organ, 1990). Therefore, it is claimed that employees with greater job satisfaction, less absenteeism are more committed towards organizational vision and mission (Guest, 1987). In order to support a desire for high commitment, certain HRM practices can therefore be put in place in organizations.

High commitment is often used interchangeably with high performance and high involvement work practices (HIWP). However, it must be noted that the use of high commitment is most prominent in the UK, whereas HPWS and HIWS is frequently used in the US literature (Gould-Williams, 2004). In case of HPWS, the focus is on identifying the bundle of HRM practices to improve employee and organizational performance (Guest, 1987; Whitener, 2001). Yet, the set of practices to be used in this term still varies and is argued by different scholars. In recent years, Boxall and Macky (2009) have argued that high involvement and commitment are not same. They said that high involvement practices tend to influence commitment, however, it may not be the same with HCWP. For instance, HIWP influences commitment of employees strongly, however, it has been found that high commitment can be attained by practices other than those of high involvement, such as- job security and pay (Boxall & Macky, 2009). As noted by Farndale, Hope-Hailey and Kelliher (2010), HIWP is about involving employees in the work processes by aligning their objectives with the organization's goals, improving their performance by a continuous feedback, and giving them a chance to discuss their pay and perks. As a response to this, employees reciprocate with commitment (Blau, 1964). HCWP includes discussing performance appraisal, subsequent training opportunities, and providing for new challenges. This creates a feeling amongst employees that they are being developed and in turn they respond with a positive attitude such as less absenteeism,

higher productivity and low intention to leave the organization (Farndale, Hope-Hailey & Kelliher, 2010).

The section on HPWS, HCWP, HIWP, and SET is important for us to understand as we explore the topic on HRM and trust because many scholars have attempted to review and studied these theories in management studies and linked it with organizational trust. A lot of studies on SET and HPWS application in organizational set-up highlights different outcomes like satisfaction (Youndt, et.al, 1996), positive behaviour and better performance (Williams, 2007), positive social interactions linked with frustration and negativity at bay (Rafferty & Restubog, 2011). However, the gaps still remain as it is still a mystery that how this phenomenon occurs. In addition, while most studies of HRM and trust focus on private or large multinational companies, one sector that has captured our interest is PSOs which largely remains undiscovered. Therefore, we can now turn our attention on this issue for this study.

### 2.3. PSO and Trust

With the intent to investigate whether employees' perceptions of several HRM practices influence trust in government organizations, Cho and Poister (2012), collected data from a local USA organization in the year 2007. Findings unravel the link between employee perceptions of HRM practices and trust at three levels of leadership in a governmental organization- departmental leadership, within team, and supervisory trust. Results further showed that practices such as autonomy, compensation, communication, performance appraisal, and career development influence and strengthen trust in PSOs. A great level of variation was observed in the influence of these practices on trust in leadership at all three levels. In the recent years, scholars like Mirza (2010) and Mustafa (2015) conducted

studies on Pakistan State Oil that has been competing with its private counterparts such as- Shell, Caltex and Total. However, this organization has not only sustained itself competition, but also, has a market leadership with a strong vision. The credit for this goes to the PSO's large and highly organized HR practices like- training and development, recruitment and placement, salary administration, succession planning, employee relation and talent management (Mustafa, 2015). These HRM systems have honed professionally trained & motivated workforce, working as a team in an environment which recognizes and rewards performance, innovation and creativity and provides for personal growth and development. This revalidates the fact that, firms exhibit higher organizational performance only when trust is high (Tzafrir, 2007).

Ertürk (2014) investigated the influence of HPWS, perceived organizational support, superior-subordinate relationship, and organizational trust in a Turkish public-sector organization. Aim of the study was to examine the influence of these variables on employee turnover in a government owned IT firm. The survey enrolled 197 such IT professionals and when data was analysed, it was seen that trust was evoked when there was transparent information sharing, involvement of employees in the decision-making process, and equitable rewards and recognition. The study also revealed that trust in organization influences the link between perceived organizational support and turnover intentions, whereas trust in managers influences the relationship between supervisor-subordinate and turnover intentions. Whenever trust quotient is high, turnover intention is bound to be less. In addition, Behn (1995) has stated the downward trend of trust prevailing in the public-sector organizations on account of globalization which has been further supported by Van de Walle, Van Roosbroek and Bouckaert (2008). Bajpai and Srivastava (2004) conducted a study taking two public and two private sector organizations to analyse the satisfaction level. It was identified that in private sector

organizations, less welfare schemes, absence of job security, layoff threats increased job dissatisfaction. While in public sector, the presence of secure job environment, welfare policies, and job stability increased the job satisfaction to a great level. Macky and Boxall (2009) conducted a study in New Zealand to find if employees' experiences regarding HPWS vary in public and private sector. Findings established that employees in the private sector are better rewarded for their performance. Also, employees in private sectors have better chances of promotion than PSO employees. It was established that the bureaucratic control in PSOs and mandatory open advertisement for vacancies limit the employee's chances for promotion (Macky & Boxall, 2009).

Overall, the above section describes the HRM climate in PSOs. Scholars have tried to investigate the influence of HRM practices on employee and organizational outcomes round the globe. However, every study has some limitations and gaps which leaves scope for future research. Having discussed the arena of HRM and trust, and trust in PSOs; the following section will describe the Public-Sector Organizations in India and unveil its history, human resources and challenges ahead.

### 2.4. Public Sector Organizations in India

PSOs have been established and controlled by the Government of India under the Companies Act 1956 (Lokshin & Glinskaya, 2005). Before independence, India had only a handful of PSOs but post-independence, many more of them were introduced by the government viz., Indian Railways, Posts and Telegraph, All India Radio, and Government Salt Factories. Shortly after independence, the time was portrayed by an agricultural economy with feeble industrialization, instability in economy, high rate of unemployment, inequality in income, low savings, inadequate infrastructure, and lack of

trained manpower. To get a grip on the economic turmoil, the government established public enterprises as a mechanism for attaining a self-reliant economic growth.

The Department of Public Enterprise (DPE) has emphasized on the overview and challenges of Indian PSOs. It has categorized PSOs on the basis of various qualitative and quantitative factors; the quantitative factors are related to financial investment, number of employees, etc., whereas, qualitative factors refer technology, expansion and diversification, and competitors from other sectors.

Employment in public sector comprises two categories: government civil employees, and employees employed in public organizations. In India, the pay scales of public sector employees and civil servants are decided by government. While the salary and pay scales of top executives (CEO and Director) depend on the enterprises itself, there is a periodic revision of pay named as pay commissions set up by government of India determine this hike. The first pay revision was done immediately after independence i.e. in 1947 and recommendations of the seventh pay commission were accepted only last year i.e. in 2017. Many key industries in India belong to the public sector and their performance is directly correlated with the development of the Indian economy. They represent more than 22 % of the nation's GDP, around 6 % of the employment in organized sector and accounts for more than 20% of the tax accumulated during 2011-2012. As per Bombay Stock Exchange in 2010, 98 unlisted PSOs made huge profits contributing to India's GDP for three consecutive years. This indicates the significance of PSOs in growth and development of the nation (Kashive, 2013). However, it is noteworthy that Indian PSOs are more controlled by political forces than market conditions (Khatri, Kulkarni & Gupta, 2018). This is one of the reasons why they experience instability, interruptions, and

conflicts in policy making and taking vital decisions (Nutt, 2006; Taylor & Morse, 2013). Such political influence, multi-layered hierarchy and bureaucratic leadership hinders creativity and innovation in Indian PSOs (Gupta, Chopra, & Kakani, 2018). As per Hofstede's cultural dimension theory (1980), Indian organizations score high in power-distance dimension, low in uncertainty avoidance (weak), and tend to have a masculine culture. This notion is also supported by Kothari (1970) and Gupta et. al (2018) who have established that Indian organizations have more of a superior-subordinate type of culture. In such cultures, the predominant form of communication is downward communication. Managers are less approachable and there is a centralized control system (Hofstede insights, n.d.). Here, the general mind-set is to regard ambitions, power, success and status over innovation, creativity and excellence. Hofstede also observed that India has high tolerance in terms of uncertainty and risks; most of the times they overlook rules and guidelines and display a relaxed approach towards uncertainties.

Being more of a male dominant country, gender discrimination is also highly prevalent. However, gender disparity at work seems to be diminishing now-a-days with more women coming forward and performing at par with their male counterparts. Along with the characteristics already mentioned above, the liberalization policy (1991) has resulted in increased competition from domestic private as well as international organizations on the Indian firms. In modern times, there is widespread employment opportunity and international trade. Taking all this into consideration, it would be very interesting to dig into the patterns of human resources systems in Indian PSOs. In view of the challenges posed by liberalization, it is vital for the Indian HRM to focus on retaining quality manpower (reduce brain-drain), emphasize more on performance related pay, equal distribution of role across both genders (bringing women in mainstream), and to have an

impartial appraisal and transfer system (reduce the adverse impact of political control in PSOs) (Budhwar, 2013).

Apart from globalisation and liberalization, the development of SHRM in India is also influenced by the existence of trade unions, recent technological advancement, as well as organizational restructuring (Som, 2010). Due to the prevalence of different social and cultural norms, political scenario and varied beliefs in India, Indian HRM practices are perceived to be different from its western counterparts. Yet, it is perceived that practices like recruitment, retention, training, appraisal system, etc., have undergone a paradigm shift over a period of time (Anderson & Pereira, 2012). Investigations over the development of HRM patterns in Indian context and its impact on organizations are still in its initial stages. Very few scholars have started showing interest in this field of study. For instance, Ananthraman and Paul (2004) conducted a study in Indian IT sector and established that HRM practices like career development, training and employee-friendly work environment have a positive impact on organizational commitment. Evolving HRM practices in the Indian hotel industry (Chand, 2010) also revealed positive impact on service quality, consumer loyalty and overall performance of the hotel. In this survey, 52 hotels participated and questionnaires were responded by 52 HR managers and 260 employees. Talukdar (2013) found that leadership behaviour has a strong and positive influence on job motivation, sound industrial relations and organizational commitment in Indian PSOs. In Indian PSOs, employees enjoy employment security and perks more than their counterparts in private firms (Purang, 2009; Jha, Gupta & Yadav, 2008). Agarwal (2017) has held that Indian PSOs have always offered a stable career and better work-life balance apart from good salary and fringe benefits. Kashive (2013) analysed data collected from five major PSOs operating in India and reported that Indian PSOs give due importance to their human capital today by adopting a variety of strategies like measuring

employee satisfaction, having transparency by incorporating information regarding their employees (Human Resource Accounting) in balance sheet; all these measures contribute towards making PSOs a more lucrative place to work and also enhance their brand value. Goswami and Shahnawaz (2012) conducted a survey where data was fetched from public and private sectors in India with an objective to examine the impact of psychological contract violation on organizational commitment, trust and turnover intention among the employees. The outcomes uncovered that commitment, trust and employee turnover rate were more influenced by psychological contract infringement in public sector than in the private sector. In contrast, continuance and normative commitment were positively related to contract violation in private sector.

The above studies on PSOs and Trust and PSOs in India gives us an insight into the literature of PSO and the gaps that needs to be addressed. The selected studies show that scholars have found how set of HRM practices influence organizational outcomes like, trust and commitment. Few (Goswami & Shahnawaz, 2012; Bajpai & Shrivastava, 2004) tried to compare the results between public and private sector organizations to establish if there is significant difference in the two sectors. They found that welfare amenities and job security is more is public sector, however, employees are rewarded better in private sector. Yet, it must be noted that the subject of trust in Indian PSOs has been scantly explored. Furthermore, given the complex structure of PSOs, it would be interesting to understand the practices PSOs adopt to develop organizational trust.

### 2.5. Conclusion and Research Question

Globalization has brought all companies (public or private, domestic or multinational, product or service) into a single business arena. Companies have realized that they must

be in a position to effectively utilize all kinds of resources that they have in hand, in order to survive and succeed. With this, human resources have assumed great deal of importance in organizations and hence necessitate organizations to develop and restructure their HRM systems effectively. Upgrading HRM systems inadvertently creates mutual trust that is cumulatively responsible for influencing different employee and organizational outcomes.

In recent times, several scholars in the field of management are making efforts to investigate the factors that influence the relationship between HRM and organizational trust. Empirical and theoretical evidences related to organizational trust given above determine that they have taken HRM into account. However, it must be noted that the number of studies based on PSOs is limited. Studies of Narang and Singh (2012), Kim and Ryu (2013), Tzafrir (2005), and Williams (2003) indicate that there are other conditions through which HRM systems affect trust; yet it is important for us to understand "how" and "why" HRM affects trust in organisations. In other words, it is strongly recommended to have more in depth investigation of HRM and trust to reveal factors that likely fosters organizational trust. Further, these studies have primarily been quantitative in nature and do not explicitly highlight the perspectives of employees, managers, and senior executives regarding the link between HRM.

Lastly, there is little or no evidence available on organizational trust in Indian context. However, given the unique socio-economic, political and cultural factors that influence Indian PSOs, it would be interesting to examine the proposed study in Indian setting. To address the paucity of research in HRM and organizational trust; we call for an in-depth study using a multiple case design approach as it believed that such method involves detailed examination of the case (Kohn, 1997).

While we seek to understand the factors that may determine trust in organizations, our research questions emphasize:

1. *What facilitates trust in PSO?*
2. *What role does human resources play in developing organizational trust in public sector organizations in India?*

# Chapter- III

# RESEARCH METHODOLOGY

> The research design process in qualitative research begins with philosophical assumptions that the inquirers make in deciding to undertake a qualitative study. In addition, researchers bring their own worldviews, paradigms, or sets of beliefs to the research project, and these inform the conduct and writing of the qualitative study. Good research requires making these assumptions, paradigms, and frameworks explicit in the writing of a study, and, at a minimum, to be aware that they influence the conduct of inquiry (Creswell, 2007, p. 15).

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## 3.1 INTRODUCTION

> "When we talk of research methodology we not only talk of the research methods but also consider the logic behind the methods we use in the context of our research study and explain why we are using a particular method or technique and why we are not using others so that research results are capable of being evaluated either by the researcher himself or by others" (Kothari, 2004, p 9).

This chapter uncovers fundamentals of the methodology used for the study which shall be later used to analyse and describe the existing system of HRM and Organizational trust. It is essential for researchers to have an understanding about the research methodology before conducting a research. Also, the researcher should be able to answer as to why a particular methodology was selected. Understanding the research methodology helps a researcher to decide on the data collection methods and analyse the data interpretation techniques. Grant & Giddings (2002) argue that methodology is both, a theoretical assumption and a guiding principle that a researcher uses while framing a research question and deciding the process and methods to use for the research.

Using the above terminologies, it can be said that research methodology is not only the process that lays down various steps that a researcher can use, but also a logic for the appropriateness of the methods used to study the research question. In a qualitative research, researchers make certain assumptions which defines the nature of reality (ontology), the theory of knowledge that the researcher possess (epistemology), studying the nature and role of values (axiology), the research language (rhetoric), and the strategies used in the study (methodology) (Creswell, 2003). It is essential to understand these assumptions so as to investigate the research question in detail. Furthermore, given the massive literature and theoretical applications available on HRM and Organizational Trust, it is important to understand the methods which can help in understanding this area in greater detail. The aim was to use semi-structured interviews so as to gain insights into perspectives of employees, HR managers as well as senior managers regarding the influence of HRM on organizational trust. In light of these, the suitability of research design, research question, industrial setting, sampling procedure, target population, interview process has been highlighted in this chapter. Lastly, ethical concerns surrounding the study followed by summary and conclusion has been addressed in the later sections of the chapter.

## 3.2 ONTOLOGICAL AND EPISTEMOLOGICAL FOUNDATIONS

The ontological and epistemological position of the researcher underpins the research method adopted for the study, therefore, it is important to understand them so as to investigate the research question outlined in chapter two (Porac et al., 1996). Considering the nature of research question, the problem under study takes the position of qualitative inductive approach. Using an inductive approach, the researcher seeks to

develop a theory or concept from the emerging patterns in the gathered data (Taylor, Bogdan, & DeVault, 2015). As described by Thomas (2006), inductive approach is a data reduction process of a complex set of data that takes places during the development of themes or categories from the raw data (p 239). These procedures are evident in many descriptive qualitative data analyses. Under this approach, the researcher generates meanings from the data collected in order to identify patterns to build a theory.

With a relativist ontological position, researcher seeks to emphasise on participants' experiences (Robson, 2003). This position will investigate the research question from different lenses. In a qualitative study, researcher often interprets the meaning rather than looking for an objective view. This is often based on interviews and observation as the source of collecting data. It is mostly useful when the researcher may not even know what the variables and hypothesis are. This fits best with an interpretivist paradigm (Guba & Lincoln, 1994). As elucidated by Henn, Weinstein, and Foard (2009) the interpretivist approach unfolds the meaning that shapes a human behaviour; it is not about the factors that a researcher can assess in a quantitative method. In this paradigm, scholars believe that individuals with their own varied background and knowledge, contribute to an existing reality through social interaction (Wahyuni & Dina, 2012).

Hence, the interpretivist paradigm of this study will dwell into the research question by generating rich descriptions and meanings that people attribute to them (Gephart, 2004). Taking an interpretive approach, researcher seeks to understand the behaviour of participants and examines their action while they involve themselves in the data collection process with the researcher. Some of the classic examples of this approach

are: open-ended interviews, focus groups, open-ended questionnaires, open-ended observations, and role-playing.

After having discussed the epistemological and ontological positions of the study, we will now discuss the research methods that underpins this study.

## 3.3 RESEARCH DESIGN

This section outlines the structure of the study. It defines the methods, data collection sources, sampling techniques used in the research and how data will be analysed. When establishing a research design, it is vital to have an insight into researcher's methodological views and to provide context and theoretical foundation to the study confirming the research outcomes to be convincing (Raubenheimer, 2013). Therefore, this section briefs about the steps taken in conducting this study methods and procedure used in the study followed by ethical concerns associated with data collection in this section.

### 3.3.1 Case Study Approach

As outlined in Chapter two, the purpose of this study is to investigate "why" and "how" HRM influences organizational trust. Consistent with qualitative approach, the researcher seeks to build a holistic picture of the phenomenon by understanding the subject from different perspectives (Abawi, 2008). The major advantage of an exploratory qualitative study as argued by scholars lies in the interactive relationship between the researcher and participant (Duffy, 1986; Bryman, 1988) where the researcher obtains first-hand information about the subject by getting involved with the

participant in a natural setting. They further argue that data gathered from such sources are assumed to be more reliable because of the time spent by the researcher and participant. A qualitative case study method that investigates an issue by using different sources of data and emphasizes that the issue can be understood in many ways (Baxter & Jack, 2008). Therefore, finally, case studies can be used to accomplish various aims: to provide description (Kidder, 1982), test theory (Pinfield, 1986; Anderson, 1983), or generate theory (e.g., Gersick, 1988; Harris & Sutton, 1986).

Qualitative research often relies on case study method to understand a phenomenon. A case study method is a research method involving in-depth and detailed examination of the case (Kohn, 1997). This method is an empirical inquiry to investigate an event/process/function/organization within its own context and it depends on multiple sources and information/data to support theory building in long run such as archives, interviews, questionnaires, and observations (Eisenhardt, 1989). Yin (2003) has added that a case study can be used in one of the following cases: a) when a study focusses more on how and why phenomena, b) when it is not possible to control the behaviour of the subject involved in the study, c) when the researcher wants to explore contextual factors underpinning a particular phenomenon, and d) the boundaries between context and phenomenon is ambiguous. Two types of methods can be used in case study viz. single case study and multiple case study (Yin, 1984). When the researcher identifies a phenomenon to be studied through case study approach, it is imperative to have an understanding as to whether a substantial knowledge can be gained though a single case or to have multiple cases.

The use of single case and multiple cases has been argued by researchers from the literature. While some scholars identify single case study as essential for theory building and gaining knowledge about the construct of the phenomenon (Eisenhardt, 1989), the use of multiple cases has been supported by some (Dyer & Wilkins, 1991; Yin, 1994). Baxter and Jack (2008) have said that the aim of a multiple case study is to find similarities and differences across cases. According to Yin (2003), in multiple case studies, similarities and differences are drawn across cases, and so it is important to choose cases wisely so that the investigator can predict similar or contradicting outcomes. Stake (1994) identifies one of the advantages of using a multiple case study method is that it provided a basis for comparative analysis to build a framework. Critics of qualitative approach have emphasised on the weaknesses of case study method. Kerlinger (1986) states the risk of improper interpretation involved in case study whereas Lee (1989) identifies four limitations using a case study method which is the absence of: controllability, deductibility, repeatability and generalizability. On the contrary, scholars advocate the case study method stating that this method is useful where controlling variables or behavioural element is not important while studying a subject (Yin, 1984). The supporters of case study method claim to know little about the subject, in contrast to their qualitative advocates, until they develop a framework and a theory by attempting to analyse the subject (Maanen, 1983).

For the proposed study, the researcher undertook multiple design case study method. This method has been chosen for varied reasons. The main significance of a cross-case analysis is it investigates similarities and commonalities across all cases. While the cases are put in comparison and contrast during the process of analysis, a theory is generated (Eisenhardt & Bingham, 2011). Using this technique, the researcher engages in a cognitive process and extends his knowledge beyond a single case. In the process of

doing so, the uniqueness of each case was considered and preserved (Silverstein, 1988). With an understanding that such methodology enables the researcher to analyse the given phenomenon within a single situation and across all situations (Yin, 2004), this method deemed significant. This method also provides for an opportunity to explore the research question in a broad sense leading to evolution of a theory (Eisenhardt & Graebner, 2007). Lastly, it is believed that such theories are more generalised and better established, unlike theories from single-case study methods, providing a basis for extension and validation with other methods (Davis, Eisenhardt, & Bingham, 2007).

### 3.3.2. Case Studies

The industrial setting for the proposed study is PSOs. This organizational setting is appropriate for the study because of various reasons. PSOs in India have seen the post-independence era and have undergone major changes in terms of restructuring the HRM systems after liberalization policy (1991). There is a considerable increase in the brain-drain, unequal distribution of role of gender and a huge impact of bureaucratic leadership in Indian PSOs (Budhwar, 2013). It has also been elaborated by scholars that PSOs in India operate under political control and has multi-layered hierarchies (Gupta, Chopra, & Kakani, 2018) which makes it all the more challenging for PSOs to make vital decisions and accept innovation. Many PSOs were conceived as extended arms of government and were mandated to implement policies. Post liberalization in 1991, however, some of them are now listed on stock exchanges and are accountable to the shareholders. This creates an irresolvable contradiction with the very fundamental idea of creating PSOs. However, Kashive (2013) has pointed out the huge profits earned by Indian PSOs resulting into a significant contribution to the nation's GDP every year. Considering this, five PSOs have been selected that are 30-60 years old. These organizations have been named IND1, IND2, IND3, IND4, IND5 having employee size

ranging from 5,000 to 35,000. Primarily into exploration, production, distribution and marketing of oil and gas, these organizations have successfully retained market leadership across the country since their inception. Major advantage of our industrial setting is the large size of organizations that will enhance the generalizability of our findings.

### 3.3.3. Negotiating Entry

The initial point of contact with each organization was through an e-mail (See Appendix A). In case of IND1, the researcher contacted Chief (Executive Director & Basin Manager) at Vadodara who, in turn, put the researcher in touch with the concerned officers to be interviewed. In IND2, the researcher approached HR Manager who facilitated interviews. The researcher approached Joint-Managing Director of IND3 who was of immense help in organizing interviews in IND3 and IND4. On researcher's request, the Executive Director (Marketing) of IND5 Corporate Office spoke to the General Manager at Vadodara. He was extremely cooperative in lining up the interviews with concerned officers. Participants were then invited to participate in the study through a formal invitation letter (Appendix B) along with a consent form (Appendix C) which states that the participation is voluntary and that their identity and the information they provide will be kept confidential. Table 4.1 (in the next chapter) summarises the participants of this study. A detailed introduction about the organizations (cases) and specific positions like Basin Manager has been described in the following chapter.

### 3.3.4. Sampling, Data Collection Sources and Triangulation

Data collection is the most crucial step in any research. Data collection is of two types: primary and secondary (Lim & Ting, 2013). The present study relies on both primary and

secondary sources of data. Primary data was collected through semi-structured interviews with senior executives, human resource managers and general employees of the organizations. Over a 25-day period, the researcher contacted these people and arranged for the interviews. IND4 and IND5 declined audio-taping the interviews following privacy protocols. However, fieldnotes were taken during the interviews. Although, participants were reached through email (See Appendix A), General Manager of IND5 asked for a letter from the University stating the objective of the study. This was conveyed to the researcher's supervisor via -mail who in turn, emailed the General Manager the required letter. Researcher made visits to these five organizations back and forth as getting an appointment was not that simple. The visits included formal and informal interactions with the senior executives, employees, HR managers or head of the department, and top management officials. The interview process will be discussed in the following section in detail. Participants were very cooperative and the researcher had access to all the departments. The information gathered from each case will be uncovered in the following chapters.

For collecting data, the researcher selected snowball sampling method for the study. This method is often used when the interest group or the population to be studied is difficult to locate (Faugier & Sargeant, 1997). Davenport and Prusak (2000) states that in this method, the researchers interview someone who possesses the knowledge of a given phenomenon, who then suggests other likely persons. This method is beneficial as it allows the researcher to gain access to more participants, who may otherwise be difficult to identify. Berg (1988) states that such sampling techniques create a series of referrals that are made in a circle of people who know one another. Considering this, participants who are known to the researcher were contacted. Those who are not directly known, were identified through associates. To protect their identity, they were contacted through e-

mail first and upon their approval, they were formally invited through an invitation and consent letter. Senior executives, HR managers and general employees were selected from the public-sector organizations for the interview. However, snowball sampling has its own disadvantages. Following two disadvantages were noticed while using this sampling technique:

A. Sampling bias: As participants are directly or directly known to the researcher, this sampling method can have chances of error. For instance, during the data collection process, researcher had the access to only to a total of 25 people. Such biases might not give the conclusive results. Hence, this requires the researcher to be careful in collection all the necessary information required for the study while using this technique.
B. Lack of cooperation: During a lot of visits, people were not keen to participate even after referrals. This leads to unnecessary delay in the data collection process.

The secondary data includes corporate documents and annual reports that participants allow the researcher to use. Archival data in the form of publicly available media articles, reports was also used to triangulate (or validate) the data collected for this research. Most of these organizations were forthcoming about showing these written documentation examples their website. Additionally, articles in periodicals and magazines were also used.

The procedure of gathering data from more than one source is called as triangulation (Patton 2002). To have an accuracy in the research, triangulation is imperative. This method helps investigator to have a more comprehensive information about the phenomenon and cross verify their uniformity. Triangulation is significant in order to

comprehend various dimensions of the same phenomenon. Using triangulation, the researcher can understand a piece of information in different ways, reveal unique findings, or challenge an existing theory (Jick, 1979). Also, it is used to enhance the validity of the study (Web, 1966). McDonald, Diehl and Guion (2011) adds that this method helps the qualitative research advocates to validate a question from different perspectives.

### 3.3.5. Archival Evidence

Researchers from different disciplines often rely on secondary data that is exclusively being processed by individuals other than researchers (Cherlin, 1991). This secondary data can be in any form: statistics, charts, consensus data, letters, papers, e-mails, media reports, etc (Calantone, & Vickery, 2009). Archival evidence in the form of newspaper articles, magazine articles, scientific journals helps shaping the case study (Yin, 2003). As the organizations were well established, it was difficult to have access to the written documentations or official reports of the organizations. However, many of the data were shared verbally by the informants of which the researcher made fieldnotes of. Apart from this, the archival evidence was generated from their official website, media reports, and journal articles. These archival evidences were gathered with an aim to triangulate and validate the statements shared by the informants. Later, during the analysis, the researcher exchanged e-mails and phone conversations with some informants to ask follow-up questions to clarify points and validate the emerging model.

### 3.3.6. Interviews

As interviews form a dominant part of the research, a reference on the interview process is essential. It is believed that interviews can be useful if you want to unveil the story behind participant's experiences where the interviewer seeks to have the in-depth

knowledge about the phenomenon (McNamara, 1999). The reason for selecting semi-structured interviews as primary source of data collection is that this method helps in exploring the research question in detail and also gives an opportunity to the interviewer and interviewee to pursue the response in detail (Gill, Stewart, Treasure, & Chadwick, 2008). And unlike other instruments such as questionnaire, online survey, and observation the interviewer can uncover the hidden message by asking follow-up questions in an interview (Shrivastava & Valenzuela 2008). Hence, a set of questions was prepared (See Appendix D) that was used as a guideline for interviewing participants. In interviews, participants were asked open ended questions working in the selected five PSOs. During the interview, participants were given opportunity to express their perspectives on how they think HRM contributes in developing trust in their organization (See Appendix D).

Questions related to organization, participants job role, number of years served in the organization and their perspective regarding organizational trust was asked. Although access to number of organizations was not guaranteed initially, yet the researcher had access to 5 different cases during one month stay in India. Semi-structured interviews were arranged with these five organizations. Frequent visits to the organizations were made in an attempt to conduct interviews with as many participants as possible. The interviewer got an opportunity to meet people from different strata of each organization-members of top management team, HR managers, senior as well as lower level staff, and scientists. Different perspectives of different people can give insight about the subject. So, an attempt was made to interview at least one person from HR (Manager or Head), one from Sr. Management and as many employees as possible. In some cases, there were participants who were long-serving employees of the company and then there were employees who had recently joined. Another category was that of fresh graduates who

had different mindset from rest of the participants. Each interview lasted for 45-60 minutes. It is worthwhile to mention that although an interview schedule (Appendix D) was prepared, it only served to initiate the interviews and the participants were allowed to express their experiences and perception about organizational trust (Ho, 2005). Therefore, every interview was different and the questions asked may not necessarily resemble those defined in the interview schedule. Participants had the autonomy to answer or skip questions. They were communicated at the beginning of interview that their answers will be strictly kept for the purpose of research and also, they have freedom to withdraw from the study at any point if they want.

In an interview, there is an emotional and intellectual connect between two persons (Khalid, 2001). The researcher belongs to this country (India) and has worked with some of the participants before. Therefore, she is well aware with the social and cultural norms of the participants. Hence, this built a mutual trust and respect between the researcher and participants during the course of data collection. Rapport building allows the interviewer and interviewee to get closer to the truth (Alvesson and Deetz, 2000). This rapport-building and informal discussion with the participants helped in building trust so that the participants could talk freely (Mellon, 1990). Field notes were taken during the interviews and responses were audio-taped. One organization declined the use of audio-taping although they agreed to participate in the study. However, the researcher utilized notes to record the responses and supplemented them with the archival data for analysis and findings. Three to seven participants from each organization were interviewed. Hence, a total of 25 people participated in the interview.

### 3.3.7. Data Analysis

This chapter describes the cross-case findings of all five cases in this study. It will demonstrate the analysis from the evidences collected from the companies.

The analysis was organized and designed referring the methods described by (Eisenhardt, 1989) where they use open and axial coding in the initial stages of their analysis. To begin with, the researcher integrated the data from each organization into individual cases. These case histories illustrate the organization type, size, and number of informants taken from each case (Table 4.1, Chapter 4). After having developed case histories for each organization, researcher attempted to have within-case and cross-case analysis bearing in mind their responses. While interviewing them, the focus was on two questions primarily: 1) How informants view organizational trust and, 2) What factors they feel influence organizational trust. The within-case analysis gave me an idea about how each firm perceives trust and what do they feel fosters trust.

After having an insight about each case, the researcher began with cross-case analysis to find out similar emerging themes. As described by Strauss and Corbin (1998), in an inductive analysis the researcher begins to study the data and allows the theory to emerge from the data. As the researcher progressed with analysis, she used this approach and primarily relied on raw information. As consistent with inductive approach, rereading of transcripts was done several times in order to identify themes (Thomas, 2016). To confirm the reoccurrence of themes in across cases, the researcher revisited the transcripts and replicated the process several times. These identified themes were then named as first-order codes. In the second stage of analysis, first-order codes were subsequently segregated and developed into higher order categories which is well known as axial coding (Strauss & Corbin, 1998). As the analysis progressed, similarities and differences across cases were also identified while we continued to reread and codify the transcripts.

In the process of doing so, the researcher looked for the idiosyncratic themes that may emerge. The rigorous process of reading the transcripts back and forth went on until no new categories or themes were identified. This helped the researcher discover 15 second-order themes. At this stage, some knowledge construction begins to develop. This knowledge construction was conceptualized into comprehensive theoretical dimensions in the third stage of analysis which we shall discuss later in the chapter. Consequently, in the third stage, I was able to identify three comprehensive theoretical dimensions and a framework. Inductive approach being an iterative procedure, rereading of transcripts was done to identify the codes and an attempt was made to establish linkages between themes and the theoretical dimensions developed from the analysis. Findings and conclusion shall be discussed in subsequent chapters.

### 3.4. TIMELINE

The researcher started preparing and planning for the dissertation in September 2017 with her supervisor. Ethics Application (EA1) was submitted early and approval was received from the committee to collect data on 05.12.2017. Additionally, the PGR1 was submitted to the postgraduate committee for project approval which was approved on 13.12.2017. During the summer break (24.01.2018 to 23.02.2018), the researcher completed data collection. Transcribing and data analysis were completed by April 2018.

During this time there were no issues raised other than that highlighted in the response for the PGR1. The approval of ethics committee was taken prior to data collection. The data collection was completed in one month and the analysis of data took another four weeks. The researcher completed writing the research chapters in the remaining three months (May, June and July).

## 3.5. ETHICAL CONSIDERATION

As the Ethics Committee at AUT emphasizes on the ethical considerations involved in a research process, this study adheres strictly to the considerations and guidelines framed by AUTEC. The study does not involve any risk or harm to the participants. As these organizations are government enterprises, special consideration was taken to protect the privacy and rights of each case and the participants involved. Participants were given sufficient time to read the information sheet (Appendix B) and consider the invitation for taking part in the study. The invitation (information sheet) and the consent form (Appendix C) both assures that the participation is voluntary and their identity will be protected. They were free to withdraw from the study at any point of time. If they wish to withdraw, they were given a choice of -removing the information they gave during the interview. If the participants wish to view the findings, a copy of the summary and findings will be sent to them upon a formal request made by them on the details given in the information sheet. To maintain data quality, confidentiality of the participants has been maintained throughout all stages of the research. The researcher will be accountable to keep the information confidential and secure from the unauthorised persons. For maintaining confidentiality, the signed consent forms will be kept separate from the data. If the participants withdraw from the study, all the information given by them shall be destroyed (if they request so) except for their consent form. The participants had the access to their own as well as the research specific information they will give to the researcher.

The researcher has received approval from the Auckland University of Technology Ethics Committee (AUTEC) for conducting this research.

## 3.6. SUMMARY AND CONCLUSION

This chapter outlines the epistemological foundations and methodologies used in this study. The research design was discussed in a great detail summarizing the case study approach, sampling technique and sources of data collection. A detailed description about the interview process and how the researcher prepared and planned for the interview sessions was highlighted. Data analysis in a multiple case study method has also been summarised in this chapter. The data analysis section also gives a description regarding the cross-case analysis the researcher resorted to. In addition to the introduction and reasons for choosing a multiple case study method, a presentation of cases was also given in this chapter. What were the main ethical concerns of the research and how were they addressed during the data collection process has been featured. A discussion about findings will be presented explicitly in the following chapters.

# Chapter-IV

# FINDINGS

## 4.1 INTRODUCTION

This chapter illustrates the cases and findings in detail. We will begin with a brief description of organizations and how data was collected from each organization will be presented. An overview of the cases has been summarized in Table 4.1 below. A cross-case analysis combining evidence from all the cases will be discussed which will highlight the theoretical dimensions that underpins the findings of the study. Lastly, Table 4.2 highlights the quotes from informants that validates the findings and Table 4.3 depicts the similar and idiosyncratic themes across cases. Following our analysis and discussion, the conclusion and implication of the findings will be discussed in the next chapter.

## 4.2. DESCRIPTION OF CASES

As consistent with multiple case studies, comparisons are made across cases. Hence, it is significant to choose cases with careful consideration so that the researcher can forecast similar or contrasting outcomes (Yin, 2003). Also, Eisenhardt (1989) has stressed on selecting cases carefully as an apt population sample helps in establishing generalizability of the findings to theory by controlling the unnecessary variations in population and sample. Keeping this mind, we chose our cases operating in similar business segments. During visit to India, the researcher had access to five PSOs. Let us first understand these organizations.

Intense activities in the field of Hydrocarbon (oil and natural gas) exploration and activities are going on to meet the energy demand of the country. From activities point of view, the entire activities can be divided into three major categories:

1. Upstream Sector: In this category, companies are engaged in discovering new oil and natural gas fields and producing them; In India, IND1 is the premium upstream company. It caters to more than 75% domestic production of oil and gas. This is also highest profit-making public sector enterprise of India. Around 35,000 employees are working in the various disciplines of this company. IND1 board has six full-time Directors headed by Chairman and Managing Director. On various geographical locations, exploration activities are headed by Basin Manager, whereas Production activities are looked after by Asset Manager. For exploration, Indian sedimentary basins (it is geological term denoting the areas where the possibility of oil and gas exists) have been divided into many areas geographically. Western part of India is called "Western Onshore Basin". Chief of exploration activities in western onshore basin (covering provinces of Gujarat and Rajasthan) is called Basin Manager. Basin Manger, Western Onshore Basin, heads a team of large number of employees. His team consists of geo-scientists, engineers, HR, Finance, Material Acquisitions and other disciplines. Basin Manager is a very senior level executive (just below Board Level).

   Researcher interviewed the officers working in Western Onshore Basin of IND1. In addition, Gujarat State (a province of Indian Republic) also owns an upstream company known as IND3. This is fully owned by Government of Gujarat. It is much smaller compared to IND1. This company is headed by Managing Director.

Chairman of this company is a non-executive Chairman, who presides over the Board Meetings. Now, Upstream companies, after producing Oil and Gas, send

a) Oil to refineries, known as- Downstream Sector, &
b) Gas to Gas Marketing Companies, known as – Mid stream Sector.

2. Downstream Sector: IND2 is the largest public sector downstream company of India. From the crude oil supplied by IND1, through trunk pipeline, it makes various products like petrol, diesel kerosene, naphtha, etc for the end users. It has around six refineries in the country. Gujarat refinery at Vadodara (city in Gujarat) is the largest refinery of this company. I conducted my interviews at this work centre (located at Vadodara-Gujarat State) only. Like IND1, IND2 board has six full-time directors headed by Chairman and Managing Director.

3. Mid-Stream Sector: Gas discovered by the upstream companies are supplied to the gas marketing companies, known as mid-stream sector. These companies, through their extensive pipeline network, supply gas to the end users. End users can be an individual or an industry. IND5 is the largest public sector mid-stream company of India. Vadodara (in Gujarat State) has the largest base of this company, hence I confined my interview to Vadodara work centre. Like IND1 and IND2, this company (IND5) is also a government of India PSO, which has four to five full-time Directors headed by Chairman and Managing Director. It also has a Pan India spread. Though manpower wise, it is quite smaller compared to IND1 and IND2, its contribution to the national exchequer is quite significant. IND4 is another mid-stream company belonging to IND3 (an upstream company of Gujarat State). Managing director of IND3 id ex-officio of Managing Director of IND4 also. Primary responsibility of this company is to market the gas discovered and produced by IND3. It also has both individuals and Industries as

end users. Recently, it has ventured in the area of city gas distribution. This is a smaller company compared to IND5.

Data collection took place over a period of 25 days. In order to protect their identity, they are coded as IND1, IND2...IND5. All of them are large profit-making organizations in India having monopoly in production, exploration, and distribution of crude oil, natural gas, and petrochemicals in the country. Access to written documentation was difficult as all of these organizations were well established and most of their policies and procedures were available on their intranet. Archival evidences were collected through sources available on public domain. These included the company website, newspaper articles and periodicals in academic and business. Total 25 people were interviewed from all five organizations. A detailed description of the organizations and data collection is given below. Mostly, the interviews lasted for about 45 to 60 minutes.

A description of each case is highlighted in the Table 4.1 below. The table depicts the industry type, employee strength and total participants interviewed from each case.

*Table 4.1: Description of Cases*

| Cases | Organization Size (manpower) | Industry Type | Number of People Interviewed | Interviewees | |
|---|---|---|---|---|---|
| | | | | Employees | HR Manager |
| IND1 | 35,000 | National oil and gas exploration and production company | 7 | 6 | 1 |
| IND2 | 33,000 | Largest oil refinery; marketing of oil and LPG | 5 | 4 | 1 |
| IND3 | 2,000 | Oil exploration, production and distribution | 3 | 2 | 1 |
| IND4 | 2,000 | Marketing of natural gas | 6 | 4 | 2 |
| IND5 | 10,000 | National gas marketing company having pipeline network across the country | 4 | 3 | 1 |

The above table shows the number of HR managers taken from each organization. Employees category includes Sr. Executives as well as general employees of the organization. Before we start analyse informants' responses, let us first understand each case individually.

### 4.2.1. IND1

IND1 is the national Oil and Gas exploration and production company. IND1 was founded on 14 August 1956 by Government of India, where 68.94 percent equity stake is held by Government of India. At present, it accounts for 77 percent of Indian domestic production (Ganguly, 2007). Post-independence, the economists emphasized on having a public-sector enterprise that could take control of the exploration and production of natural gas and oil in India (Ganguly, 2007). Hence, this firm was formed in 1956. It has a team of more than 35,000 dedicated employees working across all locations in India. This organization has many awards and accolades to its name. For instance, it has been the winner of Best Employer in the year 2013 awarded by Aeon Hewitt and listed 14$^{th}$ by Forbes (2000) among global oil and gas companies. It was awarded for four Public Sector Enterprise Excellence Awards from Indian Chamber of Commerce in 2016. Recently, IND1 has received Dun & Bradstreet Award 2018 in the 'Oil and Gas Exploration' category. This is India's largest oil and gas exploration and production company under the administrative control of the Ministry of Petroleum and Natural Gas. To involve employees in the decision-making process and to protect their rights, the company has registered unions and officers' associations. However, this company has hardly faced any union issues since its inception.

The data was collected from one of the company sites located at Vadodara (a city in Gujarat). In this case, seven employees participated in the interview of which one was HR Manager, four senior executives, and two employees. The data was gathered from this organization over three visits. The initial point of contact for this organization was the Chief (Executive Director & Basin Manager). Upon request, the researcher was put in touch with the officers who were later interviewed. There was no problem of audio taping the responses as well. Participants were given a full description of the research

protocol (Appendices B and C) and upon their approval, a consent form was given to them which stated that the participation is voluntary. Interviews went very well with this organization. The informants were very open and cooperative. Data collection also included formal and informal interactions with different people who have been with the organization since long time. During interviews, diverse responses emerged from the participants regarding organizational trust.

One informant said, *"Trust means loyalty. How you make your employees loyal? By giving them benefits they want? By giving them independence and power? So, every employee is given authority and responsibility here. They can do anything and organization supports them in order to motivate them and make them loyal towards to organization (HR-IND1)".*

This organization is known for its best employee practices in India. The medical benefits to the current as well as retired employees and their spouse is unparalleled. This organization is known for its benevolence. It takes care of employee's family by extending a helping hand during emergencies.

As one senior executive said, "*One of my family members was kidnapped by ULFA (The United Liberation Front of Assam- a separatist outfit operating in the state of Assam) in 1990s in Assam. At that time, this company provided me emergency landing in Assam and helped me out".*

Responses from all informants and their underlying meaning shall be discussed in the next section in greater detail.

### 4.2.2. IND2

This is a large oil refinery public-sector organization which is also responsible for marketing of oil and LPG. It is also involved in the exploration and production of crude oil, gas and petrochemicals. It has subsidiaries in Sri Lanka, Mauritius, the UAE, Sweden, USA and Netherlands. This organization was established in the year 1959 and it is administratively controlled by India's Ministry of Petroleum and Natural Gas, a government entity that owns just over 90 percent of the firm. It may be noted that IND1

and IND2 are the largest public-sector enterprise in India in Oil and Gas sector. IND2 took over IND1 in the fiscal year 2017-2018 to become India's most profitable PSO for the second consecutive year. Having employee strength of more than 33,000 this organization ranks 168$^{th}$ in the prestigious Fortune Global 500 listing for the year 2017. As with IND1, this organization has registered union for non-officers and officers' associations so as to give employees an opportunity to participate in the decision-making. For recruitment (executives, non-executives), the company does not outsource any agency and all the vacancies are advertised in the leading newspapers and company website.

For data collection, the researcher approached HR manager at the Vadodara work centre. Since the HR manager was known to the researcher, it was convenient to take appointments for the interview. As outlined above, the participants were first given a description of the study along with research protocol. Upon their approval, they were given consent forms. This procedure was repeated in all the other organizations as well in order to maintain privacy of the informants and organizations. A total of five employees agreed to participate in the study one of which one was HR Officer and rest were employees. Employees were very supportive and described their experiences with the organization in detail. Archival data was gathered mostly from media reports, company website and related journal articles. All the participants were fresh graduates from esteemed Universities of India and new to the organization (1-2 years in the company). They had different perspectives from the experienced employees which gave researcher a broad range of views on the subject matter. It was interesting to earn that this organization was celebrating "Year of Trust" this year. This organization follows four values- Care, Innovation, Passion and Trust. The company is observing "Year of Trust" in 2018.

According to HR Officer of IND2, *"Trust is one of our values and we are celebrating year of trust this year (last year it was year of care); we are doing a lot of surveys, competitions and activities throughout the year to understand the trust culture of this organization and what creates trust amongst employees; so, we give a lot of emphasis to trust".* The organization measures its employee trust and satisfaction by conducting and participating in different surveys that defines trust in the organization. The HR Officer went on to say that, *"We participate in a survey called as 'great places to work' where we ensure that maximum people come and participate. We also have an internal satisfaction survey where we try to get the feedback from employees about the level of satisfaction of employees regarding various services we provide which is also related to how much they trust the organization".*

If the organization stresses on having trust, it would be interesting to learn what they do to enhance trust in their organization. The responses and their analysis will be discussed in the findings section.

### 4.2.3. IND3

IND3 is a group of oil and gas exploration, production and distribution companies based in Gujarat, India. This is India's only State Government-owned oil and gas company where Government of Gujarat has 95% of equity stake. The history of this organization dates back to 1979 as a petrochemical company. IND3 successfully discovered and acquired several fields during 1994 and 1995. IND3 and IND4 are relatively small sized organizations having employee strength ranging from 2,000 to 5,000. Total three employees agreed to take part in the study from this organization of which one was head of the department (HR & Legal) and the two were functional heads. IND3 follows an informal structure because of the small size of organization. According to Head (HR and Legal), this organization has an informal structure and a teamwork which helps the organization in smooth functioning and enhances trust.

He said that, *"Recently we got an opportunity to work with a Central Govt (PSO) of India which has large number of employees and has a very formal structure. Compared to such organizations, our organization has a very informal structure and decision making is very fast. We could see the contradiction between the structure and functioning of both the organizations. Most of the things in our company is done on mutual trust basis".* He further added that, *"What can't be achieved in a formal set up and be achieved very easily*

*in an informal setup. If you are transparent with people, I think by and large people are accommodative and do understand".*

### 4.2.4. IND4

This organization is India's largest natural gas distribution company and primarily operates in the State of Gujarat (India). Initially, British Gas Group (BG Group) had the majority stakes in this company. By 2012, the BG Group sold 65% of the stakes for a fee of around $470 million and the buyer was IND3. But later in 2015, IND3 and IND4 merged and formed a new company as IND3. By 2010, it stretched over 3,700 kilometres of gas pipelines in the nation. As of 2017, it has the largest customer base in gas distribution sector in India: 10,80,000 domestic households, 2,835 industrial customers, 11,900 commercial and non-commercial customers.

Six employees participated in the interview from this organization. Two of six were from HR. One was Associate Vice President (HR) looking after training and development, and performance management of employees. The second was HR Manager responsible for HR Generalist role. Interviewing both of them provided a rich data regarding human resources and trust of the organization. Both of them did not allow to audiotape the interviews so the researcher took fieldnotes during the interviews. However, the remaining four did not have any objection to the audio recording. All of the six informants were very open and cooperative. Each interview lasted for about 45 minutes to 60 minutes.

### 4.2.5. IND5

IND5 is another public-sector enterprise of India established in 1984 that operates in gas processing and distribution in the country. It majorly operates in the following business

segments: natural gas, liquid hydrocarbon, liquefied petroleum gas transmission, petrochemical, city gas distribution, exploration and production, and electricity generation. Recently in the year 2017, this company was awarded the fastest growing Maharatna PSO Award from Hon. Minister of Road & Transport & Shipping (India). IND5 ranked 131$^{th}$ amongst the India's most trusted brands as per the Brand Trust Report (2014)- a study conducted by the Trust Research Advisory (India). There are some interesting views shared by some informants about HRM and Organizational Trust. As one informant said, *"Trust is there. We have cordial relations with each other and that is how this organization works. Personal relationships are very important for HR to enhance and develop trust. For example, you (i.e., the researcher) approached this company with a strong reference- so it is all about trust" (EXE-IND5).*

Having described each case that participated in this study, the following section will describe the themes that emerged across all cases while analysing the responses. Table 4.2 highlights those themes.

*Table 4.2 Summarizes the main themes of our analysis discussed below*

| Factors Promoting Trust in Organizations | IND1 | IND2 | IND3 | IND4 | IND5 |
|---|---|---|---|---|---|
| *Leadership* | | | | | |
| Transparency | ☑ | ☑ | ☑ | | |
| Freedom of Work | ☑ | ☑ | | ☑ | |
| Mentoring | | ☑ | ☑ | ☑ | |
| Teamwork Approach | | | ☑ | | |
| Clear Communication at all levels | | | | ☑ | |
| Informal meetings with employees | | | | ☑ | |
| *High Performance Work Practices* | | | | | |
| Employee Benefits | ☑ | ☑ | ☑ | ☑ | ☑ |
| Job Security | ☑ | | ☑ | | ☑ |
| Recognition | ☑ | ☑ | | | |
| Policy Revision | ☑ | ☑ | | | |
| Employee Participation | | ☑ | ☑ | ☑ | |
| Continuous Learning | ☑ | ☑ | | | |
| *Social Exchanges* | | | | | |
| Personal Relationships | ☑ | ☑ | ☑ | ☑ | ☑ |
| Equity | | | | ☑ | ☑ |
| Involving Employees in CSR activities | ☑ | | | | |

## 4.3. CROSS-CASE ANALYSIS

This section summarises the findings of the cross-case analysis. Heart of a qualitative study is its analysis. Key steps to analyse a qualitative data is – within case and cross case analysis. As described by Gersick (1988), within-case analysis is to describe each case. Whereas, the cross-case analysis is to find for similarities and differences across cases to build theory (Eisenhardt, 1989). The essence of a cross-case analysis is that it empowers

the investigator to describe and distinguish the group of factors that may have led to the development of a particular phenomenon, develop an explanation as to why certain phenomenon happens, why one case is different from others, look into distinguishing outcomes or formulate new theories (Khan, 2008). This analysis identifies the similarities and differences in the responses of the participants. As consistent with cross-case analysis, the researcher selected themes or dimensions, and looked for within-case similarities and inter-case differences. Cross-case is an iterative process where the researcher analysed patterns of data that were repetitive in nature until theoretical saturation was met (Corley and Gioia, 2012). In the process of doing so, a broad range of perspectives emerged regarding HRM and Organizational Trust. These perceptions were categorised into first-order and second -order themes (axial coding). Following our coding the data into first and second order themes or categories, we began with a highly iterative process of comparing the emerging themes with the evidence from each case in order to analyse its appropriateness. This process is essential for building theory as it is likely that the emerging assumptions from the data may provide a valid theory (Eisenhardt, 1989). Therefore, the first section of this chapter describes the cross-case analysis that will highlight the comparison of HRM and organizational trust of all cases with the evidence from each case. This is followed by idiosyncratic responses of each case in the next section. A summary of the findings is presented in the conclusion chapter. Table 4.2 depicts the similarity and differences across cases, and table 3 shows the representatives quotes of informants.

### 4.3.1. LEADERSHIP

Leadership is a set of traits of a person that influences others to act in a certain way. The leader is thus seen to act as an “energizer”, “catalyst” and “visionary” having behavioural

qualities which includes communication skills, people management, decision-making, and self-awareness that can be used in diverse situations (Gosling & Bolden, 2006). However, Deal and Bolman (2008) in their fourth edition have stated that any organization that is overmanaged but under-led, serves no purpose and hence, management and leadership are two different things that is vital for organizations to understand. They further suggested that in a public administration setup is difficult for managers to influence the behaviour of employees as managers have a limited authority in such organizations. Hence, they propose improving leadership practices in their book. Leadership emerged as an important theoretical framework that underpins the several themes that developed across all cases. Broadly speaking, leadership in our analysis of the cases are made up of several concepts such as transparency, autonomy, mentoring, to name a few. The following will present the detailed analysis and themes identified under Leadership in greater detail.

**4.3.1.1. Transparency:** Scholars from different discipline have defined organizational transparency in varied ways. Granados, Gupta and Kauffman (2010) have described it as the accessibility of market information to the interested parties. Whereas Walumbwa et. al (2011) have defined it as the behaviour of leaders who discloses the information and share their thoughts and feelings explicitly with their subordinates in order to promote trust. The academicians from Finance suggest that transparency is disclosing the correct information timely to the interested parties (Madhavan, Porter, & Weaver, 2005). Therefore, the application of organizational transparency can be seen in different disciplines (Tomlinson & Schnackenberg, 2014). Findings of the study established transparency as one of the key factors for building trust in an organization. There were informants who believed that with the advent of SAP and other IT online portals, policies

are no more hidden from employees. This helps in enhancing trust in the organization. This can be traced from the following quotes,

*"Employee benefit manual and delegation of authority book was not there before. Things are better now since computers came into being because every policy is available online now" (EMP2-IND1); "We have a lot of online systems available where people can view what is happening (HR IND2)"; "After SAP implementation, processes have become streamlined. Now we have a self-service portal where employees can apply for claims. They don't have to run behind HR and Finance and concentrate on their jobs (HR-IND1)."*

Disclosing information timely is vital for human resources so as to maintain transparency and trust (Walumbwa et. al, 2011). As one informant (HR-IND1) supported this by saying, *"Performance appraisal awareness is disseminated amongst employees".* One informant from IND1 shared his experience that human resources in their organization is very transparent and they address to all the queries promptly. This can be traced from the quote, "*HR clarifies our doubts over the phone. They are easily approachable and they help us out whenever we need (EMP1-IND1)".*

It was also found that if transparency is practised upward i.e., from employees to management, it will likely build a strong bond between management and employees and enhance trust in the organization. As one informant stated, "*Every crucial proposal is discussed and conveyed to HR and higher management to maintain transparency (EXE4-IND1)".*

In many organizations it is a trend where new recruits have to sign a confidentiality agreement while joining an organization which an organization deems necessary to protect its privacy and confidential information. An informant stated that they did not have to sign any such agreement which signifies that the organization believes in

maintaining transparency and trusts its employees. The quote that establishes this is, *"While joining, we did not have to sign any secrecy bond unlike other PSOs (EMP3-IND2)".*

From the findings for all cases, it could be interpreted that when there is transparency, there is trust. Transparency can be created by leaders in the organization by having an open dialogue with employees, keeping policies open and trusting employees' actions. HR Officer of one organization said, *"Every process is online now; we have SAP and other online portals so people can know what is happening (HR-IND2)".*

These statements reinforce the literature on transparency and trust. It also supports the findings that transparency is the predictor of trust (Davis, Mayer & Schoorman, 2007; Malhotra & Pirson, 2011). Further, it has been established in literature that accuracy and disclosure of information always leads to trustworthiness in the organization and also among the stakeholders (Tomlinson & Schnackenberg, 2014; Akkermans et al., 2004). However, it can be said that being transparent with the higher management with regards to work was a unique finding of the study. While transparency has assumed a great deal of attention in the literature of trust, there may be other potential factors that leads to trust. Therefore, we focus on other themes that emerged in the findings in the following sections.

**4.3.1.2 Autonomy:** This refers to the concept of freedom to work in the proposed study. Hackman and Oldham (1976) defined autonomy as the degree to which employees can control how and when they can accomplish their tasks. He advocated autonomy by stating it enhances "internal motivation to perform" (p. 250). In other words, it means the

freedom the employee is entitled to in his job role (Breaugh, 1999). On contrary, Spector (1986) found in his meta-analysis that high level of control at work leads to job satisfaction, role-clarity, motivation, less attrition rate and less emotional distress. However, generalizability of this finding is difficult as Ahuja et al (2007) have empirically established using data from an IT organization that autonomy is positively correlated with organizational commitment. This is supported by a systematic review of 20 studies by Van den berg et. al. (2008) where they establish that poor work ability is associated with lack of autonomy. During the interviews, some informants expressed that today employees are more empowered to perform their duties than before and this fosters trust in employees. For instance, two senior executives shared their views by saying,

*"I trust my subordinates. Deadlines are given to them to finish a task and they are given freedom to accomplish it in a stipulated timeframe (EXE1-IND1)"; "We have a defined delegation of authority where every employee has been assigned with tasks and responsibilities and given full freedom to accomplish them in whatever manner they want (EXE1-IND4)".*

Similarly, an informant's statement supports this notion which says, *"Trust is very important in every domain; it's like a bridge which connects two people. Most of the times we are carefree and work independently. And that is very important to create trust (EMP2-IND2)".*

Findings reveal that 3 of 5 organizations stressed on the concept of autonomy where the statements affirm that if managers empower their subordinates with authority to work and decision-making with regards to their tasks and responsibilities, mutual trust is developed in the organization. While we note that autonomy has been extensively studied in the literature over several decades, it is imperative to know that little or no evidence in the HRM literature that has establish a link between autonomy and organizational trust. Therefore, it may be submitted that this finding contributes to the literature of HRM and organizational trust.

**4.3.1.3. Mentoring:** It is believed that mentoring is associated with a developmental behaviour of leaders (Bass, 1985). In recent literature, it has been described as an experienced employee who is particularly in a position to guide and give feedback to another on career and personal development skills (Day & Allen, 2004). Scholars have established that a person having productive relationship with another may consider the latter to have resonant leadership skills and mentoring qualities (Sosik & Godshalk, 2007). Mentoring was a theme that developed while analysing the data. While talking to the informants, it was found that people in IND2, IND3 and IND4 believe that HR in their organization is very friendly. They are open to talk to people on professional as well as personal issues. Not only HR, but bosses/managers are also very encouraging.

Confirming this statement, one informant said, *"Senior people in HR are very frank. If we have any problems they listen to us and guide us well (EMP1-IND2)";* in addition, Senior Vice President (Human Resources & Legal) of another organization said, *"We have informal relations with our employees where we guide them on professional as well as personal issues (HR-IND3)".*

It is imperative that HR managers as well as senior executives demonstrate mentoring skills for their advice and support to the less experienced colleagues will develop their potential. This is basically a process of transfer of learning and skills which takes place naturally through formal and informal networks and interactions at workplace (Ramalho, 2014). This notion was supported by one of the HR managers who said that they visit different departments as well as site location and meet the employees deployed there. He said,

*"As an HR, meeting people at shop floor level is very important. And we look for opportunities to meet people at all levels in the organization. Another thing that we do is 'Hello from HR' where we go to different departments and talk with people informally. We talk about their issues, counsel them and guide them. By doing so, we try to make them feel that we are there for them. (HR2-IND4)".*

Mentoring emerged as a prominent feature in all five organizations. These organizations emphasize on mentoring where a psychological bond develops between employees (Reid, Allen & Criag, 2013). As described by MacLennan (2017), it is a process where a senior is available for a junior to learn. It was found that in two organizations, they officially have mentor-mentee programme for the new recruits. The new recruits are placed under a mentor where mentor can share his personal as well as professional experiences with him. It helps develop a new recruit in learning about the organization's work environment, culture, people and tasks & responsibilities.

For instance, one informant described it as, "*To enhance trust, our chairman gives a lot of emphasis on mentor-mentee programme, especially for new recruits (HR-IND5)".* HR Manager of IND1 stated, *"A mentor-mentee initiative is there where new recruits are placed under mentors for a stipulated time period. This fosters better relations between boss-subordinate".*

This supports the findings that mentoring has been identified as one of the ways for free flow of information to employees where it makes the information available to employees by means of social interaction which may not have been possible otherwise; access to organizational information like policies, statistical data, etc., through mentoring has been found to have direct relationship with organizational trust (Gilbert & Tang, 1998). Further, it affirms that it is important to have a trustworthy relationship with mentors as it is believed that mentoring develops and constructs desired leadership skills in the workforce (Dziczkowski, 2013).

**4.3.1.4. Teamwork Approach:** A group cohesion is often considered to be an important channel of information; the sense of teambuilding is enhanced by members' desire to stick

to the group, threat to a common adversary, working towards a common goal, and having a success history of working in teams (Gilbert & Tang, 1998). Organization size also influences teamwork approach. In a small organization, employees will more likely work in teams or groups.

When asked what builds organizational trust, one of the HR heads replied, *"We are a small organization, but we work in teams and give full importance to that. This strengthens interpersonal relations and quickens decision making process. Employees working in teams have trust in each other's work and we don't believe in policing around (HR-IND3)".*

This equates the relationship between group cohesion and trust as teamwork fosters quick decision-making process leading to sound interpersonal relations. IND3 is a relatively small organization compared to rest of the organizations. Considering this, we can hypothesize that individuals working in groups may experience a considerably high level of organizational trust. This notion can be supported by what Cordery and Petersen (2010) have suggested that management must encourage its employees to work in teams and demonstrate trustworthiness through their ability, integrity and benevolence. However, scarcely is talked about a direct relationship between trust and teamwork in previous studies. As very less known about trust and teamwork in the recent studies, this emerges as one of the unique findings.

### 4.3.2. HIGH PERFORMANCE WORK PRACTICES

While clustering themes into comprehensive theoretical frameworks, second dimension emerged that is HPWS framework. HPWS is a set of HRM practices that is considered to be vital for improving performance (Huselid, 1995). It covers wide range of HRM

practices, for instance, training and development and compensation (to name a few) (Pfeffer, 1998) that can attribute to enhancing performance and productivity of employees which eventually leads to overall organizational performance. Researchers have devoted considerable effort in linking HPWS and organizational performance. For example, in 2000, 101 multinational firms operating in Russia were taken under study and the findings revealed that practices such as job security, training, incentive-based compensation was directly related to performance (Fey, et. al., 2000). More recently, Konrad (2006) conducted a study a using data from 132 US manufacturing firms. The study established that firms that have HPWS in their organizations report to have higher labour and organizational productivity. One of the crucial findings of the study was when employees are empowered with decision-making, rewarded for good work, and given required training to perform assigned tasks- they perform better.

In our study, a set of best practices emerged under the rubric of HPWS that influences organizational trust. These practices are akin to Pfeffer's best practices (1998). Taking a strategic view, Gerhart and Becker (1996) have contended that there are a set of best practices that brings out that the impact of every specific practice, for example- performance appraisal or compensation systems, might be generalizable in all cases and not specifically to a firm; such best practices fit under the framework of an architectural system. For example, one of the best practices. namely - employee reward and recognition is supposed to have a positive impact across all firms (irrespective of their size and policies) on organizational performance and hence, it can be labelled under the architectural system of HPWS (Gerhart & Becker, 1996). Our findings highlight the important elements of HPWS rather than every practice that influences trust; for instance, job security, employee benefits and rewards, policy revision, and employee participation. In light of these arguments, I discuss these themes in detail.

**4.3.2.1. Job Security**: PSOs in India were established with a purpose of generating employment post-independence (1947). Therefore, there is no question that PSOs will lay off its employees. If there is a loss-making PSO, it can cut-down on the additional pay and perks but it cannot retrench its people (DPE, n.d.). Because of this, people tend to stay with the organization for a long time. During our data collection of PSOs taken under study, the researcher was surprised to see that most of the employees were working with the organization for more than 30 years and intended to stay until their retirement from the firm (at the age 60 as per Indian Employment law). Following quotes establish this finding:

*"Since my joining, I am still with this organization (30 years), so my trust with this organization is very strong" (EXE4-IND1); "This organization takes care of its employees in a much better way than other organizations" (EXE1-IND1); "Good salary, work-life balance, employee benefits are very good, job security; all these factors create trust" (EXE2-IND3); "I have worked for many organizations before and all of them were government organizations. But I don't find any another company like this. This company is very large-hearted" (EXE2-IND1).*

Informants supporting this notion said that trust is the basis of any institution. When you know that your employer cannot remove you, it creates commitment and trust amongst employees as they feel organization takes care of their personal as well as social needs (Jeon and Ho, 2009). Informants further revealed that this feeling is more prominent amongst lower-level employees as they are aware that their job is secured even if they don't perform.

Some informants stated, "*Job security creates trust, for instance, in PSOs you cannot remove an employee" (EXE1 IND3);* "*At lower level, work pressure is quite less, and job market is very competitive nowadays. So, people tend to stay with this organization for long" (EXE2-IND3); "Job Security plays a vital role in creating trust" (EMP2-IND5).*

Findings reveal that because of the volatile job market conditions, employees understand that they may not get employment security elsewhere so they stay with the organization. This phenomenon was noted in the low-level staff more for they know the organization will not retrench them even when they don't perform. This supports the finding that public sector employees are considered to be motivated by job security and stability (Buelens & Van den Broeck, 2007).

**4.3.2.2. Employee Benefits & Recognition:** HPWS is a set of individually, yet interconnected, HRM practices that ensures employee effectiveness by minimizing costs for the organization (Appelbaum, Bailey & Berg, 2000). The set of practices include compensation as well. While interviewing, it was noted that employees look for the indirect compensation and recognition for their efforts. Previous studies on organizational trust statistically demonstrates that compensation is a direct predictor of organizational trust (Narang & Singh, 2012). It has been also found that reward systems impact organizational trust (Vanhala & Ahteela, 2016). Our finding reinforces these findings.

For instance, it was found that one of the factors influencing organizational trust was the exemplary fringe benefits they were receiving. As some of the informants stated, *"This organization takes care of its employees in a much better way than other organizations" (EXE1-IND1); "When my mother was critically ill, the management and HR went out of the way to help me out in terms of medical benefits. I was given special provisions of medical benefit and allowed to take leaves" (EXE2-IND3);* Another informant concluded by saying, "*Employee welfare measures increase trust in employees as they feel organization cares for them and their families (EXE1-IND4)".*

One informant said that during emergencies or accidents, organization give special attention to the employee's family, especially those who are deputed at remote locations, *"There was a big chopper accident where six people died. During such emergencies, from Chairman to a bottom-level employee, everyone was totally involved in the whole*

*process and it was all over in media. We work in very risky areas and without trust, we cannot function. So, there is faith and trust in the company and amongst employees" (EXE4-IND1);*

Supporting this, HR Manager of IND1 said*, "Extra care for employees' families is taken in case of emergencies"*. Further, HR manager of another firm said, *"We basically treat our employees as customers. We provide them with a lot of welfare amenities (housing and medical) which makes them feel that they are a part of the organization (HR-IND2)".*

As Pfeffer (1998) explains, an organization needs to set benchmark for compensation and rewards so as to retain high quality employees. Rewards and recognition should be given for the contribution made by the employees. Rewarding their efforts enhances trust as it affirms that organization recognizes their efforts and trust their work. Following quotes from the informants support this fact,

"*When I am selected for a certain crucial project, I feel organization has trust in me and they recognize my efforts" (EXE3-IND1*); "*Person doing an excellent job is always rewarded here" (EXE4-IND1); "Good work is always rewarded here" (EXE1-IND4).*

This affirms that these practices undoubtedly lead to organizational outcomes such as better performance, organizational trust, satisfaction. It can be interpreted that these evidences advocate the findings of Bajpai and Srivastava (2004) that establishes that the presence of job security, welfare schemes and rewards increases the job satisfaction to a great level. This also supports Pfeffer's (1996) theory of Best Practice that while the level of salary and fringe benefits signifies that the organization values their workforce, contingent compensation helps to influence the motivation of employees as it assures them that they will have a share in the results. Findings reveal that this theme can be termed as "Best Practice" as all PSOs are observing this.

**4.3.2.3. Policy Revision:** This dimension talks about employee voice. Employee voice originates from the notion that employees acknowledge the reasons for their satisfaction and seek for an opportunity to improve on the wellbeing and overcome the dissatisfaction faced in the organization (Hirschman, 1970). Such opportunities may involve suggesting ways to improve on a practice or policy to the management who are responsible for devising such policies (Detert & Buris, 2007). This involves employees to give suggestions and recommendations to the management for change in the existing policies and procedures (Walumbwa & Schaubroeck, 2009). Gao, Janssen, and Shi, (2011) conducted a study in a telecommunication industry in China where it was found that employee voice was a predictor of employee-leader trust. Detert and Buris, (2007) established in their study that openness at workplace is closely related to the employee voice and the influence of leader behaviours on voice to be important for subordinates. This means that employee voice largely depends on to whom they speak up. It is noteworthy that in two organizations informants stated that policy revision also influences organizational trust. Some scholars have talked about the concept of employee voice in organizational context (Detert & Buris, 2007); influence of employee voice on commitment (Farndale, 2011); and policy revision (Walumbwa & Schaubroeck, 2009). Our findings confirm and extends these findings as informants from two organizations explained that revising policies is important to foster trust. This category came up as another distinct finding not previously found in other HRM studies in the POS literature. If we look at previous studies on organizational trust, scholars have by and large talked about interpersonal relationships and organizational trust (Steward, 2004); effective leadership (Lester & Brower, 2003), to quote a few; however, scholars have not emphasized on policy revision and trust at workplace. It is noteworthy that in two organizations informants stated that policy revision also influences organizational trust.

When policy in terms of compensation and fringe benefits are revised, it makes them feel valued.

As one informant replied, "*HR people keep on changing and updating policies. Many allowances and facilities have increased after I joined this company in 1984 (EXE4-IND1)"*; HR Officer of another of the organizations shared, "*We continuously try to revise our policies pertaining to performance appraisal and so on. Therefore, attrition rate is also very low (HR-IND2)".*

It is said that the ethical leadership manifests honest relationships with their followers (Brown et al., 2005). And when a truthful relationship is established between a leader and followers, interpersonal trust and mutual respect between them develops. This underpins the fact that organizations need to keep its manpower or HR policies abreast with the changing workforce trends, volatile economic graph and employment compliances. When policy in terms of compensation and fringe benefits are revised, it makes them feel valued. By doing so, they inadvertently create an atmosphere of trust in the organization that employees recognize which can be traced from their responses.

**4.3.2.4. Employee participation:** Employee participation is a technique that is generally defined as a process in which influence is shared among individuals who are otherwise hierarchically unequal. Findings reveal that participants viewed involvement in decision-making pivotal for fostering trust at workplace. Scholars Tzafrir, Baruch and Dolan (2004) have assessed that there is a significant influence of delegation of decision making, need for recognition, competency, organisational communication and procedural justice in determining the employees' trust in their managers. Yet, it is believed by some that involving lower level employees in decision-making poses some concern on managers as they surrender their control to them (Pfeffer, 1994). They are mainly anxious as to how to make sure that employees will work in the best interests of the organization and not

only in their own self-interest (Eisenhardt, 1989). Nevertheless, managers know how to empower employees with decision-making authority without losing the control on them (Spreitzer, & Mishra, 1999). One HR Managers substantiated this by stating, *"We encourage people from different disciplines to come together and discuss new ideas/suggestions (HR2-IND4)".*

Many a times, it is observed that not involving employees in decision-making leads to disconnect between managers and subordinates for employees have their own perspective and managers have their own. To bridge that gap, it is necessary to give them a platform for open dialogue and empowering them with decisions making authority.

Following quotes validate this, *"There should be open dialogue within employees and between HR and employees. To cater to that we have unions and associations and we are open for dialogues because they have their own perspectives and we have our own, so there should be a balancing act (HR-IND2)".* Similarly, others affirmed the fact by stating, *"Employees work in teams, so they are involved in taking decisions related to work and given full freedom to perform it (HR-IND3)".*

Employee participation has been studied in the literature since many decades. Vroom (1964) describes the importance pf employee participation it can improve the quality of decisions that are made. Furthermore, involvement in in the policy and strategies formulation makes employees trust their management's intentions (Hackman and Lawler, 1969). Several studies have affirmed managerial attitudes as key to a well-developed employee participation practice (Millward et al., 2000; Wilkinson et al., 2004; Wood and Albanese). They suggest that employee participation practices demonstrate a high-level trust between management and employee and ensures a smooth functioning of the organization. Organizations trust their employees of being able to take vital decisions with regards to work and yield better outcomes; and employees assume that management

can be trusted that the rewards stemming from the outcomes of their decision-making will be shared with them (Lewin, 2008).

The following section will discuss about the social exchange interactions that emerged as the third theoretical dimension during analysis.

### 4.3.3. SOCIAL EXCHANGE INTERACTIONS

This concept can be explained as a long-term exchange of favours, where an individual does a favour to another and expects something in future return (Aryee et al., 2002). Further, in an organizational context, they have said that social exchange can be measured in terms of fair treatment given by the organization to its employees, which in turn leads to an obligation on part of employees to give back positive work outcome. The usefulness of SET(SET) at workplace has been cited by many academicians in the recent literature (Mitchell & Cropanzano, 2005; Dyne & Kamdar, 2007; (Salin & Parzefall, 2010; Xerri, 2013). Blau (1964) outlines the significance of SET as it involves trusting others. He identified trust as a possible outcome of favourable social exchange and personal obligation. In the following section, we will focus on three themes namely, Personal Relationships, Feeling of Equality, and Involving Employees in CSR that forms our third framework- SET.

**4.3.3.1. Equity:** Rafferty and Restubog (2011) have assessed that social exchange interactions and equity motivates employees and keep negative attitudes such as worry and frustration at bay. This theme has also been mentioned by Pfeffer (1998) in his sixth component of Best Practice model namely, '*Reduction of Status Difference'*. Our

findings support these theories as participants expressed that employees look for equal and fair treatment from HR else it may lead to disconnect between the two. Informants reported to have dissimilarity in the treatment of officers and non-officers. One employee explicitly described it as,

*"Policies are good for all employees but the quality of services like tea and snacks differs from officers to non-officers. It is the duty of HR people to treat all employees with equality. There should be equality in the services extended to officers and non-officers (EMP2-IND5);* whereas other detailed it as*, "Feeling of being equal, equal opportunity to work, an equal status has to be there because in case of any dissimilarities in the functions, policies, or procedure, trust won't be there amongst employees (EXE2-IND4)".*

**4.3.3.2. Personal Relationships:** In work relationships today, it is very important to have an initial trust with your colleagues and managers so as to develop a friendly and open atmosphere. Such kind of relationships form naturally in varied situations-transfer, joining of new recruits, mergers and acquisitions and so on (Cummings & Chervany, 1998). As illustrated in Table 2, Personal Relationships is the second theme along with Employee Benefits that was prominent where all the organizations viewed personal relationships as a strong predictor of organizational trust. Theories of Social Exchange assume that employees tend to act in self-interest to maximize their individual rewards such as money, status or respect. Therefore, a manager's behaviour must reflect concern and genuine interest in the employees' welfare (Whitener et. al, 1998). During the interviews, informants revealed that personal relationships with managers and colleagues at work play a vital role in building trust in an organization. If you are in good terms with human resources and with your manager, your work will not get delayed. For smooth functioning of work, it is important to have sound relationships with colleagues, managers and HR. This is evident from the following:

*"It is very important to have personal relationships with HR and other departments so that work doesn't get delayed and every project proposal is through easily" (EMP1-IND1); "Conflict of interest is always there because everyone has different perception. It*

*can be sorted out with interpersonal relations and we try to balance that. this is one of the reasons for less attrition rate. Otherwise, a lot of people would have left the organization for greener pastures" (EXE4-IND1); "Personally, people are good with each other and everything is on mutual trust and understanding" (EXE-IND2).*

Settoon, Bennett and Liden (1996) established that if the relationship between superior and subordinate is based on trust and interpersonal relations, subordinate is more likely to demonstrate better performance and citizenship behaviour. Furthermore, they revealed that organizations that more hierarchically structured, more control of immediate supervisors can be seen rather than organizations that are organically structured. HR of IND5 revealed that there can be instances where you may to go beyond rules. HR should have good relations with employees as well other functional heads so that any critical issue is resolved easily. HR Manager commented on this as,

*"The ultimate role of HR should be to solve employees' problem. Rules are there but at times you have to go beyond rules to help them out. You may have to use your personal relations too for solving their issues. And if you help them, they will always be kind to you- that kind of trust we have in our organization (HR-IND5)".*

There have been a several studies that talk about interpersonal trust and performance at workplace (Dirks, 1999; Zaheer, McEvily), interpersonal trust and knowledge sharing (Wickramasinghe & Widyaratne, 2012). However, this has not been elaborated on very clearly and needs to be studied in more detail. The following section will detail about the within-case analysis and idiosyncratic themes that developed during the analysis. Other quotations and evidence pertaining to personal relationships have been summarized in Table 4.3.

## 4.4. WITHIN CASE THEMES

Qualitative research not only focusses on establishing the cause-effect relationship or identifying the effectiveness of a phenomenon, instead, it elucidates the unique, idiosyncratic meanings constructed by individuals and groups about a given phenomenon (Cho & Trent, 2006). Yin (2003) describes how multiple case study is used to explore the differences and similarity across cases by replicating (Yin, 2003). As the researcher iterated between transcripts and cases, few idiosyncratic were identified that were distinct from those stated above. For instance, one informant said,

*"Engaging employees in CSR activities creates a culture of trust within organization as employees feel contended that they are part of an organization that contributes to the development of society";* while another informant said, *"For creating trust, clear and transparent communication should be there at all levels.*

While iterating the process of rereading the transcripts, cases which establish a relationship with the emerging themes affirms the validity of the relationships established in the literature; however, cases which disconfirms or cannot establish a relationship with the themes provide an opportunity to extend the theory (Eisenhardt, 1989). The researcher explored such three themes which have not been talked about in the literature so far. Table 2 contains representative quotations or evidence that support their responses. In the following section, we report on the idiosyncratic within case themes that emerged from the data.

**4.4.1 Communication at all Levels**: One organization said communication plays a major part in developing organizational trust. HR Manager of this organization expressed his belief by stating, *"Communication plays a very important role in building trust and that is there in our organization (HR2-IND4)".*

This organization merged with another public-sector unit lately. The immediate consequences of mergers and acquisitions are a big challenge as it leaves the organizations with a lot of complexities to deal with. As a consequence, there were a lot of changes in the policies related to pay, fringe benefits and the work environment. It is worthwhile to note that, during such exigencies, it is very vital for human resources to act as a source of information and update employees with the recent changes. This was evident in this organization as the informant went on to say,

*"As an HR Manager, streamlining the policies and systems after the merger was a big task. Convincing higher management for employee benefits like salary revision, housing, and medical was a challenge. And we have successfully managed to do that. This also builds trust in the organization (HR2-IND4)".*

Butler Jr and Cantrell (1994) in their study identified the relation between trust and communication using sample size of 82 men and 31 women and established strong and positive relation between the two. To support this finding Willemyns, Gallois and Callan (2003) conducted a study taking data from different sectors including health care, education, hospitality and retail. Their findings affirmed that communication aids in having better supervisor-employee trust at workplace and called for an in-depth study, particularly in managerial communication that managers should emphasise upon to improve trust.

The role of communication in enhancing trust can be interpreted from the responses received from this organization as employees likely demonstrate high level of trust if they receive clear information timely. Meeting employees at all levels and addressing their

concerns promptly is what employees look for. Vice President HR & Training of this organization explicitly said,

*"Mostly there are clarifications related to Performance Management System and we try our best to address that. We also go to sites and meet all the employees. Main purpose of going to site locations is to listen to employee problems and address them timely (HR1-IND4)".*

HR2-IND4 concluded his interview by saying, "*As an HR Manager, when an employee comes to you with a query, it is very important for you to answer them 'why?'. People usually approach me for issues related to salary and promotion. But I am a straightforward person and clear in answering their queries".*

It is thus, essential to be clear in communicating and answering the employee concerns in a prompt and accurate manner. Even though the information is confidential (performance rating, promotion, etc), one needs to be honest and clear while responding leaving no scope for ambiguity and frustration in employees.

**4.4.2. Continuous Learning:** Continuous learning or extensive training (Pfeffer, 1998) was another theme that emerged during the data analysis. The cases under study were basically oil exploration, production and distribution organizations. Such organizations require their manpower to be updated with the latest skills and knowledge. Focal point of organizations today is to enhance their strategic knowledge as to when and how apply a specific knowledge or skill (Kozlowski et al. 2001). Such programmes are often stressed on adaptive expertise (Ford & Schmidt 2000) rather than on declarative or procedural knowledge (Kraiger et al. 1993). A probable outcome of training has been described by

Brown and Buren (2007) as 'social capital' which is through relationship building, norm development, and institutional trust.

For instance, if we take Case IND1, it has a nodal agency for training its 35,000 employees across the country. Training programmes that are covered during the year focusses on teamwork, productivity, health & safety, development of human resources and technical expertise like exploration and production of oil and natural gases. They have an extensive training calendar having 250 programmes catering 5000 employees per year. The induction programme for new recruits is of one year where the induction programme is divided into following: a) Orientation Introductory Training (OIT), b) Functional Specialized Training, c) Multidisciplinary Field Familiarization Training (MDFF), d) Functional On-the-Job Training (FJIT), e) Final Evaluation (FE). Apart from this, they have different training programmes for employee deputed offshore on oil exploration fields, contract management programmes for all executives, IT training for all employees, training like petroleum risk and decision analysis, management training programmes where they are sent overseas depending on the length of the programme.

While interviewing, one informant from IND1 said, *"Being a technical person, there is so much to learn each day, this 'continuous learning process creates trust because learning and growth makes you happy and gives you satisfaction (EXE3-IND1)".*

Trust in bureaucracy has received little attention in the past two decades. However, few studies, for instance, Williams and Davies (2005) focusses on training and employee satisfaction and commitment taking data from local government agencies in Britain. Cho and Poister (2013) conducted a study in the Georgia Department of Transport and affirmed that perceived HRM practices (leadership, supervision, autonomy, compensation, communication, performance appraisal, training) impact trust in public-

sector organizations. Considering this, it may be submitted that our findings support the literature of continuous learning or training and adds that it leads to organizational trust if employees are given an opportunity to upgrade their skills and knowledge.

**4.4.3 Involving Employees in Corporate Social Responsibility**: Corporate social responsibility (CSR) has generated significant debate in recent times. The concept of CSR has moved beyond the chequebook philanthropy today. Corporates involved in CSR activities believe in making society self-reliant. World Business Council for Sustainable Development (2008) has defined CSR as, "the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large". Jamali and Miurshak (2007) argues that due to lack of knowledge and experience in CSR, developing nations may not feel obligated towards society. On contrary, in developing nations like India, a law was passed in the year 2012 making it mandatory of Indian PSOs to spend 2% of their net profit in corporate social responsibilities. PSOs taken under study make enormous profit each year and generate a lot of employment as well. However, only one out of five organizations viewed corporate social responsibility as predictor of organizational trust. According to Bernhard et. al (2013), company involving its employees in CSR activities, is well received and appreciated by its employees, influences employees' perception of their work environments which likely creates organizational trust and job satisfaction. It was found that out of five, only one organization involves its employees in CSR activities.

HR Manager of IND1 stated that, *"Engaging employees in CSR activities creates a culture of trust within organization as employees feel contended that they are a part of organization that contributes in the development of society".*

Scholars suggest that CSR activities sends positive indications to employees about company's ethics and values, and how much it can be trusted (Rupp et al. 2006). This supports the findings of Bernhard et. al (2013). Bernhard and his colleagues conducted a study in a South Korea casino employee finding the impact of CSR on organizational trust, employee satisfaction and customer orientation. Findings reveal that legal CSR creates a positive effect on organizational trust. It was further established that organizational trust positively affects job satisfaction that in turn, influences customer orientation. Organizational behaviour and corporate marketing theorists suggest that trust is an immediate product of organizational CSR activities that shapes employee attitudes. Based on the findings and supportive argument, it may be submitted that perception of CSR influences organizational trust.

The above findings establish that it supports the literature on HRM and Trust given by different scholars. Yet, it also gives some new and interesting understanding on different factors that may help build trust in an organization which has not been studied previously. We shall discuss these findings in the light of the existing literature and draw a conclusion in detail in the following chapter.

*Table 4.3: Factors Promoting Organizational Trust (Representative Quotations/Evidence)*

| **Themes** | **Representative Quotations** |
|---|---|
| | ***Leadership*** |
| Transparency | `<br>*"We have a lot of online systems available where people can view what is happening (HR-IND2)".*<br>*"Every crucial proposal is discussed and conveyed to HR and higher management to maintain transparency (EXE4-IND1)".* |
| | *"We don't monitor every employee's shift timings and their work all the time, but we do make sure that no one takes an advantage of that leniency (HR-IND3)* |

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| Autonomy | *"I trust my subordinates. Deadlines are given to them to finish a task and they are given freedom to accomplish it in a stipulated timeframe (EXE1-IND1)".* |
| | *"We have a defined delegation of authority where every employee has been assigned with tasks and responsibilities and given full freedom to accomplish them in whatever manner they want (EXE1-IND4)".* |
| | *Most of the times we are carefree and work independently. And that is very important to create trust (EMP2-IND2)"* |
| Mentoring | *"Senior people in HR are very frank, if we have any problems they listen to us and guide us well (EMP1-IND2)"* |
| | *"A mentor-mentee initiative is there where new recruits are placed under mentors for a stipulated time period (HR-IND1)"* |
| | *"We have informal relations with our employees where we guide them on professional as well as personal issues (HR-IND3)".* |
| | *"A new recruit has a lot of expectations so we have to keep that in mind; for that we have mentor-mentee programmes where the new recruits can share their work and personal problems with HR and their bosses as well (HR1-IND4)".* |
| | *"To enhance trust, our chairman gives a lot of emphasis on mentor-mentee programme, especially for new recruits" (HR-IND5)* |
| Teamwork | *"We are a small organization, but we work in teams and give full importance to that. This strengthens interpersonal relations and quickens decision making process. Employees working in teams have trust in each other's work and we don't believe in policing around " (HR-IND3).* |
| Communication at all Level | *"Communication plays a very important role in building trust and that is there in our organization" (HR2-IND4).* |

| | |
|---|---|
| | *"As an HR Manager, streamlining the policies and systems after the merger was a big task. Convincing higher management for employee benefits like salary revision, housing, and medical was a challenge. And we have successfully managed to do that. This also builds trust in the organization" (HR2-IND4).* |
| | *"Mostly there are clarifications related to Performance Management System and we try our best to address that. We also go to sites and meet all the employees. Main purpose of going to site locations is to listen to employee problems and address them timely" (HR1-IND4).* |
| | *"As an HR Manager, when an employee comes to you with a query, it is very important for you to answer them 'why?'. People usually approach me for issues related to salary and promotion. But I am a straightforward person and clear in answering their queries" (HR2-IND1).* |
| Informal Meetings with Employees | *Going to fields/different departments and meeting all employees informally, discussing their issues, able to answer them "why" to them, able to escalate their queries and convince higher management (e.g., salary hike)" (HR2-IND4).* |
| ***High Performance Work Systems*** | |
| Job Security | *"Since my joining, I am still with this organization (30 years), so my trust with this organization is very strong" (EXE4-IND1).* |
| | "This organization takes care of its employees in a much better way than other organizations" (EXE1-IND1). |
| | *"Good salary, work-life balance, employee benefits are very good, job security; all these factors create trust" (EXE2-IND3).* |
| | *"I have worked for many organizations before and all of them were government organizations. But I* |

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|---|---|
| | *don't find any another company like this. This company is very large-hearted" (EXE2-IND1).* |
| | *"Job security creates trust, for instance, in PSOs you cannot remove an employee" (EXE1-IND3).* |
| Employee Benefits and Recognition | *"This organization takes care of its employees in a much better way than other organizations" (EXE1-IND1).* |
| | *"When my mother was critically ill, the management and HR went out of the way to help me out in terms of medical benefits. I was given special provisions of medical benefit and allowed to take leaves" (EXE2-IND3).* |
| | *"Employee welfare measures increase trust in employees as they feel organization cares for them and their families" (EXE1-IND4).* |
| | *"There was a big chopper accident where six people died. During such emergencies, from Chairman to a bottom-level employee, everyone was totally involved in the whole process and it was all over in media. We work in very risky areas and without trust, we cannot function. So, there is faith and trust in the company and amongst employees" (EXE4-IND1).* |
| | *"We basically treat our employees as customers. We provide them with a lot of welfare amenities (housing and medical) which makes them feel that they are a part of the organization "(HR-IND2).* |
| | *"Good work is always rewarded here" (EXE1-IND4).* . |
| Policy Revision | "*HR people keep on changing and updating policies. Many allowances and facilities have increased after I joined this company in 1984" (EXE4-IND1).* |
| | "*We continuously try to revise our policies pertaining to performance appraisal and so on. Therefore, so attrition rate is also very low" (HR-IND2).* |

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| Involving Employees in Decision-Making | *"There should be open dialogue within employees and between HR and employees. To cater to that we have unions and associations and we are open for dialogues because they have their own perspectives and we have our own, so there should be a balancing act (HR-IND2)".* |
| | *"Employees work in teams, so they are involved in taking decisions related to work and given full freedom to perform it" (HR-IND3).* |
| Communication at all Level | *"Communication plays a very important role in building trust and that is there in our organization (HR2-IND4)".* |
| | *As an HR Manager, streamlining the policies and systems after the merger was a big task. Convincing higher management for employee benefits like salary revision, housing, medical, etc was a challenge. And we have successfully managed to do that. This also builds trust in the organization (HR2-IND4)".* |
| | "*As an HR Manager, when an employee comes to you with a query, it is very important for you to answer them 'why?'. People usually approach me for issues related to salary and promotion. But I am a straightforward person and clear in answering their queries" (HR2-IND1).* |
| ***Social Exchange Theory*** | |
| Personal Relationships | *"The ultimate role of HR should be to solve employees' problem. Rules are there but at times you have to go beyond rules to help them out. You may have to use your personal relations too for solving their issues. And if you help them, they will always be kind to you- that kind of trust we have in our organization (HR-IND5)".* |
| | *events organized by HR where employees and their families meet everyone informally (HR-IND1)* |

| | |
|---|---|
| | *people are good with each other and everything is on mutual trust & understanding (EXE-IND2)* |
| | *"When my mother was critically ill, the management and HR went out of the way to help me out in terms of medical benefits. I was given special provisions of medical benefit and allowed to take leaves. "At a personal level, people are very helping and supportive of course procedures will be there in the official capacities. But if I am in a problem, there are fair chances that the Management will help me out" (EXE2-IND3).* |
| | *"Informal meetings are there. We give an opportunity to the employees' families to participate in various events. PSUs takes care of every employee and their families as well. This creates loyalty and trust" (HR-IND1).* |
| Feeling of Equality/Equity Theory | *Feeling of being equal, equal opportunity to work, equal status has to be there, because in case of any dissimilarities in the functions, policies, or procedure, trust won't be there amongst employees" (EXE2-IND4).* |
| | *It is the duty of HR people to treat all employees (officers and non-officers) with equality, there should be equality in the services extended to officers and non-officers" (EMP2-IND5.* |
| Involving Employees in CSR Activities | *Engaging employees in CSR activities creates a culture of trust within organization as employees feel contended that they are a part of the organization that contributes to the development of society (HR-IND1).* |

# Chapter V

# DISCUSSION AND CONCLUSION

## 5.1. INTRODUCTION

In this chapter, we will re-examine the research question to explore the participants' perspectives on how HRM influences organizational trust. Semi-structured interviews were conducted with five organizations to draw themes on the role of human resources in developing organizational trust. Findings of the case studies reveal some interesting contributions to the extant literature on HRM and Trust.

The previous chapter elucidated the understanding of each organization on what influences organizational trust. Findings were analysed from two positions- cross-case and within case analysis. Cross-case analysis provided a comprehensive view of similar themes and patterns across all organizations in how HRM plays a role in organizational trust. Within-case analysis depicted how informants in each organization perceived organizational trust and what according to them contributes to the development of organizational trust. Within case analysis also gives us some interesting idiosyncratic findings that we will discuss in later in this chapter. With this study, we aim to provide an important step in providing new understanding about perceptions of HRM practices and trust in Indian PSOs.

In the following sections, we will have a comprehensive discussion about the findings of the study along with contributions made to the literature on HRM and Trust. No study is free from limitations and it is important to report limitations to make the readers aware about the research gap and implications for future research. Therefore, the researcher highlights the limitations of the study and suggests areas for future research.

## 5.2. DISCUSSION & CONTRIBUTION TO LITERATURE

This section discusses the findings given in chapter four in light of the available literature on the subject matter. Informants' responses reflect different perspectives regarding HRM theories and practices in Indian PSOs and how they influence trust. Qualitative approach of the study expands our understanding on "how" and "why" HRM influences organizational trust. The study supports the extant literature on HRM & Trust and confirms some predictors of trust- HPWS like compensation, training, transparency, communication, job security; general HRM organizational features such as leadership, team work, theory of equity; and social exchange. However, our study also adds to the knowledge establishing that there may be other factors as well that fosters trust at workplace – for instance, involving employees in corporate social responsibility activities, autonomy, upward communication, and personal relationships. We will begin with discussing each of them in the following sections.

### 5.2.1. Leadership

Deal and Bolman (2008) stated that in a public administration organization, it is difficult for managers to influence the behaviour of employees as managers have a limited authority in such organizations. Hence, they propose improving leadership practices in their book. Leadership emerged as an important theoretical framework that underpins several themes that developed across all cases. Findings reinforce the notion that leaders who discloses the information and share their feelings with their subordinates, promotes trust (Walumbwa et. al, 2011). During our analysis, it was found that superiors or managers who demonstrate clear communication, transparency, and teamwork develops trust at workplace. We will discuss them in detail in the below sections.

**Transparency:** Findings of the study established transparency of organizations as well as leaders as one of the key factors for building trust in an organization. As informants stated that with the advent of SAP and other IT online portals, policies are no more hidden from employees. This helps in enhancing trust in the organization. One informant from IND1 shared his experience that human resources in their organization is very transparent and they address to all the queries promptly. This supports the statement that disclosing information timely is vital for human resources so as to maintain transparency and trust (Walumbwa et. al, 2011). It was also found that if transparency is practised upward i.e., from employees to management, it will likely build a strong bond between management and employees and enhance trust in the organization. From the findings for all cases, it could be interpreted that when there is transparency, there is trust. Transparency can be created by leaders in the organization by having an open dialogue with employees, keeping policies open and trusting employees' actions. reinforce the literature on transparency and trust. It also supports the findings that transparency is the predictor of trust (Davis, Mayer & Schoorman, 2007; Malhotra & Pirson, 2011). Further, it has been established in literature that accuracy and disclosure of information always leads to

trustworthiness in the organization and also among the stakeholders (Tomlinson & Schnackenberg, 2014; Akkermans et al., 2004).

Furthermore, within the leadership dimension, being transparent with the higher management with regards to work likely builds a strong bond between management and employees and enhances trust in the organization. In previous works, scholars like Roberts & O'Reilly (1974), Read (1962), Mishra (1996) have talked about the importance of upward communication and organizational trust. As Roberts and O'Reilley (1974) examined the failure of upward communication in organizations and described that the transmission of information from lower to higher organizational member is very important as it leads to transparency in the organization. Furthermore, Read (1962) established that most likely people at low levels tend to report pleasant information and achievements to the higher management rather than unpleasant information or errors. However, it is vital to have a concerted effort to have a free upward communication in all cases- good or bad. Although transparency has received a significant importance in management research, emphasis has not been laid on the upward communication in recent times. Studies of Roberts & O'Reilly (1974), Read (1962), Mishra (1996) mentioned trust and HRM but did not elaborate on how upward communication actually works to establish transparency. The concept still remains vague and has not been elaborated in the recent studies. In our study, we found that upward communication (from subordinates to superiors) helped managers feel part of the information process and thus trusted their employees more as they could see how their employees are working efficiently and report their managers with regards to their work. This leads to transparency and it also strengthens relationship between managers and subordinates. Therefore, our findings elaborate on the missing links between upward communication and transparency that leads to organizational trust more clearly and thus contributes to the literature.

**Autonomy:** Autonomy is the second theme that emerged during analysis. During the analysis, it was found that 3 of 5 organizations said that they strongly feel that if their managers empower them with freedom to work (autonomy), it will create trust and lead to cordial relations amongst employees and their managers. It was also found that that if managers empower their subordinates with authority to work and decision-making with regards to their tasks and responsibilities, mutual trust is developed in the organization. Autonomy and its impact have been extensively studied in the literature by different scholars over the decades but there is scarce evidence related to autonomy and organizational trust in the literature. Our finding supports the systematic review of 20 studies conducted by Van den berg et. al. (2008) where they establish that poor work ability is associated with lack of autonomy. Informants in our study viewed trust as an important domain which connects two people. They stated that most of the times they are carefree and can work independently and it is very important to create trust. However, it is imperative to note that Spector (1986) found in his meta-analysis that high level of control at work leads to job satisfaction, role-clarity, motivation, less attrition rate and less emotional distress. In contrast, Semmer (2000) established that less high-control (less autonomy) leads to more dependency on employer. While we note that autonomy has been extensively studied in the literature over several decades, it is imperative to know that there is little or no evidence in the HRM literature that has established a link between autonomy and organizational trust or any sort of social connection in the organization. Therefore, it may be submitted that this finding contributes to the literature of HRM and organizational trust and establishes that autonomy influences organizational trust.

**Mentoring:** Mentoring emerged as a prominent feature in all five organizations. These organizations emphasize on mentoring where a psychological bond develops between employees (Reid, Allen & Criag, 2013). It was found that in two organizations, they officially have mentor-mentee programme for the new recruits. In such programmes, these organizations place their new recruits under a mentor where mentor shares his personal as well as professional experiences with him. It helps develop a new recruit in learning about the organization's work environment, culture, people and tasks & responsibilities. This supports the findings that mentoring has been identified as one of the ways for making information accessible to employees like policies, statistical data, and creating organizational trust (Gilbert & Tang, 1998). Further, it affirms that it is important to have a trustworthy relationship with mentors as it is believed that mentoring develops and constructs desired leadership skills in the workforce (Dziczkowski, 2013). Mentoring has also identified as the process of transfer of learning which takes place naturally through formal and informal networks and interactions at workplace (Ramalho, 2014). Our finding strengthens this notion as one of the HR managers who said that they visit different departments as well as site location and meet the employees deployed there.

**Teamwork Approach:** As employees will more likely work in teams or groups, this was found to be important. Teamwork strengthens interpersonal relations and quickens decision making process. Employees working in teams have trust in each other's work as well. This notion supports the findings of Cordery and Petersen (2010) as they suggest that management must encourage its employees to work in teams and demonstrate trustworthiness through their ability, integrity and benevolence. As very less known about trust and teamwork in the recent studies, this emerges as one of the unique findings.

### 5.2.2. High Performance Work Systems

Findings reveal that PSOs in India have a set of 'best practices' consistent across all firms that are positively related to HPWS. They are - job security, employee benefits and rewards, employee participation and policy revision. These are the employment practices that likely constitutes a high- performance work system (Boxall, 2012). Organizations use different managerial methods or practices that enables high performance. One of the most prominent mechanism known is the set of seven best practices devised by Jeffrey Pfeffer (1998). A lot of research on performance and specific HR practices has been conducted like, compensation (Gerhart & Milkov, 1990) and recruitment (Terpstra & Rozell, 1993). Pfeffer (1994) termed these best practices as management practices. However, Gerhart and Becker (1996) have a more strategic view on this. They emphasize that one of the features of Pfeffer's best practices system is that he bundles the set of best practices under HPWS and their impact is expected to be generalizable across all cases.

During the data collection, it was observed that majority of the informants were working with the organization for more than two decades and intended to stay until their retirement (at the age of 60 years). This was mainly due to the exemplary services and benefits that these PSOs provided them. Informants across all firms also viewed compensation and fringe benefits to be one of the reasons for improving organizational trust. This supports the findings of Buelens and Broeck (2007) that concludes that in public sector, workers are more motivated due to job security, self-development, recognition, autonomy, interesting work, and they value the opportunity they get to learn new things. Becker and Gerhart (1996) discussed the diversity of HR practices and their positive or negative impact established by five different authors in their studies. These studies listed eleven

practices, with no one practice common to all five studies. They also illustrated whether specific practices such as variable pay has positive or negative impact. However, findings of our study unpack four such best practices that were found to be consistent in all PSOs and had positive impact on organizational trust. We will discuss them in the sections below.

**Job Security:** Informants viewed trust as the basis of any institution. And job security plays a vital role in creating trust. When you know your employer cannot remove you, it creates commitment and trust amongst employees as they feel organization takes care of their personal as well as social needs (Jeon and Ho, 2009). Informants revealed that this feeling is more prominent amongst lower-level employees as they are aware that their job is secured even if they don't perform. Findings reveal that because of the volatile job market conditions, employees understand that they may not get employment security elsewhere so they stay with the organization. Informants also said that they worked with other organizations previously but they don't find any other organization like this. They said this organization not only gives you freedom to work, but also provides you with exemplary benefits that no other organization gives. This supports the finding that public sector employees are considered to be motivated by job security and stability (Buelens & Van den Broeck, 2007).

**Employee Benefits and Recognition:** One of the important findings of this study was the role of employee benefits and rewards. Since all the organizations were noted to observe this, we termed it as the 'best practice' in PSO in India. The set of practices include compensation as well. While interviewing, it was noted that employees look for the indirect compensation and recognition for their efforts. During the interviews,

informants shared their experiences that how in times of need (accident, medical, etc) their organization helped them. One informant said that during emergencies or accidents, organization gives special attention to the employee's family, especially those who are deputed at remote locations. While another said, employee welfare measures such as medical benefits, good monetary compensation system, housing and school facilities, etc increases trust in the organization as employees feel that the organization care for them and their families. Informants also stated that they are always rewarded for good work. One informant shared that an employee is selected for a crucial project, they feel that organization recognizes their effort. All these factors create and strengthens trust in an organization. It can be interpreted that these evidences advocate the findings of Bajpai and Srivastava (2004) that establishes that the presence of job security, welfare schemes and rewards increases the job satisfaction to a great level. Previous studies on organizational trust statistically demonstrates that compensation is a direct predictor of organizational trust (Narang & Singh, 2012). It has also been found that reward systems impact organizational trust (Vanhala & Ahteela, 2016). Our finding reinforces these findings.

**Policy Revision:** Furthermore, employee voice was one of the reasons that was given importance by the informants. According to informants of IND1 and IND2, revising policy is integral to develop trust. Updating policies and giving employees a platform to place their opinion in crucial matters like policy revision leads to satisfaction and trust in leaders. Involving employees in updating policies make them feel more valued. They feel like they are being listened by the management. Concept of policy revision has been defined and discussed in the recent literature by few scholars (Detert & Buris 2007; Walumbwa & Schaubroeck, 2009). Detert and Buris, (2007) talked about the concept of employee voice in organizational context. They stated that this is an opportunity that

involve suggesting ways to improve on a practice or policy to the management who are responsible for devising such policies. They established in their study that openness at workplace is closely related to the employee voice and the influence of leader behaviours on voice to be important for subordinates. Gao, Janssen, & Shi, (2011) found that employee voice was a predictor of employee-leader trust. Reviewing these studies, it has been found that although scholars have focussed on the need and importance of policy revision, the relationship of policy revision and trust by and large remains unexplored. Policy revision is an example of how employee voice in PSO is manifested. PSOs must review and update its HR policies to keep its employees intact and happy and this in turn, develops trust in the organization.

**Employee Participation:** Employee participation was also found to be influencing organizational trust. As described by Quereshi and Bhatti (2007), employee participation is one of the finest techniques to increase productivity; it can be done by involving employees in policy and decision-making process pertaining to compensation, fringe benefits, thereby improving communication and satisfaction in the organization. Two organizations emphasised on employee participation. It was observed that they practice this thoroughly. They encourage employees from different departments to come and discuss on crucial policy matters. They give importance to the fact that employees have different perspectives and it is always better to hear them. Therefore, employee unions and officers' associations are formed so that employees have an equal involvement in the decision-making process. Findings also reveal that decision-making with regards to work becomes easy while working in small teams and it leads to greater productivity. As one informant said that they have an informal structure in the organization where everyone works in small teams; they believe that it fosters quick decision-making and it is one of their greatest strengths.

### 5.2.3. Social Exchange Interactions

As consistent with social exchange interactions, the positive interaction between two people or parties is interdependent where one tends to acts with an expectation of potential return from the other person (Blau, 1964). Social exchanges also emphasize that such interactions create relationships that can be seen under certain circumstances (Mitchell & Cropanzano, 2005). We study our findings in light of social exchanges taking place within the organizational set up and its impact on the organizational trust. Two themes that developed under the social exchanges is - equity theory and personal relationships. These themes also underpin the framework of SET(SET). Under SET, social exchange interaction is reciprocal. In an organizational context, manager's fair and equal treatment towards employees initiates the process of social exchange where employees respond such exchange with positive attitude and better performance. The process of reciprocation, thus, develops and strengthens trust, the premise on which the mechanism of social exchange is constructed (Aryee, Budhwar, and Chen, 2002).

Social exchange interactions exist in all levels of organizations. However, positive social interaction was prominent in managers and subordinates. Two of five organizations confirmed that equity in compensation and roles should be there. they said that dissimilarities create dissatisfaction and distrust in the organization. Therefore, a positive social exchange interactions and equity motivates employees and avoid negativities. The informants from two organizations expressed that it is the sole duty of HR managers to maintain equity in the organization. This supports Rafferty and Restubog (2011) findings as well as Pfeffer's (1998) sixth element of Best Practices model namely, '*Reduction of Status Difference'* as informants expressed that employees look for equal and fair

treatment from HR else it may lead to disconnect in the organization. Reduction in status differences (compensation, more role clarity, etc) makes employees more committed towards their work and develops trust within the organization.

Findings also depict that personal relationships emerged as a strong predictor of organizational trust as all the five organizations stated that personal relationships play a vital role in building trust. Informants were of the view that cordial relations with HR managers and respective functional managers helps in smooth functioning of the work processes. It avoids delays and crucial proposals get through easily. For smooth functioning of work, it is important to have sound relationships with colleagues, managers and HR. Informants said that one must have strong interpersonal skills. Strong interpersonal skills help in building good rapport with colleagues as well as managers. Most importantly, work doesn't suffer because of the procedural delays if you have good relations with people at work. It solves majority of the problems. There may be instances when solving an employee's problem may require going beyond policies. When you go beyond rule book to help an employee, they acknowledge that and it creates personal relationships and trust in the organization. There have been a several studies that talk about interpersonal trust and performance at workplace (Dirks, 1999; Zaheer, McEvily), interpersonal trust and knowledge sharing (Wickramasinghe & Widyaratne, 2012). However, this has not been elaborated very clearly and hence, a detailed study is required to understand this dynamic.

### 5.2.4. Within-Case Analysis Findings

Within-case analysis led to some interesting and idiosyncratic findings that are distinct from those discussed above. Findings represent that one organization believes that

involving employees in corporate social responsibility (CSR) activities creates trust, while other says that having clarity in communication at all levels is essential to have trust in the organization. Findings support the outcomes of studies conducted by Butler Jr and Cantrell (1994) & Callan (2003) that establishes the importance of communication in fostering trust in organizations. Some PSOs held that they are always clear in communicating with their employees and supported communication to be an important element for developing trust within organization. They added that effective communication leaves no room for ambiguity and frustration in employees. This also affirms that it is significant for human resources to act as source of knowledge and update its employees with changes (De Vries, Pieper & Oostenveld, 2010).

Continuous learning and involving employees in CSR activities were two idiosyncratic themes that were found in IND1. Continuous learning or extensive training (Pfeffer, 1996) focusses on upgrading the skills of employees. Being India's one of the largest PSOs with employee strength of more than 35,000, IND1 has an extensive training programme for its employees. Findings uncover the fact that in a scientific organization like IND1, employees look for continuous growth and development. Like one informant said that with every new project, their learning begins. Many technical experts and scientists are deputed in remote and hazardous locations of oil fields. In such cases, the employee must know how and when to apply a certain skill. This supports the account given by Kozlowski et al. (2001) that it is important to understand when and how a particular skill should be applied. For corporate social responsibility, IND1 spends 2% of its net profit in CSR activities each year (as mandated by an Act that was passed in 2012). IND1 involves its employees in the CSR activities which makes them feel that they are part of an ethical organization which contributes for the development of society. Very few scholars have given importance to this theory. However, scholars like Bernhard et. al

(2013) and Rupp et al. (2006) have described that being engaged in CSR activities send positive signals to the employees and society at large regarding ethical values of the organization and that they can be trusted. Based on the literature and arguments discussed, it may be submitted that continuous learning and perception of CSR activities influence organizational trust. As this is only a few idiosyncratic findings, future research is required to explore this in greater detail.

Having discussed the findings and contributions of the study, it is imperative to consider the limitations of the study as well. It is important to understand the limitations of a study to validate the findings of the work and ascribing reliability to the findings of the study. Therefore, we will move on to the next section that highlights limitations of the study followed by conclusion.

## 5.3. LIMITATIONS & FUTURE RESEARCH

**Limitations:** While we have discussed the strengths and contributions of this study, it is important to consider the limitations as well. PSOs have a bureaucratic structure that necessitates the employer to maintain confidentiality of all the crucial policies and procedures. Therefore, at the beginning of data collection, researcher anticipated that the participants may not disclose all the important information required for the study, for instance, what they feel fosters trust in their organization? Their positive or negative experiences with HRM in the organization? any specific policy or practice that fosters trust? These questions are sensitive and the researcher anticipated that the informants might not feel comfortable and may desist in answering these questions. Therefore, the researcher iterated with each participant that participation is voluntary and that they do not have to answer any questions that they do not wish to. The researcher did not have

access to more detailed archival data such as company reports as the informants said every information is available on company website, newspapers and magazines. Secondly, although each participant was given information sheet in the beginning of data collection process, a couple of informants declined the use of audiotape. Therefore, the researcher could not record the answers in those organizations. However, fieldnotes were taken during the interview. We maintain that this may not be too problematic as we achieved theoretical saturation with the data from all the cases, therefore, it appears the themes ae consistent across all cases. The third major constraint was time. Data collection was done over a 25-day period of time when the researcher visited India. While analysing the data, researcher felt that the time taken was evidently short for collecting data and necessary evidences for the study. This may be attributed to the complex bureaucratic structure and culture of Indian PSOs. Perhaps more participants would have provided a more in-depth view of the complexity of the relationships and themes. Timeframe for analysis was also a limitation. Ideally, this topic needs more than one month's time to gather relevant data and its analysis and the ability for participants to verify their interview transcripts and information provided. Also, the study focussed on PSOs in India. The industry and geographical context may limit the generalizability of findings, although our purpose was to explore the connections and generalize to theory.

**Future Research:** The researcher attempted to interview each level of the organization but future research could interview more people. Although the study gives us some interesting findings, it is imperative to note that more timeframe could have led to more participation and in-depth interaction with each participant on the subject matter. It would allow us to verify their responses and also gather more information about the phenomenon. Considering the fact that the study requires more interaction with the participants and more timeframe to gather data for the study, an ethnography study seems

more appropriate. As Fetterman (1989) has said, "working with people day in and day out for long periods of time is what gives ethnographic research its validity and vitality" (p. 46). Given the broad scope of the study, ethnography research will provide new insights into the topic. The topic may be extended to other sectors covering different industries. Lastly, considering the fact that Indian PSOs are more controlled by political forces than market conditions which is why PSOs experience instability, interruptions, and conflicts in policy making; it is important to examine "what" and "how" recent management practices influences employee trust in higher management.

## 5.4 CONCLUSION

In spite of limitations, this study makes contributions to the field of management studies. This has been the first multiple-case analysis in the recent literature to investigate the relationship between HRM and Organizational Trust. The aim of this study was to examine the relationship between HRM and organizational trust. Findings reveals Leadership Practices, Best Practices and Social Exchange Interactions in organizations to foster trust.

While a significant number of researches have been conducted to investigate the relationship between HRM and trust, however, it is worthwhile to note that number of studies based on PSOs is limited. Also, studies of Narang and Singh (2012), Kim and Ryu (2013), Tzafrir (2005), Williams (2003) etc., indicate that there are other conditions through which HRM systems affect trust. Our study addresses this notion aptly. While many studies have established the relationship of HRM and trust, the qualitative approach of this study expands our understanding on "how" and "why" HRM influences organizational trust. The findings demonstrate that there exists a set of best practices in

PSOs under the banner of HPWS - compensation, training, transparency, communication, job security, etc. HPWS and best practices have been linked with organizational trust in the literature (Pfeffer, 1998; Tomer, 2007; Kim & Kim, 2012). During the analysis, four best practices namely- compensation, employee benefits and rewards, employee participation and job security emerged that we studied under the framework of HPWS as they were found to have a positive impact on organizational trust, firm performance and were present in all PSOs. Our study adds to the knowledge establishing distinctive factors that fosters trust at workplace – involving employees in corporate social responsibility activities, autonomy, upward communication, policy revision, and personal relationships. While a substantial body of research has established that HRM practices that leads to positive attitudinal outcomes of employees such as commitment and trust towards their leaders, it has not yet focused on what develops the overall culture of trust in the organization (trust within employees, with management, with HR and between leader-subordinate). Our analysis, to some extent, remedies this and establishes that best practices are closely associated with trust between HR and employees, employees and higher authorities, and within employees.

To highlight some of the important findings of the study, analysis reveals that having a sound personal relationship with everyone in the organization solves most of the procedural delays that likely happens in a politically controlled bureaucratic PSO system. Personal relationships with colleagues, with HR and also with employee families creates trust. Other than personal relationships, employee benefits emerged as a major predictor of trust as all the five organizations strongly supported that welfare measures provided by the organizations makes them feel that the organization cares for them and their families. This is one of the reasons that keeps them retained. PSOs also said that the kind of freedom of work (autonomy) they get to perform their duties is very satisfying. It makes

them feel they their leaders trust them. This motivates them to perform better and ultimately leads to firm performance. Apart from welfare measures, good work should be awarded and recognized because the cases were scientific organization that requires majority of its people to work in perilous areas. Awarding good work gives them a feeling of satisfaction to perform better and enhances trust in the organization. This strongly supports the findings of Kashive (2013) where is confirms that PSOs in India gives due importance to its human capital by demonstrating transparency which makes them a lucrative place to work. We have attempted to study all these themes in light of social exchange interactions. A positive social exchange interaction was observed in all PSOs. This leads to positive employee altitudinal outcomes like trust and commitment.

While our study supports and contributes the findings of the scholars, it also contradicts some. As Hofstede's cultural dimension theory (1980) suggests that India is a masculine country where organizations observe superior-subordinate type of relationship, this is opposite to what we found in our study. In masculine countries, there is usually one-way communication and that is downward communication; managers are not approachable and there is a high-power distance between managers and employees. However, as opposite to this, in all the five organizations, HR managers, Sr. Executives and employees were noted to enjoy autonomy in their own discipline. It was found that employee participation is practised widely that gives employees a chance to voice their opinion on crucial policy related matters. People work in teams and share a mutual understanding which is not so in case of masculine countries. Focusing on several practices, this study confirms that the HRM practices do influence trust. The limitations of research findings emphasize on extending the study in other industries or geographical context so as to get more participants. The proposed methodology could be ethnography so that more interaction with the informants is possible. The study needs more data and in-depth

analysis that may establish new findings. Given the complex system of PSOs, the same study can be replicated where the analysis can throw some light on the employee trust in senior management.

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## APPENDICES

### A. Recruitment Advertisement Notice

Following is the e-mail that was sent to the potential participants for inviting them to participate in the study.

Dear [Participant],

I would like to invite you to participate in the research that I am conducting at Auckland University of Technology (New Zealand). Purpose of this research is to attain Master of Business qualification from the University. In the study, I will be conducting interviews which will take around 45-60 minutes for each interview. As an interviewer, I would simply try to capture your perspective on the subject matter. Please note that the participation is voluntary. However, we believe your contribution will add value to the findings of the study in various ways.

**Research Title:**

Role of HRM in Developing the Organizational Trust in PSOs in India.

**Background:**

The purpose of this study is to identify the HRM variables that contribute in the development of organizational trust in PSOs in India. I am conducting interviews as part of a research study to increase my understanding of how HRM develops and enhances organizational trust in public sector enterprises of India. I invite you to be a part of this research as you are an employee with a public-sector organization and this makes you a potential participant for our study who can provide with the first-hand information on the subject matter. Findings of this study will contribute to the literature of HRM in management research. Findings will have implications on the senior management by understanding what HRM variables contribute to trust in their organization and how they can improve their HRM system to foster trust at workplace. It will also stress on the factors that lead to organizational productivity and better employment relations.

If you agree to take part in this research, please email Sneha Jha Kapoor at (tny7231@aut.ac.nz), or call: +64 223728124 to record your expression of interest.

Also, I would like to inform you we protect the identity of all participants at all stages of the study. If you wish to withdraw at any point, you can do so. Also, if you want to see the summary or findings of the study, you can make a formal request by contacting the researcher.

Kind regards,

Sneha Jha Kapoor

## B. Participants' Information Sheet

After the recruitment advert was emailed to the potential participants, this information sheet was sent out to all the participants who agreed to take part in interviews. This sheet gives a detailed description about the research protocol and makes participants aware about their rights as a potential participant.

Date Information Sheet Produced:

dd mmmm yyyy

**Project Title**
Role of Human Resource Management in Developing Organizational Trust in Public Sector Organizations of India

**An Invitation**

My name is Sneha Jha Kapoor and I am pursuing Master of Business (Human Resource Management & Employment Relations) from Auckland University of Technology. I am conducting interviews as a part of a research study to increase my understanding of how HRM develops and enhances organizational trust in public sector enterprises of India. This is a formal invitation for you to participate in this research. The nature of participation is purely voluntary and you will have up to two weeks following your interviews to withdraw from the study. During the interview, if you do not wish to answer a certain question you may skip that. You have been approached to be a part of this research as you are an employee with a public-sector organization and I believe you are in an ideal position to provide with first-hand information from your own perspective. The interview will take around 45-60 minutes. As an interviewer, I would simply try to capture your perspective about HRM and trust in your organization. Dr. Marcus Ho will be supervising me throughout this research. Participation in this research is voluntary and your responses shall be kept confidential.

**What is the purpose of this research?**

The purpose of this research is to understand how HRM affects organizational trust in PSOs in India.

**How was I identified and why am I being invited to participate in this research?**

Since many of the participants will be known to the researcher and some may be through researcher's network, an advert will be sent to the potential participants through an email first. If the participants are interested, they will contact the researcher who will then send out the information sheet and consent forms inviting them to participate in the research.

**How do I agree to participate in this research?**

You can contact the researcher at the below contact details. You will be given a consent form to fill in that indicates your consent to participate in this research

**What will happen in this research?**

There will be interviews which will take a maximum of 60 minutes. Interviews will be conducted to have an insight about how HRM systems influence organizational trust. During the process of data collection, I may require archival or secondary data (e.g., memos, emails, HR manuals, corporate documents, etc). In that case, I will either make notes of the corporate documents, or if I keep them, none of the information will identify the organization or the participant. All the data collected (through interviews and corporate documents) shall only be used for the purpose of research. All data will be secured at Auckland University of Technology with the primary supervisor- Dr. Marcus Ho, on an external memory stick for a period of at least six years. After this period, the data will be destroyed.

The interviews will take place in a neutral place (e.g., café, park or somewhere quiet) where we can audiotape them. In case you wish to have it at your workplace, only limited confidentiality will be offered.

**What are the discomforts and risks?**

No discomfort and risk are expected while participating in this research. To protect the identity of the participants, all information and responses shall be kept confidential. Participation in this research is voluntary and you have up to two weeks' time after data collection to withdraw from the study.

**How will these discomforts and risks be alleviated?**

We maintain confidentiality of all the participants. If you do not feel to answer any particular question, you are not required to. Participation is voluntary and you are free to withdraw within two weeks from data collection (interviews). If you choose to withdraw, the information given by you will be removed from the study (if you request so).

**What are the benefits?**

The findings will contribute to the literature of HRM. The findings will have implications on the senior management by understanding what HRM variables contribute to trust in their organization and how they can improve their HRM system to foster trust at workplace. It will also stress on the factors that lead to organizational productivity and better employment relations.

**How will my privacy be protected?**

No identifying information about the participants will be used in this research which means all participant information will remain confidential.

**What are the costs of participating in this research?**

The only cost involved for participating in this research is your time.

**What opportunity do I have to consider this invitation?**

You have up to two weeks to consider participating in this research. There is no compulsion for participation and it is purely voluntary in nature. However, your

participation shall be appreciated as your information will be beneficial to the findings of the study. Being a potential participant, you will be provided with all the relevant information you need for participating in this study. During the interview, you will be reminded that your identity will be kept confidential in case of any sensitive information. You will also be given an opportunity to withdraw from the study within two weeks from data collection. In that case, the information you provided will be destroyed, if you request so. Transcripts of the interview will be delivered back to you so that you can verify the information given by you. If you wish to have a copy of the summary or findings of the study, you can make a formal request on the contact details given below and the results will be disseminated to you.

**Will I receive feedback on the results of this research?**

Yes. Upon completion of the research you will have the opportunity to obtain a copy of the dissertation by requesting one from the researcher directly on tny7231@aut.ac.nz.

**What do I do if I have concerns about this research?**

Any concerns regarding nature of this project should be notified in the first instance to the Project Supervisor, Marcus Ho, marcus.ho@aut.ac.nz, +64 921 9999 ext. 5448.

Concerns regarding the conduct of the research should be notified to the Executive Secretary of AUTEC, Kate O'Connor, ethics@aut.ac.nz, +64 921 9999 ext. 6038.

**Whom do I contact for further information about this research?**

Please keep this Information Sheet and a copy of the Consent Form for your future reference. You are also able to contact the research team as follows:

***Researcher Contact Details:***

For further information about this research please contact Sneha Jha Kapoor, tny7231@autuni.ac.nz.

***Project Supervisor Contact Details:***

Marcus Ho, marcus.ho@aut.ac.nz, +64 921 9999 ext. 5448.

**Approved by the Auckland University of Technology Ethics Committee on *type the date final ethics approval was granted,* AUTEC Reference number *type the reference number*.**

## A. Consent Form

The following form was given to all the participants who agreed to be part of interviews. As per AUTEC guidelines, the potential participants were given this form that depicts their voluntary consent to participate in the study.

For use when interviews are involved.

| | |
|---|---|
| *Project title:* | ***Role of Human Resource Management in Developing Organizational Trust in Public Sector Organizations of India*** |
| *Project Supervisor:* | ***Dr. Marcus Ho*** |
| *Researcher:* | ***Sneha Jha Kapoor*** |

- ○ I have read and understood the information provided about this research project in the Information Sheet dated dd mmmm yyyy.
- ○ I have had an opportunity to ask questions and to have them answered.
- ○ I understand that notes will be taken during the interviews and that they will also be audio-taped and transcribed.
- ○ I understand that taking part in this study is voluntary (my choice) and that I may withdraw from the study without being disadvantaged in any way.
- ○ I understand that I have two weeks' time after data collection to withdraw from the study. If I withdraw, then I will be offered the choice between having any data that is identifiable as belonging to me removed or allowing it to continue to be used. However, once the findings have been produced, removal of my data may not be possible.
- ○ I agree to take part in this research.
- ○ I wish to receive a summary of the research findings (please tick one): Yes○ No○

Participant'signature:.....……

Participant's name:.....……

Participant's Contact Details (if appropriate) :

……..

……..

……..

Date

***Approved by the Auckland University of Technology Ethics Committee on type the date on which the final approval was granted AUTEC Reference number type the AUTEC reference number***

*Note: The Participant should retain a copy of this form*

## B. Interview Questions

Following is a set of questions that was asked during the interviews.

### Interview Questions

| Name | Organization | Designation | Date | Time |
|---|---|---|---|---|
| | | | | |

Dear Participant,

The proposed study is to identify the role of HRM in developing organizational trust in PSOs of India. During interview, I would try to capture your thoughts on what you feel contributes to the development of trust in an organization. Therefore, there will be no right or wrong answers and it is all about your personal experiences and perception. The information provided by you will be strictly used for the purpose of research.

I would like to remind you that all the information provided by you will be kept confidential. The interview will take 45 – 60 minutes of your time. If you do not want to answer any particular question, you may skip that.

1. Tell me about work and job role in the organization?
2. Describe your background and how long have you been working with this organization?
3. Tell me about your experiences with human resources in this organization?
4. Please share some of your positive and negative experiences with the HRM department in this organization?
5. This research is about organizational trust. Can you give me your views about organizational trust?
6. How important is trust in this organization?

7. What do you think facilitates trust in this organization?
8. What do you think is the role of HRM in developing trust in an organization?

## E. Ethics Approval

Ethics Approval was received on 05.12.2017. The following approval letter is from AUTEC

5 December 2017

Marcus Ho
Faculty of Business Economics and Law

Dear Marcus

Re Ethics Application: **17/405 Role of human resource management in developing organisational trust in public sector organisations of India**

Thank you for providing evidence as requested, which satisfies the points raised by the Auckland University of Technology Ethics Committee (AUTEC).

Your ethics application has been approved for three years until 5 December 2020.

### Standard Conditions of Approval

1. A progress report is due annually on the anniversary of the approval date, using form EA2, which is available online through http://www.aut.ac.nz/researchethics.
2. A final report is due at the expiration of the approval period, or, upon completion of project, using form EA3, which is available online through http://www.aut.ac.nz/researchethics.
3. Any amendments to the project must be approved by AUTEC prior to being implemented. Amendments can be requested using the EA2 form: http://www.aut.ac.nz/researchethics.
4. Any serious or unexpected adverse events must be reported to AUTEC Secretariat as a matter of priority.
5. Any unforeseen events that might affect continued ethical acceptability of the project should also be reported to the AUTEC Secretariat as a matter of priority.

Please quote the application number and title on all future correspondence related to this project.

AUTEC grants ethical approval only. If you require management approval for access for your research from another institution or organisation then you are responsible for obtaining it. If the research is undertaken outside New Zealand, you need to meet all locality legal and ethical obligations and requirements. You are reminded that it is your responsibility to ensure that the spelling and grammar of documents being provided to participants or external organisations is of a high standard.

For any enquiries, please contact ethics@aut.ac.nz

Yours sincerely,

Kate O'Connor

Executive Manager

**Auckland University of Technology Ethics Committee**

Cc: tny7231@autuni.ac.nz