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## 1. Introduction.

This paper provides a critical review of eight journal articles that address employee trust in key categories. The research provides insight into the role that trust has on business performance and employee retention, particularly in companies that are in crisis.

The article selection process followed an extensive literature search, which yielded over 600 articles; these were filtered to meet the scope and category criteria. The articles finally selected were all peer-reviewed and included in journals during the period 2011 – 2021.

## 2. Abstract.

The articles reviewed reveal that employee trust is both complex and subjective. The trust between peers and those in leadership or supervisory positions may differ from the trust that the Board of Directors, CEO, and company investors experience. The research also shows that trust is impacted by context and circumstance; trust in a company meeting its goals in a growing economy, may differ from the trust an organization experiences when it is failing to meet its objectives. Culture and social structure add further complexity to this subject.

The scope of the articles was carefully selected to present the complexity and a range of variables, and while this brings divergent views on trust, the research agrees that establishing and maintaining trust in an organization is critical. The research also confirms that a lack of trust is often the root cause of business failures, including bankruptcies and liquidations.

## 3.1 Trust and Workplace Insecurity

**Article Title**: "Perceived Post-restructuring Job Insecurity: The Impact of Employees' Trust in one's Employer and Perceived Employability" (Arnold and Staffelbach, 2012).

Authors: Arnold and Staffelbach.

Publication: German Journal of Human Resource Management.

**Research Relevance.**
This article brings focus to employee trust and job security in the context of company restructuring; this is a critical and volatile period for corporations.

**Summary.**
Restructuring in both large and small businesses has received increasing scholarly attention. The authors cite numerous studies (Spreitzer and Mishra, 2002; Iverson and Zatzick, 2011), which advance the literature, including studies that seek to understand the drivers of failed restructuring plans (Tomasko, 1993; Burke and Cooper, 2000). The authors submit that there are gaps in the literature for the post-restructuring period, "a period when some employees report a lower level of trust in the organization coupled with increased job insecurity."
Arnold and Staffelbach (2012) present a hypothesis supported by qualitative and quantitative data, which provides a correlation between employee trust and employees' perception of their employment security. The findings support the author's hypothesis that employees who trust their employer and their employability have greater confidence in their job security; and less fear of redundancy.

Critique.
The duration and severity[1] of company restructuring programs vary significantly. The authors did not include these as measured variables, nor did they include a longitudinal study to assess the impact of these variables on their conclusions.

The authors note that their study based its finding on the trust relationship between employee and employer. The study did not investigate or include data on the impact of the trust relationship between peers or supervisors, which other researchers have identified as significant (Matzler and Renzl, 2006). It was also unclear if the authors considered the impact of restructuring on direct leaders and customers/suppliers for inclusion in the study. Increasing the scope of the research to include these variables may offer a more realistic view of company restructuring.

[1] The number of staff layoffs and plant closures.

**Methodology.**
The authors do not declare a paradigm; the qualitative element of the research coupled with the authors ‘observations that; "job insecurity is subjective; the employee alone decides whether or not they feel insecure" (Arnold and Staffelbach, 2012, p.317), suggests an ontology of relativism, an epistemology that is transactional/subjective, and a paradigm that is constructivism; with a methodology that is qualitative and quantitative.

Critique.
The research included well-documented measures, including (Borg, 1991). These were used effectively to evaluate hypotheses one through three; however, there remains a question on the absence of leader/follower trust evaluations, and the impact this had on the research conclusions.

**Ethics.**
The study included assurance of anonymity for survey participants.

**Research Findings.**
The authors’ findings confirm that employees' trust in their employer, and confidence in their own employability reduces the post-restructuring fear of job loss, (Hypothesis 1 – 4). These findings are strengthened by the significant research correlations between “trust in one's employer” and both the qualitative ($r = -.418$) and quantitative ($r= - .194$) job insecurity variables referenced in Table 1 (Arnold, 2012, p.320).

Critique.
The researchers use the Lazarus Theory to confirm the validity of their findings; however, the Lazarus Theory is focused on predicting stress using a primary and secondary evaluation. This study does not evaluate primary stressors of duration and intensity, which may impact the author's conclusions (Lazarus and Folkman, 1984).

**Value of the Research.**
This article adds value by identifying the cause and effect of management strategies that create job insecurity and staff turnover.

## 3.2. Preserving Company Trust.

**Article Title**: “Preserving Organizational Trust During Disruption” (Gustafsson et al., 2020).

Authors: Gustafsson, Gillespie, Searle, Hailey, and Dietz.

Publication: Journal of Organizational Studies.

**Research Relevance.**
This article contributes valuable research into the drivers of employee turnover, and provides important perspective on the benefit of deploying a trust preservation strategy.

**Summary.**
This research focuses on preserving employee trust during periods of disruption or stress triggered by economic crisis or internal restructuring. The authors acknowledge the depth and extent of the literature on relational trust. However, the authors identify a gap in the literature in the area of trust preservation. The research uses case studies to examine four organizations[2] experiencing disruption, initiated by a global economic crisis. The study provides focus and rigor as it delineates between “trust-building, trust repair, and trust preservation” (Gustafsson, 2020). The authors develop a model with three elements “(cognitive bridging, emotional embodying, and inclusive interacting)”. The article's findings indicate that trust erosion during business disruption is reduced when these three elements are used proactively, and the inherent/intrinsic organizational trust prevails. The authors find a positive correlation between trust preservation and employee retention and engagement.

Critique.
The research develops interesting arguments and observations, including the concept of an organizational "jolt" as a trigger for loss of trust (a new concept in the literature). However, the research offers no insight into trust erosion during the more extended periods of disruption, which are typical in an economic crisis. This raises questions on the study's trust preservation conclusions, and the correlation with employee retention. The research may benefit from a longitudinal study that captures data from the entire period of disruption, with specific sampling points prior, during, and post disruption.

**Methodology.**
This research uses a qualitative methodology supported by four case studies. The methodology included thirteen focus groups and twenty-one interviews, which were analyzed to find thematic variables, and subsequently coded to allow evaluation. The research components suggest an ontology of historical realism,

[2] The organizations were drawn from the public service, retail, and manufacturing sectors.

an epistemology of transactional and subjective findings, and a dialogue-based methodology.

Critique.
The authors make reference to two sources that provided data for their conclusions (an external project and online appendix), there was no reference or linkage to the external project, and the appendix did not provide additional information; it is therefore not clear how either source was used to support the author's findings.

The findings of the paper, particularly in inclusive enacting, would have benefited from a thematic code correlation which compared additional variables, including:
- Senior manager “one on one” meetings and employee job insecurity.
- CEO communications and employee job insecurity.

**Ethics.**
All participants were assured of confidentiality and anonymity. The research was funded by the Chartered Institute of Personnel and Development (CIPD); there was no indication of conflict in the study or with its participants.

**Research Findings.**
The author's findings support the argument that organizational trust can be preserved. The authors submit that this is achieved by mobilizing the company’s inherent trust structure. This is accomplished in conjunction with a set of defined practices, including Cognitive Bridging; “essentially creating a shared understanding of why changes are being made, and creating a pathway (or bridge) to understand the transition from the past to the future”; Emotional Embodying, “a change in management philosophy and style to include empathy, and recognition; and support prioritization for employees,” and Inclusive Interacting, “a change in leadership practice, and a move from a hierarchical management style, to one that is inclusive and involves employees in working groups with managers and executives” (Gustafson, 2020).

Critique.
The research makes a valuable contribution to the literature on organizational trust. However, the research does not include analysis or correlation of the impact of disruption on senior leaders, or the impact of weak "tone at the top” in either the executive team or Board Room (Schwartz et al., 2005).

**Value of the Research.**
The article adds value by providing CEOs, with real world examples of the application of a trust preservation strategy used as a management tool.

## 3.3 Leadership Trust.

**Article Title:** “Trust in Direct Leaders and Top Leaders: A Trickle-Up Model” (Fulmer and Ostroff, 2017).

Authors: Fulmer and Ostroff.

Publication: Journal of Applied Psychology.

**Research Relevance.**
This article offers important insight into the effectiveness of trust models across the chain of command, from employee to senior executives.

**Summary.**
The research seeks to understand organizational trust between employees and senior leaders (executives and the CEO). The authors acknowledge the considerable body of work already available on employee/supervisor trust. However, this research seeks to expand the literature, and understand if trust between employees and their direct supervisors can be extended to enhance trust between employees and the organization's top leaders. The researchers' findings support their argument that employee trust in senior leaders positively correlates with trust in their direct supervisors.

Critique.
While the study offers a finding which the authors submit is applicable for commercial businesses, the participants were all military officers operating in a military organization. It is possible that the culture and discipline in this environment may not be representative of the business world, and that this may have skewed the research conclusions. This bias may be more evident in the correlations of the article’s moderators, “Trust in Direct Leaders” and “Direct Leader Procedural Justice” (Fulmer, 2017, p.652), both of which were used to support the article's hypotheses two and three. Additional research with a civilian population may be of value.

**Methodology**
The research is mixed methods. The authors evaluate four hypotheses using quantitative variables of ethnicity, sex, time, and qualitative variables of trust, employee situational experience, and leadership exposure. Two hypotheses; “Trust in direct leaders is positively related to trust in top leaders,” and “Trust in top leaders has a stronger positive relationship with overall employee performance than trust in direct leaders,” Fulmer (2017), form the central argument supported by two moderators, which introduce the impact of organizational design. The authors submit that a trust relationship with a direct supervisor can be extended to senior executives. The hypothesis and participant study suggests an ontology of historical realism, an epistemology that is interactive and transactional, and an interpretive mixed methods methodology.

Critique.
The time frame for this study was highly compressed, which may have skewed the results and findings. The study included three key participant data collection points, “Time 1”, Time 2, and Time 3” (Fulmer, 2017, p. 651); however, these three points all took place in a sixteen-week period, and while the authors submit that the time was adequate for participants to assess leadership trust, a number of studies (Fischer et al., 2020), highlight that cognitive trust observations, require that the relationship between the employee and supervisor has depth and breadth, which can only be acquired over time. The compressed time frames in this study may also challenge the accuracy of the findings on “procedural justice.”

**Ethics**
The article does not indicate the ethics protocols used; the participants are all military officers; the internal military ethics process is not disclosed.

**Research Findings.**
In the context of a sample of military officers working in a military environment, the research findings support the four hypotheses presented. The article's findings support the argument that when employees trust their direct supervisor, trust extends to the leaders in the organization. The research also supports the argument that supervisor fairness supports employee trust in senior executives. The research is extended to analyze collectivism; the authors use a Likert scale survey to challenge Hypothesis 4. The survey responses support the argument that vertical collectivism (VC) positively influences senior leader trust, Table No 3 VC = .28 (Fulmer, 2017, p.653).

Critique.
The authors submit that parallels can be drawn between their findings and organizations with different leadership and governance models (including corporations and small businesses); the article would have benefited if these parallels were correlated with the research conclusions.

The research leveraged its findings to dispute scholarly arguments that “a trickle-down model drives trust” in the chain of command, the authors cite (Mawritz et al. 2012; Simons et al. 2007; Detert and Trevino, 2010) in support of their arguments; however, there is a wider body of work which argues that following the 2008 global crisis, business adopted strategy which drives trust from the Board and CEO down through the organization; this process has been characterized as "tone at the top." The article conclusions and value of the research may benefit from reference to this work (Schwartz.Dunfee and Kline, 2005).

## 3.4 Trust in the Board Room.

**Article Title**: “SME managing director and non-executive director trust relations: The dynamic interplay between structure and agency” (Boxer et al., 2016).

Authors: Boxer, Perren, and Berry.

Publication: International Small Business Journal.

**Research Relevance.**
This article provides valuable perspective and analysis on the effectiveness, and potential conflicts of Non-Executive Directors (NED's) in company management teams, and their impact on leadership trust.

**Summary.**
Corporate scandals and bankruptcies have driven much closer scrutiny of Boards of Directors and senior executives; in response, regulators require that publicly traded companies include Non-Executive Directors on their Boards. Investors support this, believing that NED's provide a balance between shareholder interests and the interests of the management; and offer independent oversight of governance.

While there has been extensive research on the effectiveness of NED's in large publicly traded companies, this research aimed to investigate the effectiveness of NED's in small and medium-sized companies (SME). The research found that contrary to the goals of investors and regulators, NED's independent and objective influence on Boards and company managing directors was not always effective or well placed.

The authors found that the relationship between NED’s and the Managing Director (MD); and the effectiveness of NED’s was often compromised, and in some instances, was counter to investor goals. The study revealed that trust between the NED’s and MD’s was a key contributor to the effectiveness of the NED’s in meeting their defined objectives. The research investigated ten SMEs, conducting interviews with executives and NED’s. The research provides recommendations on ways to improve the effectiveness of NED's in the future.

Critique
While the study detailed its methodology and rationale, it was unclear how the authors selected, or vetted the ten companies included as a basis for the research; it was also unclear if the authors believed these companies were representative of the SME sector they sought to evaluate. The article may have also benefited from research that compared the selected companies' business models, and correlation between the structure[3] of the participant companies’ Boards, and their management teams.

[3] The Boards differed in their mix of internal and external directors and executive structure.

**Methodology.**
The research design and its questions suggest an ontology of relativism focusing on interpreting NED and MD relationships. The epistemology is subjective; the authors acknowledge the complexity of surfacing NED and MD's true motives. The methodology is qualitative through interviews and observations.

Critique.
The authors model their study on Archer's analytical histories (Archer, 1995)[4]. The research seeks to understand the effectiveness of NED's; in both policy and governance roles by analyzing the relationship between NED's and MD's. While the study attempts to provide a logical and methodical path to reach this understanding, the structure used in "Figure No 1" (Boxer, 2014, p. 374), and the analysis leaves unanswered questions. One of the significant areas of concern is the potential for bias. Over 80% of the NED's had no other form of employment; this may have influenced their willingness to challenge the MD and drive needed change. The study may have benefited from a deeper probe of NED independence, including a correlation between businesses with NED's that sat on a single Board, and those with NED's that sat on multiple Boards.

Participant Critique.
The companies selected were not representative of the universe of SME's, and this may have impacted the article's conclusion from a sector standpoint; none of the selected companies included a Board comprised of internal and external directors, and none of the companies operated as a subsidiary of a group or corporate entity.

Rigor Critique.
While the study followed the guidelines of some noted research scholars, there was scant evidence that NED and MD bias covered in the case studies has been rigorously[5] evaluated (Zattoni and Cuomo, 2010).

**Ethics.**
The interviews were anonymized. The study received funding from the Association of Chartered Certified Accountants (ACCA); this funding and the nature and findings of the study do not appear to raise conflicts.

**Research Findings**
The study challenged the effectiveness, independence, and efficiency of NED's in SME's. The study presented ten SME's and developed arguments that supported the author's submission, that there is a tangible risk that NED's may not fulfill their role of independent advice and governance, and may become enablers of the company's managing directors, and in so doing, fail to meet the NED objectives.

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[4] Archer "flags the risks of generalization and highlights the need to explore the complexity of relationships in context (structure and agency); and capture the change that takes place over time (elaboration); essential elements of her analytical histories".

[5] Independence T test, Table 4 (Zattoni, 2010, p.36).

Critique.
The research findings rely heavily on the NED and MD interviews; however, there is no visibility to the questions, or the thematic coding used to develop the qualitative analyses. The research does offer analysis into two variables ("reason-based trust" and "reflective-based trust"), but the research offers no analysis or correlation of other variables (including competency and performance).
The Cross-History analysis (Boxer, 2014, p.379) of "Conditioning ($T_1$-$T_0$)", used to support Figure No 1 (Boxer, 2014, p.374), provided insight into the pathway the authors built their conclusions on. However, the analysis of "Social Interaction ( $T_0$-$T_1$)", provides a view of the NED's role as a corporate agent; which the authors submit is validated by all case studies (Figure 1, p.374). However, a review of case study D, (Boxer, 2014, p.376), may challenge this view.

**Value of the Research.**
The research highlights potential NED / MD ethical issues and provides insight and analysis that may positively impact governance for SME's in the future.

## 3.5 Trust and Culture Implications.

**Article Title**: "The significance of direct-leader and co-worker trust on turnover intentions: A cross-cultural study" (Costigan et al., 2013).

Authors: Costigan, Insinga, Berman, Kranas, and Kureshov.

Publication: Journal of Trust Research.

**Research Relevance.**
This article makes an important contribution to the trust literature. The article's findings provide insight into the growing cultural challenges that global companies face; this is particularly relevant as companies expand their local workforce's in Eastern Europe and Central Asia.

**Summary.**
This research seeks to understand the impact of trust and culture on employee turnover. The research investigates both employee trust in direct leaders and trust in peers.
To understand the impact of culture and social structure on trust and turnover, the research sample included 554 participants drawn from; Russia (81), Poland (113), Turkey (205), and the USA (155). The survey participants had an industry background, with 205 working in manufacturing.

The research finds a positive correlation between low employee trust in direct leadership, and employee intent to exit the company. The study did not find a

statistically relevant correlation between employee peer relationship trust, and employee intention to leave the company.

The US participants displayed a strong negative correlation between intention to leave the company and trust in direct leaders. However, while the participants from Poland, Russia, and Turkey also displayed a negative correlation, it was less significant, highlighting the cultural differences between East and West.

The researchers challenge Kouzes and Posner (2002) observations that "employees quit their direct leader, not the organization," (Costigan, 2013, p.119) the authors counter that employee turnover should also be observed through the lens of the socio-economic structure.

Critique.
The study uses the “Social Exchange Theory” (Cropanzano and Mitchell, 2005) in its methodology; the theory requires interdependence[6]; however, the authors state that their research design did not include controls to identify and capture participants dependence, independence, or interdependence on direct leaders or co-worker relationships (Costigan, 2013, p.120).

**Methodology.**
The researchers did not declare the study's paradigm. The research is mixed methods with both qualitative and quantitative data sets, coupled with four hypotheses. The construction of the questionnaires and the hypothesis suggests an ontology that is realism, a transactional epistemology underpinned by a critical theory dialogue.

Reliability and Validity Critique.
The authors make extensive use of McAllister’s Trust Scale (McAllister, 1995); however, there is scholarly debate on the reliability of the scale; and the application to measure some trust relationships (Sanders et al., 2006); this may impact the reliability of the authors finding on cognitive trust in direct leaders.

**Ethics.**
The article does not confirm that a process was used to ensure participant confidentiality or anonymity.

**Research Findings.**
The author's findings supported three of the article's four hypotheses, concluding that a negative correlation existed between “employees trust in direct leaders' and intention to leave the company.”

[6] In the context of this article interdependence could be used to highlight “the way the participants influenced each other’s experience”

The findings did not support Hypothesis No 2, which submitted:

> "The correlation of employee cognition-based trust of direct leaders, to that of employee turnover, would be stronger (negatively) than employee's cognition-based trust of their co-workers to turnover intentions" (Costigan, 2012, p.115).

In essence, this hypothesis submits that direct leaders have greater influence over an employee's decision to remain or leave the company, than the employee's peer group

Critique.
The article was well structured. The article sought to evaluate employee, peer-to-peer, and leadership trust, comparing socialist and capitalist countries. The article highlighted the correlation between affect-based trust, and "cognitive trust; however, the correlation between cognitive trust of direct leaders, and employee turnover intention was weak for Russia (R-.11)", (Costigan, 2013 p.113), compared to the US, Poland, and Turkey, which were all above "-.30", (Costigan, 2013, p.118). The variance appears to indicate that the Russian business model is less affected by the perception staff have of their leaders; but this might also indicate that disgruntled employees remain hidden in the company.

The sample selection was biased towards socialist countries, with the US as the single representative of capitalist countries; the article may have benefited from a sample that included perhaps the UK and Germany to provide balance.

**Value of the Research.**
The research offers a real-world perspective of today's global corporations', and highlights the cultural differences they face in their Eastern European and Central Asian operations.

## 3.6 Trust: The Impact on Performance.

**Article Title:** "Employee trust and workplace performance" (Brown et al., 2015).

Authors: Brown, Gray, McHardy, and Taylor.

Publication: Journal of Economic Behavior & Organization.

**Research Relevance.**
The research offers valuable insight and analysis of employee trust pre- and post-a-global economic crisis; this adds to the broader research of employee turnover during wide-scale disruption.

**Summary.**
As the global economy becomes more cyclic, company performance receives greater scrutiny from investors and shareholders. While there is significant focus by economists, business leaders, and scholars on the factors that drive business metrics (Machin and Stewart, 1990; Munday et al., 2003), the authors sought to understand the role that employee trust played in business[7] performance. The authors acknowledge the work of La Porta (1997) and Fukuyama (1995); however, they submit that there is "a gap in the literature and understanding of the linkage between employee trust and business performance".

The researchers used secondary data drawn from the 2004 and 2011 Workplace Employment Relations Surveys (WERS). The author's findings established a positive link between employee trust and business performance; however, there was a negative correlation when paid overtime and training were restricted.

Critique.
The WERS survey included four questionnaires (Worker Representatives, Financial Performance, Management, and Employee). The authors base much of their study on two of these questionnaires (Management and Employee); the research conclusions may have benefited[8] from data drawn from all surveys, coupled with a statistical correlation between critical variables, including restructuring and employment metrics. The authors also note that the participation level in the financial questionnaire was less than 25%, which may raise a question on the validity of the financial performance variable FPw (Brown, 2014, p. 365).

A key area of the article's research was an assessment of employee trust pre and post the global financial crisis (WERS 2004 vs WERS 2011). The authors included ten specific questions to assess this (Brown, 2014, p.372); the authors submit that the employee responses to these questions was an essential element of the study's conclusion, reference Table 4 and 5 (Brown, pp. 372-374); what is not clear is if the authors considered the positive impact of restructuring, and how that may have modified the participant's answers, and the impact on the research findings.

**Methodology.**
The methodology is mixed methods primarily derived from data drawn from the 2004 and 2011 WERS study, which featured a mix of direct and subjective questions. The researchers did not declare their paradigms; however, the summary and conclusions shape the ontology as critical realism, and the epistemology as dualist objective, and the paradigm leans towards post-positivism.

[7] Participants were drawn from manufacturing, retail, utility, transportation, and financial services.
[8] The addition of data from all questionnaires would have provided greater depth and validity to the conclusions.

**Ethics.**
The article does not indicate the ethical controls used in the research.

**Reliability and Validity.**
There is limited evidence that the validity or reliability of the survey questions for variable FPw were challenged.

**Research Findings.**
The researchers indicate a positive correlation between employee trust and three key metrics of business performance (Financial FPw, Productivity LPw, and Quality Qw) and a negative correlation between employee trust and actions that curtail or eliminate basic benefits, including overtime and training.

Critique.
The research set out to analyze employee trust and workplace performance during a time of change and restructuring. The control variables $t_1$, $t_2$, $t_3$, and $t_4$, (Brown, 2012, p. 366), and the survey questions (WERS 2004 and 2011) asked the workforce to assess its level of dissatisfaction with a limited number of workplace variables; many of which could be categorized as primary benefits. One could argue that removing any benefits would be unacceptable and would negatively affect management trust. The study did not test the motivation for change, or the potential positive impact of change, including greater employment security, improved job opportunities, and compensation improvements. While the research findings suggest caution with change that affects the status quo, the economic downturn required radical change for many companies, a review of the literature provides evidence that when change is presented transparently, employees embrace the change (Gustafsson et al., 2020).

**Value of the Research.**
The research adds value for business leaders as it identifies and highlights management strategies that undermine trust.

## 3.7 Trust in Retail.

**Article Title:** “Enhancing multiple dimensions of performance in small professional firms through leader-follower trust” (Jing et al., 2014).

Authors: Jing, Avery and Bergsteiner.

Publication: Asia Pacific Journal of Human Resources.

**Research Relevance.**
This article draws attention to three important areas of the business world; small companies, emerging markets, and the role that customer service plays in the retail sector.

**Summary.**
The role that trust plays in large company performance during change and disruption, has been extensively researched. The authors identify a gap in the literature for small retail companies. The authors based their findings on a survey of 580 employees working in independent and chain pharmacies in Sidney Australia. The research sought to understand how trust is preserved in these companies.

The research focused on trust between managers and their employees in four business areas, revenue, customer retention, employee retention, and productivity. The study added two modifiers, manager tenure, and employee tenure, to improve validity. The study confirmed the author's hypothesis, that management focus on trust preservation has a positive correlation with performance, and that small businesses with high manager/employee trust relationships, outperform small businesses with low trust. The study findings also indicate that manager and staff tenure positively correlate with employee willingness to remain with the company, during times of disturbance.

Critique.
The study drew its conclusions from a survey based on a large metropolitan city, and a single retail sector; this may have created a bias that a more balanced sample drawn from multiple sectors, with the inclusion of smaller rural towns, might have avoided.

In Hypothesis 2 (Jing, 2014, p.355), the authors conclude that staff satisfaction increases customer satisfaction, and while the study shows a correlation of 0.994, $p < 0.05$ (Jing, 2014, p.360), it is unclear how customer satisfaction is being measured, and what elements are included (e.g., order fill accuracy, time to fill an order etc.).

**Methodology.**
The study was mixed methods. With qualitative and quantitative data drawn from a survey of managers and employees in one hundred retail stores, the response rate was 76%. The authors posed four hypotheses with three elements (revenue, staff satisfaction, and customer satisfaction). The hypothesis and the survey design suggest an ontology of critical realism, and an objective epistemology.

Critique.
The surveys allowed self-reporting in three areas (revenue, productivity, and customer complaints). In some instances, exact data drawn from business reports may have been available, this would have added greater validity to the conclusions.

While the study declared its focus as small businesses, 41% of the participants were part of large retail chains; the study, therefore, mixed two different management hierarchical structures[9] (owner-manager and corporate site manager). The two structures differ significantly in the autonomy and structure of decision-making. It is not clear if the authors considered this in their methodology or conclusions.

**Ethics.**
The article did not discuss ethics protocols.

**Research Findings.**
The study found positive correlations between; manager/employee trust and business performance; customer and employee retention and customer satisfaction, and management tenure and employee trust.

Critique.
It was not clear if the research included companies with poor performance or weak business metrics; it is possible that underperforming companies may have similar employee, supervisor, and customer trust relations to the selected companies, but have failed to translate this to positive performance. Participant selection, which includes companies with broad performance results (positive and negative), would add further validity to the article's conclusions.

**Value of the Research.**
The research highlights the organizational and resource differences between large and small businesses, and places a lens on the mechanism of trust in small retail companies.

## 3.8 Trust and Corporate Corruption.

**Article Title:** "Repairing Trust in an Organization after Integrity Violations: The Ambivalence of Organizational Rule Adjustments" (Eberl et al., 2015).

Authors: Eberl, Geiger and Aßländer.

Publication: Journal of Organization Studies.

**Research Relevance.**
This article makes an essential contribution to the understanding of corporate corruption and its impact on stakeholder trust.

[9] In small businesses, Owner Managers may have multiple roles (CEO, HR and Finance Manager), and employees may also have multiple roles (inventory, sales, and customer service)

**Summary.**
The authors seek to understand corporate trust repair following a very public loss of confidence, driven by wide-scale ethical violations. While the authors acknowledge the work done by Gillespie and Dietz (2009); Kramer and Lewicki (2010), they identify gaps in the literature.

To evaluate this subject, the authors selected Siemens AG (now Continental AG), a 37-billion-euro top-tier automotive component supplier that underwent a very public investigation, after admission of wide-scale bribery and corruption. The resulting scandal caused a significant loss of confidence with external stakeholders (investors, customers, and suppliers), and internal stakeholders (staff, unions, and managers).

Contrary to some prior research, the authors found that trust rebuilding was far more complex than an admission of guilt and structural change. The research found that structural change in isolation had a positive trust correlation for external stakeholders, but a negative trust correlation for internal stakeholders. The research found that true trust repair is achieved by combining both structural and cultural change.

Critique.
The article offers timely research of a problem that has become commonplace in the business world. The case study selected was excellent and representative of the industry, as is the topic of corporate corruption. The data source and the author's control of questions and interviews leave some concerns about the validity and reliability of the findings. The authors do not define the period over which the data set was reviewed; this information is pertinent. While the authors acknowledge the challenge of obtaining data, it would be of value to share a statistical evaluation, with a correlation of the variables secured during the data coding. While the data challenges are acknowledged, the paper was well constructed and presented theoretical arguments that followed a logical pattern and were easy to follow.

**Methodology.**
The authors cite their work as grounded theory; the focus of their work was four categories (stakeholder trust, culture, rule adjustment, and integrity). The research wrestled with the polarized response of stakeholders to a range of actions (Erbel, 2015, p.1215), and it sought to understand these by conducting interviews with ex Siemens employees and investigative journalists, coupled with a detailed review of public information. The nature and sources of the research suggest an ontology of critical realism with an epistemology of objectivity and a methodology of qualitative interpretation.

Critique.
The authors acknowledge that the primary source of the data analyzed (newspaper articles and public information) may have included some bias. The

study would have benefited from a broader range of data, including focus groups, questionnaires, and interviews. The authors submit that this would be difficult given the public nature of the corruption; however, without staff input, the reliability of the findings is diminished. The study may also have benefited from a closer review of external stakeholders via publicly available investor briefings.

**Ethics.**
The Siemens case was rife with ethical violations; however, the authors did not provide information on the ethics protocols used during their interviews with reporters.

**Research Findings.**
The authors submit theoretical arguments and scenarios, which were well structured and thoughtful. The study's findings confirm that a simple response to corruption fails to achieve an improvement in trust. The authors demonstrate that an understanding of the impact, and cause and effect of the solutions, must be achieved from the perspective of all stakeholders. The study demonstrates how poorly crafted solutions can easily have a far-reaching negative impact.

Critique
The authors reference forty-three actions Siemens implemented to rebuild internal and external stakeholder trust (Erbel, 2015, p.1215). However, the article offers no correlation between specific actions and its findings; therefore, the study relies on public reports and interpretation, which weaken the findings.

The authors present a robust theoretical argument and correlation for their hypothesis on integrity and trust. The article also offers a clear thought process and positive correlation between rule adjustment and external stakeholder trust. The article lacks some clarity as it argues the negative correlation between rule adjustment and internal stakeholders.

**Value of the Research.**
The research offers timely and realistic value to corporations attempting to navigate situations that have resulted in a significant public loss of confidence.

**4. Summary.**
The eight papers in this review provide a glimpse of one of the most complex issues that business faces, and while the papers cover different aspects of trust, there are common themes:

1. When there is a lack of trust between employees and leaders, employee turnover and talent loss increase.
2. To positively impact employee retention and performance, the principles of employee trust must embrace, not just the immediate supervisor but also the top leaders and the corporation’s ethical behavior.

3. Executives and Boards of Directors who fail to drive and demonstrate "tone at the top" undermine trust at multiple levels in their organizations.
4. Developing lasting and meaningful organizational trust requires commitment, and time and effort; this is not a minor business change.

The articles offer an important consensus on the role and responsibility that senior executives possess, to create and maintain an environment conducive to employee trust; a conclusion captured in a number of landmark papers (McAllister, 1995); (Mayer et al., 1995).

**5. Conclusion.**

The research adds timely and realistic value to the body of work on trust and places the lens firmly on corporate governance. The size, global footprint, and supplier complexity of today's corporations has made governance a challenging task, and one that the public has increased visibility to. While governance is designed to prevent missteps, the public test of management is how it reacts and responds to a crisis. Unfortunately, there are many examples of poor response, ranging from attempts to cover up issues, to poorly planned and implemented corrective actions.

The business community has different views on how to solve the problem; there is, however, wide-scale agreement that trust is a critical issue; and acknowledgment that it impacts all operational areas. In good times, a lack of trust may stint entrepreneurial growth and risk-taking. In challenging times when companies are navigating uncertainties, a lack of trust inhibits decision making and speed of execution; this often translates into employee retention problems; often at multiple levels in an organization from management through staff, and may include the executive team and CEO. When this occurs, Boards of Directors are faced with investor backlash.

Establishing and maintaining trust as a leadership focus is critical, but is often an undervalued objective of Boards and senior executives. The result of a failure to establish a culture of trust is inevitably a loss of internal and external stakeholder confidence, all of which reduce company value.

Further study would benefit the industry; in the interim, the author's research and conclusions are timely.

……..Thank You……

Word Count 6,465

## 6. Bibliography and Reference List

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