



THE INFLUENCE OF ORGANIZATIONAL TRANSPARENCY ON EMPLOYEES TRUST AMONG COOPERATIVE IN DAVAO DEL NORTE

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ABSTRACT

This study was a quantitative research non-experimental design employing descriptive correlational technique. This was conducted at Davao del Norte. There were 1,263 to population of cooperative employees of which 304 were the respondents of the study. The first part of the two sets of survey questionnaire was Organizational Transparency with the indicators: Participation, Substantial Information, Accountability and Secrecy. The second part was Employees Trust of cooperative with the indicators: Competency, Benevolence, Integrity, Position Status and Relationship. The research revealed that organizational transparency got a mean of 4.41 which means very high, this indicates that the level of organizational transparency is very much evident. On the otherhand, the employees trust got a mean of 4.22 which means very high, this indicates that the level of employees trust is very much evident. This research further revealed that there was no significant relationship between organizational transparency and employees trust.

KEYWORDS: *Organizational Transparency, Employees Trust, Cooperative, Quantitative Non-Experimental Design, Regression Analysis, Tagum City, Philippines*

INTRODUCTION

An annual survey confirmed that organizations are now facing a problem about the employees' trust toward them. It was disclosed that 46% of among the approximately 9,800 full-time employees, aged 19 to 68, were found to have great issues on trust toward their organization, specifically, their employers. Almost half of the survey participants from countries namely Brazil, China, Germany, India, Japan, Mexico, United Kingdom and United States of America confirmed that the said low level of trust towards the organization was greatly caused by unfair employee compensation, unequal opportunity for pay and promotion, lack of leadership and non-conducive working environment (Twaronite, 2016).

Trust, from an organizational perspective, is significant and has to be nurtured in order to create a trusting relationship among employees and between them and their employers. It is considered as a top priority in managing relations in a working environment. It was noted that when trust is evident among workers of any organizations, parties were expected to have met their commitments to each other,

remained honest and to have not taken advantage of the other (Golin, 2015).

In the Philippines, employees' trust among cooperative employees were of big issues among cooperative of today. In a survey conducted in Luzon, 52% among cooperative employees have mistrust in their workplace. Hence, cooperatives were taking measures on how to strengthen then to build cooperative trust among their employees (Bautista, 2018).

In Davao del Norte, trust among cooperative members were strong however, trust among employees in their workplace were an issue that kept only by the employees. Mistrust started when a cooperative was not transparent to their organization as observed by the researcher.

On another vein, organizational transparency was seen as a potential factor to increase employee's trust. Transparency entails self-disclosure, hence, defining this as how well an organization communicates relevant policies, regulations and operations to their employees and to the general public. Also, this has long been implemented in the organizational level, both private and public, by making sure that significant information about financial



conditions and accounting practices are regularly communicated in a reliable manner. This is to primarily build the required trust from the workers and its customers (Rondinelli, 2007; Cavusgil, Knight, and Riesenberger; 2008 Seyoum, 2019).

However, the researcher has not come across explorations that show the influence of organizational transparency on the employee's trust in the cooperatives in the Davao del Norte. The paucity of the relevant studies about it and the need to find out how organizational transparency affects trust of the employees convinced the researcher to fill the gap, make a new contribution. There is then a need to generate new knowledge on the possible existing association of the two variables in the context where cooperatives are concerned. This conforms to the recommendation of Jahansoozi (2016) which suggested for further probing of the evidence of their relationship. The two aforementioned variables attracted the researcher to test whether there really is an existing relationship between organizational transparency and the employees' trust in the cooperatives in Davao del Norte, hence, the need to conduct the study.

RESEARCH OBJECTIVES

This study aimed to determine which domain of the organizational transparency that significantly influence employees trust among cooperatives in Davao del Norte. Specifically, it sought answers to the following:

1. To describe the level of Organizational Transparency in terms of:
 - 1.1 Participation
 - 1.2 Substantial Information
 - 1.3 Accountability and
 - 1.4 Secrecy
2. To describe the level of employees trust in terms of:
 - 2.1 Competency
 - 2.2 Benevolence
 - 2.3 Integrity
 - 2.4 Position Status
 - 2.5 Relationship
3. To determine the significant relationship between organizational transparency and employees trust among cooperatives in Davao del Norte.
4. To determine which domain of organizational transparency significantly influence employees trust among cooperatives in Davao del Norte.

RESEARCH HYPOTHESES

The following research hypotheses were tested at 0.05 level of significance.

1. There is no significant relationship between organizational transparency and employees trust among cooperatives in Davao del Norte.
2. There is no domain of organizational transparency significantly influence employees trust among cooperatives in Davao del Norte.

THEORETICAL FRAMEWORK

This study is anchored on the theory of Rawlins (2008) which states that transparency in an organization has a positive association with trust. This indicates that as the employees' perceptions of organizational transparency increases, so does, their trust. This is also advocated by previous researchers who confirmed that transparency has been implemented in both public and private entities in order to build the employee's trust as well as the trust among leaders and the society. Rawlins (2008) which is organizational transparency that can be collapsed into three dimensions which are substantial information, participation and accountability. Substantial information refers to the truthful and useful information in all operations of a certain organization. Participation, secondly, refers to the stakeholders' participation in identifying the information they need. Lastly, accountability is what talks about balance reporting of the activities and policies making the organization accountable.

The independent variable is supported by Dr. Murad Al-Nashmi (2015) on his study about transparency entitled "The Influence of Transparency on the Leaders' Behaviors: A Study among the Leaders of the Ministry of Finance, Yemen. The study shows that there is a significant relationship between the overall transparency and the leaders' behaviors who work in the Ministry of Finance. The value of the Pearson correlation coefficient (r) is 0.634 which renders the relationship to be a positive moderately high correlation. This explained that if the overall level of transparency applied in the Ministry of Finance is high, the behaviors of leaders in this entity will be positively enhanced and improved towards their subordinates and their ministry. The remarkable fact that every leader should know that a long-term practicing of overall transparency can create transparent leaders who have good faiths and affirmative behaviors towards their employees.

The dependent variable is supported by Chua Bee Seok, Getrude Cosmas, Jasmine Adela Mutang, Shazia Iqbal Hashmi (2015) in the study entitled: "Development and Validation of Employee Trust Scale: Factor Structure, Reliability and Validity". Rawlins (2008) which states that the components that



comprise employee's trust are competence, integrity, and goodwill. It rooted from the concept that trust is one party's willingness to be vulnerable to another party based on the confidence that the latter party is competent and dependable, has integrity and acts with goodwill. Competence relates to the belief that one has the ability to do something what one says he will do, while integrity encompasses the belief that a party is fair and just. Finally, goodwill as a component of trust refers to purposeful acts and pleasant attitude.

RESEARCH DESIGN

This study used a quantitative non-experimental research design utilizing descriptive correlational approach. This method was used when the objective is to describe the status of the situation as it exists at the time of the study to explore the causes of a particular phenomenon. In correlational research, it involves collecting data in order to determine whether the degree of relationship exist between two or more quantifiable variables (Gay, 2015).

Further, this study made use of the quantitative non-experimental design utilizing causal effect technique to be able to give description to the possible existing relationship between two identified variables as well as determining the direction and magnitude of such relationship, if there is. The descriptive correlation method was deemed appropriate and accurate to be employed in this study. It is a research design that seeks relationship between the independent and dependent variables after action was done (Gravetter and Wallnau, 2004).

Furthermore, descriptive-correlational design was used to examine the level of organizational transparency and the level of employees' trust. Hence, survey was seen to be valuable as it proves facts where scientific judgment may be based. It gives important knowledge for the development of the instruments of the measurements of many things, which are utilized in all types of quantitative research (Berg, 2009).

The reason for using non-experimental research is that results cannot be manipulated because of the attribute variables, such as gender, socioeconomic status, learning style, or any other personal characteristics or trait. Another reason to use non-experimental research is that it would be unethical to randomly assign individuals to different treatment conditions since the researcher cannot change or manipulate what is the results. Hence, correlational research is a type of non-experimental research in which the researcher measures two variables and assesses the statistical relationship between them with little or no effort to control extraneous variables. There are essentially two reasons that researchers interested in

statistical relationships between variables would choose to conduct a correlational study rather than an experiment (Belli, 2013).

RESEARCH LOCALE

Figure 2 presents the locale setting of the study. This study was conducted in Davao del Norte located in Mindanao. Its capital is Tagum City. According to the 2015 census, it has a population of 1,016,332 with a total land area of 3,426.97km². The province is comprised of 3 component cities, Panabo City, Island Garden City of Samal and Tagum City with 8 municipalities as follows: Asuncion, Braulio E. Dujali, Carmen, Kapalong, New Corella, San Isidro, Sto. Tomas and Talaingod.

POPULATION AND SAMPLE

In this study, the respondents will be the employees of cooperative in Davao del Norte. Random sampling will be used to determine the participants. This study was conducted during year 2021. The researcher will use sampling technique in gathering data. The respondents of the study were taken from the total population of 1,263 employees of the chosen cooperatives in Davao del Norte. Distribution of respondents show the actual number of respondents in every office.

The respondents were 20 to 50 years old employees of a cooperative. They were chosen on the basis of random sampling. The respondents of this study can freely withdraw anytime if they feel threatened on the conduct of the study.

All employees outside Davao del Norte will be excluded in the research. Hence employees above 50 years old will not be also included in the research. The employees of cooperatives in Davao del Norte will be given will to take an interest with no type of results or punishment or loss of advantages. Accordingly, after the reason and the advantages of the study, it will be portrayed and introduced to the taking an interest workplace. At that point, the privileges of the respondents to add to the assortment of information will be cautiously considered and follow upon.

STATISTICAL TOOLS

The responses to the items in the questionnaire were tallied and recorded correspondingly. The results were analyzed and interpreted in the light of the purpose of this study using the appropriate statistical treatment as follows:

Mean. This will be used to measure the level of organizational transparency and the level of



employees' trust. Thus, this would answer objectives 1 and 2.

Pearson r. This will be used to determine the significant relationship between organizational transparency and employees' trust. Hence, this would answer question number 3.

Regression Analysis. This will be used to determine which domain of organizational transparency significantly influence employees' trust.

RESULTS

This chapter discloses the findings and results, analyses, and interpretation of this study. They are both presented based on the problem raised in the previous chapter. The discussion is arranged from highest to lowest in terms of the average means of the indicators which are presented both in the tabular and textual forms where inferential results were analyzed and interpreted at 0.05 level of significance.

Level of Organizational Transparency

Table 1 shows the level of organizational transparency among the employees of cooperative in Davao del Norte. The overall mean score obtained is 4.41 with a standard deviation of 0.40, described as very high. This means that the level of organizational transparency is very much evident. Among the four (4) indicators, *Participation* got the highest mean of 4.45 with 0.52 dispersion values and is described as very high. The second highest mean is the indicator *Secrecy*, with the mean of 4.41 and standard deviation of 0.55 which is described as very high. It is followed by the indicator *Substantial Information* with the mean of 4.37 and standard deviation of 0.57 which is described as very high. The lowest mean was obtained by the indicator *Substantial Information* which is 4.32 and a standard deviation of 0.61 which is also described as very high.

Table 1.
Level of Organizational Transparency

Indicator	Mean	SD	Descriptive Equivalent
Participation	4.45	0.52	Very High
Substantial Information	4.37	0.57	Very High
Accountability	4.32	0.61	Very High
Secrecy	4.41	0.55	Very High
Overall	4.41	0.40	Very High

Level of Employees Trust

Presented in the Table 2 is the level of employees trust in terms of Competency, Benevolence, Integrity, Position Status and Relationship. The overall mean is 4.22 and the dispersion of values which is 0.38 is described as very high. This means that the employees trust among the employees of cooperative in Davao del Norte is very much observed. Among the

five (5) indicators, Relationship got the highest mean of 4.51, which is described as very high. The indicator that got the second highest mean is competency with 4.40 mean, described as very high. It is followed by the Position Status with a mean of 4.39, described as very high and then Integrity with a mean of 4.32, described also as very high. Lastly, Benevolence got a mean of 3.50, described as high.

Table 2.
Level of Employees Trust

Indicator	Mean	SD	Descriptive Equivalent
Competency	4.40	0.55	Very High
Benevolence	3.50	0.50	High
Integrity	4.32	0.64	Very High
Position Status	4.39	0.54	Very High
Relationship	4.51	0.45	Very High
Overall	4.22	0.38	Very High



Significance on the Relationship Between Organizational Transparency and Employees Trust

The purpose of this study was to determine whether the organizational transparency is significantly related to employees trust among employees of cooperatives. Results of the computations are shown in Table 3 using Pearson-r.

Table 3 displays the four (4) indicators of organizational transparency which shows that there is a significant relationship between the level of organizational transparency and the level of employees trust among employees of cooperatives in Davao del Norte.

Table 3.

Significance on the Relationship Between Organizational Transparency and the Level of Employees Trust

Independent Variable	Dependent Variable	r- value	r- squared	p- value	Decision
Participation	Employees Trust	0.052*	0.003	0.186	H ₀ is not rejected
Substantial Information		0.076*	0.006	0.094	H ₀ is not rejected
Accountability		0.111*	0.012	0.027	H ₀ is rejected
Secrecy		0.105*	0.011	0.035	H ₀ is rejected

*p<0.05

The r-value of Participation and Employees Trust is 0.052 and has a p-value of 0.186 while Substantial Information and Employees Trust has an r-value of 0.076 with a p-value of 0.094. Since the domains Participation and Substantial Information have the probability level of 0.186 and 0.094 respectively which is greater than the level of significance at 0.05. This implies that the two domains signify that organizational transparency is not related to employee's trust. However, Accountability and Employees Trust got an r-value of 0.111 with a p-value of 0.027. Lastly, the r-value of Secrecy and Employees Trust is 0.105 with a p-value of 0.035. Since the Accountability and Secrecy have the probability level of 0.027 and 0.035 respectively which is less than the level of significance at 0.05. This implies that the two domains signify that organizational transparency is related to employee's trust. Therefore, the finding implies a weak relationship between organizational transparency and employees

trust among employees of cooperative in Davao del Norte.

Regression Analysis on the Influence of Organizational Transparency on Employees Trust

Table 4 indicates the regression analysis on the influence of the domains of organizational transparency to employee's trust among employees of cooperative in Davao del Norte. The table shows the f-value of 1.382 and a p-value of 0.240 which is greater than the 0.05 level of significance. This allows the researcher to accept the null hypothesis which states that "There is no domain in the organizational transparency that significantly influences employees trust among employees of cooperative in Davao del Norte." Thus, there are a domain in the organizational transparency that significantly influences employees' trust.

Table 4.
Regression Analysis on the Influence of Organizational Transparency on Employees Trust

Independent Variable	Unstandardized Coefficient		Standardized Coefficient	t-value	p-value	Decision
	B	SE(B)	Beta			
(constant)	3.698	0.260				
Participation	0.01	0.050	0.014	0.201	0.841	H ₀ is not rejected
Subs. Info.	0.016	0.052	0.025	0.313	0.755	H ₀ is not rejected
Accountability	0.042	0.045	0.067	0.925	0.925	H ₀ is rejected
Secrecy	0.054	0.042	0.078	1.268	0.206	H ₀ is rejected

Dependent Variable: Employees Trust
R= 0.135
F-ratio=1.382
R²= 0.0128
P-value= 0.240

*p<0.05

The r-value of 0.135 indicates a weak relationship between organizational transparency of employees and employees' trust. The coefficient of determination or the r-squared which is 0.0128 connotes that 1.28% of the variation in the level of employees' trust could be attributed to the variation in the level of organizational transparency. The rest, 98.72%, is the chance variation which means that the level of employees' trust could be attributed to the other factors which are not included in this study.

The indicators of the independent variable which are Participation, Substantial Information, Accountability and Secrecy have beta values of 0.014, 0.025, 0.067 and 0.078 respectively. Participation has a p-value of 0.841, Substantial Information got a p-value of 0.755 while accountability has a p-value of 0.925 and Secrecy has 0.206 p-value, all are greater than the level of significance of 0.05. This means that participation, substantial information, accountability, and secrecy as indicators of organizational transparency have no significant influence on employees trust among cooperative employees in Davao del Norte.

CONCLUSION

Based on the results of the research objectives, the researcher has come up with the conclusion that organizational transparency as manifested through the indicators, accountability and secrecy, influences

employees' trust. The findings revealed that organizational transparency as exhibited through participation, substantial information, accountability, and secrecy is very high. Further, the results showed that Participation, Substantial Information, Accountability and Secrecy have no association to employees' trust. Thus, this means that the independent variable organizational transparency does not significantly affect the employees trust among the employees of cooperative in Davao del Norte.

RECOMMENDATIONS

After a profound consideration on the possible implications of the findings and conclusion of this study, the researcher recommends the to retain the very high level of organizational transparency and employees' trust. Thus, cooperative must always be transparent to all the information from their cooperative this will make the employees and at the same time the members will trust the cooperative.

The level of organizational transparency of cooperative in Davao del Norte was very high. Thus, it is recommended that cooperative must remain transparent at all times. The same with the dependent variable employees trust with very high level, it is recommended that cooperative must strive harder to maintain the trust given by their employees.



The cooperative officials must always be careful to manage their organization to foster trust worthiness. So, the employees as well as the cooperative members will always feel that their money are in good hands.

Further, the Cooperative Development Authority (CDA), who is spearheading the movements in the cooperative together with the concerned persons of authority in the different regions, is encouraged to launch seminars and trainings for the business owners. The suggested seminars and trainings should give light on how to organizational transparency to foster employees trust since this is helpful in uplifting awareness. Another, that the cooperative development authority ensures the safety and quality standards, they must ensure to protect the public against unreasonable risks of injury associated with the performance of a cooperative. Furthermore, the Cooperative Development Authority (CDA), pursuant to its mandate as the lead agency for the promotion and development of cooperatives and in consonance with its function to formulate, adopt and implement integrated and comprehensive plans and programs on cooperative development consistent with the national policy on cooperatives and the overall socio-economic development plans of the government.

Finally, further study related to the focus of this research is also highly recommended using different indicators which will validate the consequences herein or will deal with other problems and gaps which were not covered in this study. The researcher also advocates that it is the high time to have research on this issue in a larger setting and a wider scope and also to further research on the personal and professional reasons.

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