Managers’ perceptions of trust in the workplace in times of strategic change: The cases of Cyprus, Greece and Romania
Marcos Komodromos, Daphne Halkias, Nicholas Harkiolakis,

Article information:
Permanent link to this document: https://doi.org/10.1108/EMJB-03-2018-0018
Downloaded on: 20 April 2019, At: 06:41 (PT)
References: this document contains references to 75 other documents.
To copy this document: permissions@emeraldinsight.com
The fulltext of this document has been downloaded 6 times since 2019*
Access to this document was granted through an Emerald subscription provided by emerald-srm:178665 []

For Authors
If you would like to write for this, or any other Emerald publication, then please use our Emerald for Authors service information about how to choose which publication to write for and submission guidelines are available for all. Please visit www.emeraldinsight.com/authors for more information.

About Emerald www.emeraldinsight.com
Emerald is a global publisher linking research and practice to the benefit of society. The company manages a portfolio of more than 290 journals and over 2,350 books and book series volumes, as well as providing an extensive range of online products and additional customer resources and services.

Emerald is both COUNTER 4 and TRANSFER compliant. The organization is a partner of the Committee on Publication Ethics (COPE) and also works with Portico and the LOCKSS initiative for digital archive preservation.

*Related content and download information correct at time of download.
Managers’ perceptions of trust in the workplace in times of strategic change

The cases of Cyprus, Greece and Romania

Marcos Komodromos
Department of Communications, School of Humanities Social Sciences and Law, University of Nicosia, Nicosia, Cyprus

Daphne Halkias
International School of Management, Paris, France, and
Nicholas Harkiolakis
School of Business, University of Liverpool, Liverpool, UK

Abstract

Purpose – The purpose of this paper is to explore and present current trends and developments in the field of managers’ perceptions of trust and the management of change in Cyprus, Greece and Romania, in a period of strategic organizational change. A total of 126 managerial employees (communication managers, operation managers, quality control managers, safety & environmental managers, and office managers) working in different departments of organizations in Cyprus, Greece, and Romania respond and complete the online questionnaire.

Design/methodology/approach – A qualitative study using an online questionnaire with interview questions was developed to arrive at the study’s findings. To acknowledge relevant perceptions of trust and the management of change during organizational change in different organizations in Cyprus, Greece and Romania, unique questions helped to support the research results and highlight themes that emerged from interview sessions with the study participants.

Findings – The findings highlight the need for organizational leadership to establish mutual trust and effective communication with managerial employees for successful cooperation during times of strategic change and enhanced overall employee performance. This study is relevant for researchers and academics in the areas of change management and communication, presenting current trends and developments in perceptions of trust and change management in Cyprus, Greece and Romania. It may also help them achieve recognition among their peers and colleagues from other disciplines.

Research limitations/implications – An important implication of the study derives from the finding on the uniqueness of the knowledge and information work carried out by the respondents and the impact that this can have in their working environment and their productivity. As a result of the above, this study provides indications to recruiters and managers regarding a number of desirable and necessary skills, and motivational factors that future employees may need to have or develop in order to carry out their job efficiently and effectively.

Practical implications – Researching managerial employees’ perceptions of trust and the management of change in organizations can have significant implications for human resources management during a time of strategic change.

Social implications – This research study may contribute to the management and communication area in European countries in stimulating new approaches to management and social issues and in the corporate management practice.

Originality/value – This study produces new knowledge instead of summarizing what is already known in a new form in the area of management and corporate communication. The researcher reports the results in analysis and interprets the results by discussing possible implications and solutions.

Keywords Trust, Change management, Corporate communication

Paper type Research paper

Introduction

The study of perceptions of workplace trust often focuses on how employees feel about the implementation of organizational methods and proceedings by leadership and management, and their place in such processes (Saunders, 2011; Saunders and Thornhill, 2003).
Organizations may be able to maintain their competitive advantage by managing employees effectively and seeking out techniques that promote trust and facilitate change as well as minimize resistance to the latter (Von der Ohe and Martins, 2010). Saunders and Thornhill (2004) suggested that management must focus on perceived fairness since organizational justice is considered to have a positive impact on employee trust, where expectations are based on perceived motives and treatment.

Researchers have endeavored to determine pertinent factors that promote trust during change through the use of the organizational justice framework (Choi, 2011). Employees’ perceptions of trust and the management of change, within the context of strategic change, can be understood effectively with the use of the organizational justice framework (Nicklin and Williams, 2009; Saunders and Thornhill, 2006). Seminal studies have examined the role of supervisory trust, employees’ justice perceptions and organizational commitment in the context of organizational change using an organizational justice framework (Saunders and Thornhill, 2003). Research results strongly support that the role of trust, communication and the social relationship between employees and supervisors during organizational change is an important factor for successful change. If employees are informed about the proposed change in organizations, they can understand it better and support it (Neves and Caetano, 2006).

Despite the emphasis on trust in the relevant research literature, scholars still do not know enough about what makes employees trust organizations (Searle et al., 2011). Studies examining organizational justice have found that fairness perceptions are linked to trust in management and organizations (Ambrose and Schminke, 2003; Cohen-Charash and Spector, 2001). Employees’ perceptions of organizational trustworthiness partially mediate the relationships of managerial practices and procedural justice with trust. Justice has been found to be a stronger predictor of trust in organizations, based on the interactions of organizational justice and managerial practices (Farndale et al., 2010). Furthermore, the dispositional propensity of employees to trust organizational leadership can be explained by their perceptions of organizational integrity and of how the three types of justices are linked to organizational procedures (Searle et al., 2011).

Organizational justice research has suggested that perceptions of justice can be formed with regard to a number of “targets” within the organizational environment (Cropanzano et al., 2001). For example, an employee receiving fair treatment from a supervisor, but not from co-workers, will have different justice perceptions about each party. Empirical work using a multifoci perspective of justice has found support for this differentiation of perceptions of justice and outcomes on the basis of different organizational foci (Liao and Rupp, 2005; Rupp and Cropanzano, 2002).

Building upon the research of Saunders and Thornhill (2003), Saunders (2011) added additional understanding to employees’ perceived feelings of trust and their relationship with their perceptions of treatment during organizational change. In a case study of a public sector organization implementing strategic change, Saunders (2011) used the organizational justice framework to explore employee trust reactions, from a sample of 27 employees. Results revealed that employees who felt trust and had positive feelings of treatment within the organizational context were willing to get involved in the change process, and they appeared to adopt positive working relationships with their colleagues and their line managers (Saunders, 2011). Other studies also support this perspective, and that where trusting relationships exist throughout the organization, employees may respond with positive feelings regarding change (Keren and Kristy, 2011; Neves and Caetano, 2006; Rousseau, 2011; Saunders and Thornhill, 2004).

Another seminal study further explored employees’ perceptions of justice and the importance of these for building trust in an organization (Saunders and Thornhill, 2004).
These researchers noted that employees’ trust and mistrust feelings emphasize how important it is for leadership and management to be sensitive to employees’ needs during organizational change so as to enable and maintain trusting relationships. Employees’ trust in management enables positive organizational performance (Salamon and Robinson, 2008). Authors have also emphasized that employees’ perceptions of trust and the role of trust in a supervisor play an important role in implementing organizational change (Neves and Caetano, 2006). The role of communication with employees is an important factor in enabling trust during change, influencing the willingness to become vulnerable (Saunders, 2011; Saunders and Thornhill, 2004).

The management of change is often linked to strategic leadership, whereby leaders influence the organization in efforts to achieve an aim or goal (Griffith-Cooper and King, 2007). Further research supports that when employees perceive unfair justice in the workplace they show poor work attitudes and limited commitment toward organizational objectives (Saunders and Thornhill, 2003). Organizational justice studies support that employees’ behaviors and attitudes in the workplace are significantly impacted by their perceptions of trust and fairness (Fuchs, 2011; Saunders, 2011). Organizational justice is thus considered a basic predictor of trust in organizations (Farndale et al., 2010; Nicklin and Williams, 2009; Saunders and Thornhill, 2006).

The subject of strategic change in organizations is one of the most researched topics in the field of management (Carter et al., 2013; Hughes, 2011; Sonenshein and Dholakia, 2012). The perspectives of managerial employees regarding trust and the management of change within the context of strategic change make the issue even more critical. This has prompted researchers to develop questions that, when resolved, could provide greater understanding of the concept of organizational trust to enhance employee commitment and thus support successful business practices and increased productivity.

More knowledge and enhanced understanding of this topic is especially pertinent in light of the most recent global financial crisis, which affected most of Europe as a whole. Notably, the debt crisis presented major challenges to privately owned organizations operating in some of the continent’s most vulnerable economies, prominent examples of which include Cyprus, Greece and Romania. These three European countries have undergone major organizational changes in industry due to the economic crisis that began in Europe in 2008 (Nikova et al., 2014). Romania’s debt crisis began at the end of 2008, followed by Greece in 2010 and Cyprus in 2012. These three countries represent particular cases in the European debt crisis, with common characteristics including inflation, unemployment, unsustainable government lending and a young workforce forced to accept positions below their education level (Broughton and Welz, 2013; Nikova et al., 2014). These factors both imposed and called for necessary shifts in private organizations – at all levels and across all operations. The purpose of this qualitative research was to explore, against this background, managers’ perceptions of trust and the management of change in response to the economic crisis during a period of strategic change in privately owned organizations based in Cyprus, Greece and Romania. As such, this study centered on one central research question (CRQ) and two main research questions (RQs) in the interviews, through the lens of an organizational justice framework:

**CRQ.** What are employees’ perceptions of trust and the management of change within the context of strategic change in Cypriot, Greek and Romanian organizations?

**RQ1.** Did management inform employees with a thorough explanation of the strategic change before enacting its agenda?

**RQ2.** Since the enactment of the strategic change how do you perceive that your attitude toward your organization has been affected?
Significance of the study

The concepts of employees’ perceptions of trust and the management of change have been studied for more than 25 years, and researchers have noted this as one of the most important areas of research in organizational settings (Saekoo, 2011; Saunders and Thornhill, 2003). In a highly competitive global environment, organizations cannot succeed without their employees’ efforts, trust, and commitment (Austin, 2009). Research has shown that the organizational trust perspective can be used as a framework to enhance our understanding of how to more successfully implement strategic change within an organization (Nicklin and Williams, 2009; Sonenshein and Dholakia, 2012). The results of this study contribute to a richer understanding of employees’ perceptions of trust and the management of change in organizations undergoing strategic change, thus deepening and extending the body of literature and theoretical frameworks.

Buss and Kuyvenhofen (2011) and Fulmer and Gelfand (2012) extensively analyzed employees’ perceived organizational justice and trust, and posited that perceptions of trust held by organizational members can influence perceptions of trustworthiness for organizational leaders. Emphasizing organizational justice has been considered as an indicator for positive organizational outcomes, such as trust, commitment, citizenship behavior, customer satisfaction and conflict resolution (Dulac et al., 2008; Jafri, 2010). Implementing change successfully always requires the complete cooperation of employees from all departments. This is an area that has not been directly studied in the organizational field in medium-sized organizations; therefore, the data gathered in this study will likely help to improve understanding and provide useful information to guide future research in this area of organizational trust studies.

This research draws important insights for adopting managerial practices that promote organizational trust and for leadership to recognize the significance of establishing mutual trust with their employees, so they may successfully cooperate with management during times of strategic change. Extending the understanding of employees’ perceptions of trust may provide organizations with new insights regarding best practices for management during times of strategic change in organizations (Krot and Lewicka, 2012). Trust is vital to employee motivation and is expected to help organizations organize themselves and carry out activities that will establish a higher level of trustworthiness between them and the organization (Rousseau et al., 1998). As such, this study examined employee perceptions of trust toward organizations during strategic change, which is an important factor that can guide management to prevent the destructive actions of employees who perceive they have been unfairly treated by their supervisors.

Finally, this study will contribute to existing knowledge regarding the management of change within the strategic change literature (Nicklin and Williams, 2009; Saunders and Thornhill, 2006). Researchers support that the sub-par management of change can invariably lead to uncertainty and, where such change involves people, this often proves to be problematic (Austin, 2009; Croonen, 2010; Rouleau and Balogun, 2011; Salamon and Robinson, 2008). Drawing on organizational trust as an explanatory theory, this study’s findings will help organizations improve on human resource management processes and procedures, including those relevant to change, the way they function, and formal and informal rules protecting employees’ rights as well as organizational culture (Rousseau et al., 1998). The enrichment of such institutional controls will also allow an extension of trust beyond individuals personally known to organizations or larger groups within them, creating institutional trust for individuals at the organizational level (Saunders, 2011).

Literature review

The role of organizational trust in organizations

Trust in management is driven mainly by how employees perceive fairness and the management of change within an organization (Fard et al., 2010; Saunders and Thornhill, 2004).
The organizational justice theory provides a means of conceptualizing employees’ perceptions of trust, fairness and the management of change within their organizations. Employees will regard organizational change more favorably when they trust management and, from their viewpoint, that it is being justly handled and elements of fairness in management’s decision-making process are easily observed (Saunders and Thornhill, 2006).

A substantial body of the empirical literature on organizational trust focuses on fields related to organizational behavior, organizational science, anthropology, psychology and sociology. Recent research highlights the importance of organizational trust as a factor that can promote successful business practices, within and between organizations (Colquitt and Rodell, 2011; Neves and Caetano, 2006; Rousseau et al., 1998). Trust reduces conflict, enables interactional behavior and can decrease transaction costs at work (Rousseau et al., 1998).

The trust construct is a key element promoting effective communication as well as team work between co-workers and between employees and managers (Colquitt and Rodell, 2011; Hopkins and Weathington, 2006; Krot and Lewicka, 2012). Within the trust literature, seminal authors have observed that trust significantly drives down uncertainty in organizations and improves cooperation among employees and between employees and managers, or any parties that need to work together in the organizational environment (Bromiley and Cummings, 1995). The three-dimensional organizational trust model is based on the assumptions that an employee (or group of employees): makes good-faith efforts to behave in line with implicit and explicit commitment; is honest in any negotiations preceding such commitments; and does not excessively take advantage of others even when an opportunity to do so presents itself (Bromiley and Cummings, 1995). Organizational trust is a constructive and vital ingredient promoting organizational effectiveness, and it is seen as a competitive advantage for organizations (Salamon and Robinson, 2008; Six, 2007; Zeidner, 2008).

In the literature on trust, the definition of trust has been the subject of much debate. Seminal authors Mayer et al. (1995) developed their own model of organizational trust to define trust in the workplace. They defined trust as being open to a trustee’s actions based on expectations that the latter will follow through on a particular action, notwithstanding any control or monitoring mechanisms. Mayer et al. (1995) highlighted that various concepts belonging to the confident, positive expectations approach can be used to predict trust as they defined it. Rousseau et al. (1998) defined trust as “a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another” (p. 395). The researchers supported that when individuals are interactively involved in trust building, action and trust can mutually reinforce each other, stating further that “trust is not a behavior, but it’s a condition that can cause or result from action” (Rousseau et al., 1998, p. 396).

Organizational trust is essential for successful cooperation and effectiveness in the workplace (Colquitt and Rodell, 2011; Rousseau et al., 1998; Salamon and Robinson, 2008; Six, 2007). Organizational trust scholars Wilmot and Galford (2007) conducted a meta-analysis study that recounted the evolution of workplace trust studies. According to their study, and building on Saunders and Thornhill’s (2004) work supporting this, organizational trust is an important factor in order to reduce the complexity in organizational relationships. Most theoretical writings on organizational trust argue that behaviors which build trust are linked to strategic business outcomes, and that trustworthy management does not have to deal with the high cost of turnovers as their employees drive business results and do not leave the organization (Jafri, 2010).

Trust is at the core of all interpersonal relationships – it holds people together and offers individuals a sense of security (Rousseau et al., 1998). Seminal authors sought to better understand the role of trust, defined as a willingness to be vulnerable in accordance with the positive expectations of another’s intentions or behaviors (Rousseau et al., 1998), and how
trust in management can improve performance in an organization. Other authors support that when employees feel that management trusts them this enhances their performance in the organization and their productivity (Salamon and Robinson, 2008). Organizational justice and trust have received great attention in the past several years on the strength of evidence that justice perceptions and assessments of trust are consistent predictors of attitudes and behaviors on the part of employees (Colquitt and Rodell, 2011).

Social psychologists support that organizational trust has to do with an employee’s confidence and support in their employer, and that this is a prelude for successful collective actions in organizations (Dizgah et al., 2011). This approach also corroborates earlier work by Saunders and Thornhill (2004), who suggested that trust reduces uncertainty, in addition to complexity, as unfavorable expectations are removed and favorable expectations are seen as certain.

Other studies have suggested that organizational trust is linked to a variety of behavioral and performance outcomes, including fairness, change, job satisfaction, communication and commitment to the organization (Croonen, 2010; Neves and Caetano, 2006; Salamon and Robinson, 2008; Six, 2007; Yang et al., 2009). Organizational trust incorporates the belief that leadership or management will be straightforward and meet their commitments (Bidarian and Jafari, 2012).

During strategic change in organizations, perceptions of outcomes may influence employee trust (Hopkins and Weathington, 2006). Trust is a crucial element in organizational change initiatives, and can be considered an important factor for successful cooperation and effectiveness in organizations (Dizgah et al., 2011; Neves and Caetano, 2006; Six, 2007). Employees who feel trust can focus on positive aspects when talking about their reactions to organizational change, since they are more enthusiastic and promote positive working relationships with their colleagues and their line managers (Saunders, 2011). Organizational trust can be seen as a base for having confidence in and feeling secure about the intentions and actions of supervisors, managers and leadership (Jafri, 2010).

The results of Saunders’ (2011) exploration of the nature of trust in relation to employees’ treatment during strategic change strengthen the case for paying careful attention to factors influencing personal trust and impacting institutional trust during periods of change. Employees’ overall feelings of trust are likely to be more significant when they feel trust at both an organizational and personal level (Saunders, 2011; Saunders and Thornhill, 2004).

Organizational trust may be a prerequisite to establish organizational effectiveness. Trustable behavior between supervisors and employees can positively affect organizational results and have an influence on employees’ attitudes toward their organizations such as, in promoting the organization’s functions, performance and efficiency, and thus boosting productivity (Bidarian and Jafari, 2012). In addition, when managers promote fair and transparent decision making in interactions with their subordinate employees, it becomes easier to build organizational trust between them as well as drive employee productivity (Yang et al., 2009). When managers offer honest justifications and explanations to their subordinates, the results are continued trust in their supervisors and confidence in their trustworthiness (Colquitt and Rodell, 2011).

Furthermore, organizational trust is associated with individual human behavior and effective group and organizational functioning (Fulmer and Gelfand, 2012; Neves and Caetano, 2006; Salamon and Robinson, 2008; Six, 2007). Organizational behavior scholars have argued that a significant relationship exists between the concepts of organizational justice and trust (Bidarian and Jafari, 2012; Jafri, 2010; van den Bos, 2001). Investigating the relationship between these two concepts, research by Bidarian and Jafari (2012) showed that there is a strong relationship between the two, and that employees are more willing to promote their functions and performance and be more efficient in order to increase
organizational productivity. Other researchers highlight the importance of how trust perceptions can mediate procedural justice and turnover intentions (Hopkins and Weathington, 2006).

Ethical organizations take care of their employees and work to build their trust in the firm through positive communication efforts (Jafri, 2010). Organizational trust scholars Salamon and Robinson (2008) developed and tested a model to examine employees' perceptions of trust in management and how these perceptions affect the sense of responsibility as well as performance in sales. As such, trust affects overall organizational performance. Saekoo (2011) elaborated on this, noting that organizational trust is key to successful workplace relationships and can motivate people to commit to their organizations.

Theoretical and conceptual framework
In the past three decades, the management literature has focused much attention on the topics of organizational justice, trust, fairness and the management of change (Bidarian and Jafari, 2012; Yang et al., 2009). Seminal scholars have investigated and extended the work on a number of theoretical and conceptual models on the aforementioned topics (Ali, 2010; Folger and Cropanzano, 1998; Jones and Skarlicki, 2012). Researchers have also developed theories to explore perceptions of fairness and trust in managing organizational change that may influence employees' evaluations of outcomes (Neves and Caetano, 2006; Rousseau et al., 1998; Six, 2007).

Kurt Lewin is recognized for creating the most controversial organized approach to change (Burnes, 2004; Cooke, 1999). The “Three Step Model of Change” – unfreezing, change and refreezing – was an outcome of his earlier seminal contributions to areas such as action research, field force theory, and group dynamics (Lewin, 1951; Weatherbee et al., 2005). Although authors such as Bullock and Batten (four-phase model) and Cummings and Huse (1989, eight-phase model) tried to improvise the model, Lewin’s concept of change and action research set a foundation for research focused on organizational development, and is in essence a planned approach to change that employs knowledge from behavioral science (Nasim and Sushil, 2011).

According to Lewin’s (1951) unfreezing, change, and refreezing model, change originates from two forces: those internally driven (from a person’s own needs) and those imposed or induced by the environment. The unfreezing step involves getting people to accept the impending change. The change step has to do with getting people to accept the new state, while the refreezing step intends to make permanent the new practices and behaviors once the implementation process has been concluded (Lewin, 1951). In order to achieve organizational change and to break a given state of inertia, managers and agents of change should strive to achieve the state of refreezing.

Recently, researchers have come out in support of the idea that perceptions of trust and fairness can influence employees’ reactions and attitudes toward a change initiative (Neves and Caetano, 2006; Saunders and Thornhill, 2004; Williamson and Williams, 2011). Neves and Caetano (2006) and Saunders and Thornhill (2003) studied the role of supervisory trust, justice perceptions and commitment in implementing organizational change. Findings in these three studies concluded that the social relationship between employees and supervisors during change is a critical factor for successful organizational changes. Neves and Caetano (2006) proposed a model of analysis to extend Lewin’s change model by suggesting the addition of a process of informing employees about the proposed change in order to understand and support it.

The organizational justice theory was originally developed from applied research in organizational management (Choi, 2011). The taxonomy of organizational justice theories by Greenberg (1987) have received strong empirical support (Colquitt, 2001; Thomas and
Nagalingappa, 2012), citing trends in the RQs concerning justice and workplace perceptions of fairness. Greenberg (1987) focused on more proactive and more process-oriented conceptualizations of organizational justice, combining two dimensions that are conceptually independent: a reactive–proactive dimension and a process–content dimension. Such an approach helped distinguish theorized interrelationships in the professional environment, mark trends in emerging areas of inquiry regarding research on organizational justice and hone in on points revealing empirical or theoretical deficiencies (Greenberg, 1987).

Organizational trust has until recently received relatively little research attention, with most conceptualizations of trust being focused on an interpersonal level (Saunders, 2011). The literature on organizational trust, drawn from a wide range of disciplines such as sociology, psychology and economics, has resulted in many conceptualizations of the trust construct. Seminal organizational scholars extracted common themes from various conceptual definitions of trust and proposed a consensus definition: “Trust is a psychological state comprising the intention to accept vulnerability based on positive expectations of the intentions or behaviors of another” (Rousseau et al., 1998, p. 395). The same study confirmed that interpersonal trust is important for the motivation of workers to self-organize, and that where trust is present it can promote a critical mass of trust-related behaviors, such as cooperation needed to create higher-unit trustworthiness.

In addition, Six’s (2007) research on developing a theoretical model for building interpersonal trust within organizations supported Rousseau et al.’s (1998) trust theory, and offered more insight into the dynamics of interpersonal trust building in the workplace environment. In general, trust building has to do with the logic of appropriateness, where considerations of trust focus on what managers think is appropriate in a certain situation; in other words, each party should desire a continued relationship (Six, 2007). Extending work in this area, other authors have found that the ability to demonstrate trust in times of change requires managers to engage their employees (Neves and Caetano, 2006).

Social psychologists indicate that the organizational justice theory is strongly linked to the construct of organizational trust. Saunders and Thornhill (2003) theorized that any influential factors on employees’ perceptions of interpersonal justice are critical for building trust in the organization. Saunders and Thornhill (2004) investigated further on this issue, and used an organizational justice framework to investigate the relationship between trust and mistrust in an organization. The authors contended that various dimensions of organizational justice (perceptions of distributive, procedural, informational and interpersonal theories) have varying impacts on trust and mistrust. Their theory extended Folger and Cropanzano’s (1998) organizational justice theory, which states that leaders’ decisions are influenced by subordinates’ perceptions of justice. This theory was elaborated on by examining employees’ perceptions that made judgments about the actions of organizational leaders.

Contributing to Folger and Cropanzano’s (1998) theory of fairness, Colquitt (2001) established the theoretical dimension of organizational justice, consequently supporting a four-factor structure. More specifically, distributive, procedural, interpersonal and informational justice were to be regarded as distinct entities that, albeit correlated, have differential effects on a number of outcome variables at both the individual and group levels. Colquitt (2001) posited that if the four types of justice are conceptually distinct and seen to predict different criteria, they should be deemed separate constructs. As a result, the fairness theory is considered to be an important element of the trust construct, with perceptions of distrust and unfairness leading to resistance or negative and even destructive employee reactions toward the organization (Croonen, 2010).

Integrating present justice theories with research on social cognition and sense making, Jones and Skarlicki (2012) put forward a model of organizational justice to illustrate the
processes that can influence changes in perceptions of fairness. The model asserts that an individual’s perceptions and judgments of an event are guided by their perceptions of the entity involved (Jones and Skarlicki, 2012). This study confirmed Folger and Cropanzano’s (1998) theory that theories of procedural and interactional justice serve to moderate the perception of degree of fairness of the outcome of management decisions.

Cropanzano et al. (2001) argued that interactional justice was more observable for employees, and thus ensuring this can overcome perceptions of a lack of distributional and procedural justice. Extending this, other researchers have noted that organizational justice should include interactional justice as a third dimension. This ties in well with implications for engaging employees in the interests of more positive socio-emotional responses and identification with their organizations and organizational citizenship behavior and cohesion.

The management of change in organizations

Scholars have argued that organizational change is necessary for organizations to survive and prosper (Carter et al., 2013). Globalization and economic instability have prompted an increase in organizational changes related to downsizing and restructuring as a means of improving financial performance and competitiveness (Fugate et al., 2010). Management’s role in the management of executing change is a critical issue for successful outcomes of strategic initiatives (Buss and Kuyvenhofen, 2011). In organizational change research, there have been studies focusing on how to prevent, reduce or overcome resistance to change, and how to prepare the organization for managing strategic change (Rouleau and Balogun, 2011; Self and Schraeder, 2009; Sonenshein, 2009).

Strategies for the management of change include communication to share information with employees, while also giving them the opportunity to express their concerns and address these as appropriate, and providing additional training when needed (Rouleau and Balogun, 2011; Self and Schraeder, 2009). Other research has investigated the role of middle management in implementing strategic change in an effort to highlight principles that can improve successful strategic implementation (Balogun, 2008; Buss and Kuyvenhofen, 2011). It is clear that the management of day-to-day functions of middle managers is of great importance, and that through their behaviors and thoughts managers can contribute to strategy (Balogun, 2008).

Researchers support that in cases where change is perceived as threatening, employee resistance may increase (Austin, 2009). Seminal scholars emphasized the important role that human resources practices can play in the management of change, in order to maintain trust (Saunders and Thornhill, 2004). Researchers support that organizational members’ perceptions of trust and fairness are critical in times of change. As such, organizations need management to be aware of and act in consideration of these factors for successful implementation of strategic change (Austin, 2009).

Researchers agree that managers’ inability to fully understand what is necessary can be a reason for failure (Self and Schraeder, 2009). Proper planning and management of change can reduce the likelihood of failure and promote change effectiveness, as well as increase employee morale (Self and Schraeder, 2009).

Strategic change. The need for organizations to safeguard their present competitive positions or to enhance them is a guiding force behind the change implementation process (Franken et al., 2009; Longenecker et al., 2007). In today’s turbulent economic environment, all organizations are currently undergoing some type of change. These periods of adaptive change are often characterized by radical changes (Buss and Kuyvenhofen, 2011; Fugate et al., 2010; Schildt and Sillince, 2012).

Strategic change represents a radical change, consciously introduced by top managers, that alters key organizational activities or structures in a way that surpasses incremental
changes to already existing processes (Goksoy et al., 2012; Sonenshein, 2009). The management of strategic change can invariably create uncertainty, and where such change involves people, this often proves problematic (Austin, 2009; Croonen, 2010; Gagnon et al., 2009). Various scholars have argued that if the decisions made by an organization and the actions of its managers in relation to a strategic change are seen as unjust or unfair, employees affected by these will experience feelings of anger and resentment (Croonen, 2010; Gagnon et al., 2009).

A substantial review of the literature highlights that strategic change in organizations involves ongoing initiatives that are introduced from the higher to lower levels, and that it has a significant impact on the depth of the change effort (Buss and Kuyvenhofen, 2011; Rouleau and Balogun, 2011). Change in organizations can no longer be approached as an irregular event, but rather as a continuous activity that affects both organizational and individual outcomes (Carter et al., 2013; Price, 2006). Scholars have argued that ongoing changes call on employees to modify work routines as well as social practices (e.g. relations with co-workers and managers). In order to cope with the daily challenge of pressured adaptation to new job requirements and circumstances, employees often experience difficulties and tensions in upholding their usual levels of performance. Such changes can test the quality of trust in relationships between managers and employees during the change process (Carter et al., 2013; Dulac et al., 2008).

Research has shown that employees’ behaviors in support of a proposed change are positively influenced by their commitment to change; however, organizations often have difficulty in successfully motivating the needed levels of employee commitment to change (Rouleau and Balogun, 2011). Where change is perceived as threatening, it is likely to meet with resistance, and thus requires careful implementation to overcome fears (Austin, 2009). Employees’ feelings of threat are ameliorated when trusting relationships exist throughout the organization (Farndale et al., 2010). Human resources practices that create and maintain trust are therefore crucial in the management of change, whether it is incremental or continuous (Saunders and Thornhill, 2004). Therefore, making trust an integral aspect of employee–organization relationships can facilitate change sustainability (Kim et al., 2011).

**Methodology**

To fulfill the purpose of this study – that is, to explore and present current trends and developments in the field of managers’ perceptions of trust and the management of change in Cyprus, Greece, and Romania, during a period of strategic organizational change – the researcher set the following CRQ and two main RQs for the interviews, explored through the lens of an organizational justice framework:

**CRQ.** What are employees’ perceptions of trust and the management of change within the context of strategic change in Cypriot, Greek, and Romanian organizations?

**RQ1.** Did management inform employees with a thorough explanation of the strategic change before enacting its agenda?

Probe: if yes, do you believe the explanation was reasonable and accurate?

**RQ2.** Since the enactment of the strategic change how do you perceive that your attitude toward your organization has been affected?

Organizational leaders often struggle to establish and sustain a trusting culture in times of constant changes in job roles, corporate globalization, global competition (Neves and Caetano, 2006), technological advancement (Goksoy et al., 2012), strategic change and unethical behavior by corporate leadership (Schildt and Sillince, 2012). Researching managerial employees’ perceptions of trust and the management of change in organizations...
can have significant implications for human resources management during a time of strategic change (Fuchs, 2011). Qualitative studies have yet to be conducted on how managerial employees would address the need raised by scholars regarding trust and the management of change (e.g. Colquitt and Greenberg, 2003; Mayer et al., 2007) during periods of organizational change (Fugate et al., 2010).

A total of 126 managerial employees (communication managers, operation managers, quality control managers, safety & environmental managers, and office managers) working in different departments of organizations in Cyprus, Greece and Romania responded to and completed the online questionnaire (Table I).

Online qualitative research methods allow researchers to sample minority and professional groups that would otherwise be difficult to contact, as was done in this study. Respondents were mainly heads of departments and were chosen through random selection. A laddering method of data collection (personal interviews) was used, adapted to online laddering chats and questionnaires. Laddering interviews can be conducted online in the form of online chats. These one-on-one, electronic in-depth interviews were carried out in the form of text, audio or video chats, which allows for a quicker analysis of the data. The approach also renders the whole interviewing process less stressful and more convenient for respondents as they can answer the questionnaire at home or at work, in a familiar and non-threatening environment. According to Creswell (2003), online qualitative research is appropriate when the target population is very specialized in skills and difficult to find and recruit, and when the issue relates to high-tech products and services.

Electronically recorded interview sessions were transcribed into Microsoft® Excel spreadsheet software, organized by participant number, and uploaded into NVivo (Version 9) qualitative software for purposes of coding and analysis. The NVivo software was used to assist in identifying themes, and tables or matrices were developed to display themes. The transformation of data into findings entailed grouping and organization of descriptive findings in a way that facilitated cross-case synthesis and analysis as well as reporting of employees’ perceptions of trust and the management of change using an organizational justice framework. Identified themes were consistent, referenced and traceable to the data collected. Thematic analysis of the multiple cases was used to perform the content analysis, including the identification of themes and exploration of perceptions from multiple cases. Content analysis was used to identify, code, and differentiate primary patterns of data for each case. Each identified theme was analyzed to describe the phenomena being investigated. Lastly, narratives were developed to describe the themes.

Findings and discussion

The overall approach to this qualitative research study helped to highlight themes that emerged from interview sessions with the study participants and subsequently support the

<table>
<thead>
<tr>
<th></th>
<th>Cyprus</th>
<th>Greece</th>
<th>Romania</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of participants</td>
<td>48</td>
<td>42</td>
<td>36</td>
</tr>
<tr>
<td>Age group: 18–30</td>
<td>16</td>
<td>23</td>
<td>17</td>
</tr>
<tr>
<td>Age group: 31–50</td>
<td>22</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Age group: 51+</td>
<td>10</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Communication managers</td>
<td>23</td>
<td>28</td>
<td>19</td>
</tr>
<tr>
<td>Operation managers</td>
<td>7</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Quality control managers</td>
<td>4</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Safety &amp; environmental managers</td>
<td>5</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Office managers</td>
<td>9</td>
<td>8</td>
<td>7</td>
</tr>
</tbody>
</table>

Table I. Sample profile including industry/country and demographic background
research findings and results. The themes and findings that emerged from the interviews are presented here, relevant to each main RQ:

**RQ1.** Did management inform employees with a thorough explanation of the strategic change before enacting its agenda?

Probe: if yes, do you believe the explanation was reasonable and accurate?

Most of the respondents (97 percent) believed that the role of top management is very critical in an organization that is undergoing a strategic change (Neves and Caetano, 2006). Further, top management must provide a communication strategy to share information with employees at all managerial levels, supporting that in order for change to be sustained, management must try to maintain trust by encouraging meaningful dialogue with subordinate employees and maintain open contact with managerial employees (Rouleau and Balogun, 2011; Saunders, 2011; Saunders and Thornhill, 2004; Self and Schraeder, 2009).

Participants expressed insightful opinions regarding why employees must have full support from organizational management in times of strategic change. Participant no. 63 asserted: “Organizational management must take an active role in such situations, preparing their employees for the strategic change. In cases that change is not communicated successfully, and the top management does not communicate to employees why and how this change will take place, employee resistance may increase, and the organization will not implement the change successfully.” Furthermore, Participant no. 108 noted that top management should communicate and work closely with employees at all managerial levels, and even have a communications team member attend all senior management meetings in order for them to be the contact for any one of the employees and who will communicate to others the change initiatives. Most of the respondents (87 percent) agreed that in their respective organizations, they still did not have any official communication regarding the current situation and what the next steps of this change entailed, or what would happen with them during or following the change. Communication was thus a recurring theme that emerged from the interviews.

Internal communication and sharing of information from top management can provide the best mechanisms that can help any strategic change to succeed and also may increase performance and productivity in the long term (Croonen, 2010; Neves and Caetano, 2006; Salamon and Robinson, 2008; Six, 2007; Yang et al., 2009). Participant no. 91 stated: “The role of human resources and communication is important in an organization that is undergoing change like ours, and top management have to explain clearly to managerial and non-managerial employees what’s going to happen, when, and how it will happen, and communication in our organization is like a drop in the ocean – not any communication at all.” Participant no. 70 declared: “Top managers in collaboration with us in the managerial levels should have had interaction with employees in order to develop trust, since verbal communication promotes the development of trust in the workplace.” Similarly, Participant no. 35 supported: “Management should be able to share any kind of information with their employees regarding how these changes are going to affect the things they are most worried about, like their benefits, pay, and job security, and that management’s information is not successful in the media organization because it does not exist.”

Following this, respondents agreed that when top management controls communication and what kind of information will be shared, monitoring feedback would be a good technique to catch rumors as they surface and more easily trace any information gaps that have arisen between top management, managers, and employees (Neves and Caetano, 2006). Participant no. 112 asserted: “As managerial employees, we did recognize that the strategic change must take place in our organization. However, the top management preferred not to involve or consider managerial, non-managerial employees, and entry-level staff in the implementation phase of this change. Management did not give us any explanation or
information before enacting this change. In my opinion, regardless of how successful this planned organizational change may be, it will not be effectively implemented if the organization’s managerial employees are not aware of this change plan. The organization could easily avoid resistance or any fears, or even the strikes that are taking place, if management had a stable communication line with employees. Confusion could also be minimized and employees’ behaviors could change in favor of this change if they already knew what change was going to happen, and how this change was going to happen.”

Related to trust, 92 percent of the respondents believed that when top management provides information and is in direct contact with employees during strategic change, then trust toward the organization can be maintained with employees from all levels. Effective communication is a fundamental factor in building trust between employees and top management, and contributes to the creation of a trustful environment motivating employees to work even harder and be more productive, even in times of strategic change (Jafri, 2010). Some of the respondents (55 percent) noted that employee communications during times of strategic change may be evaluated, and top management must assess perceptions of the current state of communication within the workplace. Top management and managerial and non-managerial employees should work together to develop some kind of workshops to communicate the plan for change as well as offer methods for monitoring how these messages and plan for change are internalized throughout the organization (Bromley and Cummings, 1995). Concluding, respondents agreed (79 percent) that in order for the change to succeed, top management and non-managerial employees must communicate on an everyday basis because communication results in trust, and lends to implementing this change more easily and successfully (Ambrose and Schminke, 2003; Cohen-Charash and Spector, 2001; Saunders, 2011; Saunders and Thornhill, 2004):

**RQ2.** Since the enactment of the strategic change how do you perceive that your attitude toward your organization has been affected?

Most of the participants believed that their attitude toward their organization had been affected, as related to trust, since the enactment of the strategic change in their organization. In total, 84 percent suggested that since the enactment of the strategic change, the organization had not communicated with honesty with their employees, and, as a result, trust had eroded, leading to doubt and confusion internally (Keren and Kristy, 2011; Neves and Caetano, 2006; Rousseau, 2011; Salamon and Robinson, 2008; Zeidner, 2008). Participant no. 73 explained: “In times of change, top management needs to understand how and what it takes to create the vital elements of trust between managers and employees. I still do not understand why our management didn’t establish and maintain the integrity by keeping their promises and telling us the truth and what’s really going to happen. I do not trust the organization and the management anymore; they do not communicate their opinions and ideas to us, and my attitude has changed too towards the organization in a negative way. I’m not willing to work with passion as before. Management tells us half-truths, or nothing. How are we supposed to trust them?”

Following, Participant no. 24 stated: “The organization must give us the permission to express our concerns and feelings in constructive ways. During the difficult period that we are going through now, we are all anxious and vulnerable, and we are in pain. With top management’s current position towards us, I do not care about the needs of the business, because the business does not seem to care about us. No trust in the top management, and no interest in my work anymore.” In the same vein, Participant no. 117 noted: “My attitude towards my organization changed because top management does not talk to us straight, is not honest, and sometimes they do not demonstrate any respect. Trust disappeared from the members in our workplace, and you can realize this because they are not willing to work hard, and as a result goals are not accomplished. The only thing management does is to
waste time in meetings or put further pressure on employees to increase productivity to meet organizational goals. But, when there is no trust, goals will never be achieved.”

A large number of respondents (74 percent) mentioned the significance of information sharing in the workplace in order for managerial employees to continue having trust in management, since communication supports the information and willingness to interact with employees during times of uncertainty and ambiguity (Keren and Kristy, 2011; Neves and Caetano, 2006; Rousseau, 2011; Saunders and Thornhill, 2004; Searle et al., 2011; Six, 2007; Zeidner, 2008). “Trust affects the quality of relationships and this is what we are experiencing now, since the attitude of a lot of our peers and subordinate employees have changed negatively towards top management, and in some situations towards their colleagues” (Participant no. 79).

In addition, 86 percent of the respondents believed that their attitude toward their organization had been affected in relation to the interactions they have with top management, since the enactment of the strategic change in their organization. Participant no. 126 explained: “My attitude and my behavior are influenced in a negative way because the interaction I have with top management is becoming very complicated. I don’t trust top management, and we can’t develop a healthy organizational relationship. Working together with top management or with your colleagues requires trust, and I often question whether some members of the top management have the relevant skills and knowledge to handle this change with the management and other subordinates.”

Concluding, 48 percent of the respondents believed that when managerial employees trust top management they could be more supportive of their subordinates during change, even willing to work for more hours without expecting more money. Other respondents (67 percent) supported that top management must sit down and examine why trust failed, which leads to negative organizational relationships (Fardade et al., 2010; Nicklin and Williams, 2009; Salamon and Robinson, 2008; Six, 2007; Zeidner, 2008). Some other respondents stated that commitment is also an important factor related to the success of strategic change, supporting that when managerial employees feel committed in their workplace this helps in the development of a very good environment, especially in the context of strategic change (Croonen, 2010; Fuchs, 2011; Griffith-Cooper and King, 2007; Neves and Caetano, 2006; Rouleau and Balogun, 2011; Saunders, 2011; Saunders and Thornhill, 2003; Yang et al., 2009).

Conclusions and recommendations for future research
This online qualitative study aimed to enhance knowledge and reveal insights regarding managerial employees’ perceptions of trust and the management of change in organizations in Cyprus, Greece and Romania – three European countries that have undergone major changes as a result of the most recent European debt crisis, which also necessarily prompted changes in private organizations (Broughton and Welz, 2013; Nikova et al., 2014). Supporting the literature, the findings of this qualitative research indicate that managerial employees’ perceptions of trust toward top management in the organizations included in this study are influenced by the development of close interpersonal relationships that are based on exchanges perceived as fair (Colquitt and Rodell, 2011; Liao and Rupp, 2005; Rupp and Cropanzano, 2002; Saunders, 2011; Saunders and Thornhill, 2004; Von der Ohe and Martins, 2010). Study results offer various contributions to the existing body of knowledge that can be used to help organizational leadership recognize the significance of establishing mutual trust with their managerial employees in order to successfully cooperate during times of strategic change. The insights gained from this research have important implications for managerial practice and align with similar findings in prior research studies (Colquitt and Rodell, 2011; Dizgah et al., 2011; Mayer et al., 1995; Rousseau et al., 1998; Yang et al., 2009). The findings highlight how the leadership of an organization undergoing
strategic change can better understand how to retain valuable employees, increase managerial employees’ perceptions of trust in the workplace, reduce employee turnover and improve the performance of employees at all levels (Carter et al., 2013; Croonen, 2010; Farndale et al., 2010; Griffith-Cooper and King, 2007; Neves and Caetano, 2006; Salamon and Robinson, 2008; Six, 2007; Yang et al., 2009).

Additional studies are recommended to examine non-managerial employees’ perceptions of trust and the management of change, both in other countries and in relation to different change situations. Future studies could be performed to examine the role of the different types of trust and the management of change in organizations undergoing change in Middle East regions or in the USA. They could explore perceptions of trust, fairness and the management of change in periods of strategic change in other sectors and in relation to different change situations. Further research could examine management’s perceptions of trust, fairness and the management of change using an organizational justice framework in public and private sectors. Other research studies could include analyses of how employee engagement, trust, fairness and the management of change are linked in other organizational contexts during strategic change in organizations. Additionally, future research studies could examine how non-managerial employees view organizational fairness and how this affects their behavior and performance in an organization that is undergoing a strategic change.

With regard to implications for practice, study findings suggest that managerial employees need to build communications channels within their organizations between employees (Rouleau and Balogun, 2011; Self and Schraeder, 2009). One recommended action is to build effective communication channels between the different departments in order to share information with employees on a continuous basis, so that trust can also be built. Another is for organizational leadership to maintain open lines of communication vertically and horizontally, explain decisions and utilize various forms of communication between employees. Through continuous communication, people will feel more involved and connected to the process of change (Lewin, 1951). To enhance open communication between managers and subordinates, management needs to understand that the process of informing employees and sharing information about the proposed change is an important factor in maintaining employee trust (Neves and Caetano, 2006). Further, when managers employ procedural justice practices in the organization undergoing change, it may produce a positive impact on employee attitudes, and can affect future performance and actions of employees (Colquitt, 2001; Greenberg, 1987). Regarding relationship building, managerial employees can focus more on interpersonal relationships (Rousseau et al., 1998) in the workplace, an action that will enhance employee performance and productivity (Salamon and Robinson, 2008). A final recommended action for management is to evaluate their actions toward their employees and promote trust when employees discuss and consider organizational change (Saunders, 2011).

References


**Further reading**


**Corresponding author**

Marcos Komodromos can be contacted at: m.komodromos@gmail.com