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## Trust in the Development of Labor Relations and Well-being at Work<sup>1</sup>

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### Abstract

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The paper studies the interconnection between the concepts of social and labor relations, the quality of working life and well-being at work. We reviewed a wide range of works, the authors of which had come to the understanding of the role of trust in the social and human sciences. It is shown that trust is the basic phenomenon underlying all the concepts mentioned. The method of content analysis was used to analyze the role of trust in formation of social and labor relations and well-being at work at different stages of an organization's life cycle. The application of content analysis in the theoretical concept of Adizes' life-cycle model allowed us to prove that the «trust» factor plays an important role at every stage of an organization's life cycle, defining its features. Its presence leads to the development of organization, but the lack of «trust» destroys it. It is shown that the features of current phase of an organization's life cycle influences the conditions of social and labor relations, the quality of working life and the level of well-being.

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### 1. Introduction

Most contemporary researchers define social and labor relations as the objectively existing interdependence and interaction between the subjects of these relations during the labor process, aimed to regulate the quality of working life (Melikyan, & Kolosova, 2006).

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Some researchers (Büssing et al., 2012; Kaz, & Kuchkartaeva, 2016) interpret the quality of working life as a measure of subjective well-being and satisfaction with work. A number of American economists agree with them that the development of the employees' understanding of their own well-being is one of the objectives of improving the quality of working life. It shows the links and interaction between the concepts of social and labor relations, the quality of working life and well-being at work. Moreover, we suppose that trust is the basic phenomenon defining the quality of social and labor relations, the level of well-being and the quality of working life.

Trust as a foundation for social interaction is considered in a large number of science disciplines and at different levels of research. Why do people trust? How does trust form the social relations? - the study of these issues is the focus of psychologists (Worchel, 1979), sociologists (Gambetta, 1988; Seligman, 1977; Sztompka, 1999), political scientists (Barber, 1983), economists (Axelrod, 1984; Miller, 1992), and researchers studying organizational behaviour (Kramer, & Tyler, 1996).

Some authors believe that trust is the main factor of a healthy personality (Erikson, 1964; Shaver, 1991). Others consider that trust is the basis of interpersonal relations (Rempel et al., 1985). There are also some scientists, who are interested in the study of trust as a basis for co-operation (Beard, 1982; Blau, 1964).

## **2. Research problem area**

Understanding the key role of “trust” in social relations, forming in the contemporary socio-humanitarian knowledge, allows us to formulate the issue of the factors that affect the level of trust in companies.

The method of content analysis was used to analyze the role of “trust” in the formation of social and labor relations at different stages of an organization's life cycle.

Content analysis is a method of research, which is based on the study of the frequency of using certain words or topics contained in the text. It allows us to identify and quantify the perceptions of the author (“key characteristics”, according to the definition of G. Lassuel (Lassuel, 1952) and their dynamics.

Content analysis was actively used in human investigations in the second half of the twentieth century. The advantage of the method is that the impressions of a researcher about the text are replaced by standardized quantitative estimates. For this purpose, the text is divided into separate topics or concepts. Then, the frequency of occurrence of these structural units is calculated.

The object of content analysis was the monograph by I. Adizes titled “Managing Corporate Lifecycles” (Adizes, 2007), which proposed the original concept of the dynamic changes taking place in organizations. In our opinion, the mechanisms of trust, which were not considered by I. Adizes, underlie the process of stability and variability (according to the concept of I. Adizes). We intend to justify their key role involving the possibility of content analysis.

The procedure of content analysis of the monograph includes several stages:

- to identify concepts such as “trust”, “loyalty”, “devotion”, “commitment” and similar in the meaning in the text;
- to calculate the frequency of mentioning these concepts (for each stage of the life cycle);

- to estimate “the amount of attention” paid to the investigated concept by the author (the number of words);

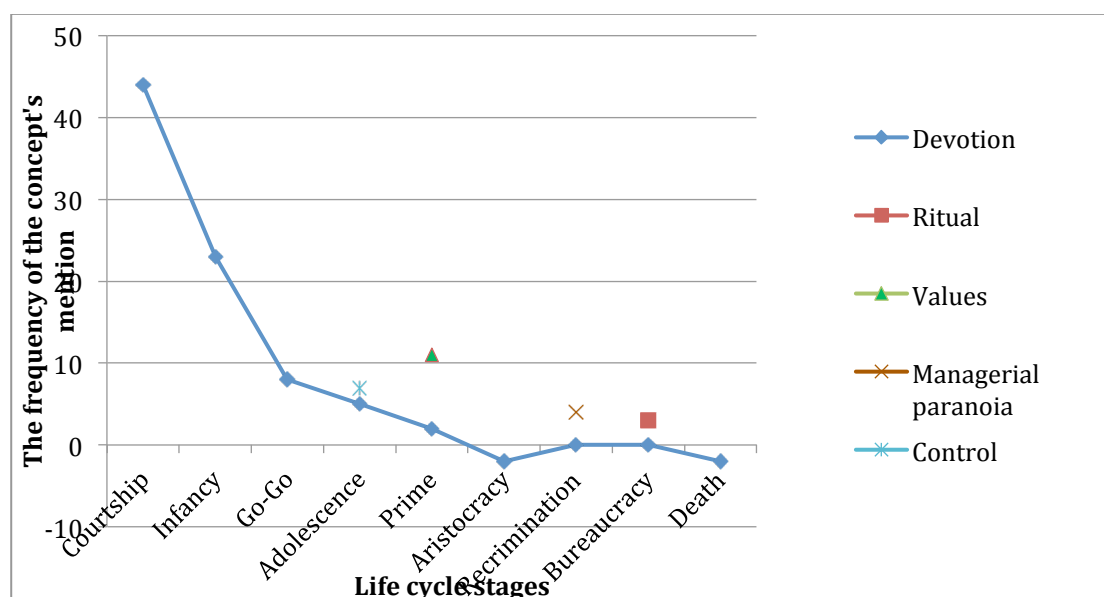
- to evaluate the total score (the sum of frequency and volume of attention), enables to carry out scaling of researched objects (it is known as “absolute priority”) (Karmadonov, 2009).

As the transformation of the investigated category’s meaning can be often understood with the context analysis, some other categories are identified simultaneously:

- adjectives describing the concept;
- nouns specifying its content;
- verbs describing the process of analyzed concepts.

The most frequent categories were chosen to form a connection: an adjective – a noun – a verb. This connection helped to reveal the views of I. Adizes at features of trust at different stages of an organization’s life cycle more completely.

According to the results of content analysis, the factor “trust” (“devotion” according to the terminology I. Adizes) plays a major role at the first stage of company’s development, indicated by I. Adizes term “Courtship” (the frequency of mention of the concept is 44, the amount of attention is 2106, the priority ranking is 2150) (Fig. 1).



**Fig. 1** - The concept of “devotion” at different stages of the life cycle (based on the content analysis in I. Adizes’s monograph)

The dominant context of the concept of “devotion” is “the idea - mutual - must be” at this stage. In general, a crucial factor for the successful functioning of organization during the “Courtship” is the existence of mutual devotion to a business idea that underlies the project.

Devotion of the project initiators, according to I. Adizes, continues to play a determining role at the next stage of the organization’s life cycle “Infancy”.

Content analysis shows that at this stage the frequency of mention the concept of “devotion” is reduced (23), as well as the amount of attention is 1350; it reduces the priority rating to 1373 (Fig. 1). At the same time, the content of analyzed concept is beginning to transform at this stage. This is

indicated by the context of the “devotion” concept. The main dominant context during the "Infancy" is “the founder - large – lost”. In general, a crucial factor for successful working of the company at this stage is overcoming the risk of loss or weakening large devotion of the founder to the business idea, which, in its time, inspired him to set up the company. The situation, when «the founder mostly comes to the thrill of creating something new, than on the final finishing something old» (Adizes, 2007), defines the characteristics of social and labor relations, emerging in organization at this stage in conditions of:

- tight schedule of employees;
- weakly expressed business hierarchy;
- fast career progression;
- lack of comprehensive management system;
- lack of developed policies, procedures or budget;
- abundance of crisis.

The formation of stable cash flow, the occurrence of regular customers, the stabilization of production activities indicate that the company has entered the next stage of the life cycle (“Go – Go” according to the terminology I. Adizes).

The “trust” factor (“devotion” according to the terminology I. Adizes) continues to play an increasing role during the stage “Go-Go”, according to the results of content analysis. Although the frequency of mention the concept of “devotion” is reduced almost three times (8), but the amount of attention is significant (1413), that increases the priority rating to 1421.

The context of the concept of “commitment” at this stage is “employees - not enough - to form”. A new aspect of the analyzed concept (“the formation of employee commitment is insufficient”) (Adizes, 2007) is defined by the changes in the social and labor relations that are emerging at this stage.

I. Adizes notes that in the process of decentralization at the stage “Go-Go”: “People are beginning to show initiative and the founders feel threat when the judgments, evaluations, needs and preferences of workers do not suit the founders’ needs” (Adizes, 2007). As a result, “the founders feel betrayed by their employees and deprived the possibility of control” (Adizes, 2007). Furthermore, “in this unstable situation, people have physical and mental overwork and they complain that nothing will happen at work until the founder does not retire from the job” (Adizes, 2007). It is a feature of social and labor relations developing at this stage of the organization’s life cycle.

The serious crisis, overtaking an organization during the stage “Go- Go”, defines the main aim of the stage - to achieve the formation of “the employees' commitment to fulfill their responsibilities” (Adizes, 2007) in the process of authority’s delegation. It encourages the transition of the company to the stage of “Adolescence”. The features of social and labor relations at this stage are characterized by:

- conflict of new and old employees;
- changing of the company’s development purposes;
- contrariety and inconsistent of systems of material and moral incentives;
- conflict between the founder and professional managers;
- conflict of corporate and individual goals.

Content analysis shows that at this stage the frequency of the author's references to the concept of "devotion" (5) is significantly reduced, the amount of attention is 288, it reduces the priority rating to 293. The reason of it is the necessity to introduce the formalized systems of control at this stage. Obviously, content analysis shows that the frequency of references to the concept "control" at this stage is almost 1.5 times (7) as high as the frequency of references to the concept "devotion".

We did not manage to allocate a significant recurring context of the concept "devotion", because of the small number the author's appeals to this concept.

I. Adizes describes the stage "Prime" as "an optimal state of the life cycle, achieving a balance between self-control and flexibility" (Adizes, 2007).

Content analysis shows that the frequency of references to the concept of "devotion" at this stage is significantly reduced (2), the amount of attention is reduced (144), it reduces the priority rating to 146. We did not manage to allocate a significant recurring context of the concept "devotion", because of the small number the author's appeals to this concept. The reason is the increasing of frequency of the concept "value" (11).

I. Adizes notes that an organization during the stage "Prime" has some features:

- it is not exposed to desires changing of one person;
- a company is predictable;
- the processes of management are regulated.

The most common danger at this stage is a feeling of satisfaction. Faith, that replaced trust, forms a false sense of security. According to I. Adizes, it makes people take risks unwillingly, hold on to the past and relay on what has worked successfully before (Adizes, 2007).

These features lead an organization to the next stage, named by I. Adizes "Aristocracy". Then, such stages as "Recrimination", "Bureaucracy" and "Death" follow. Analysis shows that they form one phase from the perspective of the study of the dynamics of social and labor relations.

I. Adizes' appeal to the concept "devotion" or anything similar to it was not detected at any stages of this phase during the process of content analysis. We did not manage to allocate a significant recurring context of the concept "devotion" because of the small number the author's appeals to this concept during this phase.

At the stage "Aristocracy" frequency (2) does not refer to the concept "devotion" but it refers to the phrase "the lack of devotion". The amount of attention at this phrase is 225, it forms the priority rating is -227.

There is no mention either of the concept "devotion" or its absence at the stage "Recrimination". However, the concept "administrative paranoia" plays the main role at this stage according to the results of content analysis. The author claims: "Everyone looks at each other suspiciously. Everyone is trying to hide their true intentions" (Adizes, 2007). Frequency is 4, the amount of attention to the concept "administrative paranoia" is 387, it forms the priority ranking is 391.

The company's moving to the step "Bureaucracy", according to I. Adizes, is a direct consequence of "managerial paranoia" dominated during the "Aristocracy". This explains why the concept "devotion" is replaced with the concept "values" during the "Bureaucracy". Frequency is 3, the amount of attention to the concept "ritual" is 261, it forms the priority ranking is 264.

I. Adizes refers to the phrase “the lack of devotion” at the stage “Death”. Frequency is 2, the amount of attention to this phrase is 63, it forms the priority rating is 65. He writes about this stage: “The death comes at the moment when no one has any commitment to the organization” (Adizes, 2007). This fact is illustrated in the graph (Fig. 1) quite well. The line “the frequency of the concepts’ mention” goes to the negative area in the graph. This reflects the growth of the author's attention to the factor “the lack of devotion” as a crucial reason of business’s termination.

What features of social and labor relations are typical for the aging phase?

- the organization “prefers” the form (the development of a large set of rules and their compliance) instead of function in the process of activity;
- the employees do not focus on what and why they have to do, but on who did it;
- the employees are not rewarded according to their contribution to the success of organization, but according to their personal characteristics;
- the tone is set not by the line personnel of the company but its administrative staff;
- the decisions made are the result of political games.

We did not manage to allocate a significant recurring context of the concept “devotion” because of the small number the author's appeals to this concept during this phase.

### 3. Conclusion

The conducted content analysis in the theoretical concept of Adizes' life-cycle model allowed us to prove that the «trust» factor plays an important role at every stage of an organization’s life cycle, defining its features. Its presence leads to the development of organization, but the lack of «trust» destroys it.

The condition of social and labor relations, the quality of working life and well-being of employees at work are influenced, according to the results of our research, by not only subjective parameters (Kaz, 2011), but also by the objective laws of organization’s life. Using the tools of content analysis helped us to prove that “the current phase of organizational life cycle” refers to these objective laws.

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