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**TRUST IN THE STRUCTURE OF ORGANIZATION'S SOCIAL  
INTERACTION: EVALUATION AND MANAGEMENT**

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***Abstract***

The paper studies trust as an important factor that has a significant impact on social interaction within an organization. It describes the trust management tool developed by us and approved in the company. This tool allows us not only to identify the divisions of an organization that are required in trust building, but also to propose a new approach to formation of a reserve for the rotation of managers and the selection of candidates for the senior positions in the "problem divisions". It contributes to improve the quality of social interaction not only in the individual divisions, but also in the whole company. The elaborated tool is based on the principles of the situational approach, which requires identification of the environmental parameters. The type of an organization's configuration, the stage of an organization's life cycle and the functional features of organization's structural parts are put forward for the role of such environmental parameters. The assessment of the actual level of trust was carried out by analyzing the interaction between the employees of an organization by using the method of paired comparisons. It helps to calculate the coefficients of interpersonal distance. The capabilities of the multidimensional scaling method were used to visualize the results, along with calculating the coefficients of interpersonal distance

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**Keywords:** Social and labor relations, trust, organization's life cycle, social interaction, organization's configuration.



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## 1. Introduction

The research interest to the problems of social interaction are increasing in the conditions of accelerating dynamism of the environment (Li, & Liu, 2014; Goll, 1997; Jansen, & Crossan, 2009). It is difficult to predict an action and behaviour of another subject in such conditions. Sorokin, a Russian-American sociologist, one of the leading thinkers of the twentieth century, defined this category as "the behavioral function of one or a number of individuals, that are dependent on the consciousness and the behaviour of other individuals" (Sorokin, 1920) in 1920. The concept of "social interaction" has been widely recognized in terms of psychology, philosophy and political science (Doise, & Mugny, 1976; Paulo, Salovey & Richard, 2005; Heffner & Rentsch, 2001; Kaz, 2011). The issue of using this category in the economic research at the level of organizations remains under-investigated (Kaz, 2009). In our opinion, the study of social-labor relationships of organization as a set of complex social relations formed at work opens a prospect of studying social and labor relations from the perspective of social interaction's concept. It also makes possible to highlight the issue of trust role as a factor determining the quality of social interaction in the formation of social and labor relations in an organization.

## 2. Problem Statement

The development of trust management tool in an organization should be based on the principles of the situational approach (Tashchiyan, Suzdalova, Grichin, Goriaynova, & Kaz, 2016). As it is known, the situational approach refuses to search for the only correct way to manage an organization and it requires to identify the environmental parameters that determine its acceptable management method in each case. The authors of the book "Strategy Safari", referring to M. Weber, note: "The iron cage of rationality shapes everything that a manager faces" (Mintzberg, Alstrend & Lampel, 2000). According to our study, another combination of the organizational parameters (the organization's configuration, the stage of an organization's life cycle and the functional features of organization's structural parts) may require different approaches to the formation and development of social interaction between the employees. It proves the important role of trust in social interaction.

The result analysis of a number of scientific studies also confirm our hypothesis. For example, the study conducted in one of the largest agro-industrial associations of Russia CJSC "Siberian Agrarian Group" has not found the high level of "trust" in the organization (Mundrievskaya, 2014). In our opinion, perhaps it is due to the fact that the study of the "trust" factor was carried out by calculating the average indicators for three different business divisions of the company: CJSC "Agrarian Group" (the head division), CJSC "Agrarian Group of Meat Processing" and "Agrarian Group Milk". The business divisions are situated in Tomsk. Thus, the research based on the role of such factors as configuration, stage of organization's life cycle, functional features of structural parts of an organization was conducted without differentiation of business divisions of the company.

Another study was carried out by Kupreychenko and Frolova among the staff of two service industry's organizations. "The divergence of the points of views on the current level of organizational trust among the management team and the employees" (Kupreychenko, 2008) was revealed. From the position of our approach, the conclusion is quite logical. Ordinary employees and managers do not belong

to the same structural parts of organization. The first group refers to the operating core, the technostructure or the supporting structure, the second group refers to the middle line or the strategic apex. This clearly indicates that both groups should differ according to the level of trust. Therefore, the conclusion obtained in the poll is quite natural. However, the authors of the research considered the situation to be a “serious problem”, explaining it by the fact that managers “overestimated the level of organizational trust substantially”, formed in their company (Kupreychenko, 2008).

### **3. Research Questions**

When developing the concept of the trust management tool to improve the quality of social interaction in a company, it is necessary to make a list of answers to the questions in the order given below:

- Does trust affect the quality of social interaction?
- What factors influence the phenomenon of trust?
- How to measure the level of trust in the company's divisions?

### **4. Purpose of the Study**

The purpose of our research is the development and approbation of trust management tool to improve the quality of social interaction in a company. It is based on understanding of the intracorporate factors' composition affecting the level of trust and the theoretical interpretation that was conducted earlier (Kaz, 2017). The applied research that was conducted by the author among the visitors of the Internet communities confirmed the important role of trust to a manager in the process of formation and development of social and labor relations. The questionnaire survey of the logistics company's employees (117 people were interviewed) confirmed a high positive correlation between trust and the factors affecting it at the level of 0.781, as well as at the level of 0.502 between trust and the results of work activity (correlation relationships are significant at  $p = 0.05$ ). The research was conducted on the basis of trust's research programme in the system of social and labor relations. This programme was described by us in the article devoted to the trust's research programme.

### **5. Research Methods**

It is necessary to map out the “conditions of interaction” (Figure 01) before determining the level of trust that exists in the divisions under the influence of the set of intercorporate factors that we have identified.

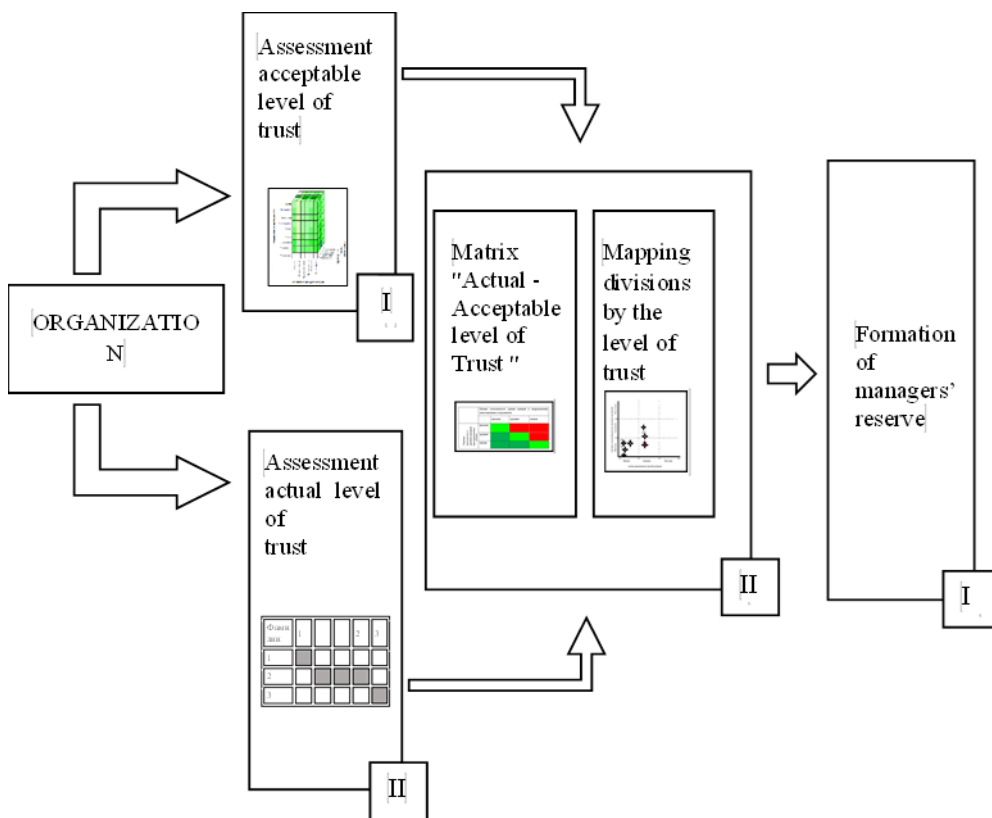
The mapping procedure involves a number of steps: the assessment of acceptable level of trust in the divisions (Stage I); the assessment of actual level of trust in the company's divisions (Stage II); the mapping of the discrepancies between the acceptable and the actual level of trust (Stage III). The acceptable level of trust is the level of trust that is recognized as sufficient to realize the division functions. The actual level of trust is a real level of trust in work collectives.

The first stage includes: determining the configuration of the organization; identification the stage of the life cycle; identification and classification the structural parts of the organization; the quantitative

assessment the acceptable level of trust for each division. The second stage includes the questionnaire of employees working in different divisions of the company. The evaluation and the mapping of the divisions according to the degree of its demand for building trust mechanisms (Stage III) can be carried out either by calculating the difference in points received by each division at the I and the II stages, or by using the matrix "Actual level of trust - acceptable level of trust" (Table 01).

The organizational divisions that received the highest scores at the third stage are recognized as the most urgent needed for the development of trust mechanisms.

The scientific assessment combination of the acceptable and actual level of trust is indicated by dark colour in the upper right corner of the matrix (Table 01). It indicates the urgent need to improve social interaction in the division through the development of trust mechanisms. Combinations of estimates, indicating the absence of such need are indicated by grey colour of medium intensity in the lower left corner of the matrix and light grey colour.



**Figure 01.** The level of trust in an organization: the mapping and the formation of managers' reserve

The analysis of the matrix shows that managers of a number of departments (the combination of the assessments highlighted in medium intensity of grey colour, see Table 01) can be included in the reserve for managers' rotation. The arrows in this graph indicate the possible directions for such rotation: from the divisions with a high level of trust (where such level is not required), to the divisions with a low level of trust (where high level of trust is required). This conclusion is based on the widely shared belief that the management style, and therefore the nature of the manager's impact on social and labor relations (defined by the author as social interactions in the labor sphere) remains constant, because it is

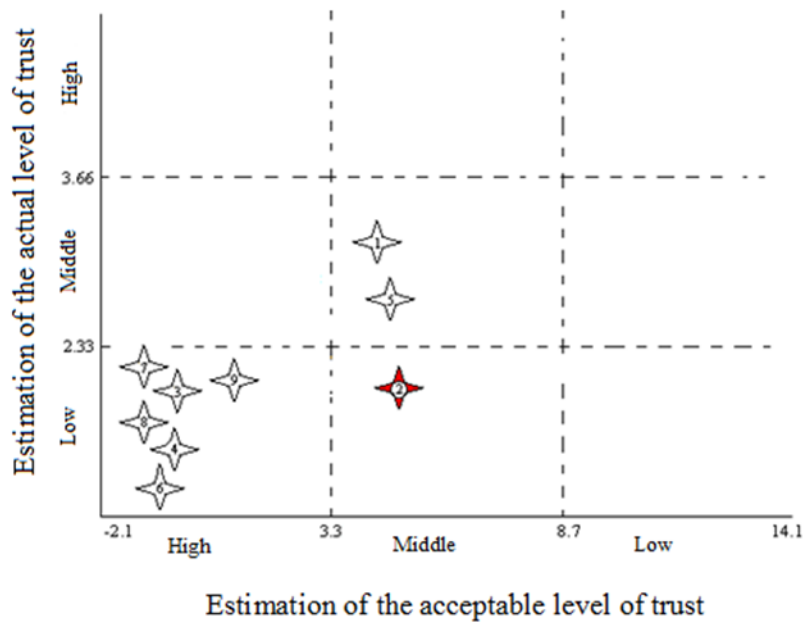
determined by characteristics of a personality. That is why it is more viable to select a manager according to the current situation of social and labor relations in the organization’s department, than tend to change the model of manager’s behavior (Kaz, & Kuchkartaeva, 2016). It is obvious that preliminary list of candidates for the position in the "problematic division" may include both employees belonging to the reserve for the rotation (see. Table 01), and the other staff. On any circumstance, it is advisable to use the scales developed within the “situational model of leadership” at the final stage of candidates’ selection (it is represented as the IV stage in Figure 01).

**Table 01.** "Actual level of trust – acceptable level of trust" and possible directions for the rotation of divisions’ managers

		Estimation of the actual level of trust in the division (A survey of employees)		
		high	middle	low
Estimation of the acceptable level of trust	high			
	middle			
	low			

At the first stages of the mapping procedure It should be noticed that the issue of identification the life cycle stage’s of an organization (the first stage, item 2) requires the development of an appropriate methodology. We propose to use the questionnaire designed for this purpose. It is based on I. Adizes’ life cycle model and the principles of scaling laid in the method BARS (Behaviorally Anchored Rating Scale). This method means that each graduating mark of the scale is associated with its own set of activities’ characteristics. The person who conducts the assessment chooses the description that corresponds to the situation prevailing in the company better. The assessment of the actual level of trust (the second stage of the mapping) is carried out by analyzing the interaction between the employees of an organization by using the method of paired comparisons. It helps to calculate the coefficients of interpersonal distance. The capabilities of the multidimensional scaling method can be used to visualize the results, along with calculating the coefficients of interpersonal distance (Kaz, & Kuchkartaeva, 2017).

The approbation of the proposed methodology of mapping divisions by the level of trust was conducted in the company LLC “Spets Logistic-NK”. The company is an official distributor of “PepsiCo, Inc” company. It enabled us to determine the structural parts of the company which required to increase the level of trust, and then, to map the divisions related to them, as well as the divisions with an acceptable level of trust (Figure 02).



**Figure 02.** The map of estimation the trust’s level in the divisions of LLC “Spec Logistic-NK”: 1-9 - divisions of the company Remarks – “the problematic division” is highlighted in dark colour

## 6. Findings

The result analysis have revealed that the company LLC “Spets Logistic – NK” has no managers in the divisions who can make a reserve for rotation in the “problem division”. Therefore, in a case of changing the manager of this division it is required:

- to carry out a search for an employee to a specified position in the labor market;
- to conduct a survey of applicants by using the scales developed within the “situational model of leadership” in addition to the other methodologies and techniques. It enables to take into account their ability to build trust relationship in the process of candidates’ selection for a vacant place.

## 7. Conclusion

The trust management tool developed by us and approved in the company enables us not only to identify the divisions in the organization that are required in trust building, but also to propose a new approach forming a reserve for managers rotation and the selection of applicants for managerial positions in the “problem divisions”. It will also make a contribution into improving the quality of social interaction both in certain divisions and in the whole company

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