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Perception of Trust in Slovak Enterprises

Martina Minarova^a *, Matej Bel University, Faculty of Economics, Tajovskeho 10, Banska Bystrica 975 90, Slovakia

Denisa Mala^b, Matej Bel University, Faculty of Economics, Tajovskeho 10, Banska Bystrica 975 90, Slovakia

Zdenka Musova^c, Matej Bel University, Faculty of Economics, Tajovskeho 10, Banska Bystrica 975 90, Slovakia

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Abstract

Trust is the elementary factor which affects interpersonal relations and becomes imperative in survival of both people and enterprises. It is related to employee satisfaction, fluctuation, inability to work due to sickness, as well as employee identification with the organization's system of values, its vision, and the long-term strategy. Culture of trust, as an element of corporate culture is a system of norms and values which defines how trust is exhibited, and generalizes the long-term experience of people with it. Our paper deals with the culture of trust in chosen enterprises in Slovakia. The main objective of our research at the Faculty of Economics, Matej Bel University in Banska Bystrica, was to find out what experience the organizations have with giving and accepting trust in chosen aspects of the organization's life. We have attempted to analyze the trust of relationships, as well as trust within the work duties, and find out how the atmosphere of trust is created and how it develops. At the same time we tried to identify the most common factors which lead to loss of trust in Slovak enterprises.

Keywords: trust; factors; corporate culture; enterprise; Slovakia;

* ADDRESS FOR CORRESPONDENCE: **Martina, Minarova**, Matej Bel University, Faculty of Economics, Tajovskeho 10, Banska Bystrica 975 90, Slovakia

E-mail address: martina.minarova@umb.sk / Tel.: +4210484462726.

1. Introduction

The success of the effort of every enterprise, and its economic and social development, are largely determined by quality and skills of its managers (Cierna, 2015). There are many managers who speak about the importance of trust, while at the same time not seeing the relation between their own behavior and the level of trust their employees have towards them. The inability of managers to inspire confidence has its consequences, and not only those related to their direct subordinates. The empathy, understanding the needs of the others, and active listening may help managers to create and maintain an environment and atmosphere of understanding and trust.

Each manager should be aware of the fact that managing people brings about a question of permanent choice. Therefore, it is necessary not only to be an expert in economics, and a good businessman, but also to possess a complex personality with certain moral qualities and character. Only such manager is able to make the right decisions, can motivate the employees, and reaches the given objectives more easily. He takes responsibility for his decisions while it does not only relate to the manager's function, but primarily from being human. If this is a top manager, his moral attitude is of even greater importance, since his decisions affect the employees in the whole enterprise. Trust represents the basic pillar, which every team and work group should build upon (Young et al., 2016; Mollering, 2006; Rousseau, Sitkin, Burt & Camerer, 1998; Stern & Coleman, 2015). Trust is closely related to loyalty of employees towards the enterprise they work in, and at the same time with their satisfaction, fluctuation, sick leave, their identification with the system of values of the organization, its vision, and its long-term strategy.

2. Theoretical foundations

The ability to trust other people, and to gain their trust is a very significant and important condition for functioning of the human relations, as well as a proof of high emotional intelligence (Negrescu, 2008). Trust belongs among primary human experience which a person acquires in the course of his/her life (Kazickova, 2015). According to Carnegie (2012) and Noorbakhsh, et al. (2010), a great portion of people's success may be attributed to interactions with others and mutual trust.

Visnovsky (2010) points out that trust is one of the basic pillars of every human coexistence, work relations, and entrepreneurship. What represents the core of trust is reliability, or the assumption that we can rely on other people and trust them in situations when we know what to expect from them.

According to Kazickova (2010) trust is the main factor which influences interpersonal relations, and it is inevitable for survival of humans, as well as organizations. Culture of trust, as a part of organizational culture, represents a system of values which determine how trust is exhibited, and generalize long-term experience which people have with trust in a given enterprise. If positive experience of giving and accepting trust prevails in various spheres of corporate activities, the culture of trust in the given enterprise is also enhanced.

3. Research methodology

Within the research conducted at the Faculty of Economics, Matej Bel University in Banska Bytrica, we have performed two surveys the objective of which was to examine culture of trust among employees of enterprises in Slovakia, and find out the level of empathy of managers in Slovak enterprises. On the basis of the given objective of our research, as well as to determine the research problem, we used quantitative research methods. To collect the necessary data, we have chosen the method of online data collection – questionnaire. Both surveys were conducted simultaneously in January 2016, by means of electronic questionnaires via the Google Forms application. The first set of respondents consisted of employees (257 respondents) working in various sectors and industries of economy. The second set of respondents was composed of managers (247 respondents) at different

level of management in different industries. The collected data was processed via Microsoft Excel and a statistics program Statistica 10. To determine mutual dependence between empathy and other chosen variables, we used the statistical method called Pearson product-moment correlation coefficient.

4. Results

257 employees of Slovak enterprises participated in our survey, out of which 141 were women and 116 were men, 80 % of respondents being between 18-45 years of age. 128 respondents have completed high school education and the other half, 129 employees, graduated from universities and colleges. 80 of the respondents who participated in the survey work in large, and 177 work in small and medium enterprises.

Majority of respondents (218) stated that it is important for an enterprise to deal with trust. It can therefore be said that building trust in an enterprise is essential for performing tasks and fulfilling the objectives of the enterprise. Trust and good atmosphere at the workplace have multiple positive effects on the employees. However, 63 % of the employees claim that in their opinion, the level of trust in the enterprise where they work stagnates. According to 23 % of the employees, the level of trust increases, and 14 % of the employees replied that they cannot evaluate the situation as they have only worked in the enterprise for a short time. On the basis of the results we assume that managers in enterprises do not pay enough attention to building up trust among their employees.

As to the trust of employees towards their managers in enterprises, 140 employees trust their managers, while top level trust was confirmed by only 13 % of respondents. On the other hand, 117 respondents expressed distrust towards their managers. Respondents were also asked to express their opinions about those managers' qualities thanks to which they are willing to follow them. Some of the most valued qualities are: honesty, fairness (178 respondents), responsibility (151 respondents) and empathy (138 respondents). A part of our survey was focused on interpersonal relations and emotions in the enterprise. We wanted to find out how satisfied the employee is with the enterprise he/she works in, as well as how the employee perceives the overall atmosphere at the workplace. The responses revealed that 41 % of employees are highly satisfied, and 40 % expressed average satisfaction with working in the given enterprise. Dissatisfaction with the current job was confirmed by 19 % of our respondents.

Majority of employees view their current employer positively, which greatly helps in building trust, loyalty, and thus also the overall work productivity. Interpersonal relations at the workplace also significantly affect the level of trust. The fact that only 8 % of respondents come from environments with merely formal relations, can be considered as positive finding. Tension at the workplace was noted by 21 % of our respondents, and only 2 % of the employees stated that they are experiencing conflicts among their working teams.

We were also interested in how much the employees express their emotions at the workplace. Only 29 % of our respondents naturally express their emotions and 71 % of the employees completely hold their emotions back at the workplace, which we view as a negative fact. If the employees are anyhow restrained from expressing their emotions at the workplace, they might experience an internal conflict. If they do not learn how to vent their aggressive impulses, it leads to a long-term suppression of emotions, which has a negative impact on the employee's health, and eventually on the prosperity of the enterprise.

Sedlacek (2009) states that economics is a discipline which deals with people and interpersonal relations. Empathy plays an important role in building trust, and unfortunately, when it appears most needed, people are not getting it. So as to deal with critical situations easily, people should be able to empathize. What is most dangerous and affects the ability to empathize is stress, pressure, tiredness, but also emotions such as annoyance, anger, or fear. Very often it is unfulfilled needs or prejudices that are hiding behind these emotions, blocking the ability to empathize with others. If we focus on

our own goals, it becomes hard if not impossible to care for or deal with other people's problems. Also the culture we live in may play a negative role. It is a mistake to assume that emotions have no place in business and that to show one's emotions is a weakness. On the contrary, it is important to understand that being empathic and at the same time clear, specific and practical, requires a certain skill and mastery. To show sympathy and compassion does not automatically mean to agree with the other person, which is, unfortunately, not understood by the managers. Empathy still tends to be underestimated as a managerial skill or ability.

Within our research, we focused on finding out how much empathy is shown by managers in the individual enterprises. Out of the total number of 247 respondents, 43 % were women (105 women managers) and 57 % were men, which represents 142 managers. The largest group was managers over 36 years of age (39 %), and on the other hand, the least represented group was between 18-25 years of age (10 %). Most managers in the analyzed enterprises claim to have 2-5 years of experience (37 %) and the second largest group was managers with more than 11 years of experience (34 %). The lowest representation (7 %) was noted for managers with less than one year of experience. With regard to empathy, we have found out that men achieved lower values – from 6.5 to 8, and women, on the other hand achieved higher values – between 7 - 8.5. The median value for women (7.83) is also slightly higher than the median value for men (7.5), which leads us to a conclusion that women are more capable of empathizing with other people than men are. Empathy is least developed in the group of young managers (values between 7.16-7.33) who do not yet possess a highly developed ability to understand and to identify the emotions of other people. Managers between 36-45 years of age achieved the highest median value of 7.67, and although the same value has been noted in the group of managers above 45, the values for individual managers are lower in general. As to the years of experience, the group with the shortest experience achieved the median value of 7.58. We have also noted a great variance (dispersion) in this group's values where some values reached as high as 9. In the second group (2-5 years of experience) empathy reaches the lowest median value of 7.33, and in the group with more than 6 years of experience it rises again to reach the value of 7.67. Empathy, as an essential factor in building interpersonal relations, is most significant for managers with more years of experience.

It is clear from the above said that managers in enterprises should not only act as professionals in their area of business but should also be skilled in emotional intelligence and empathy. In corporate practice we are often witnessing high intelligence quotient of managers, but along with that they often make many mistakes when working with people, which proves to be inefficient and not beneficial for the enterprise. According to Minarova (2014) this statement is also supported by recent management and psychological researches, which point out the fact that personal, as well as professional success, is not based merely on the traditional cognitive intelligence, as it has been assumed. Contrary to this, different factors, such as emotional intelligence, prove to have much greater effect on success of managers. In our sample, 164 managers believe that emotional intelligence can be developed, and on the other hand, 57 managers were not able to provide the answer, and 26 managers think that emotional intelligence cannot be further developed.

With regard to this statement we were interested in finding out if managers have taken any steps to develop their emotional intelligence. Only 20 % out of 174 managers have participated in a course aimed at development of emotional intelligence. We can thus claim that managers in Slovak enterprises do not pay enough attention to development of EI. We consider this to be a problem, since as multiple authors claim (Minarova, 2014; Bencikova, 2013; Goleman, 2000), emotional intelligence represents an essential component in the work of top managers.

If managers continue neglecting the development of emotional intelligence, they are putting themselves in a situation where they may often be experiencing emotional trauma, stress, or fear; they will feel more negative emotions, such as anger, annoyance, jealousy, envy, or irrational guilt. Thus they would not be able to achieve personal successes, which in the end lead to professional ones, and would further result in the efficiency of an enterprise where they work.

5. Conclusion

To summarize the knowledge and the observations we have collected within our research, we come to a conclusion that there exist some crucial reasons why it is necessary to deal with the given problem. By understanding and investing in building up and developing trust, and enhancing emotional intelligence and empathy when working with other people, we will contribute to employee satisfaction and the internal stability of an enterprise, which is an important prerequisite to more efficient work performance, and eventually leads to higher profit. Trust is based on responsibility. Trust does not necessarily mean that people will love each other. It refers to an opportunity to work in an environment where people trust one another, which suggests mutual understanding. Culture of trust in an enterprise provides employees with positive energy, support and strong motivation. Trust as the basic organizational value is thus gaining more and more importance.

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