# Trust - A Good Predictor of Team Effectiveness: Empirical Study on Artisans of Madhya Pradesh

\*Ms Ruchi Kashyap Mehra

#### ABSTRACT

Trust is crucial for team effectiveness and it is the foundation of the entire team dynamic. Without trust a team will implode with conflicts or will fail to produce creative and innovative outcomes in a team atmosphere trust is vital. Members of the team must believe in the skills and abilities of the other members of the team in order to give their best effort without resentment. The team as a whole must have trust in the organization and believe that their work should be appreciated. This study focuses on identifying trust as a good predictor for team effectiveness among artisans of Madhya Pradesh and explored the relation with performance and dimensions of effectiveness at team and organizational level.

**Keywords:** Trust, Team Effectiveness, Artisans.

\*Ms Ruchi Kashyap Mehra, Assistant Professor, IPS Academy, IBMR- Indore, <a href="mailto:rmehraidyllic@gmail.com">rmehraidyllic@gmail.com</a>

#### INTRODUCTION:

The importance of trust in organizations has been associated with the changes in the way of thinking and functioning of organizations during the last decades of the millennium. Traditional management forms have given place to more collaborative approaches that emphasize coordination, sharing of responsibilities and the participation of the workers in the decision processes. New emphasis is given on interpersonal and group dynamics at the workplace, where trust is seen as one of the critical elements. If trust is absent, no one will risk moving first and all parts will sacrifice the gains from collaboration and cooperation in increasing effectiveness (Sabel, 1993). At the same time, work relationships have become more horizontal and team centered. The tendency to reorganize work activities around small horizontal units has increased the formation of interdependent work teams such as task forces, project teams and quality circles, which have grown more prevalent in the cooperate world as the real unit of organizing (Keen, 1990). Understanding the role of trust at team level has become increasingly important.

According to Liwicki and Bunker (1996) trust is based on expectations that go beyond the characteristics or intentions of those involved, including also considerations about the situation and the risks associated with acting on such expectations. Based on these considerations, the researcher has proposed that,

"Trust is a psychological state that manifests itself in the behaviours towards others, is based on the expectations made upon behaviours of these others, and on the perceived motives and intentions in situations entailing risk for the relationship with those others.

When viewed in a temporal perspective it is depicted that the conditional trust that characterizes a team at the start can evolve in two different ways depending on the behavioral interactions and experiences among the parties. Conditional trust can evolve into unconditional trust when the experiences of team members remain positive higher, while conditional trust ends in distrust when expectations are not reciprocated. Trust, in other words, spirals downwards. A downward spiral has also been proposed –but not tested- by Zand (1972).

This study attempted to identify the trust as a good predictor of team effectiveness. From previous studies it has been analyzed the cognitive dimension consists of the belief in the artisans reliability or credibility, which comes from his motivation & knowledge. Those researchers who approach trust in terms of trustworthiness or the degree to which a subject perceives his manager as trustworthy, hold that perceived trustworthiness & trusting behaviour are respectively a determination and a consequence of trust (Mayer et al., 1995).

Trust promotes a productivity culture among the artisans in the various organizations which will make it possible for subordinates or employees to commit themselves to the company's vision, mission and goals.

Meanwhile, the team effectiveness is also the best measured in terms of their action taken with the objectives of promoting improvement and directions among the artisans by which they undergo subsequent evaluation initiated by their superiors; mechanisms to strategically run the organizations for efficiency and productivity to meet customer's expectation; an initiative to establish good camaraderie among themselves in the organization, and an act which facilitates the implementation of the program of the handicrafts Udhyog.

Team effectiveness is recognized as one of the most important determinants of organizational success in a fast changing business environment. The extent to which any organization is able to achieve its goals or objectives depends upon how effectively its artisans adapt themselves to dynamic market forces and achieve results.

#### DYNAMIC INTERACTION OF TRUST WITH TEAM EFFECTIVENESS

Cross-sectional research has shown that trust moderates the relationship between task and relationship among team members and reduces the likelihood of misattribution of task conflict (Simons & Peterson, 2000). Teams start with a certain level of conditional trust which is necessary to start functioning as a team. During the very early stages of a team's life, by shaping the attitudes, moods and emotions toward the other party, a mutual perception of trustworthiness is created (Jones & George, 1998). This perceived trustworthiness can then evolve in two different ways; either trust remains to exist or trust gradually disappears. A very different pattern will occur when trust fails to develop within the team and exchanges between team members lead to decreasing perceptions of trustworthiness.

# RESEARCH METHODOLOGY

The study was conducted on 500 respondents in the M.P region. All the respondents were artisans (including men and women) engaged in the handicraft sector. Since the sample size was reflective of the total size of the population, the method of purposive sampling was used. Keeping in mind the purpose of study and nature of work of the respondents, the technique employed for study was interview method under qualitative research tool.

All the responses were collected on actual work locations of artisans so that emotions those expressed by them remain actual and authentic. Responses, thus generated were analyzed using coding method. Analyzed responses were analyzed by the factor analysis and correlation & regression.

### **OBJECTIVE OF THE STUDY**

- 1. To identify the components of trust
- 2. To determine the impact of trust on team effectiveness.

# **RESULT & DISCUSSION**

#### **Factor Analysis**

The data was collected from 500 artisans. The factor analysis is being used to certify an employee's perception extracted from a focus group of participants. This helped in the extraction of the diverse variables.

**Table (A): Total Variance Explained On Trust** 

Componen		Initial Eigenva	lues	Rotation Sums of Squared Loadings				
t	Total	% of	Cumulative	Total	% of	Cumulative		
		Variance	%		Variance	%		
1	6.162	61.620	61.620	3.913	39.135	39.135		
2	1.253	12.526	74.146	3.501	35.011	74.146		
3	.629	6.292	80.438					
4	.463	4.628	85.066					
5	.362	3.619	88.685					
6	.337	3.366	92.051					
7	.290	2.898	94.948					
8	.224	2.236	97.184					
9	.163	1.635	98.819					
10	.118	1.181	100.000					

Extraction Method: Principal Component Analysis.

# FACTORS DISCUSSION (TRUST)

Harmony Relations: This factor is considered as the most important determinant of study with a total variance of 39.135%. Major components of this factor include Ability to stop and solve the conflict without breaking the trust (.709), Good at cultivating and maintaining trustworthy web of relationship (.714), I have a good sense of why I have certain feelings most of the time and sustain trust on my level of efforts (.876), Trust in listening and sending a clear message (.871), Propensity to bolster abilities through feedback and guidance and able to manage trust on the coworkers (.815) and A good way to motivate employees is to give them autonomy to plan their work (.595). The study has found that trust always develops in congenial culture and through feedback employees can manage the trust in their organizations.

**Open Communication**: This second and last factor is considered as the most important determinant of study with a total variance of **74.146%**. Major components of this factor included Free and frank communication between various levels helps in solving problems (.**706**), Telling a polite lie is preferable to telling the unpleasant truth (.**832**), Performing immediate tasks rather than being concerned about large organizational goals (.**883**) and Trust begets Trust (.**863**).

#### **CORRELATION & REGRESSION ANALYSIS**

 $\mathbf{H}_{01}$ : There is no significant impact of Artisan's Harmony Relations on Team Effectiveness.

**H**<sub>a1</sub>: There is a significant impact of Artisan's Harmony Relations on Team Effectiveness.

Table (B) Model Summary On Harmony Relations & Team Effectiveness

Mo	od l	R	R	Adjusted	Std. Error	Change Statistics				
el			Square	R Square	of the	R Square	F	df1	df2	Sig. F
					Estimate	Change	Change			Change
1	.4	415 <sup>a</sup>	.173	.171	7.78197	.173	103.68 0	1	497	.000

a. Predictors: (Constant), Harmony Relations

b. Dependent Variable: Team Effectiveness

Over all model summary shows the value of multiple correlation coefficient R=0.415, it is the linear correlation coefficient between observed and model predicted values of the dependent variable, Its large value indicates a strong relationship. R2, the coefficient of determination is the squared value of the multiple correlation coefficients. Adjusted  $R^2=0.173$ ,  $R^2$  change is also 0.171 and these values are significant which shows that overall strength of association is noteworthy. The coefficient of determination  $R^2$  is 0.173; therefore, 17.3% of the variation in Team Effectiveness is explained by Harmony Relations.

ANOVA is used to exhibit model's ability to explain any variation in the dependent variable. ANOVA table exhibits that the hypothesis that all model coefficients are 0 is rejected at 1% as well as 5% level of significance which means that the model coefficients differ significantly from zero hence, Harmony Relations is useful as predictor of team effectiveness. From the table of coefficients, the regression equation can be obtained as

# **Team Effectiveness= 44.221 + .637\* Harmony Relations**

 $\mathbf{H}_{02}$ : There is no significant impact of Artisan's Open Communication on Team Effectiveness.

H<sub>a2</sub>: There is a significant impact of Artisan's Open Communication on Team Effectiveness.

Table (C) Model Summary<sup>b</sup> On Team Effectiveness & Open Communication

Mo	R	R	Adjusted	Std. Error	Change Statistics				
del		Square	R Square	of the	R Square	F	df1	df2	Sig. F
				Estimate	Change	Chang			Change
						e			
1	.449 <sup>a</sup>	.202	.200	7.64375	.202	125.60 2	1	497	.000

a. Predictors: (Constant), Open Communication

b. Dependent Variable: Team Effectiveness

Model summary shows the value of multiple correlation coefficient R=0.449, it is the linear correlation coefficient between observed and model predicted values of the dependent variable, Its large value indicates a strong relationship. R2, the coefficient of determination is the squared value of the multiple correlation coefficients. Adjusted R2=0.202, R2 change is also 0.200 and these values are significant which shows that overall strength of association is noteworthy. The coefficient of determination R2 is 0.202; therefore, 20.2% of the variation in Team Effectiveness is explained by open communication.

ANOVA is used to exhibit model's ability to explain any variation in the dependent variable. ANOVA table exhibits that the hypothesis that all model coefficients are 0 is rejected at 1% as well as 5% level of significance which means that the model coefficients differ significantly from zero hence, open communication is useful as predictor of team effectiveness.

# **Team Effectiveness= 42.043 + 1.123 \* Open Communication**

#### **CONCLUSION**

My study concluded that it's important to have a harmonious relationship, open communication, supportive, informal, comfortable, relationships and building and non-judgmental networks. It foster in developing intense, short-term relationships and being able to disconnect and work in another team environment with the same sincerity and motivation. It allows the team, time to not only work together but to play together. Shared time and experience builds trust most effectively. Celebrate team wins, even minor ones, regularly. Reward the team as a group after a period of intense productivity and let them relax together and enjoy the reward. Over time you will see the team become a trusting, cohesive, and very effective group.

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