

THE IMPACT OF TRUST ON ORGANIZATIONAL PERFORMANCE: A STUDY OF SELECTED INSTITUTIONS IN ROMANIAN FINANCIAL AND BANKING INSTITUTIONS

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Abstract

Trust and organizational performance have been the focus of recent intensive research efforts. By trusting the organization, the systems and processes, the leaders and colleagues, combined effects of the work can be produced, and therefore each member's effort will have a greater impact on the organizational performance. Today's organizations must create a trustworthy environment by motivating and engaging employees to achieve organizational mission and vision. The overall objective of the research is to investigate the impact of employee trust on employee performance in the Romanian financial and banking institutions. Our findings show that if there is a genuine communication between management layers, if realistic objectives are implemented in order for the employees to be inspired to work at their best potential, and if companies invest trustworthy behaviors, companies will energize their employees and make them feel comfortable with their work, boosting individual and organizational performance.

Keywords: Employee trust, Employee performance, Motivation, Engagement, Job satisfaction, Synergistic work relationships.

1. INTRODUCTION

Before employees can create and maintain a work environment characterized by high performance, the 21st century organizations must foster trustworthy work relationships and integrate organizational development with clear interactions across hierarchical levels. Good synergistic work relationships have been found in the recent years to be one of the policies any organization can adopt to increase the performance of the employees and, therefore, to increase the overall productivity of the company. The relationship between the organization, the team and the individual is based on the connection between competence and performance, the results of the teams usually being synergistic (Corbos, 2005, 2011). There are growing demands of highly skilled and educated individuals working in teams (Zamfir, 2010, 2011). The evolution of the companies is directly influenced by the performance of individuals, their orientation towards excellence, emotional intelligence of managers, and moral principles that guide

them (Duduiala Popescu, 2013; Georgescu, 2013; Muscalu and Muntean, 2012; Ölçer et al., 2014). In order to compete in a fast moving environment, the institutions within the financial and banking sector must attach great importance to the performance of their employees. Performance on employee job responsibilities can be assessed at the level of synergy among work relationships, where synergy is related to trust, motivation, and engagement. Therefore, trust must become an element build in the culture of an organization. There are not many organizations that believe that human resources are the companies' most valuable assets and that success and performance depend on creating a trustworthy environment where these individuals can grow, learn, and develop. All these issues call for research to bring to focus how an appropriate trustworthy environment can influence employees to develop a positive attitude toward their work and thereby increase their performance.

2. STATEMENT OF PROBLEMS

Trust and organizational performance have been the focus of recent intensive research efforts. By believing in each other, combined effects of the work can be produced and, therefore, each member's effort will have a greater impact on the organization as a whole. Today's organizations must create a trustworthy environment by motivating and engaging employees to achieve their mission and vision. Employees in all organizational layers are becoming increasingly aware that trust, motivation and engagement increase productivity. A recent research commissioned by the Human Capital Institute surveyed the link between employee trust and organizational productivity and has come to the following conclusion: "If you want your company to be successful, you need to cultivate a culture of trust, which will encourage your employees to work better with each other and to enjoy doing it. The general level of trust within your firm is directly connected to your firm's productivity and competitive success" (Global Strategic Innovation, 2015). However, our research work is targeting to investigate the impact of employee trust on employee performance for the individuals working in the Romanian financial and banking sector.

3. OBJECTIVES OF THE STUDY

The overall objective of the research is to investigate the impact of employee trust on employee performance among the Romanian financial and banking institutions. The followings are specific objectives of the study:

- to analyze the effect of employee trust on employee performance; and
- to determine those elements that increase employee trustworthiness.

In order to meet the above objectives, this paper aims to answer two questions and to investigate three hypotheses:

Questions:

First. How does employee trust affect employee performance?

Second. How does increase of trust affect employees?

Hypotheses:

First. H0: Employee motivation does not have any effect on employee performance.

Second. H1: Employee engagement does not have any effect on employee performance.

Third. H2: Increase in employee trust does not have any significant effect on employee performance.

4. SCOPE OF THE STUDY

The scope of this study is limited to the Romanian financial and banking sector, as the data was collected from thirty-two employees of seven relevant financial and banking institutions, involved in different levels of management: executive level, middle management or operational level of the organization.

5. LITERATURE REVIEW

5.1. *Performance defined*

In order to assess the influence of employee trust on employee performance, we aim to define employee performance, highlighted in the previous researches. Nevertheless, performance is viewed as a bundle of guiding principles and behaviors learned by all the employees within an organization, in other words is a set of rules about how the organization wants to operate, while performers are those people who meet or exceed these previously set standards (Edmonds, 2014). Furthermore, this bundle of principles is learned and implemented in the core of every-day business by feedback, acknowledging good work, learning from challenges, setting goals and moving forward (Poole, 2013). Leaders are called upon to create effective performance by designing performance metrics, by gathering performance data (Eckerson, 2010), effective performance systems that highlight their employees' own development areas. Thus, performance is defined by setting development targets, designing employee objectives, recognizing employee contribution, setting milestones on the organizational advancement

path, and establishing continuous improvement processes.

5.2. Leadership in the framework of trust

“Positive synergy is sometimes called the $2 + 2 = 5$ effect. Operating independently, each subsystem can produce two units of output. However, by combining their efforts and working together effectively, the two subsystems can produce five units of output” (Dufrene, 2015). Synergy represents a joint effort to achieve more than it is supposed to, becoming an important aspect of working in a trustworthy environment, where each and every employee is co-working to achieve individual and organizational goals. “Unfortunately, trust is in rare supply these days. People are having trouble trusting each other” (Llopis, 2013) according to a recent study. As the author further explains, “Employees have grown tired of unexpected outcomes resulting from the lack of preparation. They want to be informed of any change management efforts before – not after the fact. Employees desire to know what is expected of them and be given the opportunity to reinvent themselves, rather than be told they are not qualified for new roles and responsibilities and can no longer execute their functions successfully” (Llopis, 2013). A mutual communication is desired among any organization’s employees, and people want to do their job efficiently and effectively in a framework where they know what is expected from them, they are appreciated for their work, and the company attaches a great deal of attention to the personal contribution of each employee to organizational success. “Your employees must believe in each other. When they don’t, communication, teamwork and performance inevitably suffer. [...] Employees are more likely to follow through on goals set by a manager they trust and to be more forthcoming about the challenges they see on their level” (O’Hara, 2014). Managers and leaders will gain more and more trust if they are not holding back personal or professional advancement and, at the same time, make the work of their subordinates easier. Today’s leaders must learn to support, guide and direct their followers in order to achieve greater accountability and responsibility. Moreover, “a leader’s ability to inspire and motivate employees is based on trust. When people trust you, they have confidence in your decisions. Even in uncertainty, they will be influenced by your leadership. That is because they expect you to do what you say you’ll do” (Grossman, 2013). There has to be a connection between a manager’s words and actions and the author (Grossman, 2013) calls for a trustworthy leadership by recognizing accomplishments, by being consistent, or by building accountability. “The best known leadership [...] approach involves every member’s understanding and acting according to a consistent set of principles, thus contributing to the organization’s consistent sense of direction. It is important to remember [...] to facilitate people’s developing personal mastery, so as to take control of their working environment and to contribute in a meaningful way to the effectiveness of an organization” (Balu, 2008). In a framework of consistency, where both the roles and the objectives are clear, employees will have a strengthened

image of their contribution. In addition, people will develop their strongest skills in order to adhere to the needs of the organization. "In parallel, [...] the process of establishing a team-based culture is very important and needed for building trust between people in the organization" (Balu, 2008). Thus, in a culture where teams are effective and people are working in synergy, the leaders will be capable to build trust between the employees.

5.3. Performance in the framework of trust

Individual and organizational performance is essential for organizational success. Any performance management system should be accurate in order to become trustful for its outcomes and, at the same time, it should be related to equity in the form of fair reward for its accomplishments. Employee trust in management assessment tools used for evaluating performance is closely related to maintaining employee motivation to perform (Petrescu, 2010).

Recent research (Daniels, 2014) explains typical employee behavior toward the principles related to performance at the workplace. The author illustrates the processes that bring about change of attitudes into positive approach regarding work and performance at the workplace. Moreover, Ferguson (2014) highlights that "most corporate goals are not defined specifically enough to translate well to individual performance" or metrics are not set correctly in order to offer clarity over employee performance issues.

If the assessment adequately reflects employee performance, the trust level in those responsible for evaluation results will rise considerably. Therefore, there has to be a genuine communication between management layers, realistic objectives must be implemented, in order for the employees to be inspired to work at their best potential and to invest trust in management systems, because "employee value is simply a combination of current performance and future potential minus emotional expensiveness" (Wakeman, 2013 A).

Any given performance system should allow managers to identify problems in the management processes and make decisions to overcome them. By doing so, the results will be visible in the form of an increase in productivity and managers' support of employees to work efficiently and effectively will fulfill the needs of both the employees and the organization. Primary elements in achieving trustworthiness between employees and management processes are: implementing effective systems, feedback, positive attitude toward work, mutual communication, effective internal cooperation, incentives and moral well-being of employees. In addition, more energy brings about more productivity, as McCloud (2014) observed, therefore companies are called to energize their employees and make them feel comfortable with their work.

5.4. Synergy in the framework of trust

As shown above, several studies demonstrate that synergy is a key determinant of cooperation between employees in an organization, and therefore of performance of the companies they work in. Earlier studies evidence that the synergy among employees should be particularly important for the performance of the institutions, in our case for financial and banking organizations.

A trustworthy working relationship is a powerful phenomenon to witness in a synergistic relationship, because synergy and trust both occur when two or more individuals within an organization work collectively to make a significant impact on their work. "Researchers have shown that managers' efforts to build trust comprise a key component of organizational effectiveness [...]. They describe how activities can be positively related and focus managers towards synergistic balancing processes" (Long, Sytkin, n. a.). Lack of trustworthiness and synergy is a very common issue in the corporate working system. Therefore, employees who work with a single-minded purpose have a great power to turn the organization into a synergetic work environment where there is positivity, communication systems are effective, work efficiency is increased and motivation is strengthened.

5.5. Factors affecting the trustworthy work environment

1. Employees want to be encouraged by the organization through effective **performance** systems in place, which highlight them the areas of development; hence, in any financial or banking institution there has to be a clear learning system for the employees, which encourages employees to set learning targets, to boost their knowledge and to align training initiatives with employee development plans. Therefore, performance gaps will be identified and every individual should be ready to adapt to new settings and take on new challenges. A performance system will set individual objectives and once they are achieved, any individual, at any organizational level, will be able to be rewarded accordingly in the form of intrinsic or extrinsic rewards (e.g., career advancement, personal growth, etc.). The individuals working for a financial or banking institution, as well as for any other organization, do not want to feel they are held back in their professional and personal performance. They need to be encouraged that their efforts are targeting the right direction, and this way they will have confidence both in the past decisions and the future of the institution. These rewards are highly engaging for employees who showed great consideration for achieving performance and made an effective contribution to meaningful purposes. Leadership is essential in any organization where the work is based on individual and organizational performance, and therefore employees will need constant guidance and direction set by their superiors in order to maintain their direction into the right path. Leaders are called upon to establish continuous improvement processes and to make the flow of operating procedures an effective

tool for organizational performance.

2. Several research works suggest that people ascent to higher levels of **motivation** only when they feel genuinely appreciated for their work and, in the same range, they are motivated when they earn their salaries on both internal and external equity bases. Motivation stands for people at any organizational layer that are keen to do what is best for both employees and the organization as a whole. When employees operate by strong ethical values and norms, they will promote trust on a consistent basis, providing guidance for their colleagues or subordinates. At the core of a culture based on motivation there are the shared ethical values that stands for an energetic and enthusiastic work environment. When the employees of the organization apply those standards and ethical values, they will surpass negativity in the organization, communication will be eased, and employees will perform their job efficiently and well. Leaders are called upon to implement models that influence people to follow them into the right path set by the organizational vision and mission so that employees could never feel themselves disappointed or disillusioned. Leadership becomes a strong motivational trait, where managers have the ability to inspire and uplift their subordinates to perform at their best.

3. Employee **engagement** “is generally seen as an internal state of being – both physical, mental and emotional – that brings together earlier concepts of work effort, organizational commitment, job satisfaction and ‘flow’ (or optimal experience)” (CIPD, 2015). Another definition would state that “Engage means to occupy, attract or involve someone’s interest or attention, or it can mean to participate and become involved in something” (Alvino, 2014). An ‘engaged employee’ is one who is fully absorbed by his/her work, by the mission of the financial or banking institution s/he works for, and last but not least, s/he is feeling satisfied by the experiences that the work supplies. Work-life balance has a significant impact on employee engagement because “wise employers understand the importance of how personal relationships enrich our professional lives” (Davenport, 2013). Moreover, “as technology increasingly blurs the lines between our personal and professional lives, employers need to establish clear guidelines that give employees space and allow them to integrate their own time with their on-the-clock time” (Shapiro, 2014). Employees’ schedules should allow for a fair work-life balance for every employee within the top management, middle management, as well as operational staff. In order to establish the key drivers to employee engagement, the organizations should implement a strong culture of accountability and responsibility. In the framework of personal accountability, the organizations must “allow employees to see themselves as architects of their own circumstances, not victims” (Wakeman, 2013 B). People should be challenged to take on more responsibility because “by replacing a sense of entitlement with a sense of empowerment, they will be capable of handling anything that comes along” (Wakeman, 2013 B). A recent study highlights that “employee engagement

is an evergreen topic for companies, a tool that can support their innovation goals, increase their bottom line, drive corporate responsibility efforts, and advance companies' broadest missions" (PricewaterhouseCoopers, 2014).

A recent Gallup research "studied the differences in performance between engaged and actively disengaged work units and found that those scoring in the top half on employee engagement nearly doubled their odds of success compared with those in the bottom half" (Reilly, 2014). According to the same research study, "work units in the top quartile in employee engagement outperformed bottom-quartile units by 10% on customer ratings, 22% in profitability, and 21% in productivity. Work units in the top quartile also saw significantly less turnover (25% in high-turnover organizations and 65% in low-turnover organizations), shrinkage (28%), and absenteeism (37%) and fewer safety incidents (48%), patient safety incidents (41%), and quality defects (41%)" (Reilly, 2014). Designing a culture of high trust between employees and their superiors, colleagues and/or their subordinates, will create an engaged workforce, people committed to their organization's goals and values. "Employee engagement is directly related to leaders' ability to inspire people" (Mankins, 2014). What makes engaged employees different is that they trust their organization's mission, they trust their leaders and/or subordinates, and they are knowledgeable about the objectives they have to meet.

5.6. Methodology

We have conducted a survey among relevant organizations within the analyzed sector in order to present comparable data across the Romanian financial and banking institutions concerning two main topics of the knowledge management area: employee trust and employee performance.

While there is no adequately standardized information available from existing records regarding a significant relationship between these two variables in the Romanian financial and banking sector, the data collection instrument was a self-administered questionnaire that is easier to standardize, providing answers that can be systematically compared. The questions were designed to measure responses in a four-interval scale, using the following attributes for each statement: never (1), occasionally (2), often (3) and on a regular basis (4). Our questionnaire enabled us to reach a considerable number of respondents, from different management layers within the targeted organizations, gathering responses starting with the operational up to the executive level. The questionnaires were divided into four sections: Section A collected information regarding the level of employee performance systems implemented in the organization, Section B assessed the relationship between employee motivation and employee performance, and Section C gathered information on the relationship between employee engagement and employee performance.

Following data collection, we assessed and disseminated all available information to respondents regarding performance and employee trust in order to describe the variables in terms of mainstream and measures. We have aimed to measure the following descriptive statistics:

1. the mean (M) of the answers, measuring the central location of the numbers; and
2. the standard deviation (SD), which helps us measure how spread out the answers are.

6. PRESENTATION AND INTERPRETATION OF DATA

There were 50 questionnaires distributed among 8 relevant financial and banking institutions, a total of 32 completed the questionnaires from seven targeted organizations, representing a response rate of 64% returned.

6.1. Characteristics of the study

Table 1 indicates that most respondents are middle managers suggesting that most of the middle management individuals have more than 11 years of experience in the field. Most of the respondents were persons aged more than 45 years.

TABLE 1 STRUCTURE OF THE RESPONDENTS

Variable	Frequency	Percentage
Staff		
Top management	5	16
Middle management	16	50
Operational	11	34
Experience		
<5 years	2	6
5-10 years	5	16
11-20 years	18	56
>20 years	7	22
Age		
<35	7	22
36-45	8	25
>45	17	53

6.2. Analysis of research questions

Research Question 1: How does employee trust affect employee performance?

The use of performance management systems within the organizations in the Romanian financial banking sector:

Questionnaire items 1 (a, b, c), 4, 5 (a, b) and 6b within Section A (Table 2) were used to address research issues related to performance management systems in place within the studied industry and

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find whether there are development roadmaps and evaluation tools in order to assess employee performance. As long as performance management and performance measurement are a key tool in strategic development of employees' personal skills and competencies, it becomes critical to ensure that performance plans are being implemented into the core practices of a financial or banking institution. We also assessed the degree of attention attached to the personal contribution to the organizational advancement and performance, and especially how much helps managers implement intrinsic and/or extrinsic reward schemes based on each and every individual's contribution. The study shows that personal learning targets are only occasionally encouraged, while individual objectives are regularly set within a performance management system in the reviewed organizations. Personal contribution is often related to reward schemes, while employees are often feeling the need for greater accomplishments. The managers are only occasionally establishing continuous improvement processes. All these results show that there is generally a performance management system in place that guides managers to assess employee contribution to the organizational performance, but it needs improvements.

TABLE 2 QUESTIONNAIRE ITEMS RELATED TO PERFORMANCE MANAGEMENT SYSTEMS

S/N	Variable	M	SD	Remarks
1a	Setting learning targets	2.41	0.498990917	Occasionally
1b	Individual objectives	3.22	0.608243107	On a regular basis
1c	Career advancement and recognition	3.13	0.707106781	Often
4	Personal development	3.34	0.787375182	Often
5a	Organizational advancement	3.22	0.608243107	Often
5b	Need for greater accomplishments	3.56	0.504016129	Often
6b	Continuous improvement processes set by leadership	2.41	0.665237042	Occasionally

TABLE 3 QUESTIONNAIRE ITEMS RELATED TO EMPLOYEES' MOTIVATION

S/N	Variable	M	SD	Remarks
2a	Genuine appreciation	1.97	0.48850421	Occasionally
2b	Strong ethical norms and values	2.06	0.658568236	Occasionally
2c	Managers ease the employees' work	2.81	0.391674726	Often
2d	Internal and external fairness for pay	2.75	0.529436522	Often
2e	Effective and genuine communication	2.38	0.665719023	Occasionally
2f	Positive approach to motivation	2.91	0.783349452	Often
2g	Employees do their job efficiently	2.75	0.927280154	Often
5c	Constant guidance by the superiors	3.81	0.983769806	On a regular basis
5d	Encouragement and job satisfaction	2.25	1.082750426	Occasionally
6c	Self-marketing for reputation and career advancement	1.38	1.556389567	Never
6d	Personal branding techniques	1.34	1.563673802	Never

In order to answer research question 1, questionnaire Sections B and C try to find out whether there is a close relation between employee trust and employee performance. Therefore, questionnaire items 2 (a, b, c, d, e, f, g), 5 (c, d), and 6 (c, d) are used to analyze to what extent employees are motivated by their

managers within the systems in place (Table 3).

As long as motivated employees perform better, we aimed to look more closely at the drivers of employee motivation. Thus, our findings show that employees feel only occasionally genuinely appreciated for their work, and the communication in the organization is also occasionally effective and genuine. Often managers choose to ease the work of their subordinates and they pay for each particular job accordingly to internal and external fairness. There is often a positive approach regarding motivation and employees do their best to perform efficiently and well (often). But the employees need guidance on a regular basis. Employees feel themselves only occasionally encouraged and satisfied, while they are never using self-marketing or personal branding techniques to form their reputation and career advancement. We can conclude that motivation improves the work processes because employees are motivated through fair pay, they are guided by their superiors, who quite often help them to perform. Therefore, employees do their job efficiently on a motivating basis. But employees are not enough appreciated and they need effective and genuine communication behaviors working together to maximize their potential and overcome any hurdle.

Questionnaire items Section C investigates whether there is employee engagement and to what extent (Table 4):

TABLE 4 QUESTIONNAIRE ITEMS RELATED TO EMPLOYEE ENGAGEMENT

S/N	Variable	M	SD	Remarks
3a	Fair work-life balance	1.84	0.682575337	Occasionally
3b	Involvement	2.72	0.728219081	Often
3c	Commitment	2.50	0.391674726	Occasionally to Often
6a	Strong culture of accountability and responsibility	1.97	0.636634142	Occasionally
7a	Job satisfaction	3.06	0.739830038	Often
7b	Employee clarity of job expectations	3.00	0.765001485	Often
7c	Trust in organization	2.69	0.950478348	Often

As long as employee engagement is closely related to a schedule that allows for a fair work-life balance for every employee on different organizational layers, we aimed to address this issue for the questioned staff. The answers indicate that there is only occasionally a fair work-life balance for the employees. Involvement of the employees and members of the reviewed industry is at a level of 2.72 of the Mean VALUE, WHICH INDICATES THAT EMPLOYEES ARE IDENTIFYING PROJECTS, NEEDS, AND GOALS, AND THAT THEY OFTEN contribute to accomplish them. When measuring the level of commitment among the employees, we reached a score of 2.50, which indicates that employees' satisfaction as well as identification with the organization is between Occasionally and Often. A Mean score of 1.97 shows us an occasionally implemented culture of accountability and responsibility within the reviewed organizations, while the job

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satisfaction issue plainly asked in the questionnaires indicates a score of 3.06. An effective clarity in organizational strategy related to job expectation necessarily improves employee performance, while staff trust in their organization is at a level of 2.69 of the Mean value.

The results for question 1 demonstrate that employee trust identified by motivation and genuine engagement creates positive business impacts, such as better involvement, job satisfaction, clarity and management implication in every-day work accomplishments.

Research Question 2: How does increase of trust affect employees?

TABLE 5 LOW SCORES OF THE MEAN VALUE

Setting learning targets	2.41
Continuous improvement processes set by leadership	2.41
Genuine appreciation	1.97
Strong ethical norms and values	2.06
Effective and genuine communication	2.38
Encouragement and job satisfaction	2.25
Self-marketing for reputation and career advancement	1.38
Personal branding techniques	1.34
Fair work-life balance	1.84
Commitment	2.50
Strong culture of accountability and responsibility	1.97

Low scores of the Mean value for the above items (Table 5) indicate that we can correlate the lack of learning targets or lack of continuous improvement processes set by leadership with a low rate of appreciation, career advancement, accountability or responsibility. On the other hand (Table 6), an increase in recognition, personal development, recognition of the need for greater accomplishments, and management involvement brings about motivation, job efficiency and satisfaction, involvement, and clarity.

TABLE 6 HIGH SCORES OF THE MEAN VALUE

Career advancement and recognition	3.13
Personal development	3.34
Organizational advancement	3.22
Need for greater accomplishments	3.56
Managers ease the employees' work	2.81
Internal and external fairness for pay	2.75
Effective and genuine communication	2.38
Positive approach regarding motivation	2.91
Employees do their job efficiently	2.75
Constant guidance from superiors	3.81
Involvement	2.72
Job satisfaction	3.06
Employee clarity of job expectations	3.00
Trust	2.69

Thus, the study identifies that increased trust in financial and banking institutions leads to motivation, job efficiency and satisfaction, involvement, clarity, etc.

6.3. Test of hypotheses

First. H0: Employee motivation does not have any effect on employee performance.

Performance measures: Parameter Value Mean =3.3271, SD =0.1472, SEM= 0.0556, N=7

90% CI 3.2191 to 3.4352

95% CI 3.1910 to 3.4632

99% CI 3.1209 to 3.5334

Employee motivation measures: Parameter Value Mean=2.3809, SD =0.4657, SEM= 0.1404, N=11

90% CI 2.1264 to 2.6354

95% CI 2.0681 to 2.6938

99% CI 1.9359 to 2.8259

The probability of obtaining the observed sample results, when assuming that employee trust does not have any effect on employee performance, was calculated with the p coefficient. The estimated probability of rejecting the null hypotheses is $p = .0251$, which is considered to be statistically significant. The first hypothesis is therefore accepted, meaning that employee trust in the organization has a significant effect on employee performance. That is when there is an increase in employee motivation such as internal and external fairness for pay, positive approach regarding motivation, job efficiency guidance, involvement, job satisfaction, clarity, etc., there is a corresponding increase in employee performance as well.

Second. H1: Employee engagement does not have any effect on employee performance.

Engagement measures: Parameter Value Mean =2.0571, SD= 0.4495, SEM =0.1699, N =7

90% CI 1.7270 to 2.3873

95% CI 1.6415 to 2.4728

99% CI 1.4273 to 2.6870

The estimated probability of rejecting the null hypothesis that states that an increase in employee trust does not have any significant effect on employee performance is $p = .0043$, which is considered to be very statistically significant. Therefore, the second hypothesis is also accepted, while an increase in employee engagement does have a significant effect on employee performance. Involvement, job satisfaction, employee clarity of job expectation, etc., influence employee performance when personal

development plans are in place.

Third. H2: An increase in employee trust does not have any significant effect on employee performance.

Since both hypotheses were accepted, employee motivation and employee engagement are both influencing employee performance and, combined with our findings related to the fact that motivation and engagement bring about a genuine trust of the employees in the organization, we can conclude that trust has an impact on employee performance. Calculating the 'p' coefficient on both elements, i.e. employee motivation effect on employee performance, respectively employee engagement on employee performance, we found that both are statistically significant. By comparing the means with the t test, we found that the likelihood that the difference ($t_1=2.4699$, $t_2=3.5121$) between the means (M1 and M2) of the two assessed areas (motivation and engagement) could have been caused by chance - is minimum. Our results (Table 7) show that the 95% confidence intervals (CI) for that difference are the followings:

TABLE 7 CONFIDENCE INTERVALS

M2=2.3809	M3=2.0571
95% CI 2.0681 to 2.6938	95% CI 1.6415 to 2.4728
SD2 = 0.4657	SD3 = 0.4495
$t_1=2.4699$	$t_2=3.5121$

Thus, the third hypothesis is also accepted. That is the value that employees place on trust traits (motivational tools and engagement) is high and these increase their performance.

7. FINDINGS, DISCUSSIONS AND RECOMMENDATIONS

Hypothesis **H1** and hypothesis **H2**, which states that there is a significant relationship between employee motivation and employee engagement, on the one hand (which combined give us the framework of employee trust), and employee performance, on the other hand, were accepted. This shows that the kind of trust employees have in their organization, beginning with systems (i.e., learning systems) or procedures, and continuing with trust in a fair pay, in ethical values or in a genuine appreciation of their contribution to organizational advancement, etc., has a significant influence on employee performance. Our study referring to personal learning, encouragement of individual development, career advancement, etc., showed us that employees in the Romanian financial and banking system want to be encouraged by the organization through effective performance systems, they feel the need for greater accomplishments and they want their manager to establish continuous improvement processes. In any financial or banking institution there has to be a clear learning system

for the employees, which encourages them to set learning targets, to boost their knowledge and to align training initiatives with employee development plans.

The third hypothesis stating that an increase in employee trust has a significant effect on employee performance was also accepted. As long as employee motivation and employee engagement are at a moderate level, performance outcomes are also at a moderate level. This paper's results show that employees need a strong culture of accountability and responsibility, constant guidance from their leaders, and genuine and effective communication within the organization. Our findings demonstrate that there is a considerable relationship between elements of trust, as defined at the beginning of our research, i.e. motivation and its compounds, namely engagement and its components, on the one hand, and employee performance, on the other hand. This shows clearly that people need to trust their organization, their superiors, their colleagues, etc., in order to perform at their best. In meeting the employees' needs, trust becomes a relevant factor of the organizational performance.

Looking at the particular aspect of this research, i.e. the interconnection between employee trust and employee performance, further studies should be carried out in order to pinpoint other factors that can influence employee performance. In respect to the fact that this study has considered initially, based on literature review, that trust is defined by the two components, i.e. engagement and motivation, further study is required to demonstrate the influence of those components on employee trust in the Romanian financial and banking institutions. This study becomes however very important for the improvement of human capital by increasing employee trust, showing that people in the reviewed organizations place great value on trust traits. When there is no trust, and when organizations do not consider the feelings and needs of the individuals, employees tend to lower their interest for their duties, and thus performance will significantly drop.

8. CONCLUSIONS

There has been a lot of research done on defining employee performance and connecting it to team performance and organizational performance, concluding that entire performance systems are designed to assess and measure individual performance. This study aims to find answers on the issue related to the degree of organizational understanding over genuine trust: Do individuals really embrace and live with a full dedication through what they are realizing and working every day? We have found that in order to materialize employee trust, people need motivation and engagement. When these are met, individual and organizational performance will be boosted. Self-image, self-marketing, internal politics and how one may 'sell' his/her skills become important aspects of everyone's job and, along the same

lines, managers need to be aware that people are evolving and are fully understanding their role in achieving goals and objectives. By linking personal contribution to organizational performance, we found that learning and continuous development need more attention from today's leaders within the reviewed industry.

The importance of trust in the day-to-day performance should be a concern of both the employee and the organization as a whole. Drawing the line, performance could be translated as trust, when trust is understood as motivation and engagement. Therefore, people could summarize the performance-trust relationship into four statements drawn from this study focusing on employees in the Romanian financial and banking system, as follows:

- I perform because I trust my own skills, I have the adequate competency to fulfill the objectives scheme, I trust myself;
- I perform because I trust my manager – he will notice my performance because he made me believe that he is drawn by values like rightness and justness, he will not deceive my expectations and will not misguide me, since he knows my career path and is aware of my potential;
- I perform because I trust my colleagues; and
- I perform because I trust my subordinates.

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