

# Relationship Between Trust To Leaders And Employee Performance at PT. X

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| Article Info                                                      | Abstract                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| trust to leaders, organizations, and the performance of employees | Employees in the running duties as a subordinate is generally experienced some problems in the environmental work that is caused by trust to leaders that relate to the performance of the employee. The purpose of this study was to determine the relationship of trust in superiors with employee performance. The subject of this study amount (N = 39) that employee of PT. X . This research uses quantitative methods. Data research obtained by using a scale of trust to leaders and scale performance, is analyzed by using the technique analysis correlation of Pearson. The results of the study indicate that there is a relationship between trust to leaders with the performance of employees. Research this illustrates that more high trust to leaders then getting high also the performance of the employee, the value of the correlation between the variables of trust to leaders with the performance of employees is of 0.532 indicates that the correlation between trust to leaders with the performance of employees classified as moderate, the value of the significance of 0.000, the rules are used is if the significance <0.005 then the hypothesis is accepted. The study is useful so that the leaders can maintain and improve the confidence of his subordinates against him and the subordinate can give confidence that full to his leaders can show the performance high too. |

## 1. Introduction

Human Resources (HR) are a vital asset of a company, playing a crucial role in achieving organizational goals. According to Werther and Davis (Sutrisno, 2009), HR refers to employees who are ready, capable, and alert in striving to achieve organizational objectives. A company's performance is largely determined by the condition and behavior of its employees. On one hand, HR can serve as a competitive advantage for a company (Moran & Brightman, 2000), but on the other hand, it can become a liability if not properly managed (Zopiatis & Constanti, 2007).

One important factor influencing employee performance is trust in leadership. O'Toole (1999) emphasizes that trust in leaders within a company is critical, as it affects the company's overall quality. Research by Nyhan (2000) demonstrates a positive relationship between trust in leadership and employee performance. A case study was conducted at PT. X, a family-owned property company based in Makassar, which has been operating since 1980. An initial survey involving 30 employees revealed that 80% of them reported low trust in

their leaders.

The identified issues include a lack of leader integrity in terms of honesty and fairness, employee placement not aligned with their competencies, lack of transparency from leaders to employees, and job appointments not based on competencies. Lewis and Weigert (McAllister, 1995) explain that interpersonal trust comprises cognitive and affective elements. The cognitive aspect involves decisions to trust based on responsibility, reliability, and competence, while the affective aspect pertains to emotional closeness.

Several prior studies support the relationship between trust and performance. Mishra and Morrissey (Utaminingsih, 2009) state that trust is closely related to employee performance, and Situmorang (2013) found a significant relationship between trust in leaders and employee performance. Based on these phenomena and empirical studies, this research aims to analyze the relationship between trust in leadership and employee performance at PT. X. The findings of this study are expected to provide practical contributions to the

development of HR management in Indonesia.

## 2 Research Methodology

The variables in this study consist of the independent variable (X), which is **trust in leadership**, and the dependent variable (Y), which is **employee performance**. The population of this study includes all employees of PT. X who are willing to participate as respondents. According to data from the Head of HR, PT. X employs 42 individuals. The sample was determined using the **Proportional Random Sampling** technique, which selects samples from each sub-population while accounting for their relative sizes (Sugiyono, 2013). PT. X is organized into seven departments, and the distribution of the sample across these departments ensures representation from each.

**Trust in leadership** was measured using a trust scale based on Robbins' (2008) theory, encompassing aspects such as integrity, competence, consistency, loyalty, and openness. Meanwhile, **employee performance** was assessed using a performance scale derived from Bernardin and Russell's (1998) framework, covering key aspects of employee performance. After validation, none of the items in the trust and performance scales were eliminated. Aiken's V analysis showed values ranging from 0.83 to 0.91 for the trust scale and a value of 0.83 for the performance scale.

Following a trial data analysis using SPSS 24.0 for Windows, it was found that 19 out of 20 items on the trust scale had corrected item-total correlations between 0.30 and 0.82. For the performance scale, 25 out of 31 items showed corrected item-total correlations between 0.30 and 0.66. According to Periantalo (2015), reliability refers to the consistency or dependability of measurement results, with scores ranging from 0 to 1. A score of 1 indicates 100% consistency, while a score of 0 reflects no consistency. In psychological measurement, a reliability score of 0.90 is considered excellent, 0.80 is good, and 0.70 is acceptable.

Descriptive analysis for the trust and performance scales was converted into three categories: high, moderate, and low, based on

Azwar's (2015) criteria, which use the hypothetical mean ( $\mu$ ) and standard deviation ( $\sigma$ ). The categorization formula is outlined below. For hypothesis testing, Pearson's correlation analysis was employed to examine the relationship between trust in leadership and employee performance. According to Sugiyono (2013), Pearson's correlation is suitable for determining the strength of the relationship between an independent and a dependent variable.

## 3. Results and Discussion

The subjects of this study are employees of PT. X, with a total of 39 participants. Detailed data about the subjects is included in the appendix of the research scales. Based on gender, the breakdown of the participants is summarized in Table 6. The trust scale used in this study consists of 20 items with a score range of 4 to 1. The data analysis revealed a hypothetical mean of 47.5 and a standard deviation of 9.5. The lowest score recorded was 19, while the highest was 76. Categorization of trust scores is presented in Table 8, showing that 13 participants (33.33%) fall into the high trust category, 26 participants (66.67%) are in the moderate trust category, and none fall into the low trust category.

Butler (as cited in Situmorang, 2013) identified 11 conditions that support trust, including differences, availability, competence, fairness, integrity, loyalty, openness, overall trust, fulfillment of promises, and willingness to accept. These findings suggest that leaders should maintain or even enhance employee trust by fostering these conditions to achieve higher levels of trust.

The hypothesis of this study posits a positive relationship between trust in leadership and employee performance at PT. X. Hypothesis testing was conducted using Pearson's correlation analysis with SPSS 22.0 for Windows. The results, as shown in Table 10, indicate a significance level ( $p$ ) of 0.000 between trust in leadership and employee performance. According to the hypothesis testing criteria, if  $p < 0.05$ , the alternative hypothesis ( $H_a$ ) is accepted, and the null

hypothesis (Ho) is rejected. Consequently, the findings confirm a positive relationship between trust in leadership and employee performance. The correlation coefficient (r) was calculated at 0.532, which falls within the moderate category, as outlined in Table 11.

The correlation strength of 0.532 with a significance level of  $p = 0.000$ , based on a sample size of 39, demonstrates that higher trust in leadership correlates with higher employee performance and vice versa. Covey (as cited in Nyhan, 2000) similarly asserts that increased trust can enhance employee performance. Research by Nyhan (2000) in South Florida supports this, showing that trust in leadership positively influences employee performance. Situmorang (2013) found a similar significant positive relationship between trust in leadership and employee performance at PT. Indojoya Agrinusa, Tbk. Similarly, Widodo (2009) identified a positive impact of trust on the performance of sales personnel at PT. Nyonya Meneer, Semarang.

Ravianto (as cited in Widodo, 2009) notes that work productivity is influenced by factors such as educational background, production tools and technology, work environment (including trust in leadership), and wages. Setyaningsih (2003) further emphasizes that performance improves when employees perceive their leaders as competent, open, caring, and reliable. Trust in leadership has been found to have a stronger influence on performance compared to other variables, underscoring the significant role of subordinate trust in leaders in determining organizational performance (Setyaningsih, 2003).

Robbins (as cited in Bakti, 2013) highlights that trust is a critical attribute associated with leadership. If trust erodes, it can severely impact group performance. Followers who trust their leaders are willing to endure the consequences of their leader's actions, confident that their rights and interests will not be compromised. Bakti (2013) found field evidence that trust significantly impacts subordinate performance. Specifically, employees of Javanese ethnicity with high trust

in their leaders tend to achieve performance outcomes aligned with expectations.

#### 4. Closing

Based on the findings and discussions previously presented, this study concludes that trust in leadership at PT. X is categorized as high, and employee performance is also categorized as high. This indicates a positive relationship between trust in leadership and employee performance at PT. X. The strength of the correlation between these variables is represented by a correlation coefficient (r) of 0.532, signifying a moderate level of correlation between trust in leadership and employee performance.

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