

THE IMPORTANCE OF TRUST IN THE IMPLEMENTATION OF THE STRATEGIC MANAGEMENT PROCESS

Letycja Sołoducho-Pelc*

*A low level of trust is not a barrier to the implementation
of a good strategy, but a high level of trust will
not overcome the problems resulting from
a poor strategy.*

Kevin Vaughan-Smith, 2013

Abstract

Background. Although trust is a prerequisite for building business relationships, the scientific output of the theoretical and empirical research in this field in management sciences is rather meagre. It concerns mainly the trust in the context of building relationships with external partners. However, from the perspective of management it is important to focus on the issue of trust primarily in relation to employees.

Research aims. The aim of the article is to present the achievements of theoretical and empirical research on the issues of trust in the strategic management process.

Methodology. The studies concerned selected problems associated with the trust of the management staff in relation to employees and the implementation of the strategic management procedure.

The main questions concerned: 1. Considering employee ideas when making key decisions in the company. 2. Engagement of employees in the strategy development. 3. Responsibility of all employees for the implementation of the strategy. 4. Discretionary powers of the employees as to the manner of implementing the strategy. The test sample included 150 Polish companies (50 small businesses, 50 medium-sized companies, and 50 large companies). The research tool was a survey questionnaire. In the survey, a research technique applied in quantitative studies – Paper and Pencil Interview (PAPI) was used. The five-point Likert scale was used in the survey questionnaire.

* Wrocław University of Economics, e-mail: letycja.soloducho@gmail.com

Key findings. The surveys allowed confirming the existence of a relationship between trust and the implementation of the strategic management procedure.

Key words: strategic management, strategy, trust, employee, strategy formulation, strategic implementation

INTRODUCTION

The consequences of the economic and social changes occurring in the world affect management sciences, where new solutions appear, the perception of problems is changing, and the importance of new factors is accepted. The concept of strategic management is also subject to fundamental changes. There appears the problem of stimulating the activity of employees, giving them an opportunity to make their own decisions and enhancing their freedom of action. In addition, there is also a difficult problem of responsibility for the effects of implementing the company' strategy.

In the new management approach, people come to the fore as the "carrier" of success and failure of the organisation. Such interest in people is reflected in strategic management. It seems that the concept of strategic management is connected inseparably with the people who develop and implement the strategy. Top management, referred to as "strategic management level", has the highest range of powers and responsibilities. A manager-strategist is expected to invite employees to the process of developing the strategy. Employees, called co-strategists, should implement the strategic management process based on the principles of autonomy and participation, using the practical knowledge and engagement. Such an approach should ensure an optimal implementation of the strategic management process. The development of winning strategies requires support from all members of the organisation, who must be deeply involved in the strategic management process. Despite the assumptions concerning the need of cooperation between the management staff and employees, a separation between these groups can still be noticed in practice.

It seems that trust, or actually a lack of it, is a common problem. However, in modern times, it takes on a new meanings – also in relation to the development and implementation of the strategy. Perhaps, trust is a factor that significantly affects the effectiveness of the strategic management process.

The aim of this paper is to present the problems of trust in the strategic management process, which were described in the literature in the field of management, as well as results of the empirical research. The studies concerned selected problems associated with the trust of the management staff in relation to employees and the implementation of the strategic management procedure.

TRUST IN THE LITERATURE

A simple search in Google indicates that there is a growing number of papers on trust (Ko, 2010). Trust is a subject of research in various disciplines such as sociology, psychology, anthropology, economics, and management. Therefore, the concept of “trust” covers different interpretations of this term in the psychological, social, economic, or cultural sense (Zhen, Xuan, & Jing, 2012).

In the literature concerning trust, scientists propose many definitions that were developed in response to the requirements of individual scientific disciplines. Consequently, there is no definition accepted by all researchers. Also the subjective nature of perception of trust reduces the possibilities of introducing a universal explanation of this problem (Mayer et al., 1995; Welty, & Becerra-Fernandez, 2001; Brewer, & Strahorn, 2012).

However, it is necessary to diversify the conceptualisation of trust due to the interdisciplinary nature of this problem (Bigley, & Pearce, 1998; Rousseau et al., 1998; Kramer, 1999; McKnight et al., 2002; McEvily et al., 2003; Li, 2007).

In one of the proposed definitions, trust refers to a range of actions based on conviction and believing other people (McAllister, 1995). Stating precisely the definition of “trust”, it is assumed that people-inition of trust refers to a range of acti (Adobor, 2006). Trust is also perceived as a mental state which includes acceptance of sensitivity and positive expectations as to the intentions or behaviours of other people. As trust is considered to be a mental state, it is not identified only with behaviour or cooperation (Rosseau et al., 1998; Brewer, & Strahorn, 2012).

It is assumed that the character of trust is multi-stage, multi-level, multidimensional, multi-faceted, and also dynamic intentions or behaviours of other people. onsequently, there is no definition accepted

by all researchers. Also the subjective nature other circumstances (Lau, & Rowlinson, 2011).

Common features can be found in various approaches to the definition of trust. Most often, researchers pay attention to two key elements: expectations of partners and mutual positive behaviours (Das, & Teng, 2002; Gaur, Mukherjee, Gaur, & Schmid, 2011).

In turn, in the studies devoted to the analysis of problems associated with trust, attention is paid to the following three issues (Parkhe, 1998; Gaur, Mukherjee, Gaur, & Schmid, 2011):

- trust is associated with uncertainty;
- trust is accompanied by fear of losing something valuable;
- trust concerns a partner whose attitudes and actions cannot be fully controlled.

In the literature, authors propose different classifications of trust that relate to various situations in which trust appears. Attempts had been made to classify trust and the following types of trust were separated: basic trust (cognitive or emotional) and trust in behaviour (Kee, & Knox, 1970; Koller, 1988; Lewis & Weigert, 1985; Koeszegi, 2004). Taking into account the factors determining the trust, the following classification was proposed (Adobor, 2006):

1. Deterrence-based trust. People are afraid of consequences resulting from a breach of trust: the higher the penalty, the greater the likelihood that the entities will be trustworthy (Shapiro et al., 1992).
2. Knowledge-based trust or trust that is established after partners get acquainted with each other. This form of trust appears when the behaviour of a partner can be predicted (Lewis, & Weigert, 1985).
3. The trust resulting from the identification, which appears on the basis of the membership in a given group (Zucker, 1986).

From the perspective of historical changes in management science, until recently trust has been considered as a soft, intangible factor that does not play a significant role in the strategic thinking of leaders (Vaughane – Smith, 2013). Currently, attention is paid to the multidimensional nature of trust which applies both to a specific person and an organisation along with its activities. Therefore, trust requires making a conscious decision, despite the unpredictability of events and the possibility of disappointment (Koeszegi, 2004). It is a relationship based on emotional ties between “actors”, where the

dependence and reliability play an important role (McAllister, 1995). The studies show that trust is not limited to human beings, but also applies to social or organisational systems. Trust concerns various entities: individuals, groups, social entities, relations between people, as well as relations between persons and groups (Wexselberg, 1996).

As trust “exists” in a risky environment, it is linked with the management of uncertainty and risk (Bhattacharya, Devinney, & Pillutla 1998; Sheppard, & Sherman, 1998; Lau, & Rowlinson, 2011). A certain level of uncertainty is necessary for the appearance of trust (Barney, & Hansen, 1994; Madhok 1995; Adobor, 2006). However, above that threshold, an increase in uncertainty leads to a decrease in trust. This suggests that there may be an optimal level of trust (Adobor, 2006).

Despite the growing importance of management by trust, the term “trust” has not been precisely defined, there is no unanimity about its nature and features, types of trust and their synthesis into integrated frameworks (Shapiro, 1987; Bigley, & Pearce, 1998; Kramer, 1999; Hardin, 2002; McKnight et al., 2002; Nooteboom, 2002; Dietz, & Hartog, 2006; Möllering, 2006; Lewicki, Tomlinson, & Gillespie 2006).

THE IMPORTANCE OF TRUST FROM THE PERSPECTIVE OF LEADERS AND EMPLOYEES

In management, trust concerns interpersonal relationships between persons performing different functions in an organisation. Persons from the executive and management level are often indicated as those whose attitude and ethics are essential for the relationships based on trust within an organisation (McKnight et al., 1998; Sydow, 1998). Although trust is an interpersonal phenomenon, members of an organisation reflect collective intentions and act on behalf of the company (Zaheer, & Venkatrama, 1995). Trust does not necessarily mean placing the interest of a partner above own interest – this would be altruism, not trust (Adobor, 2006; Gaur et al., 2011).

Trust in relation to leadership has gained popularity in the last 20 years. It has been acknowledged that a high level of trust is essential for the involvement of employees and strengthening the efficiency of an organisation (Barney, & Hansen, 1994; Battaglio, & Condrey, 2009). Despite the fact that theoretical and empirical studies have been

conducted in this area, trust of employees to executive and management staff still seems to be insufficient (Schofield, 2008; Pate et al., 2012).

Studies on the leadership indicated also that a positive relationship between trust and management translated into knowledge management and organisational performance. Executive staff and top managers should recognise that gaining trust is a critical condition for obtaining strategic advantages (Lai et al., 2009). When building trust, leaders of an organisation should pay attention to the limitations of trust (Vaughan–Smith, 2013).

In the studies on the management in the area of relationships, the term “interpersonal trust” referring to managers and specialists in an organisation appeared (Zhen et al., 2012). Trust at the level of individual relationships allows strengthening trust at the organisational level. Such changes in an organisation should be initiated by leaders. The support for the behaviours aimed at building trust and employee engagement requires changes in the culture, systems, and structures of an organisation (Vaughan–Smith, 2013). Managers should establish a long-term partnership with internal and external business partners (Morgan, & Hunt, 1994; Lai et al., 2009).

Managers should participate systematically in the dialogue with different groups of stakeholders, because they have an influence on the ability to implement the strategy.

In the 21st century, the process of globalisation and global crises change the manner of conducting the businesses activity – ethical issues gain significance also in terms of the process of developing and implementing the strategy (McManus, 2011).

In the studies on trust in an organisation, analyses of employee-related problems are also undertaken. Trust facilitates contacts between people both in personal and business matters (Bigley, & Pearce, 1998). In the organisational context it seems important how the employees perceive the organisational climate of trust and the credibility of the organisation represented by the management (Searle et al., 2011; Holland, & Cooper, 2012). Managers should not ignore the impact of trust on attitudes of employees and their contribution to the operations of the organisation. Trust is shaping the collaboration and also is a key element in the assessment of the relationships between the management and employees (Holland, & Cooper, 2012). Trust is associated positively with attitudes of employees and their behaviour at work (Dirks, & Ferrin, 2002; Hampton, Goulet, Rainie,

& Purcell, 2011; Holland et al., 2012). In relation to employees, trust can be considered as a means to build engagement, which has a noticeable impact on the organisation's activity. Organisations with a high level of trust and strong engagement of employees are characterised by greater loyalty, greater innovation, and better collaboration (Vaughan–Smith, 2013).

In the strategic context of human resource management, the concept of trust is associated with employee engagement and an increased effectiveness in the strategy implementation (Nichols et al., 2009; Holland et al., 2012). A trusting, loyal employee takes care of the future direction of the company's development (In management ...2011).

MANAGEMENT BY TRUST

In the last few decades, the interest of researchers in the role of trust in organisation management has kept on increasing (Zaheer, & Venkatrama, 1995; Koza, & Lewin, 1998; Rousseau et al., 1998; Inkpen, & Currall, 2004; Li, 2007). Trust initiated through establishment of individual relationships can be developed and “extended” to organisations, markets, or societies. Building personal trust inspires trust in others and initiates trust in the organisation (Vaughan–Smith, 2013).

The growing importance of trust results from the increased risk of organisation management, especially in terms of collaboration between people and organisations (Luhmann, 2000; Coleman, 1990; Giddens, 1990; Uzzi, 1997; Das, & Teng, 2001; Dyer, & Chu, 2003). Results of the studies can serve as an indication that the collaboration within an organisation and cooperation between organisations require trust (Dodgson, 1993; Niu et al., 2012).

In the environment, in which the level of uncertainty and complexity is growing, trust is considered as an alternative mechanism for controlling collective organisational activities. This mechanism is more effective than the governance resulting from the hierarchy and the use of standard monitoring and control methods (Bradach, & Eccles, 1989; Hosmer et al., 1995; Zaheer, & Venkatraman, 1995; Niu et al., 2012).

According to the results of theoretical and empirical studies, trust has a positive effect on the operations of organisations (Smyth et al., 2010; Gustafsson et al., 2010).

Contemporary theoreticians of management indicate that the emphasis put on management by trust brings many benefits to organisations (Das et. al., 2005):

- reduction of transaction costs (Zaheer, & Venkatraman, 1999),
- facilitation of investments in a long-term perspective (Gulati, 1995; Dyer, 1996),
- limitation of opportunism (Wathne, & Heidi, 2000; Adobor, 2006).

Trust is recognised as a factor affecting the speed with which an organisation acts. In the organisations, in which the level of trust is low, there are many barriers to overcome, the organisation “works” slower and the costs of business activity are higher.

Trust also helps building a strategic competitive advantage by reducing costs, increasing profits, and accelerating the achievement of the planned results. When trust and engagement appear at the same time, they generate more favourable results (Morgan, & Hunt, 1994).

In the literature on marketing, trust is perceived as an important concept concerning the cooperation in relational contracts (Dwyer et al., 1987; Jiang et al., 2011). In international business, trust has been recognized as an important prerequisite for the development of inter-organisational relationships (Fukuyama, 1995; Niu et al., 2012). In management sciences, it is assumed that trust is a social phenomenon that facilitates the operation of organisations (Nootboom, 1996). Arguments indicating benefits of incorporating the management by trust include a better flexibility and a better preparation of companies for changes. Trust has become a preferred way of change management (Macauley, 1963; Yamagishi et al., 1998; Adobor, 2006).

As a result of the crisis, trust became the basis of the social capital (Nahapiet, & Ghoshal, 1998). It is also perceived as a foundation of company’s competence (Hamel, & Prahalad, 1996). There are references to trust in the enterprise resource theory. In this theory, the management of trust is treated as company’s competence (Barney, 2006; Wernerfelt, 1984; Gustafsson et al., 2010).

In turn, a low level of internal trust results in a growth of bureaucracy and a high staff fluctuation. With regard to the environment, a lack of trust or a limited trust builds an unfavourable image of the company and has a negative impact on its reputation, brand, and turnovers.

The above arguments indicate a significant impact of trust on the effectiveness of company’s operations. Partners may engage in

informal communication and exchange of information (Wu, 2008; Kedia, & Mukherjee, 2009). The need to use formal and costly protection mechanisms, such as very detailed agreements and constant monitoring, is decreasing (Larson, 1992; Dyer, & Singh, 1998). It can be stated that trust at the organisational translates into economic benefits (Vaughan–Smith, 2013).

A tendency to take risks associated with trust reflects the self-confidence of the organisation (Nooteboom, 1996; Niu et al., 2012). Therefore, in management sciences, it is recommended to increase trust and decrease distrust. Understanding the relationships between different levels of trust and the enterprise management is of key importance (Vaughan–Smith, 2013).

Building trust within the organisation requires fulfilment of some conditions (Vaughan–Smith, 2013):

- maintaining the integrity – actions must be consistent with the personal system of values
- authenticity of intentions characterised by care for people,
- having knowledge, skills, talents, or attitudes that are used for building trust,
- obtaining the results that confirm the ability to achieve goals, which in turn builds the reputation, especially in a situation of high uncertainty (Ben-Porath, 1980; Chiles, & McMacklin, 1996; Adobor, 2006).

Fulfilment of these conditions allows building trust in oneself, as an individual, and establishing relationships based on trust. Such relationships are of an unambiguous nature and are characterised by respect. They allow focusing on fulfilling the commitments and solving the problems in a responsible manner (Vaughan–Smith, 2013).

Management by trust is a relatively new research subject which is taken also by Polish researchers (Kordel, 2002; Juchnowicz, 2007; Hejduk et al., 2009; Sankowska, 2011; Paliszkievicz, 2014). As an extension of the concept of management by trust, the concept of “empowerment” was introduced which refers to a trust-based management strategy (Krawczyk-Brylo, 2012).

Trust management should help you in an effective execution of the strategic management process and in the implementation of the management at the operating level.

Strategic management in the area of management sciences has a relatively short history. Universally, it can be defined as a process

of developing and implementing the strategy (Kaleta, 2013). The implementation of the strategic management provides measures for achieving the strategic goals and enhancing competitive advantage (Porter, 1985). The strategy is both the basis and the “product” of strategic management. In the classical definition, a strategy is identified with an organisational plan that is inseparable from the structure, behaviour, and culture of the company, which determines the context of the business activity in human and economic aspects (Andrews, 1971). In the first models of strategic management, the emphasis was put on the importance of making strategic decisions and on the development of detailed rules, procedures, and policies related to planning and achieving strategic objectives (McManus, 2011). At present, the stress is put on the need for communication and negotiations with various stakeholders as a part of the strategic management process.

Trust in oneself and in partners plays an important role in the development of plans and strategies (Richardson, 2009). Its role is important also when making strategic decisions, because it allows disclosing information and enables a better exchange of information. (Parayitam, & Dooley, 2007). Trust has an influence on the engagement of employees in the activities aimed at the achievement of objectives. Trust and engagement play an essential role especially when implementing high-risk strategies (Bresnen, & Marshall, 2000).

Intentionally developed trust supports important initiatives and helps solve problems:

- creating joint strategies (Astley, & Fombrun, 1983);
- coordinating economic activities (Miles, & Snow, 1986);
- promoting an open exchange of information and knowledge, as well as the process of inter-organisational learning (Hamel, 1991);
- managing conflicts between organisations (Nooteboom, 1996);
- significant reduction of transaction costs (Pfeffer, & Salancik, 1978);
- organisational changes and adaptation (Morgan, & Zeffane, 2003).

The inclusion of trust in the strategic management requires linking trust with the organisational culture, procedures, systems, and activities of the organisation under the strategy (Gustafsson et al., 2010).

LITERATURE REVIEW AND HYPOTHESES

Taking into account the literature concerning trust in management sciences, the following hypotheses in the field of strategic management have been formulated:

H1: Holding talks between the management and employees about the future of the company allows taking employees' ideas into account when making key decisions in the company.

H2: Consideration of employee ideas when making key decisions in the company is associated with employee engagement in the development of the strategy.

H3: Holding talks between the management and employees about the company's future is associated with the discretionary powers of the employees as to the manner of implementing the strategy.

H4: Consideration of employee ideas when making key business decisions strengthens the responsibility of all employees for the implementation of the strategy.

H5: Consideration of employee ideas making key decisions in the company is associated with the discretionary powers of the employees as to the manner of implementing the strategy.

H6: Engagement of employees in the strategy development process strengthens the responsibility of all employees for the implementation of the strategy.

H7: Engagement of employees in the strategy development process is associated with the discretionary powers of the employees as to the manner of implementing the strategy.

H8: The responsibility of all employees for the implementation of the strategy is associated with the discretionary powers of the employees as to the manner of implementing the strategy.

METHODOLOGY

The paper presents the research results obtained in a project concerning the identification and assessment of the strategic management in the practice of Polish companies (research project N N115 402240). The survey concerned the practice of strategic management in Polish companies. Particular attention was paid to the issues related to: strategic

management process, participants in the strategic management, forms of the strategy, and content of the strategy.

The test sample included 150 Polish companies. Joint-stock companies were invited to participate in the survey. The entities surveyed were classified into three groups: 50 small businesses (less than 50 employees), 50 medium-sized companies (50 to 250 employees), 50 large companies (over 250 employees). The companies participating in the survey were represented by the top management.

In order to select the research sample and ensure the highest representativeness in the survey, the stratified random sampling method was used. Thanks to adopting this method, the sample is more representative in terms of a larger number of variables as compared with a simple random sample. In addition, a method based on collecting data in an open and standardised manner was used.

One statistical analysis method was used in the survey: Kendall's tau-b correlation coefficient.

The survey was carried out by a research agency. The research tool was a survey questionnaire. In the survey, a technique applied in quantitative studies – Paper and Pencil Interview (PAPI) was used. During the face-to-face interview, the respondents referred to the statements contained in the questions. The five-point Likert scale was used in the survey questionnaire. The representatives of the companies responded by specifying the degree of acceptance for a particular issue.

RESULTS OF THE RESEARCH AND DISCUSSION

The paper presents results of the research concerning trust of the management staff in relation to employees in the strategic management process. The research problems were included in the following research questions: Does the management staff trust employees in the issues concerning the strategy of the organisation? What are the manifestations and consequences of putting trust in employees in relation to the implementation of the strategic management process?

The attention in the study was focused on an analysis of the following issues: manifestations of trust of the management staff in employees: talks, listening to suggestions, consideration of employee initiatives, and the effects of putting trust in employees in the strategic

management process (at the stage of development and implementation of the strategy).

Bearing in mind the manifestations of trust and the strategic management procedure, the following problems were analysed:

- holding talks between the management and employees about the future of the company;
- considering employee ideas when making key decisions in the company;
- engagement of employees in the strategy development;
- responsibility of all employees for the implementation of the strategy;
- giving the employees discretionary powers as to the manner of implementing the strategy.

In order to test the hypotheses, the significance of the Kendall's tau coefficient was verified. The results are presented in Table 1.

Table 1. Correlations calculated using the Kendall's tau-b method

Hypothesis	Kendall's tau-b coefficient
H1	0.345**
H2	0.627**
H3	0.180*
H4	0.166*
H5	0.240**
H6	0.197**
H7	0.390**
H8	0.372**

* Correlation significant at the level of 0.05 (two-sided)

** Correlation significant at the level of 0.01 (two-sided)

Source: own work.

In Hypothesis 1, it has been assumed that there is a relationship between the fact that the management staff holds talks with employees about the future of the company and the consideration of employee ideas when making key decisions in the company. The value of the Kendall's tau coefficient is 0.345, which indicates the existence of an average positive relationship. This means that the more talks about the

future of the company take place among employees, the more often their ideas are considered in the decision-making process concerning the directions of the future development. It can be assumed that while building trust in relation to employees, talks about the development of the organisation should be held with them, which entails the need to consider the opinions and suggestions of the employees when making strategic decisions.

Hypothesis 2 referred to a relationship between the consideration of employee ideas when making key decisions in the company and the engagement of the employees in development of the strategy. The value of the Kendall's tau coefficient was 0.627, thus the existence of a strong positive relationship was confirmed. This means that the greater the interest of the management in employee ideas (from the point of view of making decisions on the future of the company), the greater the employee's activity in developing the strategy of the organisation. This is an interesting conclusion that confirms the importance of trust in relation to employees: the consideration of employee ideas when making decisions concerning the development strategy forces employees to engage in the strategy development process.

Hypothesis 3 is statistically significant. The existence of a relationship between the fact that the management staff hold talks with employees about the future of the company and giving the employees discretionary powers as to the manner of implementing the strategy was confirmed. In this case, there is a weak positive correlation (0.180). So it can be assumed that the more talks (involving the employees) about the development of the company, the greater the discretionary powers of employees as to the method of implementing the strategy. Talks with employees on strategically important topics entail the trust and independence of the employees at the stage of the strategy implementation.

Hypothesis 4 referred to a relationship between the consideration of employee ideas when making key decisions in the company and strengthening the responsibility of all employees for the implementation of the strategy. A weak positive correlation (0.166) was obtained, which allows accepting the hypothesis. This means that the greater the importance of the consideration of employee ideas when making key decisions in the company, the greater the responsibility of all employees for the implementation of the strategy. It can be assumed that trust reflected in the consideration of employee initiatives when

making decisions translates into an increased sense of responsibility of the employees for the implementation of the strategy.

Hypothesis 5 concerned a relationship between the consideration of employee ideas when making key decisions in the company and giving the employees discretionary powers as to the manner of implementing the strategy. In this case, there is a weak positive correlation (0.240). This means that the greater the importance of employee ideas for making key decisions in the company, the greater the importance of giving the employees discretionary powers as to the manner of implementing the strategy. If the management accepts employee initiatives and trusts in them, it should show the trust in the implementation of the strategy by the employees.

Hypothesis 6 referred to a relationship between the engagement of employees in the strategy development and the responsibility of all employees for the implementation of the strategy. The value of the Kendall's tau coefficient was 0.197, which means that the existence of a weak positive relationship was confirmed. It can be assumed that the responsibility of all employees for the implementation of the strategy increases along with the growth in the engagement of employees in the development of the strategy. The analysis of this correlation confirms the assumption that trust in employees at the stage of developing the strategy is associated with the responsibility of the employees for the implementation of the strategy.

Hypothesis 7 is statistically significant. The correlation coefficient was 0.390, which means that there is an average positive correlation. It allows accepting the hypothesis concerning the relationship between the engagement of employees in the development of the strategy and the discretionary powers of the employees as to the manner of implementing the strategy. This means that the greater the engagement of employees in the development of the strategy, the greater the discretionary powers of the employees as to the manner of implementing the strategy. It can be assumed that putting trust in employees and the consideration of their initiatives at the stage of strategy formulation will have an effect on their own initiative at the stage of the strategy implementation.

Hypothesis 8 indicated a relationship between the responsibility of all employees for the implementation of the strategy and the discretionary powers of the employees as to the manner of implementing the strategy. An average positive correlation (0.372) was obtained.

This means that the greater the importance of the responsibility of all employees for the implementation of the strategy, the greater the discretionary powers of the employees as to the manner of implementing the strategy. It can be assumed that strengthening the sense of responsibility of the employees for the implementation of the strategy requires putting trust in them as to selection of methods for implementing the strategy.

CONCLUSION

Despite a growing interest in problems of management by trust, the scientific output of the strategic management is not very impressive. The literature research conducted in the area of the management by trust and the research results presented here allowed analysing the practice of Polish companies in relation to the “presence” of trust in the strategic management process. In order to enrich the discussion, it is worth to pay attention to the most important findings resulting from the studies presented in the paper. The companies participating in the empirical studies concerning the strategic management are characterised by an approach to trust consistent with the assumption that it provides a basis for development of business relationships.

In the process of developing the strategy, the company’s management initiates talks with employees about the future of the organisation. Employee ideas and suggestions are taken into account when making strategic decisions in the company. These initiatives strengthen the engagement of the employees in the strategy development process and express trust in the employees.

In the process of implementing the strategy, the inclusion of the employees in discussions about the development of the company’s strategy and the consideration of employee ideas when making key decisions may bring also other concrete benefits in addition to strengthening the sense of responsibility of the employees for the implementation of the strategy. The trust of the management staff is reflected by giving the employees the discretionary powers as to the manner of implementing the strategy.

Trust ties together both stages of the strategic management process. The engagement of employees in the development of the strategy makes them responsible for the implementation of the strategy, but

also requires putting trust in them as to the manner of implementing the strategy. It is the responsibility of the management to decide how to build trust in the organisation and in whom and to what extent the trust should be put, because the management staff should build a strategy based on trust.

At present, the determinants of the environment in which organisations develop include: the globalisation of trade and finance, the Internet, the digital revolution, as well as deepening social and economic disparities. The new reality generates new forms of disturbances, uncertainty, and instability which bring unpredictable consequences to the organisation's strategy. Serious problems of companies with the implementation of strategic management, especially with the implementation of the strategy, have been widely commented by scientists, business practitioners and consultants for several decades. It seems that the right solution is to pay attention to building trust in the strategic management process. The practice of trust in strategic management should help reduce the impact of unexpected events that are difficult to predict and include them in the strategy. The development and implementation of a strategy that takes into account trust in employees can be a key element that will help overcome the problems associated with the implementation of the strategic management procedure.

When indicating directions for further studies, attention should be paid to the problem of building and enhancing trust of employees as the implementers of the strategic management process. In relation to the assessment of the level of trust in an organisation, measurement tools and the rating scale constitute an interesting subject of research. The future research should focus on assessing the impact of trust on the implementation of the strategic management procedure and on the evaluation of the impact of trust on the effectiveness of the organisation's activities. These are important and new topics from the point of view of the implementation of strategic management in practice. They are also interesting ones, as the attention of researchers has been focused so far primarily on strengthening trust in relations with external entities.

REFERENCES

- Adobor, H. (2006). Optimal Trust? Uncertainty as a Determinant and Limit to Trust in Inter–Inter–Firm Alliances. *Leadership & Organization Development Journal*, Vol. 27, Issue 7, pp. 537–553.
- Andrews, K.R. (1971). *The Concept of Corporate Strategy*. Homewood II: Dow-Jones-Irwin.
- Astley, W.G., & Fombrun, C.J. (1983). Collective Strategy: Social Ecology of Organizational Environments. *Academy of Management Review*, 8(4), 576–587.
- Barney, J.B. (2001). Resource-Based Theories of Competitive Advantage: A Ten-Year Retrospective on the Resource-Based View. *Journal of Management*, 27(6), 643–650.
- Barney, J.B., & Hansen, M.H. (1994). Trustworthiness as a Source of Competitive Advantage. *Strategic Management Journal*, 15, 175–190.
- Battaglio, P. Jr, R., & Condrey, S.E. (2009). Reforming Public Management: Analyzing the Impact of Public Service Reform on Organizational and Managerial Trust. *Journal of Public Administration Research and Theory*, 19(4), 689–707.
- Ben-Porath, Y. (1980). The F-connection: Families, Friends, and Firms in the Organization of Exchange. *Population and Development Review*, 1–30.
- Bhattacharya, R., Devinney, T.M., & Pillutla, M.M. (1998). A Formal Model of Trust Based on Outcomes. *Academy of Management Review*, 23(3), 459–472.
- Bigley, G.A., & Pearce, J.L. (1998). Straining for Shared Meaning in Organisation Science: Problems of Trust and Distrust. *Academy of Management Review*, 23(3), 405–421.
- Bradach, J., & Eccles, R. (1989). Price, Authority, and Trust: For Ideal Types to Plural Forms. *Annual Review of Sociology*, 15, 97–118.
- Bresnen, M., & Marshall, N. (2000). Partnering in Construction: a Critical Review of Issues, Problems and Dilemmas. *Construction Management & Economics*, 18(2), 229–237.
- Brewer, G., & Strahorn, S. (2012). Trust and the Project Management Body of Knowledge. *Engineering, Construction and Architectural Management*, 19(3), 286–305.
- Chia, J. (2005). Is Trust a Necessary Component of Relationship Management? *Journal of Communication Management*, 9(3), 277–285.
- Chiles, T.H., & McMacklin, J.F. (1996). Integrating Variable Risk Preferences Trust and Transaction Cost Economics. *Academy of Management Review*, 21, 73–99.
- Coleman, J. S. 1990. *Foundations of social theory*. Cambridge, MA: Belknap Press.
- Das, T.K., & Teng, B.S. (2002). The Dynamics of Alliance Conditions in the Alliance Development Process. *Journal of Management Studies*, 39, 725–746.

- Das, A., Nag, A., & Ray, S.C. (2005). Liberalisation, Ownership and Efficiency in Indian Banking: a Nonparametric analysis. *Economic and political weekly*, 1190–1197.
- Dietz, G., & Den Hartog, D.N. (2006). Measuring Trust Inside Organisations. *Personnel Review*, 35(5), 557–588.
- Dirks, K., & Ferrin, D.L. (2002). Trust in Leadership: Meta-analytic Findings and Implications for Research and Practice. *Journal of Applied Psychology*, 87(4), 611–628.
- Dodgson, M. (1993). Organizational Learning: A Review of Some Literatures. *Organization Studies*, 14(3), pp. 375–394.
- Dwyer, F.R., Schurr, P.H., & Oh, S. (1987). Developing Buyer–Seller Relationships. *Journal of Marketing*, 51(2), 11–27.
- Dyer, J.H. (1996). Does governance matter? Keiretsu Alliances and Asset Specificity as Sources of Japanese Competitive Advantage. *Organization Science*, 7(6), 649–666.
- Dyer, J.H., & Chu, W. (2003). The Role of Trustworthiness in Reducing Transaction Costs and Improving Performance: Empirical Evidence from the United States, Japan, and Korea. *Organization Science*, 14(1), 57–68.
- Dyer, J.H., & Singh, H. (1998). The Relational View: Cooperative Strategy and Sources of Interorganizational Competitive Advantage. *Academy of Management Review*, 23(4), 660–679.
- Fukuyama, F. (1995). *Trust: The Social Virtues and the Creation of Prosperity*. New York: The Free Press.
- Gaur, A.S., Mukherjee, D., Gaur, S.S., & Schmid, F. (2011). Environmental and Firm Level Influences on Inter-Organizational Trust and SME Performance. *Journal of Management Studies*, 48(8), December.
- Gulati, R. (1995). Does Familiarity Breed Trust? The Implications of Repeated Ties for Contractual Choice in Alliances. *Academy of Management Journal*, 38(1), 85–112.
- Gustafsson, M., Smyth, H., Ganskau, E., & Arhipainen, T. (2010). Bridging Strategic and Operational Issues for Project Business Through Managing Trust. *International Journal of Managing Projects in Business*, 3(3), 422–442.
- Hamel, G. (1991). Competition for Competence and Interpartner Learning within International Strategic Alliances. *Strategic Management Journal*, 12(S1), 83–103.
- Hampton, K.N., Goulet, L.S., Rainie, L., & Purcell, K. (2011). Social Networking Sites and our Lives: How People's Trust, Personal Relationships, and Civic and Political Involvement are Connected to Their Use of Social Networking Sites and other Technologies. 2011. *Pew Research: Washington, DC Available from:*

- <http://www.pewinternet.org/Reports/2011/Technology-and-social-networks.aspx>. [access: 10.02.2017].
- Hardin, R. (2002). *Trust and Trustworthiness*. Russell Sage Foundation.
- Hejduk, I.K., Grudzewski, W.M., Sankowska, A., & Wańtuchowicz M. (2009). Znaczenie zaufania i zarządzania zaufaniem w opinii przedsiębiorstw. *E-mentor*, 5(32). <http://www.e-mentor.edu.pl/artykul/index/numer/32/id/696> [access: 10.02.2017].
- Holland, P., Cooper, B.K., & Pyman, A. (2012). Trust in Management: The Role of Employee Voice Arrangements and Perceived Managerial Opposition to Unions. *Human Resource Management Journal*, 22(4), 377–391.
- Hosmer, L. (1995). Trust: The Connecting Link Between Organization Theory and Philosophical Ethics. *Academy of Management Review*, 20(2), 379–403.
- Inkpen, A.C., & Currall, S.C. (2004). The Coevolution of Trust, Control, and Learning in Joint Ventures. *Organization Science*, 15, 586–599.
- In Management We Trust: How Social Capital Can Improve the Balance Sheet (2011). *Strategic Direction*, 27(5), 29–31.
- Jhih-Ming, L., Gwo-Guang, L., & Wei-Lin, H. (2009). The Influence of Partner's Trust-commitment Relationship on Electronic Commerce Strategic Planning. *Management Decision*, 47(3), 491–507.
- Jiang, Z., Henneberg, S.C., & Naudé, P. (2011). Supplier Relationship Management in the Construction Industry: The Effects of Trust and Dependence. *Journal of Business & Industrial Marketing*, 27(1), 3–15.
- Juchnowicz, M. (2007). Zaufanie organizacyjne. *Kwartalnik nauk o przedsiębiorstwie*, (2), 25–29.
- Kaleta, A. (2013). *Realizacja strategii*. Warszawa: Polskie Wydawnictwo Ekonomiczne.
- Kedia, B.L., & Mukherjee, D. (2009). Understanding Offshoring: A Research Framework Based on Disintegration, Location and Externalization Advantages. *Journal of World Business*, 44(3), 250–261.
- Kee, H.W., & Knox, R.E. (1970). Conceptual and Methodological Considerations in the Study of Trust and Suspicion. *Journal of Conflict Resolution*, 14(3), 357–366.
- Ko, D.G. (2010). Consultant Competence Trust Doesn't Pay off, but Benevolent Trust Does! Managing Knowledge with Care. *Journal of Knowledge Management*, 14(2), 202–213.
- Koeszegi, S.T. (2004). Trust-Building Strategies in Inter-organizational Negotiations. *Journal of Managerial Psychology*, 19(6), 640–660.
- Koller, R.M. (1988). Risk as a Determinant of Trust. *Basic and Applied Social Psychology*, 9, 265–276.
- Koohang, A., Paliszkievicz, J., & Goluchowski, J. (2017). The Impact of Leadership on Trust, Knowledge Management, and Organizational Performance: A Research Model. *Industrial Management & Data Systems*, 117(3), 521–537.

- Kordel, P. (2002). Zaufanie a proces tworzenia strategii przedsiębiorstwa. *Organizacja i Kierowanie*, 2, 77–89.
- Koza, M.P., & Lewin, A.Y. (1998). The Co-evolution of Strategic Alliances. *Organization Science*, 9, 255–264.
- Kramer, R.M. (1999). Trust and Distrust in Organizations: Emerging Perspectives, Enduring Questions. *Annual Review Psychology*, 50, 569–598.
- Krawczyk-Bryolo, B. (2012). Empowerment – strategia zarzermentlogys tworzenia stratZarztegia zarzermentl, 10(4), cz. 1, 313–330.
- Kuei-Hsien, N., Grant, M., Seung, B., & Kenichiro, C. (2012). Trust, Learning and a Firm’s Involvement in Industrial Clusters: A Conceptual Framework. *Competitiveness Review: An International Business Journal*, 22(2), 133–146.
- Lai, J.M., Lee, G.G., & Hsu, W.L. (2009). The Influence of Partner’s Trust-Commitment Relationship on Electronic Commerce Strategic Planning. *Management Decision*, 47(3), 491-507.
- Larson, A. (1992). Network dyads in entrepreneurial settings: A study of the governance of exchange relationships. *Administrative science quarterly*, 76–104.
- Lau, E., & Rowlinson, S. (2011). The Implications of Trust in Relationships in Managing Construction Projects. *International Journal of Managing Projects in Business*, 4(4), 633–659.
- Lewicki, R.J., Tomlinson, E.C., & Gillespie, N. (2006). Models of Interpersonal Trust Development: Theoretical Approaches, Empirical Evidence, and Future Directions. *Journal of Management*, 32(6), 991–1022.
- Lewis, J.D., & Weigert, A. (1985). Trust as a Social Reality. *Social Forces*, 63, 967–985.
- Li, P.P. (2007). Towards an Interdisciplinary Conceptualization of Trust: A Typological Approach. *Management and Organization Review*, 3(3), 421–445.
- Luhmann, N. (2000). Familiarity, Confidence, Trust: Problems and Alternatives, in Gambetta, D. (ed.) *Trust: Making and Breaking Cooperative Relations*, electronic edition, Department of Sociology, University of Oxford, chapter 6, pp. 94-107, <http://www.sociology.ox.ac.uk/papers/luhmann94-107.pdf>. [access: 25.02.2017].
- Macaulay, S. (1963). Non-contractual Relations in Business: A Preliminary Study. *American Sociological Review*, 28, 55–67.
- Madhok, A. (1995). Revisiting Multinational Firms’ Tolerance for Joint Ventures: A Trust-based Approach. *Journal of International Business Studies*, 26, 117–137.
- Mayer, R., Davis, C., & Schoorman, F. (1995). An Integrative Model of Organisational Trust. *Academy of Management Review*, 20(3), 709–734.
- McAllister, D.J. (1995). Affect-and Cognition-Based Trust as Foundations for Interpersonal Cooperation in Organizations. *Academy of Management Journal*, 38(1), 24–59.

- McEvily, B., Perrone, V., & Zaheer, A. (2003). Trust as an Organizing Principle. *Organization Science, 14*, 91–103.
- McKnight, D.H., Choudhury, V., & Kacmar, C.J. (2002). Developing and Validating Trust Measures for E-commerce Customer: An Integrative Typology. *Information Systems Research, 13*, 334–359.
- McManus, J. (2011). Revisiting Ethics in Strategic Management. Corporate Governance. *The International Journal of Business in Society, 11*(2), 214–223.
- McMillan, Ch., & Overall, J. (2016). Wicked Problems: Turning Strategic Management Upside Down. *Journal of Business Strategy, 37*(1), 34–43.
- Measures, M., & Bagshaw, M. (2009). Management and Leadership: A Competency Framework to Deliver the National Trust's Strategy. *Industrial and Commercial Training, 41*(7), 355–362.
- Melewar, T.C., Foroudi, P., Gupta, S., Kitchen, P.J., & Foroudi, M.M. (2017). Integrating Identity, Strategy and Communications for Trust, Loyalty and Commitment. *European Journal of Marketing, 51*(3), 572–604.
- Miles, R.E., & Snow, C.C. (1986). Organizations: New Concepts for New Forms. *California Management Review, 28*(3), 62–73.
- Morgan, R.M., & Hunt, S.D. (1994). The Commitment-trust Theory of Relationship Marketing. *Journal of Marketing, 58*(3), 20–38.
- Morgan, D., & Zeffane, R. (2003). Employee Involvement, Organizational Change and Trust in Management. *International Journal of Human Resource Management, 14*(1), 55–75.
- Möllering, G. (2006). *Trust: Reason, Routine, Reflexivity*. Emerald Group Publishing.
- Nahapiet, J., & Ghoshal, S. (1998). Social Capital, Intellectual Capital, and the Organizational Advantage. *Academy of Management Review, 23*: 242–266.
- Nichols, T., Danford, A., & Tasiran, A.C. (2009). Trust, Employer Exposure and the Employment Relation. *Economic and Industrial Democracy, 30*(2), 241–265.
- Niu, K.H., Miles, G., Bach, S., & Chinen, K. (2012). Trust, Learning and a Firm's Involvement in Industrial Clusters: a Conceptual Framework. *Competitiveness Review: An International Business Journal, 22*(2), 133–146.
- Nooteboom, B. (1996). Trust, Opportunism and Governance: A Process and Control Model. *Organization Studies, 17*(6), 985–1010.
- Nooteboom, B. (2002). *Trust: Forms, Foundations, Functions, Failures and Figures*. Edward Elgar Publishing.
- Paliszkievicz, J. (2014). Rola zaufania w zarządzaniu http://www.ptzp.org.pl/files/konferencje/kzz/artyk_pdf_2014/T1/t1_409.pdf [access: 26.02.2017].
- Parayitam, S., & Dooley, R.S. (2007). The Relationship Between Conflict and Decision Outcomes: Moderating Effects of Cognitive- and Affect-based Trust

- in Strategic Decision Making Teams. *International Journal of Conflict Management*, 18(1), 42–73.
- Parkhe, A. (1998). Understanding Trust in International Alliances. *Journal of World Business*, 33, 219–240.
- Pate, J., Morgan-Thomas, A., & Beaumont, P. (2012). Trust Restoration: An Examination of Senior Managers' Attempt to Rebuild Employee Trust. *Human Resource Management Journal*, 22(2), 148–164.
- Pfeffer, J., & Salancik, G.R. (1978). The external control of organizations: A resource dependence approach. NY: Harper and Row Publishers.
- Politis, J.D. (2003). The Connection Between Trust and Knowledge Management: What Are Its Implications for Team Performance. *Journal of Knowledge Management*, 7(5), 55–66.
- Porter, M.E. (1985). Competitive Advantage: Creating and Sustaining Superior Performance. New York: Free Press.
- Richardson, J. (2009). Indispensable to Sound Strategy: Trust and Confidence in the Planner. *Foresight*, 11(3), 56–66.
- Rousseau, D., Sitkin, S., Burt, R., & Camerer, C. (1998). Not so Different After All: A Cross Discipline View of Trust. *Academy of Management Review*, 23, 393–404.
- Sankowska A., (2011). Wpływ zaufania na zarządzanie przedsiębiorstwem: perspektywa wewnątrzorganizacyjna. Difin.
- Schofield, C. (2008). Key Challenges Facing Public Sector Leaders. *Ashridge Journal*, Autumn, 33–38.
- Searle, R., Hartog, D., Weibel, D.N., Gillespie, A., Six, N., Hatzakis, F.T., & Skinner, D. (2011). Trust in the Employer: The Role of High-involvement Work Practices and Procedural Justice in European Organizations. *International Journal of Human Resource Management*, 22(5), 1069–1092.
- Shapiro, S.P. (1987). The Social Control of Impersonal Trust. *American Journal of Sociology*, 93(3), 623–658.
- Shapiro, D.L., Sheppard, B.H., & Cheraskin, L. (1992). Business on a Handshake. *Negotiation Journal*, October, 365–377.
- Smyth, H., Gustafsson, M., & Ganskau, E. (2010). The Value of Trust in Project Business. *International Journal of Project Management*, 28(2), 117–129.
- Sydow, J. (1998). Understanding the Constitution of Interorganizational Trust”, in Lane, C. and Bachmann, R. (Eds), Trust Within and Between Organizations: Conceptual Issues and Empirical Applications, Oxford University Press, Oxford.
- Uzzi, B. (1997). Social Structure and Competition in Interfirm Networks: The Paradox of Embeddedness. *Administrative Science Quarterly*, 35–67.

- Vaughan-Smith, K. (2013). Harnessing the Strategic Power of Trust. *Strategic Direction, 9*(5), 3–5.
- Wahyudi, I. (2014). Commitment and Trust in Achieving Financial Goals of Strategic Alliance: Case in Islamic Microfinance. *International Journal of Islamic and Middle Eastern Finance and Management, 7*(4), 421–442.
- Wekselberg, V. (1996). Reduced “Social” in a New Model of Organizational Trust. *The Academy of Management Review, 21*, (2), 333–335.
- Wathne, K.H., & Heidi, J.B. (2000). Opportunism in Interfirm Relationships: Forms, Outcomes, and Solutions. *Journal of Marketing, 64*, 36–51.
- Welch, M. (2006). Rethinking Relationship Management: Exploring the Dimension of Trust. *Journal of Communication Management, 10*(2), 138–155.
- Welty, B., & Becerra-Fernandez, I. (2001). Managing trust and commitment in collaborative supply chain relationships. *Communications of the ACM, 44*(6), 67–73.
- Wernerfelt, B. (1984). A Resource-based View of the Firm. *Strategic Management Journal, 5*(2), 171–180.
- Wu, W.P. (2008). Dimensions of Social Capital and Firm Competitiveness Improvement: The Mediating Role of Information Sharing. *Journal of Management Studies, 45*(1), 122–146.
- Yamagishi, T., Cook, K., & Watabe, M. (1998). Uncertainty, Trust and Commitment Formation in the United States and Japan. *American Journal of Sociology, 104*, 165–194.
- Zaheer, A., & Venkatraman, N. (1995). Relational Governance as an Interorganizational Strategy: An Empirical Test of the Role of Trust in Economic Exchange. *Strategic Management Journal, 16*, 373–392.
- Zhen, T., Xuan, Y., & Jing, Z. (2012). Trusting Relationships of CTO-CEO and CTO’s Participation in Technology Strategy: Based on Empirical Study of Chinese High-Tech Firms. *Chinese Management Studies, 6*(1), 137–159.
- Zucker, L. (1986). Production of Trust: Institutional Sources of Economic Structure: 1840–1920. In: B. Staw (ed.), *Research in Organizational Behavior, 8* (53–111). Greenwich: JAI Press.

ZNACZENIE ZAUFANIA WEWNĄTRZ ORGANIZACJI DLA REALIZACJI PROCESU ZARZĄDZANIA STRATEGICZNEGO

Abstrakt

Tło badań. Pomimo że zaufanie stanowi podstawowy warunek budowania relacji w biznesie, jednak dorobek badań teoretycznych i empirycznych z tego obszaru w naukach o zarządzaniu jest dość skromny. Dotyczy on głównie zaufania w budowaniu relacji z partnerami zewnętrznymi. Jednak z punktu widzenia zarządzania istotne jest koncentrowanie się na kwestii zaufania przede wszystkim w odniesieniu do pracowników.

Cele badań. Celem artykułu jest przedstawienie dorobku badań teoretycznych i empirycznych w naukach o zarządzaniu oraz problematyki zaufania w procesie zarządzania strategicznego.

Metodologia. Badania dotyczyły wybranych problemów związanych z zaufaniem kierownictwa w stosunku do pracowników i realizacją procedury zarządzania strategicznego.

Podstawowe pytania dotyczyły:

1. Uwzględniania pomysłów pracowników przy podejmowaniu ważnych decyzji w firmie.
2. Zaangażowania pracowników w tworzenie strategii.
3. Odpowiedzialności wszystkich pracowników za wdrożenie strategii.
4. Swobody decyzyjnej pracowników w kwestii sposobu wdrażania strategii.

Wielkość próby badawczej wyniosła 150 polskich przedsiębiorstw (50 małych firm, 50 średnich, 50 dużych przedsiębiorstw). Narzędzie badawcze stanowił kwestionariusz ankiety. W badaniu wykorzystano technikę badawczą stosowaną w badaniach ilościowych – Paper and Pencil Interview (PAPI). W kwestionariuszu ankiety wykorzystano pięciostopniową skalę Likerta.

Kluczowe wnioski. Przeprowadzone badania pozwoliły na potwierdzenie istnienia związku pomiędzy zaufaniem, a realizacją procedury zarządzania strategicznego.

Słowa kluczowe: zarządzanie strategiczne, strategia, zaufanie, formułowanie strategii, wdrażanie strategii