



**FACULTY OF ADMINISTRATIVE SCIENCE  
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**“RESEARCH ON RELATIONSHIP BETWEEN TRUST AND  
PERFORMANCE OF EMPLOYEES IN ORGANIZATION”**

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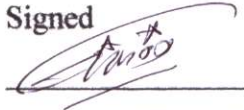
## **ABSTRACT**

*Nowadays, organization have to ensure that they will produce a quality of product for fulfilled needed by the customer. That situation will lead them to make sure the whole thing related to their objective are take care. On the other hand, organization in terms of achieved their objectives and goal is have to make sure that their important parts call as their employees itself. It is because employees are important thing that produce the quality of product to their organization. Without employees organization cannot operate as good as they can. If organizations have to use either machine, it also needed employees to conduct the machine. If employees do not have trust towards their organization, that situation lead to low performance in terms of produce what they have actually doing to their organization in terms of achieved organization goals. That situation face by organization to ensure that their employees trust them to lead them will get good performance from their employees. On the condition that happened on the organization, I started my step to study there are have relationship between trust and good performance of employees in the organization. It will be answer based on my research towards private sector.*

## DECLARATION

I hereby declare that the work contained in this research proposal is my own except those which have been duly identified and acknowledge.

Signed

A handwritten signature in black ink, appearing to read 'Rosnani', written over a horizontal line.

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# Table of Contents

## **Chapter 1 : Introduction**

<b>1.1</b>	<b>Introduction</b>	<b>7</b>
<b>1.2</b>	<b>Problem Statement</b>	<b>10</b>
<b>1.3</b>	<b>Research Objectives</b>	<b>12</b>
<b>1.4</b>	<b>Scope of the Study</b>	<b>13</b>
<b>1.5</b>	<b>Significance of the Study</b>	<b>14</b>
<b>1.6</b>	<b>Definition of Terms/Concepts</b>	<b>15</b>

## **Chapter 2 : Literature Review & Conceptual Framework**

<b>2.1</b>	<b>Literature Review</b>	<b>16</b>
<b>2.2</b>	<b>Conceptual Framework</b>	<b>25</b>

## **Chapter 3 : Research Method**

<b>3.1</b>	<b>Research Design</b>	<b>28</b>
<b>3.2</b>	<b>Unit of Analysis</b>	<b>28</b>
<b>3.3</b>	<b>Sample Size</b>	<b>28</b>
<b>3.4</b>	<b>Sampling Technique</b>	<b>28</b>
<b>3.5</b>	<b>Measurement/Instrument</b>	<b>28</b>
<b>3.6</b>	<b>Data Collection</b>	<b>29</b>
<b>3.7</b>	<b>Data Analysis</b>	<b>29</b>

# **CHAPTER 1**

## **INTRODUCTION**

### **1.1 Introduction**

Many organizations install performance management systems to better manage and guide operations and the execution of strategy. An important precondition for a successful implementation of a performance management system is to involve employees in the development and implementation. In order to obtain employees' participation, management has to first gain their trust because building trust in the workplace is crucial to successful change and organizational performance. The trust-building cycle is proposed which helps organizations build or rebuild trust when implementing performance management.

This research explores the relationship between trust and performance which specifically, why does trusting a supervisor lead to higher performance? The researchers attribute increased performance to the decrease of distractions associated with trusting one's supervisor and the resulting increase in focus on the job. That is, if employees are able to focus on their work, performance is increase. However, if employees are distracted by other issues, there is a decreased in performance.

The issues of trust and performance have taken on a greater strategic important in an organization. Without the trust and the lack of it among organizational members and between management and employees, organization communication, knowledge management, organization performance, and involvement may tend to close down. Trust has been identified as a critical part for organizational effectiveness.