

The Relationship between Servant Leadership with Organizational Trust and Employee Empowerment in the Social Security Organization of Ardabil

Shahram Begzadeh

Department of Management, Parsabad Moghan Branch, Islamic Azad
University, Parsabad Moghan, Iran

Mehdi Nedaei¹

Department of Management, Parsabad Moghan Branch, Islamic Azad
University, Parsabad Moghan, Iran

Abstract

Empowering employees of an organization to achieve pre-determined objectives of the organization is of crucial factors of the success of any organization. Employee empowerment is the most important effort of servant managers to increase organizational trust, innovation, decentralization, and removing bureaucracy in organizations. Thus, the present study is conducted with the aim of "examining the relationship between servant leadership with organizational trust and employee empowerment in Social Security Organization of Ardabil," which is applied in terms of purpose, in terms of method, it is quantitative, and terms of execution, it is a field study. Study population consisted of employees of Social Security Organization of Ardabil (SSOA) totaled 257 people, of whom the sample was estimated as 155 using Cochran's formula. The sampling method was stratified random sampling. The results obtained using Pearson correlation test show that there is a significant relationship between servant leadership with organizational trust and organizational empowerment of employees of Social Security Organization of Ardabil. Moreover, there is a significant relationship between serving of leader, humility of leader, trustworthiness and kindness leader with organizational trust and empowering employees in the Social Security Organization of Ardabil.

Keywords: Servant Leadership, Organizational Trust, Employee Empowerment.

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¹ Corresponding author's email: mehdi.nedaei2016@gmail.com

Introduction

Empowerment is a term that refers to a kind of organizational arrangement that increases autonomy, decision-making power, and responsibility for decision-making of employees. Empowerment means that individuals are provided with enough freedom and the necessary information so that they do what they want successfully rather than being forced to do what the others want.

In studies conducted in the field of empowerment, multiple dimensions have been mentioned to this concept. However, the key dimensions of empowerment include increasing knowledge, increasing capacity for innovation, increasing confidence, improving performance (Whetten, Cameron, & Alvani, 2010). Employee empowerment in modern organizations today is one of the goals of any organization and its managers. From among the variety of managers, servant managers, probably, make additional efforts to increase the capability of their employees.

Servant leadership occurs when leaders in their relationships with followers accept the position of servant, and selfishness and self-interest should not motivate servant leadership but instead it should be used to increase motivation of focus on the needs of others. (Nair, 1994) believes that as long as the power governs our leadership thought, we cannot move towards the high standard of leadership. We must put serving as the center, and although leadership has always had the power, only legitimate use of it is serving. Servant leadership does not define organizational members as people with fewer skills than their manager, but gives values to employees as those of the organization's managers. Organization members are all of equal dignity and they actively participate in the management and organizational decisions. He believes that servant leadership is based on the philosophy of service, and servant leadership prefers empowerment, mutual trust, a spirit of cooperation, ethical use of power to serve, and the value of serving the followers to anything else in the organization.

One of the factors that could be the link between management and employee empowerment is creating organizational trust by managers in the organization. (Shockley-Zalabak, 2000) define the construct of organizational trust as "positive expectations that people have based on organizational roles, relationships, experiences, interdependencies of intentions and various behaviors of the members of the organization." In Mathi's view, trust is defined as a "sense of confidence of the employees in profitability and stability of the behavior and statements of the organization in face of unstable and risky events." Griffin, defines trust as "confidence in people to achieve the desired objectives but unstable in precarious conditions" (Danaeefard & alvani, 2011).

There are three extensive streams in the literature of trust: first, intra-organizational trust i.e. as a phenomenon within the organization, such as trust between employees and supervisors or managers, or among colleagues that our emphasis in this study is on this kind of trust. Second is inter-organizational trust that is a phenomenon between organizations, and third, trust that is between organizations and their customers that is a marketing concept (Dietz & Hartog, 2006).

(Dietz & Hartog, 2006) consider benevolence, competence, integrity, and predictability as the most important elements of trust. (Mayer, Davis, & Schoorman, 1993) consider reliability, competence, and benevolence as the main dimensions of trust.

Considering the above theoretical discussions, the present study tries to examine the relationship between these three variables in the Social Security Organization of Ardabil. Social Security Organization of Ardabil has some branches in each of the districts. The issue of employee empowerment is of the important challenges of this organization. Considering the type of activity of this organization, which mostly deals with financial issues, the issue of organizational trust is of high importance in this organization. Moreover, as the majority of the clients are the elderly and retired people, the issue of serving is considered among the main objectives of the organization. Due to this, the present study will examine the relationship between servant leadership with organizational trust and empowerment of employees in Social Security of Ardabil, and its main purpose is to answer the general question of whether there is a relationship between serving management with organizational trust and employee empowerment in the Social Security Organization of Ardabil.

Review of literature

Servant Leadership

Servant leadership is the leadership that places subordinates' interests as the top priority, and the interests of the organization as the next priority (Hazrati, 2012).

Today's business environments have become environments of great change, fast, competitive and full of ambiguity that show the picture of a stormy sea environment and the role of captain and leader and his decisions to run the organization are shown as important. Leadership is one of the basic concepts in social sciences that many scholars of various disciplines have dealt with (Gharaipour, 2008).

Not to fall behind the others in the rapid world of today, organizations have focused on organizational leaders and are trying to make fundamental changes within the organization (Nargesian, 2007).

Components of servant leadership

1. Serving
2. Humility
3. Reliability
4. Kindness

Organizational Trust

Organizational trust is the expectation of the operators of an organization of competence, fairness, goodwill, and rational behavior of the other party in the organization (Robbins, 2010).

Trust is a multidimensional concept and has different dimensions. Different meanings are cited for trust in different texts. Trust includes meanings such as reliability, predictability, capacity, competence, expertise, goodwill, open management, interest, acceptance, and so on. Attention to the concept of trust began to grow during the 1980s, and this concept was studied from different perspectives .

Trust is defined as believing others because we are dependent on others to achieve our demands. Trust is a dynamic phenomenon that depends on the interaction of various factors that can be effective in building trust. In the definition of interpersonal trust, three elements must be considered: the potential cognitive effects, dependence, and a sense of security.

Empowering employees

Empowerment is a term that refers to a kind of institutional arrangements that increase the independence, decision-making power, and responsibility for decision-making employees. Empowerment means that individuals are provided with enough freedom and the necessary information so that they do what they want successfully rather than being forced to do what the others want. Empowering people means encouraging people to become involved in making decisions that affect their activities. This means that a space is provided for people to be able to create good ideas and turn them into actions. Empowerment is the crucial element in the modern world of business. Goals such as getting more close to the customers, improving after-sales service, providing continuous innovation, increasing productivity, and gaining competitive field will be achieved for organizations that have found new ways to empower their staff.

Empowerment dimensions

In one of the best studies conducted in the field of empowerment by (Spreitzer & Gretchen, 1992), four dimensions were identified for empowerment. Later, based on the studies by Mishra, another dimension was added to it and the five key dimensions of empowerment were formed. However, in the studies by (Conger, Kanungo, & Rabindra, 1998), these aspects have been paid attention to. When managers can foster these five dimensions in staff, they have enabled them by success. Five key dimensions of empowerment are:

1. The feeling of self-efficacy or merit (Danaeefard & alvani, 2011).
2. A feeling of self-organizing (Robbins, 2010).
3. Personal acceptance of consequence.

4. Being meaningful (Whetten, Cameron, & Alvani, 2010).
5. Trust (Smith, 2000).

Summary of five key dimensions of empowerment are given in Table 1.

Table 1: Summary of empowerment aspects

| Dimension | Components |
|-------------------------------------------|----------------------------------------|
| Self-efficacy | A sense of personal competence |
| Self-organizing | Feeling of personal choice |
| Personal acceptance of consequence result | Feeling of ability to influence events |
| being meaningful | Feeling of valuable work |
| Trust | Feeling of security |

Research background

A study entitled analysis of the relationship between organizational trust, psychological empowerment, and organizational commitment has been done by (Zahedi & Boudlaie, 2015). This research aims to examine the relationship between trust, psychological empowerment and organizational commitment. The results generally indicate a significant relationship between trust, psychological empowerment, and organizational commitment. However, the aspects of merit, meaningfulness, and selection have no significant relationship between organizational commitment, and the relationship between effectiveness and organizational commitment was confirmed.

(Hazrati, 2012) has conducted a study entitled the relationship between service aspects by empowering employees in government agencies of Arak. The results indicate a weak relationship between serving of managers and empowering, and there is a difference between the perception of managers and employees in serving properties.

In a study entitled "Studying the relationship between organizational trust and organizational performance among employees of Mobarakeh Steel Co.," conducted in survey by using semi-structured interviews, (Bakhtiari, 2010) has said that "low levels of trust negatively affect this relationships, destroy innovation, and disrupt decision-making process.

Radona, has conducted a study entitled "Leadership style, confidence-building, and effectiveness of staff in offices of State of Helsinki, Finland" in survey from on a sample of 365 people from 23 government agencies of the city. He has concluded that servant leadership style creates trust and leads to effectiveness of the employees more than authoritarian leadership. However, he excludes the army from this result.

In a study entitled "Servant leadership: an introduction to trust in organizations", (Sendjaya & Pekerti, 2010) have examined the relationship between servant leadership and trust. They have stated that all aspects of servant leadership such as (service,

trustworthiness, compassion and humility) have a positive relationship with organizational trust, so that as the leadership in an organization is more serving, organizational trust in the organization shows a significant growth trend.

The findings of a study conducted by Frisell, under the title of differences of servant leadership principles in public schools based on gender in America indicate a significant difference between the employment of servant leadership among women and men. Moreover, it is explained that women are more likely than men to use servant leadership style (Hazrati, 2012).

Research Methodology

This study is applied in terms of purpose, regarding the method, it is quantitative, and survey in terms of implementation, as it is conducted in real environment (SSOA).

The population of this research includes employees of SSOA with totaling 257 persons. The sample size was determined as 155 people using Cochran formula as follows:

$$n = \frac{(z^2 pq \div d^2)}{1 + (1 \div N)[(zt^2 pq \div d)^2 - 1]}$$

$$n = \frac{(1/96^2) \times 5 \times 5 \div /5^2}{1 + (1 \div 257)[(3/84 \times 0/5 \times 0/5 \div /5^2) - 1]} = 155$$

Sampling is stratified random (quota) because the entire staff of the province is used proportionally.

To determine the validity, the questionnaire was given to the supervisor and a number of experts and professors of management, and they were surveyed about questions and evaluation off hypotheses, so that with necessary intervention, the validity of the questionnaire was confirmed.

To calculate the reliability by Cronbach's alpha, 30 questionnaires were distributed as a pilot and randomly among some members of society and the variance of questions score related to each variable was calculated. This data are given in Table 2 and Table 3.

Table 2: Table of variance of variables

| Variable | Dimension | Total variance |
|----------------------|----------------------------|----------------|
| Servant Leadership | Service | 0.61 |
| | Humility | 0.64 |
| | Trustworthiness | 0.62 |
| | Kindness | 0.66 |
| Organizational Trust | Honesty | 0.53 |
| | Efficiency | 0.61 |
| | Stability | 0.62 |
| | Loyalty | 0.61 |
| Empowerment | Self-efficacy | 0.59 |
| | Self-Organizing | 0.60 |
| | Accepting the consequences | 0.66 |
| | Being meaningful | 0.65 |

Table 3: Cronbach's alpha table

| Variable | Dimension | Alpha coefficient |
|----------------------|----------------------------|-------------------|
| Servant Leadership | Service | 0.73 |
| | Humility | 0.71 |
| | Trustworthiness | 0.68 |
| | Kindness | 0.69 |
| Organizational Trust | Honesty | 0.62 |
| | Efficiency | 0.66 |
| | Stability | 0.72 |
| | Loyalty | 0.68 |
| Empowerment | Self-efficacy | 0.59 |
| | Self-Organizing | 0.73 |
| | Accepting the consequences | 0.70 |
| | Being meaningful | 0.64 |

Because Cronbach's alpha coefficient of all the variables is more than 0.70, so reliability is desired.

To test the normal distribution of data, Kolmogorov - Smirnov test was used. Given that, the significance of Kolmogorov-Smirnov test for all variables is above 0.050, so the distribution of population is normal. This data are given in Table 4.

Table 4: Table of normal distribution of data

| Variable | Dimension | Alpha coefficient |
|----------------------|----------------------------|-------------------|
| Servant Leadership | Service | 0.060 |
| | Humility | 0.058 |
| | Trustworthiness | 0.064 |
| | Kindness | 0.061 |
| Organizational Trust | Honesty | 0.067 |
| | Efficiency | 0.065 |
| | Stability | 0.063 |
| | Loyalty | 0.067 |
| Empowerment | Self-efficacy | 0.069 |
| | Self-Organizing | 0.061 |
| | Accepting the consequences | 0.73 |
| | Being meaningful | 0.78 |

According to the hypotheses, as all hypotheses the aim is determining the relationship between variables (ranking) in SPSS, Spearman test should be used, but for normal distribution of data, Pearson correlation test was used.

Results

Descriptive Statistics

Based on the data obtained 67.1 percent of the respondents were male and 32.9 percent were women.

Based on the data obtained, 3.9% of the respondents have degree less than diploma, 11% diploma, 13.5% associate's, 49% bachelor's, 20 percent master's, and doctorate 2.6% doctorate.

Based on the data obtained, 16.8%, of the respondents have 1 to 5 years of working experience, 27.7% between 6 and 10 years, 32.9% between 11 and 15 years, and 22.6% over 15 years.

Based on the data obtained, 14.8% of the respondents are simple employees, 47.7% experts, 31% administrators, and 6.5% deputy.

According to the data, 39.4% of respondents evaluated serving of the manager as low, 42.6% moderate, and 18% as high.

According to the data, 44.9% of the respondents see humility of the managers as low, 41.3% moderate, and 11.8% as high.

According to the data, 44.9% of the respondents see trust in the managers as low, 41.3% moderate, and 11.8% as high.

According to the data, 40.8% of the respondents see the accountability of the managers as low, 40.2% moderate, and 19% as high.

According to the data, 38.6% of the respondents see their trust to the organization as low, 43.5% moderate, and 17.9% as high.

Moreover, according to the data, 42.3% of the respondents see the empowerment of the employees as low, 39.1% moderate, and 18.6% as high.

Testing the hypotheses

The main hypothesis

1. There is a significant relationship between servant leadership and organizational trust in SSOA. This data are given in Table 5.

Table 5: Testing the relationship between servant leadership and organizational trust

| Test | The significance level | The correlation coefficient | Number of observations |
|------|------------------------|-----------------------------|------------------------|
| 155 | 0.69 | 0.002 | Pearson correlation |

Significance level Pearson's coefficient (0.002) is less than the specified standard (0.050), so there is a significant relationship between servant leadership and organizational trust in SSOA.

2. There is a significant relationship between servant leadership and organizational empowerment in SSOA. This data are given in Table 6.

Table 6: Testing the relationship between servant leadership and organizational empowerment

| Test | The significance level | The correlation coefficient | Number of observations |
|------|------------------------|-----------------------------|------------------------|
| 155 | 0.56 | 0.019 | Pearson correlation |

Since significance level Pearson's coefficient (0.019) is less than the specified standard (0.050), so there is a significant relationship between servant leadership and organizational empowerment in SSOA.

Sub-hypotheses

1. There is a significant relationship between serving of the leader with organizational trust and empowering employees in SSOA.

Since significance level Pearson's coefficient (0.011) is less than the specified standard (0.050), there is a significant relationship between serving of the leader and organizational trust and empowering employees in SSOA.

2. There is a significant relationship between humility of the leader with organizational trust and empowering employees in SSOA.

Since significance of Pearson's coefficient (0.009) is less than the specified standard (0.050), there is a significant relationship between humility of the leader with organizational trust and empowering employees in SSOA.

3. There is a significant relationship between leader's being reliable with organizational trust and empowering of employees in SSOA.

Since significance of Pearson's coefficient (0.000) is less than the specified standard (0.050), there is a significant relationship between leader's being reliable with organizational trust and empowering of employees in SSOA.

4. There is a significant relationship between leader's kindness with organizational trust and empowering of employees in SSOA.

Since significance of Pearson's coefficient (0.000) is less than the specified standard (0.050), there is a significant relationship between kindness of leader with organizational trust and empowering of employees in SSOA.

Conclusion

Empowerment as a human resource strategy has been used for creating efficiency, productivity, and more happiness of employees in their working environment. In the studies conducted in the field of empowerment, multiple dimensions have been mentioned to this concept. However, the key dimensions of empowerment include increasing knowledge, increasing capacity for innovation, increasing self-confidence, and improving performance. Employee empowerment in today's modern organizations is one of the objectives of each organization and its managers. From among a variety of managers, servant managers, possibly, make additional efforts to increase the capacity of their employees. In addition, Servant leadership occurs when leaders in their relationships with followers accept the position of servant, and selfishness and self-interest should not motivate servant leadership but instead it should be used to increase motivation of focus on the needs of others. On the other hand, one of the factors that could link management and employee empowerment is creating organizational trust by managers in the organization. (Shockley-Zalabak, 2000) define the construct of organizational trust as "positive expectations that people have based on organizational roles, relationships, experiences, interdependencies of intentions and various behaviors of the members of the organization."

Therefore, based on the results of the survey, 67.1 percent of the respondents were male and 32.9 percent were women. Based on the data obtained, 3.9% of the respondents have degree less than diploma, 11% diploma, 13.5% associate's, 49% bachelor's, 20 percent master's, and doctorate 2.6% doctorate. Moreover, 16.8%, of the respondents have 1 to 5 years of working experience, 27.7% between 6 and 10 years, 32.9% between 11 and 15 years, and 22.6% over 15 years, and 14.8% of the respondents are simple employees, 47.7% experts, 31% administrators, and 6.5% deputy. And 39.4% of

respondents evaluated serving of the manager as low, 42.6% moderate, and 18% as high, and 44.9% of the respondents see humility of the managers as low, 41.3% moderate, and 11.8% as high. According to the data, 40.8% of the respondents see the accountability of the managers as low, 40.2% moderate, and 19% as high. Moreover, 38.6% of the respondents see their trust to the organization as low, 43.5% moderate, and 17.9% as high. According to the data, 42.3% of the respondents see the empowerment of the employees as low, 39.1% moderate, and 18.6% as high. Moreover, there is a significant relationship between servant leadership and organizational trust in SSOA, and the strength of this relationship is the strong and direct, so that with increasing serving of manager, organizational trust increases in SSOA. There is a significant relationship between servant leadership and organizational empowerment in SSOA and strength of this relationship is direct and average, so that by increasing the serving of the manager, organizational empowerment increases in SSOA. There is a significant relationship between serving of the leader with organizational trust and employee empowerment in SSOA, and the strength of this relationship is strong and direct, so that with increased serving of manager, organizational trust and employee empowerment increases in SSOA. There is a significant relationship between humility of leader with organizational trust and empowering employees in SSOA, and the strength of this relationship is strong and direct, so that by increase in the humility of manager, organizational trust and employee empowerment increases in SSOA. There is a significant relationship between reliability of the leader organizational trust and employee empowerment increases in SSOA, and the strength of this relationship is strong and direct, so that by increase in the reliability of manager, organizational trust and employee empowerment increases in SSOA. There is a significant relationship between kindness of the leader organizational trust and employee empowerment increases in SSOA, and the strength of this relationship is strong and direct, so that by increase in kindness of manager, organizational trust and employee empowerment increases in SSOA.

The overall results of this research show that there is a significant relationship between servant leadership with organizational trust and empowering employees in SSOA. This result is quite consistent with the results of (Hazrati, 2012), (Sendjaya & Pekerti, 2010), but the results have been consistent in some and inconsistent in some others with the results of the studies by (Zahedi & Boudlaie, 2015), (Bakhtiari, 2010) and Fraisel.

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