#### **EMPLOYMENT RELATIONSHIP AND ORGANIZATIONAL RENEWING TRUST**

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#### **ABSTRACT**

This study examine the relationship between employment relationship and organization renewing trust. The study sought to determine how legal framework affects accountability, psychological relationship affects collaboration and economic relationship affects ethical standards of paint manufacturing firms in Rivers State. To achieve the objective, survey of literature was employed. Nine (9) research questions and nine (9) hypotheses were employed for the study. The study adopted a cross-sectional survey research design. The study population comprised two hundred and eighty (280) staff and the sample size respondents for the study was one hundred and fifty (150) paints which was determined using the Krejice and Morgan table. Primary and secondary data was collected from participants with the help of a structured, pretested questionnaire. Ouantitative data was analyzed using descriptive and inferential statistical method using Statistical Package for Social Sciences (SPSS) computer software version 23.0 and presented in textual forms and tables. Spearman's Rank Order Correlation Coefficient was computed to test the hypotheses. Finings reveals that legal framework, psychological relationship and economic relationship function as a brain behind organization renewing trust. The paper concluded that employment relationship is a brain behind organization renewing trust because it provides and traces all details regarding how organization renewing trust can be achieved. Amongst other things, it was recommended that paint manufacturing managers should always use employment relationship suggested in this article to aid their organization renewing trust.

Key Words: employment relationship, legal framework, psychological relationship, economic relationship, Organization renewing trust, accountability, collaboration, ethical standards.

#### INTRODUCTION

Employment relations in the society have changed significantly, altering the type of work employees do, when they work and how much they work (Rothmann, 2023). The extent and rate of change within organizations has created renewed interest in the quality of employees' work lives, particularly in some society where organizations have to deal with cultural diversity, the ethnic composition of the workforce and changes in value systems and beliefs (Kirby & Harter, 2021; Kotzé, 2015; Sekwena, 2017). Dissatisfaction with working life is a problem affecting almost all employees during their working career, regardless of position or status. The boredom, frustration and anger experienced by employees disenchanted with their work life can be costly to both the individual and the organization. Although many managers seek to reduce job dissatisfaction at all organizational levels, including their own, they sometimes find it difficult to isolate and identify all of the factors which affect and influence the organizational renewing trust (Huang, Lawler & Lei, 2017; May, Lau & Johnson, 2019; Walton, 2023).

According to Kaushik and Tonk (2018) and Koonmee, Singhapakdi, Virakul and Lee (2020), a good employment relationship is determined by the interaction of personal and situational factors involving both personal (subjective) and external (objective) aspects of work-related rewards and

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experiences. From this, one can extrapolate that a person's awareness and evaluation of a situation can also have an influence on the perspective he or she has on that situation. According to Kotzé (2015), the changes in the ethnic composition in the societal workforce, specifically with regard to changes in beliefs and value systems, as well as the greater importance placed on knowledgeable workers, are factors which may influence organizational renewing trust. Affirmed and emphasized by Martins (2020) and Schoorman, Mayer and Davis (2017), these changes in the workforce may also lead to an increase in the importance of trust in organizations. This is because perceptions of an individual's ability, benevolence and integrity will have an impact on how much trust the individual can acquire and will also affect to what extent an organization will be trusted. Shaw (2015) also affirms that the success of employment relationship programmes will depend on the ability of an organization to reinforce high levels of trust. Quality of work life is assumed to affect various organizational factors (job effort and performance, organizational identification, job satisfaction and job involvement) (Ballou & Godwin, 2017), whilst organizational trust is the employee's expectation of the reliability of the organization's promises and actions (Politis, 2023). Thus, the more the job and the organization can gratify the needs of workers, the more effort workers may invest at work, with commensurate improvements in productivity (Huang et al., 2017; Kerce& Booth-Kewley, 2023; May et al., 2019).

According to May et al (2019), the term "employment relationship" refers to the legal and social relationship between an employer and an employee. The relationship is characterized by an exchange of labor and payment, and is governed by a number of laws and regulations. Different scholars have proposed various definitions of the concept, emphasizing different aspects of the relationship. For example, some scholars focus on the power dynamics between employers and employees, while others focus on the economic and contractual aspects of the relationship.

In a comprehensive discussion of the concept, they went further to assert that one would need to consider a number of perspectives. These include: There is the legal perspective, which focuses on the contractual and legal aspects of the relationship. There is the social perspective, which considers the power dynamics between employers and employees, as well as the impact of the relationship on society. There is the economic perspective, which looks at the financial aspects of the relationship and its impact on the economy. There is the psychological perspective, which considers the personal and emotional aspects of the relationship.

These perspectives provide a holistic understanding of the complex and multifaceted nature of employment relationships. It is important to consider all of these perspectives in order to fully understand the concept. In addition, it is also important to consider the historical context of employment relationships and how they have evolved over time. Overall, the concept of employment relationship is complex and dynamic, and it is crucial to take a nuanced and comprehensive approach to its study. On a second note, to provide an introduction to the concept of organizational renewing trust, it is important to first define what trust is and how it functions in organizations. Hence, we will therefore define what trust is all about as it relates to organizational performance. Trust as defined by Hay (2022) is a psychological state that involves a willingness to take a risk based on the belief that another party will act in a way that is beneficial or at least not detrimental to one's interests. According to Hay (2022), in an organizational context, trust is important for a variety of reasons, including:- Facilitating cooperation and coordination, encouraging open and honest communication, reducing the need for monitoring and control, facilitating knowledge sharing and innovation

The concept of trust is very important in all sphere of human life, especially now, in the era of global crisis. Trust enables people to feel more safety in the very fast changing world. To strengthen society and its major foundations, Bagraim & Hime (2017) opined that we need to build and rebuild trust. Nowadays, trust has decline for many reasons, and some of these have persisted for decades. This include societal issues, such as increasing suspicion due in part to decrease interaction among individuals, and institutional factors, such as the recent massive

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failures in the financial system or organizational malfeasance. Additionally, we can add violations of trust by many business, governmental, and religious leaders.

Trust is essentially important for successful cooperation and effectiveness in organizations, facilitates negotiations, reduces transaction costs, and even help to resolves international political conflicts (Bozionelos, 2014). Trust enhances the ability to change and to support radical change. This is because trust is said to assist in learning, creativity and innovation. On the whole therefore, the aim of the article is to show the importance of trust building and rebuilding and to indicate the relationship between trust in organization and organizational performance.

The concept of "organizational renewing trust" refers to the process of rebuilding and strengthening trust within an organization after a breach of trust has occurred Bagraim & Hime (2017). This can happen when there has been a violation of ethical or professional norms, or when there has been a breach of trust between employees and management. The process of organizational renewing trust involves repairing the damage caused by the breach, rebuilding relationships, and establishing new norms and values that will foster a culture of trust and integrity within the organization.

Reacting to organizational renewing trust Mayer &Schoorman (2015) posited that there are a few key elements that are necessary for the process of organizational renewing trust. First, there must be a recognition of the breach of trust that has occurred. Second, there must be an acknowledgment of the damage that has been done and a willingness to repair the damage. Third, there must be a willingness to rebuild relationships and establish new norms and values that will foster a culture of trust and integrity. Finally, there must be a commitment to ongoing monitoring and evaluation to ensure that trust is being maintained and strengthened.

Organizational renewing trust is a complex and often difficult process, but it is essential for creating a healthy and productive organizational culture which is crucial to fostering a sense of trust among employees and management. Without trust, Mayer & Schoorman (2015) asserted that organizations can suffer from a variety of negative consequences, including: decreased morale and productivity, increased turnover and absenteeism, decreased collaboration and communication, increased conflict and stress. Organizations that prioritize the rebuilding of trust can reap a number of benefits, including: Increased employee engagement and satisfaction, Increased collaboration and knowledge sharing, increased creativity and innovation, increased productivity and performance In all, it is sine qua non for organizational employees to establish a healthy tete-a-tete with their employers to ensuring a hitch free employment relationship as well as organizational renewing trust. By so doing, the challenges emanating from poor organizational trust basically in a working environment will be minimized.

#### **Statement of the Problem**

Many organization are working tirelessly to achieve a sustainable good image that will renew their trust among her workers, employment relationship has been seen as one tool that can harness organizational renewing trust. Organizational renewing trust refers to the process of rebuilding and strengthening trust within an organization after it has been broken or damaged. This can happen for a variety of reasons, such as a breach of trust, a violation of ethical standards, or a loss of confidence in the organization's leadership. When this happens, it is important for the organization to take steps to repair the damage and restore trust. This may include apologizing for any wrongdoing, implementing new policies and procedures to prevent future problems, and making a commitment to being more transparent and accountable in the future. For this study it is measured with accountability, collaboration and ethical standards. Employment relationship refers to the legal and social relationship between an employer and an employee. This relationship is governed by a number of laws and regulations, including the Fair Labor Standards Act, the National Labor Relations Act, and state and local laws. These laws set out the rights and responsibilities of both employers and employees, including the right to a safe and healthy work

environment, the right to be paid a fair wage, and the right to unionize. The employment relationship is also shaped by the social norms and expectations of the society in which it takes place. This study dimensionalize it with legal framework, psychological relationship and economic relationship. Bagraim & Hime (2017) opined that we need to build and rebuild trust. Nowadays, trust has decline for many reasons, and some of these have persisted for decades.

Furthermore, research has shown that little or not much work has been done empirically and literally on the relationship between employment relationship and organizational renewing trust (Zheng, A. & McLean, V. 2015; Sampson *et al.*, 2016; Gabriel & Chukwuma, 2016; Abdulle, 2016; Paulinus *et al.*, 2018 ). As such, the researcher was poised to examine literally the relationship that exists between human employment relationship and organizational renewing trust.

#### CONCEPTUAL FRAMEWORK

Conceptual Framework Showing Dimensions and Measures of the Predictor, Criterion Variable.

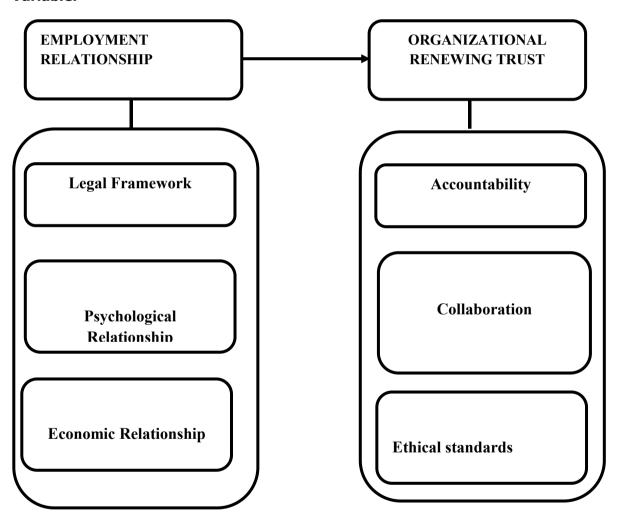


Fig. 1.1: Conceptual Framework Showing Independent and Dependent Variables of Employment Relationship and Organizational Renewing trust and their Dimensions and Measures.

Source: Mamie et al (2022), Rostamian and Sadrabad (2016)

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#### Aim and Objectives of the Study

The central aim of this research paper is to examine the relationship between employment relationships as well as how it affects organizational renewing trust, following are the objectives of the study:

- 1. To examine the relationship between legal framework and accountability
- 2. To examine the relationship between legal framework and collaboration
- 3. To examine the relationship between legal framework and ethical standards
- 4. To examine the relationship between psychological relationship and accountability
- 5. To examine the relationship between psychological relationship and collaboration
- 6. To examine the relationship between psychological relationship and ethical standards
- 7. To examine the relationship between economic relationship and accountability
- 8. To examine the relationship between economic relationship and collaboration
- 9. To examine the relationship between economic relationship and ethical standards

#### **Research Questions.**

The following research questions are formulated to guide the study:

- i. To what extent does legal framework relate with accountability?
- ii. To what extent does legal framework relate with collaboration?
- iii. To what extent does legal framework relate with ethical standards?
- iv. To what extent does psychological relationship relate with accountability?
- v. To what extent does psychological relationship relate with collaboration?
- vi. To what extent does psychological relationship relate with ethical standards?
- vii. To what extent does economic relationship relate with accountability?
- viii. To what extent does economic relationship relate with ethical standards?

#### Hypotheses:

The following null hypotheses are formulated for the study:

**HO**<sub>1</sub>: There is no significant relationship between legal framework and accountability.

**HO<sub>2</sub>:** There is no significant relationship between legal framework and collaboration.

**H0<sub>3</sub>:** There is no significant relationship between legal framework and ethical standards.

**H04:** There is no significant relationship between psychological relationship and accountability.

**H0**<sub>5</sub>: There is no significant relationship between psychological relationship and collaboration.

**HO**<sub>6</sub>: There is no significant relationship between psychological relationship and ethical standards.

**HO**<sub>7</sub>: There is no significant relationship between economic and accountability.

**H0**<sub>8</sub>: There is no significant relationship between economic relationship and collaboration.

**H0**<sub>9</sub>: There is no significant relationship between economic relationship and ethical standards.

#### **Conceptual review**

#### The concept of employment relationship

Employment relationship happens when someone performs a certain work or provide service under certain conditions for remuneration. This relation occurs between an employee and the employer. This is very key to organization's success as the employee are considered as the most valuable asset to any organization ("Economics of the employment relationship", 2020). A bad relationship thus often means that the employee won't deliver as he/she should and might ultimately revolt or leave the job, hampering organization performance and objectives. However, if the relationship is good, the employee will feel motivated and often deliver on promises contributing towards organization's objectives fully.

The dimension of employment relation consists of various key elements as in legal framework, psychological relationship and economic relationship (Kessler &Undy, 2016). In an organization, to develop a high trust environment, the manager must be able to show what is expected from the

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employees in his/her actions as well (Phares, 2021). For example, if the manages wants all the staff to be on time, he/she himself/herself cannot show up hours late every single day. The manager must be able to set an example and then influence his/her sub-ordinates to follow the same. The management style is key for trust to build in an organization. And, if the manager sets a bad example and just gives order or shows anger on the employee's that will not work. The manager must demonstrate patience, understanding and leadership capability. The trust only builds up when the organization works on what's promised and don't divert here and there often. Also, the manager must act in fair balanced way for the employee's to feel the trust.

Employment relationships are complex and multi-faceted, with many factors influencing how they function. One way to understand these relationships is to examine the different dimensions that make up the relationship. These dimensions include legal framework, psychological relationship and economic relationship. Each dimension plays a role in shaping the nature and quality of the relationship between an employee and their employer (Srivastava, 2018).

By understanding these dimensions, we can begin to develop a more nuanced and complete understanding of employment relationships. This knowledge can be used to improve the quality of these relationships, leading to better outcomes for both employees and employers. For example, a better understanding of the psychological contract can help to reduce misunderstandings and unmet expectations. Similarly, an improved understanding of trust can help to build a more productive and collaborative relationship. By examining all of these dimensions, we can create a more holistic and accurate picture of the employment relationship.

# Dimensions of Employment Relationship (i). Legal Framework

According to Weiss (2018) the legal framework is based on the common law and statutory law governing employment relationships and trust. The common law includes the doctrines of contract, tort, and agency, while the statutory law includes the Employment Standards Act and the Labour Relations Act. Together, these legal frameworks create a comprehensive legal context for understanding the issues raised in the work (Walton, 2023).

- **Contract:** The contract between an employer and an employee is the foundation of the legal framework for employment relationships. The terms of the contract are governed by the common law of contract, which includes the doctrines of offer, acceptance, consideration, and capacity. The contract sets out the rights and obligations of both parties and provides the framework for resolving disputes.
- **Tort:** In addition to the contract, the law of tort can also play a role in employment relationships. Tort law is the area of law that deals with civil wrongs, such as negligence, defamation, and intentional torts. In the employment context, tort law can be used to address issues such as harassment, discrimination, and wrongful dismissal.
- **Agency:** The law of agency also has a role to play in employment relationships. The doctrine of agency governs the relationship between an employer and an employee when the employee is acting on behalf of the employer. For example, if an employee commits a tort while working for the employer, the employer may be held liable under the doctrine of vicarious liability.
- **Employment Standards Act:** The Employment Standards Act is a piece of legislation that sets out the minimum standards that employers must meet with respect to issues such as wages, hours of work, and vacation pay. The Act also provides for the enforcement of these standards by the Ministry of Labour.
- Labour Relations Act: The Labour Relations Act governs the relationship between unions and employers, as well as the rights of employees to join or form a union. The Act provides for collective bargaining, the right to strike, and the right to be represented by a union. In addition, the Act creates a framework for resolving disputes between unions and employers, including the right to arbitration.

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- **Human Rights Code:** The Human Rights Code is a piece of legislation that prohibits discrimination in employment and other areas of life. The Code applies to all employers in Ontario, regardless of the size of the organization. The Code prohibits discrimination based on a number of grounds, including race, gender, disability, and sexual orientation. The Code also provides for the enforcement of these rights through the Human Rights Tribunal of Ontario.

Against this background, our objective is to give an analytical account of the principal institutional features of labour law as a form of legal regulation, from an interdisciplinary perspective which takes into account both the internal workings of the labour law system and the social and economic context within which it has evolved. To that end we will seek to analyze, in the manner of an internal or 'immanent' critique (Kahn-Freund, 1954), the categories which are generally used within labour law discourse to describe the psychological and economic relations of employment.

## (ii). Psychological Relationship

The workplace is characterised by numerous contracts between an employee and employer that formalise their employment relationship. This includes the employment contract and other formal documents such as non-disclosure agreements. However, there is an informal agreement that is often overlooked, and is pivotal in determining the engagement of employees in an organisation. Such an informal agreement is known as the psychological contract (Kahn-Freund 1954). The psychological contract is important to enhance the employer–employee relationship. The psychological contract represents the mutual beliefs, perceptions, expectations and informal obligations between an employer and an employee (Srivastava, 2018). It entails the unwritten rules that govern the reciprocal social dynamics underlying the relationship between the two parties and defines the tasks to be completed in practical terms. While the psychological contract is informal, the literature suggests that it should not be overlooked as it sets the scene for the employer-employee relationship (Kessler & Undy, 2016).

Employee engagement refers to the extent to which an employee feels passionate about their job, is committed to the organization, and puts effort into his work. Engaged employees exude self-efficacy, a high level of optimism and resilience, and can control and achieve success in their career by having self-esteem. Line managers are therefore encouraged to assess employees' perceptions of the psychological contract.

In terms of the psychological relationship, we can look at the concept of organizational justice. Organizational justice is defined as the extent to which employees perceive the workplace as being fair and just. The three main dimensions of organizational justice as considered by Kahn-Freund, (1954) include:

- **Distributive justice:** This is the perceived fairness of the outcomes received by employees, such as promotions, raises, and bonuses. Distributive justice is concerned with how outcomes are distributed within an organization. In the context of the employment relationship, this means things like pay, benefits, and other rewards. Distributive justice requires that these outcomes are distributed in a fair and equitable way. This can be achieved through a number of methods, such as ensuring that pay is based on objective performance measures, or that benefits are available to all employees, regardless of their position in the company.

If distributive justice is achieved, employees will feel that they are being treated fairly and that their efforts are being rewarded appropriately. This can lead to increased feelings of satisfaction, motivation, and commitment. However, if distributive justice is not achieved, employees may feel that they are being taken advantage of or that their efforts are not being appreciated. This can lead to decreased satisfaction and commitment, and may even lead to employees leaving the company.

- **Procedural justice:** This is the perceived fairness of the processes used to make decisions, such as performance evaluations, discipline, and termination. There are vital importance of procedural as dimension of employment relationship under psychological relationship to the

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employees and employers. It is important to note that procedural justice can lead to increased feelings of fairness, trust, and satisfaction for the employee. This is because they feel that the promotion process is transparent, fair, and impartial. They also feel that they have been given a voice and an opportunity to be heard. Additionally, they feel that the decision-maker is competent and qualified to make the promotion decision. This can lead to increased motivation and commitment from the employee, as they feel that they are being treated fairly and have a stake in the company's success.

- **Interactional justice:** This is the perceived fairness of interpersonal treatment, such as respect, dignity, and courtesy. Courtesy is a key aspect of interactional justice. Interactional justice can be affected by factors such as the way in which feedback is delivered, how decisions are communicated, and how employees are treated during times of change or conflict. When employees perceive that they are treated with courtesy and respect, it can lead to higher levels of engagement, motivation, and performance.

## (iii). Economic Relationship

One theory that is often used to understand the economic relationship is the theory of human capital (Chershire, Garbersi & Cook, 2020). This theory suggests that employees invest their time and effort into developing skills and knowledge that can be used to increase their earning potential.

The theory of human capital can be used to explain why employees may be more or less committed to their job. For example, if an employee feels that their employer is not investing in their human capital by providing opportunities for training and development, they may be less satisfied with their job and more likely to leave the organization. Conversely, if an employer is actively investing in their employees' human capital, this can lead to higher levels of satisfaction and commitment. This theory can also be used to explain why some employees are willing to take on more economic risk, such as working in a start-up company or moving to a new city for a job. Notwithstanding, the economic relationship between an employer and an employee can be characterized by three main components according to Dirks &Ferrin (2021) as examined viza-viz:

- **Economic exchange:** This is the exchange of money for work, in the form of wages or salary. The amount of money exchanged is determined by the market rate for the work being performed, as well as the individual's skills, experience, and performance.
- **Economic dependency:** This is the extent to which the employee is dependent on the employer for their livelihood. Employees who are highly dependent on their job for their income may be less likely to leave, even if they are unhappy with the job.
- **Economic risk:** This is the risk that the employee takes on by working for the employer. The risk can be in the form of economic uncertainty, such as the risk of losing a job or not being able to find another job. The risk can also be in the form of personal investment, such as the time and effort required to learn new skills or adapt to a new work environment.

These three components of the economic relationship can be interrelated and can affect the overall satisfaction of the employee. For example, if an employee feels they are not being compensated fairly, they may feel less committed to the job and may be more likely to leave.

#### **Concept of Organizational Renewing Trust**

In today's fast-paced and ever-changing business environment, trust is a crucial element in the success of any organization. Trust is the foundation upon which relationships are built, decisions are made, and goals are achieved. However, in recent years, trust in organizations has been on the decline. This decline in trust can have serious consequences for organizations, including decreased employee morale, lower productivity, and ultimately, a negative impact on the bottom line.

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Organizational renewing trust is a concept that has gained increasing attention in the academic literature in recent years. Scholars have been exploring ways in which organizations can rebuild trust with their stakeholders, including employees, customers, and the wider community. This article will provide an overview of some of the key scholarly articles on organizational renewing trust, highlighting the strategies and approaches that have been proposed to help organizations rebuild trust and create a more positive and productive work environment.

One of the key themes that emerges from the scholarly literature on organizational renewing trust is the importance of leadership in rebuilding trust within an organization. Research has shown that trust in leadership is a key factor in determining overall levels of trust within an organization. Leaders who are perceived as honest, transparent, and ethical are more likely to inspire trust among their employees and other stakeholders. In contrast, leaders who are seen as self-serving, dishonest, or unethical are likely to erode trust and create a toxic work environment.

In addition to leadership, scholars have also identified a number of other factors that can influence trust within an organization. These include communication, transparency, fairness, and accountability. Organizations that communicate openly and honestly with their stakeholders, that are transparent in their decision-making processes, that treat employees and customers fairly, and that hold themselves accountable for their actions are more likely to inspire trust and loyalty among their stakeholders.

One approach that has been proposed to help organizations renew trust is the concept of organizational justice. Organizational justice refers to the perceived fairness of the procedures and outcomes within an organization. Research has shown that employees who perceive their organization as fair and just are more likely to trust their leaders and colleagues, and are more likely to be engaged and productive in their work. Organizations can promote organizational justice by ensuring that their policies and procedures are transparent, consistent, and fair, and by providing opportunities for employees to voice their concerns and provide feedback.

Another approach that has been proposed to help organizations renew trust is the concept of ethical leadership. Ethical leadership involves leaders who demonstrate honesty, integrity, and a commitment to ethical behavior. Research has shown that ethical leaders are more likely to inspire trust among their employees and other stakeholders, and are more likely to create a positive and productive work environment. Organizations can promote ethical leadership by providing training and development opportunities for their leaders, by setting clear expectations for ethical behavior, and by holding leaders accountable for their actions. Trust is a critical element in the success of any organization. By understanding the factors that influence trust within an organization, and by implementing strategies and approaches to rebuild trust, organizations can create a more positive and productive work environment, and ultimately, achieve their goals and objectives. The scholarly literature on organizational renewing trust provides valuable insights and guidance for organizations seeking to rebuild trust and create a culture of trust and transparency within their organization.

# Measures of Organizational Renewing Trust (a). Accountability

In terms of accountability, there are several measures that can be used to assess an organization's trustworthiness and ability to renew trust. These according to Tjosvold, Wan & Tang (2016) include:

**(i). Transparency:** This is the extent to which the organization is open and honest about its decisions and actions. Transparency can be demonstrated through practices such as publicly available policies and procedures, disclosure of financial information, and regular communication with stakeholders.

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- (ii). Openness to criticism: This is the extent to which the organization is open to feedback and criticism from employees and other stakeholders. This can be demonstrated by having processes for feedback and complaint resolution, and taking action to address any issues that are raised.
- (iii). **Integrity:** This refers to the extent to which the organization acts in accordance with its stated values and principles. This can be demonstrated through consistent decision-making and actions that are aligned with the organization's values.
- **(iv). Responsiveness:** This refers to the organization's ability to respond to the needs and concerns of its employees and other stakeholders. This can be demonstrated through timely responses to feedback and requests, as well as being proactive in addressing potential issues.
- (v). Fairness: This refers to the extent to which the organization treats all employees and stakeholders fairly ...fairly and consistently. This can be demonstrated through policies and procedures that are applied equally to all, and through equitable treatment in terms of compensation, benefits, and opportunities.

In all, organizations that are accountable have clear processes for investigating and addressing any alleged breaches of trust, such as unethical behavior or illegal activities. Some examples of these processes could include independent investigations, disciplinary action, or even dismissal. By looking at these measures, we can get a more comprehensive and holistic view of the role of accountability in organizational renewing trust.

#### (b). Collaboration

As pertaining collaboration, given that a company is experiencing a decline in customer satisfaction, and the management team decides to implement a new initiative to improve customer service. To do this, Heimer (2021) suggested that the company forms a cross-functional team that includes employees from different departments, such as sales, marketing, and customer service. The team meets regularly to discuss the initiative and develop a plan for implementing it. Throughout the process, the team members collaborate closely and share information freely.

The above illustration is an example of how collaboration can help renew trust in an organization. By working together to find solutions, the team is able to build trust and confidence in the initiative. Also, the cross-functional nature of the team helps to break down silos and encourage open communication across departments. This can lead to improved decision-making and a more cohesive organizational culture. Similarly, to elaborate on the role of collaboration in renewing trust, we can examine how it can help to create a shared sense of purpose and direction within the organization. When employees from different departments collaborate, they are able to learn about the perspectives and priorities of others, and they can develop a more comprehensive understanding of the organization's goals. This can lead to a shared commitment to achieving these goals, and a greater sense of trust in the organization's ability to meet them.

More so, collaboration can foster a culture of accountability, as employees are more likely to take ownership of their work when they feel that their contributions are valued and appreciated (Heimer, 2021). This sense of accountability can help to build trust, as employees know that their colleagues are dependable and reliable. It is also worth noting that collaboration can help to create a more positive work environment. When employees feel supported and appreciated, they are more likely to be motivated and engaged in their work. This can lead to higher levels of productivity and better overall performance, which can further strengthen the organization's reputation and trustworthiness.

#### (c). Ethical Standard

One way to think about the role of ethical standards in organizational renewing trust is to consider how it can help to create a positive image of the company. When a company demonstrates that it is committed to acting ethically, it can build trust with its stakeholders and create a sense of goodwill. This positive image can help to attract new customers and retain existing ones, and it can also have a positive impact on the company's reputation (Heimer, 2021).

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In addition, ethical standards can also help to improve employee morale and engagement. When employees feel that their company is acting with integrity, they are more likely to be proud of their work and be more motivated to do their best. This can lead to higher productivity and better performance, and ultimately, a stronger organization overall.

Ethical standards can also help to protect the organization from legal and financial risks. For example, if a company is found to have engaged in unethical practices, it may face fines or lawsuits. In addition, unethical behavior can lead to reputational damage, which can have a long-term negative impact on the company's success.

Maintaining a good ethical standard is sine qua non to organizational renewing trust in many respect. We will therefore elaborate on the importance of ethical standards as provided by Mayer, Davis & Schoorman (2015) by discussing their impact on decision-making, innovation, and stakeholder engagement.

- **Decision-making:** Ethical standards can play a crucial role in the decision-making process within an organization. When decision-makers have clear ethical guidelines to follow, they are more likely to make decisions that are fair, just, and in the best interest of the organization. This can help to avoid unethical behavior and ensure that the organization's actions are aligned with its values.
- Innovation: In addition to its impact on decision-making, ethical standards can also promote innovation within an organization. Innovation is one of the most important ways that ethical standards can benefit an organization. Ethical standards create a safe and supportive environment where employees feel comfortable taking risks and trying new ideas. This can lead to new products, services, and processes that can improve the organization's efficiency and competitive advantage. In addition, ethical standards can help to ensure that the organization is producing high-quality products and services that meet or exceed the expectations of customers and other stakeholders. This can enhance the organization's reputation and build trust with its stakeholders.
- **Stakeholder engagement:** Ethical standards can also have a positive impact on the organization's relationship with its stakeholders. Stakeholders are anyone who has an interest in or is affected by the organization's actions, including customers, employees, suppliers, investors, and the community. When stakeholders know that the organization is operating according to a strong ethical code, they are more likely to trust and support the organization. This can lead to increased loyalty, better customer retention, and improved relationships with suppliers and investors. Additionally, it can create a positive public image and increase the organization's social responsibility. All of these factors can have a significant impact on the organization's long-term success.

#### **Theoretical Review**

There are various theories of employment relationship. However, we will be considering two vital theories as it affects the work under review. These include the social exchange theory and the psychological contract theory. On this note, we will therefore examine the two theories viza-viz:

The social exchange theory of the employment relationship was first propounded by the American social psychologist John W. Thibaut and the American organizational psychologist Harold H. Kelley. Their work was published in their book "The Social Psychology of Groups" in (1959). Thibaut and Kelley proposed that the employment relationship is based on a social exchange process, in which both parties exchange resources and rewards in order to achieve their own goals. This theory has since been expanded upon and is now widely used in the field of organizational psychology.

The social exchange theory suggests that employees and organizations engage in a series of exchanges where each party provides something of value to the other (Song, Tsui& Law, 2019). This can be in the form of money, time, or effort. When these exchanges are perceived to be fair and balanced, the relationship between the employee and the organization is strengthened, and trust is built. However, if the exchanges are perceived to be unfair, the relationship can be

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damaged, and trust can be lost. This theory suggests that the employment relationship is based on a series of reciprocal exchanges between the employee and the organization. These exchanges can be tangible, such as wages, benefits, and training, or intangible, such as respect, recognition, and a sense of belonging. The balance of these exchanges determines the employee's level of satisfaction and commitment to the organization.

According to the social exchange theory, there are two key principles that govern these exchanges (Song, Tsui & Law, 2019). The first is the norm of reciprocity, which states that if the organization provides something of value to the employee, the employee is expected to reciprocate with something of value in return. The second principle is the norm of equity, which states that the employee should receive an outcome that is equivalent to the input they have provided. If these norms are violated, the employee may feel that the exchange is unfair and may withdraw their commitment to the organization.

The psychological contract theory of the employment relationship was first propounded by the British organizational psychologist Denise Rousseau in her book "Psychological Contracts in Organizations" in 2019. Rousseau proposed that the employment relationship is based on an implicit contract, which is the set of beliefs, expectations, and obligations that each party brings to the relationship. These expectations according to Kline (2019) may be based on past experiences, the terms of the formal employment contract, or the organization's culture. The psychological contract can be a source of satisfaction or conflict in the employment relationship.

According to Song, Tsui& Law (2019) the psychological contract theory suggests that the employment relationship is built on an implicit agreement between the employee and the organization. This contract is based on the employee's expectations and beliefs about what the organization will provide them, and what they will contribute in return. If the psychological contract is violated, such as when the organization fails to meet its obligations, trust can be broken and the relationship can be damaged. This can lead to negative outcomes such as lower satisfaction, performance, and organizational commitment.

As we discussed, the psychological contract is based on the employee's expectations and beliefs about the employment relationship. These expectations can be based on a number of factors, including the organization's policies and procedures, their interactions with the employee, and the employee's personal experiences and values. The psychological contract is dynamic and can change over time. This is because employees' expectations and beliefs can evolve as they gain more experience and knowledge about the organization. Similarly, changes in the organization, such as new policies or procedures, can also impact the psychological contract.

#### Legal Framework as a Facilitator of Organizational Renewing Trust

It is mportant to understand that the legal framework refers to the laws and regulations that govern the employment relationship. These laws and regulations are designed to protect the rights of employees, and to ensure that organizations operate in a fair and ethical manner. Stone (2017) postulated that when the legal framework is followed, it can enhance organizational trust in several ways.

Firstly, it can create a sense of security and stability for employees, knowing that they have certain legal protections in place. Alright, let's take a closer look at each point I mentioned. The legal framework can create security and stability for employees by establishing a clear set of rules and regulations that govern the employment relationship. This can provide employees with a sense of predictability and certainty, as they know what to expect from their employer. For example, laws like the Employment Standards Act in Canada set out minimum standards for working conditions, such as minimum wage, hours of work, and vacation time.

Secondly, it can promote transparency and accountability within the organization, as the legal framework often requires organizations to disclose certain information, such as financial data or employee policies. The legal framework can promote transparency and accountability by requiring

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organizations to disclose certain information. This helps to ensure that organizations are operating in a fair and transparent manner, and gives employees and other stakeholders the ability to make informed decisions. For example, employees can access information on wages, benefits, and working conditions through the government's website or other resources. This makes it easier for them to compare their working conditions with those of other organizations, and to advocate for better working conditions if needed.

Also, the legal framework can build trust between the organization and its stakeholders by setting out clear rules and regulations for everyone to follow. This can help to build trust between organizations and their customers, who know that they are getting a fair deal. It can also build trust between organizations and their suppliers, who know that they will be paid fairly and on time. Similarly, it can build trust between organizations and their shareholders, who can be confident that their investments are being managed responsibly and in line with the law.

Mention should be made to the fact that the legal framework also builds trust between organizations and their shareholders. One way it does this is by requiring organizations to disclose certain financial information, such as their annual financial statements. This allows shareholders to evaluate the financial health of the organization and make informed decisions about whether to invest or not. In addition, the legal framework requires organizations to follow certain governance practices, such as having an independent board of directors and a strong audit committee. This helps to ensure that the organization is operating in a transparent and accountable manner.

Another way the legal framework builds trust is through the regulation of insider trading. Insider trading is the practice of using non-public information about a company to make a profit. This can damage the trust of shareholders, as they may feel that they are at a disadvantage compared to those with inside information. The legal framework makes insider trading illegal, and enforces this through strict penalties. This helps to level the playing field and build trust among shareholders.

#### Psychological Relationship as a Facilitator of Organizational Renewing Trust

According to Politis (2023), there are many ways which psychological relationship can facilitate or enhance organizational renewing trust. We will therefore explore some of the keys way as follows: First, a strong psychological relationship can lead to increased employee engagement. When employees feel connected to the organization and believe in its mission, they are more likely to be engaged and committed to their work. This can lead to improved performance and higher levels of productivity, which can enhance the organization's ability to renew trust.

Furthermore, the psychological relationship can also lead to increased employee loyalty. When employees feel that they are valued and appreciated, they are more likely to be loyal to the organization. This can manifest in a number of ways, such as higher retention rates, lower absenteeism, and a willingness to go above and beyond to help the organization succeed. This loyalty can be a powerful force for renewing trust, as it shows that the organization is truly invested in its employees and is committed to their success.

In addition, the psychological relationship can also lead to improved communication and collaboration within the organization. Active communication and collaboration can help to build trust in a number of ways. It creates a sense of community and shared purpose within the organization. This can lead to employees feeling more connected to each other and the organization, and can foster a culture of trust and mutual respect. Ultimately, improved communication and collaboration can help to reduce conflict and foster more creative problem-solving, which can have a positive impact on trust.

Finally, the psychological relationship can also enhance trust by fostering a culture of learning and development. A culture of learning and development can help employees to feel valued and invested in, which can foster trust. When employees feel that they are being given opportunities to grow and develop their skills, they are more likely to believe that the organization is committed to their success. Invariably, this type of culture can help employees to feel more confident and

competent, which can lead to improved performance and satisfaction. All of these factors can work together to renew trust within the organization.

## **Economic Relationship as a Facilitator of Organizational Renewing Trust**

First and foremost it is important to understand that the economic relationship between employees and organizations is more than just a transactional exchange of money for work. Rather, it is a complex set of factors that includes compensation, benefits, job security, and career opportunities. When this relationship is strong, it can enhance organizational renewing trust in a number of ways. Song, Tsui & Law (2019) eximprovedplore the following as a means through which economic relations enhances organizational renewing trust:

Firstly, a strong economic relationship can lead to increased employee satisfaction and motivation. When employees feel that they are fairly compensated and that their benefits meet their needs, they are more likely to be satisfied with their jobs and motivated to do their best work. This, in turn, can lead to productivity and performance, which can renew trust in the organization's ability to meet its goals. In addition, employees who feel secure in their jobs and have opportunities for career advancement are more likely to invest in the organization and be committed to its success. Again, a strong economic relationship can also lead to greater engagement and loyalty from employees. A strong economic relationship can foster a sense of loyalty and commitment, as employees feel that they are being treated fairly and that the organization is investing in their future. This, in turn, can lead to higher levels of engagement, as employees feel more invested in the organization and are more likely to go above and beyond in their work. This can also lead to better retention, as employees are less likely to look for other opportunities if they feel that their current organization is meeting their needs.

More so, a strong economic relationship can enhance organizational trust by creating a positive reputation. A positive reputation can be a powerful tool for renewing trust in an organization. When employees and other stakeholders perceive the organization as being fair, ethical, and transparent, they are more likely to have a positive view of the organization and be willing to support it. This can lead to increased brand loyalty and higher levels of employee satisfaction, which in turn can help to attract and retain top talent. A positive reputation can also make the organization more attractive to investors and other stakeholders, which can lead to greater financial success.

On the whole therefore, the organizational structure refers to the way in which an organization is organized, and it can have a significant impact on trust. For example, a flat organizational structure, where there are fewer levels of hierarchy, can foster a more open and collaborative environment, which can lead to greater trust. On the other hand, a highly centralized structure, where decision-making is concentrated at the top, can create a more closed and secretive environment, which can erode trust.

#### **Empirical Review**

Lewicki and Bunker (2016)). Developing and maintaining trust in work relationships. proposed a model of how trust is developed and repaired in work relationships. Their influential four-stage process model for trust repair includes the following stages: 1) recognizing the violation, 2) identifying the causes of violations and admitting culpability, 3) admitting that the act was destructive and 4) taking responsibility for the consequences.

(Gillespie & Dietz, 2019). Trust repair after organization-level failure. Developed a process model for trust repair that emphasized the temporal nature of the process, distinguishing between: 1) pre-transgression and the state of trust prior to a transgression, 2) disruption, identifying what factors are changed by the transgression and how, 3) trust repair, identifying what actions are taken to repair violated factors, and 4) post-repair, identifying the state of trust after repair. They

further identified three key theoretical mechanisms underlying relationship repair: 1) attributional, 2) structural, and 3) social-equilibrium perspectives.

Dirks et al (2019) the study highlighted the importance of acknowledging and taking responsibility for the failure as a crucial first step in the trust repair process. Organizations that openly admit their mistakes and show genuine remorse are more likely to regain the trust of their employees and stakeholders. This transparency and accountability demonstrate a commitment to learning from the failure and taking steps to prevent similar incidents in the future.

#### **METHODOLOGY**

The study adopted a cross-sectional survey research design. Nine (9) research questions and nine (9) hypotheses were employed for the study. The study population comprised two hundred and eighty (280) staff of the twenty-six (26) quoted licensed paint manufacturing firms registered under MAN, Port Harcourt chapter, Rivers State; and the sample size for the study was one hundred and fifty (150) employees of the paint manufacturing firms which was determined using the Krejice and Morgan table. Primary and secondary data was collected from participants with the help of a structured, pretested questionnaire. Quantitative data was analyzed using descriptive and inferential statistical method using Statistical Package for Social Sciences (SPSS) computer software version 23.0 and presented in textual forms and tables. Spearman's Rank Order Correlation Coefficient was computed to test the hypotheses.

## **Tests of Hypotheses**

This section of the study presents the results on the tests on the bivariate and null hypotheses of the study. The bivariate level of analysis presents evidence which illustrates the strength of the relationship between the dimensions of employment relationship which are: legal framework, psychological relationship, and economic relationship; the measures organizational renewing trust which is the criterion variable- accountability, collaboration and ethical standards. The tests for this section are two-tailed and as such emphasizes on no particular direction. The assessment of the bivariate relationships was carried out using the Spearman's rank order correlation with the precision for error fixed at 0.05 given the choice of the confidence interval of 95%.

**Decision rule:** The decision rule which applies for all bivariate test outcomes is according to Bryman and Bell (2003), where:

Table 4.19: Shows the description of range of correlation (Rho) values, as well as the correlative level of association

Range of Rho (+ and – sign value)	Association strength	
± 0.80 - 0.99	Very strong	
$\pm 0.60 - 0.79$	Strong	
$\pm 0.40 - 0.59$	Moderate	
$\pm 0.20 - 0.39$	Weak	
$\pm 0.00 - 0.19$	Very weak	

## Source: Bryman and Bell (2003)

Table 4.19 shows that the '+' sign of Rho points a direct and positive relationship, while '-'sign of Rho shows an indirect or inverse relationship. Thus, the Rho sign indicates the direction of relationship between the predictor and criterion variables.

# The Relationship between Legal framework and Organizational renewing trust Measures

# Table 4.20: Correlations for legal framework and organizational renewing trustmeasures

Legal	Acc		Ethical
framework (	oun	Collaboration	standards

				tabil ity		
Spearman 's rho	Legal framework	Correlation Coefficient	1.000	.48 4**	.661**	.749**
		Sig. (2-tailed)		.00 0	.005	.006
		N	123	123	123	123
	Accountability	Correlation Coefficient	.484**	1.0 00	.446**	.741**
		Sig. (2-tailed) N	.000 123	123	.000 123	.007 123
	Collaboration	Correlation Coefficient	.661**	.44 6**	1.000	.723*
		Sig. (2-tailed)	.005	.00 0		.013
		N	123	123	123	123
	Ethical standards	Correlation Coefficient	.749**	.74 1**	.723*	1.000
		Sig. (2-tailed)	.006	.00 7	.013	
		N	123	123	123	123

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Output

Ho1: Legal framework does not significantly relate with accountability.

From the result in the table above, the correlation coefficient (rho) shows that there is relationship between legal framework and accountability. The *correlation coefficient 0.484* confirms the magnitude and strength of this relationship and it is a moderate positive correlation between the variables. The correlation represents is significant at p 0.000<0.05. Therefore, based on this finding the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a statistically significant relationship between legal framework and accountability.

**H**<sub>02</sub>: Legal framework does not significantly relate with collaboration.

From the result in the table above, the correlation coefficient (rho) shows that there is relationship between legal framework and collaboration. The *correlation coefficient 0.661* confirms the magnitude and strength of this relationship and it is a strong positive correlation between the variables. The correlation represents is significant at p 0.005<0.05. Therefore, based on this finding the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a statistically significant relationship between legal framework and collaboration.

**H**<sub>03</sub>: Legal framework does not significantly relate with ethical standards.

From the result in the table above, the correlation coefficient (rho) shows that there is relationship between legal framework and ethical standards. The *correlation coefficient 0.749* confirms the magnitude and strength of this relationship and it is a moderate positive correlation between the variables. The correlation represents is significant at p 0.000<0.05. Therefore, based on this finding the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a statistically significant relationship between legal framework and ethical standards.

<sup>\*.</sup> Correlation is significant at the 0.05 level (2-tailed).

# Relationship between Psychological relationship and Organizational renewing trust Measures

Table 4.21: Correlations for psychological relationship and organizational renewing trust measures

			Psychological Relationship	Accountabi lity	Collaboratio n	Ethical standards
Spearman's rho	Psychological Relationship	Correlation Coefficient	1.000	.344**	.747**	.888*
		Sig. (2-tailed)		.007	.006	.038
		N	123	123	123	123
	Accountability	Correlation Coefficient	.344**	1.000	.446**	.841**
		Sig. (2-tailed)	.007		.000	.007
		N	123	123	123	123
	Collaboration	Correlation Coefficient	.747**	.446**	1.000	.823*
		Sig. (2-tailed)	.006	.000		.013
		N	123	123	123	123
	Ethical standards	Correlation Coefficient	.888*	.841**	.823*	1.000
		Sig. (2-tailed)	.038	.007	.013	
		N	123	123	123	123

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

**Source:** SPSS Output

Ho4: Psychological relationship does not significantly relate with accountability.

From the result in the table above, the correlation coefficient (rho) shows that there is relationship between psychological relationship and accountability. The *correlation coefficient 0.344* confirms the magnitude and strength of this relationship and it is a weak positive correlation between the variables. The correlation represents is significant at p 0.000<0.05. Therefore, based on this finding the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a statistically significant relationship between legal framework and accountability.

H₀₅:Psychological relationship does not significantly relate with collaboration

From the result in the table above, the correlation coefficient (rho) shows that there is relationship between psychological relationship and collaboration. The *correlation coefficient 0.747* confirms the magnitude and strength of this relationship and it is a strong positive correlation between the variables. The correlation represents is significant at p 0.005<0.05. Therefore, based on this finding the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a statistically significant relationship between psychological relationship and collaboration.

**H₀**<sub>6</sub>:Psychological relationship does not significantly relate with ethical standards.

From the result in the table above, the correlation coefficient (rho) shows that there is relationship between psychological relationship and ethical standards. The *correlation coefficient 0.888* confirms the magnitude and strength of this relationship and it is a very strong and positive correlation between the variables. The correlation represents is significant at p 0.000 < 0.05. Therefore, based on this finding the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a statistically significant relationship between psychological relationship and ethical standards.

<sup>\*.</sup> Correlation is significant at the 0.05 level (2-tailed).

# Relationship between Economic relationship and Organizational renewing trust Measures

Table 4.22: Correlations for economic relationship and organizational renewing trust measures

			Social Support	Accountab ility	Collaboratio n	Ethical standards
Spearman's Ed rho Re	Economic Relationship	Correlation Coefficient	1.000	.689**	.241**	.891**
	-	Sig. (2-tailed) N	. 123	.001 123	.007 123	.001 123
	Accountabili ty	Correlation Coefficient	.689**	1.000	.446**	.841**
-5		Sig. (2-tailed) N	.001 123	123	.000 123	.007 123
	Collaboratio n	Correlation Coefficient	.241**	.446**	1.000	.223*
		Sig. (2-tailed)	.007	.000		.013
		N	123	123	123	123
	Ethical standards	Correlation Coefficient	.891**	.841**	.223*	1.000
		Sig. (2-tailed)	.001	.007	.013	
		N	123	123	123	123

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Output

H<sub>07</sub>: Economic relationship does not significantly relate with accountability.

From the result in the table above, the correlation coefficient (rho) shows that there is relationship between economic relationship and accountability. The *correlation coefficient 0.689* confirms the magnitude and strength of this relationship and it is a strong positive correlation between the variables. The correlation represents is significant at p 0.000 < 0.05. Therefore, based on this finding the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a statistically significant relationship between economic relationship and accountability.

H<sub>08</sub>: Economic relationship does not significantly relate with collaboration

From the result in the table above, the correlation coefficient (rho) shows that there is relationship between economic relationship and collaboration. The *correlation coefficient 0.241* confirms the magnitude and strength of this relationship and it is a weak positive correlation between the variables. The correlation represents is significant at p 0.005<0.05. Therefore, based on this finding the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a statistically significant relationship between economic relationship and collaboration.

H<sub>09</sub>: Economic relationship does not significantly relate with ethical standards

From the result in the table above, the correlation coefficient (rho) shows that there is relationship between economic relationship and ethical standards. The *correlation coefficient 0.891* confirms the magnitude and strength of this relationship and it is a moderate positive correlation between the variables. The correlation represents is significant at p 0.000<0.05. Therefore, based on this finding the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a statistically significant relationship between economic relationship and ethical standards.

<sup>\*.</sup> Correlation is significant at the 0.05 level (2-tailed).

#### CONCLUSION

The work therefore concludes that trust in the workplace and how to rebuild it when it has been damaged. It focuses on the three key dimensions of the employment relationship - psychological, economic, and legal - and how they can be used to restore trust. The article concludes that by addressing these dimensions, organizations can create a more trusting and productive environment, leading to increased employee satisfaction, retention, and performance. It also emphasizes the importance of communication, transparency, and a positive company culture in rebuilding.

#### **RECOMMENDATIONS**

- 1. Paint manufacturing management should ensure that legal framework is practicable in their workplace as it foster renewing the trust of employee towards the organization.
- 2. Paint manufacturing management should incorporate psychological relationship in the day to day activities.
- 3. Paint manufacturing management should institutionalize economic relationship, make it part of her core culture which will in turn bring about rebuilding strong trust of the various stockholders towards the organization.

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