

An Investigation of The Relationship Between Organizational Trust and Loyalty in China's Largest Manufacturing Company

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ABSTRACT

Trust is widely regarded as a potent factor in attaining favorable individual and collective results. Prior studies have commonly categorised trust in business organizations into three distinct dimensions: trust in the organization itself, trust in managers, and trust in colleagues. The primary outcome variables that determine organizational trust are employee job satisfaction, organizational commitment, positive organizational behaviour, and high performance levels. Employee trust can foster emotional loyalty, continuous loyalty, and moral loyalty. We contend that trust exerts a significant influence on employee satisfaction, thereby fostering employee loyalty. This study aimed to examine the correlation between organizational trust and employee loyalty by conducting an employee loyalty survey in a prominent Chinese home appliance company. The statistical analysis conducted using SPSS software validated the correlation between organizational trust and employee loyalty, highlighting the significance of organizational trust in fostering employee loyalty particularly in manufacturing industry.

Contribution/Originality: This study significantly advances the understanding of the interplay between organizational identity and loyalty. It offers empirical evidence supporting the theoretical frameworks and practical applications in a real-world context, specifically within the surveyed company.

1. Introduction

There has been a growing emphasis on studying the connection between organizational trust and employee loyalty, as concepts in human resource management continue to develop. Organizational trust refers to the level of confidence that employees have in the management and colleagues of the company, while employee loyalty is the extent of dedication and commitment that employees have towards the organization. The correlation between the two is essential for the success of the company.

Cultivating strong organizational trust in the modern business environment can enhance employees' confidence in their leaders and colleagues, resulting in a positive work atmosphere. The trust is apparent not only in the transparency and commitment of the company's management, but also in the cooperation and support among employees (Ugwu et al., 2014).

According to Yee et al. (2010), employee loyalty is an essential determinant in attaining organizational success. When employees have trust in and show loyalty to the organization, they are more likely to demonstrate higher levels of work engagement and positive work attitudes (Chughtai & Buckley, 2008). The employees' loyalty is apparent not only through their long-term commitment to the company, but also through their diligent endeavours and productivity in striving towards the company's goals.

Karanika-Murray et al. (2015) discovered that there is a strong and positive relationship between organizational identification and job satisfaction. Expanding on this basis, the impact of organizational identification on job satisfaction is conveyed through work engagement, specifically vitality and dedication. Employees who have a strong and positive connection with the organization are also highly engaged, motivated, and committed to their work, resulting in job satisfaction. According to Bharadwaj et al. (2022), contented employees who have a strong sense of positive self-identity are less likely to have the desire to resign. Therefore, conducting comprehensive research on the relationship between organizational trust and employee loyalty can provide enterprises with more effective management strategies and improve overall performance.

The participant in this study is a well-known Chinese home appliance corporation that has made significant contributions to the country's manufacturing industry. The company is experiencing a challenge with a significant rate of employee attrition. The question arises from a series of surveys conducted within the organization. According to the company's 2022 annual report, the company has recognised the existence of formalism, an excess of employees, and a reluctance to embrace innovative trends and technologies. Every day, employees face bureaucratic procedures and internal administrative protocols, which frequently lead to a decrease in enthusiasm and motivation.

1.1. Research Objectives

This paper aims to investigate the influence of organizational trust on organizational loyalty within the specific context of a well-known Chinese home appliance corporation, in response to cope with the crisis of staff turnover faced by the company. To achieve the stated research objectives. The following are the precise research objectives:

- i. To investigate the effects of organizational trust on organizational loyalty.
- ii. To provide specific suggestions aimed at increasing employee loyalty.

2. Literature review

Prior studies have demonstrated that organizational trust serves as the foundation for establishing a strong relationship between companies and their employees, whereas employee loyalty reflects the emotional investment and sense of belonging that employees have towards the organization. There exists a strong correlation between the two entities, and they have the ability to mutually enhance one another. When employees perceive that the organization has confidence in and values them, they are

more likely to demonstrate increased loyalty. Conversely, a deficiency in trust can result in employees harbouring distrust towards the organization, thereby impacting their loyalty and work performance.

2.1. Organizational Trust

Organizational identification is widely recognised as a fundamental trait of successful organizations. Additionally, trust in organizations is considered to be even more crucial for organizational success (Morreale & Shockley-Zalabak, 2014). Generating organizational trust can be challenging and establishing trust within an organization is a time-consuming process, yet it can be destroyed in a mere moment. Hence, organizations must equip themselves not only to acquire confidence but also to consistently strive to uphold confidence (Al-Shalabi, 2019).

An analysis of studies on trust and organizational trust reveals that trust is a complex concept with multiple dimensions. Scholars tend to concentrate on particular aspects of trust based on their individual interests and disciplinary perspectives. Therefore, trust cannot be regarded as a straightforward and unambiguous concept. Trust is widely regarded as delicate (Boss, 1978; Zand, 1972), implying the potential loss of something significant, a gamble, and a readiness to take chances (Mayer et al., 1995; Schoorman et al., 2007). According to Sztompka (1999), trust can be defined as the anticipation that individuals, groups, or institutions we engage with will act in a manner that promotes our overall welfare. According to Paliszkiwicz (2011), trust is the conviction that the other party will behave in a manner that is advantageous to the company that trusts them. Gilbert and Tang (1998) define organizational trust as the conviction that the employer will adhere to the established regulations. However, researchers generally agree on certain aspects when defining organizational trust, such as trust in management, confidence in colleagues' ideas, integrity, and positive expectations (Yilmaz & Ataly, 2009). Trust can be categorised into three commonly acknowledged types: vertical trust, which refers to the trust between managers and employees; horizontal trust, which pertains to the trust between colleagues; and organizational trust, which involves the trust between employees and the organization (Hoppes & Holley, 2014).

Saunders (2012) highlights the significance of cultural disparities in establishing and sustaining trust. The study examines trust from various perspectives, including national culture, social culture, and professional background. It explores the application of trust in cross-organizational and cross-cultural contexts, as well as its relevance in the context of significant corporate changes. Additionally, the study delves into research on cross-cultural trust in family businesses. The authors acknowledge that trust is a concept that is inherently dependent on the specific circumstances and can be influenced by various factors. Collaboration is possible even in the absence of trust, but it is likely that individuals will be more productive and efficient when trust is present. Trust should not be regarded as a tradable item that can be acquired, forfeited, or manipulated. Instead, trust can be more accurately comprehended as a deliberate and organised dialogue. Actors are in a perpetual and fluctuating state of trust, devoid of any specific condition. This aligns with the aforementioned research point that "organizations must consistently strive to uphold ongoing trust."

Dirks and Ferrin (2002) constructed a theoretical framework to examine trust in leadership, which elucidates how the association between trust and its precursors and

outcomes fluctuates based on the definition of trust. The findings present empirical support for the primary associations between trust and 23 other variables. The study employs distinct conceptualizations of trust, including cognitive and holistic perspectives, as well as different reference points for trust leadership, such as direct leadership and organizational leadership, to precisely define the nature of the construct. Research findings indicate that trust in immediate supervisors has a more significant influence on performance, altruism, intention to leave, and job satisfaction compared to trust in higher-level organizational leaders. This discovery will prompt researchers or managers to potentially give greater consideration to trust in immediate superiors. Furthermore, the results suggest that the presence of cognitive trust within an organization can lead to higher levels of organizational commitment and lower levels of turnover intentions.

Augustine et al. (2009) discovered that the majority of research on trust in specific objectives concentrates on trust in immediate supervisors, as previously mentioned. Nevertheless, he contended that these relationships portrayed horizontal dynamics that were absent in vertical supervisor-subordinate relationships and employee-top management relationships. According to Matzler and Renzl (2006), trust in colleagues is particularly significant in team-based organizations. In their study on trust in colleagues and trust in the organization, Tan and Lim (2009) discovered a positive correlation between trust in colleagues and trust in the organization. Additionally, they found that trust in the organization acts as a mediator for trust in colleagues, emotional commitment, and performance. The correlation between organizational outcomes, specifically trust in colleagues, influences organizational commitment and performance by means of trust in the organization. According to Dirks (2000), trust in teammates does not affect team performance, whereas trust in leaders has a notable influence. In self-directed work teams, trust in colleagues may hold greater significance than trust in the leader, as individuals depend more on their colleagues rather than on leaders. Alternatively, both factors may exert influence, albeit yielding distinct outcomes.

This study investigates the present level of trust among participants by analysing three aspects: trust in the organization, trust in immediate supervisors, and trust in co-workers.

2.2. Organizational Loyalty

Employee loyalty to the organization is an important attribute to gain competitive advantage in any organization. Research shows that retaining and developing a committed workforce has many benefits and can protect organizations from some of the negative impacts.

By searching the literature on "loyalty", it is not difficult to find that the main directions of research on loyalty are customer loyalty, brand loyalty and employee loyalty. Customer- and brand-oriented loyalty research is inseparable from the needs of business development. Employee loyalty is considered an important guarantee for a company to have more competitive advantages, higher survival rates and higher success rates. Talented and loyal employees are always the company's assets (Cooil, 2007). Research on employee loyalty mostly focuses on studying the factors that affect employee loyalty (Alshraideh et al., 2017; Wu et al., 2019; Vuong et al., 2021) and the impact of employee loyalty on organizational performance (Whiting et al., 2008; Guillon & Cezanne, 2014; Jigjiddorj et al., 2019; Al-Dossary, 2022).

Here, we also need to explain two similar concepts, namely employee loyalty and organizational loyalty. Employee loyalty and organizational loyalty, although related, focus on different aspects of workplace relationships and loyalty. Employee loyalty tends to be more loyal to the direct supervisor or manager, while organizational loyalty represents an employee's commitment to the entire organization. Organizational loyalty contributes to overall company performance, but employee loyalty affects team dynamics and individual performance within smaller units of the organization (Zhang et al., 2022). In view of the research purpose and specific research object of this article, this article will use the term "organizational loyalty". Because there is no strict distinction between the definitions of the two in previous literature, this study does not make an absolute distinction between "employee loyalty" and "organizational loyalty" in the review of previous literature, unless the original article There is a clear definition of the difference between the two.

Some studies define employee loyalty as psychological attachment or commitment to the organization, which develops as job satisfaction increases. Employee loyalty to an organization (often synonymous with commitment) is sometimes viewed as an attitude. However, it is not attitudes but actions that matter in organizations (Meyer & Allen, 1991). Employee loyalty refers to the willingness to remain in the organization. Employee loyalty is an organizational citizenship behaviour that reflects loyalty to the organization and promotes the organization's interests and image externally (Bettencourt et al., 2001). Employee loyalty is a manifestation of organizational commitment and is the relative strength of an individual's identification and involvement with a particular organization (Mowday et al., 2013), based on internalization and identification (O'Reilly & Chatman 1986). This behaviour can be characterized by three related factors. They have a strong belief in and acceptance of the organization's goals and values, are willing to exert considerable effort on behalf of the organization, and have a strong desire to maintain membership in the organization. (Mowday et al., 1979). Arai (1995) believes that factors that generate organizational loyalty include high job security or long-term employment, the ability of managers to cultivate organizational loyalty through indoctrination, encouragement, example, communication with employees, etc., and the social culture in which the company is located. Pandey and Khare (2012) studied job satisfaction and organizational commitment and their impact on employee loyalty and found that job satisfaction and organizational commitment have an impact on employee loyalty. Kabir and Parveen (2011) tested the factors that affect job satisfaction and suggested that managers should focus on various factors that affect and improve employee job satisfaction for better organizational performance. Preko and Adjetey (2013) revealed a significant linear correlation between employee loyalty, engagement and performance. In his study of employee turnover models, Long (2012) pointed out that in order to cultivate loyalty and allow employees to share their intellectual capital, organizations must find ways to attract them to expand. Retaining talent is a major challenge for companies. Martensen and Grønholdt (2006) studied employee loyalty from a marketing perspective. The employee loyalty causal model developed based on basic literature research contains three effect variables, namely "job satisfaction", "employee loyalty", and "to the company". Perceived contribution to value". Six determinants of these outcome areas were identified: leadership, relationships and values, personal development and competencies, job content, creativity and innovation, and customer orientation. The findings indicate that if the implementation costs of all six determinants are the same, the greatest potential for improving employee loyalty is primarily related to "personal

development and competence”, with the second greatest potential being leadership issues.

2.3. Theories and Research on Organizational Trust and Organizational Loyalty

Past research on the impact of organizational trust on employee loyalty has shown that there is a close relationship between organizational trust and employee loyalty. A high level of organizational trust can promote employees' loyalty to the organization, thereby enhancing employees' sense of belonging and work engagement. Organizational justice also has an important impact on employee loyalty. When employees perceive the organization to be fair, they are more likely to remain loyal to the organization.

[Dai \(2022\)](#) used employee loyalty as a mediator in the study of the impact of organizational trust on organizational citizenship behaviour. The empirical analysis results show that employee loyalty plays a mediating role in the relationship between organizational trust and organizational citizenship behaviour. Employees' trust in the organization is one of the main factors affecting employee loyalty ([Matzler & Renzl, 2006](#)). Organizational trust can improve employee satisfaction and engagement, enhance organizational emotional commitment, and reduce the possibility of turnover ([Rudnák et al., 2022](#); [Yang & Tsai, 2023](#)). [Dai's \(2022\)](#) research further supports the view that when employees trust the organization, the higher the loyalty, the more positive their work and behaviour will be, and they will be more willing to spontaneously perform organizational citizenship behaviours. [Yu et al. \(2007\)](#) through a questionnaire survey of 43 companies in China, the analysis results show that organizational trust has a significant positive prediction effect on individual job satisfaction and emotional commitment, and has a significant negative prediction effect on turnover intention.

It is not difficult to see from the previous literature that there are many studies on the impact of organizational trust, and most of the impact results are related to employee satisfaction, turnover intention (or intention to stay) and performance results, which are also the main results of loyalty. Therefore, the research findings on the antecedents and consequences of organizational trust are helpful to carry out this study. Although there are many previous studies focusing on employee loyalty, there are few studies that directly examine the relationship between organizational trust and organizational loyalty. [Matzler and Renzl's \(2006\)](#) study investigated the impact of trust in management and trust in colleagues on employee satisfaction and loyalty. Research has verified that trust in management and trust among colleagues are both positively related to employee satisfaction, and employee satisfaction is positively related to employee loyalty. In the study of the impact of the relationship between organizational identification and organizational trust on organizational loyalty, [Al-Shalabi \(2019\)](#) provided a model containing a series of scenarios to determine which form of relationship between organizational identification and organizational trust affects organizational loyalty. maximum. The findings indicate that organizational identification and organizational trust influence organizational loyalty in a joint or independent manner.

This article will conduct an empirical study on the relationship between organizational trust and organizational loyalty. The structure of organizational trust variables includes trust in the organization, trust in managers, and trust in colleagues; organizational

loyalty will include emotional loyalty (sense of belonging), normative loyalty (duty of loyalty), sustained loyalty (willingness to stay).

3. Methodology

This study adopted a quantitative research method. This study surveyed 600 employees of a large Chinese manufacturing company Beijing Branch. Using the G-POWER sample calculation method, the sample should include at least 124 people. However, to obtain more accurate results, researchers distributed questionnaires to all employees and received 516 valid responses. The returned questionnaires reflected their self-assessment of organizational trust and loyalty, offering insights into their current perceptions of management practices.

The study collects and analyze historical background, research, practical experience, and comprehensive literary sources relevant to the content and environment under investigation. To achieve the study objectives, the researcher devised a questionnaire aligned with the current research objectives, aiming to provide a thorough assessment of the existing literature on the selected subject. Expert insights will be beneficial in augmenting and evaluating the content. Survey participants were identified and administered the questionnaire using the online software WenJuanXing, ensuring confidentiality through provided instructions.

The researchers conducted a questionnaire survey on 516 employees of the company under investigation and collected relevant data. As shown in [Table 1](#), among the survey samples, men and women accounted for 30.2% and 69.8% respectively, with a higher proportion of women than men. In terms of age, the largest number of people are in the 26-35 age group, accounting for 36.2%; in terms of education level, employees with a bachelor's degree account for the most, accounting for 47.5%; employees with less than two years of work experience are the largest, accounting for 42.8%; and employees in grassroots positions are the largest, accounting for 66.5%. The data distribution reflects the broad coverage of this survey and the reasonable distribution of demographic data, which can meet the data quality requirements of this article's empirical model.

Table 1: Respondent profile

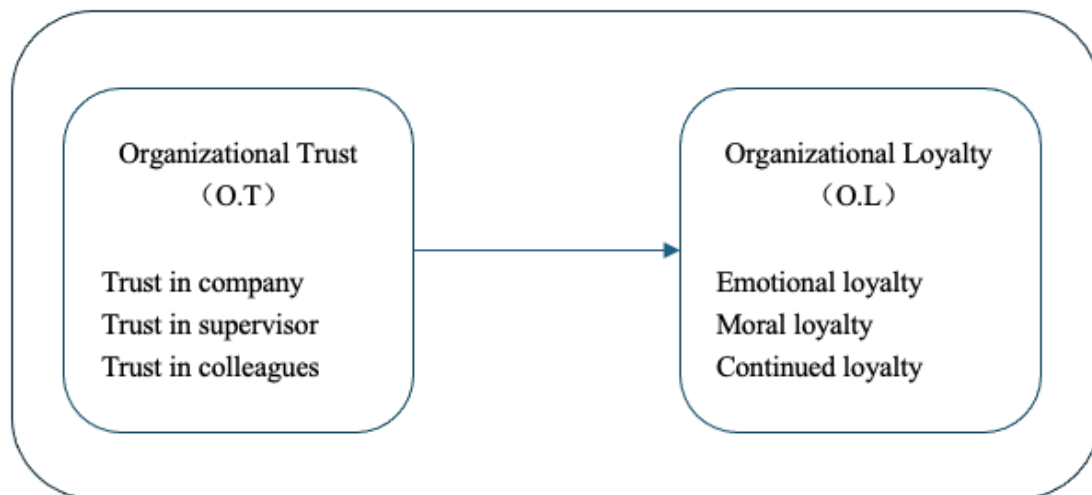
Feature variable	Type	Number of Samples	Percentage %
Gender	Male	156	30.2
	Female	360	69.8
Age	18-25	145	28.1
	26-35	187	36.2
	36-45	113	21.9
	Over 46 years old	71	13.8
	Postgraduate	8	1.6
Education	Undergraduate	245	47.5
	College	188	36.4
	Senior Secondary and below	75	14.5
Individual Income	Under \$999	19	3.7
	1,000-1,999	275	53.3
	2,000-2,999	139	26.9
	3,000-4,999	65	12.6
	Over 5,000	18	3.5

Working Years	Under 2 years	221	42.8
	2-5 years	148	28.7
	5-8 years	94	18.2
	Over 8 years	53	10.3
Position	Primary Staff	343	66.5
	Junior Managers	105	20.3
	Middle Management	60	11.6
	Senior Management	8	1.6

A survey instrument serves as a structured tool for systematic data collection and information gathering from participants. It is meticulously designed to ensure comprehensive data collection through a series of processes. This study primarily employed validated and recognized measurement scales, utilizing Likert-type scales with response options ranging from 1 to 5. Variables were evaluated through multiple questions to enhance precision and minimize ambiguity. In the final analysis, original items were reviewed and variables quantitatively measured.

Based on previous research, this study adopted the variables included in earlier models. (Figure 1). The measurement scale of organizational trust (OT) is assessed using the studies conducted by Dirks and Skarlski (2002), Koç and Yazıcıoğlu (2011), Tan and Lim (2009), and Min et al. (2023). The survey comprises 9 items that assess trust in the company, trust in the supervisor, and trust in colleagues. These dimensions were validated. Organizational loyalty (OL) refers to the commitment and dedication that individuals have towards their organization. The measurement of organizational commitment is derived from the works of Allen and Meyer (1990), and Min et al. (2023). The OL measure comprises 9 items that assess emotional, moral, and continued loyalty.

Figure 1: Conceptual framework



Source: Al-Shalabi (2019)

4. Results

This study used SPSS software to evaluate the validity and reliability level of the items. The process of validity testing involves assessing convergent validity by relating item scores (component scores) to construct scores, thereby producing loading factor values. A loading coefficient value is considered strong when the correlation of a component or indicator with the construct being measured is greater than 0.70. However, when it

comes to preliminary studies on developmental stages, a loading factor of 0.5 to 0.6 is considered satisfactory (Chin, 1998). Reliability refers to the degree to which a result or measurement can be considered trustworthy and consistent, producing relatively stable measurements across multiple trials. The reliability of the research variables was assessed using alpha coefficient or Cronbach's alpha and composite reliability. A measurement item is considered reliable if its alpha coefficient value exceeds 0.6 (Malhotra, 1996). This study used Likert-type scales, which include response options from 1 to 5. Improve precision and reduce ambiguity by leveraging multiple queries to evaluate variables. As shown in Table 2, the Cronbach's Alpha coefficients of the two variables of organizational trust and organizational loyalty are approximately 0.932 and 0.938 respectively, reflecting the design of this article. The measurement scale has a high level of reliability.

Table 2: Reliability analysis results

Variables	N of Items	Overall Alpha Value
Organizational trust (OT)	9	0.932
Organizational loyalty (OL)	9	0.938

4.1. Descriptive statistical analysis

Analysis of the data in Table 3 reveals that the standard deviations of all variables demonstrate satisfactory performance, while the means are reasonably consistent. Among the variables examined, organizational trust has the highest average value, with a mean of 3.11, while position has the lowest average value, with a mean of 1.48. Organizational loyalty has the highest level of variability, with a standard deviation of 1.133, whereas gender has the lowest level of variability, with a standard deviation of 0.460. The survey reveals that the employees of the surveyed enterprises have acknowledged the presence of organizational trust and organizational loyalty.

Table 3: Mean and Standard Deviation

Name of Variable	N	Minimum Value	Maximum Value	Mean Value	Standard Deviation
Gender	516	1.00	2.00	1.7	0.460
Age	516	1.00	4.00	2.21	1.003
Education	516	1.00	4.00	2.64	0.744
Individual Income	516	1.00	5.00	2.59	0.882
Years of Working	516	1.00	4.00	1.96	1.011
Position	516	1.00	4.00	1.48	0.759
Organizational Trust	516	1.00	5.00	3.11	1.074
Organizational Loyalty	516	1.00	5.00	3.07	1.133
Effectively N	516				

4.2. Validity analysis

Exploratory factor analysis is employed to perform factor analysis on the constructs of organizational identification and employee loyalty. The KMO value and Bartlett's sphericity test results are analysed to ascertain the suitability of the measured variables for factor analysis. In general, if the KMO value is 0.6 or higher and the Bartlett sphericity test is significant at the 0.001 level, it suggests that there is a correlation between the original variables. In such cases, the principal component factor analysis method can be employed.

4.2.1. Validity analysis of organizational trust

An analysis of the validity was performed on the three dimensions of organizational trust. The test results presented in Table 4 indicate that the KMO values for trust in company, trust in supervisor, and trust in colleagues were 0.719, 0.719, and 0.717, respectively. The p-value of Bartlett's sphericity test for all dimensions was less than 0.001. In addition, the principal component factor analysis showed that all items have factor loadings greater than 0.6, indicating that each item in the scale effectively explains organizational trust.

Table 4: Rotated factor loading matrix of the theoretical questionnaire on organizational trust

Variable	Construct	Items	Factor loading	KMO	Bartlett's Test of Approx. Chi-	Sig.
Organizational Trust (OT)	Trust in company	ZR1	0.863	0.719	537.603	< .001
		ZR2	0.850			
		ZR3	0.857			
	Trust in supervisor	ZR4	0.854	0.719	533.539	< .001
		ZR5	0.854			
		ZR6	0.860			
	Trust in colleagues	ZR7	0.860	0.717	520.770	< .001
		ZR8	0.851			
		ZR9	0.850			

4.2.2. Validity analysis of organizational loyalty

The validity analysis of the three dimensions of organizational loyalty in Table 5 reveals KMO values of 0.725, 0.722, and 0.727. Additionally, the significant probability of Bartlett's sphericity test was less than 0.001 for all dimensions. A principal component factor analysis reveals that all items have factor loadings exceeding 0.6, indicating a strong explanatory capacity for organizational loyalty.

Table 5: Factor loading matrix after rotation of the theoretical questionnaire on organizational loyalty

Variables	Construct	Items	Factor loading F1	KMO	Bartlett's Test of Sphericity Approx. Chi-Square	Sig.
Organizational Loyalty (OL)	Emotional loyalty	XZ10	0.866	0.725	592.258	< .001
		XZ11	0.860			
		XZ12	0.872			
	Moral loyalty	XZ13	0.860	0.722	570.131	< .001
		XZ14	0.858			
		XZ15	0.869			
	Continued loyalty	XZ16	0.884	0.727	631.448	< .001
		XZ17	0.869			
		XZ18	0.864			

4.3. Correlation analysis

This paper mainly studies the impact of organizational trust on organizational loyalty, so it is necessary to test the correlation coefficient of these two variables. Pearson

correlation coefficient was used to analyse the correlation between variables. Table 6 lists the correlation coefficients of each variable. As can be seen from Table 6, OT is significantly positively correlated with OL ($r=0.449$, $p<0.01$). The results initially support the hypotheses proposed in this study and provide a basis for further verification.

Table 6: Correlation analysis values between organizational trust and organizational loyalty

	OT	OL
OT	1	
OL	0.449**	1

4.4. Regression analysis of organizational trust on organizational loyalty

Regression analysis was conducted with organizational loyalty as the dependent variable and organizational trust as the independent variable. The adjusted R-square was found to be 0.201, indicating that the data results have good explanatory power. The F value is 129.537, and the F test significance is <0.001 , which reflects that the model fits well. At the same time, the coefficient Beta value of organizational trust is 0.449, and the significance Sig value is <0.001 . Therefore, organizational trust has a significant positive effect on organizational loyalty. According to the regression results shown in Table 7, OT has a significant predictive effect on OL ($\beta= 0.449$, $t= 11.381$, $p < 0.001$), so the hypothesis of this study is confirmed.

Table 7: Regression analysis of organizational trust on organizational loyalty

Model	R	R2	ANOVA		Unstand-ard-ized Coefficients B	Standard-ized coefficient Beta	t	Sig
			F	Sig.				
Constants					1.597		11.694	<.001
Organizational Trust	0.449	0.201	129.537	<.001	0.473	0.449	11.381	<.001

5. Conclusion

How do organizations develop employee loyalty? What factors contribute to the development of organizational trust? This article attempts to draw conclusions through a summary of the literature and a survey of the research objects. First, empirical analysis shows that trust in the company, trust in direct superiors, and trust in colleagues jointly promote the formation of organizational trust. Specifically, according to social identity theory, a trustworthy organizational environment is conducive to arousing employees' positive emotions, improving work performance, and reducing turnover intention. The reason why trust can promote loyalty is that employees gain more psychological security and organizational support at work, thereby forming a sense of identification and dependence on the organization, and even an enhanced sense of responsibility, thus forming employees' sense of loyalty to the organization.

This study investigates the impact of employees' trust and loyalty towards their organization in China's largest home appliance company. The study also considers the specific characteristics of the industry and the cognitive situation of the employees. This study provides an empirical analysis of the correlation between two major domains within a large organization. In Chinese culture and traditional ideologies, there is a lack of empirical analytical research specifically focused on individual companies. The findings enhance our comprehension of social identity theory and employee loyalty theory.

Through the implementation of a regression analysis, it becomes apparent that there is a positive correlation between organizational trust and organizational loyalty. Organizational trust exerts a beneficial impact on organizational loyalty. If employees have a high level of satisfaction, the costs of leaving will be significant, causing them to choose to stay with their current employer. As a result, this will lead to a rise in employee confidence. Moreover, satisfaction is a pivotal factor in determining the loyalty of employees, which subsequently affects their preferences, resistance to recommendations, and tolerance levels. To ensure the continued expansion of a business, it is crucial to prioritise the satisfaction of employees.

The results of this study are consistent with the expected outcomes envisioned by the Chairman of the company for its future. Enable employees to come to work with ambitions, rather than being weighed down by bureaucratic procedures and internal administrative protocols on a daily basis, which dampen their enthusiasm and motivation. The company should regularly analyse its internal culture, identifying behaviours and rules that provoke disgust among employees, as well as practices that can improve the company's operational excellence. Continuously improve the management environment to provide employees with an exceptionally satisfying work environment. Streamline the organization's restructuring process, improve operational efficiency, and allocate more resources to support the growth and development of future talents and advanced technologies, thereby promoting long-term company growth. By conducting a thorough examination and analysis of employees' trust in an organization, this study has advanced the current understanding of research on organizational trust and loyalty.

Ethics Approval and Consent to Participate

The researchers used the research ethics provided by the Research Ethics Committee of Universiti Teknologi MARA (UiTM). All procedures performed in this study involving human participants were conducted in accordance with the ethical standards of the institutional research committee. Informed consent was obtained from all participants according to the Declaration of Helsinki.

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Conflict of Interest

The authors declare no conflict of Interest.

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