

Antecedents and consequences of organizational trust: Test of a latent variable model

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ABSTRACT

The present study explores the association between employees' perceptions about their organizational culture and corporate reputation as precursors of employee engagement and organizational cynicism, more so, as employees' perceptions of organizational culture interact with the extent of their person-organization fit and when all such linkages are mediated by organizational trust. For this purpose, a literature survey was carried out and the pertinent hypotheses were formulated which were then depicted in a path model. 783 Indian managers formed the study sample and provided responses to examine the hypotheses and the path model using several quantitative methods including structural equation modeling techniques. The hypotheses and the proposed path model were accepted as per the results obtained. Following this, the implications of the study were discussed. Finally, the limitations and future research scopes were enumerated

1. INTRODUCTION

While organizations differ in their approaches to conducting business, they primarily have two types of resources to work with, namely, tangible and intangible. Of these, research suggests that it is the utilization of intangible resources that differentiates similar organizations from one another (Zigan, 2013). An early study (Zurcher, 1968) recognized the importance of observing and investigating the attitudinal facets arising out of employees' perceptions within a specific socio-cultural context. Drawing from this observation, the present study scrutinizes the premise that intangible resources embodied in a firm's human resources, specifically in terms of their perceptions and their resultant workplace attitudes, are the ones that are most effective in providing them with long-term dominance, an area hitherto scantily researched in the related literature (Xie et al., 2021). Consequently, it is important to contextualize and link employees' perceptions with their attitudes through suitable constructs and record the implications of such connections (Gyves & O'Higgins, 2008).

In this connection, the resource-based view (RBV) of the firm suitably categorizes a firm's resources as valuable, rare, inimitable, and non-substitutable (VRIN) (Clardy, 2008). From the findings of Boxall and Purcell (2003), it is clear that physical or tangible resources, though not equally available to all firms, can be duplicated, whereas, the more intangible human capital may be similar across organizations but never the same. Over time, the human resources and their shared perceptions, through task routinization and interpersonal correspondence, become important factors that determine an organization's normative processes and practices and set it apart from other organizations (Chatzoglou et al., 2018). This notion has been defined as employees' perceptions of organizational culture (EPOC) or how the employees of an organization perceive "the way things are done here" (Deal & Kennedy, 1982, p.125).

Another resource that emerges from the resource-based perspective is the reputational asset of a firm (Galbreath, 2005). Like culture, corporate reputation is non-tradeable and exists in the minds of its stakeholders, both external such as customers and clients, as well as internal that is, the employees, as perceptions of an organization's goodwill and character (Prieto et al., 2014). In keeping with the study objective, employees' perceptions of corporate reputation (EPCR) may, therefore, be considered as another crucial construct. Indeed, research appears to be inadequate while discussing culture and reputation together although both are embedded in the conceptualization of intangible organizational capital and this may be considered as a possible gap that needs



further exploration (Kumar et al., 2019).

With this theoretical background and identification of the two primary antecedent study constructs that are, EPOC and EPCR, a review of the literature was carried out to identify additional linkages to build a conceptual path linking these antecedents to their outcomes

Literature review and hypotheses development

EPOC, EPCR, and organizational trust

An organization's culture is a unique feature that lends it an anthropomorphic trait that is akin to an individual's personality. It is primarily based on a common perception of shared values, beliefs, and assumptions that are maintained by regular socialization among employees (Pradhan *et al.*, 2017). As shared convictions that help employees in "external adaptation and internal integration" (Schein, 1990, p.111), EPOC culminates in the creation and consolidation of relational constructs such as organizational trust.

The other exogenous construct that emerges from the related theory is EPCR which refers to the reputational asset of a firm and employees' opinions about it (Quairel-Lanoizelee, 2011). The allied literature suggests that EPCR reduces employees' uncertainty about an organization's present and future policies, practices, and performance (Ajayi & Mmutle, 2021). Also, a positive EPCR creates confidence among its employees who believe that the goodwill of their organization makes it less susceptible to external environmental vulnerabilities and that they can trust that their affiliation with the organization will result in their psychological safety and security (Lee, 2022).

Based on the preceding discussion, the following study hypotheses are postulated.

Hypothesis 1 (H1). Employees' perceptions of organizational culture are significantly connected with positive levels of employees' organizational trust.

Hypothesis 2 (H2). Employees' perceptions of corporate reputation are significantly and positively associated with employees' levels of organizational trust.

Person-organization (P-O) fit as a moderator of EPOC

As a construct, P-O fit is an indicator of the strength of the relationship between an organization and its employees that is based on their value congruence (Afsar *et al.*, 2018). So, a higher P-O fit motivates employees to share organizational concerns through deeper social ties, strengthens EPOC, and builds their confidence and trust *vis-à-vis* their coworkers and by extension, their organization (Martin & James, 2020).

In this context, while EPOC binds employees through consensually accepted norms, values, beliefs, and assumptions, P-O fit illustrates 'why' employees agree to put their trust and be a part of this shared system (Hamstra *et al.*, 2019). Consequently, EPOC and P-O fit may be considered joint determinants of employees' trust in their organization (Herath, 2021). As such, the following study hypotheses are proffered.

Hypothesis 3 (H3). Employees' person-organization fit is significantly and positively related to their levels of organizational trust.

Hypothesis 4 (H4). Employees' person-organization fit significantly interacts with their perceptions of organizational culture and amplifies organizational trust.

Organizational trust, employee engagement, and organizational cynicism

Recent studies have reported employee engagement as an immediate positive outcome of EPOC through social exchange variables, such as organizational trust (Eriksson *et al.*, 2021). It is asserted that employee engagement is guided by employees' trust in their organization emanating from the cognizance of a match between their personality and their shared values and assumptions with other co-workers as symbolized by EPOC (Ryan & Deci, 2000). In this connection, employee engagement refers to employees' intent to diligently fulfill workplace roles and responsibilities (Joplin *et al.*, 2021). Moreover, employees who believe their organization's culture confirms their professional expectations display higher levels of organizational trust and are consequently more enthusiastic and participative as organizational citizens, and this is displayed in their higher levels of job and organizational engagement (Deepa, 2020).

Further, it has been observed that employees who trust their organizations are more open to changes and make a better assessment of their internal work environment (van den Heuvel *et al.*, 2016). Ergo, such employees are less pessimistic and/or dismissive about their organization because they believe in their organization's authenticity (van den Heuvel *et al.*, 2017). As a result, their organizational trust accentuates their sense of belongingness and restrains them from being cynical and pessimistic about their organization (Sharafizad *et al.*, 2020). As such, the following study hypotheses are posited.

Hypothesis 5 (H5). Organizational trust has a significantly positive link with employee engagement levels.

Hypothesis 6 (H6). Organizational trust is significantly and negatively related to employees' levels of organizational cynicism.

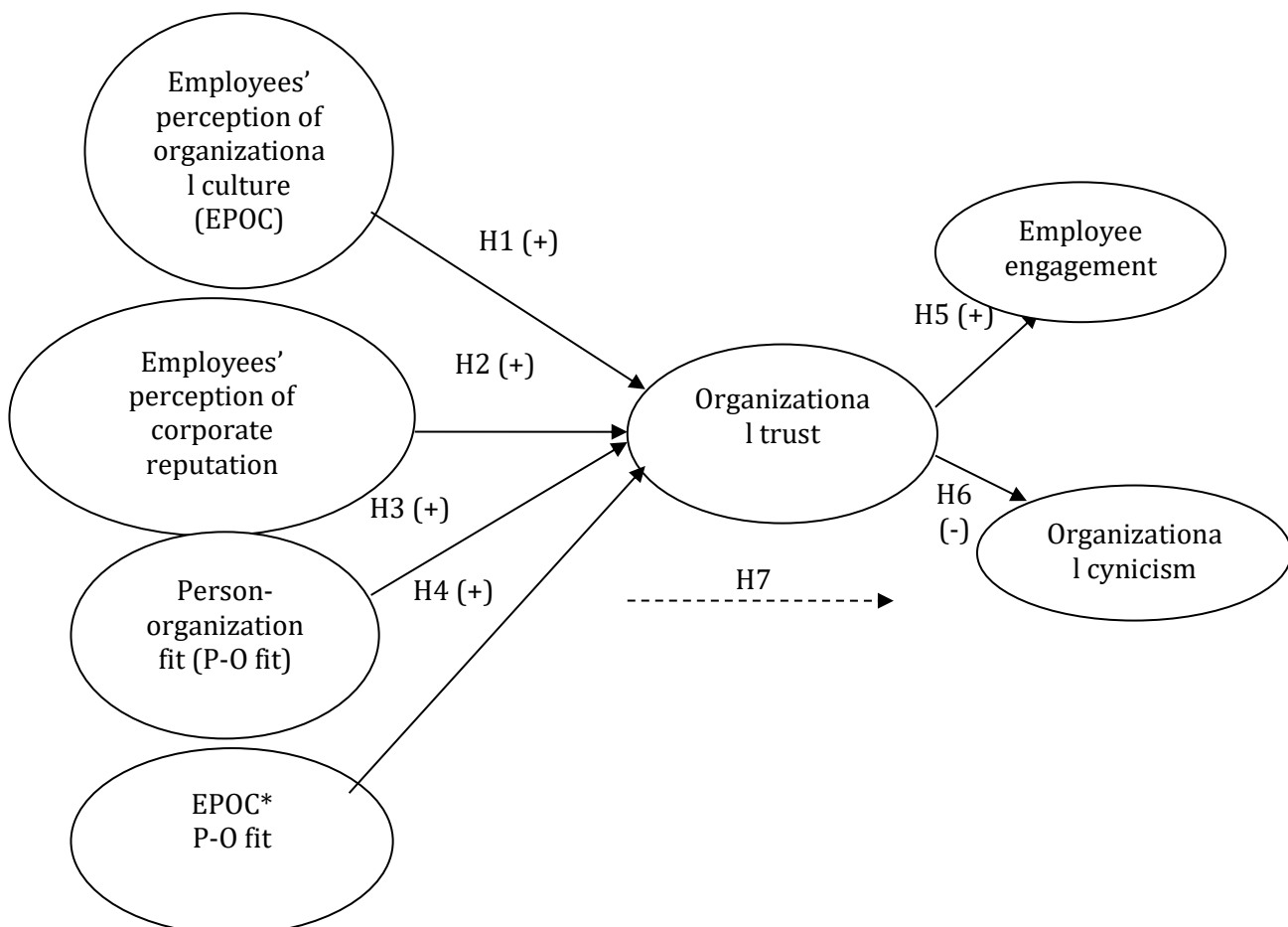


Hypothesis 7 (H7). Employees' organizational trust significantly mediates the linkages of the primary antecedents which are, employees' perceptions of their organization's culture and reputation, their person-organization fit, and the interaction between such fit and culture perceptions with the consequences that are, employee engagement and organizational cynicism.

Figure I below, labeled as the path model (PM), is an illustration of the hypotheses propounded above and is empirically investigated in the subsequent sections.

Insert Figure I about here

Figure I. The proposed path model (PM) and the hypothesized links between the study constructs



In this section, the theoretical and practical implications of the findings are discussed.

Theoretical implications

2. METHOD

Sampling techniques and approaches

Since the exact data concerning the workforce population were not available, the sample was computed using the method for an infinite population (Liu, 2014). Accordingly, the recommended sample size was 756.

Initially, 32 organizations appearing in the National Business Directory of India were chosen at random. Then, their human resources (HR) department was contacted seeking consent to collect the requisite data. The employees of 10 out of 32 organizations were permitted to take part in the study survey. Six out of the 10 companies belonged to the manufacturing sector and the remaining were from the services sector. Willing participants, who all belonged to the managerial cadre, comprised a list of respondents. Prior to the survey, it was clarified that the respondents would remain unidentified. It was also guaranteed that the study was purely academic and had no commercial objective. Thereafter, about 1800 survey forms were dispensed. 783 completed and usable forms could be finally collected which were then considered for data analysis procedures rendering the response rate as 43.5 percent.



As per the data, the respondents' mean age and work experience were 37.71 years and 13.91 years, respectively. Additionally, the sample comprised 582 males and 201 females. Moreover, 467 survey participants were employed in the manufacturing sector and 316 were from the services sector organizations. Finally, managerial level-wise, 347 were juniors, 355 were mid-level, while 81 were seniors in their respective organizations.

Measures

The variables EPOC, EPCR, P-O fit, organizational trust, employee engagement, and organizational cynicism were measured on a five-point scale from 1 = strongly disagree to 5 = strongly agree.

EPOC. Eight items of the Organizational Culture Profile (OCP) scale developed and reported by O'Reilly *et al.* (1991) were adapted to measure EPOC. The scale captured eight factors of organizational culture as perceived by employees such as innovation, attention to detail, outcome orientation, aggressiveness, supportiveness, emphasis on rewards, team orientation, and decisiveness. An example item from the inventory used for this study was, 'This organization is achievement-oriented, has high expectations, and demands results from its employees'. The reliability index of the OCP scale was .81.

EPCR. EPCR was measured by adapting the 20 items from the 'Reputation Quotient (RQ)' developed by Fombrun *et al.* (2000). The six factors measured by this scale namely, emotional appeal, vision and leadership, workplace experience, and social and environmental responsibility comprising three items each and products and services and financial performance consisting of four items each were utilized to operationalize EPCR. An example item from the RQ inventory was 'I respect and admire this organization'. For EPCR, the internal consistency reliability index was .84.

P-O fit. Employees' P-O fit was measured by the three-item scale developed by Cable and Judge (1996). An example item from the measure was 'I feel personally attached to my organization'. For the measure of P-O fit, the reliability index was calculated as .78.

Organizational trust. Employees' level of organizational trust was measured by the seven-item scale developed by Robinson (1996). A sample item was 'In general, I believe my organization's motives and intentions are good'. Three items were reverse-scored an example of which was, 'I don't think my organization treats me fairly'. This measure had a Cronbach's alpha reliability index of .78.

Employee engagement. 11 items recorded by Saks (2006) were used to gauge employee engagement. Two factors which were, engagement with the job having five items and with the organization having six items comprised the overall inventory. A sample item was 'Sometimes I am so into my job that I lose track of time'. An item each of job and organizational engagement had to be reverse-scored. The internal consistency reliability index for the employee engagement measure was computed as .72.

Organizational cynicism. Organizational cynicism was measured with five items of the organizational cynicism scale (Dean *et al.*, 1998). A sample item was 'My organization's policies, goals, and practices seem to have little in common'. Two items were reverse-scored and one of them was 'I believe that my organization always does what it says it will do'. The Cronbach's alpha reliability index for the measure of organizational cynicism was .82.

Control variables. For subsequent analyses, the variables controlled for were the respondents' age, work experience, gender, managerial position, and the sector to which their organization belonged (Siemsen *et al.*, 2010). While the gender of the respondents (1 (male), 2 (female)) and the sector to which their organization belonged (1 (manufacturing), 2 (services)) were categorized as dichotomous variables, their level of management (LoM) comprised the categories labeled as 1 for senior, 2 for mid-level, and 3 for junior level managers. Their age and work experiences were computed based on a continuous fixed scale and calculated by rounding them off to the nearest year.

3. RESULTS

Common method bias

To test for common method bias (CMB), a single latent variable method (SLVM) was applied (Bartholomew *et al.*, 2011). For this, an SLVM comprising the observed variables of the six latent variables was pitched against the conceptual PM (see Figure I). The comparative and the incremental fit indices respectively, of the PM were .94 and .94 while the CFI and the IFI were .71 and .71 with respect to the SLVM. Consequently, the SLVM was rejected removing the problem of CMB.

Evaluation of the measurement model

The composite reliability (CR) and the convergent and discriminant validity were the main criteria adopted to assess the measurement model (Ramayah *et al.*, 2011). As per Table I, the figures denoting the CR extended between .73 and .85 and the average variance extracted (AVE) varied between .52 and .64 demonstrating convergent validity. Furthermore, as Table I denotes, the squares of the correlations between the study variables were less than the AVE values which provided evidence of discriminant validity (Koufteros, 1999). Additionally, discriminant validity was also examined using the heterotrait-monotrait (HTMT) method, and as depicted in Table I, the values spread from .43 to .72, providing further substantiation of discriminant validity (Henseler *et al.*, 2016).



Insert Table I about here

Table I. Evaluation of the measurement model

Variables	CR	1	2	3	4	5	6
1. EPOC	.76	.53					
2. EPCR	.85	.29 (.43)	.64				
3. P-O fit	.73	.18 (.71)	.21 (.54)	.58			
4. Organizational trust	.81	.11 (.62)	.12 (.52)	.21 (.60)	.56		
5. Employee engagement	.74	.14 (.72)	.24 (.47)	.11 (.59)	.34 (.51)	.52	
6. Organizational cynicism	.83	.03 (.64)	.04 (.58)	.02 (.45)	.10 (.68)	.06 (.47)	.62

Note. $n = 783$; CR is ‘Composite reliability’; The diagonal values of the matrix represent the average variance extracted while the off-diagonal values are the squares of the inter-correlations between the study variables; Off-diagonal values in parentheses are results of the heterotrait-monotrait (HTMT) analysis; ‘EPOC is ‘Employees’ perception of organizational culture’, EPCR is ‘Employees’ perception of Corporate reputation’, and P-O Fit is Person-Organization Fit.

Configural invariance tests

Before carrying out further analyses, the proposed model was tested for configural invariance using the grouping variables namely, sector, gender, and LoM. Configural invariance examines the equivalence concerning the indicator variables and validity of the study constructs across groups. As per the results, the measures used were found to be invariant between sectors ($\Delta\chi^2 = 438.2$, $\Delta df = 482$, $p = .92$), gender ($\Delta\chi^2 = 505.9$, $\Delta df = 476$, $p = .17$), and LoM ($\Delta\chi^2 = 682.4$, $\Delta df = 793$, $p = .96$), and therefore, the results obtained were equally applicable to all groups considered in the present study.

Means, standard deviations, correlations, and reliability indices

The descriptive statistics and the respective Cronbach’s alpha values of the study variables are displayed in Table II below. As anticipated, there was a significant positive correlation between EPOC, EPCR, and P-O fit and organizational trust ($r = .33$, $p \leq .01$; $r = .35$, $p \leq .01$, and $r = .46$, $p \leq .01$ respectively). Moreover, a significant and positive correlation was found between organizational trust and employee engagement ($r = .58$, $p \leq .01$), and a significant and negative correlation existed between organizational trust and organizational cynicism ($r = -.32$, $p \leq .01$).

Insert Table II about here

Table II. Descriptive statistics, inter-correlations, and Cronbach’s alpha reliability indices

Variables	Mean	S.D.	1	2	3	4	5	6	7	8	9	10	11
1. Sector	1.53	.50	1.00										
2. Gender	1.13	.34	.12	1.00									
3. LoM	1.96	.65	.09	-.03	1.00								
4. Age	37.71	9.85	-.36*	-.12**	.07	1.00							
5. Work	13	8.	.3	-	.05	.78	1.0						



experience	.91	.90	.5	.14*			0						
6. EPOC	3.66	.73	.17*	.03	.13*	.14	.14*	(.81)					
7. EPCR	3.76	.68	.17	-.10	.18	.18	.21**	.54**	(.84)				
8. P-O fit	3.90	.81	.15*	.04	.13	.14*	.13	.42**	.46**	(.78)			
9. Organizational trust	3.63	.54	-.07	.05	-.03	-.12	-.13*	.33**	.35**	.46**	(.78)		
10. Employee engagement	3.53	.56	.19	.04	.15	.17	.22**	.38**	.49**	.33**	.58**	(.72)	
11. Organizational cynicism	3.25	.64	.14	-.16**	.03	-.11*	-.10	-.16**	-.19**	-.13**	-.32**	-.24**	(.82)

Note. $n = 783$; $*p \leq .05$, $**p \leq .01$; S.D. is Standard Deviation; Cronbach's Alpha reliability indices are reported in parentheses on the diagonal; Short-forms are as mentioned in the previous table(s) and text

EPOC, EPCR, P-O fit, organizational trust, and moderator analysis

The paths linking EPOC, EPCR, P-O fit, and the interaction between EPOC and P-O fit and organizational trust were tested and noted in this section. Accordingly, three separate PMs were verified through structural equation modeling (SEM) procedures using maximum likelihood estimates. For this, the normed χ^2 , the goodness-of-fit index (GFI), the root-mean-square-error-of-approximation (RMSEA), as well as the comparative-fit-index (CFI), the incremental-fit-index (IFI), the normed-fit-index (NFI), and the relative-fit-index (RFI) were examined.

The three models that were tested were specified as PM1, PM2, and PM3. Apropos PM1, EPOC, EPCR, and P-O fit were the latent antecedents and organizational trust was the latent consequence representing a model without moderators. PM2 incorporated two latent exogenous variables, one being EPCR and the other labeled as 'EPOC*P-O fit' representing the interaction between EPOC and P-O fit. The indicators of 'EPOC*P-O fit' were the products of the indicators of EPOC and P-O fit which were first centered by subtracting the value of each indicator from the overall mean of the respective variables. Thus, PM2 represented a model of full moderation between EPOC and P-O fit in their association with organizational trust. The third model that is, PM3 contained EPOC, EPCR, P-O fit, and EPOC*P-O fit as the exogenous variables with organizational trust as the endogenous variable and it represented *quasi*-moderation between EPOC and P-O fit.

For both PM1 as well as PM3, organizational trust regressed positively and significantly on EPOC (standardized $\beta = .19$, $p \leq .01$, PM1; standardized $\beta = .37$, $p \leq .01$, PM3) and P-O fit (standardized $\beta = .14$, $p \leq .05$, PM1; standardized $\beta = .39$, $p \leq .01$, PM3). Thus, $H1$ and $H3$ were accepted. Also, organizational trust regressed significantly and positively on EPCR for PMs 1, 2, and 3 (standardized $\beta = .18$, $p \leq .01$, PM1; standardized $\beta = .13$, $p \leq .05$, PM2; standardized $\beta = .43$, $p \leq .01$, PM3). As a result, $H2$ was also accepted. When organizational trust was regressed on 'EPOC*P-O fit' that is, the interaction between EPOC and P-O fit, the standardized estimates were not significant (standardized $\beta = .23$, *NS*) for PM2 but significant for PM3 (standardized $\beta = .46$, $p \leq .01$).

Apropos the absolute and comparative fit indices of the three PMs, only those related to PM3 were found to not only be above the recommended threshold levels but also had the best fit. The absolute fit indices represented by the normed χ^2 was 2.16, the GFI was .97, and the RMSEA was .04 while the comparative fit indices as denoted by the CFI and the IFI were both .98, the NFI was .97, and the RFI was .95. Since PM3 represented *quasi*-moderation between EPOC and P-O fit in their linkage with organizational trust, $H4$ of the present study was also accepted. These analyses were in keeping with the recommendations of Chin *et al.* (2003). Consequently, PM3 was chosen over PM1 and PM2 for further analyses.

The standardized regression estimates of the accepted model that is, PM3 are presented in Table III, and the fit measures comparing the three PMs in this section namely, PM1, PM2, and PM3 are presented in Table IV below.

Insert Table III about here

Table III. Regression analysis results of PM3



Paths(↓) \ Values (→)	Unstandardized coefficients		Standardized estimates	C.R. [†]	Remarks
	b	Standard error			
EPOC → Organizational trust	.62	.13	.37	2.79	<i>H1</i> accepted
EPCR → Organizational trust	.75	.07	.43	5.06	<i>H2</i> accepted
P-O fit → Organizational trust	.75	.16	.39	4.17	<i>H3</i> accepted
EPOC*P-O fit → Organizational trust	.53	.06	.46	3.66	<i>H4</i> accepted

Note. $n = 783$; [†]C.R. is 'Critical Ratios', a recommended basis for testing the statistical significance of SEM components. $C.R. \geq \pm 1.96$ indicates significance at the 95% level and $C.R. \geq \pm 2.58$ indicates significance at the 99% level.

Note. $n = 783$; Abbreviations and acceptable values are as mentioned in Table IV above

Insert Table IV about here

Table IV. Analysis of moderator – Fit Indices

Models(↓) \ Values (→)	Fit Indices						
	Absolute Fit Indices			Comparative Fit Indices			
	Normed χ^2	GFI	RMSEA	CFI	IFI	NFI	RFI
PM1 (<i>no</i> moderation)	3.32	.87	.08	.87	.86	.81	.76
PM2 (<i>full</i> moderation)	2.91	.87	.07	.88	.86	.89	.86
PM3 (<i>quasi</i> moderation)	2.16	.97	.04	.98	.98	.97	.95

Note. Abbreviations and acceptable values are as mentioned in the text; 'NI' is 'Not Included'

Organizational trust, employee engagement, organizational cynicism, and mediator analysis

To continue, PM3 from the previous analyses was further extended for analyses to three new PMs namely, PM4, PM5, and PM6 which represented path models in the absence of mediation, with full mediation, and with *quasi*-mediation respectively by organizational trust between EPOC, EPCR, P-O fit, and 'EPOC*P-O fit' as the primary exogenous and employee engagement and organizational cynicism as the final endogenous latent variables. First, the paths between organizational trust as the antecedent and employee engagement and organizational cynicism as the consequent variables were tested through simultaneous regression analyses. Next, the three PMs that are PM4, PM5, and PM6 were compared using the same absolute and comparative fit indices that were applied earlier for the moderator analyses.

As supported by the results, for PM5 and PM6 employee engagement (standardized $\beta = .24$, $p \leq .01$, PM5; standardized $\beta = .48$, $p \leq .01$, PM6) regressed positively and organizational cynicism (standardized $\beta = -.32$, $p \leq .01$, PM5; standardized $\beta = -.40$, $p \leq .01$, PM6) regressed negatively and significantly on organizational trust. As such, *H5* and *H6* were accepted.

Moreover, for PM6, the absolute fit indices that are, the normed χ^2 was 2.31, the GFI was .95, and the RMSEA was .05 while the comparative fit indices that are, the CFI and the IFI were both .95, the NFI was .93, and the RFI was .91. Thus, when scrutinizing the absolute and comparative fit indices of the three PMs, those related to PM6 were found to not only be above the recommended threshold levels but also had the best fit.

The standardized regression estimates of the accepted model that is, PM6 are presented in Table V, and the fit measures comparing the three PMs in this section namely, PM4, PM5, and PM6 are presented in Table VI below.

Insert Table V about here

Table V. Regression analysis results of PM5

Paths(↓) \ Values (→)	Unstandardized coefficients		Standardized estimates	C.R. [†]	Remarks
	b	Standard error			



	error				
Organizational trust → Employee engagement	.64	.09	.48	5.11	<i>H5</i> accepted
Organizational trust → Organizational cynicism	-.71	.15	-.40	-5.64	<i>H6</i> accepted

Insert Table VI about here

Table VI. Analysis of mediation – Fit Indices

Models(↓) Values (→)	Fit Indices						
	Absolute Fit Indices			Comparative Fit Indices			
	Normed χ^2	GFI	RMSEA	CFI	IFI	NFI	RFI
PM4 (<i>no</i> mediation)	5.19	.80	.12	.72	.72	.66	.61
PM5 (<i>full</i> mediation)	4.09	.81	.09	.81	.80	.81	.77
PM6 (<i>quasi</i> mediation)	2.31	.95	.05	.95	.95	.93	.91

Note. Abbreviations and acceptable values are as mentioned in the text; ‘NI’ is ‘Not Included’ Additional mediation analyses were conducted as per the procedures suggested by MacKinnon *et al.* (1995). With organizational trust as a mediator, two conditions were checked which were (i) whether the direct path from the primary antecedents to the final consequent variables was greater than the indirect path through the designated mediator variable and (ii) whether the direct path remained significant under conditions of mediation. Since both these conditions were fulfilled, organizational trust was considered as a *quasi*-mediator in the proposed PM, and *H7* of the present study was accepted.

Although the application of SEM procedures established organizational trust as a *quasi*-mediator and precluded problems of correlated measurement errors, it was decided to conduct the Sobel’s (1982), the Aorian’s (1944), and the Goodman’s (1960) tests as per the z-prime method (MacKinnon *et al.*, 2002) to discount the possibilities of Type-I error while exploring the strength of mediation. Moreover, the ratios of the indirect effects on the total effects of all the mediated paths were computed and expressed as percentages and labeled as ‘percentage of mediation’. These results are presented in Table VII below.

Insert Table VII about here

- Table VII. Additional analysis of mediation

Values (→) Paths (↓)	Additional Mediation Tests			Percentage of Mediation Explained	Path Analyses		Results of the Additional Mediation Analyses
	Sobel’s Test	Aorian’s Test	Goodman’s Test		Whether regression estimate of (direct paths) > (paths under mediated condition)?	Whether regression estimate of (paths under mediated condition) is significant?	
EPOC → Organizational trust → Employee engagement	3.96*	3.93**	3.99**	35.85			



EPOC → Organizational trust → Organizational cynicism	- 3.36*	-3.32**	-3.40**	38.95	Yes	Yes	Organizational trust is a quasi- mediator
EPCR → Organizational trust → Employee engagement	5.92*	5.90**	5.94**	36.92			
EPCR → Organizational trust → Organizational cynicism	- 4.33*	-4.31**	-4.35**	42.18			
P-O Fit → Organizational trust → Employee engagement	3.91*	3.89**	3.94**	37.21			

Note. $n = 783$; ** $p \leq .01$; Abbreviations are as mentioned in the text.-----

Table VII. Additional analysis of mediation (Contd.)

Values (→) Paths (↓)	Additional Mediation Tests			Percentage of Mediation Explained	Path Analyses		Results of the Additional Mediation Analyses
	Sobel's Test	Aorian's Test	Goodman's Test		Whether regression estimate of (direct paths) > (paths under mediated condition) ?	Whether regression estimate of (paths under mediated condition) is significant ?	
P-O Fit → Organizational trust → Organizational Cynicism	- 3.33**	-3.29**	-3.37**	44.65	-- see the previous page --	-- see the previous page --	-- see the previous page --
EPOC*POFit → Organizational trust → Employee engagement	5.54**	5.52**	5.56**	35.00			
EPOC*POFit → Organizational trust → Organizational cynicism	- 4.17**	-4.15**	-4.19**	34.96			

Note. $n = 783$; ** $p \leq .01$; Abbreviations are as mentioned in the text

4. DISCUSSION



The results of this study provided adequate empirical corroboration for all the study hypotheses as well as the conceptual PM presented in Figure I.

The acceptance of the initial hypotheses specifically, *H1* to *H3* suggests an interplay between the RBV and the social exchange theory (SET). As per this study, two of these resources are employee-perceived organizational culture and its reputation. With these resources possessing VRIN characteristics, organizations may promote their trustworthiness and secure their employees' trust and loyalty. As such, the consequence of organizational trust *vis-à-vis* EPOC and EPCR signals employees' willingness to be vulnerable as a result of their assessment of their organization's culture and its reputation and this demonstrates reciprocity norms as propounded by the SET. Further, as per the self-concordance theory (Sheldon & Elliot, 1998) the acceptance of *H4* which posits that employees whose values and beliefs match those of their organizations resulting in a significant interaction between EPOC and P-O fit give rise to employees' autonomous motives at work and amplify the organizations' ability to elicit favorable levels of their employee attitudes such as organizational trust.

Theoretically, the acceptance of *H5* and *H6* indicates the application of the expectation-confirmation theory in conjunction with the SET (Fulmer & Gelfand, 2012). When employees find that their organization is fulfilling their expectations and that their organization is maintaining its reciprocity norms as their trust referent, it motivates employees to be more engaged and less cynical of their organization.

Finally, the acceptance of *H7* and the empirical PM6 indicates a possible union of the institutional and the RBV theory of firms. While the institutional theory argues for the establishment of common social norms of behavior (Oliver, 1977), it also signals that over time, the impact of these norms declines due to the emergence of new customs and practices. However, regarding the RBV in general and this study in particular, when organizations can identify singularly effective intangible resources such as their culture and reputation which have VRIN aspects then it may be able to extend the continuance of the existing ethos and principles of organizational life for a longer duration.

Practical implications

The acceptance of the study hypotheses specifically, *H1*, *H3*, and *H4* suggest that managers in general and HR managers, in particular, should not only identify specific characteristics of their organization's culture as perceived and shared by a majority of its employees but also attract similar talent with compatible beliefs to strengthen the match between organizational philosophies and employee values. This calls for recruitment policies and procedures that capture applicants' attitudinal and behavioral attributes that can then be matched with the organization's existing mores.

With regards to *H2*, managers may utilize their organization's reputation as its driving employee value proposition. Subsequently, not only can they harness this organizational reputation in binding its employees and motivating them towards the achievement of common organizational vision and objectives, but can also augment its value as an employer brand to attract and retain suitable employees as its long-term HR intent.

Third, by positing organizational trust as a significant *quasi*-mediator, the results related to *H5*, *H6*, and *H7* indicate that although employees' perception of their organization's culture and reputation may elicit desirable employee attitude, such a process can be long-term and sustained when employees perceive organizational actions as trustworthy. Since the results indicate employee engagement as a significant outcome, it conveys that organizational trust as a significant *quasi*-mediator would encourage employees to go beyond their regular call of duty and contribute to overall organizational goings-on. At the same time, employees would be more optimistic, enthusiastic, and all in all, less cynical concerning their organization. Managers can stimulate such behaviors by providing employees with intrinsic rewards and incentives such as employee recognition and recommendations as and when applicable.

Limitations and future research scope

The results and implications of this study should be interpreted within the boundaries of certain limitations. The cross-sectional design of the study does not allow for causal elucidation. Since this research was devoted to studying the interaction between organizations and their employees, future researchers may investigate the role of perceived organizational support as an additional moderator for employees' perceptions of organizational culture and/or corporate reputation.

Also, a cross-national examination of the accepted PM6 may be subject to variance-invariance techniques such that subsequent outcomes may be applied to further elucidate topics in international human resource management. Other moderators, albeit suppressors such as psychological contract breach and violation and organizational deviance, may also be considered.

5. CONCLUSION

Overall, the present study contributed by addressing several research gaps and calls for research by conceptualizing and examining the joint impact of EPOC and P-O fit along with EPCR on employee engagement and organizational cynicism when such relationships are mediated by organizational trust. For this purpose, data were collected and subjected to SEM procedures and empirical evidence validated the hypothesized linkages between the study variables. Accordingly, the



theoretical and practical implications were noted. Notwithstanding certain study limitations, the study ends by outlining the scope of future research

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