**International Academic Journal of Business School Research**
ISSN: 5280-481X | Volume 9, Issue 1 | January, 2024 | pages 1 – 14
DOI: 222394283425277891
Double Blind Peer Reviewed International Research Journal
https://arcnjournals.org
arcnjournals@gmail.com

# ORGANIZATIONAL TRANSPARENCY AND EMPLOYEE TRUST OF FINANCIAL INSTITUTIONS IN RIVERS STATE

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***Abstract*:** *This study aims to examine the influence of organizational transparency on employee trust in financial institutions in Rivers State. Spearman's rank correlation coefficient was used for the analyses. Data were collected from employees in financial institutions across Rivers State through a structured survey. The findings highlight that organizational transparency, particularly in terms of information disclosure, accountability, regulatory compliance, and stakeholder engagement, plays a significant role in fostering employee trust. The study conclude that organizational transparency relates with employee trust in financial institutions in Rivers State. The study recommends enhancing information disclosure, accountability, regulatory compliance, and stakeholder engagement for improved employee trust.*

***Keywords:*** *Accountability, Employee Trust, Organizational Transparency, Information Regulatory Compliance, Stakeholder Engagement.*

## INTRODUCTION

Employee trust is critical to the success and operational efficiency of financial institutions. Employee trust is defined as the belief that management acts with integrity, fairness, and competence in the best interest of the workforce (Hassan & Hatmaker, 2022). Trust in management fosters a positive work environment where employees feel valued, secure, and aligned with the organization's goals (Radu, 2023).). Trust is built when employees perceive that they are informed about organizational goals, challenges, and successes, and that leadership holds itself accountable for its actions.

The establishment of employee trust is vital for organizational effectiveness, as it leads to higher levels of engagement, motivation, and job satisfaction (Maslikha, 2022). Financial institutions rely heavily on their employees to maintain compliance with regulations, provide customer service, and ensure the institution's financial health. When employees trust their management, they are more likely to engage in organizational citizenship behaviours, go beyond their formal job responsibilities, and work collaboratively to achieve institutional goals (Ikyanyon & Agber, 2022). Trust serves as the foundation for healthy workplace relationships, allowing employees to focus on their tasks and contribute to overall productivity without fear of exploitation or mismanagement.

Furthermore, employee trust has a direct impact on job satisfaction and retention in financial institutions (Nwinye, 2020). Employees who trust their leaders are more satisfied with their roles and feel a stronger connection to the organization. This reduces turnover rates and lowers the costs associated with hiring and training new staff. In an industry that requires precision, stability, and adherence to stringent regulations, high employee turnover can be detrimental. Trust helps create a stable workforce, where employees remain committed to the institution, leading to a continuity of expertise and experience that benefits both the organization and its clients (Harjanto et al., 2023).

Another critical aspect of employee trust in financial institutions is its influence on ethical behaviour and regulatory compliance. Trustworthy leadership promotes an ethical workplace culture, reducing the likelihood of unethical behaviour, such as fraud or mismanagement, which can lead to significant legal and reputational damage (Alomran et al., (2024)). Employees who trust their leaders are more likely to report unethical practices and adhere to regulatory requirements, knowing that the organization supports integrity and accountability. This culture of compliance is crucial in financial institutions where any breach of ethical conduct can result in severe penalties and a loss of public trust.

In an increasingly competitive and technologically-driven industry, financial institutions need to innovate to remain relevant. Hence, employee trust is closely linked to innovation and adaptability. Trust creates a safe environment for employees to take calculated risks, share ideas, and contribute to problem-solving efforts (Kyambade, et al., 2024; Kim & Park, 2021). When employees trust that their leadership will support them in exploring new strategies and technologies, they are more likely to engage in creative thinking. This, in turn, drives organizational growth, enhances service delivery, and strengthens the institution's competitive position in the market. However organizational transparency has become a fundamental aspect of modern business operations, particularly in financial institutions where trust is critical for both employees and clients. Transparency, in this context, refers to the openness and clarity with which an organization communicates its strategies, policies, and performance (Mahmood & Bashir, 2020).

Transparency fosters an environment of trust among employees, enhancing their confidence in leadership and decision-making processes (Kim & Park, 2021). This is particularly important in settings with high operational complexity and strict regulatory requirements. In financial institutions, the relationship between organizational transparency and employee trust is critical, as it directly impacts areas like information disclosure, regulatory compliance, and accountability, which are vital to maintaining institutional credibility. Schnackenberg and Tomlinson (2016) suggest that transparent organizations are more likely to build stronger employee trust, leading to better decision-making, reduced turnover rates, and improved financial performance.

Despite several studies on transparency (Mahmood & Bashir, 2020; Schnackenberg & Tomlinson, 2016) and trust (Kyambade, et al., 2024; Ikyanyon & Agber, 2022, Hassan & Hatmaker, 2022) respectively, there is a noticeable dearth of empirical research examining the influence of organizational transparency on employee trust within financial institutions in Rivers State. This gap in the literature highlights the need for a focused exploration of how transparency practices affect trust in this specific geographical and sectoral context. This study aims to bridge the observed gap by investigating the relationship between organizational transparency and employee trust, particularly within the unique regulatory, cultural, and operational environment of financial institutions in Rivers State. The findings are expected to contribute to the body of knowledge by providing insights that could inform policy and management practices in the financial sector, promoting a more transparent and trust-driven workplace.

## STATEMENT OF PROBLEM

Employee trust issues in financial institutions often arise from a lack of transparency and ineffective communication between management and staff. In an industry dominated by regulatory compliance, risk management, and performance metrics, employees may feel excluded from key decision-making processes. Insufficient disclosure of information regarding organizational changes or financial health creates uncertainty about job security and the institution's future. This uncertainty can erode confidence in management's ability to lead, resulting in disengagement and reduced job satisfaction. As Kim and Park (2021) suggest, when employees perceive that they are not receiving adequate or accurate information, their trust in leadership diminishes, leading to lower morale and productivity.

A perceived lack of accountability and fairness in management practices further aggravates trust issues. Employees may view management decisions as self-serving or unethical, particularly when profit is prioritized over employee well-being. Villirilli, (2021) highlight the ethical challenges financial institutions face, especially in areas like incentive structures and risk management. If employees believe that leadership is not held accountable for its actions, particularly when these lead to negative outcomes for staff or customers, trust deteriorates. This perceived lack of integrity not only reduces employee confidence but also increases turnover as employees seek workplaces that value fairness and accountability.The high-pressure environment in financial institutions, with its focus on short-term results over long-term employee development, exacerbates trust problems. Employees who feel unsupported by management in terms of training and resources may perceive themselves as being set up for failure. As Radu (2023) argue, when management prioritizes immediate financial gains over fostering a supportive work culture, it creates a misalignment between employee expectations and organizational goals. This misalignment can lead to burnout, stress, and widespread mistrust, as employees feel undervalued.

Organizational transparency is essential for building employee trust, yet many financial institutions struggle in this area. A lack of transparency in decision-making, financial performance, and organizational changes leaves employees feeling insecure and uncertain about their future. Mahmood and Bashir (2020) argue that transparency is critical to fostering trust, and when it is lacking, employees may feel disengaged and mistrustful. Moreover, failing to communicate openly about challenges and risks can further erode trust, as employees expect to be informed about both successes and difficulties. Transparent communication, as noted by Brown and Calhoun (2022), fosters inclusion and trust, while its absence leads to feelings of being misled. Similarly, unclear or inconsistent performance evaluations and promotion processes can result in mistrust, with employees questioning the fairness of the organization. Transparent evaluation systems, as Kim and Park (2021) highlight, help employees feel valued and treated equitably, which strengthens trust in leadership.

## AIM AND OBJECTIVES OF THE STUDY

The study aim is to examine the influence of organizational transparency on employee trust of financial institutions in Rivers State. The specific objectives are to:

1. Determine the relationship between information disclosure and employee trust of financial institutions in Rivers State.
2. Assess the relationship between accountability and employee trust of financial institutions in Rivers State.
3. Examine the relationship between regulatory compliance and employee trust of financial institutions in Rivers State.
4. Investigate the relationship between stakeholder engagement and employee trust of financial institutions in Rivers State.

## RESEARCH QUESTIONS

1. What is the relationship between information disclosure and employee trust of financial institutions in Rivers State?
2. How does accountability relate with employee trust of financial institutions in Rivers State?
3. What is the association between regulatory compliance and employee trust of financial institutions in Rivers State?
4. How does stakeholder engagement relate with employee trust of financial institutions in Rivers State?

## RESEARCH HYPOTHESES

$Ho_1$: There is no significant relationship between information disclosure and employee trust of financial institutions in Rivers State.

$Ho_2$: There is no significant relationship between accountability and employee trust of financial institutions in Rivers State.

Ho3: There is no significant relationship between regulatory compliance and employee trust of financial institutions in Rivers State.

Ho4: There is no significant relationship between stakeholder engagement and employee trust of financial institutions in Rivers State.

**SOCIAL EXCHANGE THEORY (SET)**

Social Exchange Theory (SET), developed by George Homans (1958) and later expanded by other scholars like Peter Blau (1964), posits relationships are built through reciprocal exchanges where individuals weigh costs and benefits. In organizational settings, SET posits that when management offers transparency and fairness, employees reciprocate with trust and loyalty. In financial institutions, transparency—such as open communication about decisions and organizational performance—acts as a key element of this exchange. When employees feel well-informed, they are more likely to trust leadership, perceiving that the organization values and respects them. Reciprocity is central to SET, as trust is built when employees receive transparent communication and, in return, offer trust and engagement. In financial institutions, where uncertainty and risk are often high, transparency helps alleviate employee concerns about job security and organizational stability. When trust is reciprocated, employees tend to be more committed, improving morale and reducing turnover. SET emphasizes that this reciprocal trust is crucial in maintaining a productive workforce in high-stakes environments.

The theory also highlights how transparency-driven trust leads to better organizational performance. In financial institutions, trust fosters stronger commitment and ethical behaviour, vital for meeting regulatory and operational goals. According to SET, a transparent and trustworthy leadership encourages employees to invest more in their roles, ultimately benefiting the institution through higher productivity, reduced compliance risks, and greater job satisfaction. Thus, SET effectively explains how organizational transparency can strengthen the employee-management relationship and enhance overall performance.

## ORGANIZATIONAL TRANSPARENCY

Organizational transparency is the extent to which an organization openly shares information regarding its operations, decision-making processes, and financial performance with its employees and stakeholder (Schnackenberg & Tomlinson, 2016). Transparency fosters a culture of trust and inclusivity, where employees feel informed about organizational changes, goals, and challenges. According to Mahmood and Bashir (2020), transparency is critical in developing a trusting relationship between employees and management. By ensuring that information is accessible, organizations can reduce uncertainty and promote employee engagement, ultimately enhancing overall performance and job satisfaction.

Moreover, organizational transparency is closely linked to ethical practices within institutions. When organizations adopt transparent practices, they demonstrate accountability and commitment to ethical standards, which are crucial in sectors like finance where stakeholder trust is paramount. Ahmed, & Khan (2023) argue that transparency can mitigate potential conflicts and reduce the likelihood of unethical behaviour, as employees are more likely to hold management accountable for their actions. Consequently, transparency not only aids in building trust among employees but also strengthens the organization's reputation and credibility in the eyes of stakeholders.

### Information Disclosure

Information disclosure involves the process of making relevant and important information available to stakeholders, including employees, clients, and regulatory bodies. This practice is vital for maintaining transparency and fostering trust within organizations. When financial institutions regularly disclose information about their performance, decision-making processes, and risks, employees feel more engaged and informed, which enhances their trust in leadership (Kim & Park, 2021). Adequate information disclosure helps mitigate uncertainty and allows employees to make informed decisions about their roles and contributions within the organization.

Additionally, effective information disclosure is linked to improved organizational performance. Research shows that transparent communication regarding organizational changes and financial health positively affects employee morale and productivity (Bucăţa & Rizescu, 2017). When employees are well-informed, they are more likely to align their efforts with organizational goals, leading to increased commitment and performance. Therefore, strategic information disclosure not only supports a culture of transparency but also plays a critical role in achieving organizational objectives by fostering an informed and motivated workforce.

### Accountability

Accountability in organizations refers to the obligation of individuals or teams to report on their actions, accept responsibility for them, and disclose the results of their decisions (McGrath & Whitty, 2018). In financial institutions, accountability is crucial for building trust among employees and stakeholders. When management is held accountable for their actions and decisions, it fosters a culture of responsibility and integrity (Gouldsberry, 2023). This transparency in accountability helps employees feel assured that leadership is making ethical decisions that consider the well-being of all stakeholders, thus enhancing their trust in management.

Furthermore, accountability mechanisms, such as regular performance evaluations and transparent reporting processes, ensure that employees are aware of their roles and responsibilities within the organization. These mechanisms not only reinforce a culture of trust but also encourage employees to take ownership of their work and contribute positively to the organizational goals. Deepalakshmi, et al., (2024) posits that when employees perceive accountability as an integral part of the organizational culture, their engagement and job satisfaction increase, leading to improved overall performance. Therefore, fostering a strong sense of accountability is essential for cultivating employee trust and ensuring ethical practices in financial institutions.

### Regulatory Compliance

Regulatory compliance refers to the adherence to laws, regulations, guidelines, and specifications relevant to an organization’s operations. In financial institutions, compliance is essential to maintain credibility, ensure ethical standards, and protect stakeholders' interests. Organizations that prioritize regulatory compliance not only avoid legal penalties but also build trust among employees and customers (Shin, 2023). When employees perceive that their organization is committed to complying with relevant regulations, they are more likely to trust management and engage fully in their work.

Moreover, regulatory compliance enhances transparency and accountability within financial institutions. By adhering to established regulations, organizations are often required to disclose relevant information about their practices and financial health. This disclosure fosters a culture of openness and reinforces employee trust (Kim & Park, 2021). Additionally, organizations that successfully navigate compliance challenges demonstrate their commitment to ethical practices and stakeholder welfare, which further strengthens employee trust and loyalty.

## Stakeholder Engagement

Stakeholder engagement refers to the process by which organizations involve individuals and groups who have an interest in the organization's operations and outcomes (Gutterman, 2023). In financial institutions, effective stakeholder engagement is critical for building trust and ensuring that the needs and concerns of employees, customers, regulators, and investors are addressed. When organizations actively engage stakeholders, they demonstrate a commitment to transparency and collaboration, which fosters trust (Ezeh et al., 2024). Engaged stakeholders are more likely to feel valued and respected, leading to increased loyalty and support for the organization.

Additionally, stakeholder engagement helps organizations gather valuable feedback and insights that can inform decision-making processes. This participatory approach not only enhances the quality of decisions but also aligns organizational goals with stakeholder expectations (Alqaisi, 2018; Ezeh, 2024). In financial institutions, where the interests of various stakeholders can be diverse and sometimes conflicting, effective engagement strategies are crucial for maintaining a harmonious balance and ensuring that trust is built across all levels. By prioritizing stakeholder engagement, organizations can cultivate a positive reputation and enhance overall performance.

## EMPLOYEE TRUST

Employee trust refers to the confidence that employees have in their organization and its leadership (Ozmen, 2017. This trust is a crucial component of workplace dynamics, influencing employee engagement, productivity, and overall organizational performance. High levels of trust in management lead to increased collaboration, loyalty, and commitment among employees, as they feel secure in their roles and confident in the organization’s direction (Lin, 2024; Mahmood & Bashir, 2020). Conversely, a lack of trust can result in disengagement, lower morale, and higher turnover rates, negatively impacting organizational effectiveness.

Furthermore, trust is built through consistent actions and open communication from leadership. Employees are more likely to trust their organization when they perceive transparency, accountability, and fairness in decision-making processes (Kim & Park, 2021). Organizations that prioritize employee trust often see improved performance outcomes, as engaged and loyal employees contribute positively to the organization's goals (Mansor, et al., 2023). Thus, fostering a culture of trust is essential for financial institutions seeking to maintain a motivated and high-performing workforce.

## EMPIRICAL REVIEW

Stuckey (2024). explored how organizational transparency, mediated by authentic leadership, affects employees' perceived support, trust, and cynicism, based on sensemaking and identification theory. Path analysis showed that transparency positively influenced support and trust while reducing cynicism, with authentic leadership mediating the relationship with cynicism only.

Additionally, the study examined perceptions of transparency in organizational communication during the COVID crisis. Using ANCOVA, it found that higher transparency in communication led to greater perceived transparency, even when controlling for fear of COVID. The findings suggest that transparent communication is an effective strategy for improving employee perceptions during crises.

Ehren, et al., (2019). addresses the complex relationship between trust and accountability, using examples from a study in South Africa to illustrate how external control in an environment of distrust can hinder agency and improvement, while high levels of trust can foster more effective accountability. The study offers insights into why some education systems struggle to generate, evaluate, and scale innovations in learning. When there is a lack of trust and capacity, there tends to be strong resistance to external accountability measures. Conversely, rigid bureaucratic accountability can create inefficiencies by pressuring educators to report and monitor various educational aspects, often without contributing to classroom teaching quality or sharing best practices. Understanding this dynamic is crucial to overcoming the dilemma of fostering meaningful change in education.

Ishwardat, et al., (2024) propose that regulatory actions influence compliance and ethical behaviour. By synthesizing the findings of 35 studies, they found that the effectiveness of 'sanctions' varies, while 'inspections' are generally more effective in promoting compliance. Importantly, psychological capability, social opportunity, and reflective motivation were more successful in encouraging desired behaviour compared to physical capability, physical opportunity, and automatic motivation.

Kenyoru (2015) examined the impact of employee investment, performance management systems, employee participation in decision-making, product customization, customer recognition, and customer relationship management on firm performance. Using stakeholder theory and a descriptive research design, a sample of 215 employees and customers was selected from a population of 718 through stratified random sampling. Data collected via closed-ended questionnaires were analysed using descriptive and inferential statistics, including Pearson correlation and multiple regression. Results showed stakeholder engagement relates with performance and trust.

## METHODOLOGY

This study employed a survey design, targeting a population of 237 financial institutions employees in Rivers State. A sample size of 148 was determined using the Krejcie and Morgan (1970) table. Simple random sampling technique was used andBowley's (1964) formula was utilised in the assignment of questionnaires. Data collection was carried out through a structured questionnaire. The predictor variable (organizational transparency) was measured with four variables, which are information disclosure, accountability, regulatory compliance and stakeholder engagement. 5 items were used to measure information disclosure (e.g. Important changes in company policies are communicated clearly and promptly to all employees.), accountability were measured with 5 items, (e.g. Employees are held accountable for achieving their performance goals), regulatory compliance was measured with 5 items (e.g. The organization ensures that all operations comply with industry regulations) and stakeholder engagement was measured with 5 items (e.g. The organization actively involves employees in decision-making processes.) The dimensions of the predictor variable were all directly related to the criterion variable (employee trust) which was measured with. 5 items (e.g. I trust the management to act in the best interests of employees). And the response to the research items was measured on a 4-point Likert scale. The validity of the instrument was ascertained using face and content validity and the Cronbach's Alpha was used to ascertain the reliability. The study adopted the threshold of 0.7 for the Cronbach's Alpha reliability. Spearman's rank correlation coefficient was used for the analysis with the aid of SPSS 25.0

## RESULT AND DISCUSSION

Spearman ranks correlation coefficient with the aid of SPSS 25.0 was used in analysing the hypotheses. From the 148(100%) copies distributed, only 145(98%) were retrieved and well filled, 3(2%) were discarded for being wrongly filled. and 145 that is well filled constitute the valid questionnaire. The hypotheses were tested at a 95% confidence interval, with the decision rule as follows: Reject the null hypothesis if $P \leq 0.05$, Accept the null hypothesis if $P > 0.05$.

**Table 1: Information Disclosure and Employee Trust**

**Correlations**

| | | | Information Disclosure | Employee Trust |
|---|---|---|---|---|
| Spearman's rho | Information Disclosure | Correlation Coefficient | 1.000 | .812** |
| | | Sig. (2-tailed) | . | .000 |
| | | N | 145 | 145 |
| | Employee Trust | Correlation Coefficient | .812** | 1.000 |
| | | Sig. (2-tailed) | .000 | . |
| | | N | 145 | 145 |

Source: SPSS Output, 2024.

The analysis in Table 1 indicates a significant relationship between information disclosure and employee trust, with a p-value of .000, which is less than .05 ($p < 0.05$) and the correlation coefficient is 0.812 suggesting a strong positive relationship between information disclosure and employee trust. The $R^2$=.659.

**Table 2: Accountability and Employee Trust**

**Correlations**

| | | | Accountability | Employee Trust |
|---|---|---|---|---|
| Spearman's rho | Accountability | Correlation Coefficient | 1.000 | .824** |
| | | Sig. (2-tailed) | . | .000 |
| | | N | 145 | 145 |
| | Employee Trust | Correlation Coefficient | .824** | 1.000 |
| | | Sig. (2-tailed) | .000 | . |
| | | N | 145 | 145 |

Source: SPSS Output, 2024

The analysis in Table 2 reveals a significant relationship between accountability and employee trust, with a p-value of .000, which is less than .05 ($p < 0.05$) and a correlation coefficient of 0.824, indicating a strong positive relationship. The $R^2$=.679.

**Table 3: Regulatory Compliance and Employee Trust**

**Correlations**

| | | | Regulatory compliance | Employee trust |
|---|---|---|---|---|
| Spearman's rho | Regulatory compliance | Correlation Coefficient | 1.000 | .818** |
| | | Sig. (2-tailed) | . | .000 |
| | | N | 145 | 145 |
| | Employee trust | Correlation Coefficient | .818** | 1.000 |
| | | Sig. (2-tailed) | .000 | . |
| | | N | 145 | 145 |

Source: SPSS Output, 2024

The analysis outcome in table 3 depicts a significant relationship between regulatory compliance and employee trust., with a p-value of .000, which is less than .05 ($p < 0.05$) and the correlation coefficient is 0.818, indicating a strong positive relationship between regulatory compliance and employee trust. The $R^2$=.669.

**Table 4: Stakeholder Engagement and Employee Trust**

**Correlations**

| | | | Stakeholder engagement | Employee trust |
|---|---|---|---|---|
| Spearman's rho | Stakeholder engagement | Correlation Coefficient | 1.000 | .804** |
| | | Sig. (2-tailed) | . | .000 |
| | | N | 145 | 145 |
| | Employee trust | Correlation Coefficient | .804** | 1.000 |
| | | Sig. (2-tailed) | .000 | . |
| | | N | 145 | 145 |

Source: SPSS Output, 2024

The results show a significant relationship between stakeholder engagement and employee trust, with a p-value of .000, which is less than .05 ($p < 0.05$) and a correlation coefficient of 0.804, suggesting a strong positive relationship between these variables. The $R^2$=.646.

**Discussion of Findings**

**Information Disclosure and Employee Trust**

The findings, as presented in Table 1, indicate a significant and strong positive relationship between information disclosure and employee trust, with a correlation coefficient of 0.812 and a p-value of 0.000 ($p < 0.05$). This suggests that as the level of information disclosure within the organization increases, employee trust also significantly improves. The $R^2$ value of 0.659 implies that approximately 65.9% of the variability in employee trust can be explained by the level of information disclosure. This outcome aligns with Schnackenberg et al. (2014), which posits that transparency in sharing information fosters a culture of trust and reduces uncertainty among employees.

**Accountability and Employee Trust**

The analysis in Table 2 shows a strong positive relationship between accountability and employee trust, with a correlation coefficient of 0.824 and a p-value of 0.000 ($p < 0.05$). This indicates that higher levels of accountability within the organization are associated with higher levels of employee trust. The $R^2$ value of 0.679 suggests that accountability accounts for 67.9% of the variation in employee trust. This has demonstrated that when employees perceive their organization as accountable, they are more likely to trust management and feel secure in the organizational processes. This finding is consistent with Gouldsberry, 2023) that accountability fosters a culture of responsibility and integrity.

**Regulatory Compliance and Employee Trust**

As presented in Table 3, the relationship between regulatory compliance and employee trust is also significant and positive, with a correlation coefficient of 0.818 and a p-value of 0.000 ($p < 0.05$). This suggests that adherence to regulatory standards and policies positively influences employee trust. The $R^2$ value of 0.669 indicates that regulatory compliance explains 66.9% of the variation in employee trust. This result supports Ishwardat, et al., (2024) view that organizations that comply with regulations not only safeguard their reputation but also build a trustworthy environment for their employees.

**Stakeholder Engagement and Employee Trust**

Table 4 reveals a significant positive relationship between stakeholder engagement and employee trust, with a correlation coefficient of 0.804 and a p-value of 0.000 ($p < 0.05$). This finding suggests that active engagement with stakeholders, including employees, positively impacts the level of trust within the organization. The $R^2$ value of 0.646 means that stakeholder engagement contributes to 64.6% of the variation in employee trust. Engaging stakeholders in decision-making and organizational processes can enhance transparency and inclusivity, thereby strengthening trust. This aligns with Ezeh et al., 2024 that organizations which actively engage stakeholders, demonstrate a commitment to transparency and collaboration, which fosters trust.

The overall findings of this study reveal that all dimensions of organizational transparency—information disclosure, accountability, regulatory compliance, and stakeholder engagement—have a significant and strong positive relationship with employee trust. The strong correlation coefficients and significant p-values across all variables suggest that organizations can foster higher levels of trust among employees by adopting transparent practices across these dimensions. These findings emphasize the importance of transparency in building a trusting and effective organizational environment, which is essential for achieving long-term success and employee satisfaction.

## CONCLUSION

This study explored the influence of organizational transparency on employee trust in financial institutions in Rivers State. The findings revealed significant relationships between various dimensions of transparency and employee trust. Specifically, there is a strong positive relationship between information disclosure and employee trust, as transparent sharing of relevant information fosters trust by promoting openness and reducing uncertainty within the organization. Additionally, accountability is positively associated with employee trust; when institutions hold individuals and departments responsible for their actions, it enhances trust by ensuring integrity and fairness in operations. Moreover, adherence to regulatory standards is crucial for building employee trust, as compliance with financial regulations reassures employees of the institution's commitment to legal and ethical practices. Lastly, active engagement with stakeholders, including employees, strengthens trust; involving employees in decision-making processes and considering their input builds a sense of ownership and loyalty. Overall, the study concludes that promoting organizational transparency through effective information disclosure, accountability, regulatory compliance, and stakeholder engagement is essential for fostering employee trust in financial institutions in Rivers State. Financial institutions should prioritize these practices to enhance employee confidence and organizational effectiveness.

## RECOMMENDATIONS

1. Financial institutions should implement a comprehensive communication strategy that prioritizes timely and transparent information disclosure and regular updates about organizational changes, policies, and performance metrics should be shared with employees to enhance trust and reduce uncertainty.
2. Institutions must establish clear accountability frameworks that define roles and responsibilities across all levels of the organization and regular training and workshops should be conducted to reinforce the importance of accountability,
3. Financial institutions should invest in continuous training programs, focused on regulatory compliance to keep employees informed about current laws and regulations. This commitment to compliance not only enhances trust but also ensures that employees feel secure in their workplace and confident in the institution's ethical practices.
4. Organizations should create platforms for active stakeholder engagement, such as regular feedback sessions and collaborative decision-making processes and involving employees in discussions about key organizational decisions will foster a sense of ownership and increase their trust in the institution.

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