

# Effective Communication in the Organization – Effects of Cognitive-Based and Emotional Trust

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ARTICLE INFO	ABSTRACT
Received: 14 Mar 2025 Revised: 14 May 2025 Accepted: 21 May 2025	<p><b>Introduction:</b> When do people in an organization experience that organizational communication is effective? The effectiveness of organizational communication is in the common interest of both the participants in the organization and external partners. Effective organizational communication accompanies everyday “peaceful” organizational operations as an optimal expectation, but it is also of outstanding importance in conflict situations. This study aims to present the relationship between the components of trust and the possible consequences of the meeting of conflict management methods.</p> <p><b>Method:</b> Trust is the basis of all communication. This study is a secondary research summarizing scientific articles and research examining effective organizational communication. Effective organizational communication has, among other things, the quality of life of those working in the organization, the subject of the organization's partnerships, and the issue of adapting to continuous changes. Effective organizational communication makes people interpret reality together, summarizing individual interpretations.</p> <p><b>Results:</b> This study aims to provide insight into the conceptual framework of the components of trust and to summarize the research published on the topic, focusing on the organization and the competitive advantage of enterprises. The aim of this study is to present the available domestic and international literature on the subject of effective organizational communication and trust and to provide a literature review that connects the narrower subject with the topic of communication.</p> <p><b>Conclusions:</b> Trust is essential for the optimal and efficient functioning of an organization. The presentation, description and practical utilization of the organizational presence of trust in the cognitive sense and emotional trust is of outstanding importance. Existing trust has an undeniable effect in terms of competitive advantage, and working with and thinking about the components of trust is necessary in many areas of business life.</p> <p><b>Keywords:</b> Efficiency, communication, trust, competitive advantage.</p>

## INTRODUCTION

When do people in an organization actually experience that organizational communication is effective?

The effectiveness of organizational communication is a common interest for both those involved in the organization and external partners. Effective organizational communication is an optimal expectation that accompanies everyday “peaceful” organizational operations, but it is also of outstanding importance in conflict situations. This study aims to present the relationship between the components of trust and the possible consequences of the meeting of conflict management methods.

Grammatical and linguistic interpretations of trust serve as an excellent basis for adequately establishing the complexity of the topic. According to Kovács (2021), trust as an expression is a comprehensive phenomenon that can be interpreted as a speech act. The complexity of the question is caused by the second part of the author's assumption, according to which the speech act has a trust dimension. The proposition can be formulated that communication

presupposes trust, and thanks to trust, communication becomes more efficient and complete. Trust extends from the most personal level, from self-confidence, to the most comprehensive network of relationships, from social trust.

Every day we live in a state of fluctuation between trust/distrust. Deep within trust/distrust, in relation to relationships between people, an insoluble aporia can be grasped: there is trust, but not yet; there is no trust, but nevertheless there is. No community can function without the presence of trust, but at the same time, no community can assume the full realization of trust. In other words, there is always a given level of trust or distrust, in which trust is constantly exposed to distrust and vice versa. The full fulfillment of trust can be considered a borderline situation or an extraordinary state, which manifests itself in exceptional moments of peace (finding love, security, harmony with ourselves and the world). Similarly, the radical form of distrust is fulfilled in war (we fear losing our loved ones or our lives, we fear becoming homeless). (Kovács, 2021)

#### **METHOD: REVIEW OF SCIENTIFIC LITERATURE ON THE TOPIC OF ORGANIZATIONAL TRUST**

Organizational theory holds that communication is the lifeblood of all organizational cultures, and even organizations. (Vári, 2016)

According to Fukuyama (1995), due to the social embeddedness of the economy, relationships are regulated not only by the cost-benefit principle, contracts, and sanctions that assume self-interest, which the author calls the “tax of distrust” due to their cost implications, but also by mutual trust between members of society.

Mutual trust as social capital influences the willingness to associate and can serve as a basis for the effective exploitation of economic opportunities of companies, as well as the well-being of the organization's members (Sass, 2011).

Research shows that family businesses are better able to exploit trust, which can not only provide them with a serious competitive advantage (Varga&Csiszárík, 2017), but the spread and successful operation of family businesses can also strengthen the resilience of society and the economy. That is why it is important to understand the role of trust and its operational characteristics and specificities through family businesses.

The family is the oldest and smallest unit of human coexistence, which has been the basic unit of society and economy for thousands of years, and therefore the family business is one of the oldest forms of business. Families all over the world create naturally occurring communities that are built on trust relationships (Fukuyama, 1995). Businesses with a family dimension therefore tend to use trust as a management mechanism in their operations. The economic importance of family businesses today is clearly demonstrated by the fact that 90% of companies in Germany are managed by families, which account for more than half of GDP. (Vajda, 2020)

According to Sass' (2005) research definition, organizational trust is considered a belief shared by organizational members, which is formed as a result of the individual's interpretation of the organizational experiences experienced or perceived, and includes favorable expectations regarding the reliability of the organization as a system consisting of parts. It is manifested in the individual's attitude towards the organization (with cognitive and emotional components) and the resulting personal or interpersonal trust-giving behavior. Its parts are perceptions of predictability arising from the predictability and acceptability of operations, predictability arising from the keeping of promises received, the attitude that helps in completing tasks, and the goodwill arising from organizational care and the emotional bond between the organization (Garai&Csiszárík, 2018) (Varga et al., 2024) and its members.

Studies on trust, which concern different levels of phenomena, have to date nuanced the ideas regarding the unilaterally positive effect of trust. The negative effects of excessive trust have also been shown. Consequently, the question may arise as to what is the optimal level of trust and how different levels of trust affect organizational functioning. In a trust relationship, in addition to the cognitive evaluation of experiences, emotional factors also play a role in information processing. The uncertainty due to the risk of trusting causes direct emotional reactions. The background emotions experienced during the decision (favorable/unfavorable) and the emotions resulting from the evaluation of the consequences have an effect. (Sass, 2005)

The study of organizational trust is justified by research results that indicate that the beneficial effects of trust can be identified for both individuals and organizations. At the individual level, this includes the role of trust in reducing workplace stress and increasing performance. At the organizational level, trust contributes to increased organizational efficiency and performance by facilitating cooperation, obedience, and information sharing.

Both emotional and cognitive processes play a role in these favorable consequences. The beneficial effect of trust can be realized in several ways, and research highlights the influence on the feeling of uncertainty and the development of organizational relationships. Organizational trust, as a means of organizational coordination, makes interactions predictable, reduces perceived uncertainty in the workplace, while trust in colleagues and managers facilitates social exchanges and creates greater commitment to the workplace. (Sass-Bodnár, 2018)

## RESULTS

In the early stages of a family business, strong, emotionally based interpersonal trust is the determining factor. As the company grows, however, too strong interpersonal trust can lead to “blind” trust and groupthink.

In order to maintain a competitive advantage, family businesses increasingly need competence-based trust in leaders, which reduces dysfunctional conflicts and at the same time facilitates the emergence of functional conflicts for more effective decision-making. In this case, interpersonal trust between family members remains, but its role is reduced. Cognitive, competence-based trust can be built by integrating external expert knowledge and experience within the company.

As the family business grows, trust between people cannot be maintained without trust in the system that governs the most important interpersonal exchanges, and thus the establishment of transparent and clear rules and procedures becomes crucial. In the late stages of the business, the cyclical nature of trust development is driven by the re-establishment of interpersonal trust, which is due to open and honest communication between the successors during the generational change.

Sundaramurthy (2008) postulates a cycle of trust maintenance, which is illustrated in Figure 1.

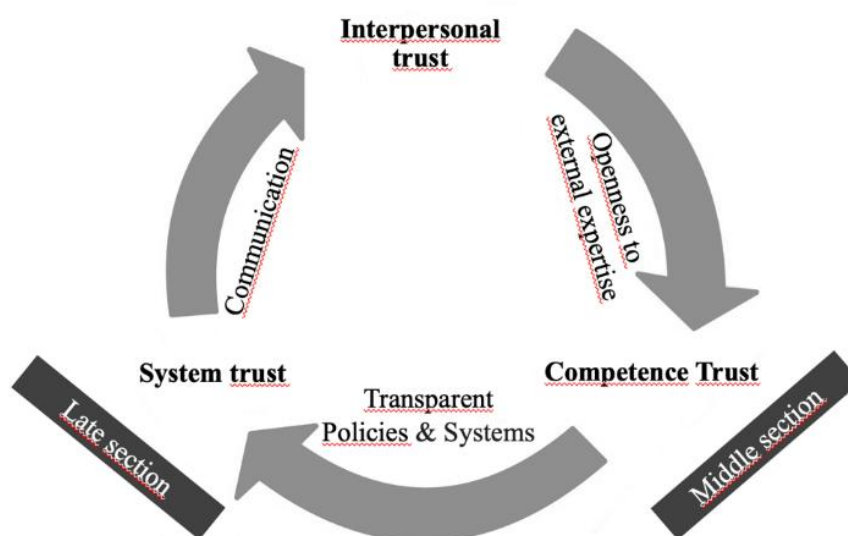


Figure 1: Sustainable trust cycle

Source: Based on Sundaramurthy (2008) edited by Vajda (2020)

Bencsik&Juhász (2018) pointed out that at the micro level, trust is related to the following factors: employee satisfaction, performance, behavior, teamwork, leadership effectiveness, human resource management perceptions, successful negotiations, communication, commitment, ethical behavior, corporate partnerships, etc. Based on these,

it is considered a fundamental influencing factor in the internal functioning of organizations. At the macro level, trust is the driving force behind organizational change and survival, corporate cooperation, strategic alliances and mergers or acquisitions.

Based on the questions posed by Sass (2005), he conducted an investigation of two phenomena. One is to explore and measure the components of organizational trust - according to its object and basis -, to examine the relationship between these components, and to identify and typify the trust patterns of the organizations examined, which differ according to their components. The other goal is to examine individual decisions dependent on the level of organizational trust or lack of trust in organizational trust dilemmas. The investigation supports the hypothesis that in a given social system, organizational trust, according to its object, applies to three areas: organizational operation, the immediate manager, and the group of colleagues. Organizational trust is a complex phenomenon that is composed of components that can be separated according to the trust object (predictability, reliability, benevolence), which can be measured separately. Sass (2005) found that cognitive and emotional trust bases appear in relation to all three trust objects. Since trust is formed on a different experiential basis in relation to trust objects, and this trust experience in the organization is influenced by institutional, task and personal and intergroup relationship experience, cognitive and emotional trust bases can be distinguished. Regarding the relationship between the individual trust objects, the correlations support our assumption that employee, management and system trust jointly determine trust in the organization. (Sass, 2005)

Swift&Hwang's (2013) paper examines the influence of one conceptualization of trust, one that has two sub-constructs – affective (emotional) trust and cognitive (rational) trust – on knowledge sharing among 157 marketing and sales executives. Their results indicate that affective trust is more important than cognitive trust in sharing interpersonal knowledge, but cognitive trust is more important in creating an organizational learning environment. (Swift&Hwang, 2013)

**Table 1:** Organizational trust objects

Objects of organizational trust	1. organizational operation 2. line manager 3. team
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**Source:** SASS, J. (2005). Trust patterns and trust decisions in the organization. Own editing based on the Doctoral School of Psychology, University of Pécs

**Table 2:** Benefits of organizational trust

<b>The benefits of organizational trust</b>	cost reducer	driving force for organizational change
	conflict reducer	driving force
	the organization's performance increases	ethical behavior
	competitive advantage	corporate collaborations
	employee dissatisfaction	teamwork
	successful negotiations	commitment

**Source:** BENCSIK&JUHÁSZ (2018) Value judgments of knowledge-oriented organizations on the economic effects of trust. MANAGEMENT SCIENCE, 49 (1), 30-39. based on own editing

## CONCLUSIONS

Trust is essential for the optimal and efficient functioning of an organization (Kuráth et al., 2022). The presentation, description and practical utilization of the organizational presence of trust in the cognitive sense and emotional trust is of outstanding importance. Existing trust has an undeniable impact on competitive advantage, and working and thinking with the components of trust is necessary in many areas of business life. The effects of trust in interpersonal and economic relationships can be highlighted by the cost-reducing effect of trust. It can directly reduce transaction costs, as it makes control unnecessary. Trust also influences investment decisions. The level of trust within an organization cannot be considered a static phenomenon, as human relationships and life situations are constantly changing. In interpersonal relationships, the presence of trust reduces the number and extent of conflicts, and thus stress at work. The efficiency of cooperation increases, there is no need for multiple checks. However, in the case of excessive trust, suspicion disappears, which makes it possible to cheat and exploit the other. At the organizational level, it has been observed that excessive trust is also harmful, as it increases the number of conflicts, since the parties fully openly share their opinions with each other, which often appears as a source of conflict. These effects strongly influence the quality and efficiency of work, the flow of information and knowledge, and human relationships. They can be expressed in quantifiable economic parameters, e.g. stress and conflict management, multiple checks, continuous consultations, protracted decisions, etc. It is a fact that if the level of trust within a group improves, it improves the performance of the individual and the organization, but one must be careful with the negative consequences of excessive trust. (Bencsik&Juhász, 2018)

Trust is essential for the optimal and efficient functioning of an organization. The presentation, description and practical utilization of the organizational presence of trust in the cognitive sense and emotional trust is of outstanding importance. The existing, existing trust has an undeniable effect in terms of competitive advantage, and working with and thinking about the components of trust is necessary in many areas of business life.

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