

# **The influence of guanxi and trust on delegation and work attitudes in Singapore.**

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## Declaration

*“This work contains no material which has been accepted for the award of any other degree or diploma in any university or other tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text.*

*I hereby certify that the work embodied in this Thesis is the result of original research, the greater part of which was completed subsequent to admission to candidature for the degree.”*

Signed: \_\_\_\_\_

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Date: 10<sup>th</sup> April 2013

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## Abstract

This thesis aims to investigate the relationship between guanxi, trust, job satisfaction and work commitment in Singapore organisations. We adopted a model which shows how decisions are shaped by human background, self-perception, interpersonal relationships, needs beliefs and trust. The model identifies guanxi and trust as the independent variables influencing delegation (the mediator), which indirectly affects job satisfaction and work commitment (outcomes). We tested this model with data collected from a sample size of 380 participants, comprising 103 sets or pairs of matched team leaders (senior engineers-mentors) to junior engineers (followers), from a major water recycling research and development (R&D) company based in Singapore. Regression results showed that there is a positive relationship between guanxi and trust on the degree of delegation exercised by leaders. In addition, the predictive influence of guanxi and trust on job satisfaction and work commitment was fully mediated by delegation (the mediator). This finding runs parallel to the research findings conducted by Yang (2001), who suggests that the higher the quality or level of guanxi and trust in a leader to follower relationship, the higher the level of delegation exercised by a leader to his follower, which in turn produces higher level of follower's job satisfaction and work commitment.

In this thesis, Singaporean leaders are seen to categorise followers into 'inner' and 'outer' circles based on the quality of guanxi and trust in a leader-to-follower relationship. Better connected and 'inner circle' followers are delegated with more power and responsibilities and this in turn encourages or motivates them to exhibit more initiative and commitment towards achieving corporate goals. This is because they feel empowered, being able to make decisions that can make a difference to the company. In addition, it provides followers with a higher sense of job satisfaction and work commitment knowing the importance of their assigned tasks and the close relationship they share with their leader. The predominately ethnic Chinese Singaporean workforce has provided the cultural foundation for the influence of guanxi and trust on delegation, which in turn influences changes in work attitudes in the Singapore corporate environment.