Study on the relationship between trust and organizational performance in local administrative organization- Focused on the local administrative organizations in Gangwondo-[†]

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Abstract

This study is to explore the relationship between trust in local administrative organization and organizational performance. Local administrative organizations provide the citizens with administrative services. Heightening the organizational performance contributes the citizens' happiness and the stream of times through organizations' change. To provide high quality of administrative service to citizens, trust in organizations is more important than any other capital. The improvement of organizational performance needs through this social capital. Factors about trust variables and organizational performance variables are extracted through the theoretical discussions. To do the research, public servants in 7 local administrative organizations of Gangwondo were asked to do the survey about how trust in organizations affects organizational performances. The results explain that trust variables are related to organizational performance, and the local administrative organization which is high in trust is high in organizational performance. Trust in local administrative organizations improves the organizational performance internally and the organization will obtain trust from the citizens externally.

Keywords: Efficacy, efficiency, organizational performance, trust.

1. Introduction

1.1. The purpose of study

The society or nation which social capital is accumulated makes the members' trust and relationship among them brisk, and also the happiness of them is increased by it. Transaction cost decreases socially, and economy development is accelerated, and efficiency of government is enhanced (Putnam, 1993; Park, 2002; Park and Kim, 2000). These days, the socio-economical, cultural and life qualitative differences among districts can be explained as the difference level of social capital. As a result, the country which has high level of social capital has possibilities to develop, The effect of social capital accumulation can be applied to nations, regions, autonomous communities multi-dimensionally (Choe, 2000; Lee *et al.*, 1999). Material and human resources can be depleted because of the limitation of them, but social capital has a potential to enlarge social productivity unlike other resources because efficiency increases as the social capital is used (Park and Kim, 2000). Thus, the value of social capital is high. To solve the problems of organizations and to develop relationship among members needs formation of members' ideas, cooperation among members and with lower organizations. The organization, when the sharing of knowledge, communal frames, sharing objectives among members and high level of trust and cooperation exist, can accomplish good results (Cohen and Prusak, 2001). In addition, social capital in the organization can bring benefits to it in a particular way (Park *et al.*, 2003; Shin, 1992). Social capital can affect the productivity increase of the organization positively. Social capital exists in the relationship among members, and the relationship can be formed by exchange, and so if social capital forms in the organization, this means that the dynamic of the organization can be increased (Park *et al.*, 2003; Choi, 1999). In the case of foreign countries, studies about relationship between social capital and economical development, and how social capital affects local government and the nation's development are being conducted briskly. However, in the case of our nation, these kinds of studies are not conducted. Thus, this study is to explore the relationship between social capital and organizational performances. The premise of this study is that the capability of organization does not depend only on individual capability, but largely on members and the relationship with lower organizations, and that the relationship between organizations increases good results ultimately. The specific purposes are as follows. First, the essentials of social capital is to be explored through theoretical discussions to find out the relationship between trust and organizational performance in local administrative organizations. An analysis model is to be established. Second, the real state and reasons of trust in each organization are to be examined. Third, the methods to improve organizational performance and to enhance the trust are developed.

1.2. The scope of study

Local organizations which administrative demands increase rapidly in the localized era, but have a close relationship with residents are selected. Organizations located in Yeongdong and Yeongseo regions are chosen. Civil servants who are working in seven local administrative organizations participate in the survey. The following table is the objects and numbers of the civil servants.

Specific scopes of the study are as follows. First, the real state of social capital in local organizations are examined. Second, the relationship between trust and organizational per-

Table 1.1 Numbers of public servants working in Gangwondo

City	Numbers of Public Servants	City	Numbers of Public Servants
Gangneung	1,224	Wonju	1,342
Donghae	587	Chuncheon	1,348
Samcheok	842	Taebae	563
Sokcho	542	Total	6,448

formance in local organizations is explored. Third, the methods to improve organizational performance and to enhance trust are developed.

2. Literature review

2.1. Study of trust

Trust can be defined as expectation that when others are doing something, they are considering my interests, and although there is a possibility to betray me, I am doing a favor for them (Lin, 2001). In addition, trust is a personal relationship formed through interactional history. The relationship among members can be fortified through trust, and trust is a base of the respect and fellowship that affect the behavior (Park, 2009). Regardless of abilities to control or watch others, trust is a will to reveal one's vulnerability willingly under the assumption that others will do a favor for oneself, and a personal relationship formed through interactional history.

Thus, 21st century's administrative organizations management should be focused on the organizational performance based on trust (Kim, 2006). Trust among members is closely related to the cooperation and has voluntarily cooperation (Krackhardt, 1992). Trust can play a role to exchange or share knowledge, information, and communication. Trust should have characteristics to attain the organizational goals and to pursue the benefits of the communities to have a positive value as a community social capital. In general, trust develops as follows; first is a stage of calculus based trust because if trust is broken, disadvantages are greater than those in keeping trust. Second is a stage of knowledge based trust that we believe the others. As cross-fertilization increases, experience and data about others are accumulated. So, we can improve the anticipation about the others' behaviors. The last is a stage of identification based trust. In this stage, we can identify each other's goals, norms, values, and substitute each other, and believe others more than oneself. When these three stages of trust are established, individuals can internalize the norms and expected value of the community, and accomplish the goals of the community (Kim and Kim, 2000). Organizational trust can be divided into trust of superiors, trust of colleagues, and institutional trust. In this study, organizational trust, which is institutional trust, and individual trust are adopted as subordinate variables (Kim and Lee, 2002).

2.2. Study of organizational performance

Organizational performance can be defined variously according to the viewpoint and approach methods, and be explained according to evaluated objects. Thus, in business, organizational performance is explained as productivity, profitability, economical products. However, in science of administration, performance is not only economical products, so it is

very difficult to define it. In recent, the term of organizational performance is being raised in science of administration. In this reason, interests and scope of organizational performance are increasing. The viewpoints of organizational performance vary according to researchers. Thus, organizational performances are divided into notions of goal attainment, a subordinate concept of efficacy, and a super ordinate concept.

Efficiency, efficacy and fairness are components of it if we discuss organizational performance as a super ordinate concept (Brewer and Selden, 2000). Kim and Kim (1998), and Morgan (1984) argued that efficiency, efficacy, fairness, and responsiveness belong to organizational performance as a super ordinate concept. In addition, Rogers (1990) stated that economic efficiency, efficiency, efficacy, quality of service, fairness are components of organizational performance as a super ordinate concept. Efficiency, efficacy, fairness, responsiveness, and justification are part of organizational performance as a super ordinate concept (Jones, 1983, Kim *et al.*, 1998). Especially, efficiency, efficacy, and fairness are the common components of organizational performance among lots of theories. These three factors, when Ministry of Government Administration and Home Affairs introduces the system of teammates, has a thread of connection in establishment of autonomous responsible administration, realization of performance oriented administration, and supply of customers oriented administrative service (Teammate Manual of Ministry of Government Administration and Home Affairs, 2005).

Thus, in the aspect that the goal of teammate system in Ministry of Government Administration and Home Affairs, efficiency and efficacy have in common with each other, notions of organizational performance are defined as the following components. Efficiency is a ratio of output to input, and so saving of labor cost owing to swift and exact work transactions, and wasteful budget saving belong to this component (Rogers, 1990). In the case of efficacy, it usually means attainment of goals, and can be an indicator of how much the organization attains the goals.

Organizational performance means the degree of how much the organization accomplishes the goals, and can be explained in the view of efficiency and efficacy. Organizational performance is a core dependent variable in the field of management (Brewer and Selden, 2000). In this study, the components of organizational performance are defined as efficiency and efficacy.

3. Setting-up of analysis models

3.1. Analysis models

Trust variables are divided into individual variables and organizational variables, and organizational performance variables are divided into efficiency variables and efficacy variables.

Independent Variables				Independent Variables	
Trust	Individual Trust	→	Organizational	Efficiency	
	Organizational Trust		performance	Efficacy	

Figure 3.1 Notional models for analysis

3.2. Hypothesis constitution

The following research questions are presented through theoretical discussions. That is, the major purpose is to explore the relationship between trust and organizational performance in local administrative organizations.

1) Relationship between trust and organizational performance
Hypothesis 1: Trust and organizational performances have significant differences.
Hypothesis 2: Trust and organizational performances have coefficient.

4. Research design

4.1. Operational definition of variables

1) Trust
Pazton (1999) divided trust into micro-dimensional trust and macro-dimensional trust, and again the objects of trust were divided into humans and institutions. Yu *et al.* (2002) argued that as the cohesiveness of members and cohesion of feelings are high, the trust to humans are high. It was measured the degree of trust to humans after he divided groups into several kinds. Lewis and Weigert (1985) stated that trust is not individual attribution, but emerges the relationship between humans and organizations, and between organizations and organization. Thus, trust has aspect of individual psychological tendency or social substance. Mishra (1996) classified trust attribution into competence, openness, interests, consistency. Clark and Payne (1997) regulated that the characteristics of behaviors to get trust are truth, competence, consistencyandwarmheartedness. The common characteristics of behaviors to get trust are competence, truth andwarmheartedness (Roger and Mayer, 1995). These three factors are connected with one another, but if one factor lacks, the trust may be reduced. Therefore, humans or organizations that gain trust must have competence in their fields, and are honest, sincere, and consistent at speech and action. In addition, help or support must be given to him or her when someone who has affection and interests to me asks a favor, in this case, those humans or organizations can be said to gain trust. In this study, trust can be regulated that the relationship of each other is unconditional and they trust each other emotionally deeply. Measuring factors of trust are individual trust and organizational trust. The subordinate variables of individual trust are consistency of speech and action, interests, superior trust, colleague trust, keeping the promises. The subordinate variables of organizational trust are fairness, observance, establishment, maturation.

2) Organizational performances
Organizational performances are defined as something that tries to attain better things than the previous ones. Constitution factors consisting of organizational performances vary according to the views about the organizational performances. Clark (1997) argued that organizational performances are economic efficiency, efficiency, efficacy. In addition, Kim (2008) utilizes efficiency, efficacy, fairness as measuring factors of organizational performances. As organizational performances in public parts are subjective and complicated social phenomena, they are difficult to measure. However, in this study, efficiency and efficacy which many scholars use in common are used as measuring factors of organizational performances.

2-1) Efficiency

Kim and Kim (1998) researched that efficiency (reduction of time, simplification of procedure) shows the highest frequency among measuring indicators used in the field of science of public administration. In the case of efficiency, that when administrative organizations provide administrative services, how economically resources like manpower and budget are utilized is researched. Thus, how much administrative services are worked out through the given resources. In this study, simplification, reduction of time, exactness, efficient office management are asked as efficiency variables.

2-2) Efficacy

Kim (2004) stated that efficacy can be defined as attainment of goals, and a concept confused with performances. Efficacy like performance is a term defined variously from diverse point of views, and especially related closely to performances. Kim (2004) argued that efficacy represents that how much organizations attain the goals of the organizations.

Continuing maneuver of customers' demands, improvement of satisfaction, appropriacy of time, betterment of system, attainment of goals are asked in the survey as subordinate variables of efficacy.

4.2. Survey design

4.2.1. Questionnaires

Items in the questionnaires are divided into two groups; social capital and organizational performance. Factor variables are composed of social capital and trust. Organizational performances are composed of efficiency and efficacy. Trust items are composed of five items of individual trust, and four items of organizational trust, and these items are rated by Likert 5 scales. The items in organizational performance are composed of four items of efficiency and six items of efficacy, and these items are rated by Likert 5 scale. The items in the questionnaires of Putnam (2000), Park (2002) and Kim (2006) are adopted and adjusted to fit this study. The Likert 5 scale is composed of 'Never', 'Not really', 'Normally', 'Usually' and 'Always'.

4.2.2. Objects

This study is an empirical study aimed to public servants who are working in Gangwon-do local administrative organizations. The population of the sample survey to conduct this study is 673, which is 10% of 6,448 who are working in 7 cities and municipalities of Gangwon-do.

1) Characteristics of sample data

61.9% of males and 38.1% of females participated in this study. The distribution of ages is that 15.6% of below 29, 34.3% of 30 to 39, 35.9% of 40 to 49, 14.2% of 50 to 59 take part in this study. 49.8% of Yeongseo district and 50.2% of Yeongdong district participated in this study. The participants are composed of 15.0% of high school graduates, 15.5% of college graduates, 65.9% of university graduates, 3.6% of graduate school graduates. Their religions are 21.8% of Buddhism. 19.8% of Christian, 7.1% of Catholic, 2.0% of other religions, and

Table 4.1 Frequency table of region

Survey Region	Numbers of Public Servants	Percentage
Gangneung	118	17.5
Donghae	66	9.8
Samcheok	90	13.4
Sokcho	60	8.9
Wonju	144	21.4
Chuncheon	135	20.1
Taebae	60	8.9
Total	673	100

49.3% no-religion. Their careers are 25.6% of one to 5 years, 12.0% of 6 to 10 years, 15.5% of 10 to 15 years, 22.4% of 16 to 20 years, 10.7% of 21 to 25 years, 8.0% of 26 to 30 years, 5.9% of more than 31 years. Their ranks are 16.3% of 9th, 23.1% of 8th, 36.3% of 7th, 20.8% of 6th, 3.2% of over 5th position. The types of occupations are 61.6% of administrative, 25.7% of technical posts, and 12.7% of other types. 54.2% of participants joined the labor union and 45.8% didn't join the labor union.

Table 4.2 Characteristics of population and Society of the Samples

	Classification	Fre. (n)	%		Classification	Fre. (n)	%
					1 to 5 years	170	25.6
	male	413	61.9		6 to 10years	80	12.0
					11 to 15years	103	15.5
Sex				Career	16 to 20years	149	22.4
	female	254	38.1		21 to 25years	71	10.7
					26 to 30years	53	8.0
					more than 31 years	39	5.9
	under 29	104	15.6		Urban Area	575	86.3
	30 to 39	229	34.3	Working Area			
Age	40 to 49	240	35.9		Rural Area	91	13.7
	50 to 59	95	14.2				
					More than 5th	21	3.2
	Yeongseo	331	49.8		6th	137	20.8
Region				Ranks	7th	239	36.3
	Yeongdong	333	50.2		8th	152	23.1
					Lower than 9th	110	16.3
	high school graduates	100	15.0		Administrative	407	61.6
	college graduates	103	15.5				
Education	university graduates	439	65.9	Types of job	technical post	170	25.7
	graduate school	24	3.6		Others	84	12.7
	Buddhism	145	21.8				
	Chrianity	132	19.8		Joined	356	54.2
Religion	Catholicism	47	7.1	Labor Union			
	Otherreligion	13	2.0		Not joined	301	45.8
	None	328	49.3				

5. Analysis and results

5.1. Analysis of data validity and suitability

5.1.1. Factor analysis

Varimax, which is orthogonal, is used as a rotation, and factor is extracted using principal components analysis methods.

1) Factor analysis by trust variables

Two factors, organizational trust and individual trust, are extracted. Eigenvalue is 5.3 and the distribution proportion is 59% in organizational trust. Eigenvalue is 0.813 and the distribution proportion is 9% in individual trust. Accumulated distribution proportion of these two factors is 68%, which explains that these data are valid for this study. The values of two factors are used in the following analysis.

Table 5.1 Factor analysis by trust variables

Role variables		Organizational Trust	Individual Trust	Sum	Distribution (%)	Accumulation (%)
Organizational Trust	Confirmation	0.80054	0.31811			
	Fairness	0.78463	0.31169	5.30	59.0	59.0
	Observance	0.77266	0.37046			
	Maturity	0.74765	0.27019			
Individual Trust	Trust of superior	0.21996	0.8209			
	Trust of colleague	0.35587	0.76515			
	Agreement	0.38149	0.7078	.813	9.0	68.0
	Interests	0.31256	0.69833			
	Keeping promise	0.55674	0.56793			

2) Factor analysis by dependent variables

Table 5.2 Factor analysis by dependent variables

Role variables		Effi cacy	Effi ciency	Sum	Distribution (%)	Accumulation (%)
Effi cacy	Satisfaction	.812	.182			
	Appropriacy	.789	.271			
	Reformation of System	.756	.208	.517	55.2	55.2
	Durability	.730	.325			
	Attainment of Goals	.718	.346			
	Reformation	.646	.360			
Effi ciency	Time Saving	.192	.853			
	Simplification	.223	.829	1.062	10.6	65.8
	Exactness	.409	.680			
	Relationship of business	.478	.622			

Two factors, efficiency and efficacy, are extracted. Eigenvalue is 0.517 and the distribution proportion is 55.2% in efficiency factor. Eigenvalue is 1.062 and the distribution proportion is 10.6% in efficacy factor. Accumulated distribution proportion of these two factors is 65.8%,

which explains that these data are valid for this study. The values of two factors are used in the following analysis.

5.1.2. Verification of trust

Trust is the degree which errors are not included, that is, the degree that reflects systematical information about distribution. Cronbach's alpha coefficient is used as a method to empirically evaluate the trust of measurements.

Table 5.3 Test results of trust

Variables	Observation factors	Observation variables	Cronbach's Alpha
Social capital	Trust		
	Organizational Trust	Establishment of rules Fairness of business Observation of rules Mature civic awareness	0.864
	Individual Trust	Trust of superior Trust of colleague Agreement of speech and action Interests and affection Keeping promise among members	0.860
Organizational performance	Efficiency	Simplification of business Time saving of business Exactness of business Efficient management of business	0.836
	Efficacy	Awareness of customers' demand Improvement of satisfaction of customers' demand Appropriacy of time Reformation of system Attainment of goals Creativity of reformative program	0.884

The result of trust is above of 0.836, which represents high reliability.

5.2. Trust variables and ANOVA of organizational performance

1) ANOVA of trust variables according to local administrative organizations
The results of ANOVA of trust variables according to local administrative organization shows significant differences. Donghae shows the highest.

2) ANOVA of organizational performance variables according to local administrative organizations

Table 5.4 ANOVA of trust variables according to local administrative organizations

Classification		Organizational Trust Mean (SD)	Individual Trust Mean (SD)
Local Organization	Gangneung (1)	.011 (1.12)	.088 (.96)
	Donghae (2)	.308 (1.08)	.565 (.96)
	Samcheok (3)	.182 (.94)	-.016 (.98)
	Sokcho (4)	-.181 (.89)	.176 (.91)
	Taebae (5)	.106 (.94)	-.142 (.92)
	Chuncheon (6)	-.230 (.91)	-.063 (.91)
	Wonju (7)	-.015 (.98)	-.276 (1.08)
F Value		3.2034	6.3317
Sig.		0.0042**	0.0000**
Multiple range test (Duncan's)		{6 4 7 1} {4 7 1 5} {7 1 5 3 2}	{7 5 6 3} {5 6 3 1 4} {2}

Table 5.5 ANOVA of organizational performance variables according to local administrative organizations

Classification		Efficacy Mean (SD)	Efficiency Mean (SD)
Local Organization	Gangneung (1)	.140 (1.11)	-.085 (1.06)
	Donghae (2)	.217 (1.03)	.785 (.77)
	Samcheok (3)	.133 (.89)	.166 (.93)
	Sokcho (4)	.044 (1.01)	-.067 (.95)
	Taebae (5)	-.074 (1.04)	-.181 (.95)
	Chuncheon (6)	-.207 (.94)	-.090 (.95)
	Wonju (7)	-.092 (.93)	-.213 (.97)
F Value		2.4027	9.6473
Sig.		0.0264*	0.0000**
Multiple range test (Duncan's)		{6 7 5 4} {7 5 4 3 1} {2}	{7 5 6 1 4} {6 1 4 3} {2}

The results of ANOVA of organizational performance variables according to local administrative organization shows significant differences. Donghae shows the highest.

5.2.1. Cluster analysis of trust variables and organizational performance variables

To do cluster analysis, mean values of factor scores of four variables to trust variables and organizational performance variables are aggregated according to the 7 local administrative organizations.

1) Cluster analysis by trust and organizational performance variables

By using aggregated data, hierarchical cluster analysis to local administrative organizations was conducted using trust variables and organizational performance variables. Ward method is used in cluster method. Euclidean square is used in distance. The result of hierarchical cluster analysis is as follows;

When the result of cluster analysis is divided into three groups, Wonju, Taebaek, Chuncheon belong to the first cluster, Gangneung, Sokcho, Samcheok belong to the second cluster,
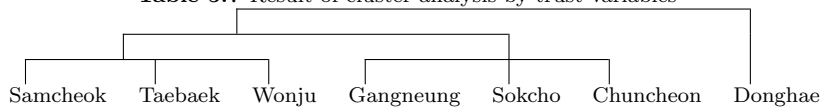
Table 5.6 Result of cluster analysis by trust and organizational performance variables
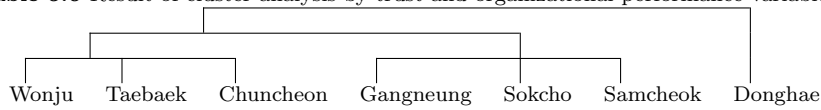
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        ┌──────────────┴──────────────┐                          │
   ┌────┴────┐                 ┌───────┴───────┐                 │
 Wonju  Taebaek  Chuncheon   Gangneung  Sokcho  Samcheok      Donghae
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and Donghae belongs to the third cluster. Each organization in the same cluster shows similar characteristics.

2) Cluster analysis by trust variables

Table 5.7 Result of cluster analysis by trust variables

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        ┌──────────────┴──────────────┐                          │
   ┌────┴────┐                 ┌───────┴───────┐                 │
 Samcheok  Taebaek  Wonju   Gangneung  Sokcho  Chuncheon      Donghae
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The result of cluster analysis by individual trust variables and organizational trust variables is divided into three groups. Samcheok, Taebaek, Wonju belong to the first cluster, Gangneung, Sokcho, Chuncheon belong to the second cluster, and Donghae belongs to the third cluster.

3) Cluster analysis by organizational performance variables

The result of cluster analysis by efficiency variables and efficacy variables is divided into three groups. Wonju, Taebaek, Chuncheon belong to the first cluster, Gangneung, Sokcho, Samcheok belong to the second cluster, and Donghae belongs to the third cluster. Each organization in the same cluster shows similar characteristics.

Table 5.8 Cluster analysis by organizational performance variables

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        ┌──────────────┴──────────────┐                          │
   ┌────┴────┐                 ┌───────┴───────┐                 │
 Wonju  Taebaek  Chuncheon   Gangneung  Sokcho  Samcheok      Donghae
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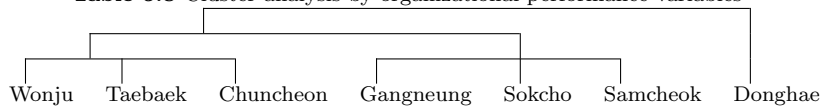
5.2.2. Correlation analysis of trust variables and organizational performance variables

To do correlation analysis, mean values of factor scores of four variables to trust variables and organizational performance variables are aggregated according to the 7 local administrative organizations.

By using aggregated data, correlation analysis is used to find out the relationship between trust variables and organizational performance variables. The result of correlation analysis is as the following <Table 5.9>.

Efficiency variables and individual trust variables show significant correlation. Correlation coefficient of other variables is calculated high 0.693. However, because the data is small about only 7 local administrative organizations, significant result cannot be obtained.
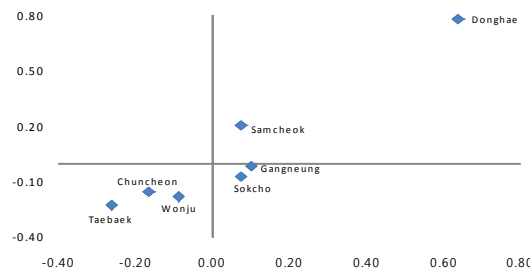
Table 5.9 Result of correlation analysis by aggregated trust variables and organizational performance variables

Classification	Efficacy	Efficiency
Organizational trust	.693	.699
Individual trust	.732	.875*

5.2.3. Scatter plot of each region

To obtain the scatter plot, mean values of factor scores of four variables to trust variables and organizational performance variables are aggregated according to the 7 local administrative organizations.

1) Scatter plot according to individual trust and efficiencyThe data about trust variables, which are independent variables, and organizational performance variables, which are dependent variables, are aggregated. Scatter plot is drawn on the two dimension plane as a diagram below, representing that horizontal axis is individual trust and vertical axis is efficiency.

Figure 5.1 Scatter plot according to individual trust and efficiency

Donghae, which individual trust and efficiency are high, is the highest in the first quadrant. Local administrative organizations located in Yeongdong region are high in individual trust in the first and fourth quadrant. Three cities located Yeongseo region are low in individual trust and efficiency in the third quadrant.

2) Scatter plot of each region according to individual trust and efficacy
Scatter plot is drawn on the two dimensional plane as Figure 5.2. Horizontal axis represents individual trust, and vertical axis represents efficacy. Four cities located in Yeongdong region are high in individual trust and efficacy.

3) Scatter plot of region according to organizational trust and efficiency
Scatter plot is drawn on the two dimensional plane as Figure 5.3. Horizontal axis represents organizational trust, and vertical axis represents efficiency. Two cities located in Yeongdong region are high in organizational trust and efficiency.

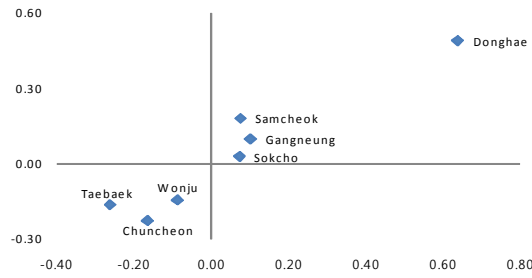4) Scatter plot of region according to organizational trust and efficacy

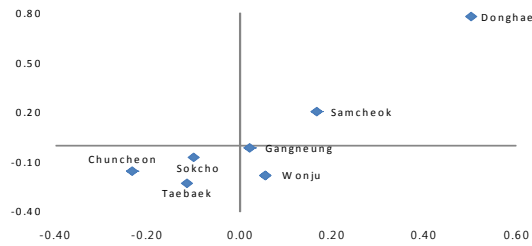**Figure 5.2** Scatter plot according to individual trust and efficacy

Figure 5.3 Scatter plot according to organizational trust and efficiency
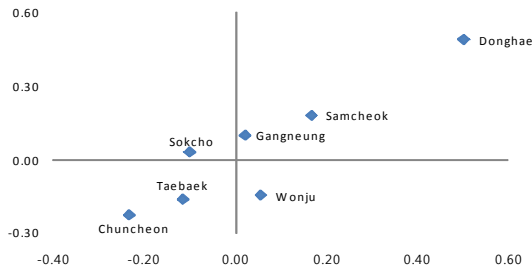

Figure 5.4 Scatter plot according to organizational trust and efficacy

Scatter plot is drawn on the two dimension plane as Figure 5.4. Horizontal axis represents organizational trust, and vertical axis represents efficacy. Three cities located in Yeongdong region are high in organizational trust and efficacy.

6. Conclusion

This study was conducted to find out the relation between trust and organizational performance in local administrative organizations. Factors about trust variables and organizational performance variables are extracted through the theoretical discussions. To do the research, public servants in 7 local administrative organizations of Gangwondo were asked to do the survey about how trust in organizations affects organizational performances. The results of

this research are as follows;

First, individual trust and organizational trust in local administrative organizations located in Yeongdong region are higher than those in Yeongseo region.

Second, efficiency and efficacy in local administrative organizations located in Yeongdong region are higher than those in Yeongseo region.

Third, the result of correlation analysis shows that trust variables are related to organizational performance variables.

Fourth, three groups are classified as a result of cluster analysis, and each organization in the same group shows similarities. In addition, three groups are classified as a result of organizational performance variables, and each organization in the same group shows similarities.

Fifth, the result of scatter plot of each local administrative organization according to individual trust and efficacy by data integration shows four cities in the first quadrant and three cities in the third quadrant. Above all, the local administrative organization which trust is high is high in organizational performance.

Local administrative organizations provide the citizens with administrative services. Heightening the organizational performance contributes the citizens' happiness and the stream of times through organizations' change. To provide high quality of administrative service to citizens, trust in organizations is more important than any other capital. To elevate the status of highly trusted society from low trusted society of our nation, local administrative organizations as well as central ministry need to improve transparency and promise with the citizens should be kept. Public servants and the leadership in all walks of life take the initiative and set examples to construct trust society.

Trust variables, which are found out to be very important social capital in this study, affect the development of our entire nation. In addition, trust in local administrative organizations improves the organizational performance internally and the organization will obtain trust from the citizens externally.

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