A Study on Factors Affecting Resident's Trust on Local Government

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Abstract: The purpose of this study is to provide a suggestion on what kind of mechanism is necessary for the local community to fundamentally develop into a better society and what group action is needed to pursue common interests. A self-administered questionnaire was used to obtain 180 data. The main variables were structural model analysis by measuring the trust of local government, government behavior, policy orientation, public officials, administrative culture, institutional and organizational trust with a 5-point Likert scale. The higher the trust in the head of the organization, the higher the institutional trust and the greater the confidence in the local government. Policy factors and public officials/administrative culture factors were not significant as factors affecting institutional trust but trust in local governments was found to affect local government trust. Squared multiple correlations were 36.3, 69.6 and 95.4%, respectively. The results of this analysis provide concrete implications for how local governments should improve their trust in local governments and thus ensure policy compliance in specific policy enforcement.

Key words: Trust, residents, local government, residents, trust, local community

INTRODUCTION

To get the trust of the people, the government shall satisfy the conditions of trust, communication and the competence, above all. Particularly, the social capital represented with the trust is emerged as one of the measures to be able to solve the collective problems or social conflict, the interests in the enhancement of trust is being increased (Knack and Keefer, 1997) claimed "Under the assumption that the other conditions are same, if the trust index of the nation is lowered by 10%, the economic growth is dropped by 0.8%. Defining the trust as "the expectation that the organization members would engage in the regular, honest and cooperative activities based on the common norms" (Fukuyama, 1995) emphasized "For the continuous development of free democracy and the market economy, the trust among the members of the society is important together with the economic system". In the aspect that the trust is formed in the positive belief that the members in the interrelationship are willing to act fit with their expectation, it can be understood as core factor for the conflict resolution and the social communication (Cho and Sin, 2011). The trust affects the selection of policy and helps how many power the residents grant to the local public employees (Cooper *et al.*, 2008). The most important in policy making and execution is to secure the adaptation or accommodation from the subject of policy and the general public. Its premise is that the trust on the government and the formation of fiduciary relations are required. The

reliability of the organization is the independent variable of the trust on the government and the policy compliance and at the same time is an important variable to manage the bi-directional communication and the relationship (Son and Chae, 2005).

The researches on the trust on the government so far has focused on the central government but as the actual residents have more opportunity to contact with the local public employees than the central government, it is necessary to pay more attention to the trust on the local government. For the local government to achieve the sustainable development, it is necessary to form the fiduciary relations between the local government and the residents. The factors affecting the trust are the characteristics in the individual level, cultural level, organizational level, etc. The trust on the local government has a possibility to be related to the trust on the central government and the researches on that are slightly different. If the trust on the central government may be dropped, the trust on the local government is reduced together (Rahn and Rudolph, 2005; Uslaner, 2001) but on the contrary, the trust on the local government can be increased as a reaction to the distrust on the central government (Hetherington and Nugent, 2001). In the meantime, the factors affecting the central government or in the national level may have difference from those of the local government. And also, the trust level among the local governments may be different according to the size of the city. The countermeasure to improve the reliability of the local government is deemed to secure the work

ability as long as such factors should be analyzed meticulously. Considering that the issue of the trust on the local government provides the implication what mechanism is needed to develop the local community to fundamentally better society and what collective action is needed to pursue the common interests, the issue of the trust on the local government was focused on following issues. First, what is the level of resident's trust on the local government? Second, what is the factor affecting the trust on the local government? Specifically, what impact have the behavioral characteristics of the local goverment, policy-oriented factor, factor of public official, administrative cultural factor, etc. on the trust on the local government and how do they impact of the trust on the local government with the mediation of trust on the institution and the director of institution? Third, how are the relations among the abovementioned variables represented was analyzed Based on the above analyses, the measures to improvement the trust on the local government were proposed.

Theoretical background and analytic model
Concept and type of trust on government: Generally, the trust on government is defined as the attitude of positive support if the government executes and manages the policy meeting the expectation of the people (Lee, 1988; Putnam, 1993) defined the social capital as "Characteristics of social organization to be able to improve the efficiency of the society by encouraging the coordinated actions such as trust, network, etc. "The trust mentioned here is the trust based on the norms of generalized reciprocity formed in the horizontal social relationship among the equal individuals (Park, 2011). The generalized trust is the core component of social capital that facilitates the collective action to solve the common problems (Fukuyama, 1995; Putnam, 1993). The type of trust dealt in this study is the generalized trust rather than the particularized trust. that is it is not the attitude to the specific individuals such as family, relative, friend, etc., that the reliability can be judged but the attitude to the general members of the community. Yamagish and Yamagish (1994) classified the trust into the general trust and the knowledge-based trust and Newton classified it into the thick trust and thin trust. Sztompka (1999) classified it into the primary trust and the secondary trust (Uslaner, 2001) classified into the strategic trust and moralistic trust and (Ackerman, 2001) classified it according to the interrelationship and generation process. As such, the type of trust is diverse by researcher but this study focused on the generalized trust distinguished from the particularized trust, knowledge-based trust, thick trust or strategic trust. There are two perspectives related to

the origin that generates the generalized trust (Park, 1991; 2000). One is the society-oriented perspective and the other is the state-oriented perspective. Putnam (1993) claimed that the voluntary group contributes to the reaction and effectiveness of the democratic system by generating the interpersonal trust and encouraging the citizen involvement. In this study, the impact of the social network involvement such as joining a group, social contact, etc. on the generalized trust. The state-oriented perspective seek the origin of generalized trust in the government system. Cohen *et al.* (1999) claimed that to covert the interpersonal trust to the generalized reciprocity, the personal trust and the bond should be substituted with the law and system. The generalized trust can be generated as long as the legal norms such as procedural fairness, impartiality and justice become foundation of the structure of state. Offe (1999) also argued that when the system works according to the series of norms, the trust can be generated. He claimed that when the system fulfills the truth and the criteria of the justice and the practitioners are recognized to have the competence to enforce those criteria, the system can generate the trust among the strangers. Rothstein (2001) linked the government corruption to the social trust out of the quality of government. Levi (1998) asserted that if the institution of law and order may not prepared the conditions so that the laws are complied correctly, the citizen cannot but take precaution by themselves when treating with others and it is, therefore, hard to develop the generalized trust. In this study, the analysis was performed based on abovementioned two perspectives.

Analytic model: The trust can be classified into the organizational trust which is the attitude of the organization members to the organization and the interpersonal trust and in this study, the trust in the institution and the director of the institution was measured comprehensively as a parameter. For the correct measurement of trust, the tasks to review the conceptualization and the manipulation processes of the trust again and to verify the measurement though the validity test should be made. To do that the analysis framework was reorganized by reviewing the concept of trust and the results of preceding studies with the critical view. In the structural equation model, the model measured was composed of independent variables, parameter, dependent variables, etc. The independent variables are composed of government behavior factor, policy-orientation factor, public official factor, administration cultural factor, etc., the parameters were classified into trust in institution and trust in director of institution and the dependent variable was the trust in
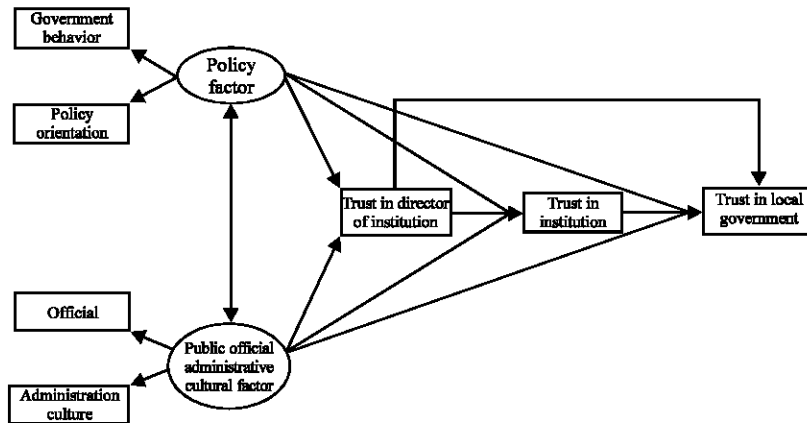
Fig. 1: Analytic model

the local government. The questions were rated using 5-point scale. As the major variables for the government behavior factor, the effort to improvement the participation, the level of information disclosure, balanced promotion of policy, objectivity of the performance evaluation, formation of fair public opinion, smooth communication, conflict management skills, transparency, fairness, etc., were established referring to the research of Kim Kwan-Bo *et al.* For the policy execution orientation factor which may be represented in the process of policy execution, the budget execution efficiency, appropriateness of budget execution, appropriateness of business handling, specialty, legality, effectiveness of promoted project, responsiveness, etc., were determined (Oh and Park, 2002; Lee, 1993). For the public official factor, the problem-solving skill of the public official, honesty, integrity, information processing skill, effort to minimize the involvement of the public official in the matter of interest, etc., were established (Oh and Park, 2002; Lee, 1988; Mayer *et al.*, 1995; Mishra, 1996; Park, 2000). In the administration culture factor, general atmosphere of trust in the society, understanding on the local government, level of civil activities, etc., were established as subfactor (Uslaner, 2001; Putnam, 1993). The parameter were classified into the trust in the local government and in the director of local government. For the dependent variable, the trust in the whole local government was established Fig. 1.

Subject of questionnaire and analysis method: Self-administered questionnaire survey was performed through the mailing survey and the interview from total 300, 100 persons each from Daejeon and Chungchung region that is Daejeon City, Chungcheongnam-do and Chungcheongbuk-do from July, 01 to September, 30, 2016. The data was analyzed using SPSS (SPSS 21.0 for windows, SPSS Inc, Chicago, USA) and AMOS

20.0 package. The descriptive statistics was used for the general characteristics of the subjects and the measured variables. For the internal consistency for the reliability of the measuring tool, Cronbach's α was obtained and for the construct validity, the exploratory factor analysis was performed using Varimax rotation. To verify the validity of the measuring tools used for structural equation model, the confirmatory factor analysis was performed and the normal distribution of the samples was evaluated with the univariate normality and the miltivariate normality. In addition, the correlation and the multicollinearity among the measured variables were tested with Pearson correlation coefficient. The model's goodness of fit and the direct effect were verified using the covariance matrix and the generalized least square and for the statistical significance test of the indirect effect and total effect, the bootstrapping method was used.

RESULTS AND DISCUSSION

General characteristics of subjects: The characteristics of the responders are as shown in Table 1. Female was 100 persons occupying 55.6% and the males was 80 persons occupying 44.4%. The monthly income between 1 and 2 million won was 35.0% the greatest followed by between 2 and 3 million won (28.3%), >1 million won (16.1%), between 3 and 4 million won (13.3%) in order. By the region, Chungcheongnam-do was 37.8% the highest followed by Chungcheongbuk-do and Daejeon (29.4%). In the final academic background, the high school graduates were 50.6% occupying almost half and the college graduates was 42.2.

Descriptive statistics of measured variables: The descriptive statistics of the variables used in this study are as shown in Table 2. It was measured with 5-point

Table 1: General characteristics of subjects

Variables/Description	Frequency	Percentage
Gender		
Male	80	44.4
Female	100	55.6
Income (thousand)		
<1,000	29	16.1
1,000~<2,000	63	35.0
2,000~<3,000	51	28.3
3,000~<4,000	24	13.3
≥4,000	13	7.2
Region		
Daejeon	53	29.4
Chungcheongnam-do	68	37.8
Chungcheongbuk-do	59	32.8
Education		
Middle school graduates or under	13	7.2
High school graduates	91	50.6
College graduates	76	42.2

Table 2: Descriptive statistics of measured variables

Variables	Min.	Max.	Mean	SD	Skewness	Kurtosis
Policy factor						
Government behavior	1.00	5.00	3.16	1.13	-0.501	-0.533
Policy-orientation	1.00	5.00	3.08	0.88	-0.346	0.375
Public official/cultural factor	-	-	-	-	-	-
Public official	1.00	5.00	3.46	1.05	-0.198	-0.450
Administrative culture	1.00	5.00	3.34	1.12	-0.227	-0.724
Trust in director of institution	1.00	5.00	3.15	1.07	-0.413	-0.592
Trust in institution	1.00	5.00	3.00	1.04	-0.303	-0.507
Trust in local government	1.00	5.00	3.05	1.05	-0.224	-0.619

Table 3: Correlation among major variables

Variables	1	2	3	4	5	6	7
Government behavior	1.000						
Policy-orientation	0.574**	1.000					
Public official	0.352**	0.360**	1.000				
Administrative culture	0.288**	0.381**	0.809**	1.000			
Trust in director of institution	0.295**	0.396**	0.485**	0.529**	1.000		
Trust in institution	0.260**	0.358**	0.458**	0.493**	0.831**	1.000	
Trust in local government	0.269**	0.360**	0.457**	0.502**	0.842**	0.875**	1

**p<0.01 by pearson' correlation analysis

Likert scale and the subfactor of the policy factor was government behavior factor (M = 3.16 points) and policy-orientation factor (M = 3.08 points) and the subfactor of public official/cultural factor was public official (M = 3.46 points) and a dministrative culture (M = 3.34 points). The trust in the institution was represented with 3.15 points, the trust in the director of institution was 3.00 points and the trust in the local government was 3.05 points. Generally, if the skewness is <3.0 and the kurtosis is >10.0, it is judged that it does not violate greatly the normality. To increase the validity and reliability and to verify the normality of the data, the mean, standard deviation, skewness, kurtosis, etc., were analyzed and as the skewness of all questions was represented >3.0 and the absolute value of the kurtosis was represented 10 points, it was confirmed that the normality is guaranteed.

Correlation among policy factor, public official/cultural factor, trust in institution, trust in director of institution, trust in local government: The results of correlation analysis among the variables measured are shown in Table 3. All the subfactor of the policy factor (government behavior and policy-orientation) represented to have positive correlation with the public official administrative cultural factor, trust in director of institution, trust in institution and the trust in local government. It is considered that he better the policy, public official/administrative cultural factor, the higher the trust in director of institution and the institution. In addition, it is considered that the higher the trust in director of institution and institution, the higher the trust in the local government.

Model's goodness of fit test: The model's goodness of fit and direct effect was tested using the covariance matrix and maximum likelihood and the statistical significance of

Table 4: Goodness of fit index of model

Fit index	χ^2 (P)	CMIN/df	GFI	CFI	IFI	NFI	RMSEA	RMR
Optimum model	(0.05)	≥2-3	0.90-1	0.90-1	0.90-1	0.90-1	≥0.100	≥0.050
Hypothetical model	6.716 (<0.001)	0.959	0.990	1.000	1.0000	0.994	0.000	0.017

Table 5: Path-coefficient between variable of model (N = 180)

Endogenous variable/Exogenous variable	β	SE	CR	p-values	SMC
Trust in director of institution					
Policy factor	0.340	0.130	2.6080	0.009	0.363
Public official/administrative cultural factor	0.462	0.086	5.4000	<0.001	
Trust in institution					
Trust in director of institution	0.760	0.052	14.581	<0.001	0.696
Policy factor	0.022	0.081	0.2750	0.783	
Public official/administrative culture factor	0.083	0.059	1.4060	0.160	
Trust in local government					
Trust in institution	0.895	0.029	30.641	<0.001	0.954
Policy factor	0.002	0.032	0.0540	0.957	
Public official/administrative culture factor	0.009	0.023	0.3920	0.695	
Trust in director of institution	0.960	0.030	3.2200	0.001	

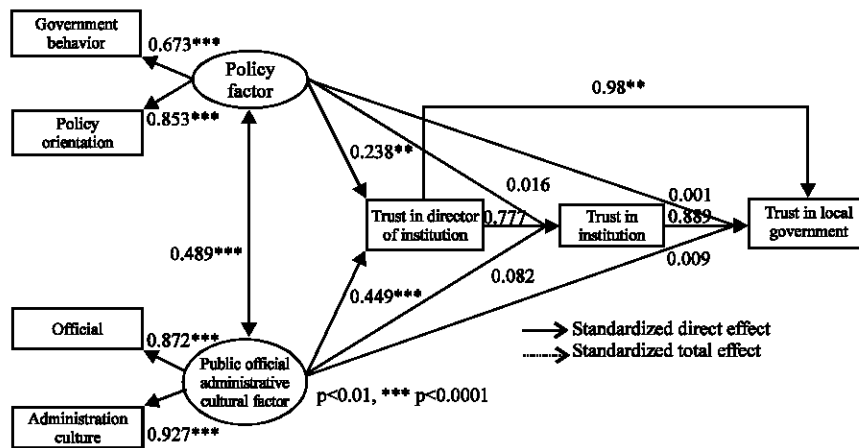SMC = Squared Multiple Correlations

Fig. 2: Path-coefficient of model

the direct effect and total effect was tested using bias corrected percentile of bootstrap. In the results of the model's goodness of fit (Table 4) as = 6.716, Q (CMIN/DF) = 0.959, GFI = 0.990, CFI = 1.000, IFI = 1.000, NFI = 0.994, RESEA = 0.000 and RMR = 0.017, all the goodness of fit indexes except the were evaluated as excellent.

Hypothesis test of structural model: The causal relation of the factor affecting the trust of the local residents was tested through the structural model analysis. SMC (Squared Multiple Correlations) is the coefficient of determination for the independent variable. In this study, it was represented 36.3% for trust in the director of institution, 69.6% for the trust in the institution and 95.4% for the trust in the local government. The results of analyzing the impact of the policy factor (government behavior and policy orientation), public official/cultural factor (public official and administrative culture), the trust

in the institutions of the local government and the trust in the director of institution on the local government are shown in Table 5. The results of analyzing the structural mode 1 among the variables of the model are shown in Fig. 2. In case of policy factor, as the exogenous variable, the regression coefficient is positive (+), the higher the government behavior and the policy orientation, the more the trust in the director of institution. The higher the trust in the director of institution, the higher the trust in the institution which leaded to the higher trust in the local government. The policy factor and the public official/administrative culture factor were not the significant factor affecting the trust in the local government but the trust in the director of institution affects the trust in the local government. In the results of testing total 9 hypotheses, 5 hypotheses was represented to be significant and the detailed testing results are as follows:

- H_1: the policy factor will have positive (+) impact on the trust in the director of institution (adopted)
- H_2: the public official/administrative culture factor will have positive (+) impact on the trust in the director of institution (adopted)
- H_3: the trust in the director of institution will have positive (+) impact on the trust in the institution (adopted)
- H_4: the policy factor will have positive (+) impact on the trust in the institution (rejected)
- H_5: the public official/administrative culture factor will have positive (+) impact on the trust in the institution (rejected)
- H_6: the trust in the institution will have positive (+) impact on the trust in the local government (adopted)
- H_7: the policy factor will have positive (+) impact on the trust in the local government (rejected)
- H_8: the public official/administrative culture factor will have positive (+) impact on the trust in the local government (rejected)
- H_9: the trust in the director of institution will have positive (+) impact on the trust in the local government (adopted)

CONCLUSION

The trust in the government is the important element for the national development and may determine the success of policy in small scale and be responsible for the rise and fall of the country in great scale. Such trust in the government is considered as the positive feedback on the expectation that the government will fulfill the duty and the responsibility correctly and efficiently for the people. If the government may be incompetent or fulfill its duty and responsibility correctly, the citizens will give the negative feedback which leads to the distrust of the government. Since, the trust of the residents in the government is the resources required to implement the policy, if the residents may not trust the government, the required resources become insufficient and it is hard to implement the governmental business effectively. That is, if the people do not trust the government, they will not provide the legal and institutional resources through the legal compliance such as physical resources like tax, etc. and if such resources are deficient, the effective business fulfillment becomes hard, which causes the loss of diverse problem-solving ability. As a result, the anxiety and the distrust of the people will become deeper and the hostility against the government policy forms the loop of vicious cycle that causes the social resistance and the instability of entire society.

The results of the analysis provide the specific implications what attitude the local government should take in the specific policy execution to enhance the trust in the local government and further, to secure the adaptation of policy. To build and reinforce the trust in the local government, the strategies to achieve the objectives of the local government should be established and implemented systematically with the residents through the continuous management and evaluation of the sub-variables of the factor for the trust in the local government that is government behavior factor, policy-orientation factor, public official factor, administrative culture factor. In the government behavior level, the information shall be disclose actively above all and the transparency should be improved. Trust will start being built from showing what is mine. The effort for formation of the fair public opinion and smooth communication should be made improving the participation of resident. In addition, the conflict management skill, securing the objectivity, the balanced promotion of the policy, objectivity and the fairness of the performance evaluation should be emphasized. In the level of the orientation of policy execution, the efficiency and the appropriateness of budget execution should be improved, the appropriateness of the business processing and the effectiveness of promoted project should be enhanced and the effort to improve the specialty, legality and responsiveness should be made. In the level of public official factor, the problem-solving skill and the information processing ability of the public official should be increased. The attention should be paid to the effort to minimize the involvement in the interests of public official. As in the society with low trust, the distrust in the system and official rules is high, the tendency to solve the problems relying on the personal relationships is increased. In this process, the possibility for corruption and rent-seeking acts may be increased by the privatization or colonization of the public sector or the collusion between both parties. In the level of administrative culture, the understand on the local government and the level of civil activity should be increased the general atmosphere of social trust should be improved.

The local government should develop the specific efforts to improve the trust of local community through the establishment of relationship with the residents. As such, the understanding of residents on the local government will be enhanced improving the quality of life in the region. This study analyzed the level of trust in some region but it is expected that it leads to the analysis what policy implication can be drawn relatively by comparing with the trust level of other local government, central government and the local government of advanced countries.

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