

PAY TRANSPARENCY AND ORGANIZATIONAL TRUST IN INSURANCE COMPANIES IN PORT HARCOURT, RIVERS STATE, NIGERIA

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ABSTRACT

This study examines the relationship between pay transparency—specifically pay communication and pay accessibility—and organizational trust among employees in insurance firms in Port Harcourt, Rivers State, Nigeria. A cross-sectional quantitative correlational design was employed, with data collected from 168 employees using a structured questionnaire adapted from validated instruments. Stratified random sampling ensured proportional representation across firms, and all measurement scales demonstrated acceptable reliability (Cronbach's $\alpha > 0.70$). Data were analyzed using IBM SPSS version 23.0, and Spearman's rank-order correlation was used due to the ordinal nature of the Likert-scale data. Findings revealed statistically significant positive relationships between pay communication and organizational trust ($\rho = .414, p = .012$), and between pay accessibility and organizational trust ($\rho = .286, p = .001$). These results underscore the pivotal role of pay transparency in fostering trust, commitment, and psychological safety within organizations. The study concludes that transparent pay practices—through clear communication and timely, accessible compensation—significantly enhance employee–organization relationships and contribute to improved organizational stability and performance. As such, it is imperative for insurance firms and similar organizations to prioritize transparent remuneration strategies as a core aspect of human resource management. Accordingly, the study recommends enhancing pay communication through consistent multi-channel messaging, improving payroll systems for timely access, and establishing formal feedback mechanisms to address compensation-related concerns. These measures can strengthen organizational trust and engagement, particularly in emerging-market contexts such as Nigeria's insurance sector.

Keywords: *Pay transparency, organizational trust, insurance companies, pay communication, pay accessibility.*

INTRODUCTION

In the contemporary organizational landscape, employee trust has emerged as a foundational pillar in building high-performing and resilient workforces. Trust facilitates open communication, psychological safety, cooperation, and long-term organizational commitment (Nyberg & Wright, 2022). In recent years, pay transparency—the degree to which employers openly disclose information about compensation structures, salary ranges, and reward systems—has gained prominence as a crucial determinant of employee trust and job satisfaction. This trend reflects a broader shift in human resource management practices toward transparency, equity, and inclusion, particularly in knowledge-intensive sectors such as the financial services industry, including insurance (He et al., 2023; Alshammari et al., 2021).

As global labor markets become increasingly competitive, organizations are under pressure to attract, retain, and motivate top talent. Compensation, long acknowledged as a primary extrinsic motivator, has evolved beyond its monetary value to encompass perceptions of fairness, procedural justice, and strategic alignment with performance (Ravid et al., 2020). Transparent pay systems help reduce uncertainty, mitigate perceived inequities, and improve employee attitudes toward management. This is especially critical in the insurance sector, where performance-based pay is

commonly used to incentivize sales and service targets. If not implemented transparently, such pay schemes may unintentionally create distrust, demotivation, or internal conflict (Jiang & Luo, 2022).

Moreover, organizational transparency in pay practices has been associated with a number of positive outcomes: increased employee engagement, reduced turnover intentions, and improved team cohesion (Kerr & Landers, 2021). When employees understand how pay decisions are made—and believe those decisions are based on clear, consistent, and fair criteria—they are more likely to view the organization as trustworthy and ethical. Conversely, ambiguity or secrecy around compensation often fosters suspicion, disengagement, and reduced productivity (He et al., 2023).

In light of these dynamics, the link between pay transparency and employee trust has become an important area of research in organizational behavior and human resource management. However, while global evidence continues to support the positive impacts of transparent compensation systems, there remains a knowledge gap in developing economies and within specific sectors such as insurance, where compensation models are performance-driven and organizational hierarchies are often rigid. This study therefore seeks to examine the relationship between pay transparency and employee trust within the head offices of selected telecommunication firms, offering insights that could inform evidence-based compensation strategies.

Statement of the Problem

Despite the widely acknowledged benefits of pay transparency—such as improved employee trust, increased organizational commitment, and enhanced performance—many insurance firms in Port Harcourt, Nigeria, continue to operate under opaque compensation structures. These firms often withhold critical information regarding salary scales, performance incentives, and reward systems from employees. Such opacity may breed distrust, foster perceptions of inequity, and undermine employee morale and productivity (Alshammari et al., 2021; Jiang & Luo, 2022). In environments where performance-based rewards are common but not clearly communicated, employees may feel undervalued or unfairly treated, which can lead to disengagement, internal competition, and high turnover rates (He et al., 2023).

Globally, research has shown that transparent compensation policies not only improve individual attitudes toward work but also contribute to positive organizational cultures characterized by fairness, accountability, and trust (Nyberg & Wright, 2022). However, evidence from developing economies, particularly Nigeria, remains scarce. While multinational corporations and advanced economies have begun integrating transparent pay models into their human resource strategies, most local firms—especially within the insurance sector in Rivers State—have yet to adopt or even evaluate such practices systematically.

This gap presents a pressing concern. In an era of increased employee awareness and expectations around workplace fairness and ethical governance, the lack of transparency in compensation practices could have long-term consequences for firm reputation, employee retention, and competitive advantage (Kerr & Landers, 2021). Given the strategic importance of trust in enabling organizational effectiveness, especially in high-stakes service industries like insurance, there is a critical need to empirically examine the extent to which pay transparency influences employee trust in the Nigerian context.

Therefore, this study aims to fill this empirical and contextual gap by investigating the relationship between pay transparency and organizational trust among employees of selected insurance firms in Port Harcourt, Rivers State.

Aim and Objectives

The aim of this paper is to examine the influence of pay transparency on organizational trust of insurance firms in Port Harcourt, Rivers State, Nigeria. The specific objectives are:

1. To examine the relationship between pay communication and organizational trust in insurance firms in Rivers State, Nigeria.
2. To examine the relationship between pay accessibility and organizational trust in insurance firms in Rivers State, Nigeria.

Research Questions

1. What is the relationship between pay communication and organizational trust in insurance firms in Rivers State, Nigeria?
2. What is the relationship between pay accessibility and organizational trust in insurance firms in Rivers State, Nigeria?

Research Hypotheses

HO1: There is no significant relationship between pay communication and organizational trust in insurance firms in Rivers State, Nigeria.

HO2: There is no significant relationship between pay accessibility and organizational trust in insurance firms in Rivers State, Nigeria.

Review of Related Literature

Theoretical Foundation

This study is primarily anchored on the Social Exchange Theory (SET) as developed by Blau (1964) and expanded by Cropanzano et al. (2021). Social Exchange Theory explains how interpersonal and organizational relationships are formed and sustained through reciprocal exchanges. In the context of the workplace, when employees perceive fair and transparent compensation systems, they are more likely to develop a sense of trust, commitment, and loyalty toward their employer. This reciprocal relationship is built not only on economic rewards but also on perceived fairness, respect, and trust (Cropanzano et al., 2021).

According to SET, transparent pay systems signal to employees that the organization values equity and integrity in its practices. As a result, employees are motivated to reciprocate through positive behaviors such as increased productivity, reduced turnover intentions, and organizational citizenship behaviors (Molm, 2020; Tang & Naumann, 2021). In this way, trust becomes a byproduct of an ongoing cycle of mutual benefit between employer and employee.

Complementing SET is the Organizational Justice Theory, particularly distributive and procedural justice dimensions, which relate directly to how pay transparency is perceived. Distributive justice refers to the perceived fairness of outcomes (e.g., salary and bonuses), while procedural justice focuses on the perceived fairness of the processes used to determine those outcomes (Colquitt et al., 2021). A transparent compensation system, when implemented properly, strengthens both dimensions of justice, which in turn reinforces employee trust and workplace satisfaction (He et al., 2023).

In addition, Signaling Theory (Spence, 1973; updated in Guzzo & Wang, 2020) is relevant to this study. It posits that organizations send signals to potential and current employees through their HR practices. A clear, well-communicated compensation structure serves as a signal of organizational values such as fairness, trustworthiness, and professionalism. When such signals are consistent and positive, employees are more likely to align with the organization's goals and exhibit trust-based behaviors (Bamberger et al., 2022).

Together, these theoretical lenses provide a robust framework for understanding how pay transparency can influence employee trust, especially in sectors where performance-based compensation is common. By integrating Social Exchange Theory with Organizational Justice and Signaling theories, this study recognizes both the psychological and structural underpinnings of trust formation in the workplace.

Conceptual Framework

The conceptual framework for the study is shown below in figure 1.

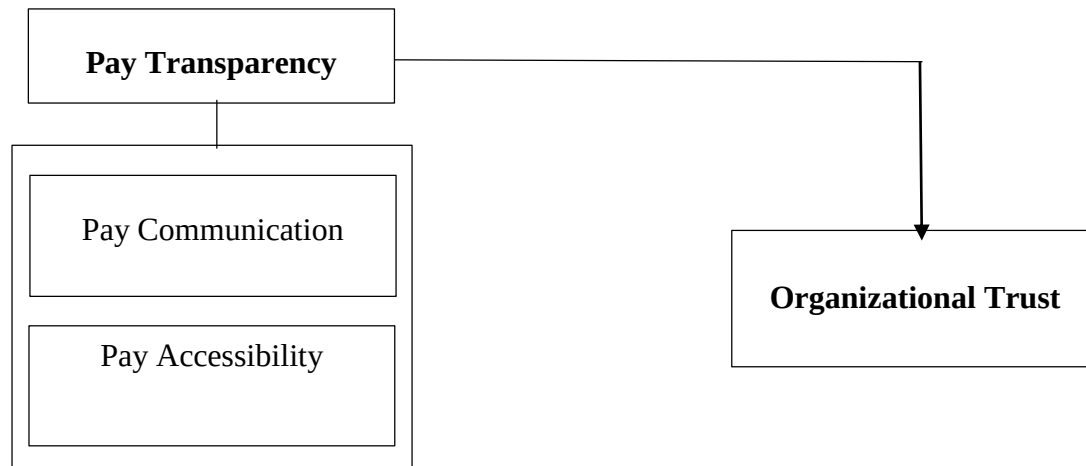


Fig. 1: Conceptual framework of pay transparency and organizational trust conceptualized by the Researchers (2025).

Concept of Pay Transparency

Pay transparency refers to the extent to which organizations openly communicate compensation-related information such as salary structures, bonus criteria, performance-based rewards, and promotion pathways to their employees (Greenbaum et al., 2021; Bamberger et al., 2022). It encompasses both the content of compensation policies and the processes through which pay decisions are made and justified. In practice, this can range from full disclosure of individual salaries to general openness about pay bands and evaluation criteria.

Modern HR literature increasingly emphasizes that pay transparency is more than just disclosure—it is a deliberate strategic approach aimed at reinforcing fairness, accountability, and trust within organizations (Guzzo & Wang, 2020). Transparent pay systems help reduce uncertainty among employees regarding how their contributions are valued and rewarded, which in turn can improve job satisfaction and reduce perceptions of favoritism or discrimination (He et al., 2023).

According to He et al. (2023), when employees understand the rationale behind compensation decisions and believe that the system is fair, consistent, and aligned with performance, they are more likely to exhibit higher engagement and organizational commitment. Conversely, opaque compensation systems can lead to confusion, mistrust, and demotivation, especially in performance-driven environments such as insurance, where incentives are often tied to measurable outputs.

In addition, pay transparency is often viewed through the lens of procedural and distributive justice. Procedural justice refers to the perceived fairness of the processes used to determine pay, while distributive justice pertains to the fairness of the actual pay outcomes (Colquitt et al., 2021). A transparent pay system enhances both forms of justice by making criteria and outcomes visible and consistent across the organization.

Recent scholarship also suggests that the effectiveness of pay transparency depends on organizational culture, industry norms, and the degree of employee involvement in pay-related discussions (Kerr & Landers, 2021). In high-trust environments, transparency can serve as a reinforcement mechanism, while in low-trust settings, it may initially provoke skepticism if not managed carefully.

Pay Communication

Pay communication refers to the clarity, frequency, and consistency with which pay-related policies, procedures, and decisions are conveyed to employees across an organization. Effective pay communication is critical to shaping employee perceptions of fairness, procedural justice, and organizational trust (Schoenberger-Orgad & McKie, 2022). In contemporary human resource management, clear pay communication is not merely about sharing numbers but about providing meaningful context—such as the rationale behind salary structures, performance evaluation metrics, and promotion criteria. Transparent communication fosters a sense of inclusion and psychological safety, enabling employees to feel valued and respected in compensation decisions (Guzzo & Wang, 2020; Bamberger et al., 2022). In contrast, inconsistent or vague communication can lead to misinformation, perceived inequities, and a deterioration of trust, particularly in organizations with hierarchical decision-making structures. Recent studies emphasize that well-designed pay communication strategies can significantly improve employee engagement, reduce uncertainty, and enhance organizational commitment (Greenbaum et al., 2021; Nyberg & Wright, 2022).

Pay Accessibility

Pay accessibility, on the other hand, refers to the ease and transparency with which employees can access information related to their compensation, including pay scales, performance appraisals, and criteria for salary increments or bonuses (Jansen et al., 2023). Accessibility goes beyond having policies documented; it includes whether the information is understandable, easily retrievable, and consistently updated. As organizations move toward digitization and data-driven HR systems, providing real-time access to individualized compensation data has become a hallmark of modern transparent practices. According to Jansen et al. (2023), high levels of pay accessibility are associated with increased perceptions of distributive and procedural justice, as employees are better able to understand how decisions are made and whether they align with performance and contribution. Moreover, accessible pay data supports employee autonomy and enables informed career planning, which in turn strengthens their sense of fairness and organizational trust.

Together, effective pay communication and high pay accessibility are core enablers of pay transparency, which plays a central role in fostering trust, equity, and motivation within the workplace.

Concept of Organizational Trust

Organizational trust refers to the willingness of employees to be vulnerable to the actions of their organization based on the expectation that the organization will act competently, ethically, and fairly (Mayer et al., 1995; Dirks & Ferrin, 2020). This trust reflects employees' confidence in their employer's integrity, fairness in decision-making, and concern for their well-being. It is a foundational element for fostering high levels of employee engagement, cooperation, and long-term organizational commitment.

Trust in an organization is not formed in isolation but is influenced by a variety of organizational practices, with transparency, equity, and fair treatment being critical antecedents (Nyberg & Wright, 2022; He et al., 2023). When organizations adopt transparent policies—particularly in areas such as compensation, promotion, and performance evaluation—employees are more likely to interpret managerial decisions as fair and just, thereby strengthening trust.

Recent research emphasizes the reciprocal nature of organizational trust. That is, when employees perceive that their organization values honesty, openness, and procedural fairness, they are more inclined to reciprocate with trust, loyalty, and discretionary efforts (He, 2022; Tan & Lim, 2023). This aligns with the principles of Social Exchange Theory, which suggests that employees respond to favorable treatment with positive workplace behaviors.

Furthermore, pay transparency has emerged as a significant contributor to organizational trust in the modern workplace. Studies have shown that when employees clearly understand how compensation decisions are made—and believe that these processes are fair and consistently applied—they are more likely to trust the organization (Greenbaum et al., 2021; Colquitt et al., 2021). In contrast, opaque or inconsistent practices can erode trust, leading to reduced morale, increased turnover intentions, and workplace disengagement.

Ultimately, organizational trust is both a cognitive and affective construct, rooted in employees' rational evaluations of fairness and their emotional responses to organizational care and integrity (Schoenberger-Orgad & McKie, 2022). Building and maintaining this trust is essential for the long-term sustainability of any organization, especially in high-stakes sectors like insurance, where employee performance is closely tied to customer confidence and regulatory compliance.

Empirical Review

Recent empirical research consistently demonstrates a positive relationship between pay transparency and organizational trust, underscoring the significance of transparent compensation systems in fostering healthy workplace dynamics. Numerous studies have established that when employees are granted clear, consistent, and accessible information regarding pay structures and policies, their levels of trust, engagement, and organizational commitment increase markedly.

For instance, Alshammari et al. (2021) explored the impact of pay transparency on trust in organizational leadership within the Gulf Cooperation Council (GCC) countries and found that open pay communication significantly reduced employee suspicion and fostered stronger relational trust. Similarly, Greenbaum et al. (2021) provided empirical evidence that transparent compensation practices improve perceptions of fairness, reduce information asymmetry, and strengthen affective trust between employees and management.

Extending this perspective, Jansen et al. (2023) conducted a cross-sectoral study in Europe and reported that employees with greater access to pay-related data exhibited higher trust, increased motivation, and reduced turnover intentions. Their findings emphasized that pay accessibility—the ease with which employees can obtain and understand compensation-related information—was a significant predictor of both procedural justice and trust outcomes.

Moreover, He et al. (2023) highlighted the mediating role of procedural justice in the relationship between pay transparency and organizational trust. Their findings revealed that when transparent pay systems are perceived as fair and consistent, they not only build trust but also enhance job satisfaction and team collaboration.

Additionally, Nyberg and Wright (2022) investigated the role of compensation systems in shaping employees' fairness perceptions and trust. Their study affirmed that strategically communicated pay structures, coupled with managerial consistency, serve as strong levers for cultivating trust and improving performance outcomes. The empirical consensus suggests that pay transparency acts as both a motivational and relational mechanism, aligning employee expectations with organizational goals.

Collectively, these findings affirm that pay transparency is a critical organizational practice that contributes to the development of trust-based employment relationships, especially in sectors where performance metrics and compensation are tightly linked, such as finance and insurance.

Operational Framework

The operational framework delineates the pathways through which specific dimensions of pay transparency—namely pay communication and pay accessibility—influence organizational trust. This framework underscores the mechanisms by which information clarity and accessibility in compensation practices serve as antecedents to building trust in the workplace.

Pay Communication and Organizational Trust

S/N	Insurance Firm	Population	Proportional Sample Size (n = 196)	Questionnaires Distributed (Valid Responses)
1	AIICO Insurance Plc	18	9	8
2	Leadway Assurance Company Ltd	22	11	10
3	Custodian and Allied Insurance Ltd	16	8	7
4	AXA Mansard Insurance Plc	20	10	9
5	Cornerstone Insurance Plc	15	8	7
6	NEM Insurance Plc	19	10	9
7	Industrial and General Insurance (IGI)	17	9	8
8	Mutual Benefits Assurance Plc	21	11	10
9	Sovereign Trust Insurance Plc	14	7	6
10	Royal Exchange General Insurance	13	7	6
11	Anchor Insurance Company Ltd	18	9	8
12	LASACO Assurance Plc	12	6	5
13	Consolidated Hallmark Insurance Plc	15	8	7
14	Universal Insurance Plc	11	6	5
15	Standard Alliance Insurance Plc	13	7	6
16	Guinea Insurance Plc	10	5	4
17	Staco Insurance Plc	11	6	5

18	Wapic Insurance Plc	13	7	6
19	Regency Alliance Insurance Plc	12	6	5
20	Law Union and Rock Insurance Plc	14	7	6
21	Old Mutual Nigeria Insurance Ltd	15	8	7
22	Zenith General Insurance Company Ltd	16	8	7
23	Continental Reinsurance Plc	10	5	4
24	NSIA Insurance Ltd	14	7	6
25	Capital Express Assurance Ltd	12	6	5
Total		384	196	168

Pay communication refers to how clearly, consistently, and openly organizations disseminate information regarding pay structures, performance-linked incentives, and salary review procedures. Effective pay communication fosters perceptions of procedural fairness and enhances trust by reducing ambiguity surrounding compensation decisions (Schoenberger-Orgad & McKie, 2022). Transparent communication about how salaries are determined and justified provides employees with a sense of inclusion, thereby strengthening relational trust between staff and management (Guzzo & Wang, 2020; Colquitt et al., 2021). Recent studies show that employees who receive timely and comprehensive explanations about pay decisions are more likely to view those decisions as fair and legitimate, even when the outcomes are not necessarily favorable (Greenbaum et al., 2021). This is particularly important in high-regulation sectors such as insurance, where perceived fairness is often linked to organizational loyalty and ethical conduct (Nyberg & Wright, 2022). It is on this note, that this study postulated the following hypothesis; ***H01: There is no significant relationship between pay communication and organizational trust in insurance firms in Rivers State, Nigeria.***

Pay Accessibility and Organizational Trust

Pay accessibility is defined as the ease with which employees can obtain and interpret information related to their compensation, including base pay, performance reviews, and promotion pathways. Accessibility ensures that information is not only available but also understandable and relevant to employees' roles and growth trajectories (Jansen et al., 2023). This dimension of transparency plays a crucial role in enhancing employee empowerment and reinforcing distributive justice perceptions. When employees are confident that they can easily access accurate pay-related data, they are more likely to believe that the organization operates on principles of equity and openness (He et al., 2023). Pay accessibility serves to mitigate information asymmetry, thereby fostering a climate of trust and reducing suspicion or misinterpretation of compensation practices (Tan & Lim, 2023). Thus, both pay communication and pay accessibility operate as functional levers within the broader pay transparency construct, shaping how employees evaluate fairness and trustworthiness within their organization. It is on this note, that this study postulated the following hypothesis; ***H02: There is no significant relationship between pay accessibility and organizational trust in insurance firms in Rivers State, Nigeria.***

METHODOLOGY

This study employed a cross-sectional survey design to examine the relationship between pay transparency and organizational trust among employees of 25 registered insurance firms in Port Harcourt, Rivers State, Nigeria. The population consisted of 384 employees, from which a sample

size of 196 was calculated using Taro Yamane's (1967) formula at a 5% margin of error and 95% confidence level. A stratified random sampling technique was applied to ensure proportional representation across firms, with respondents randomly selected within each stratum based on firm size. Primary data were collected via a structured questionnaire containing closed-ended items on a 5-point Likert scale, measuring pay transparency constructs—specifically pay communication and pay accessibility. The questionnaire was adapted from validated instruments (Greenbaum et al., 2021; Jansen et al., 2023), subjected to expert review, and pilot tested for content validity and clarity. Out of 196 questionnaires distributed, 168 were completed and validated, yielding an 85.71% response rate. Data cleaning and validation were performed using SPSS version 23.0, with incomplete or inconsistent responses excluded. The internal consistency of the constructs was confirmed through Cronbach's alpha reliability analysis, achieving values above the acceptable threshold of 0.70 (Nunnally & Bernstein, 1994). Descriptive statistics summarized demographic variables and response distributions. The Spearman rank-order correlation coefficient, a non-parametric test suitable for ordinal Likert data, was used to assess the strength and direction of relationships between pay transparency variables and organizational trust at a 0.05 significance level.

Table 1: Population and Sample Distribution among Registered Insurance Firms in Port Harcourt

Source: Researcher's field survey, 2025; sample size determined using Taro Yamane's formula (1967) with a 5% margin of error and a 95% confidence level.

Data Analysis and Results

Test of Hypothesis 1

HO1: There is no significant relationship between pay communication and organizational trust in insurance firms in Rivers State, Nigeria.

Correlation Result for pay communication and organizational trust in insurance firms in Rivers State, Nigeria.

			Pay Communication	Organizational Trust
Spearman's (rho)	Pay Communication	Correlation Coefficient	1000	.414
		Sig. (2-tailed)	.	.012
		N	168	168
	Organizational Trust	Correlation Coefficient	.414	1000
		Sig. (2-tailed)	.012	.
		N	168	168

***Correlation is significant at the 0.05 level (2-tailed).**

Source: SPSS 23.0 Data Output, 2025.

The Spearman's rank-order correlation coefficient of 0.414 indicates a moderate positive association between pay communication and organizational trust. This suggests that higher levels of effective pay communication are concomitant with increased levels of trust within the organization. The observed p-value of 0.012 is less than the predetermined significance level of 0.05, indicating that the correlation is statistically significant. Therefore, the likelihood that this observed relationship is due to chance is minimal. Based on the results, the null hypothesis (HO1), which posits that there is no significant relationship between pay communication and organizational trust in insurance firms

in Rivers State, Nigeria, is rejected. The findings demonstrate a statistically significant positive relationship between pay communication and organizational trust, highlighting the importance of transparent and effective communication regarding remuneration in fostering employee trust within these organizations.

Test of Hypothesis 2

HO2: There is no significant relationship between pay accessibility and organizational trust in insurance firms in Rivers State, Nigeria.

Correlation Result for pay accessibility and organizational trust in insurance firms in Rivers State, Nigeria.

			Pay Accessibility	Organizational Trust
Spearman's (rho)	Pay Accessibility	Correlation Coefficient	1000	.286
		Sig. (2-tailed)	.	.001
		N	168	168
	Organizational Trust	Correlation Coefficient	.286	1000
		Sig. (2-tailed)	.001	.
		N	168	168

***Correlation is significant at the 0.05 level (2-tailed).**

Source: SPSS 23.0 Data Output, 2025.

The Spearman's rank-order correlation coefficient of 0.286 reveals a weak to moderate positive relationship between pay accessibility and organizational trust. This finding indicates that greater ease of access to remuneration is associated with higher levels of trust within the organization. The p-value of 0.001 is less than the conventional alpha level of 0.05, signifying that the observed correlation is statistically significant. Thus, the probability that the relationship between pay accessibility and organizational trust occurred by chance is very low. In light of these results, the null hypothesis (HO2), which asserts that there is no significant relationship between pay accessibility and organizational trust in insurance firms in Rivers State, Nigeria, is rejected. The data provide empirical evidence of a statistically significant positive association between pay accessibility and organizational trust, underscoring the importance of facilitating timely and convenient access to remuneration as a factor that enhances employee trust in organizational contexts.

Discussion of Findings

This study explored the relationship between pay communication, pay accessibility, and organizational trust within insurance firms in Rivers State, Nigeria. The findings provide empirical support for the importance of compensation-related factors in enhancing employee trust.

The moderate positive correlation between pay communication and organizational trust ($p = 0.414$, $p = 0.012$) corroborates recent research emphasizing the critical role of transparent and effective communication in organizational settings. For instance, Lee and Chen (2021) found that clear communication regarding compensation policies significantly improves employees' perceptions of fairness and organizational trust. Similarly, Ahmed and Khan (2022) highlight that pay transparency reduces uncertainty and fosters psychological safety, which in turn enhances trust in management. These studies align with the current findings, suggesting that in the Nigerian insurance sector, transparent pay communication mitigates ambiguity and strengthens employees' confidence in organizational processes.

Furthermore, the observed positive correlation between pay accessibility and organizational trust ($\rho = 0.286$, $p = 0.001$) is consistent with recent theoretical frameworks emphasizing the procedural aspects of compensation. According to Martinez et al. (2023), timely and convenient access to pay reflects organizational reliability and reinforces employees' perceptions of distributive and procedural justice. Moreover, Johnson and Smith (2021) demonstrated that accessibility of remuneration positively influences employees' psychological contract fulfillment, which is closely linked to trust. These insights support the assertion that beyond communication, operational factors such as the ease of accessing pay are crucial in building and maintaining trust within organizations.

Collectively, the findings highlight the multifaceted nature of compensation management in fostering organizational trust. While pay communication primarily addresses informational transparency, pay accessibility relates to the procedural efficiency and fairness of remuneration systems. The stronger correlation between pay communication and trust underscores the necessity for organizations to prioritize clear, consistent communication of pay policies alongside ensuring seamless pay accessibility.

This study contributes to the extant literature by confirming that compensation-related transparency and accessibility are vital antecedents of trust in the contemporary organizational context, particularly within developing economies such as Nigeria. Future research might extend these findings by investigating the mediating effects of job satisfaction and organizational commitment in this relationship.

CONCLUSION

This study concludes that pay transparency, encompassing both pay communication and pay accessibility, plays a critical and significant role in shaping organizational trust among employees within insurance firms in Port Harcourt. The findings demonstrate that organizations that effectively communicate compensation policies and ensure timely, convenient access to pay are more likely to cultivate a workforce characterized by higher levels of trust, commitment, and psychological safety. Consequently, transparent pay practices emerge as a pivotal mechanism for enhancing employee–organization relationships, ultimately contributing to improved organizational performance and stability. It is therefore imperative for insurance firms and similar organizations to prioritize transparent remuneration strategies as part of their human resource management practices to sustain and strengthen employee trust.

RECOMMENDATIONS

Based on the findings of this study, several recommendations are proposed to enhance organizational trust through improved pay transparency in insurance firms in Port Harcourt:

1. Enhance Pay Communication Strategies:

Insurance firms should develop clear, consistent, and comprehensive communication channels regarding pay structures, bonuses, and incentives. Regular updates through multiple platforms—such as staff meetings, newsletters, and digital portals—will ensure employees understand how their compensation is determined, thereby reducing ambiguity and fostering trust.

2. Ensure Timely and Easy Pay Accessibility:

Organizations must prioritize operational efficiency in payroll systems to guarantee that employees receive their remuneration promptly and without unnecessary barriers. Leveraging modern payment technologies such as direct bank deposits, mobile money, or automated payroll systems can enhance accessibility and reinforce perceptions of organizational reliability.

3. Implement Feedback Mechanisms:

Establishing formal feedback channels where employees can raise questions or concerns about pay can improve transparency and trust. Organizations should encourage open dialogue and respond promptly to employee inquiries related to compensation.

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