Trust-A Catalyst to Knowledge Transfer: Contemporary Studies

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Abstract
This is a literature based paper addressing the contemporary studies on the impacts of trust on knowledge transfer. Knowledge transfer is one of the important elements of knowledge management process. Knowledge transfer helps organisations achieve competitive advantages and organisations may formulate new strategies to adjust themselves with the dynamic business environments. Trust works as a lubricant between the knowledge transfers and the knowledge recipients. It is unfortunate to note that many knowledge management gurus have ignored to study this catalyst’s influences on knowledge transfer. This paper has made an endeavour to assemble the vital studies on these issues. Future researchers may empirically study the impact of trust on knowledge transfer in numerous contexts with a view to redressing the huge gray areas on these issues.

Key Words: Knowledge Management, Knowledge Transfer, Trust

INTRODUCTION
Though knowledge transfer encounters numerous barriers (Hasnain & Jasimuddin, 2012), but trust may play an essential role in the smooth transferring of knowledge between the knowledge transfers and the knowledge recipients (Ngah, Hoo, & Ibrahim, 2008). Rolland and Chauvel (2000) claim, “trust is, after all, the single most important precondition for knowledge exchange” (p. 239). Davenport and Prusak (1998) find that trust has a positive influence on inter-organisational knowledge transfer. They continue by arguing that, “trust can trump the other factors that positively affect the efficiency of knowledge market. Without trust, knowledge initiatives will fail, regardless of how thoroughly they are supported by technology and rhetoric and even if the survival of the organisation depends on effective knowledge transfer” (p. 34). However, unfortunately, many knowledge management gurus (Scarbrough, 1995; Taiwana, 2002; Nonaka, & Takeuchi, 1995; Hasnain, 2016) hardly examined the issues of trust and knowledge management. Davenport and Prusak (1998) emphasise on the importance of the knowledge market in the organisation. They also chalked out three-point trust approaches, that trust must be visible, that is, people in the organisation must see that credit is given for knowledge sharing, trust must be ubiquitous and trustworthiness must start at the top, for operations and engagement of the knowledge market.

MAJOR KNOWLEDGE TRANSFER AND TRUST STUDIES LISTED
Researchers (Hansen, 2002; Lucas, 2005; Holstle and Fields, 2005; Levin, Whiterner and Cross, 2006; Nahapiet and Ghoshal, 1998; Tsai and Ghoshal, 1998; Ashleigh, Connell & Klein, 2003; Usoro, Sharratt, Tsui, & Shekhar, 2007; Li, 2005; Abrams, Cross, Lesser and Levin, 2003; Staples and Webster, 2008; Renzl, 2008) have examined the role of trust in knowledge transfer in different situations. Major studies on the influence of trust on knowledge transfer are briefly amplified below:
Usoro, Sharratt, Tsui, & Shekhar (2007)
Usoro et al. (2007) studied the role of trust in knowledge transfer within the context of virtual communities of practice. They put trust into the three dimensions of competence, integrity and benevolence, with knowledge sharing to make it operational. The investigation was carried out through surveying an intra-organisational global virtual community of practitioners. Results found that all these three dimensions of trust are positively related with knowledge sharing. Their study further found that trust based on the perceived integrity of the community is a more significant predictor of knowledge sharing than competence and benevolence based trust. Finally, Usoro et al. (2007) recommended the encouragement of integrity based trust for knowledge sharing behaviour in on-line communities of practice.

Lucas (2005)
Lucas (2005), in his research study based on social information processing theory, examined the impact of trust and reputation on the transfer of best practice. Data were collected from respondents of an electricity generation company listed in Fortune 500. The influence of trust, and the provider’s and recipient’s reputation on the transfer was investigated. His study found that trust and reputation have a significant and positive impact on knowledge transfer. Lucas drew three conclusions by stating, “one, there is an important role for developing trust if knowledge transfer efforts are to be successful. Second, the reputation of the provider is important to recipients because they want to ensure that promises will not be broken. Third, the reputation of the knowledge recipients is similarly important because the results of these efforts are indeterminate and much is at stake” (p. 95). Trust and reputation grow over a considerable period of time. The protection of these two ensures better knowledge transfer.

Ashleigh et al. (2003) used the context of communities of practice to establish a model linking knowledge transfer and trust. They identified four components of trust, namely, trust in knowledge or expertise and skills of a community or an individual, trust in capacity or the degree to which the individual may use the knowledge, trust in values, or the degree to which an individual or community possesses one’s values, trust in integrity, and the degree of honest and decent behaviour of an individual or community. They also pointed out that trust is the aggregate of these four components. Their model is a two-way traffic approach, exhibiting the increase of knowledge transfer for trust and the increase of trust for knowledge transfer. They have articulated the following characteristics of the model (p. 11):

• Other things being equal, greater trust between individuals promotes the greater sharing of knowledge between them
• The extent of the promotion of knowledge sharing by trust, and its dependence on particular trust components, is context dependent.
• In particular, dependent on context, thresholds of particular trust components exist, below which trust can not be said to exist, and knowledge sharing will be minimal
• Other things being equal, greater shared knowledge between individuals promote greater trust between them.
• The extent of the promotion of trust by shared knowledge is context-dependent
• In particular, the extent to which the various components of trust will be promoted is dependent on the knowledge shared, and context.

Singh and Premarajan (2007)
Singh and Premarajan (2007) tried to find out the effect of trust and culture on tacit and explicit knowledge transfer. 125 employees from eleven software companies participated in their study. The study examined the relationship of knowledge transfer with trust and culture.

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The investigation concentrated on three types of knowledge, namely, product, expert, and ambiguous knowledge. Sharing culture, adaptation culture, sharing trustworthiness and adaption trustworthiness were used as the independent variables. The result found that sharing and adaptation trustworthiness and sharing and adaption culture are about positive relationships with tacit and explicit knowledge transfer.

**Holste and Fields (2010)**
This study examined the relationship of affect and cognitive based trust with sharing and use of tacit knowledge. The concept of affect based and cognitive based trust was drawn from McAllister (1995). McAllister (1995) found affirmative considerations and feelings about colleagues to be affect based trust, while faith in the competencies and reliabilities of colleagues was identified as cognitive based trust. Holste and Fields (2010) studied the relationship of these two types of trust with tacit knowledge sharing. The examination was done on a non-profit service organisation which has 5000 managerial and professional staff working in 185 countries in the world. Holste and Fields’ (2010) results suggested that adequate levels of both affect-based and cognitive based trust are required for managers and professionals to be willing to share and use tacit knowledge. However, while affect based trust would be relatively high for colleagues when an individual works well (positive referent), willingness to use tacit knowledge depends more heavily on trust in the competence and reliability of the performance of these co-workers. Likewise, even though less liked co-workers may command adequate levels of cognitive-based trust in their competence and reliability, the willingness of professionals to share tacit knowledge with these colleagues depends heavily on an increased level of trust within the interpersonal relationship” (p. B6).

**Renzl (2008)**
This study investigated how interpersonal trust and knowledge sharing works. Documentation of knowledge and fear of losing one’s unique value have a mediating role in knowledge sharing. The author made an in-depth study on trust in management, and its impact on knowledge sharing by squeezing fear and getting better knowledge documentation. Data were collected from two companies. One of the firms was from a utility industry, and the other was in the software consulting industry. In-depth interviews with project engineers and managers were conducted, and questionnaires were also circulated. It found that, “trust in management reduces the fear of losing one’s unique value in knowledge sharing process” (p. 216) and improves willingness to document knowledge. The findings of this research have a significant impact at the managerial and theoretical levels. For managers, this research could highlight the importance of the individual’s role in the knowledge sharing process. On a theoretical level, Renzl (2008) argues that, “this study provides empirical evidence for two ways in which trust has an impact on knowledge sharing; reducing fear of losing one’s unique value, and improving knowledge documentation.” (p. 216). Renzl (2008) also recommended a trusting relationship among all members, to establish a knowledge-friendly culture for the smooth flow of important knowledge in the organisation.

**Levin, Cross, Abrams and Lesser (2002)**
In their study at the IBM Institute for Knowledge-Based Organisations (IKO), the strength of the relationship between the knowledge seeker and the source, the difference between competence and benevolence-based trust, and the type of knowledge being shared was examined. Their study termed trust as the ‘magic ingredient’ which link and tie knowledge sharing. The study, a two-part survey of 138 people in three companies, concentrated on, "how trust affects knowledge sharing and individual evaluate the trustworthiness of others when
seeking knowledge”. The study found that competence based and benevolence trust can exist independently, that trust can develop between individuals even when there is infrequent interaction or weak ties, and “when the level of trust remained constant, survey respondents suggested that weak ties actually lead to more valuable knowledge than strong ties” (p. 3). Additionally it was found that the tacit nature of competence-based trust has great influence on knowledge transfer, while codified competence-based trust has less importance. The benevolence type of trust has a significant role in both explicit and tacit knowledge transfer, and knowledge seekers depend upon certain factors to determine the trustworthiness of an individual. It depends on the type of trust (competence or benevolence-based) with which they are going to engage with the individual. For the determination of competence-based trust the following three attributes are important; firstly a common language, or the extent to which the knowledge source and seeker understand each other and use similar jargon and terminology. Secondly a common vision, or the extent to which a knowledge source and seeker have shared goals, concerns and purpose, and thirdly, discretion or the extent to which the knowledge source is viewed as keeping sensitive source information confidential. For the determination of benevolence-based trust, with the above factors additionally they annexed two more factors of receptivity, or the extent to which the knowledge source is a good listener, and strong ties, or the extent to which the knowledge seeker and source converge frequently with each other and have a close relationship. Finally, Levin, Cross, Abrams and Lesser (2002) concluded the study, by suggesting some actions for managers to help build trust among individuals; to create a common understanding of how the business works, and to demonstrate trust building behaviours and bringing people together.

**Nahapiet and Ghoshal (1998)**

Nahapiet and Ghoshal (1998) developed a model on “social capital in the creation on intellectual capital”. Social capital is put under three dimensions, structural, like network ties and configuration and appropriate organisation, cognitive such as shared codes, language, and narratives, and relational, such as trust, norms, obligations and identification. Nahapiet and Ghoshal (1998) claimed that, “relational dimension of social capital influences three of the conditions (shown in Figure-2.11) for exchange and combination, in many ways. These are access to parties for exchange and combination, and the motivation of parties to engage in knowledge creation through exchange and combination” (p. 254).

Nahapiet and Ghoshal (1998) continued by claiming that:

- **C1 (in figugure-1):** Where relationships are high in trust, people are more willing to engage in social exchange in general, and cooperative interaction in particular.
- **C2 (in figure-1):** Trust may also indicate greater openness to the potential for value creation through exchange and combination.
- **C3 (in figure-1):** Trust may both open up access to people for the exchange of intellectual capital.
- Their model is established on the social point of view. It has connected trust and knowledge sharing.
Figure 1: Social capital with combination, exchange and creation of intellectual capital (Nahapiet and Ghoshal, 1998, p. 251)

Ko (2010)
Ko (2010) investigates the role of trust-antecedents, competence and benevolence based, on knowledge transfer between consultants and functional specialists. Survey data were collected from a total of 80 projects from 71 client organisations, and 36 consulting firms. He borrowed the competence and benevolence based trust items from McAllister (1995), and for knowledge transfer, he newly developed the scales. The results found that benevolence based trust has a significant role in knowledge transfer, while competence based trust does not. Finally he concluded the study by emphasizing the development of ‘personal trust’, or benevolence based trust, for successful completion of projects.

Levin and Cross (2004)
Levin and Cross (2004) surveyed a total 127 respondents – 42 from a pharmaceutical company, 41 from a bank, and 44 from an oil company to propose and examine a model two party, or dyadic, knowledge exchange. Results showed that the link between strong ties and receipt of useful knowledge is mediated by competence and benevolence based trust. Once they controlled these two trustworthiness dimensions, the structural benefits of weak ties emerged. They found that competence and benevolence based trust have positive relationships with knowledge transfer.

Sankowska (2013)
Sankowska (2013) presents empirical evidence on the relationship between organisational trust, knowledge transfer, creation and innovativeness at the firm level. Total 202 surveys were conducted among the Polish companies listed on the Warsaw Stock Exchange. Sankowska (2013) finds “knowledge creation partially mediates the relationship between trust and innovativeness; and knowledge transfer partially mediates the relationship between trust and knowledge creation” (p.85).
Sreckovic & Windsperger (2012) examine the impact of trust on selecting the knowledge transfer mechanisms in cluster relationship on 118 companies in the Italian textile and fashion sector. They find that experience based trust increases knowledge sharing between the cluster partners by increasing the face-to-face knowledge transfer mechanisms. Further, it also reveals that tacitness determines the selection of the mechanisms of knowledge transfer.

Table 1: Miscellaneous Studies on Knowledge transfer and trust

<table>
<thead>
<tr>
<th>Researcher(s)</th>
<th>Remarks</th>
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<tr>
<td>Evaristo (2007)</td>
<td>A process model of knowledge transfer across border is planned based on expectation. Shows how trust is injured by expectation and ultimately the performance of knowledge sharing is affected.</td>
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<td>Becerra, Lunnan and Huemer (2008)</td>
<td>They examined how knowledge sharing and alliance success depend on the degree of the perception of trustworthiness and the willingness to take risk between the alliance partners. “The results show that the transfer of tacit versus explicit knowledge have very different trust and risk profiles. Whereas explicit knowledge is closely associated with the firm's willingness to take risk, tacit knowledge is intimately related to high trustworthiness” (Becerra et al., 2008, p. 691).</td>
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<td>Cheng, Yeh and Tu (2008)</td>
<td>The research model was developed with 13-hypotheses (nine constructs, where trust is a mediating construct). Result finds that trust is a vital factor influencing inter-organisational knowledge transfer.</td>
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<td>Bakker, Leenders, Gabay, Kratzer and Engelen(2006).</td>
<td>Their research was to study if trust really explains knowledge sharing relationship or some other factors work on the process in new product development projects. Bakker et al. (2006) find “trust is a poor explanatory of knowledge sharing. Team membership, on the other hand, has the largest effect on the density of knowledge sharing relationships. Social capital thus does not reside in trust but in team membership, specially for long-lived teams” (p. 594). They reveal that competence based trust is having negative impact on knowledge transfer.</td>
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<td>Ma, Qi and Wang (2008)</td>
<td>An empirical study on the influence of some important contextual factors that affect knowledge sharing within project teams at the Chinese construction sector located in China. They find “trust is positively related to knowledge sharing but justice, leadership style, and empowerment do not influence whether employees will share knowledge among themselves in project teams” (p. 97).</td>
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<tr>
<td>Ardichvili, Page and Wentling (2003)</td>
<td>Their empirical study of motivation and barriers to knowledge transfer to employee participation in virtual knowledge sharing communities of practice at Caterpillar Inc. finds that integrity and competence based trust have influence on knowledge transfer</td>
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<td>Tsai and Ghoshal (1998)</td>
<td>The examination on all the business units of a large multinational electronic company could find that benevolence trusting relationship is positively associated with knowledge transfer</td>
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CONCLUSION AND FUTURE RESEARCH

Trust is one of the important catalysts to knowledge transfer. Many researchers have investigated the impacts of trust on knowledge transfer. Sreckovic & Windsperger (2012) find that experience based trust increases knowledge sharing in the Italian textile sector. Sankowska (2013) finds "knowledge creation partially mediates the relationship between trust and innovativeness; and knowledge transfer partially mediates the relationship between trust and knowledge creation" (p.85). Usoro et al. (2007) find that integrity based trust has more influence on knowledge transfer than competence or benevolence based trust, while Ko (2010) finds that benevolence based trust has significant impacts on knowledge transfer than competency based trust between the consultants and the functional specialists. Holstle and Fields (2010) reveal that enough affect-based and cognitive based trust is necessary for knowledge transfer between the professionals and the managers. Lucas (2005) finds that trust and reputation have positive impact on knowledge transfer. Ashleigh et al. (2003) find that trust increases knowledge transfer and vice versa. Singh and Premarajan (2007) reveal that sharing and adaptation trustworthiness and sharing and adaption culture are about positive relationships with tacit and explicit knowledge transfer. Similarly, many researchers (Renl, 2008; Levin et al., 2002; Levin and Cross,2004; Evaristo, 2007; Becerra et al. 2006; Ma et al., 2008; Cheng et al., 2008; Bakkar et al., 2006; Ardichvili et al., 2003; Tsai and Ghoshal, 1998; Genfen, 2004) studied the influence of trust on knowledge transfer in numerous contexts. It may be noted that most of the researchers in numerous contexts could find that trust have positive influence on knowledge transfer.

Future researchers may empirically examine the impact of different types of trust on different types of knowledge transfers in different contexts.

References


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