# Chapter 7 Trust-Based Knowledge Management System Building

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#### **ABSTRACT**

This chapter introduces the importance of trust in knowledge management system building. It argues that the relationships among organizational culture, problems of knowledge sharing, and HR features are in close correlation with each other. The main aspect of the chapter is to show the general requirements and pre-requisites of knowledge management system building based on trust. The authors aim to reveal the theoretical aspect of trust-based culture and knowledge management system building, and the HR's tasks connected to these two ideas. The chapter presents three case studies on three different companies' practices, a multinational, big company, and an institution. This chapter shows samples, best practices, critical steps that can ensure success to the companies that want to start building a knowledge management system.

#### INTRODUCTION

The literature of management today, and indeed management in practice as well, now takes seriously those very issues which have been discussed in knowledge management for several years. One such issue is the challenge involved in adopting a contemporary and a conscious company leadership style. The challenge means recognising the growing value of human resources and incorporating the benefits of its intellectual activity into company practice. Whether management

chooses to undertake or ignore this task plays a pivotal role in the increase, or indeed decrease, of a company's competitiveness and value. How to rise to this challenge and handle the ensuing problems and thus preserves the knowledge of human resources and ensure their distribution as a company asset; these are all questions that arise perhaps once too often in management circles. The matter is further complicated by a new and ever more frequently occurring conflict area; that of cooperation between different generations and their knowledge sharing. In past decades the

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distribution of labour and sharing knowledge between a company's various generations was a natural occurrence, but in today's environment of rapid change and increased expectations at work, tensions and conflicts frequently arise.

During the era and post- era of an economic crisis, it is a serious trial to handle these issues in such a way as to bring about changes in the running and organisation of a trust-based culture so that its central aim is to enlarge its intellectual capital and incorporate this into its company practices. This can increase the value of the company and maintain its marketability and innovation through knowledge sharing. To invest in knowledge sharing - as an economic condition - is both a necessity and an opportunity for a company. The fact that a well-designed IT system does not automatically provide a solution is something that companies still have to learn. Even if we reach the stage where we can put different systems into practice through the appropriate level of network utilisation, we can only make the documentable part of knowledge accessible to others. Many other methods and techniques serve to increase the accessibility of tacit knowledge, but only in combination with a key word. This word is trust.

# WHAT WE SHOULD KNOW ABOUT TRUST

According to Davenport and Prusak (2000), sharing of knowledge is an unnatural expectation because people consider their personal knowledge to be valuable and important. This means that an accumulation of knowledge and a suspicion of knowledge originating from others are natural. So it is very important to encourage people to share their knowledge and to build up trust. Many international surveys analyse the link between these two factors.

Trust has been described by many in a variety of different ways, according to the angle from which it is analysed (sociology, psychology, economics).

The most widely accepted approach views trust as the willingness to be positive about the actions of others (Blanchard et al., 2013).

The trust can also be viewed as an asset which leads to a new intellectual capital through the exchange and combination mechanisms of knowledge. Consequently, trust plays an important role, especially in an innovative environment (Smedlund, 2008). Trust is a part of leadership qualities which qualify the relationship between workers and leaders. Those employees who trust their superiors and their organisation, are creative, risk-taking and cooperative (Dittmar et al, 2007)

In the commitment – trust model of Zeffane, et al. (2011) the writers emphasize that commitment and trust are important transmitter variables of organizational commitment. This study focuses on the variables of knowledge sharing, and demonstrates that associates of an organization only agree to share their knowledge with others if they accept the general aims of the organisation.

Zeffane et al. (2011) claim that trust changes with time, as individuals become more and more comfortable in each other's company and as they recognise each other's trustworthiness and competence.

Garvin (2007) refers to trust in the practices of management and its effects on productivity.

Ziegler and Lausen, (2005) differentiate between trust in the management and trust between equals. They demonstrate that the level of trust at work has a forceful effect on many phenomena of the organisation such as contentment, stress, commitment to the organisation, productivity and, most importantly for this survey, knowledge sharing.

Abrams et al. (2003) says that trust leads to increased and extensive knowledge sharing, makes the sharing process less expensive and increases the probability that the information gained from a colleague is comprehensible and of sufficient depth to be of use.

It is already evident from this short review that trust is an important topic in the work of many researchers, and its connection with knowledge 20 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

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