

Chapter 64

On Trust, Knowledge Sharing and Innovation

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ABSTRACT

Organisations continuously innovate, create, and are competitive if they improve their performance through continuous intellectual capital development, a key resource for value creation and organisational performance driver. Apart from sustaining competitive advantage, intellectual capital is increasingly important due to its ability to increase shareholder value, especially in public organisations. Employee learning, talent development, and knowledge creation allow the organisation to generate innovative ideas due to the quickness of knowledge obsolescence. The organisation's dynamic capabilities create and re-ignite organisational competencies for business sustainability being co-ordinated by well-structured organisational strategic routines ensuring continuous value creation streams into the business. This chapter focuses on the relationship between notions of knowledge sharing and trust in organisations. Lack of trust can impact negatively organisational knowledge sharing, dependent on trust, openness, and communication. The research sample included graduates and postgraduate students from two universities in Portugal. The findings revealed different perceptions according to the age group.

INTRODUCTION

Knowledge, from the input and output perspectives, is considered as the main competitive element in the knowledge-based economy. However, amidst this constant turbulent and changing

environment, and the adaptation of the service economy to the knowledge economy, it seems imperative to control processes of the upstream and downstream economic activity arising from knowledge. In this way, there is a need for agility, sagacity and competence in order to implement

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and sustain processes of creation, storage and sharing having gone through the necessary assessment processes.

Therefore, this chapter aims to reflect upon the role of trust in the organisation's strategy and will demonstrate that this value, known as trust, does indeed influence the performance of individuals in the organisation. This aim ensues the objectives of this research which are to determine the dynamic and competitive factors, i.e. the qualitative values, as well as to ascertain the impact of these qualitative values on the individual employees.

This research is divided into three parts. The first part includes a review of the literature in this field. The second part includes an analysis of the primary data obtained from the distribution of a questionnaire, which highlights perceptions of knowledge workers towards different variables in the realm of social capital. The third part of this research includes the main conclusions and a reflection of further research. A list of references is included at the end.

LITERATURE REVIEW

Perspectives and Typologies of Knowledge

Minbaeva et al. (2009) indicates that the notions of knowledge and knowledge management have been deeply explored by various authors and thus concludes that knowledge exists in various perspectives and typologies. These knowledge perspectives include the *objectivist* and *subjectivist* viewpoints (Huglin, 2003), while the knowledge typologies include *tacit* or *explicit* knowledge (Nonaka et al., 2006), and knowledge both at the *individual* or *group* level (Berman et al, 2002). According to these perspectives and within these typologies, knowledge signifies the need for effective management, especially in this knowledge-dependence era wherein organisations currently find themselves (Minbaeva et al., 2009).

It is significant that *tacit* and *explicit* knowledge, viewed from any of the perspectives discussed, could be captured (objectivist view) or created (subjectivist view), applied, converted or shared by employees individually or in groups. It is therefore appropriate to refer to knowledge as a valuable "asset" for organisations (Torraco, 2000, p. 38) especially in the current knowledge economy (Rowley, 1999). Considering such notions, it is imperative for organisations to engage in "knowledge management" to enhance the continuous creation of innovative ideas, increased productivity and improved organisational competitiveness (Minbaeva et al., 2009, p. 477).

Torraco (2000, p. 39) defines knowledge management as the "process of creating, capturing and using knowledge to improve organizational performance." Today, knowledge management includes not only generating, collecting and utilizing knowledge, but also to increase the firm's progress, dealing with converting and sharing knowledge as encompassed in the tacit/explicit knowledge typology.

Due to tangible nature of explicit knowledge, the latter can easily be shared through documentation amongst individuals or groups and can also be applied towards performing organisational routines (Tsang, 2008). However, tacit knowledge is only likely to be shared, understood and accepted amongst individuals or groups with similar norms, values and beliefs (Oguz & Sengün, 2011).

Routines performed using explicit knowledge become 'ostensive' routines due to reliance on readily available documents for completing them. Whereas, routines performed using tacit knowledge can be classified as "performative" routines due to reliance on the individual's or group's intellect in carrying out the routines (Tsang, 2008, p. 4). With this notion of performative routines, it is thus essential that organisations which depend on tacit knowledge, via its employee's intellectual abilities, should safeguard themselves from knowledge loss through key staff departures (Massingham, 2008). Although elements of explicit knowledge can be

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