# Chapter 3 Unarmed Prophets Have Come to Grief: KM and the Problem of Systematizing Trust Relationships

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## **ABSTRACT**

Knowledge management (KM) is extending its grip beyond the territory of a single organization to now include customers and other entities with which the organization does business. In order to compete successfully, organizations now need to move beyond the basic technological capabilities of customer relationship management systems (CRM), such as frequently-asked questions (FAQ), online ordering, logistics management, customer profiling and the like, and implement customer-centric knowledge management (CCKM). Like KM, CCKM relies not only on technology but also the internal processes and organizational relationships that are bound up with organizational KM. While the technological aspects of CCKM are important and interesting, the chapter deals with a particularly human aspect of CCKM that is necessary for its success – trust.

The combination of technological systems and human interactions do not necessarily produce the hopedfor successful outcomes. Implicit in successful CCKM are conceptions of trust. The building of trust relationships through individual interactions is crucial for successful KM and that means building trust between and among intra- and inter-organizational members. The goal of the chapter is to understand how trust relationships are instrumental in sharing knowledge, a pivotal element of successful CCKM.

The chapter also examines the literature on the managerial conception of trust in organizations. It shows that management is more concerned with developing structured trust systems to facilitate command and control and is less concerned with individuals working towards developing trustworthy relationships with others for their own benefit and ultimately for the success of their organization.

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# INTRODUCTION

There is nothing more difficult to handle, more doubtful of success, and more dangerous to carry through than initiating changes in a state's constitution. The innovator makes enemies of all those who prospered under the old order, and only lukewarm support is forthcoming from those who would prosper under the new... That is why all armed prophets have conquered and all unarmed prophets have come to grief. (Machiaveli, 1961, p.21)

Just as it is crucial for knowledge management (KM), trust is vital for successful customer-centric knowledge management (CCKM) (Osarenkhoe, 2006). For an organization to move beyond the basic technological capabilities of customer relationship management systems (CRM), such as 'frequently-asked questions' (FAQs), online ordering, logistics management, customer profiling and the like, CCKM relies not only on technology but also on the internal processes and organizational relationships that are bound up with organizational KM (Osarenkhoe, 2006). CCKM must also take into account knowledge sharing about customers between and among intra- and inter-organizational members. Trust is a prerequisite for individuals to be willing to reveal information about who they are and what they know, such as internal processes of decision making and the specific idiosyncrasies of organizational life that are pivotal to understanding customers, satisfying their needs and achieving competitive advantage.

Knowledge sharing is as important to CCKM as it is to organizational KM. Although it is not specifically stated in much of the management and organizational literature, the necessity for trust among individuals, who may have to work together but who may not trust each other or management, may inhibit knowledge transfer and knowledge sharing and negatively impact on what has come to be regarded as organizational knowledge. Modes of building trust relationships

through individual interactions (Lewicki et al., 1998, 2006; Mayer et al., 1995; Schoorman et al., 2007) are being reconstituted as objects of management discourse. They are aligned to discourses of knowledge management and systematized as arm's length organizational processes that deny the casual interactivity between and among individuals which enable trust building to occur. The trend in the management literature is to focus on systematizing trust as an objective for organization praxis (Bachmann, 2001; Hurley, 2006; Manning, 2008; Taylor and Burt, 2005).

Typically, trust in organizations is delineated as "becoming the central mechanism to allow for an efficient solution of the problem of coordinating expectations and interactions between economic actors" (Bachmann, 2001: 338). A managerial view of trust is seen as a "useful lubricant in avoiding extreme tensions" within and between organizations to create "a harmonic vision" (Bachmann, 2001: 339).

By systematizing trust in organization contexts management can "create a more dynamic and sustainable foundation for productive relationships" (Hurley, 2006: 62) as a way of enabling organization processes to become more fluid. It is in the interest of management that these processes are bound into structured and controlled systems of relationships for the purpose of efficiency and productivity. To create 'productive relationships' within organization contexts, trust needs to be benchmarked, measured and managed; its manageability is its predictability of acceptable risk or blame (Manning, 2008; Taylor and Burt, 2005). In other words, trust management becomes an extension of and complementary to other systems of managing intangibles in organizations, that is, to transform them into tangible objects that can be measured and thus managed.

Following on from this, if an intangible such as knowledge can be systematized as knowledge management, then it should also be possible to systematize other intangible activities, such as transforming sales relationships into CCKM.

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