Chapter 5.16 The Effect of Organizational Trust on the Success of Codification and Personalization KM Approaches

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ABSTRACT

Knowledge Management (KM) initiatives are expanding across all types of organizations worldwide. However, not all of them are necessarily successful mainly due to an unfriendly organizational culture. Organizational trust is often mentioned as a critical factor facilitating knowledge sharing. For this research we took an empirical approach to validate this assumption. The purpose of this research is to explore the relationships between organizational trust, a knowledge management strategy (codification vs. personalization) and its level of success. This study was conducted among 97 US companies involved in knowledge management. A survey tool was developed and validated to assess the level of trust, the level of success and the dominant KM strategy deployed by an organization. Nine main research hypotheses and a conceptual model were tested. The findings show the impact of trust on the choice of the KM strategy as well as on the level of success.

INTRODUCTION

In 2001, the Journal of Management Information Systems (JMIS) had a special issue on knowledge management (KM). In their editorial, Davenport and Grover (2001), mentioned that a significant gap between KM theory and practice existed and that research in the domain seemed fragmented. Ten years later, we can say that the literature

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and interests on KM have continued to grow but research remains fragmented and very few KM theories and frameworks have been generally developed and fully accepted. It seems like the multidisciplinary aspect of KM slows down the process of developing commonly accepted principles, models and theories. KM might be one of the few fields that requires various disciplines (Management, Information Sciences, Computer Science, Economy, Education, Psychology) to share and to develop common theories and it seems that such integration remain a challenge. Earl (2001) created a taxonomy of schools of KM that describes and summarizes in three categories the different approaches/views of KM; Technocratic, Economic and Behavioral.

KM has been a hot topic for more than fifteen years and organizations worldwide are still struggling to successfully implement it and to significantly benefit from it. Bain & Company conducted a study in 2007 regarding the global Management tools and trends (Rigby & Bilodeau, 2007). Knowledge Management was ranked in the top 10 list (7th position (tie)) in term of usage. Unfortunately it was also ranked in the bottom 5 for satisfaction in every survey for the past ten years! This fact illustrates that organizations are still struggling to fully take advantage of their KM investments. The context and business strategy of each company should be taken into consideration while defining a KM strategy. Becerra-Fernandez and Sabhervawal (2001) argue that a contingency perspective should be adopted in order for each unit to try to better understand the characteristics of their tasks which will consequently lead to selecting the KM processes that are more appropriated to them. This finding is aligned with the one from Alavi, Kayworth & Leidner (2005) who suggest that differences in culture values within firms might influence the choice, use and effectiveness of different KM enabling technologies. Markus (2001) also emphasizes the need to provide different types of knowledge repositories for different types of reusers. All these findings suggest the

need to take a more micro approach to KM and to develop KM strategies that are more granular, flexible and customizable enough to meet every individual and groups' needs.

This research embraces a knowledge based view of the firm where the primary role of the firm is the integration of knowledge to create organizational capabilities and to gain a sustainable competitive advantage (M. Alavi & Leidner, 2001; Dinur, 2002; Grant, 1991). We went through different waves and tools of KM but what remains at the center of managing knowledge is people. If people are not willing to share and acquire knowledge even the best IT tool will be inefficient. So in order to gain a sustainable competitive advantage the human aspect of KM and knowledge sharing behaviors must be better understood. Various studies and authors (Maryam Alavi, et al., 2005; M. Alavi & Leidner, 2001; Barth, 2000; Fahey & Prusak, 1997; Gold, Malhortra, & Segars, 2001; William R. King, 2006; William R. King, 2007; Knowledge Management Review, 2001; KPMG Consulting, 2000; Microsoft, 1999; Pauleen & Mason, 2002; Rigby & Bilodeau, 2007) report that organizational culture remains the main barrier to successful KM implementation. Corporate culture is a set of values, norms, symbols, guiding principles that enable and encourage people to involve into knowledge activities of knowledge generation, codification, storage, sharing and use behavior. Culture shapes assumptions about which knowledge is important, it mediates the relationship between organizational and individual knowledge, it creates a context for social interaction, it shapes processes for the creation and adoption of new knowledge (William R. King, 2007). It encourages knowledge creation by influencing employees to getting involved in learning activities in organization, it encourages employees to use information technology to codify and store knowledge in knowledge management systems, it encourages knowledge sharing by making it the norm of acceptable behavior and it stimulates knowledge use by influencing employees to

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