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## Trust and Knowledge Sharing: A Critical Combination

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### Introduction

“How can I encourage people to share what they know?” is a question often posed by managers in today’s knowledge-driven organizations. Much of the academic and business literature, and our own experience, suggests that having employees work together over an extended period of time can lead to successful knowledge sharing. Yet, there exists little systematic evidence about why this actually promotes effective knowledge transfer. Without understanding the linkage between regular, ongoing employee interactions (i.e., “strong ties”) and effective knowledge sharing, managers are often left in the dark as to what they can do to foster valuable knowledge exchanges. Should they co-locate people in a common work area? Should they send people on “ropes courses” and ask them to discuss their innermost thoughts and feelings? Most of the research and advice in the marketplace provides little, if any, real guidance on these issues.

To obtain a more robust understanding of the issues related to personal relationships and knowledge sharing, we conducted a survey of 138 employees from three companies: a division from a U.S. pharmaceutical company, a division of a British bank, and a large group within a Canadian oil and gas company. All three groups were composed of people engaged in knowledge-intensive work where we anticipated a reliance on colleagues for information. We asked the respondents to consider a recent project they had worked on, and to rate the usefulness of the knowledge they received from those whom they had sought out for advice on that project. The results of the survey, which were similar across the three companies,

identified some actionable recommendations for companies looking to share knowledge more effectively across their organizations.<sup>1</sup>

### Trust: The Missing Link

This first part of the project set out to address a fundamental question: “Why do strong ties between co-workers appear to facilitate knowledge sharing?” Our study suggests that the magic ingredient that links strong ties and knowledge sharing is trust. In the business community, discussions about trust have typically been characterized by vague terminology, hand waving, and a frequently heard refrain of “it’s all about the culture.” However, given the importance of this topic, a more rigorous understanding of trust, its different forms, and its development is critical to the success of an organization’s knowledge-sharing efforts.

The results from our study point to two specific types of trust that are instrumental in the knowledge-sharing process: benevolence-based trust and competence-based trust. When most people think about trust, they are typically thinking of its benevolence-based form—in which an individual will not intentionally harm another when given the opportunity to do so. However, another type of trust that plays an important role in knowledge sharing is competence-based trust. Competence-based trust describes a relationship in which an individual believes that another person is knowledgeable about a given subject area.

Either type of trust can exist independently. For example, I can trust that a co-worker knows the information I need (competence), but I may not trust that he will be forthcoming when I need it (benevolence). Conversely, there may be other people who I am confident will assist me (benevolence), but that do not possess the knowledge or skill I require (competence). Overall, we found that knowledge exchange was more effective when the knowledge recipient viewed the knowledge source as being both benevolent and competent.

With regard to our original question about the connection between frequent interactions and effective knowledge sharing, this study highlights an important conclusion: it is trust, not the presence of strong ties, *per se*, that leads to effective knowledge sharing. In fact, our survey also demonstrated a somewhat surprising result: the trust can develop even when there was only infrequent interaction between individuals (“weak ties”). Essentially, while trust can be created through frequent, ongoing communication, it can also form between people who do not converse with each other on a regular basis. Therefore, it is possible for effective knowledge sharing to occur in both strong-tie and weak-tie relationships as long as competence- and benevolence-based trust exist between the two parties.

Further, when we held the level of trust constant, survey respondents suggested that weak ties actually led to more valuable knowledge than strong ties. That is, people reported getting their *most* useful knowledge from trusted weak ties. This point may seem surprising at first, but conceptually it makes sense. Individuals with strong ties often have similar kinds of knowledge; they are aware of the same

people, ideas, and concepts. However, individuals with weak ties are likely to have connections to different social networks and are exposed to different types of knowledge and ideas. Therefore, weak ties might be potentially more useful than strong ties in finding out answers because of the different perspectives and information that these people can bring to bear on a given problem. The key for effective knowledge transfer, though, is that these ties—whether strong or weak—need to be trusted ties.

### Different Types of Knowledge Require Different Forms of Trust

The second key question examined in the study asked, “Does the nature of the knowledge itself affect the importance of trust in knowledge sharing?” Presumably, when knowledge is simple and straightforward (such as directions to an office location), one does not need a significant amount of competence-based trust in the knowledge source (although one may require benevolence-based trust to believe that the knowledge source is choosing to give accurate directions). However, when the knowledge required is more experiential, difficult to verify, or tacit in nature (e.g., how to negotiate the terms of a multi-million-dollar alliance), the knowledge seeker requires a relatively larger amount of competence-based trust in the provider of that knowledge.

Indeed, our results showed that competence-based trust had a major impact on knowledge transfers involving highly tacit knowledge. This is a significant finding, since much value-added knowledge found in organizations is often experiential and difficult to codify. For knowledge transfers involving codified knowledge, competence-based trust was less important. We also examined the importance of benevolence-based trust and found that it was significant in both explicit and tacit knowledge exchanges.

### Making the Decision to Trust a Knowledge Source

Once we established that trust is a critical component in the knowledge-sharing equation, the next substantial issue to be addressed was, “What are the factors that a knowledge seeker uses to evaluate the trustworthiness of a knowledge source?” Previous studies have suggested that there are four factors that individuals may use to make this determination. These are summarized in Table 3.1.

We found that knowledge seekers relied on various factors to determine whether they felt an individual was trustworthy. These factors were different depending upon the type of trust (competence-based vs. benevolence-based) involved. As summarized by Table 3.2, three factors were important in determining competence-based trust: discretion, shared language, and shared goals. When evaluating benevolence-based trust, these same factors were viewed as important, plus two additional ones: strong ties and receptivity.

**Table 3.1.** Potential Attributes That Influence a Knowledge Seeker’s Decision to Trust a Knowledge Source

| Factor                     | Rationale  | Attributes Examined   |
|----------------------------|--|---|
| Demographic Similarity     | Many business and communication experts have highlighted the importance of similar characteristics in fostering communication and the development of trust | <ul style="list-style-type: none"> <li>• Gender</li> <li>• Age</li> </ul>   |
| Organizational Similarity  | Elements of organization design such as formal structure, HR practices, and governance are likely to have a direct effect on trust in organizations        | <ul style="list-style-type: none"> <li>• Similar job function</li> <li>• Close physical proximity</li> <li>• Worked on same project</li> <li>• Relative position in hierarchy</li> </ul>  |
| Social Capital             | Recent studies have suggested that the presence of an ongoing relationship between individuals has an impact on trust and knowledge sharing                | <ul style="list-style-type: none"> <li>• Strong ties between the knowledge seeker and knowledge source</li> <li>• Shared vision and goals</li> <li>• Shared language and terminology</li> </ul>   |
| Knowledge Source Behaviors | In addition to organization factors, individuals behaviors can have an impact on the decision to trust another person                                      | <ul style="list-style-type: none"> <li>• Availability (Does the source have free time and attention to devote to the knowledge seeker?)</li> <li>• Discretion (Is the knowledge source able to respect confidentiality?)</li> <li>• Receptivity (Is the knowledge source a good listener?)</li> </ul> |

**Table 3.2.** Significant Attributes That Influence a Knowledge Seeker’s Decision to Trust a Knowledge Source

| Attribute       | Definition  | Significant Impact on Competence-Based Trust | Significant Impact on Benevolence-Based Trust |
|-----------------|---|--|---|
| Common Language | The extent to which the knowledge source and seeker understand each other and use similar jargon and terminology                | Yes  | Yes   |
| Common Vision   | The extent to which a knowledge source and seeker have shared goals, concerns, and purpose                                      | Yes  | Yes   |
| Discretion      | The extent to which a knowledge source is viewed as keeping sensitive information confidential                                  | Yes  | Yes   |
| Receptivity     | The extent to which a knowledge source is a good listener   | No   | Yes   |
| Strong Ties     | The extent to which the knowledge seeker and knowledge source frequently converse with each other and have a close relationship | No   | Yes   |

## Trust: Implications for Organizations

The results of the study underscore that trust, or lack of it, can have serious implications for organizations. While managers often scratch their heads trying to figure out the value of the “soft stuff” associated with knowledge management, our study clearly highlights the importance of trust in enabling effective knowledge sharing. As a result, promoting an environment in which employees have the opportunity to develop both competence- and benevolence-based trust needs to be a central part of an organization’s knowledge management agenda.

The study also highlights that when it comes to knowledge sharing, trusting people’s benevolence consistently matters, while trusting their competence is even more important when the knowledge is difficult to codify. For individuals to take advantage of experiential, or tacit knowledge, they must believe that the knowledge source is both willing to help and well versed in their particular discipline. Finding people who are willing to assist others, and are “knowledgeable” about a particular subject can be difficult, especially in large, dispersed organizations where individuals do not have the opportunity to get to know others involved in the same type of work. Also, individuals themselves may be reluctant to let others know about their expertise, either because they do not believe that their knowledge is relevant or they simply do not want to bring attention to themselves. Individuals have several options to make others aware of their expertise including: participating in informal communities of practice, answering questions posed on internal discussion boards, presenting during brown-bag lunches and training classes, and mentoring junior employees. By engaging in these types of activities, individuals have the opportunity to display their experience and engender competence-based trust with their co-workers.

Finally, a significant implication of this study is that managers can affect the extent to which trust is developed among employees. Below are some actions that managers can take to help build trust among individuals:

- *Create a common understanding of how the business works:* One area where managers can have an impact is the development of a common context, or common understanding among employees regarding the nature and goals of the work. Several of the factors that were significant in building benevolence- and competence-based trust, such as shared language and goals, relate to the importance of building a shared view of how work gets accomplished, how it is measured and ultimately rewarded. Creating this common understanding can make it easier for employees to focus on mutually held goals and values, and reduce the amount of time and effort spent on individual issues and motivations.
- *Demonstrate trust-building behaviors:* Another area where managers can influence the level of trust is the modeling and recognition of trust-building behaviors, such as receptivity and discretion. Employing active listening skills and encouraging employees to air their concerns in an atmosphere where their issues will not be improperly disclosed can build trust between managers and employees. For example, as the newly appointed CEO of Mat-

tel, Robert Eckert said one of his most important early actions was to eat lunch in the cafeteria as often as possible, allow employees to ask him questions anonymously, and listen carefully to the tone and words that people used in conversation with each other.<sup>2</sup> All of these practices helped him develop a strong rapport with his new co-workers and raised his level of perceived trustworthiness.

- *Bring people together:* Managers may have some discretion in determining the physical locations in which people work together. Our study highlights that while frequent interactions do not always build trust, bringing people together can spur the conversations that can signal an individual's benevolence. Therefore, managers need to consider how they can create both physical and virtual spaces where people can easily interact with one another. While it may be impossible for team members who are located in different sites to work together consistently in the same room, managers should think about ways to bring people together, especially early in the project lifecycle, and then periodically in the future to recharge the relationships and maintain their connections. Further, organizations can leverage tools such as collaborative spaces and instant messaging to make it easier for team members to communicate with one another when they cannot be physically co-located.

## Conclusion

Fostering knowledge sharing is more than simply putting people together in a conference room or sending them on experiential learning programs. It is about creating an environment in which people are able to discern whether their colleagues are both knowledgeable and willing to extend their knowledge to the benefit of others. Without building a sense of competence- and benevolence-based trust between the knowledge seekers and sources, firms will find it difficult to take advantage of perhaps their most valuable resource: their employee know-how. While trust is negotiated by people firsthand, managers can play a substantial role in creating the conditions through which trust is developed and fostered.

## Notes

1 The detailed results from this survey are available in two reports published by the IBM Institute for Knowledge-Based Organizations: "The Strength of Weak Ties You Can Trust: The Mediating Role of Trust in Effective Knowledge Transfer" (March 2002) and "Why Should I Trust You? Antecedents of Trust in a Knowledge Transfer Context" (May 2002). The authors of both papers are Daniel Z. Levin (Rutgers University), Robert L. Cross (University of Virginia), and Lisa C. Abrams (IBM Institute for Knowledge-Based Organizations).

2 "First Person: Where Leadership Starts," *Harvard Business Review*, November 2001, page 53.