Chapter 13

Trust as an Aspect of Organisational Culture:
Its Effects on Knowledge Sharing in Virtual Communities

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ABSTRACT

Knowledge sharing is of much interest to both practitioners and researchers because of its potential to quicken learning, enhance innovation, reduce costs, and place organisations on a competitive edge. A principal tool for knowledge sharing has been identified by researchers to be virtual communities in which research collaboration and other knowledge sharing activities easily take place. Some key factors examined in literature as influencing knowledge sharing are technological, economic, and cultural. This paper concentrates on organisation culture with specific focus on trust as its component. While trust has been researched in other contexts, it has not been researched as an organisational cultural component that could affect knowledge sharing in virtual communities. This gap in knowledge is what this paper aims to fill. A conceptual framework is developed to express the relationship between trust components and knowledge sharing in virtual communities. The framework will be verified in future empirical research; however, possible implications of the research to research and practice are presented.

INTRODUCTION

A real challenge for organisations at the beginning of the millennium was “....how to harness the intelligence and spirit of people at all levels of organisation to continually build and share knowledge” (Senge, 1997, p. 32). Since then researchers have shown that knowledge sharing provides business with competitive advantage (Reid, 2003), enhances innovative performance and reduces redundant learning efforts (Calantone, Cavusgil, & Zhao, 2002; Scarbrough, 2001). Most research has discussed technical and economic
Trust as an Aspect of Organisational Culture

aspects of knowledge sharing while very limited attention is given to culture specific factors that affect knowledge sharing. Usoro et al. (2006) classified culture that affects knowledge sharing into organisational and societal categories. They also noted that research in culture is predominantly either value-based or work-practice based and this paper takes the work-practice approach.

Organisation culture has many components and trust is one of them. Trust itself can be decomposed. For example, McAllister (1995) categorised trust into affective and cognitive categories. The effect of trust has been researched in different organisational aspects like coordination and control at interpersonal and organisational levels in the works of Shapiro (1987, 1990) and Zucher (1986). At organisational level it can be differently analysed, for example, trust in teams, trust of subordinates to leaders or managers and trust between organisations (Pesamaa & Hari, 2007; Politis, 2003; Selness & Sallis, 2003; Grayson & Ambler, 1999). Nonetheless, Zaheer, Bill, and Vincenzo (1998, p. 141) noted that “considerable ambiguity is evident in the literature about the precise role of trust as it operates at different levels of analysis and its influence on performance.”

Thus, this research is one of the efforts at addressing the ambiguity on the role of trust. This research examines trust from the point of view of being a subset of organisational culture, and investigates how it affects knowledge sharing. The rest of this paper will present (a) research problem; (b) existing research; (c) review of literature; (d) IT professionals in virtual communities and knowledge sharing; (e) levels of trust in organisation; (f) dimensions of trust; (g) research model (h) implications; and (i) limitations and future work.

RESEARCH PROBLEM

This research is part of a large scale study on the ‘effects of organisational culture on knowledge sharing in virtual communities’. The current paper focuses only on trust factor of organisational culture. To determine the effect of trust on knowledge sharing, the level of trust in an organisation has to be first established and this is investigated in this paper.

The research problem can be illustrated by Figure 1 below. The example supposes a virtual community of three institutions: University of the West of Scotland (UWS), Glasgow University and Strathclyde University. Assuming that the trust levels (TL) of two organisations are equal (TLuws == TLglas), the question is whether the amount of knowledge they would share among themselves or with others will vary or be the same. On the other hand, assuming that the trust level of Strathclyde University (see Figure 1) is greater than that of UWS, does this mean that the former institution will be more inclined to share knowledge than the latter?

EXISTING RESEARCH

Mayer, Davis, and Schoorman (1995, 2007) carried out a pioneer study that dimensioned trust into benevolence, integrity and competence or ability components and Sharratt and Usoro (2007) used this dimension to hypothesize relationships between them and knowledge sharing in virtual communities. They found that all three dimensions have positive relationships with knowledge sharing. This study is not repeating Sharratt and Usoro’s (2007) study but focuses on trust as an organisational cultural factor. The idea of trust existing as a component of organisational culture is supported by other studies (cf., Gupta & Govindarajan, 2000; Park, Ribiere, & Schultel., 2004).

Ismail, Nayla, and Yasmeen (2007) researched the relationship of organisational culture and knowledge sharing. They used the organisational cultural factors specified by Govindarajan and Gupta (2000). Apart from trust, they found information systems, communication, rewards and organisation structure to be positively related to knowledge sharing. One of the main limitations