USDA Forest Service
USDI Bureau of Land Management

Trust and KM

Note: The USDA Forest Service (FS) USDI Bureau of Land Management (BLM) and greatly appreciate the willingness of the Federal Aviation Administration (FAA) to share its "Trust and KS" document. Reflecting the true spirit of sharing and collaboration, this gesture enables the FS and BLM to learn from and build on FAA's extensive research in this area.

SPRA

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1.0   Executive Summary

Trust can be defined as "assured resting of the mind on the integrity, veracity, justice, friendship, or other sound principle, of another person."[1] Trust plays a key role in organizational success. People share what they know only with people they trust. Trust among management and staff produces better project outcomes in terms of quality, time, and budget. Trust brings better decision making and enables employees to feel more confident in their work, including volunteering for new tasks because they are trusted to do a good job.

This document is based on research on the relationship between trust and knowledge management (KM) conducted by the IBM Institute for Knowledge-Based Organization (IKO).[2,3,4,5] Trust is needed to form relationships that enable people to give and receive useful knowledge. In other words, strong ties between coworkers appear to facilitate KM. The "magic ingredient" that links strong ties and the sharing of knowledge is trust. With this understanding, management can accurately devise interventions that will encourage people to share their knowledge. Although a lot of people in the business community discuss trust in vague terminology associated with "culture," a more rigorous understanding of trust and its different forms of development, is critical to the success of an organization's KM efforts.

This research by IKO points to two types of trust that are instrumental in the KM process:

- *Benevolence-based* trust – "I trust you will not harm me when given the opportunity."
- *Competence-based* trust – "I trust you know what you are talking about."

Trust can develop even when there is only infrequent interaction among people -- "weak ties." Effective KM can occur in both strong-tie and weak-tie relationships as long as competence- and benevolence-based trust exists.

When the level of trust remains constant, IKO survey respondents suggested that weak ties actually lead to *more* valuable knowledge than strong ties. People get their *most* useful knowledge from trusted weak ties because people with whom they have strong ties often have similar knowledge, contacts, and ideas. In contrast, people with weak ties are likely to have connections to different social networks and be exposed to different perspectives and information.

2.0   Trust Plays an Important Role in Organizational Success

| Benefit	Example
Better project outcomes in terms of quality, time or budget.	"We came up with a better product because we were willing to challenge each other's assumptions and clarify our thinking."
Effective delegation.	"I was able to empower him more so I could disengage and not be directly involved."
Better decision making.	"We could share control and make better decisions. There wasn't a need for checks and balances."
Increased confidence and skill.	"I feel more confident to volunteer for things because I am trusted to do a good job."

2.1 Trust Issues

General experience suggests that trust plays a key role in organizational success.

- **HOW** does trust affect KM and performance in networks?
  - ➢ Does trust matter more in different types of interactions (e.g., explicit vs. tacit)?
  - ➢ Does it matter more in different circumstances (e.g., high vs. low expertise)?
  - ➢ What are the performance implications of trust? (innovation, quality, efficiency)
- **WHAT** kinds of trust matter?
  - ➢ Does competence matter the most, or are people more concerned with the other person's benevolence?
  - ➢ What kinds of trust do we want to develop?
- **WHAT** activities, behaviors and interventions lead to trust?
  - ➢ How can we foster trust and KM in situations where they bring the most benefit to the organization?
  - ➢ Can we make the direct connection between activities that lead to trust and the performance of project teams?

2.2 Close Relationships Can Affect Project Performance

What is it about close relationships that foster the KM that improves project performance?

Strong Ties (frequent and close interaction)	→	?	→	Receipt of Useful Knowledge
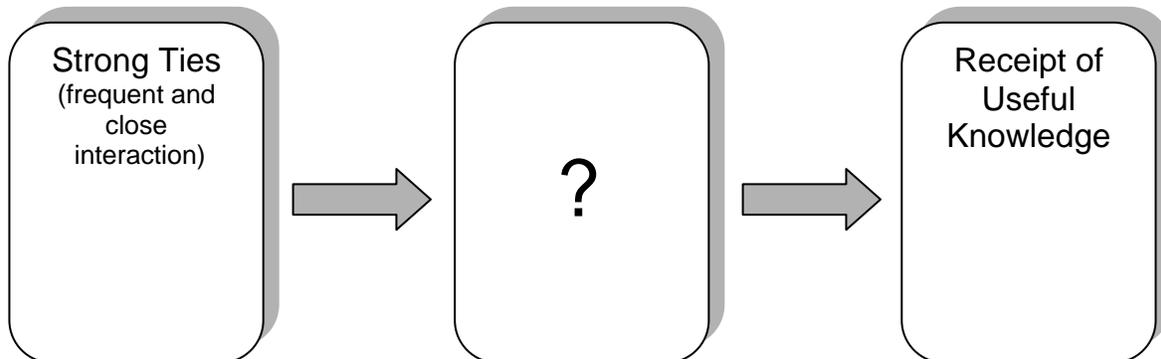
Since it can't be proximity alone, researchers looked for other variables, such as friendship, availability, and convenience.

2.3   Trust in Strong Relationships

The found that trust was the key factor between strong relationships and the receipt of useful knowledge.

Strong Ties (frequent and close interaction)	→	Trust	→	Receipt of Useful Knowledge
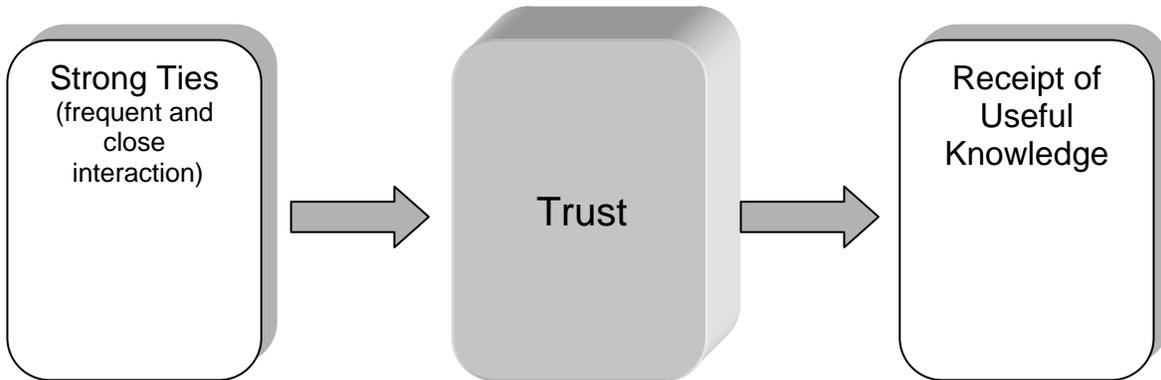
Knowing that trust is the key factor that motivates knowledge transfer means we can accurately devise interventions that will encourage people to share knowledge.

2.4   Trust in Weak Ties

Trust among people with weak ties also leads to the receipt of useful knowledge.

Strong Ties (frequent and close interaction)			
	→	Trust	→ Receipt of Useful Knowledge
Weak Ties (infrequent interaction)			
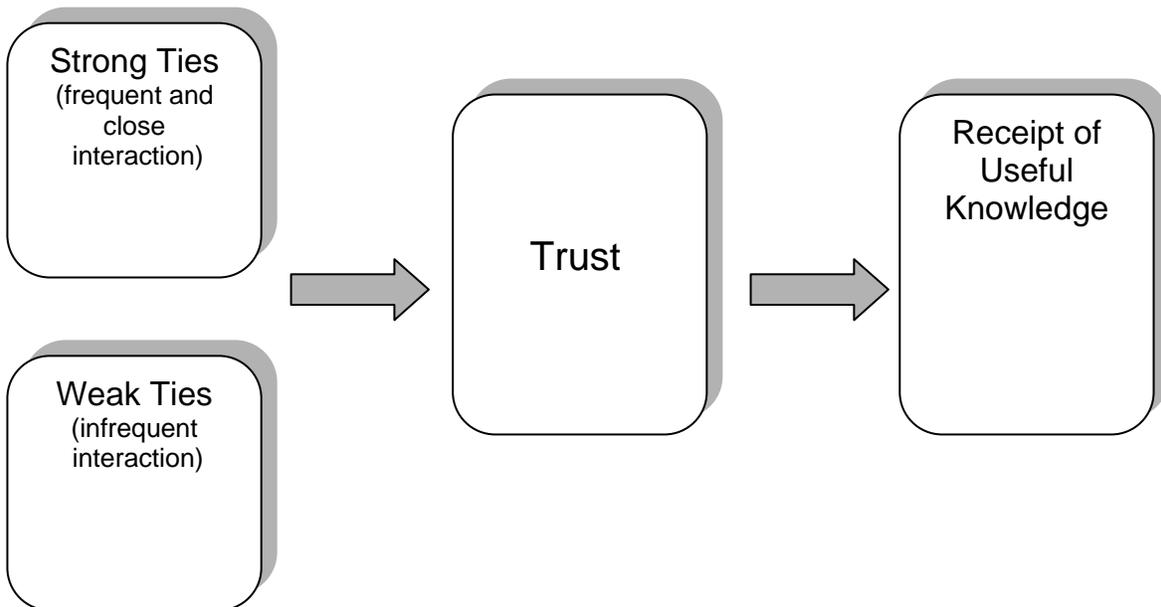
In summary, the studies show that trust, not the type of relationship, is the determining factor for effective knowledge exchange.

2.5   Two Types of Trust Are Relevant

Strong Ties (frequent and close interaction)	**Benevolence -** *I trust you will not harm me when given the opportunity*	**Receipt of Useful Knowledge**
Weak Ties (infrequent interaction)	**Competence -** *I trust you know what you are talking about*	
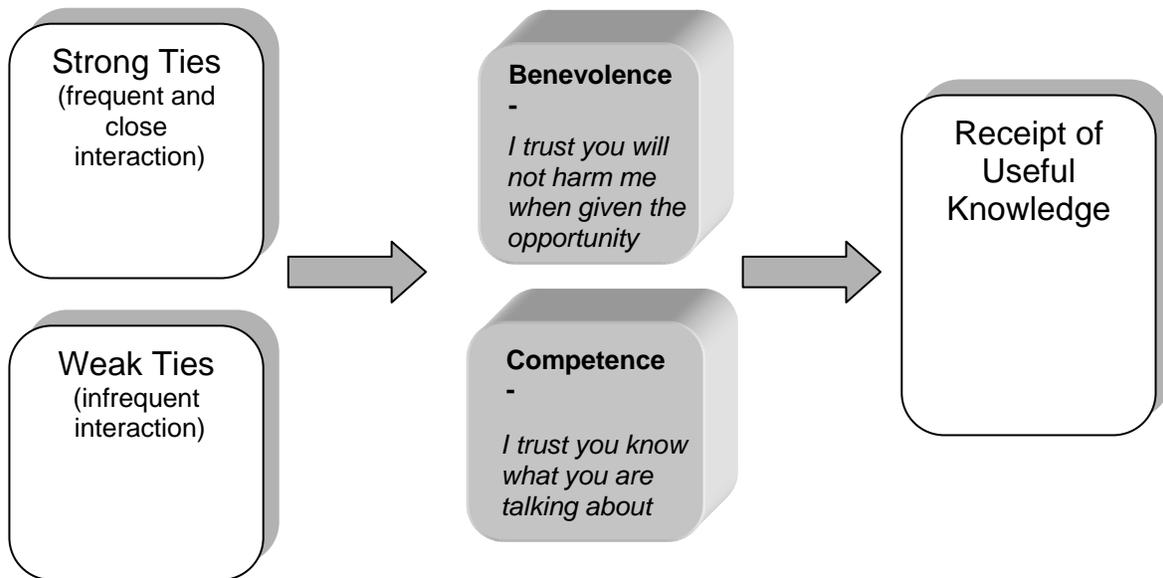
What really matters in the receipt of useful knowledge is having a high level of trust that the knowledge source is benevolent and competent.

2.6   Competence-Based Trust

Competence-based trust appears to be very significant when the knowledge is tacit or complex.

Strong Ties (frequent and close interaction)	Benevolence -based trust	**Receipt of Useful Knowledge**
Weak Ties (infrequent interaction)	**Competence - based trust**	

Competence is especially key when the knowledge is difficult to verify
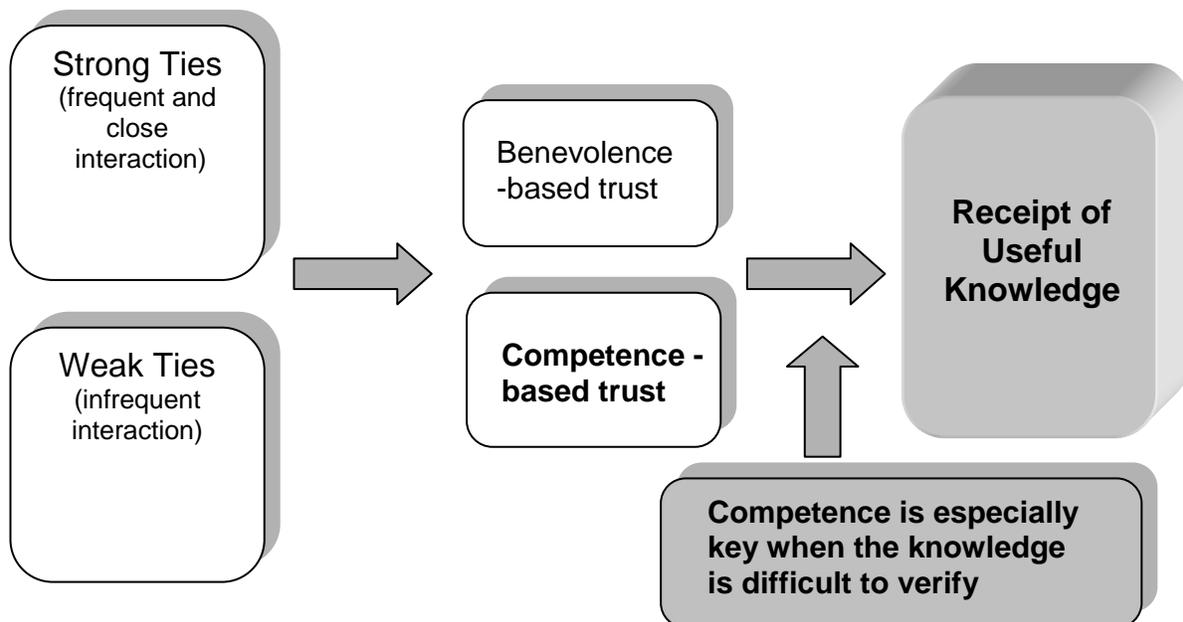
2.7   Making the Decision to Trust a Knowledge Source

After establishing that trust is a critical component in KM, the next substantial issue is, "What are the factors that a knowledge seeker uses to evaluate the

trustworthiness of a knowledge source?" Previous studies have suggested that people use any or all of four factors to make this determination.

Factor	Rationale	Attributes examined
Demographic similarity	Many business and communication experts highlight the importance of similar characteristics in fostering communication and the development of trust.	▪ Gender. ▪ Age.
Organizational similarity	Elements of organization design, such as formal structure, human resource (HR) practice, and governance are likely to have a direct effect on trust in organizations.	▪ Similar job function. ▪ Close physical proximity. ▪ Worked on same project. ▪ Relative position in hierarchy.
Social capital	Recent studies have suggested that the presence of an ongoing relationship among people has an impact on trust and KM.	▪ Strong ties between the knowledge seeker and knowledge source. ▪ Shared vision and goals. ▪ Shared language and terminology.
Knowledge source	The actions of the knowledge source can influence the knowledge seeker's decision to trust the person.	▪ Availability (Does the knowledge source have free time and attention to devote to the knowledge seeker?). ▪ Discretion (Is the knowledge source able to respect confidentiality?). ▪ Receptivity (Is the knowledge source a good listener?).

Table 2-1 Potential Attributes That Influence a Knowledge Seeker's Decision to Trust a Knowledge Source[6]

IKO research found that knowledge seekers relied on various factors to determine whether they felt someone was trustworthy. These factors were different, depending upon the type of trust (competence-based versus benevolence-based) involved. Three factors were important in determining competence-based trust:

- Common language.
- Common vision.
- Discretion.

When evaluating benevolence-based trust, these same factors were viewed as important, as well as two additional ones:

- Receptivity.
- Strong ties.

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 the knowledge source is viewed as keeping sensitive source information confidential.	Yes	Yes
Receptivity	The extent to which the knowledge sources is a good listener.	No	Yes
Strong ties	The extent to which the knowledge seeker and source converse frequently with each other and have a close relationship.	No	Yes

Table 2-2 Significant Attributes That Influence a Knowledge Seeker's Decision to Trust a Knowledge Source[7]

3.0   Implications for Organizations

Trust – or lack of it – can have serious implications for organizations. While managers often struggle to figure out the value of the "soft stuff" associated with KM, IKO research clearly highlights the importance of trust. 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.

When it comes to KM, trusting people's benevolence matters, but trusting their competence is even more important when the knowledge is difficult to verify. For people to take advantage of experiential, or tacit, knowledge, they must believe that the knowledge source is both willing to help and is well-versed in the 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 people do not have the opportunity to get to know others involved in the same type of work. Also, people themselves may be reluctant to let others know about their expertise, either because they do not believe their knowledge is relevant, or they simply do not want to bring attention to themselves.

People 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 formal and informal meetings and training classes, and mentoring junior employees. By engaging in these types of activities, people can display their experience and engender competence-based trust with their coworkers.

4.0   What Managers Can Do to Facilitate Trust

- *Create a common understanding of how the business works* – Develop a common context or common understanding among employees of the nature and goals of the work. Several factors that are 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 how it is 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* – Model and recognize trust-building behaviors, such as receptivity and discretion. Using active listening skills and encouraging employees to voice their concerns in an atmosphere where their issues will not be improperly disclosed can build trust between managers and employees.

- *Bring people together* – Managers may have some discretion in determining the physical locations in which people work together. Although frequent interactions do not always build trust, bringing people together can spur the conversations that can signal benevolence. Managers should consider how to create both physical and virtual spaces where people can easily interact with one another. Although it may be impossible or impractical 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 life cycle – 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 co-located.

5.0   Individual Signals

When people make the judgment that other people are trustworthy, they look for six key behaviors.

- Demonstrate what you know (and what you don't).
- Deliver information clearly and consistently.
- Display consistency between actions and words.
- Respect others' vulnerability and confidential information.
- Broaden the conversation beyond work.
- Recognize and share what is valuable.

5.1   Know Your Limits

Expertise inspires trust, but it is equally important to admit the boundaries of one's knowledge. Knowledge seekers look for experts who know the limits of their expertise.

One way to reinforce this signal is to encourage people to recommend third parties when they believe others may be better versed in a particular subject area.

5.2   Use Clear Communications

Knowledge sources need to be mindful of jargon, honesty, completeness, and timeliness. Clear and consistent information inspires trust.

Not only does poor communication represent a lost opportunity to build trust, a perceived lack of honesty makes it more difficult to build credibility in future encounters.

5.3   Be Consistent

"Walk the talk" to describe the importance of consistency between actions and words. Trusted sources display consistency between actions and words.

To be perceived as trustworthy, people need to ensure that they fulfill their commitments and do not promise more than they can deliver.

5.4   Be a Good Custodian

Trusted knowledge sources and seekers protect confidential information and provide a safe environment to talk freely. Knowledge seekers trust those who respect others' vulnerability and confidential information.

A safe environment where people are willing to expose potential weakness goes a long way to building trust and credibility.

5.5   Be Concerned About Life Beyond Work

Personal disclosure can contribute to the establishment and growth of trust. People who choose to broaden the conversation beyond work may be seen as trustworthy.

Establishing some non-work related communication paid dividends in understanding each others' background motivation and ability to maintain confidentiality.

5.6   Recognize and Share What Is Valuable

In IKO research, sharing valuable tacit knowledge and time was mentioned repeatedly as a trust signal. Recognize and share what is valuable.

Once a knowledge seeker has treated the source with respect, the source is likely to feel more at ease with taking that risk again.

6.0   Management Style

In addition to the worker behaviors, managers have two ways they can signal trust convincingly.

- Allow appropriate latitude in completing tasks.
- Permit mistakes and allow for uncertainty.

6.1   Allow Latitude

A management style that allows appropriate latitude in completing tasks can increase trust. Managers need to strike a balance between micro-management and laissez-faire styles of directing employees.

To achieve the optimum balance, managers must remain sensitive to individual's abilities as well as the organization's needs.

6.2   Permit Mistakes

Managers need to create an environment that allows people to learn from mistakes and ask questions. Another way to garner the benefits of trust and KM is to permit mistakes and allow for uncertainty.

That "crazy idea" could lead to the next big innovation. Also, asking questions may prevent costly mistakes and improve morale.

7.0   Organizational Design

An organizational context that demonstrates trust convincingly will assure employees of the organizations' commitment to trust and KM.

- Time and space
- Accountability
- Fairness
- Transparency

7.1 Allow Time and Space

To help foster trust, people need time and space so they have the opportunity to assess their coworkers. Allow time and space for people to get to know each other.

Offer time and space indifferent forms. It is not the happy hour itself that creates trust, but the chance to have a "non-work" experience together.

7.2 Insist on Accountability

Trust must be recognized and measured to convince employees that trust and KM are valued by the organization. Hold employees accountable for demonstrating the value of trust.

Accountability is key to encourage KM. All employees may need this incentive to "walk the talk"

7.3 Enforce Fairness

Employees judge an organization's commitment to trust by whether its policies are carried out fairly. Fair application of standards signals trust.

People don't mind that others are rewarded. What makes them upset are capricious standards.

7.4 Practice Transparency

Transparent policies and processes demonstrate to employees that the organization trusts people and treats them equitably. Transparency allows people to understand the "how" and "why."

Employees won't necessarily like all of the policies, but at least they will know what they are.

8.0 Conclusions

8.1 Actions

These results suggest certain actions that people can take to signal their trustworthiness.

- Be wary of promising more than you can deliver well. It is more important to be clear about your expertise and ability than to try to impress people in the short term.
- Offering time or other valuables is a very strong signal of trust. You can take small risks and judge the result before taking a chance with something more important.
- Efforts to broaden the conversation beyond work can include even a short conversation in the elevator. You don't need to have a structured event or a lot of time to take advantage of this technique.

The signals can be applied successfully to many circumstances. It is imperative to ask those you want to reach if the signal was transmitted successfully.

8.2   Approaches

There are also approaches for helping teams work more effectively.

- Allow enough time and latitude for brainstorming and asking questions. Rather than diving right into the task, set up an environment where people can make mistakes or offer half-baked opinions while keeping to a project plan.

- Make sure that all team members are offering both time and expertise to the project effort. Team members don't trust freeloaders.

- Be sure to keep everyone on the team, the client, and any supervisors aware of the project's progress, successes, and difficulties.

Trusting behavior from the beginning will likely head off time- and money-consuming problems down the road.

8.3   Trust and Virtual Collaboration

The IKO research has implications for improving virtual collaboration, where trust is a major issue.

- Provide time and space virtually for people to broaden the conversation beyond work. Sometimes a facilitated semi-structured discussion can have a similar benefit to a "happy hour" or water cooler exchange.

- Since there are fewer cues about mood, intention and body language when working virtually, it is imperative to communicate frequently and clearly. Check with your teammates to insure that you have been understood.

- Since there are fewer signals virtually than face-to-face, consistency between words and follow-through is even more important.

Many of the face-to-face signals can be adapted for virtual collaboration.

Appendix A – Acronyms

BLM   Bureau of Land Management

FAA   Federal Aviation Administration

FS   Forest Service

HR   Human resources

IKO   IBM Institute for Knowledge-Based Organizations

KM   Knowledge management

USDA   US Department of Agriculture

USDI   US Department of Interior

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[1] W*ebster's Revised Unabridged Dictionary*, © 1996, 1998 MICRA, Inc.

[2] Daniel Levin, Rob Cross, and Lisa Abrams. *The Strength of Weak Ties You Can Trust: The Mediating Role of Trust in Effective Knowledge Transfer* (Cambridge, MA: Institute of Knowledge-Based Organization [IKO], March 2002)

[3] ————— *Trust and Knowledge Sharing: A Critical Combination*, IKO, May 2002

[4] ————— *Why Should I Trust You? Antecedents of Trust in a Knowledge Transfer Context* (Cambridge, MA: IKO, May 2002)

[5] Daniel Levin, Rob Cross, Lisa Abrams, and Eric Lesser, *Nurturing Trust in Knowledge-Intensive Work* (Cambridge, MA: IKO, August 2002)

[6] IKO

[7] IKO