

Book Review

'Trust in knowledge management systems in organizations'

Georg Buchholz and Sagita Arhidani

Maija-Leena Huotari and Mirja Livonen (2004) *Trust in knowledge management systems in organizations*. Idea Group Publishing © 2004 (296 pages) ISBN: 1591402204

In their book, the editors Maija-Leena Huotari and Mirja Livonen address a highly relevant issue to networking and knowledge management: trust. In four sections, various papers dealing with different aspects of trust are presented:

- Section I: Trust in performing;
- Section II: Trust in online communities;
- Section III: Citizens' trust in institutions; and
- Section IV: Towards trust models.

In chapters 1, 2, and 3, trust is mainly discussed at the organizational level, whereas chapters 4, 5, and 8 consider trust at the level of networks or online communities. Chapters 6 and 7 investigate the significance of trust at the intersection of individual and organizational levels where individuals interact with organizations or institutions. Chapters 9 and 10 examine trust in the global economy and in society. Chapter 11 focuses on trust in information systems. Systems, in this book, are considered from the social or the socio-technological perspective.

According to the authors, social capital will prove to be the most important asset in the future. Trust is considered as an essential prerequisite to enhance knowledge and information sharing behaviours and knowledge creation. It is based on expectations and interactions and manifested in people's behavioural patterns.

The authors highlight the crucial role of trust in turning personal knowledge into organizational knowledge, and emphasize that trust must be incorporated in the management of knowledge-based activities of organizations and their stakeholders. They believe that building trust-based partnerships with other organizations will be the major managerial challenge in the globalized economy because organizations rely increasingly on each other. Collaboration and trust are considered as mutually dependent. Collaboration presupposes trust, but people who do not trust each other are not inclined to collaborate.

The book deals in great length with the scientific theories behind the concept of trust and trust building, which is described as a three-stage model. The first stage is control in the absence of trust. At this stage, one must take into account the possibility of

opportunism and lack of competence, and move on with small steps and little risk, or even use control to manage the risks. The second stage is assessing trustworthiness and developing tolerance levels of trust. At this stage, one obtains more knowledge and experience for setting trust tolerance levels, and finds out under which conditions trust works. However, at the same time, when some scope of trust has been allowed, the option of reverting to control, if it is needed, is still possible. At the third stage, the tolerance level for misunderstandings or miscommunication are increased based on trust built in the previous stages.

Trust management is perceived as essential for the future. Nowadays, managers are overwhelmed by information and they have difficulties assessing which sources they can trust. Therefore, building trust becomes an essential management activity, which consists of four elements: (1) building one vision and one company; (2) showing confidence in people's abilities; (3) establishing familiarity and dialogue; and (4) recognizing contributions.

The book further explores the concepts of trust management in a company. The authors state that errors and mistakes often occur in management's choices, so the company must ensure managers can trust that these occasions will be dealt from the point of view of learning, but not that of automatic punishment.

Trust building according to the authors also happens during unintentional encounters. Some of the following behavioural traits that help people to earn trust from each other in unintentional encounters are anticipation, friendliness, facilitation and predictability.

While the book predominantly addresses trust from a scientific point of view, it also provides practical suggestions and checklists for network managers who are concerned about trust. After the theoretical Section I, the book covers several empirical studies related to trust, such as geographically distributed networks (such as multi-institutional R&D organizations), trust in e-commerce, and trust of citizens in governments. Some of the studies do not directly address knowledge sharing and networking for development. However, they reveal a number of interesting insights.

The studies establish, for example, that active participation in networks may be seen as a system of initiations and responses. Initiations involve trust, because they 'make one's preferences public' (which may incur risk). Each initiation strengthens participants' perceptions that trust is reasonable and incurs more initiations. According to the empirical studies, initiations were categorized as 'getting together', 'work-process', 'work-content', 'work-technical', 'needing-contact', and 'fun-talk' emphasizing the importance of face-to-face meetings in the trust building process.

In the final section, a model for trust is presented, in which trust is always created in a dynamic way. Trust is either increasing or decreasing, and cannot be treated as a static entity in a relationship. In addition, trust is very fragile: building it up can take a long time, but breaking it down may occur in a second.

Reflections

The book provides a fascinating collection of papers about trust, a poorly understood but essential component for networking, knowledge sharing, and capacity building. The structure of the various sections with contributions from different authors constitutes both a strength and a weakness, as the thread of the book is somewhat missing. The language is academic and sometimes difficult to understand, and not a good choice for bedside reading. However, you will find gems of information and interesting facts.

We very much appreciated the summaries of each chapter in the preface of the book, enabling a quick overview of the issue. However, to truly appreciate the multidimensional phenomenon of trust and its many facets, you will have to read the whole book. The volume definitely caught our attention to the issue of trust within networking and makes a convincing plea for incorporating trust generation measures in the managerial tasks of an organization or network. Being an academic book that is based on scientific findings, each chapter provides discussions and conclusions that make very useful reference to its content in addition to each abstract.

Taking into consideration that the authors are from various countries – Finland, UK, Italy and the USA – and some of them have yet to meet face-to-face, the book itself is a demonstration of how to put trust to the test when collaborating across geographical distances and disciplinary boundaries, via social and technological information networks. Overall, the book is a very valuable addition for libraries of organizations working in knowledge sharing and networking, but might be a little bit too heavy for your personal library.

About the authors



Georg Buchholz studied forest science in Freiburg, Germany and Toronto, Canada. He has been working since 7 year for the German Agency for Technical Cooperation (GTZ) in South East Asia. During his work he focused on Information and Knowledge Management within the natural resource management sector. He is now working in the ASEAN-German Regional Forest Programme assisting ASEAN in the establishment of information sharing mechanism for ASEAN forestry decision makers.

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