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Investigating the Influence of Employee Trust in Management on Tacit Knowledge Through Employees' Turnover

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Abstract
Within the last few decades, there has been an increasing interest in the importance of tacit knowledge in organizations and it has become the focus of considerable attention in the recent literature. However, there are some important barriers which cause negative effect on tacit knowledge such as employee turnover. In this perspective, this review paper concentrates on the potential factors influencing on the employee turnover that eventually leading to tacit knowledge. More closely, this paper considers the impact of employee trust in management on tacit knowledge through the mediating effect of employee turnover. Accordingly, this paper present a conceptual framework for the potential relationships among the variables namely employee trust in management, employee turnover intention, and tacit knowledge.
Keywords: employee trust in management, employee turnover intention, tacit knowledge.

1. Introduction

Employee turnover is considered to be one of the persisting problems in organizations (Armstrong, 2009; Reiß, 2008). In particular if it involves quality employees who have worked for the organization for many years, high performers and experienced and loyal individuals (Branham, 2005, Katcher, Snyder, 2007; Somaya, Williamson, 2008). The turnover means that another organization may gain a new knowledge employee who can become its competitive advantage. The loss of knowledge thus is a threat for the former organization, which increases the significance of knowledge continuity. Employees gain knowledge and experience regarding their job after a while they work in an organization or a company. There are numerous reasons why employees leave their workplace.

Employee turnover intention, which is a reduction in the number of employees who plan to leave and quit their jobs (Scroggins, 2008) can seriously affects the tacit knowledge because when employees leave their workplace they also bring their job knowledge and experience with themselves. The available sources state two main ways of knowledge leaving organizations. Beazley (2002) and Stam (2009) state that the main danger for the coming 25 years is in particular the aging population and the retirement of strong age groups; this is supported by statistical data from U.S. organizations. The second way of knowledge loss is turnover of labour (Beazley, 2002; Eucker, 2007). The aging population according to Stam (2009) represents two major risks for organizations, which are the underemployment of older employees and the loss of knowledge. According to the U.S. Bureau of Labor Statistics (Harvard Management Communication Letter, 2003), the issue of knowledge transfer is primarily a challenge for existing American companies.

With downsizing, the growing mobility of labour and broader use of random workers, a high percentage of turnover is a reality for the majority of companies. Company managements have to consider how to cope with the potential leaving of their employees for competitors or their retirement. It is one of the essential factors influencing knowledge continuity and it is necessary to eliminate its consequences by means of knowledge management and knowledge continuity management. Therefore, the primary purpose of this study is to investigate factors which are contributed from the influence of employees' turnover intention which consequently result in tacit knowledge.

2. Literature Review

2.1 Organizations Sharing Tacit Knowledge

This section of the study reviews the studies which are related to tacit knowledge in organization. For example, there are four patterns for creating knowledge in organizations: from tacit to tacit, explicit to explicit, tacit to explicit, and explicit to tacit. Nonaka (1991) described the transfer of tacit knowledge as socialization. Through social interaction people may gain highly personal and difficult to formalize knowledge. According to Nonaka the most common method of knowledge transfer is explicit to explicit. Through the process of codification, one person may document specific knowledge into some form of repository so that many others may access knowledge.

The third concept of knowledge creation is transferring tacit knowledge to the explicit form. According to Nonaka (1991) to articulate or externalize the highly personal "know-how" knowledge of an individual (i.e., tacit knowledge) into an explicit form is easier to formalize or document. The final classification, transferring explicit knowledge to tacit knowledge is described as internalization. When new explicit knowledge is shared other employees begin to internalize it and reframe their own tacit knowledge. These four patterns form a

framework of knowledge creation. In order to convert tacit knowledge to explicit knowledge, organizations must find a way to express the "inexpressible," and figurative language and symbolism can be used to do this. Organizations can convert tacit knowledge to explicit knowledge by linking contradictory things and ideas through metaphor, resolving these contradictions through analogy, and allowing them to take shape and embodying them in a model to make the knowledge available to everyone in the organization.

The lesson to be learned from Nonaka's (1991) "knowledge creating-companies" is that innovation happens when organizational members share tacit knowledge, convert the tacit knowledge into explicit knowledge in the form of a concept or product, and use company strategies to justify the concept to build something new.

2.2 Turnover Intentions

What is turnover intention? With the goal of this study this term might be characterized as the rate at which workers leave a workforce (Shaw et al., 1998). This can further be partitioned into voluntary turnover and involuntary turnover. Voluntary turnover is launched at the decision of the worker though automatic turnover is the point at which the representative has no decision in his or her end. In spite of the fact that a couple of individual analysts have recognized this distinction, the two sorts of turnover are joined in practically all turnover studies (Shaw et al., 1998).

An alternate component to be considered in turnover plans is the general turnover society, characterized as the acknowledgement that "turnover is simply piece of our industry" (Iverson and Deery, 1997). At the point when a worker sees that the greater part of his or her associates are stopping and that worker is losing those made connections, that worker is more inclined to stop.

This acknowledgement of turnover as a feature of the workgroup standard and may be "ordinary" and "proper" is unsettling. Most friendliness organizations still view representatives as replaceable items as opposed to acknowledging they are the organization's most profitable resource and a wellspring of preference (Choi and Dickson, 2010; Woods, 2002). This makes the continuation of high turnover just about a selffulfilling prescience where supervisors expect high turnover so it happens. Turnover society is a variable in a few commercial enterprises, yet its general vicinity in the friendliness field is something that ought to be scrutinized further later on.

In the previous twenty years specialists have attempted to pinpoint particular impacts on a worker's purpose to clear out. Some of these discoveries include: accessibility of option openings for work, nature of colleagues, general working conditions, inclusion in the association, compensation, work intricacy, work execution, enthusiastic fatigue, burnout, residency at the association, work/family clashes, the worker's disposition about the occupation before beginning, and the degree a candidate wants the position (Choi and Dickson, 2010). Supervisors are in supervisory positions where their activities can impact the workplace and in this way would can build work fulfilment, hierarchical duty, and diminish the worker's expectation to leave.

3. Conceptual Framework

3.1 Employee Trust in Management and Tacit Knowledge

Becerra et al. (2008) indicate that researchers in the past have reported on the positive role trust plays on knowledge transfer in organizations, specially for the transfer of tacit knowledge (Hansen, 1999). Trust facilitates knowledge transfer since it increases the partners' willingness to assist each other to understand external knowledge (Lane et al., 2001). According to Dhanaraj et al. (2004), a feeling of trust can develop due to the partner's status without the presence of strong social ties and common systems and procedures. The level of trust between partners also varies from case to case. Park (2008) also concluded that trust has a strong impact on knowledge acquisition, since it facilitates the exchange of information and resources and leads to common problem solving.

Cabrera, Collins and Salgado's (2006) research examined the relationship of a subset of variables with an individual's likelihood to engage in knowledge sharing behaviors. Three hundred seventy-two participants were surveyed from a large multinational company in the area of information technology, systems, and services. Nine independent variables were explored including: organizational commitment, self-efficacy, agreeableness, openness to experience, conscientiousness, perceived support from supervisors and co-workers, perceptions of rewards associated with sharing knowledge, job autonomy, and perceived availability of knowledge exchange systems. The dependent variables were two types of knowledge sharing behaviors: seeking knowledge and providing knowledge.

Cabrera et al. (2006) examined the data using inter-correlations between the dependent and independent variables and all variables were found to be positively correlated. Results of the study revealed that self-efficacy, openness to experience, and support from supervisors and co-workers significantly predicted employees' participation in knowledge exchange. In addition, all four of the organizational environment variables (perceived support from supervisors and co-workers, perceptions of rewards, job autonomy, and organizational commitment)

yielded positive significant relationships with knowledge sharing. Perceived availability of knowledge exchange systems was found to be the least relevant factor in predicting knowledge sharing behavior. This research is referenced because it expands the existing knowledge sharing literature by focusing on a number of psychological and organizational variables that may explain part of the variance among managers and employees in terms of their participation in knowledge sharing. Because the act of knowledge sharing is a highly social act the presence or absence of various concepts identified by Cabrera et al. (2006) will aid in the effective exchange of knowledge during the social encounters of employees and managers in the workplace.

H1: There will be a significant positive relationship between employee trust in management and tacit knowledge

32 Employee Trust in Management and Employee Turnover Intention

When developing an instrument that measured trust in management, Cook and Wall (1980) found that job satisfaction also had a positive relationship with trust at the peer level, as did organizational identification and organizational involvement which consequently affects on employee turnover (Ferres et al., 2004).

Employee trust in management, employees feel vulnerable because supervisors have substantial influence over resource allocation and thus are in a position to make decisions that have a considerable impact on the subordinates. For instance, subordinates must rely on their supervisor for work assignments, performance evaluations, and opportunities for promotion. As a result, it is anticipated that when trusting a supervisor, employees might be particularly concerned with whether or not their supervisor is friendly, caring, and helpful, and thus high in benevolence; and consistent, credible, and true to their word (Knol and Gıll, 2011). Accordingly, this study considers the explanation of Knol and Gıll (2011) regarding the conceptual definition of employee trust in management as follows:

"when trusting a supervisor, employees might be particularly concerned with whether or not their supervisor is friendly, caring, and helpful, and thus high in benevolence; and consistent, credible, and true to their word"

H2: There will be a significant negative relationship between employee trust in management and employee turnover intention.

3.3 Employee Turnover Intention and Tacit Knowledge

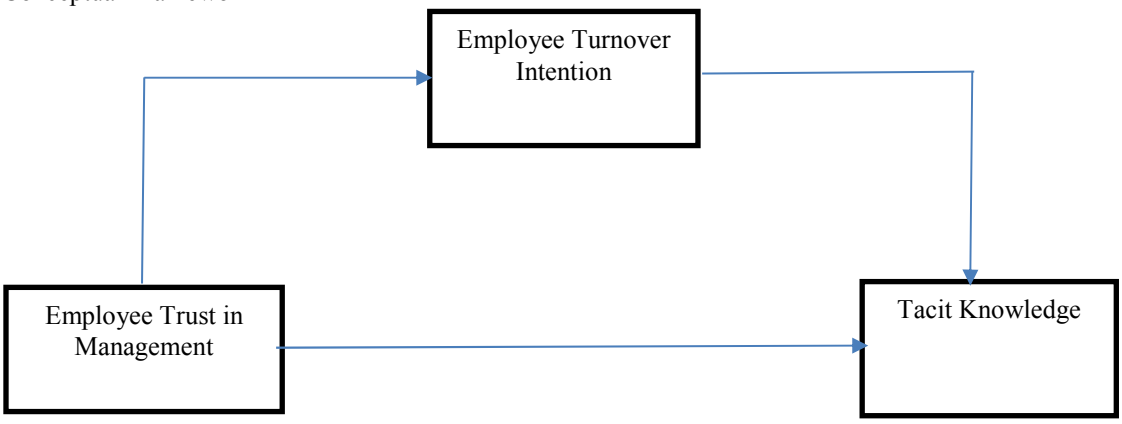
Identically, also Beazley et al., (2002) assesses the loss of knowledge as a serious threat. A method of confronting this threat is to introduce a structured programme for the transfer of critical knowledge. It is evident that not all knowledge may be collected and transferred, but that is not the goal. The goal is to transfer solely the critical knowledge related to the work position that would, in case it is lost, endanger the operation of the organization. Some continuity is definitely better than none.

The application of knowledge continuity management plays an important role not only in the process of knowledge transfer, but also for ensuring Business Continuity Management (BCM). BCM is an efficient method of protection against internal and external threats and simultaneously preserves an organization's competitive advantage and value system of integrity (Herbane et al., 1997). Ensuring knowledge continuity will help organizations develop a competitive advantage (Argote and Ingram, 2002). Knowledge continuity creates a powerful advantage for organizations (Stam, 2009).

H3: There will be a significant negative relationship between employee turnover intention and tacit knowledge

H4: Employee turnover intention will have a mediator effect between employee trust in management and tacit knowledge.

Conceptual Framework



4. Discussion

Previous studies have examined the effects of alternative types of trust on general knowledge transfer. However, none has examined the differential effects of both affect-based and cognition-based trust on employee willingness to share and use tacit knowledge (Holste and Fields, 2010). This study adds to the literature about

and practical understanding of the knowledge transfer process by exploring the effect of employee trust in management and clarifying the mediating effect of employee turnover intention.

Additionally, with reference to the preceding literature discussing employee turnover and tacit knowledge, it can be noted that these constructs have been studied individually in relation to other constructs in previous research, yet, contemporary extant literature seem to have left out empirical studies linking employee turnover and tacit knowledge. As well, the little amount of literature covered were exclusively from the western perspective which were fully ingrained with the western value system of research and culture. The empirical research capturing the relationship between these constructs can yield interesting insights and contribute new knowledge to the existing literature on turnover and tacit knowledge.

5. Conclusion

The individual constructs of employee trust in management, employee turnover, and tacit knowledge have been studied in their relations with other constructs by contemporary organizational researchers. Yet, the significant impacts of these constructs on one another; for instance, the influence of employee trust in management on tacit knowledge with the mediator effect of employee turnover intention has not been much explored empirically.

Therefore, this study aimed at finding the potential relationship for the impact of employee trust in management on tacit knowledge through the mediating effect of employee turnover intention. In this regard, the research attempted to contribute new knowledge to the existing literature in different aspects such as employee trust in management, employee turnover intention, and tacit knowledge. In particular, the present research attempted to empirically present the potential impact of employee trust in management on tacit knowledge through employee turnover intention. Thus, this study presents the positive potential relationships for the variables namely employee trust in management, employee turnover intention, and tacit knowledge. In this regard, this study introduces employee trust in management as the independent variable affecting on tacit knowledge as the dependent variable through the mediating role of employee turnover intention. Accordingly, future researchers are highly recommended to find out the accurate relationships between these variables through a quantitative approach.

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