

# The Relationship between Knowledge Management and Empowerment of Administrative on Organizational Trust

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## Abstract

The aim of this paper is to propose a conceptual model describing an integrated model for knowledge management and Empowerment of administrative on organizational trust. To achieve the objectives of the study, a questionnaire was developed to collect the data. It was distributed to a sample of employee banks. The results of this study clearly show that three of the selected factors (knowledge capture, knowledge sharing and knowledge creation) have positive relationship that increases the organization trust. The sample of the study 119 employee divided into four Jordanian banks.

**Keywords:** Knowledge management, Organizational trust, Empowerment of administrative.

## 1. Introduction

Witnessed contemporary organizations a series of transformations reflect the changes in the management environment of internal and external, and this environmental changes surrounding management and will lead to fundamental changes in the nature of the administrative process and functions, as the traditional management operations and functions have become unable to manage with recent era requirements. Hence, the need to new management that able to innovate and achieve continuity and excellence in these situations in order to achieve excellence in organizational performance, and does not come only if we focus on the strategic role of management, which includes determining the future vision of what should be the organization's future, and to develop a set of strategies to turn ambitions into reality.

For that the Empowerment of administrative is one of the most important principles of modern management, which reflects the issue of the participation of workers in management in the various organizational levels, and their contribution to their future career, and this at the present time is consider one of important topics. Start from the Japanese experience in the area of empowerment of employees and the results achieved are amazing, the attention of decision-makers in various countries around the world headed to this topic, plans were drawn and the development of strategies and procedures in order to activate this experience in their organizations to take advantage which made by Japanese organizations in this area.

That organizational trust is an essential factor in increasing the efficiency and effectiveness of modern organizations on the different nature of their activities, they provide a favorable climate of good relations between different organizational levels, leading to ease the flow of information highly credible, and the opportunity for all employees to develop themselves and develop the skills of creative thinking they have, and despite of the importance of organizational trust, but that of the most common problems faced by modern organizations, especially in the Arab environment due to the lack of mutual trust between management and workers, or lack of attention to the existence of trust or lack thereof.

Based on the foregoing must search for a group of mechanisms to enhance the level of organizational trust and emphasize its importance as the entrance to address many of the administrative problems through rumor spirit of cooperation between the different levels of management within the organization and the formation of working groups as possible can overcome all odds to achieve excellence in performance, thereby gaining empowerment administrative importance as one of the most important variables regulatory impact on the level of confidence prevailing regulatory among workers in organizations, hence This study measuring the impact of empowerment administrative level organizational trust from the standpoint of workers in the Jordanian Fund of Development and Employment.

This paper aims to develop a conceptual model to examine the relationship between knowledge management (knowledge capture, knowledge sharing and knowledge creation) and Empowerment of administrative (delegation of authority, teams work and development and self-motivation) on organizational trust. As the best of authors knowledge there is no one tackles this problem.

This paper is organized as follows. In the next section, we review relevant literature; section three proposes the research model and hypotheses, section four is about the research methodology in which we discuss the design of the questionnaire, sample, data collection, hypotheses analysis and results. The last segment of this paper is our conclusion of the study.

## **2. Literature review**

### **2.1. Organizational trust**

Study Franz (Franz, 2004), which aimed to analyze the nature of correlation between empowerment one hand, and of organizational justice and organizational loyalty and job satisfaction and turnover work and work pressures on the other hand in a number of multinational companies in Brazil, Canada, Germany, Belgium, France, America and Britain , and results of the study showed a statistically significant relationship between empowerment and all administrative organizational justice and organizational loyalty and job satisfaction and turnover work and work pressures, also vary the nature of this relationship according to the company culture and the country in which it operates.

Study Tarja and others (Tarja, et al, 2005), which aimed to analyze and describe the empowerment of workers verbally and behaviourally, and knowledge outputs empowerment in general from the perspective of the supervisors of the nurses in the United States of America, and study showed that supervisors may have to exercise empowerment verbally and behaviourally significantly , on the other hand was feeling confident outputs enabling low, the study also revealed that empowerment is influenced by a variety of factors, the most important of the pressures of work and the nature of the work.

A study of the Litterll (Litterll, 2002), which lasted between (1999-2002), and study aimed to identify the trends and attitudes of management and workers in the hotels included in the study about empowerment, revealed the results of the study on the existence of trends and positive attitudes to the respondents towards the idea of empowering workers in China, which indicates the successful implementation of empowerment programs in this country.

### **2.2. Knowledge management**

Essentially, KM in organizations is believed to be an integrated process that can help to enhance and expand innovation process (Parikh, 2001). Successful KM can be defined as the creation of management processes and infrastructure to bring together both knowledge and communities in a common ecology that will sustain the creation, utilization and retention of knowledge (Alryalat and Alhawari, 2008).

Knowledge processes can be though lit of as a structured coordination for managing knowledge effectively (Gold et al, 2001). Typically, knowledge processes include activities such as creation, sharing, storage, and usage (Alavi and Leidner, 2001). Enablers provide the infrastructure necessary for the organization to increase the efficiency of knowledge processes (Sarvary, 1999). A prerequisite of implementation of KM is to understand and develop the infrastructural elements required to support the acquisition, management, and transfer of tacit and explicit organizational knowledge (Halawi et al., 2005).

One KM Process model that was proposed by Lai and Chu (2000) divides KM into a comprehensive theoretical framework that consists of six steps: (a) Initiation, (b) Generation, (c) Modelling, (d) Repository, (e) Distributing and transfer, (f) Use and Retrospect. Also, Alavi and Leidner (2001) suggest that the knowledge process can be divided into four stages: Knowledge Creation, Storage and Retrieval, Transfer, and Applications. Furthermore, Parikh (2001) presents another interesting theory of the KM cycle to channel the Knowledge accumulated from a variety of sources .This cycle contains four processes by which organizations are able to adopt KM. The four processes are: (a) Knowledge Acquisition, (b) Organization, (c) Dissemination and (d) Application.

(Michel and Chalhoub, 2008) The study shows the relationship between social networks enabled by technological advances in social software, and overall business performance. The authors introduce the concept of user-autonomy and user-fun, which go beyond the traditional user-friendly requirement of existing information technologies. The

study conducted on 120 entities out of a sample of 164 from Mediterranean countries and the Gulf region, to focus on the effect of social exchange information systems in thought leadership.

### 3. Research model and hypotheses

Based on the theoretical background and literature review, a conceptual model was developed to examine the impact of knowledge management (knowledge capture, knowledge sharing and knowledge creation) and Empowerment of administrative (delegation of authority, teams work and development and self-motivation) on organizational trust. Figure 1 presents the research model.

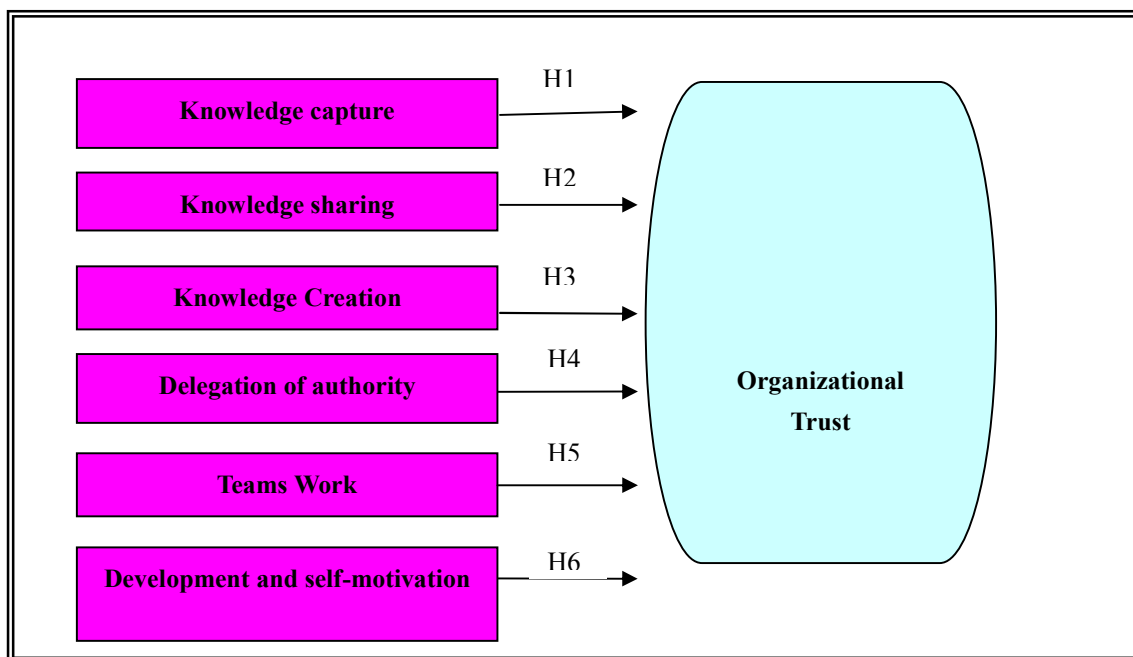


Figure 1. Relationship between Knowledge Management and Empowerment of administrative on Organizational Trust.

Six hypotheses address the associations between knowledge management and empowerment of administrative on organizational trust. The six hypotheses which guided this line of inquiry are as follows:

- H1: There is direct positive relationship between knowledge capture and organizational trust.
- H2: There is direct positive relationship between knowledge sharing and organizational trust.
- H3: There is direct positive relationship between knowledge creation and organizational trust.
- H4: There is direct positive relationship between Delegation of authority and organizational trust.
- H5: There is direct positive relationship between Teams work and organizational trust.
- H6: There is direct positive relationship between Development and self-motivation and organizational trust.

### 4. Research methodology

The author examines in more details the research methodology that will be applied to this paper. Therefore, in this paper, the researcher has taken into account the research approaches, and techniques so as to verify the research aim.

#### 4.1. Justification of selecting the quantitative research

There are two main research approaches used when conducting research: Quantitative and Qualitative (Yin, 1994). The decision on whether to choose a quantitative or qualitative approach lies in the nature of the paper field. This

paper relies on quantitative method of collecting information from the respondents. There are three reasons for resorting to Quantitative approach as being suitable for this paper:

Firstly the aim of this paper is to propose a conceptual model describing an integrated model for knowledge management and organizational trust. Therefore, Quantitative research is employed in the study hypothesis that must be proved or disproved. Secondly, the author uses the statistical techniques to identify facts and causal relationships among variables. The data collection in quantitative research is structured and data analysis is statistical. Quantitative research uses numbers and counts and measure things. The use of standardized methods in quantitative research allows for greater objectivity and accuracy of results. Usually, quantitative approaches are designed to provide summaries of data that support generalizations about the phenomenon under study. In qualitative approach, the results cannot be generalized and also the data collection in is unstructured and data analysis non statistical. Finally, the quantitative approach is usually applied when the purpose is to verify existing theories or test hypotheses developed depending on previous research. The main advantage of the quantitative paradigm is the possibility for gaining an objective and precise assessment of the social phenomenon or human behavior. On the other hand, Qualitative approach is preferable in the case of exploratory study or when little theoretical understanding of the phenomenon exists. On the basis of the above reasons, a quantitative approach is selected for the present paper.

#### 4.2. Reasoning for employing a survey strategy

The significant role of survey research may reflect the increased attention that Management Information System researchers place on the generalizability of their research findings (King & He, 2005). Moreover, Saunders et al. (2007) describe Surveys as a popular and common strategy in business and management research. Surveys are popular as they allow the collection of large amount of data from sizable population in highly economical way (Saunders et al., 2007). Survey Strategy is one of the most important areas of measurement in applied social research. Survey research uses a selected portion of the sample from which the findings can later be generalized back to the sample. On the other hand, case study used to qualitative approach and case study are not generalized. Due to this fact, the survey method is selected to be our research strategy.

#### 4.3. Research design

The aim of this paper is to propose a conceptual model describing an integrated model for knowledge management and empowerment of administrative on organizational trust. Therefore, Data collection concerns how information will be gathered to meet the research aim. There are two kinds of data normally used in researches: primary data and secondary data (Saunders et al., 2007). Primary data is recognized as data that is gathered for a specific research, especially in response to particular problem, for the first time. Primary data can be collected by questionnaires (Saunders et al., 2007). Whereas secondary data is the data that already exist. Like literature study, this has been previously collected and assembled for some studies. The paper relied on two sources in collecting data and information: firstly: primary source provide high quality and acknowledged outcomes. The most common method of gathering primary data is through survey. A questionnaire is developed by the author to satisfy research aim. Secondly: secondary source: Other related data and information are collected and obtained from the literature and previous studies conducted in the subject.

#### 4.4. Justification of selection of the questionnaire

The advantages of the questionnaire are that it's a quick way of obtaining data from a large group of people, and less expensive. Questionnaires gather data by asking people to respond to exactly the same set of questions. They are often used as a part of a survey strategy to collect, describe and explain data about opinions, behaviors and attributes. Data collected are usually coded and analyzed by computer (Saunders et al., 2007).

To ensure the reliability and validity of the questionnaire, several criteria have been considered when designing a questionnaire survey. A pilot test was conducted on the practitioners from the selected banks, to reduce and minimize any misunderstanding or ambiguous questions and procedures that would be used in conducting the survey. This selection helps to give the best feedback about the content of the questionnaire and research. The questionnaire started with a brief description of the meaning of the main concepts, and it gave instructions on how to answer each section of the questionnaire. These are what provide it a consistent style. An initial draft was developed based on an extensive literature review. It includes many questions which are in line with the research's aims. For that reason, the research survey could be described as being comprehensive. It is divided into two parts. The first part includes the

personal information of the respondents such as age, gender, qualification, years of experience and administrative level. The second part includes the questions related to variables that affect the integrated knowledge management regarding organizational trust.

The structural questionnaire design was applied to develop the survey instrument. Each was operationalized on a five points Likert-type scale where 1 = “strongly agree”, and 5 = “strongly disagree”. In order to ensure the variables selected for this study were relevant to the respondents, a pilot study was conducted to increase the validity and reliability of the questionnaire. Experts were invited to review the questionnaire and pilot tests were administered before designing the final questionnaire. Ultimately, this pilot study helped to identify the participants’ opinion and experiences. The construct was subjected to the scale reliability procedure of SPSS 11.0, using the Cronbach’s Alpha Cronbach (1951) criterion to assess the internal consistency of the studied construct. The Cronbach’s Alpha coefficient is above 0.75 the value exceeds the accepted cut-off value of .70, as suggested by Nunnally (1978). This indicates that each individual item is internally consistent and highly reliable.

#### 4.5. Sample

The sample of the survey is divided into four Jordanian Bank. A total of 130 questionnaires were sent. A total of 115 questionnaires were returned, of which 100 completed and 15 uncompleted questionnaires were returned. A total of 24 questionnaires were unreturned. Table 1 distribution of the sample size by demographic variable.

Table 1. Distribution of the sample size by demographic variables

Variable	Variable categories	Num	Percentage
Gender	Male	52	52%
	Female	48	48%
Age	Less than 25	10	10%
	26-35	56	56%
	36-45	28	28%
	More than 46	6	6%
Number of years of experience	Less than 5	35	35%
	6-10	55	55%
	11-15	4	4%
	More than 16	6	6%
Qualifications	Diploma	7	7%
	Bachelor	79	79%
	Master	11	11%
	Doctor	3	3%
Administrative level	Lower Management	78	78%
	Middle Management	15	15%
	Top Management	7	7%

#### 5. Data analysis and results

This study contains 52 males with a percentage of 52% and 48 females with a percentage of 48%. The largest group of respondents (56 or 56%) indicates that their age is (26-35) and the smallest group of respondents (6 or 6%) indicates that their age is (more than 46). The largest group of respondents (78 or 78%) indicates that their

administrative level was low management. The smallest group of administrative level of respondents indicated Top Management (7 or 7%). Additionally, the largest group of respondents (79 or 79 %) indicates that their qualification was Bachelor. The smallest group qualification of respondents indicated doctor (3 or 3%). Also; the largest group of respondents (55 or 55%) indicates that their years of experience range from (6-10 years). Finally, the smallest group of respondents (4 or 4%) indicates that their year of experience is (11-15 years).

Based on the objectives and hypotheses of the study, the researchers applied the Analysis (ANOVA). Tables 2, 3, 4, 5, 6 and 7 represent the test of the hypotheses by using Analysis of variance (ANOVA), based on the significant level of (0.05).

Referring to Table 2, 60.3% of the variance in organizational trust by knowledge capture, the F value is 148.556 with a significance equal 0.00, which is less than (0.05). For that reason, there is an effect of knowledge capture on organizational trust. The implication of this finding for Jordanian Bank is that they may need to pursue a combined strategy aimed at managing employee knowledge acquisition and organizational trust to enhance competitive advantage.

Table 2. ANOVA test for knowledge capture and organizational trust

R	R Square	Adjusted R Square	F	Sig
.776	.603	.598	148.556	.000

Referring to Table 3, 42.6% of the variance in organizational trust accounted by knowledge sharing, the F value is 72.6 with a significance equal 0.00, which is less than (0.05). For that reason, there is an effect of knowledge sharing on organizational trust. Our finding of a significant interaction between knowledge sharing and organizational trust in Jordanian bank, therefore, the paper suggests the possibility that employee knowledge sharing may be satisfied and enhanced organizational trust.

Table 3. ANOVA test for knowledge creation and organizational trust

R	R Square	Adjusted R Square	F	Sig
.652	.426	.420	72.644	.000

From Table 4, 7.3% of the variance in organizational trust accounted by knowledge creation, the F value is 7.1 with a significance equal 0.009, which is less than (0.05). For that reason, there is an effect of Knowledge creation on organizational trust. Indeed, the implication of this finding for Jordanian Bank is that they may need to pursue a combined strategy aimed at managing employee knowledge creation and organizational trust to develop competitive advantage.

Table 4 . ANOVA test for knowledge acquisition and organizational trust

R	R Square	Adjusted R Square	F	Sig
0.271	0.073	0.063	7.112	0.009

From Table 5, 57.9% of the variance in organizational trust by Delegation of authority, the F value is 123.943 with a significance equal 0.00, which is less than (0.05). For that reason, there is an effect of Delegation of authority on organizational trust. The implication of this finding for Jordanian Bank is that they may need to keep the employee

work freely to enhance organizational trust.

Table 5. ANOVA test for Delegation of authority and organizational trust

R	R Square	Adjusted R Square	F	Sig
0.761	0.579	0.575	123.943	0.00

Referring to Table 6, 45.2% of the variance in organizational trust accounted by teams work, the F value is 74.195 with a significance equal 0.00, which is less than (0.05). For that reason, there is an effect of teams work on organizational trust. Our finding of a significant interaction between teams work and organizational trust in Jordanian bank, therefore, the paper suggests the possibility that employee works as teams may be improved and enhanced organizational trust.

Table 6. ANOVA test for teams work and organizational trust

R	R Square	Adjusted R Square	F	Sig
0.672	0.452	0.446	74.195	0.00

From Table 7, 32% of the variance in organizational trust accounted by development and self-motivation, the F value is 96.9 with a significance equal 0.00, which is less than (0.05). For that reason, there is an effect of development and self-motivation. Indeed, the implication of this finding for Jordanian Bank is that they may need to proposed strategies to motivate their employees to enhance organizational trust.

Table 7. ANOVA test for development and self-motivation and organizational trust

R	R Square	Adjusted R Square	F	Sig
0.57	0.32	0.32	96.9	0.00

The relation between the knowledge management and empowerment of administrative on organizational trust was confirmed in this study and the findings are summarized as follows:

1. Knowledge capture had a positive impact on organizational trust.
2. Knowledge sharing had a positive impact on organizational trust.
3. Knowledge creation had a positive impact on organizational trust.
4. Delegation of authority had a positive impact on organizational trust.
5. Teams work had a positive impact on organizational trust.
6. Development and self-motivation had a positive impact on organizational trust.

## 6. Conclusion

An enterprise's information can be among its most valuable assets. The paper attempts to build a more complete framework of the factors that influence organizational trust.

The results of this study clearly show that six of the selected factors (knowledge capture, knowledge sharing and knowledge creation, delegation of authority, teams work and development and self-motivation) solutions offer a multifaceted capability to significantly increase an enterprise's ability to manage organizational trust in Jordanian

banks to its key information assets.

This research contributes to the understanding of the knowledge management and empowerment of administrative on organizational trust in the literature. It describes an integration of knowledge management and empowerment of administrative on organizational trust. Hopefully these findings will shed some light for policy makers allowing them to integrate knowledge management and empowerment of administrative on organizational trust to improve employee performance in Jordanian banks.

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