ABSTRACT
Knowledge creation capability holds significant impact towards an organization’s financial performance due to its vital contributions in sustaining competitive advantage. Therefore, this study is about the determinants of knowledge creation capability to ensure all organizations be made aware of ways to improve their competitiveness. This study is probably the first to combine both variables of trust in co-workers and organizational culture in a single study to predict their effects towards an organization’s knowledge creation capability. The survey was conducted in one of government-link companies and based on 100 respondents, regression analysis was established. Results showed that both trust in co-workers and organizational culture were the positive and significant determinants of knowledge creation capability.

Keywords: trust in co-workers, organizational culture, knowledge creation capability, knowledge management, organizational trust.

I INTRODUCTION
According to Alavi, Kayworth, and Leidner (2006) knowledge creation capability is an organization’s ability to facilitate the exchange and combination of knowledge in order to create a new knowledge. Organizations can no longer hold lightly the responsibility to leverage more on most knowledge management initiatives specifically in knowledge creation capability. Due to technological advancement everyone is able to create anything that they wanted to. Therefore, tangible assets could no longer offer the best benchmarks to measure an organization’s wealth. This is because tangible assets are now can easily be imitated because of the technology advancement among competitors. This had caused some of the existing assets in organization facing obsolescence (Andrews & Delahay, 2000).

Something needs to be done in order for organization to stay at par with everybody else. At this point, the roles of knowledge management come to surface by initiating the importance of new knowledge creation. New knowledge creation is vital to ensure competitive advantage of an organization remain relevant and stay strong in the market. Some of the existing knowledge is already possessed by others, so an organization needs to create a new innovation so that an intangible asset that cannot be imitated resides in the organization.

However, to ensure the efforts of creating new knowledge be a huge success, it is important to first identify the antecedents of knowledge creation capability. Prior researches indicated that knowledge creation cannot be successful without being influenced by supporting roles (He, Fang, & Wei, 2009). Supporting roles here means behaviour or effort that will help knowledge creation to happen. Some of the previous studies had identified ‘trust in co-workers’ and ‘organizational culture’ as among the predictors for knowledge creation (i.e. He et al, 2009; Omerzel, Biloslavo, & Trnavcevic, 2011). However these studies were conducted separately thus leaving a research gap. Therefore, the purpose of this study is to close the research gap and to ascertain the impact of both trust in co-workers and organizational culture towards knowledge creation capability.

II THEORETICAL BACKGROUND
This section reviews three bodies of literature that constitute the theoretical background of this study: (a) knowledge creation as the most important activity in an organization’s knowledge management initiatives, (b) trust in co-worker, where this concept has been studied as one of the predictor of knowledge management activities in an organization, and (c) organizational culture, which has also been studied separately before as another influencing factor of knowledge management agenda in any organization.

A. Knowledge Creation Capability
To stay relevant and to maintain the competitive advantages in this fast paced world, organizations needs to continuously create new knowledge (Grant, 1996). Knowledge creation from internal parts of an organization will produce more original ideas, skills
and abilities enhancement, and methodology that are needed to leverage on achieving organization’s goals which is unique and cannot be copied by its competitors. According to Nonaka, Toyama, and Byosière (2007), knowledge is not only recognized as one of the most crucial strategic asset but also highly significant for the organization to increase competitive advantage and superior performance. This affirmed the Donaldson’s (2001) contention that a creation of new knowledge is important for the continuity of an organization.

B. Trust in Co-Workers

Trust in co-workers is recognized as mostly debated concept in the organization. The issues are due to trust in co-workers been regarded as an obscure with no recognized consensus on its concept (De Long, & Fahey, 2000). This has been supported by Argote, McEvily, and Reagans (2003) who found that trust in co-workers has now being more acquainted as multi-dimensional and emerge at the individual, organizational and inter-organizational levels. Trust in co-workers as viewed by Gray & Meister (2004) as “...the rises of prospect within a community of regular, involves integrity and supportive behaviour basically composed with common shared norms.” Giving honest expression together with cooperative behaviour is the foundation that viewed as trust in co-workers. According to Howard (1998), trust in co-workers can be defined as the willingness of a party to be responsive towards the other party’s action which basically based on their expectation that the others will exactly do similar action. The definition actually tells about confidence in others at future actions. Additionally, a party is vulnerable to the actions of another party, or in other words one must be ready to admit of any risk based on the trust in co-workers relationship (Levin & Cross, 2004).

As much as we are aware that trust in co-workers could offer governance for collaborations and knowledge exchange, we are also conscious that trust in co-workers is unique, complex and segregated into different number of dimensions. These dimensions also may be applicable on certain ways since they may change over time (McKnight, Cummings, & Chervany, 1998). According to Morris (2000), there are no specific or universal applications since there are many descriptions and definitions of trust in co-workers. There are two dimensions of trust in co-workers that are suitable to promote knowledge activities in terms of creating new knowledge. First dimension is benevolence which simply can be explained as “you care about me and take an interest in my well-being and goals”. While the second dimension is competence which is a state such as “you are relevant expertise and can be depended upon to know what you are talking”. In most occasion people usually rely on benevolence when it comes to determine the degree when they should approach to get help in their lack of knowledge. As for the competence trust, it can be describe by one feels self-assured that a person being referred to knows what he or she is talking about and worth the time to listen to and learn from (Nonaka, 1991).

Trust in co-workers is also thought to entails a state of perceived vulnerability or risk that is derived from individual’s uncertainty pertaining the purposes, intentions and perspectives of others’ action whom he or she depends on. According to Szulanski, Cappetta, and Jensen (2004), trust in co-workers can be understand as the “…undertaking of a risky course of action on the confident expectation that all persons involved in the action will perform competently and submissively”. Several organizations have argued the usefulness of trust in co-workers in terms of chosen behaviour for an individual in dilemma situation (Wiig, 1997). In an organization, trust in co-workers is recognized as a risky decision to be made by an individual or whoever in the organization. Previous research on trust in co-workers also indicated that individuals’ perception on worthiness of trust in co-workers and their willingness to involve in trust in co-workers behaviour when they work together are mostly based from history and previous experiences.

C. Trust in Co-Workers and Knowledge Creation Capability

Trust in co-workers proves to give good impact in all stages of knowledge process which are combination, socialization, externalization and internalization (He, et al., 2009). Trust in co-workers is really important when it comes to sharing, discussing and exchanging. This is because in order for organization to facilitate sharing, discussion and exchanging ideas it requires employees to communicate. Frequently, deeper conversation that relates with knowledge, ideas, and creativity demands trust in co-workers from one another. According to Levin and Cross (2004), the higher sense of trust in co-workers of an employee towards one another, the more frequent he or she will communicates. When the bases of trust in co-workers are strong and they feel some sort of freedom in terms of when and how they wanted to communicate, chances for them to exchange information are high.

According to McKnight et al. (1998), sense of trust in co-workers will act as a manoeuvre between members to willingly share their ideas and knowledge among team members. There are three indicators of trust in co-workers, which is faith in peers, confidence in peers and confidence in management towards knowledge acquisition (Szulanski, et al., 2004). Nonaka et al. (2007) also agreed that trust in co-
workers is considered vital in knowledge creation processes which are based on their research and interviews with the product development teams. According to them, in order for organization to implement an efficient and effective new knowledge creation, they need to leverage on forming genuine trust in co-workers and personal interactions among team members. Omerzel et al. (2011) also adds that trust in co-workers especially interpersonal trust in co-workers will lead to more knowledge creation. This is because interpersonal trust in co-workers will form the sense of individual’s identification across group members. As a result, all team members feel encouraged and willingly share their knowledge with other team members. That is when knowledge creation takes its place (Wiig, 1997).

High level of trust in co-workers channels the opportunities for organization to leverage on new knowledge creation which derived from the process of exchanging and combining knowledge from one another (Duffy, 2001). Trust in co-workers was recognized to be fundamentals to knowledge creation. From trust in co-workers, employees will have the access to combine and exchange ideas. The process of exchanging and combining information itself will allow them to anticipate the values. From trust in co-workers people will feel more motivated to share the knowledge which is through combination and exchanging information and knowledge (He et al., 2009). Clearly, trust in co-workers has a significant impact towards knowledge creation capability within organization. According to Donaldson (2001), trust in co-workers is the right medium that organization will need to create new knowledge internally. Basically, trust in co-workers produces the initiative of knowledge creation. Frankly, there is still a big gap in researches combining trust in co-workers and knowledge creation capability which is actually quite worrying as only few references to be succumbed to.

Full understanding in terms of the influences of trust in co-workers towards knowledge creation capability is achieved by understanding in several of theoretical perspectives. While De Long and Fahey (2000) suggested that the higher level of trust in co-workers from an employee to one another, the higher chances for the information and knowledge to be shared. These provide better opportunities for the organization to pursue new innovation. As a results, organizations experience both knowledge creation and the capabilities to do it. Trust in co-workers is treated as a medium of communication that links the exchange of knowledge and information between parties. Based on trust in co-workers, two parties are able to communicate and will have the access to exchange and combine their knowledge, ideas and experiences. Clearly, many things can be benefited from trust in co-workers; as a medium of communication then leads to provide access of exchanging information, able to reduce failure and to enhance innovation (Gray & Meister, 2004).

Many studies have agreed that trust in co-workers is one of the medium that allows both knowledge acquisition and the creation of new knowledge (Levin & Cross, 2004). When a person expecting the other party to repay the favour that he or she had gave earlier, this is what we called as social exchange that governed the trust in co-workers relationship (Blau, 1964). Tacit knowledge and vital information will most likely be disclosed by a person if there is a sense of trust in co-workers between a people with his or her co-workers. Another good thing about trust in co-workers, it allows people to open up wider. As a result, employees would not mind to be criticized by the person he or she trust in co-workers with. From trust in co-workers, any critics or negative comments will be accepted freely and one of the reasons is to maintain the relationship (McKnight et al., 1998). From here, we could derived that trust in co-workers will make the process of sharing, exchanging and combining knowledge much easier. Thus, it will later contribute to knowledge creation capability to the organization. Therefore, in this study, the following hypothesis is proposed:

\[ H_1: \text{Trust in co-workers is positively related to the knowledge creation capability.} \]

D. Organizational Culture

According to Howard (1998) organizational culture is the shared of basic assumptions that an organization captured to cope with its environment and at the same time solving both internal and external adaptation and integration. This culture will be taught to the new members in the organization and perceived as the common way to be used to solve much related problems (Alavi et al., 2006). Every organization will develop its own unique culture overtime. The unique culture eventually reflects the identity of the organization from two dimensions, either visible or invisible. Organizational culture sets some sort of direction to complements organization goals. It drives the organization and the people in it towards the same pathways. With organizational culture people hold on to the same ground, principles and reduce uncertainties. People understand how the order should be enforced and what to expect.

Based on the arguments and assumptions which stated that certain organizational culture will lead to fantastic organizational financial performance had caused it to be increasingly stressed in business world. Organization’s interest towards organizational culture had also increasingly become more prominent (De Long & Fahey, 2000). The perceive role played...
by culture in terms of stimulating the competitive advantage was the reason why organizational culture are said to have significant impact towards performance (Morris, 2000). Its ability to generate competitive advantage is by defining the boundaries in the organization for instance, facilitates individual interaction or by restricting and standardizing the information processing’s capacity towards appropriate levels. This has been supported by Nonaka et al. (2007) since organizational culture shares value towards organization by enabling management to anticipate employees’ reactions and responds to any strategic options to be implemented by an organization. This may lower the risk of unwanted disagreement and unfavourable consequences (Zsóka, 2007).

Organizational culture drives or influences the decision making and actions of an individual without him or her even noticed. Fortunately, a good organizational culture will give a positive impact towards the organization for instance, in terms of well being and performance. It is not exaggerating to have said that organizational culture is what functions as the glue that unites the whole organization members; employees and employers.

E. Organizational Culture and Knowledge Creation Capability

When an organization starts targeting on having sustainable competitive advantage, this is where the implicit or tacit knowledge should be fully utilized. While explicit knowledge can be imitate and taught, tacit knowledge ‘resides’ in people’s memory. Tacit knowledge is the skills and understanding that gained from experience that provide intuitions to its holder. In 2007, Nonaka et al. develop the knowledge spiral of knowledge creation. The spiral consists of externalization and socialization which is suitable to create tacit knowledge. It is important to have the right culture in the organization in order to facilitate externalization and socialization. This is because different or unfavourable culture of the organization will affect the capturing initiative for tacit knowledge (Nonaka, 1991). Especially, when there are two organizations that are looking forward to cooperate and exchanging values. If one of the organizations feels that the culture of the other organization are against their concept of favourable culture then the collaborations will not succeed. Thus, tacit knowledge will not be exchanged and new knowledge creation cannot be done.

It is important to have good organizational culture since tacit knowledge is closely related with it. Some researcher used Hofstede’s Five Dimensions to test the influence of culture. The dimensions consist of individualism-collectivism, power distance, uncertainty avoidance, and masculinity-femininity as well as long-term orientation. In article written by Alavi et al. (2006) all authors decided to use only individualism and collectivism. This is because there are significant impact which is differs to one another between individualism and collectivism. Andrews and Delahay (2000) emphasize that there must be a relationship between cultures and the success of knowledge creation. Since tacit knowledge is influenced with culture (Howard, 1998) therefore, aspect like cultural backgrounds between the senders and receivers might need to be taken note seriously. This is because different cultures will effect communication and a distorted communication need to be avoided since capturing tacit knowledge is the main aim.

The more the culture distinct between two parties, the harder for them to communicate. Fail to communicate will hinder the chances to exchange or combine knowledge. Cultural distance does give impact towards knowledge creation since it initially involves discussion, exchanges and combining information. In order for that to happened, people need to communicate. Clearly, organizational culture plays vital role in creating knowledge. It is important to ensure that the culture of the organization did not interferewith the initiatives to create knowledge; instead organizations need to ensure that their culture is the one that makes it easier to communicate, exchange, and combine knowledge with others. This is important to improve the movement of knowledge transfer, exchange, and combining in order to have successful creation of new knowledge.

It is important for the organization to be positive in most aspect including cultivating the right culture for the organization. Organizations need to value the benefit of meaningful communication, tolerate mistakes and encourage sharing among employees. A great organizational culture will impact employees thus impacting whatever the employees will produce for the organization which includes knowledge creation capability (Argote et al., 2003). According to De Long and Fahey (2000), organizational culture influences organization's behaviour towards knowledge creation, sharing and the way the knowledge to be utilized. There are four ways that organizational culture influences organization's behaviour. First, it will influence the factor of sharing and its worthiness. Second, organizational culture will make organization to narrow its focus towards relationship of an employee with the organization. Third, organizational culture will help organization determining on how knowledge should be utilized based on situations by impacting individual's shared interaction. Lastly, organizational culture will influence the behaviour of organization.
by effecting the knowledge creation, distribution and validation. It is undeniable that organizational culture helps organization to make creating knowledge much easier. Therefore, in this study, the following hypothesis is proposed:

\( H_2: \) Organizational culture is positively related to the knowledge creation capability.

The research model shown in Figure 1 summarizes the research hypotheses.

![Research framework and hypotheses](image)

**III METHODOLOGY**

This study was conducted in September 2013 and was tested at one of Malaysia’s Government-Link Company’s learning and career centre. Since, the targeted samples were from Learning and Development Centre it is vital for them to ensure their competitive advantages are not only imitated but also sustainable. Challenges from the technology advancement may require them to aggressively formulate more products’ innovation for their clients for example integrated system development (ISD) and theories that will secure their vision as the World’s Best Corporate University. The main idea of this study is to focus more on one of the knowledge management initiatives which is knowledge creation.

Knowledge creation is important and organization needs to pay attention to this initiative since it is vital to sustain competitive advantage. A set of bi-lingual (English and Malay languages) standardized questionnaires were used for the survey which was personally administered by the researchers. Convenience sampling is the sampling procedures used to obtain those units or people most conveniently available. Participation in this survey was voluntary, and among 140 questionnaires that were distributed, 100 responses were obtained, yielding a response rate of 71%. Data were analysed using SPSS for frequency, reliability, variance, correlation, and regression analyses. Majority of the respondents were female (64%), in their 30s (46%), singles (49%), having bachelor degree (48%), working less than 5 years (43%) and earning monthly income of more than RM4000.

**IV MEASURES**

Trust in co-workers was adapted in this study from He et al. (2009) with five items (5-point Likert scale) that include; “I have a sharing relationship with my co-workers”, “We freely share our ideas, feelings and hopes”. The Cronbach’s alpha for the trust in co-workers in this study is 0.60 indicating moderate reliability of this scale. While organizational culture was adapted from Alavi et al. (2006). The 7-point Likert scale items are “Major concern of this organization is getting the job done”, “Measurable goals are important”, “Maintaining a smooth-running organization is important here” and “Established procedures generally govern what people do”. The Cronbach’s alpha for the organizational culture is 0.65. This alpha values indicate acceptable reliability of scale used.

For knowledge creation capability, it was adapted from Nonaka et al. (2007) that contains 12-item (7-point Likert scale) e.g. “In this organization I meet frequently with others to discuss work-related ideas and new developments”, “I have difficulty getting together to exchange new ideas and developments”. The result of reliability analysis shows the Cronbach’s alpha for knowledge creation capability is 0.72. This indicates that there is high reliability in knowledge creation capability scale in this study.

**V FINDINGS AND DISCUSSION**

A t-test analysis was conducted to identify any significance differences among male and female with regard to trust in co-workers, organizational culture and knowledge creation capability. The results in

<table>
<thead>
<tr>
<th>Variables</th>
<th>Male</th>
<th>Female</th>
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<tbody>
<tr>
<td>Trust in co-workers*</td>
<td>2.67</td>
<td>2.50</td>
</tr>
<tr>
<td>Organizational culture*</td>
<td>5.22</td>
<td>5.12</td>
</tr>
<tr>
<td>Knowledge creation capability*</td>
<td>5.26</td>
<td>5.02</td>
</tr>
</tbody>
</table>

Note. *p < .01.

Table 1 indicate that male is significantly different as compared to female with regard to all studied variables, which male are higher in terms of trust in co-workers, organizational culture, and knowledge creation capability. The researchers have also analyzed the differences among groups of age and education level among the respondents with regard to the studied variables, but none of the results were significant.

<table>
<thead>
<tr>
<th>Variable</th>
<th>1</th>
<th>2</th>
<th>3</th>
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</thead>
<tbody>
<tr>
<td>1. Trust in co-workers</td>
<td>-</td>
<td></td>
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<tr>
<td>2. Organizational culture</td>
<td>.09</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>3. Knowledge creation capability</td>
<td>.12</td>
<td>.52*</td>
<td>-</td>
</tr>
</tbody>
</table>
The correlation results in Table 2 exhibit that only association between organizational culture and knowledge creation capability was significant and the association was quite high. While the association between trust in co-workers and organizational culture and between trust in co-workers and knowledge creation capability were low and insignificant. This result indicates that organizational culture was highly correlated with knowledge creation capability as compared to trust in co-workers. However, to better confirm the true effects of both variables in predicting knowledge creation capability, a regression analysis was conducted as showed in Table 3.

As shown in Table 3, both trust in co-workers and organizational culture were the significant positive determinants for knowledge creation capability with both independent variables were explaining 38% variations in the dependent variable. Additionally, Beta result shows that organizational culture was more important than trust in co-workers in predicting their positive effects towards knowledge creation capability. Taken together, an employee’s capability to create knowledge shall be positively influenced by the level of culture he or she is working in and at the same time is depended upon the level of trust he or she has on his or her co-workers. Therefore, both hypotheses of this study have been supported and the regression equation for this study is:

Knowledge creation capability = 1.88 + 0.22 Trust in co-workers + 0.46 Organizational culture

In summary, this study has achieved its objectives to identify the impact of trust in co-workers and organizational culture towards knowledge creation capability among employees in a learning and career centre, as well as discovered the differences between gender with regards to both dependent and independent variables, also to identify which factors that better predicting the knowledge creation capability. To the best of this researchers’ knowledge, none of prior researches that studied about the effects of trust in co-workers and organizational culture towards knowledge creation capability in a single study, thus the researchers have contributed to the body of knowledge and practices of knowledge management although still need to be refined by future research. Practically, the organizations’ understanding of the employees’ feelings about their organizations’ culture and co-workers are improved. Hence, employers can make references to boost the trustworthiness and culture among their staffs so to increase creation of knowledge in order for the company to achieve better competitive advantage.

VI CONCLUSION

For conclusion, the positive and significant relationships of trust in co-workers and organizational culture towards knowledge creation capability have shed light to the knowledge management scholars and practitioners as in general.

REFERENCES