

Beyond Markets and Communities: A Comparative Approach to Knowledge Exchange in Organizations¹

S. S. LEVINE*, Singapore Management University, Singapore
M. J. PRIETULA, Emory University, Atlanta, Georgia

While knowledge transfer has been shown to affect organizational performance, little is known about the processes of knowledge exchange between organizational agents. We propose that combination of various modes of exchange and degree of tie strength produce at least five different configurations: neo-classical exchange, local search, embeddedness, community exchange, and performative ties. Using an agent-based simulation of problem solving in an organizational setting that involves knowledge exchange, we find that embeddedness and community exchange provide results that are superior to neo-classical exchange. Performative ties, however, outperform both, even if just a minority of the organizational agents is able to extend such ties. In addition, we find that the marginal returns on performative ties are greatest when such ties are relatively rare, suggesting that the cost associated with encouraging them can be minimized with little in adverse effects. We conclude by discussing managerial implications for team setup and facilitation of knowledge transfer.

Keywords: Knowledge, Social Network, Exchange, Reciprocity, Performance

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* *Corresponding author address:* Sheen S. Levine, Singapore Management University, 50 Stamford Road, Singapore 178899; e-mail: sslevine@sslevine.com