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Why Kuwait Will Listen to Costa Rica but Not Vice Versa: The Role of “Organizational Homophily” in Tacit Knowledge Sharing Between National Sales Companies

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Keywords: international marketing, national sales organizations, tacit knowledge sharing, global automotive industry

Description: The paper explores how knowledge is exchanged within a global automotive sales organization and identifies particular market/organizational characteristics that influence this activity.

EXTENDED ABSTRACT

Research Question
The purpose of the research was to understand how and between whom tacit knowledge was being shared between the national sales companies within a global automotive organization and to identify how this process could be enhanced for the benefit of the organizations involved.

A qualitative approach was chosen as there was not a common language or set of concepts that could be tested and quantified and secondly because of this it was felt necessary to seek clarification of both understanding and meaning of the responses. The aim was to gain an in-depth understanding of the respondents’ opinion of Knowledge Sharing (KS) and its importance. Addressing three research questions:

• What is the relationship between informal (tacit) and formal (explicit) knowledge sharing between national sales companies?
• Between whom was tacit KS taking place?
• To what extent did the concept of “homophily” impact on this KS activity?

Method and Data
Semi-structured interviews were conducted by Skype/Telephone with senior managers in a range of national markets with the consent being recorded and then transcribed.

The markets examined were selected using a variational and relational sampling approach (Strauss and Corbin 1998) to ensure that there was a global representation and a clear mix of large, medium and small markets.

The markets selected were Algeria, Canada, Colombia, Costa Rica, Italy, New Zealand, Dubai, Kuwait, South Korea, Netherlands, Chile, Belgium, USA, Turkey, Saudi Arabia and Russia.

Summary and Findings
Almost all markets reported the importance of “informal” networks as a starting point for knowledge sharing at the local, regional and national levels. The “informal” or tacit knowledge described by respondents had a number of characteristics:

• The ability to access individuals outside the formal hierarchy

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• The ability to discuss areas of knowledge to clarify context, culture, and other details that were not contained within the structure.

• The ability to identify problems/issues that may not have been identified within the explicit knowledge sharing documentation.

Most of the previous academic studies identified that homophily was based on interpersonal connections based on cultural and demographic similarities. From the responses, it became apparent that there was a further dimension that appeared to be more important than personal homophily and that was based on not only from where the respondent came but some very specific market characteristics.

One of the major issues identified by nearly all respondents was the ability to find “relevant” knowledge. Depending on your own market determined what you thought was relevant. In exploring these three factors emerged that respondents measured themselves and information providers against. These were:

• Size of distribution network
• Maturity of market
• Resources

Key Contribution

The implications for international sales and marketing organizations are important. Often businesses will organize forums based on regions or globally with the expectation that by mixing people informally tacit KS will take place. The research undertaken demonstrates that this simplistic approach does not maximize the opportunity for this to happen. To facilitate better information sharing it would be beneficial to facilitate interaction between organizations that have the similar market characteristics as identified in this study. It is not unusual for companies to organize regional conferences based on the assumption that geographical proximity is beneficial to KS. It can be argued that it is better to bring markets together based on the three criteria identified despite the fact that they make come from widespread geographical areas. At global conferences, often presentations are made by large successful markets while the evidence from this study would suggest that only people from markets with similar characteristics will engage with what is being said.

The research proposes the new concept of “organizational homophily” as an issue that needs to be addressed when organizing international marketing events.

References are available on request.