



Kindness Among the Cubicles?

Knowledge and Cooperation
in a Professional Service Company

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Findings and Conclusion



Findings

- Valuable knowledge may come from strangers
- Similar affiliation increases chances of cooperation
- Reciprocity can be indirect



Conclusion

Limited kindness is key for the existence of a knowledge-intensive organization



Knowledge-Intensive Firms

What are they?

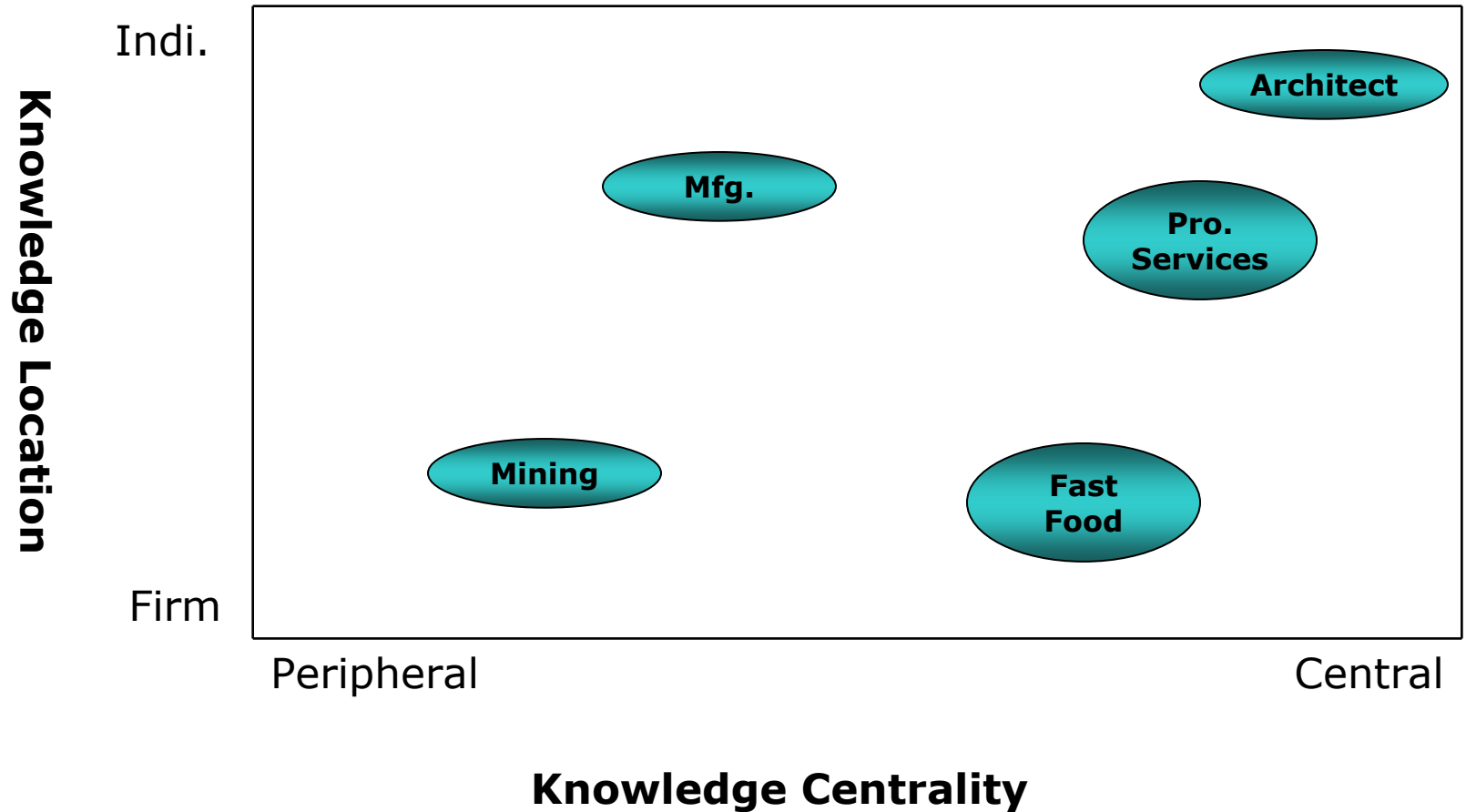


What are Knowledge Intensive Firms?

Firms that derive most of revenues from resources held by individuals.

Professional Service Firms are an extreme case of knowledge-intensity.

Knowledge Location and Centrality





Dependent on their Employees

- Knowledge-intensive companies often rely on the knowledge of their employees
- Thus, don't own their most important resource
- Knowledge is notoriously difficult to control

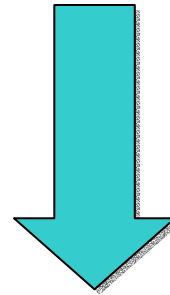


Knowledge is Difficult to Control

- Very valuable
- Embedded in individuals and routines
- Not directly observable or measurable
- Rely on self-reporting and cues
- Transfer is cumbersome

Who needs a firm?

- When knowledge resides in individuals, and
- It is difficult to manage, and
- Work is project-based



Why not a free agent approach?



What do Companies Do?

Companies are all about:

- Knowledge Search
- Knowledge Transfer
- Knowledge creation?



Research Program



How and Why does it Happen?

- Much research on knowledge gathering, storage, search and transfer.
- But very little on **why** knowledge holders agree to reveal and transfer their assets.



Research Sites and Method

- Multiple offices in a top tier, US-based international professional services
- Interviews, documents, observations, chatting, survey
- qualitative maximum variation sampling countries, offices, hierarchy, positions, and time



What Makes it Interesting?

- Business model is based on efficient knowledge transactions
- No designated process
- No transfer prices



Main Findings

- Performative Ties
- Generalized Reciprocity

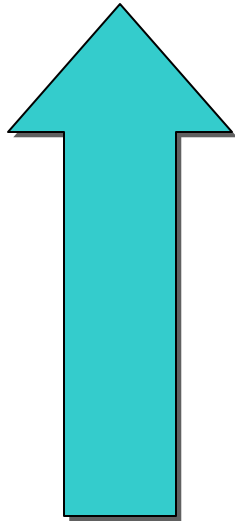


Performative Ties facilitate Search

- Established ad hoc between unconnected individuals
- Not through existing network
- Uncompensated cost to sender
- Reused or abandoned
- Previously documented:
Hardware maker sales support, Software development, Digital music, Extreme sport hobbyist

How do individuals search?

Weak
Ties



Strong
Ties

- World
- Company
- Office
- Department
- Trusted others

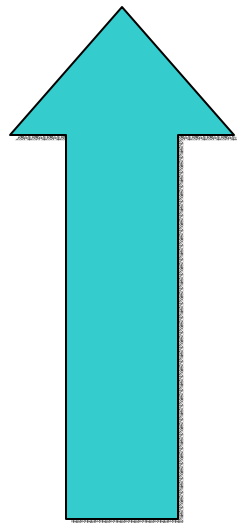
Generalized Reciprocity Facilitates Transfer

- Cost can be substantial
- Little chance of direct reciprocity:
Senior-Junior, Expert-Layman, Large-Small
- No formal recognition (no compensation, no publicity)
 - “Never thought about it...[I] guess it’s the right thing to do”
- Previously documented:
Archaic societies, CEOs, Digital goods, Immigrant communities, Software development

Why carriers agree to transfer?



High
Trust



Low
Trust

- “The right thing to do”
- Quid pro quo, favors (delayed)
- Barter (spot)
- Monetary incentives, transfer prices



What Makes it Work?

- Intertwining of social, economic relations
- Two level exchange model:
 - Solidarity, Common meaning
 - Economic exchange
- Most research deals with top level overlooks social infrastructure



Future Research

How is the regime of limited kindness sustained?

- Gate keepers
- Screening
- Rewarding and punishing
- Embeddedness in multiple networks and roles



Future Research

How do the boundaries of limited kindness get defined?

- Organization
- Profession
- Educational institution
- Geography
- Nationality



Implications

- Theory of the firm:
 - the firm as founded on a treaty
 - The power of low-powered incentives
- Network Theory:
 - Where do networks come from?
 - What rules govern network formation?
- Argues with:
 - Mainstream Economics, Bundle of Contracts
 - Dyadic view, exchange and rational choice theory