

The Social Capital of Corporate Selling Centers: The Mediating Role of
Knowledge Transfer in Team Performance

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Abstract

The rise of the networked economy has brought about an effort to build social capital across networks ((Lesser 2000). Social capital, the value created by cultivating relationships between individuals, has received a great deal of attention from researchers. At its core, social capital has three dimensions: structural, relational and cognitive (Nahapiet and Ghoshal 1998). Although conceptual theories generally assert that social capital positively affects organizations' economic growth and organization success, empirical work on how the social capital within teams has produced largely inconsistent results. Some researchers found that social capital improves a team's performance (Reagans and Zuckerman 2001) while others find that social capital may actually hinder effective teamwork (Cummings and Cross 2003; Tsai 2002). The inconsistent empirical results suggest the possible existence of potential moderators or mediators between social capital and team performance relationship. This study focuses on social capital in a selling center or selling team context.

Leading organizations such as Lucent Network Systems, Proctor & Gamble and Xerox, have begun to focus on the enhancement of intra-firm knowledge sharing as a means to better understand customer needs, improve firm performance. This enhanced knowledge sharing capability is leading these and many other firms to form cross-functional selling centers. The selling center includes "all individuals from the selling firm who are involved in a particular sales transaction" (Moon and Gupta 1997). These individuals are from different functional areas such as physical distribution, R&D, manufacturing and technical service. They accompany the salesperson to respond to the special requirement of buying firms. As sales firm grow in their use of selling centers, it is important for them to understand how organizational and interpersonal relationships influence selling centers and how to form an effective selling center to establish cooperation among team members to satisfy customer needs.

In this study we propose that intra-firm knowledge transfer mediates the relationship between the three dimensions of social capital (structural, relational and cognitive), team performance and organizational performance. On the structural dimension of social capital, knowledge transfer is heavily reliant on informal networks of employees within organizations. Networks provide employees with channels to share knowledge with each other. We integrate the network and the knowledge perspectives, and study how network structure improves team performance through supporting knowledge transfer within teams. A network perspective provides us the opportunity to examine how micro-level communications between team members might influence macro-level marketing outcomes such as team performance. The networks within teams enable effective knowledge transfer, collaboration and integration of different expertise necessary for the team tasks. Our research on the relationship between relational dimension of social capital and knowledge transfer focuses on understanding how the strength of a dyadic relationship is related to the effectiveness of knowledge transfer. On the cognitive dimension of social capital, we propose that share goals are important for knowledge and team performance. For cross-functional teams such as selling centers, shared goals are critical for team success. Since team members report to both selling center leader and their functional supervisors, selling center leaders do not have complete authority over team members. Shared goals can motivate team members to share knowledge and cooperate with each other.

Keywords: knowledge transfer; social capital; teams; networks