

A new theoretical model of tacit knowledge transfer

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In today's fast-paced industries, withholding valuable information or knowledge at the wrong time can lead to corporate disaster. For this reason, it is imperative for sales and marketing professionals to take advantage of communication opportunities and increase their understanding of each other's goals to exchange tacit knowledge, or industry knowledge gained from years of field experience.

The University of Alabama at Birmingham's Michael Wittmann, Ph.D., professor, and John Hansen, Ph.D., associate professor, in the Collat School of Business Department of Marketing, Industrial Distribution and Economics are co-authors of the study, "A process model of tacit knowledge transfer between sales and marketing." They collaborated with Dennis Arnett, Ph.D., professor of marketing strategy at Texas Tech University and the lead author of the study.

In this survey study of sales professionals' experience with marketing departments at more than 200 businesses, the researchers explain how communication quality, mutual understanding and support from upper management can either facilitate the sharing of tacit knowledge or hinder it.

Though both deal with customers, salespeople and marketers approach client-related decisions from uniqueperspectives of the marketplace, Wittmann says. Salespeople communicate one-on-one, but marketers are often isolated from individual clients and tend to focus on large demographics of customers. Thus, tacit knowledge is difficult to



translate and transfer from one department to another, often due to a lack of mutual understanding for each other's goals.

Consistent with additional extant research and the commitment trust theory of relationship marketing—that trust and commitment are two factors that spur a relationship's outcomes—the researchers have theorized a model for tacit knowledge transfer: Socialization efforts enhance inter-functional communication quality and co-worker trust, reduce inter-functional conflict, and develop a mutual understanding between sales and marketing functions of business. Top management's support can also indirectly affect this transfer.

Wittmann, Hansen and Arnett used a marketing agency to assemble a panel of 215 health salespersons to survey the effects of each factor from their process model.

The participants' responses to each survey element were assessed on a seven-point scale, with one meaning strongly disagree and seven meaning strongly agree. The authors used a three-question scale within each of the seven areas, like socialization efforts and co-worker trust, to assess each participant's experiences at their place of employment.

Results from the surveys supported the majority of their hypotheses—eight of them—while two of the findings surprised Wittmann, Hansen and Arnett.

After analyzing the survey responses, the professors concluded socialization efforts are positively related to inter-functional communication quality, which they hypothesized would also enhance coworker trust. They also found that co-worker trust was negatively related to inter-functional conflict. In other words, if employees had much conflict, they would have less trust in their peers.



However, two hypotheses were not supported. Instead of socialization efforts decreasing inter-functional conflict and increasing co-worker trust between marketers and salespersons, the efforts lead to an increase of conflict and decrease of trust. The study's authors say the quality of communication is the most important factor in building relationships. If communication quality is an issue at many of the businesses surveyed, one might expect these results.

As communication has shifted to virtual methods, management should consider incorporating inter-functional socialization opportunities to bridge the gaps in understanding between their teams.

"The results from our 2021 study imply that the quality of communication is the most important," Wittmann said. "Whether it is via Zoom or in-person meetings, managers should have meaningful socialization opportunities where marketers and salespeople receive value, to encourage cooperation."

One option managers should consider for improving <u>communication</u> quality, trust and understanding between departments is the development of training programs. These programs could allow employees to move between the departments or an integrative team between the two functions. From the surveys, the professors found that top management support is positively related to the development of a mutual understanding.

"Our results suggest that, when sales and marketing professionals are able to reach a mutual understanding, more knowledge can be generated," Hansen said. "For example, if the marketing team brought in several salespeople and demonstrated how they utilize various tools to generate and qualify leads, the salespeople might be better able to help marketing fine-tune their tools to better address their needs."



The professors say, since this study was done solely on sales professionals, an idea for a future experiment would be to do a similar survey study to take into account responses of marketing professionals.

Wittmann says both marketing and sales professionals must sharpen the saw on a regular basis to ensure that the efforts to strengthen understanding and knowledge transfer are effective.

More information: Dennis B. Arnett et al, A process model of tacit knowledge transfer between sales and marketing, *Industrial Marketing Management* (2021). DOI: 10.1016/j.indmarman.2021.01.012

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