

**Discussion of
Information Sharing and Individual Performance:
Evidence from a Japanese Bank
Marco Di Maggio and Marshall Van Alstyne**

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Some Queries

- What is performance?
 - Currently measured in multiple ways
 - Might have future realizations of loan returns
 - Bank lending in 2006-2008
- What is info sharing?
 - In the halls?
 - Only on this online site?
 - Real? Or visible to the boss?
- What info is shared?
 - Stein: “soft” vs. “hard” knowledge in banking
 - US – more soft K at small banks about small borrowers
 - Possibly examine large vs small accounts in J-banking?

Some agreements

- Q and A
 - Q predicts low performance
 - A predicts high performance
 - ...perhaps it is all true
- Very heterogeneous performance
 - Every such study since (the now retired) Kim Clark's dissertation

Organizational Implications

- J-system is likely relationship banking
 - Switches to avoid corruption break relationships
 - Information flow \Leftrightarrow relationship
- Promotion and incentives to share
 - Sharing is outside performance
 - Performance is competitive / tournament?
 - Use of promotion to reward sharing info transfers power to center
 - This is not costless, one assumes
- These transfers
 - Clear loss in productivity – transitory, quantified here
 - Possible loss in productivity in info-transfer process
 - How big a threat of corruption to make 2 year transfer optimal?
 - Not a common org. form – Club Med.