Chapter 4.32
Virtual Communities as Role Models for Organizational Knowledge Management

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ABSTRACT
Knowledge management serves to create value from an organization’s intangible assets. Many organizations have adopted knowledge management practices in recent years. Some of those organizations have achieved success at knowledge management, but others have not. The focus of this chapter is on those organizations that have not been as successful at knowledge management as they originally planned. This chapter posits that organizations can look to virtual communities as role models for successful knowledge management because many of the features that have been identified in the literature as important for successful knowledge management are present in virtual communities. The very nature of virtual communities — their sense of community, the desire they create to share knowledge, the automatic archiving of knowledge for future use, etc. — are used in this chapter to support the claim that virtual communities can serve as role models for knowledge management in organizations.

INTRODUCTION
Organizations worldwide have embraced knowledge management as a way to create value from an organization’s intangible assets, thus improving their bottom line (O’Dell & Grayson, 1998). Typically, organizations undertaking knowledge management initiatives treat knowledge as an important organizational resource, with the assumption that employees need incentives for sharing their knowledge with others in the organization (Gupta & Govindarajan, 2000). Under this model for knowledge management, there have been many success stories (e.g., Buckman Laboratories, The World Bank, Nucor Steel, KPMG Peat Marwick,
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Accenture, and Ford Motor Company). However, knowledge is often an individual, rather than organizational, resource residing within the minds of members of the organization, and the critical success factors of organizational culture, trust, and reward systems aligned with the principles of knowledge management remain difficult to attain in many cases. Organizations can expend significant resources to develop a culture, high levels of trust, and reward systems necessary for enabling effective knowledge management.

In contrast, virtual communities, which seem to emerge fairly effortlessly on the Internet, possess these critical success factors as inherent parts. Virtual communities are “social aggregations that emerge from the Net when enough people carry on public discussions long enough, with sufficient human feeling, to form webs of personal relationships in cyberspace” (Rheingold, 2000). According to this definition, knowledge sharing is the very essence of virtual communities. Thus, it can be assumed that both a potent culture (along with at least some minimum level of trust) and incentives for sharing knowledge have developed within virtual communities. Otherwise, sharing would not occur and virtual communities would cease to exist.

A key question that emerges from this realization that virtual communities are essentially entities established for the sole purpose of knowledge sharing revolves around what virtual communities do that traditional organizations do not do to facilitate knowledge sharing. This serves as the general theme of this chapter, with specific research questions to address this theme detailed below.

It should be noted that knowledge sharing is selected as the focus of this study since it is a cornerstone of successful knowledge management (Davenport & Prusak, 1998; Hansen et al., 1999). A number of organizations have recognized the potential of knowledge sharing for enhancing organizational performance. Buckman Laboratories and Ford Motor Company have begun developing knowledge networks to facilitate knowledge sharing (Ruggles, 1998). American Management Systems has established knowledge centers where one of the center’s four goals is to learn and share knowledge (Sensiper, 1997). KPMG Peat Marwick restructured its organization around its lines of business in order to facilitate knowledge sharing (Alavi, 1997). The World Bank reorganized to create horizontal relationships between staff in an effort to facilitate the sharing of knowledge (Valor, 1997).

Although some organizations have embraced virtual communities as a way to provide customer support (e.g., Microsoft), virtual communities and more traditional types of organizations are very different entities. As mentioned above, virtual communities are primarily concerned with social aggregations and personal relationships. Business organizations are primarily concerned with competing in the marketplace. Also, while organizations often have electronic components to supplement physical ones, virtual communities are strictly electronic. The typical model for knowledge management adopted by organizations, where knowledge is treated as a commodity, appears to be at odds with the critical success factors for knowledge management because this approach often results in those who possess knowledge seeking to keep it to themselves for personal leverage. In contrast, virtual communities seem to have already obtained the key characteristics for successful knowledge management. The specific research questions that this chapter seeks to answer, then, are:

1. What attributes of virtual communities show promise for knowledge management?
2. How can the attributes that make virtual communities successful at knowledge sharing be carried over to traditional organizations and used in knowledge management?

Because virtual communities exist only in cyberspace, technology is a fundamental part of