Chapter 1.19
Interrelationships between Professional Virtual Communities and Social Networks, and the Importance of Virtual Communities in Creating and Sharing Knowledge

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ABSTRACT

This chapter presents the interrelationships between professional virtual communities and social networks, and analyzes how, and in what ways, these communities play a crucial role in the creation and sharing of knowledge. The chapter begins by outlining how virtual communities are gaining importance in the new environment. It explains what we understand as a professional virtual community and its importance and also the relevance of social networks in today’s Knowledge Management age. The study then analyses how the development of social networks is crucial to the improvement of professional virtual communities, and also how virtual organizations can promote the improvement of social networks. Finally, the study examines how virtual communities are vital as mechanisms for creating and sharing knowledge.

INTRODUCTION

The importance of information and knowledge as increasingly key aspects of competitive advantage in the activities of both individuals and organizations, is widely recognized by authors and practitioners. Modern society, based on systems of information and communication, has experienced vast changes that have affected society, industry, and “all economic entities, including people, organisations, and technologies” (Okkonen, 2007:7). Rapid progress in information and multimedia technologies, and the increasing acceptance and
use of Internet, Intratet and Extranet, are paving the way for gradual innovation in diverse areas, generating flatter corporations with novel and improved communication platforms, as well as creating new business models for inter-corporation transactions of goods and knowledge, and cooperation. The new platforms are changing work practices and processes in corporate settings to support the lifestyle of individuals in their daily routines, and are also stimulating the proliferation of small offices and home offices. “New business styles based on such concepts as virtual teams and virtual community are representative of such a trend” (Kodama 2005:895).

The proliferation of network access and the rise of the Internet have facilitated the rapid growth of virtual communities (Chiu et al., 2006:1872), “as a new business model for online collaboration, as demonstrated by the proliferation of trading and education communities” (Moor and Weigand, 2007:223). Scholars such as Moor and Weigand (2007) point out that “virtual communities, such as e-business platforms and research networks, are crucial instruments for collaboration in today’s networked and globalizing society” (p.244). According to these authors, “in an increasingly networked society, with ever more need for global and flexible ways of professional interactions, virtual communities are natural candidates to fill collaborative gaps in traditional, hierarchical organizations. With the advent of more user-friendly and powerful Web applications, business is also discovering the power of virtual communities” (ibid, p.223).

However, although “they could bring a lot of value and profit to the companies and most of the experiences studied have demonstrated very positive results” (Loyarte and Rivera, 2007:76), “formal research on Communities of Practice and their impact on organizations has been limited both in the way of finding results and in the research method used” (ibid, pp. 68). Similarly, Lin et al. (2007) agree that research into virtual communities, an extension of communities of practice, is still in its initial stages, and many areas remain open for researchers to investigate.

In an attempt to fill this gap, the present chapter will try to analyze the importance of virtual communities, and specifically professional virtual communities, explaining how they develop from communities of practice, and their interrelationships with social networks.

**PROFESSIONAL VIRTUAL COMMUNITIES IN THE KNOWLEDGE MANAGEMENT AGE**

Kalpic and Bernus (2006) state that “the pace of adoption of internet technology, especially the establishment of intranets, extranets, Web portals, etc., has created a networking potential that drives all of society and corporations to work faster, create and manage more interdependencies, and operate on global markets” (p.41). Above all, the importance of new networks is stressed in the role they play in developing Knowledge Management tools.

Perrin et al. (2007) identify “three different types of knowledge networks: technological networks (supported by technological strategy), social networks (socialization strategy), and individualized networks (personalization strategy)” (p.159) that may be related to different strategies. Their work is based on Hansen et al.’s, (1999) typology of knowledge strategies, which is the most widely supported and referenced typology and distinguishes between personalization and codification of knowledge, but with the inclusion of a third type that combines the previous two. Briefly, they distinguish: 1. technological, codification (Hansen et al., 1999), system-oriented strategy (Choi and Lee, 2003), or the technocratic school, which relies on technology and databases. Individuals make their knowledge explicit in order to transfer it via the database. According to Merono-Cerdan et al. (2007:63), the codification strategy focuses on codifying knowledge using