A Classification of Communities of Practice

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INTRODUCTION

Communities of practice have been in existence since the days when individual craftsmen got together to share ideas and issues. Eventually, these developed into craft guilds and finally into professional associations. But more specifically, focused communities of practice have recently begun to attract a great deal of attention in the business community because they provide a way for strategically growing and managing knowledge as an asset (Grant, 1996; Nonaka & Takeuchi, 1995; Powell, 1998). The increasing complexity in products, services, and processes requires more specialization and collaboration between workers. However, orchestrating the involvement of disparate groups that work on complex projects requires finding a balance between differentiation, when teams work separately, and integration, when groups meet to exchange knowledge. For example, development projects usually benefit when expertise is drawn from diverse sources, including potential users, where the interests, skills, and formal and tacit knowledge of the different groups can be drawn together by skillful project managers (Garrety, Robertson & Badham, 2004). By responding to new economic pressures for rapid transformation, communities of practice can help improve knowledge exchange in critical areas, so organizations can maintain or improve their competitive positions.

The growth of interest in communities of practice has resulted in their spread into several classifications of modern organizations, all of which must share knowledge and learning to thrive. How effectively communities of practice perform in these different environments is of great interest, and, in order to study them in detail, we suggest classifying them according to the structure of the organizations they serve. We have been able to identify four such classifications: internal communities of practice, communities of practice in network organizations, formal networks of practice, and self-organizing networks of practice. Among these four classifications are characteristics of particular interest, especially when successful practices exhibited in one classification can be replicated in others. This article outlines the characteristics of each classification, explores their differences and similarities, and summarizes the findings from a review of the literature. The objective of this article is to encourage the migration of successful ideas for knowledge transfer and learning among the different classifications.

BACKGROUND

As the realization grows that knowledge is a critical business resource with a pivotal role in the marketplace, knowledge management, transfer and learning are attracting a great deal of attention in today’s organizations (Kraatz, 1998; Nonaka & Takeuchi, 1995; Nooteboom, 2000; Norman, 2002; Parise & Henderson, 2001; Powell, 1998). Knowledge management is related to the wider field of management in the context of overlapping and synergistic relationships in such activities as learning and innovation, benchmarking and best practice, strategy, culture, and performance measurement (Martin, 2000). While knowledge can exist in both tacit and explicit forms, the embodied expertise that exists in the tacit form may be the most valuable, especially if it is difficult for competitors to replicate. However, tacit knowledge is often difficult, if not impossible, to transform into written form, often making it necessary to transmit to others in the form of stories, coaching, or apprenticeship (Lam, 1997; Leonard & Sensiper, 1998; Nonaka & Takeuchi, 1995). Explicit knowledge is knowledge that exists in documents, software, hardware, and other instruments (Zack, 1999). It is more easily transmitted to others, but, for the same reason, it is more difficult to safeguard from unauthorized use.

Certain knowledge management problems arise out of the difficulty of current management paradigms to manage intangible/tacit knowledge, as compared to tangible/explicit knowledge. The latter may be sup-
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ported by extended information resource management approaches, but the former has overlapping and synergistic relationships with such personalized activities as learning, innovation (Bogenrieder & Nooteboom, 2004), and benchmarking and best practices (Bardach, 2003). Such activities need not be confined within an organization, and they can cross organizational, international, and cultural boundaries with attendant transmission of knowledge of both types (Inkpen & Dinur, 1998).

Communities of practice are an organized way of implementing knowledge management, learning, and transfer. With appropriate support, motivation, and coordination, these communities can create both codification and personalization channels to distribute knowledge and support learning within and among organizations, and among individuals both internal and external to any particular organization. However, the value attributed to knowledge that gives an organization a competitive advantage will inhibit its sharing with other organizations, unless there are formal agreements relating to how and what knowledge and information is to be shared. There are a variety of motivations for professional participation in communities of practice, including tangible returns, intangible returns, and community interaction (Wasko & Faraj, 2000). However, harnessing technological innovation through communities of practice is a major organizational application (Persaud, Kumar & Kumar, 2001), potentially leading to competitive advantage (Liedtka, 1999). Communities of practice have been used widely for brokering a variety of knowledge within organizations (Burnett, Brookes-Rooney & Keogh, 2002; Gongla & Rizzuto, 2001; Saint-Onge & Wallace, 2003; Wenger, McDermott & Snyder, 2002).

Communities of practice need to have a defined objective and scope in order to succeed. Wenger et al. (2002) indicate the three most important elements to be domain, community, and practice. All these elements must be developed together in a carefully balanced manner. All grow dynamically and interact in various ways. The key is to extract the maximum benefit for the community membership, so all members are motivated to contribute and participate fully. How communities of practice are organized, evolve, managed, and how they impact the individuals included in the communities depend upon the nature of the community of practice and upon the nature of the organizations it touches. Every community of practice must have dynamic and committed leadership and objectives that are seen as important to its members. These elements may exist during the start-up of a successful community of practice, but if any of them fades or disappears, the initiative is likely to fail.

CLASSIFICATIONS OF COMMUNITIES OF PRACTICE

Communities of practice can exist in four classifications that we have been able to identify: (1) entirely within individual organizations, (2) spanning organizations that are linked through mergers, acquisitions, or by formal business partnerships (network organizations), (3) formal networks that span organizations but are not part of other formal relationships, and (4) self-organizing networks of individuals with ad hoc relationships and no formal ties. We explore each in more detail below.

Internal Communities of Practice

Internal communities of practice add value to organizations in a number of ways (Wenger & Snyder, 2000) such as: (1) helping to drive strategy, (2) starting new lines of business, (3) solving problems quickly, (4) transferring best practices, (5) developing professional skills, and (6) helping companies to recruit and retain talent. They complement activities of other organizational networks, including formal work groups, project teams, and informal networks (Wenger & Snyder, 2000). Communities of practice are used extensively in some larger organizations. For example, in the Global Services organization of IBM, there are over 60 communities of practice (Gongla & Rizzuto, 2001) with a total of 20,000 members in most of the countries it serves. These communities handle explicit knowledge or intellectual capital (gathering, evaluating, structuring, and disseminating knowledge shared among community peers), adopt a set of common roles for managing knowledge, and provide opportunities for sharing tacit knowledge among community members.

Organizations that use such communities systematically may have a support team of consultants to provide coaching for community leaders, educational activities to raise awareness and skills, facilitation services, communication with management, and co-
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