

The Reformation of Communities of Practice

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INTRODUCTION

A “*knowledge set that distinguishes and provides a competitive advantage*” to a firm is considered to be that firm’s “*core capability*” (Leonard-Barton, 1992, p. 113). Firms cultivate groups or communities of practice to create, integrate, and disseminate organisational knowledge in particular fields of knowing (Brown & Duguid, 1991). Creating, sharing, and integrating knowledge is mission-critical to a firm because firm-specific advantage flows not from an organisation’s resources per se, but from the *knowledge* that enables it to deploy such resources to leverage maximum benefit within its operational environment (Penrose, 1959).

Knowledge must be managed in a way that differs from the management of a firm’s other resources (Spender, 1996). This requirement stems from the intrinsic qualities of knowledge; it emanates from individual thoughts, which shape and are in turn shaped by the social dynamic within an organisation, a fusion of cognitive and societal processes (Berger & Luckmann, 1967). The inherent qualities of knowledge affect its appropriability (Teece, 1998). Leonard and Sensiper (1998) assert that knowledge is a combination of tacit and explicit. Polanyi (1967) contends that explicit knowledge is knowledge in the abstract, while tacit knowledge incorporates experience and intuitive knowledge, which results from subconscious learning. Itami (1989) argues that it is impossible to separate the individual from the tacit knowledge that he or she possesses. The replication and transfer of knowledge is often impossible without the transfer of actors (Teece, 2000).

BACKGROUND

Many firms are confronted with a dilemma when they seek to transfer or replicate knowledge, as they are ignorant of the knowledge creating dynamics in operation within their own organisation, even though managers are cognisant of their exiting capabilities

(Fransman, 1998). Lippmann and Rumelt (1982) use the term *causal ambiguity* to describe the ignorance of many firms concerning the interaction and combinations of resources, which producing their capabilities. They note that some resources are not tradable, as they are combined in ways that are difficult to reproduce because of causal ambiguity. This lack of clarity hampers the knowledge creation and integration processes. To circumvent this difficulty many organisations have increasingly opted to assign the task of knowledge creation and integration to communities of practice (Brown & Duguid, 1991).

The creation of a community of practice is a social and economic process that is nurtured through the ongoing interaction of individuals (Zuboff, 1988; Brown & Duguid, 1991). Nonaka and Takeuchi (1995) consider that individual intuition is a source of organisational knowledge. New members of the community of practice are *enculturated* in the values and norms of their communities (Brown, Collins & Duguid, 1989). Storytelling plays a unifying role in group formation, and indeed adopting the role of “storyteller” is a rite of passage for new group members (Orr, 1990). Storytelling also preserves group knowledge and supports and forms group values and beliefs (Jordan, 1989). Hence, organisational actors should be viewed as active participants in vibrant communities where social, cultural, and past forces contribute to a collective learning process aimed at satisfying individual and communal needs (Barney, 1986). An organisation’s ability to learn and to cultivate its knowledge asset is therefore dependent upon its capability, through its evolving social character, to influence its employees’ values, sense of self, and consequently their sense of community (Nelson & Winter, 1982; Spender, 1996).

Unfortunately, not all organisations possess this capability, therefore the creation of communities of practice is not without danger to the firm (Wetlaufer, 1999). Communities of practice can develop community-specific values, which may or may not be aligned with the values of the firm (Child, 1972).

Such communities of practice become enclaves of values that are community centric rather than corporate centric; this has the potential to thwart the efforts of their organisations to develop firm-specific knowledge sets and capabilities (Butler & Pyke, 2003). The subversion of organisational structure and communities of practice by sectional interests is of particular concern to Child (1972). He notes that theoretical models of organisational structure draw attention to the:

...possible constraints upon the choice of effective structures but fail to consider the process of choice itself in which economic and administrative exigencies are weighed by the actors concerned, against the opportunities to operate a structure of their own and/or other organisational members' preferences. (p. 16)

Such preferences may emanate from the disaffected or those who resist change and wish to maintain the status quo because such communities can perceive the firm's activities and goals to be foreign and act to subvert them (Levinthal & March, 1993). They contend that members of a community who want existing traditions to prevail will subvert attempts to introduce new knowledge and practices. Orr (1990) states:

The process of working and learning creates a work situation which the workers value, and they resist having it disrupted by their employers through events such as reorganisation of work. This resistance can surprise employers who think of labour as a commodity to arrange to suit their ends. The problem for the workers is that this community which they have created was not part of the series of discrete employment agreements by which the employer populated the work place, nor is the role of the community in doing the work acknowledged. (p. 48)

A lack of alignment can be damaging to the organisation's efforts to create competencies and may in fact lead to the development of core rigidities, which "are but the flip side of core capabilities" (Leonard-Barton, 1995, p. 30). The firm must provide support that corresponds to the *real needs* of the community rather than just to the abstract

expectations of the corporation (Brown & Duguid, 1991).

FUTURE TRENDS

The recommendations to corporate management concerning the governance of communities of practice are divergent, reflecting the uniqueness of each firm, the dynamics of its industry, and its constituent communities (Leonard-Barton, 1995). Nystrom and Starbuck (1984) and Schein (1990) argue that communities of practice must be allowed some liberty to free themselves from the absolute influence of received wisdom in order to develop and be innovative. Nonaka (1994) endorses this call, maintaining that firms create an environment or context conducive to the emergence of knowledge when they reduce control mechanisms and afford their employees a significant degree of latitude. Festinger (1957) contends that social communication and social influence processes should be interwoven with the processes of knowledge creation to achieve *dissonance reduction*. Ouchi (1979) identifies clan mechanisms as one of the three types of mechanisms of coordination, the others being market and bureaucratic mechanisms. Pugh (1969) contends that for the larger firm, more bureaucratic methods of control are appropriate to manage the increase in specialisation.

In benevolent environments—when firms are successful and profitable—control strategies may not produce the desired outcomes, as communal actors operating in successful firms do not have a strong incentive to change (Child, 1972; Miller & Minzberg, 1972). A successful firm may have difficulty in executing the necessary attitudinal transformations, and therefore are susceptible to stagnation and inertia (Leonard-Barton, 1995; see Selznick, 1957). But such a reformation or change of community credo can be facilitated by crises, upheavals, conflicts, and innovation (White, 1969; Nystrom, Hedberg & Starbuck, 1976; Bartunek, 1988). Crisis fuels and drives the process of change (Nystrom & Starbuck, 1984; Bartunek, 1988). Nonaka and Takeuchi (1995) promote the concept of creative chaos as a method of countering the threat of rigidities, because chaos can act as a disruptive force capable of altering the perspectives of com-

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