

Chapter 3

Virtual Communities of Practice: Knowledge Retrieval, Contextualization and Establishment of Weak Trust in Multinational Corporations

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ABSTRACT

This chapter investigates the phenomenon of virtual communities of practice, and proposes them to be efficient for individual's knowledge retrieval, when they work in a geographically dispersed organization, such as a multinational corporation. The virtual community of practice is likely to reduce the contextual gaps that typically exist between senders and receivers of knowledge, as it includes the possibility of feedback loops in the information exchange process. However, the organization must provide a knowledge-sharing friendly culture, and an institutional protectionism, in order to establish the required level of trust, being the foundation for knowledge exchanges within the virtual community.

INTRODUCTION

This chapter focuses on virtual communities of practices, and whether participation in such forums improves knowledge retrieval processes by overcoming problems of contextual gaps between the sender and the receiver of knowledge. Most multinational corporations (MNCs) have invested heavily in computer systems that help employees to easily download documents, but problems still arise when the searched knowledge is removed from its context and thereby loses some or all of its meaning

to the reader. This article, though, differentiates the conventional wisdom that employee socialization, resulting from physical proximity that facilitates contextualization and trust building processes allows transfer of complex and tacit knowledge, (Cohendet et al., 1999; Constant et al., 1994; Granovetter, 1972; Hansen, 1999; Nonaka & Takeuchi, 1995) as in the case of communities of practice (Brown & Duguid, 1991; Wenger, 1998). Here, it will be pointed out that proximity is seldom the case of the MNC – having operations spanning the globe – which makes most communication “global rather than local” (Li et al., 2007). In this chapter it will, therefore, be questioned whether knowledge retrieval can be

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efficient in a virtual setting, given the context of an MNC. The description of knowledge retrieval, and knowledge transfer processes in general, are well established, likewise the analyses and surveys of these processes in communities of practices. However, this chapter contributes by investigating these matters in the context of the *MNC* and the impact of knowledge retrieval processes when they take place in a *virtual* context.

The topic of knowledge retrieval is central to MNCs when they, to give one example, intend to implement best practices throughout the organization as it requires the application of knowledge from one context to another (Grant, 2005; Hornett & Stein, 2007). The question is which knowledge management strategy best fits knowledge retrieval. Typically, MNCs either practices socialization or codification strategies (Hansen et al., 1999). Hornett & Stein (2007) confirm this established fact since their survey company focused on the social or the technological part respectively, but seldom the combination of the two, i.e., the sociotechnical orientation. Hornett & Stein further vary the debate with the finding of the company's attention paid to the knowledge transfer *per se* more than the usefulness of the transferred knowledge. Adding to this finding, we believe that MNC managers can benefit from this chapter, as it theorizes on the underlying mechanism for efficient utilization of transferred knowledge, i.e. the establishment of a forum where knowledge is retrieved correctly. This issue has been investigated in geographically proxy environments, but in this chapter, the focus is the efficiency of a socio-technical knowledge management strategy - in this case virtual communities of practice.

The chapter proceeds in the following order: Section Two provides an overview of the knowledge retrieval process, followed by discussions of communities of practice and virtual communities of practice in the next two sections. Thereafter, knowledge retrieval is analyzed in the context of virtual communities and this discussion leads to

the formulation of propositions. Conclusions are drawn in the finalizing section.

THE KNOWLEDGE RETRIEVAL PROCESS

Retrieval of knowledge takes place in a two step process: one employee acquires, encodes and stores knowledge in the corporate memory, after which another employee retrieves (finds, reads, and decode) the knowledge and then subsequently apply it in a certain setting (Alavi & Leidner, 2001; Holzner & Marx, 1979; Krippendorff 1975; Pentland, 1995; Stein & Zwass, 1995). Therefore, retrieval processes begin when an individual requires knowledge stored in the organizational memory in order to meet a specific goal (a consultant meeting a client's request, for example). Krippendorff (1975, p. 19) defines *retrieval* as "processes by which information is reconstituted or reconstructed and made available, by, for example, reading documents for what is encoded in them". Knowledge retrieval can be seen as a two-stage process that starts by identifying specific, relevant knowledge stored in the organizational memory and continues with its decodification. Though, these two stages are related, the focus will be on the second, with an emphasis on the interpretation of the knowledge (Paepcke, 1996). The research question being addressed is: How can the MNC employee decode knowledge stored in document, and written by a colleague working in a distant organizational unit when this distance often creates a contextual gap?

If we are to fully understand the retrieval process, we first require clarification of what "knowledge", "memory", "document", and "contextual gap" mean. Normally, distinctions are made between data, information and knowledge. Zack (1999, p. 46) provides the following definition: "data represent observations or facts out of context that are, therefore, not directly meaning-

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