



Proceedings of GLOGIFT 07
November 15-17, 2007
UP Technical University
Noida, pp. 727-731

COMMUNITIES OF PRACTICE: A STRATEGIC TOOL TO IMPROVE ORGANIZATIONAL PERFORMANCE.

G B Choudhry*, Ruchi Rana* and Pramila Dangwal*

ABSTRACT

Knowledge management has emerged as an overarching strategy to enhance knowledge creation, information transfer, utilization, and reticulation in order to generate innovation and improve organizational performance. Knowledge transfers have become important ingredients for an Organization's competitive advantage. Part of this strategy involves the creation of Communities of Practice. These are networks of individuals with a common, shared purpose grouped together to facilitate knowledge building, idea creation and information exchange.

Keywords: Communities of practice, organizational performance, social capital.

Communities of Practice Defined

Etienne Wenger (1998) says a community of practice defines itself along three dimensions: it is a joint enterprise as understood and continually renegotiated by its member's .It functions by mutual engagement that bind members together into a social entity. It produces the shared repertoire of communal resources (routines, sensibilities, artifacts, vocabulary, styles, etc.) that members have developed over time. A community of practice is "a diverse group of people engaged in real work over a significant period of time during which they build things, solve problems, learn and invent...in short, they evolve a practice that is highly skilled and highly creative." They are peers in the execution of 'real work'. What holds them together is a common sense of purpose and a real need to know what each other knows. There are many communities of practice within a single company, and most people belong to more than one of them.

There are many shades of definition of this concept, but some define it as "a group of professionals, informally bound to one another through exposure to a common class of problems, common pursuit of solutions, and thereby themselves embodying a store of knowledge". Communities of practice are everywhere. (Etienne Wenger, 1998) We all belong to a number of them—at work, at school, at home, in our hobbies. Some have a name, some don't. We are core members of some and we belong to others more peripherally. You may be a member of a band, or you may just come to rehearsals to hang around with the group. You may lead a group of consultants who specialize in telecommunication strategies, or you may just stay in touch to keep informed about developments in the field. Most of us have belonged to a community of practice at one time or the other.(Stephen Denning, 2000)

Knowledge sharing only takes place on a significant scale where organizations have

* Scientist, Institute of Technology Management, Defense, R&D Organization, Musoorie-248179

organized themselves into communities of practice.

These communities need to be “integrated” to the company’s strategy and its organizational structure. The phenomenon of communities of practice is known under different names. In the World Bank, they are called thematic groups; in Hewlett Packard they are “*learning communities*” or “*learning networks*”; in Chevron they are called “*best practice teams*”, and in Xerox they are known as “*family groups*”. Whatever the name, the formation of professional groupings where people come voluntarily together with others to share similar interests and learn from others’ skills has become the common feature of knowledge organizations. Vibrant communities operate in an environment of trust and mutual understanding, which encourages learning and candid dialogue. They are safe places where people who do not know can learn from those who do know.

Learning and knowledge transfer can be accelerated when community members are electronically linked to each other by email or the World Wide Web. Communities of Practice (CoPs) are groups that form to share what they know and to learn from one another regarding some aspects of their work (Fred Nikols, 2003). Although the term “Community of Practice” is new, CoPs are not. Such groups have been around ever since people in organizations realized they could benefit from sharing their knowledge, insights, and experiences with others who have similar interests or goals. A Community of Practice (CoP) is a special type of informal network that emerges from a desire to work more effectively or to understand work more deeply among members of a particular specialty or work group. At the simplest level, CoPs are small groups of people who’ve worked together over a period of time and through extensive communication have developed a common sense of purpose and a desire to share work-related knowledge and experience

Role of Communities of Practice

Communities provide rich collaborative environments for their members, organizations, customers and other stakeholders. They establish connections with each other that persist over time and help create lasting value. A community develops “shared assets” that are of considerable value yet often these are not tangible. The way that such a capability - to produce shared assets - translates into benefits remains ill understood. The community benefit matrix is used to assess the potential benefits that communities bring to organizations. Communities in operation lead to various organization-wide benefits as shown in the matrix. This is due to smarter use of organizational knowledge. The people within the organization form a living repository that captures lessons learned and best practices and that makes them accessible for future reference and use

When this company memory - best practices and lessons learned - becomes part of organization’s way of working, it supports and drives the ambition to create the most from the best. To out-think competitors is not enough. The ability of an organization to develop a company IQ-that is the overall capability of an organization to connect the captured “actionable “ knowledge to the right people and vice-versa- is important.

Communities of Practice and Social Capital, Organizational Performance.

Communities of practice influence business outcomes through a number of different mechanisms. Communities of practice enable new practitioners to learn both the technical and cultural aspects of their new roles and responsibilities. They help newcomers in identifying subject matter experts who could answer questions and guide them to resources within the organization. Within a community of practice, new employees are able to make the connections

Communities of Practice: A Strategic Tool to Improve Organizational Performance

that allowed them to identify a number of people with.

Tangible	Intangible
An improvement where benefit is clearly identified and measurable	An improvement which has a measurable benefit
<p>Financial</p> <ul style="list-style-type: none"> ▪ Reduced costs in " under managed areas " ▪ Create company memory -best practices and lessons learned - on identified key knowledge areas <p>Operational</p> <ul style="list-style-type: none"> ▪ Reduced rework and duplication ▪ Reduced time needed to put an idea into practice <p>Personal</p> <ul style="list-style-type: none"> ▪ Able to update personal competency profile consistent with requirements 	<ul style="list-style-type: none"> ▪ Create image of world leader in new ways of working attracting and retaining the best talent available. ▪ Improve time to market. ▪ Improved personal and team satisfaction ▪ Create strong (inter) national presence ▪ Reuse of knowledge.
An improvement where benefit is clearly identified but difficult to measure	An improvement which is difficult to measure
<ul style="list-style-type: none"> ▪ Improve quality, exchange and accessibility of knowledge ▪ Improve likelihood of implementing joint objectives ▪ Create a common language ▪ Able to improve company-wide competency. 	<ul style="list-style-type: none"> ▪ Leverage Company IQ for co-creating future products and services. ▪ Build shared assets and create commitment ▪ Develop greater absorptive capacity to deal with ad-hoc problems and challenges. ▪ Implement a motivating and challenging entrepreneurial work environment for employees ▪ Able to create and deploy (new) knowledge to deliver value.

Figure 1: Adapted from Lekanne, Bakker & Van der Gun (2001)

In an era where both prospective and existing customers are expecting rapid answers to inquiries, communities of practice can play an important role in quickly transferring the knowledge necessary to address customer issues. (Lesser and Storck, 2001)

Communities can help customers rapidly identify an individual with the subject matter expertise necessary to provide the best answer to a client problem. This is especially true in organizations where the expertise needed to solve a particular client problem may be separated by time zones, distance, and/or organizational boundaries.

Communities of practice are important to the functioning of any organization, but they become crucial to those that recognize knowledge as a key asset. Communities of practice fulfill a number of functions with respect to the creation, accumulation, and diffusion of knowledge in an organization. They are nodes for the exchange and interpretation of information and ideal channel for moving information, such as best practices, tips, or feedback, across organizational boundaries. (Etienne Wenger, 1998)

Communities of practice preserve the tacit aspects of knowledge that formal systems cannot capture. For this reason, they are ideal for initiating newcomers into a practice. They steward competencies to keep the organization at the cutting edge. Members of these groups discuss novel ideas, work together on problems, and keep up with developments inside and outside a firm. This collaborative inquiry makes membership valuable.

Social capital can be expressed in terms of three primary dimensions:

• There must be a series of connections that individuals have to others. In other words, individuals must perceive themselves to be part of a network (the structural dimension).

• A sense of trust must be developed across these connections (one aspect of the relational dimension).

• The members of the network must have a common interest or share a common understanding of issues facing the organization (the cognitive dimension).

Social capital is the vehicle through which communities are able to influence organizational performance .By developing connections among practitioners who may or may not be collocated, fostering relationships that build a sense of trust and mutual obligation, and creating a common language and context that can be shared by community members, communities of practice serve as generators for social capital. This social capital, in turn, creates an environment in which business performance is positively impacted

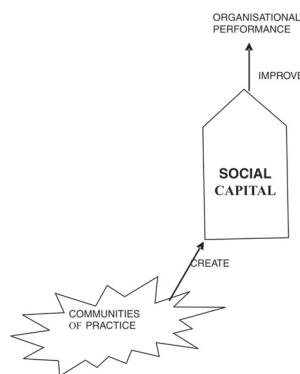


Figure 2: Communities of practice, Social capital & Organizational Performance
.Adapted from Lesser & Storck(2001)

Critical Success Factors for Building Community

There are four key challenges in starting and supporting communities capable of sharing tacit knowledge. The management challenge is to communicate that the organization truly values sharing knowledge. They must be formed around topics at the heart of the business. The topics also need to be ones people feel personally passionate about. A well-versed community member must act as coordinator. People who care about the community hold communities together, who have some heartfelt interest in the topic and the people who participate. Learning communities must be supported by giving staff time to attend community meetings, funding community events, creating community bulletins, and developing a directory of employee skills. In order to make sharing knowledge acceptable and routine, core cultural values must be matched, rather than try to change them.

The community challenge is to create real value for the community members and insure that the community shares cutting edge thinking, rather than sophisticated copying. Getting respected thought leaders involved as soon as possible, preferably from the start, is one of the key ways to build energy in the community. Creating forums for thinking is another way. Maintain personal contact among community members is also necessary. Development of an active, passionate core group is needed.

The technical challenge is to design human and information systems that not only make information available but also help community members think together. It must be easy to connect, contribute to and access the community.

The personal challenge is to be open to the ideas of others and maintain a thirst for developing the community's practice. Real dialogue about cutting edge issues must be created in community forums.

Conclusion

Communities of Practice offer organizations the ability to use information and knowledge more effectively and productively. It is a key competitive advantage in harnessing the unique intellectual assets of individuals in the organizing and leveraging those assets in a continuous "knowledge spiral" leading to improved customer and organizational performance.

References

1. Etienne Wenger (1998): Communities of practice: Learning as a social system. Published in the "Systems Thinker".
2. Stephen Denning, The Springboard: How Storytelling Ignites Action in Knowledge-Era Organizations. Boston, London, Butterworth Heinemann, October 2000
3. Robert Bauer, Ph.D., Director of Strategic Competency Development, Xerox PARC
4. Lesser and Storck (2001): Communities of Practice and organizational performance, *IBM systems journal*, VOL 40, NO 4.
5. <http://www.providersedge.com/kma/cop.htm>
6. http://www.stevedenning.com/communities_heart_soul.html
7. Etienne, McDermott & Snyder (2002): A guide to managing knowledge, *Cultivating communities of practice. Published by Harvard Business School Press, Boston, Massachusetts.*
8. Lekanne, Bakker & Van der Gun (2001): How to benefit from the community challenge. KPMG Knowledge Advisory Services. Copyright © 2001 by KPMG KAS.
9. Fred Nickols (2003): Communities of Practice, An overview. Available online: www.nickols.us
10. Etienne C. Wenger & William M. Snyder (2000): Communities of Practice: The organizational frontier, *Harvard Business Review*, January-February.