

COMMUNITIES OF PRACTICE

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Abstract

The paper is a theoretical, conceptual paper on communities of practice. The concept of a community of practice was introduced by Lave and Wenger thirty years ago. It is evaluated as one of the most important ideas discussed in social sciences in recent years. It provides foundations of a knowledge-based view on organizations. The objective of the paper is to present and discuss communities of practice from the point of view of their importance for organizations.

Communities of practice are groups of people who are interconnected with friendly relationships, are organized around certain objective (domain), and share knowledge. They emerge in different spheres of social life, including organizations. In globalized, digitalized and changeable environment communities of practice represent places of intense knowledge creation and sharing, the prerequisite of innovativeness and flexibility.

The paper discusses the importance of communities of practice for organizations from three interrelated topics. First, we address different ideas on communities of practice presented in literature and specify the concept. Second, we discuss how communities of practice work, how they develop, specifics of membership, objectives, how they meet them, and what it means for organizations. Third, different roles and purposes of communities of practice in organizations are discussed.

Keywords: community of practice, knowledge, change, organization

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Introduction

The paper is a theoretical, conceptual paper on communities of practice (COPs). The concept of a community of practice was introduced by Lave and Wenger thirty years ago. It is evaluated

as one of the most important ideas discussed in social sciences in recent years. It provides foundations of a knowledge-based view on organizations. The objective of the paper is to present and discuss communities of practice from the point of view of their importance for organizations.

Communities of practice are groups of people who are interconnected with friendly relationships, are organized around certain objective (domain), and share knowledge. CoPs emerge in different spheres of social life, but they are especially important for organizations. In CoPs clear sense of identity (due to the domain) strengthens connections among CoP members, enables intense cooperation and knowledge sharing, the prerequisite of innovativeness and flexibility so important in a globalized, digitalized, and changeable environment.

Different aspects of communities of practice were researched since the formulation of the concept, and there are papers in the literature that provide detailed reviews and summation of literature. We do not want to repeat these works. The objective of the paper is to discuss three interrelated topics that cover the importance of communities of practice for organizations.

First, a concept of communities of practice is sometimes criticized for lacking precision and failing to distinguish communities of practice from other social structures. To address this gap, we want to discuss different ideas on communities of practice presented in literature and specify the concept in a more detailed way.

Second, many past works were focused on concrete aspects of communities of practice in concrete organizations. Therefore our objective is to discuss how communities of practice work, how they develop, specifics of membership, objectives, how they meet them, and what it means for organizations.

Third, since the formulation of the concept, researches identify that communities of practice represent knowledge sharing silos in organizations, and as such, improve innovativeness and flexibility of organizations. Organizations in highly demanding competitive knowledge environments know this and support the creation of communities or adjust their management model so that it provided CoPs friendly environment. Some recent works indicate that there are organizations that go further and use the concept of communities of practice as a foundation of their management model. We want to map different roles of communities of practice in organizations, for which purposes organizations create them, use them, and how.

We look at CoPs from these three perspectives because the literature on knowledge management and new management models indicates that CoPs and their role in knowledge sharing and innovativeness are underestimated, and there are confusions and misunderstanding about them in both theory and practice. Thirty years after the concept of CoPs was formulated,

many theorists and organizations still do not know what CoPs are and how they operate. Intuitive work with CoPs may result in well-intended corporate activities and measures that work against CoPs and, in the end, inhibit knowledge sharing and innovativeness.

The methodology of the paper is as typical for theoretical work. Methods include methods of theoretical work that allow identification and interlinking separate pieces of knowledge, e.g., analysis, synthesis, comparison, induction and generalization, and critical thinking. The search for resources on CoPs was done as a keyword search. We started it in AIS journals; then, other scientific journals were searched (via Business Source Complete and Scholar Google), and the search was concluded by search in popular media (via Google). Organizations whose management model is based on communities of practice were chosen on Wenger's three characteristic concept (Wenger, 1998b). We chose them from the pool of companies discussed in articles and books focused on management models and companies with unusual management models. Story TLRS was recommended by the colleague.

As the number of resources used in the paper is limited to max 15 resources, we cite only fundamental papers on CoPs and papers that provide a summation of different knowledge on CoPs and which are relevant to the three topics we want to discuss.

1 What is a Community of Practice

The concept of communities of practice (CoPs) appeared in the literature at the end of the 20th Century, and it is credited as one of the most influential concepts social sciences provided in recent years. The first, who discovered CoPs in practice, was Orr's (1990), but it was Lave and Wenger (1991) who specified the concept during their research on social learning. Brown and Duguid (1991) articulated the relevance of the concept for business organizations and discovered its role for knowledge sharing, learning, and innovations. By Wenger (1998, 2000), CoPs are groups of people who share a concern or a passion for something they do and learn how to do it better as they interact regularly. There are three factors that define the community: the domain, the community, and the practice (Wenger, 1998). The domain is the shared interest, the reason why CoP members meet each other. Domains are based on the needs of CoP members. The community represents direct interactions and friendly relationships among CoP members and provides a social context for friendly trust, which allows CoP members to share knowledge and develop shared practice. CoPs are of different size, and different types (formal, informal), and their members use different communication channels (physical, virtual). Examples might include different communities of practice, from a group of nurses who discuss

patient cases over their daily lunch meeting (Wenger, 1998) to a group of friends who meet every Saturday to play football.

Some authors note that there is a lack of an established interpretative framework and that it is difficult to distinguish CoPs from other social structures as from occupational communities, organizational subcultures, Networks of Practice and epistemic cultures, or cooperative communities. In our opinion, this is a misunderstanding of the concept. As Wenger (1998) defined them, CoPs are groups of people that meet the requirement of three factors; the domain, the community, and the practice. If one of the three characteristics is missing, the group cannot be called the community of practice and otherwise. These three elements are useful to detect an existing CoP and to distinguish it from other types of groups, but they can also be used as design guidelines, or in other words as the components that have to be taken into account to build and manage CoPs effectively in a company (Bolisani & Scarso, 2014). We can give the group whatever name. If it meets all three characteristics, it is a CoP at the same moment.

2 How Communities of Practice Work

As researches and practical experience show (Bolisani & Scarso, 2014), CoPs can naturally emerge or may be created intentionally. People join and cooperate in CoPs for different reasons (domains) - from solving problems, serving others, innovating, and creating new knowledge to entertaining.

In this sense, communities of practice are regarded as self-organizing and self-sustaining entities that would spontaneously emerge from the willingness of people that want to share expertise and knowledge (Bolisani & Scarso, 2014) and who determine methods of interaction, rules, issues, and lifespan of community, based on the intrinsic value that membership brings (Bolisani & Scarso, 2014; Metallo, 2007). CoPs are typical with volunteer participation, self-selection of members, self-generation of values, and self-generation of goals. Members tend to stay together as long as they want and show great passion for domain and relationships, which cultivates natural knowledge sharing and learning. In a CoP, learning is the production of social context because people engage directly in activities, conversations, and personal participation in social life. Learning is also the production of identity, since it influences the perception and behavior of CoP's participants. Inside a CoP, meanings and knowledge are negotiated with respect to the cognitive domain of the community itself. Individual and collective learning take place in parallel and are strictly connected to one another (Bolisani & Scarso, 2014).

Regardless of the friendly environment, CoP membership is not homogenous. Individual community members have different importance for their community; they have different power positions, different rights, and duties. Key members (typically founders of the CoP) are the most important members of the community. They decide on the community domain, identify the community vision, define rules, specify who will become a member, and choose the style of motivation and remuneration. Key members intensively share tacit knowledge and have key power positions. When a community behaves in a dysfunctional way, key members are responsible for it. Full members are accepted community members. Their relationship to the community and to one another is not as intense as among key members. They are led by key members. Peripheral members belong to the community, but their power and authority are much lower than that of key and full members. They have limited decision-making rights. Less engaged members and newcomers belong to this group (Mladkova, 2012). The life cycle of CoP has five stages. In the first phase, potential members discuss the domain and explore potential relationships; in the second phase, they define the vision and main goals of the community; start to trust each other, create the community language, principles, and values. The third phase is the phase of maturity, CoP is fully functional, members share knowledge, and the community is growing. In the fourth phase, still fully functional CoP may explore and develop new domains. The final phase is the phase of disintegration. CoP stops to fulfill its role, and the communication between members is dying, key members are leaving (Mladkova, 2012). CoPs emerge in physical or digital forms in organizations.

In the beginning, authors thought that CoP can emerge only naturally. Now a growing number of scholars are regarding CoPs as organizational structures that can be created intentionally to facilitate organizational knowledge sharing and improve business performance (Bolisani & Scarso, 2014). Even though voluntary participation is still important. CoPs' members can be reluctant to actively participate when the management staff attempts to control their learning agenda or their interactions with others (Bolisani & Scarso, 2014). CoPs self-organize and self-sustain, they cannot be managed and administered from outside, even though some works indicate that they can be "cultivated" (Wenger, McDermott & Snyder, 2002).

Researches identified different types of integration of CoPs in organizations, from integrated when CoP is given an official status, function, and is resourced by the organization, to cloaked when only members know that CoP exists. It is beneficial for organizations to identify their CoPs. First, they can use the potential of CoPs in the field of knowledge and innovativeness. Second, they can eliminate problems that arise in case the CoP has domain

incompatible with organizational goals or suffers from dysfunctions like knowledge monopolies or elitism.

3 Communities of Practice - Their Roles in Organizations

In our digital, globalized world, flexibility and innovativeness are the key success factors. The basic prerequisite of flexibility and innovativeness is knowledge sharing and the creation of new knowledge. CoPs work as an environment that promotes knowledge sharing among employees, and as such, they improve business performance (Bolisani & Scarso, 2014). Wenger, McDermott & Snyder (2002) write that CoPs differ from formal bureaucratic structures that inhibit knowledge sharing.

Researches on CoPs indicate that their role in organizations develops from entities separated from management models of organizations to entities supported by the management model of organizations to CoPs as the distinct management models of organizations.

Soon after first works on CoPs were published CoPs raised a high interest in private and public organizations as a powerful knowledge management tool. Naturally developed CoPs were identified in many organizations (Shell, ENI, ChevronTexaco, Allianz, DaimlerCrysler, Ford, Caterpillar, Ernst&Young, Accenture, IBM, and HP) (Bolisani & Scarso, 2014) where they served as “the simplest social unit that has the characteristics of a social learning system”(Wenger, 2010, p. 179), e.g., silos of knowledge sharing and innovativeness. CoPs turned out to be a medium that allows tacit knowledge sharing important for new knowledge creation (inventions and innovations), acceleration of collaboration, an increased rate of innovation, increased speed and quality of decision making, improvements in organizational learning and performance, higher flexibility, better work with knowledge and an ability to envision the future. Organizations seeing benefits of CoPs started to create CoPs intentionally (for example, NASA).

It turned out that CoPs may provide organizations with different benefits; American Productivity and Quality Center classified CoPS to helping communities that provide a forum for community members to help each other solve every day work problems; best practice communities develop and disseminate best practices: knowledge stewarding communities organise, manage and steward a body of knowledge from which community members can draw; innovation communities create breakthrough ideas, knowledge, and practices, almost all communities have innovation as an objective (Mladkova, 2012).

Practical experience with CoPs showed that they are also important for community members who benefit not only from the transfer of knowledge and collaboration but also from the pleasant, friendly environment, the environment of peace and stability in the fast-changing world, and the feeling of being part of something bigger and important.

Wenger concludes that the great popularity of the notion of CoP has had the important effect of drawing attention to concepts like self-governance, voluntary participation, personal meaning, identity, boundary-crossing, peer-to-peer connection, that are at the basis of knowledge and learning but have often been underestimated in organizational studies (Bolisani & Scarso, 2014).

Later many organizations decided to adjust choices made by a company's top executives regarding how they define objectives, motivate effort, coordinate activities, and allocate resources; in other words, how they define the work of management, e.g. their management models (Birkinshaw & Goddard, 2009), so that so that they supported three characteristics of CoPs; shared domain, community represented by friendly relationships and practice (knowledge sharing). Many organizations did this intuitively under different initiatives (for example, firms of endearment, good-to-great companies, employees first, human-centered companies).

A typical example of such an organization was Whole Foods Market. Whole Foods Market oriented their business around self-managing teams (a majority of which were CoPs) and was supporting the philosophy of freedom versus responsibility and strict open book policy. Teams were free to manage their allocated part of the business and for overall management, including pricing strategy, ordering, hiring of new employees, salaries. They were also responsible for profits. The company supported internal competition among teams, which turned out to be a mistake that caused knowledge monopolies, limited innovativeness of the company, and led to problems to see and address changes in their business environment (Fishman, 1996).

The creation of a proper environment for CoPs was behind the great success of Intel in the 90th of 20th Century. Intel's management model was based on hypertext (fluid) organizational structure. The structure consisted of three layers; business layer, team layer, and library. The library and business layer supported core business organized by teams in a team layer. Many teams transformed into CoPs; Intel also supported the development of CoPs across layers. (Mladkova, 2012). Intel's management model enabled the free flow of employees and knowledge around organizations and created a friendly environment for knowledge sharing.

This approach is also adopted by Google. Google believes in „collective genius of the organization to bear on decisions large and small“, which requires openness, transparency, and a lot of lateral communication. Work is organized in self-directed teams, and large projects are broken into small groups (3-5 people) who have limited objectives and time to meet their objectives. Organizations support the creation of CoPs, both based on teams and across teams. People are encouraged to be innovative, regardless of the outcome. The shared information system works as a glue and supports interactive communication. Google is famous with its friendly culture and strong HR supportive policy. The office environment is designed to encourage friendly relationships and creativity. Google also pays big attention to the hiring process so that newcomers match into the Google management model (Birkinshaw & Goddard, 2009).

Some organizations went even further and based their management model on the CoPs concept. CoPs based management model enable to expansion of knowledge sharing, knowledge creating, and innovative capabilities of CoPs to the whole organization. Up to this, such a model cultivates human relationships, supports cooperation and helps to meet the functional and psychological needs of employees.

FAVI, French machinery operator for the automotive industry, divided the organization to 21, so-called mini-factories, each with a distinct customer (16 for specific customers, for example, Volkswagen, 5 for support). Mini-factories worked as self-managed CoPs responsible for communication with customers, remuneration, and the majority of administrative functions (Laloux, 2014). The switch from traditional to CoP based management model was done slowly (lasted over 20 years) but turned out to be very potential, including in times of crisis. Unfortunately, new owners of the company did not support it (they found it "too confused and messy"). After return to the hierarchical and bureaucratic model, the company performance substantially deteriorated.

Buurtzorg, the Dutch home-care provider, was founded in 2006 with the intention to build CoPs based company. The organization has more than 10000 employees, now, and still sticks to this concept. Independent teams (CoPs) of max 12 nurses serve 50-60 clients in a given neighborhood. They are fully self-managed, including work distribution, hiring, salaries. Teams are connected together by the sophisticated information system and coaches, who help with communication problems, solve conflicts, and, when necessary, help teams with self-management.

Story TLRS, a digital agency, is trying to go this direction, too. The organization is divided to project teams, but people from individual teams interact without limits and all

together create one CoP. The organization understands employees as the "best what they have" and has a distinct culture based on respect. New employees are carefully chosen, and if they do not match the management model and culture, they are not hired or leave the company. The company is trying to keep numbers of employees below 40 not to damage this approach (Storytlrs, 2020).

Conclusions

Communities of practice are a natural way how people organize. They provide natural environments for knowledge sharing, knowledge creation, and innovativeness. The concept of CoPs was formulated 30 years ago and, since then, underwent remarkable development. First, companies identified natural physical CoPs that worked in their premises and discovered their role in knowledge sharing, creation and for innovativeness. Later, organizations tried to adjust their management models so that they were supportive of three characteristics of CoP. Finally, some organizations based their management models on CoP principle, that is the fundamental change of how companies operate.

Regardless of how organizations use CoP concept, CoPs are islands of sanity with healthy relationships in our volatile world.

The major limitation of the paper is a simplified view of CoPs and their role in organizations. The literature on CoPs is rich, and many authors who were not cited here also provide interesting views and concepts. There are other organizations that experiment with the management model based on CoPs and they did not get space here.

We recommend focusing the future research in two directions. First, it is necessary to provide CoP concept with theoretical background. It is still missing. This will clarify what CoPs actually are and how they work. Second, it will be very interesting to focus on other organizations that use CoP as a management model and research, why and how they develop and work with it.

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