Managing Knowledge in the International Firm: The Role of Communities of Practice in Transforming HRM

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INTRODUCTION

Managing knowledge is an issue that is of critical importance to the international firm and the successful sharing of know-how and best practice have been identified as key elements in an international firm's competitive advantage (Nonaka and Takeuchi, 1995; Wan & Hoskisson, 2003). While there may be agreement on the value of knowledge sharing, there are many barriers and unknowns to the achievement of this objective. Individuals may not be aware that they actually possess knowledge that is valuable to someone else within the organisation or work unit (Levinthal and March, 1993); alternatively they may work on the basis that such knowledge is a source of power and a resource that must therefore be carefully guarded and stored from others to be used at a time most advantageous to the possessor (Coopey, 1995). In any event, the employee may not have access to the appropriate mechanisms to facilitate the effective successful transfer of this knowledge. Some research suggests that the major obstacles to the transfer of know-how across a firm are ignorance of knowledge existence, awareness of the tools which facilitate transfer and significantly a lack of coherent relationships among organisational members (see, Berthoin Antal, Lenhardt and Rosenbrok, 2001, for review). Indeed, it has been suggested that the relationship between the source of knowledge and its recipient is the strongest predictor of the transfer of best practice (Szulanski, 1996). Given this finding, contemporary researchers are now considering the richness and complexity of the interactions between individuals in the workplace (Gergen, 1999). The hope is that the insight gained from such an understanding might lend to the enhancement of more effective knowledge sharing within organisations. The social constructionist approaches (Gergen, 1994) to organisational process have highlighted the essentially relational and social nature of organisations.

Organisations are social arenas in which individuals interact and in which learning constantly occurs, knowledge is created by conversations and interactions between the people who inhabit and mix within them (Easterby-Smith et al., 1998; 2000). Individuals are seen as embedded in a learning network (Poell et al., 2000) where they
may construct their understanding from a wide range of materials that include ambient social and physical circumstances and the histories and social relations of the people involved (Brown & Duguid, 1991). Researchers have suggested that over time the evolution of an accepted and agreed system (both tacitly and explicitly) which sustains fluid organisational process can be referred to as a ‘community of practice’ (COP) (Brown & Duguid, 1991; Lave and Wenger, 1991; Wenger et al., 2002). This COP acts as a knowledge sharing mechanism that highlights and integrates the social and relational aspects of workplace evolution and situated learning at work. However, relatively little is known about how these operate, particularly at a managerial level (Richter, 1998; 1999), and the impact they may have on the organisation. This paper provides insights into this issue by describing research that was undertaken into the way in which communities of practice were developed as the result of the decision by one organisation to professionalise its HR function. The paper begins by considering some of the literature on communities of practice before outlining the research process and its outcomes.

COMMUNITIES OF PRACTICE AND KNOWLEDGE SHARING

'Communities of practice are groups of people who share a concern, a set of problems, or a passion about a topic, and who deepen their knowledge and expertise in this area by interacting on an ongoing basis' (Wenger, McDermott, & Snyder, 2002). The concept of a COP is something that highlights the social side of the workplace or situated learning at work. It is the membership, dynamism and embedded practices of such groupings that ensures the success or failure of organisations (Brown & Duguid, 1991). The members of each community will have certain knowledge bases that are particular to that community and particular to an organisational environment or context in which that community is situated. In other words, the content of those knowledge bases will be further shaped or influenced by the organisational reality (which is also a social creation) in which the community is situated (Hosking and Morley, 1991). It is clear that it is the social networks that provide the ability of an organisation to learn and that these particular networks, group, or communities (Bogenrieder, 2002) provide the competent people/practitioners who interact to enhance and develop the learning in the organisation and within their particular job situation or context.

However, all learning is not specifically social. It is a combination of information processing as well as a socio-cultural accretion and sharing (Easterby-Smith et al., 1998). The socio-cognitive theory of learning suggests that every learning process simultaneously consists of a social and cognitive process (Bogenrieder, 2002). In other words, there are both social and cognitive facets to learning in the work situation. It may be that the particular situation in which the learning occurs is a result of an organisational imperative for the group that draws on the knowledge base they share. This in turn can bolster membership and bonds between group members, also affecting each member at a cognitive or meta-competency level within that group or...
community environment. Furthermore, the group or community may give members a safe, secure place in which to articulate and express their particular situated thinking process. It may provide what Edmondson (1999) referred to as a sense of ‘psychological safety’ which she found was a significant factor in predicting team learning and performance. What is important from this point of view is the social relationships of those in a group or community and the cognitive diversity that also exists within that community (Bogenrieder, 2002). The definition of a community of practice given earlier does recognise and complement the socio-cognitive conception of the learning process for communities at work. Those community members seek each other out because of the mutuality of the social/relational aspects and cognitive/knowledge base aspects of their collective (See, Poell et al., 2000). Therefore, certain learning networks or communities can take various shapes depending both on the community members and the job that they do (Poell et al., 2000). It may be fair to assume that the members of a community would share a common view of the organisational reality as they engage in the mutual sensemaking (Weick, 1995) which creates this reality. Bouwen (1998) refers to a COPS as ‘communities of meaning making’ (p. 306). This shared reality promotes the development and extension of members’ knowledge, thus facilitating members to act more effectively within that environment (Boland et al., 2001). In adopting and engaging fully in the COP, members have become proficient in the processes and dynamics of the workplace by participating in the language games and forms of life of that community (Wittgenstein, 1962). These language games and forms of life serve as real knowledge representation technologies for the collective, a concept not recognised by traditional organisational researchers adopting a blinkered, tentative view of organisational dynamics (Hosking and Morley, 1991).

The essence of the COP approach to organisational learning and change is that one cannot separate the individual from the organisation where knowledge or knowing is an active process (not an outcome) which facilitates the relational construction of meaning among members. Being aware of and understanding the complexity of such processes poses a new challenge for researchers seeking to understand issues such as organisational change, learning and knowledge management.

THE RESEARCH

The Subject Organisation
Despite the interest in communities of practice, there has been little research completed on the operation of communities of managers at any level (Richter, 1998), yet managers are key knowledge holders within the organisation. The current study explores the way in which knowledge sharing and transfer can take place through the development of a managerial community of practice. A large Irish based international organisation decided to transform the operation of its human resource management
the HR (HRM) function within its various business units in Ireland. As part of this transformation process, the need to professionalise the HR function was recognised and 11 of the organisation's senior HR managers were asked to undertake a postgraduate management education programme at a Business School in a University in Ireland. The 11 managers came from a variety of business units and attended the programme as a cohort between 1998 and 2000. In addition, from 2000 onwards, the organisation sent one additional individual manager each year to the programme. The 11 managers who formed the first cohort worked together closely throughout the two years of the programme on a variety of projects and assignments that involved the extensive sharing of information and the building of close relationships, both of which are essential ingredients in the development of a community of practice. The fact that the managers engaged in ‘community’ activities during the course of the programme provided the researchers with the opportunity to explore the way in a community develops and also to discover whether the managers had continued to operate as a community once the programme was completed. As the programme was part of the wider objective of the organisation to professionalise the HR function, it was also possible to consider the impact of the community development on the transformation of HRM within the organisation.

**Research Format**

The research was undertaken between June and September 2002 when a total of 19 managers were interviewed. These included the 11 managers who had originally completed the Masters programme plus the three from within the organisation who had also undertaken the programme. In addition, in order to triangulate the data, interviews also took place with the HR Director in the organisation, with two managers in an HR department in one of the business units within the organisation in which a new community had developed and with two managers from outside the organisation who had also undertaken the Masters programme. The interviews were semistructured and lasted between one and one and a half hours and were all recorded and transcribed. They were then analysed using the NVivo package for qualitative analysis. In addition to the interview data, considerable information was gathered from secondary sources on the transformation of HRM within the organisation. The research provides insights into the ways in which a community of practice can develop and also tracks the impact that such a community can have on the transformation of HRM within an organisation.

**FINDINGS**

**Stage 1: A Community in its Infancy - Developing Shared Learning Practices**

In order to understand the processes involved in the development of a COP, the managers were first of all asked about whether they could relate their experiences during the Masters programme to the definition of communities of practice provided
by Wenger, McDermott and Snyder (2002) as 'groups of people who share a concern, a set of problems, or a passion about a topic, and who deepened their knowledge and expertise in this area by interacting on an ongoing basis' (p. 4). All of the 11 managers who attended the programme as a group identified strongly with this concept. They indicated that they had formed an immediate bond that was forged to some extent by what they initially perceived as the adversity in which they found themselves and which was strengthened by the sense of working together in a common cause:

*I mean there was a bond that was built up, we went through the same trials and tribulations.... The sense of adversity is certainly a contributing factor as is the trust in being able to depend on them, these are people who would have your best interests at heart, but here like in any business, you will always have people into the cut and thrust of business and the people with aspirations for themselves, and there are people watching their own career as well but there are some people who will be more open with you, and they are the people who you have been through a lot with.* (Manager #6)

*The fact that we knew each other, it made it in a sense a bit more difficult for the likes of yourself as here you had people bonded as they came in the door and ready to sort of protect ourselves as a group against anything you academics might try to do to us. So we made it difficult for you because we knew each other and we could sort of form a defence as a collective as opposed to have to mind ourselves individually for any assignments or difficulties or challenges you might put our way so I think we had a certain bond as a group because we knew each other pretty well going in.* (Manager #1).

*I think certainly having worked together and soldiered together through the course and having done group assignments it kind of bonded us together much more as a team and I think since then we’ve worked much closer together as a HR group within [the organisation]. But it really came down to the fact that we both trusted each other. I would be up front about all the people we had and their qualities and he would be as well. Now I didn’t know Manager X before the course at all, and he was one of the people in the first group, and we became quite good pals. We keep in touch with each other irrespective of that on other issues. But the course certainly did help to create that trust.* (Manager #10)

The class quickly developed the habit of sharing not only information but also knowledge in order to cope with the demands of the programme. Knowledge and insight was not seen as an exclusive resource, but was regarded as a tool for mutual development and progression:
There really wasn’t any competition at all within the class and so in terms of getting assignments done, there was a very high level of sharing information and knowledge. If someone found a good article, everybody got it. So I feel we all learnt more because of that, nobody hogged anything. (Manager #8)

We’d have to share information and knowledge because it was so project driven and presentations driven etc. We all had to research different areas and topics and we had to share that knowledge when we were in the small group situation when there was three or four of us. It was a very good way of learning, and also a good way of sharing. (Manager #7)

We got loads of stuff from each other and we did share information in a sense that somebody came in with an idea for a project and that went in. That was great, well done. And then that generated another one. That was the way it worked. Formal sharing of information did happen, maybe more so from some individuals than from others, but it did happen. (Manager #9).

I think that from day one there was an understanding that we’re going to share everything, there’s not going to be any one-upmanship. In fact that’s going to be a sin if anyone’s found to be keeping information to themselves that could have been of benefit to someone else. And we all shared information on what our topics were going to be in the individual assignments so that if somebody found something you’d pick it up and email it to whoever needed it. (Manager #2)

As a result of the demands of the programme, the 11 managers formed a sense of community with one another. Several years later they are still very aware of the common bond and experiences shared between them and this bond ensures that they feel that they can always call on those who were part of the original community for information and advice:

There are still issues, there are still things that I would talk to members of the community about that I wouldn't talk to others... I wouldn't say anything to anyone who wasn't on the programme, for instance, about "The Dance of Change" or something like that. It doesn't happen often now, don't get me wrong, but there would be a certain I would say "badge" or "mark" [from belonging to the community]. (Manager #1)

Stage 2: The Established Community Matures

While the 'badge' of belonging to the original community still remains, the managers involved in the original programme are scattered between the various business units. This has reduced their contact and, although the original group of 11 still has an
awareness of itself as an entity, it does not operate in quite the same way for all individuals: some have very strong and close connections; for others there is a more fragmented relationship. At the same time, the habits of sharing knowledge and information and building relationships that were acquired and enhanced by the Masters programme have continued:

*I'm a great believer in sharing information and ideas and I'm not put out by people using my methods.* (Manager #7)

*Articles associated with HR that we would get on the net, magazines, anything – or books. That never happened up here before, it was something we just didn’t do.* (Manager #3)

*Well if I was doing something new and wondering about it, and if I thought somebody would know something about it, I would just pick up the phone and ring them. And I’d often get a phone call as well in a similar way. We’d very informally just try and tease something out. For instance, I was down in Business Unit X recently and I called in on Manager Y. He was putting together his business plan and I was just having a look at it because he was going through risk management and stuff like that, and he just said: ‘Sure I’ll send you a copy’.* (Manager #10)

In addition to the ongoing knowledge sharing activities at an individual and group level, the managers also engaged in the organizational level initiatives that encouraged and supported knowledge exchange. This included involvement in the wider HR community and in the delivery of a programme in HRM for line managers.

**The HR Community at an Organisational Level**

The managers interviewed had a strong sense of being a part of what they termed the HR Community within the organisation. This comprised all those working in the HR area, a total of about 125 individuals. This community is too large and meets too infrequently to be considered a community of practice in its generally accepted sense, but the concepts of knowledge sharing implicit in the idea of community are supported within the HR Community by the existence of the HR conferences that are held twice a year and the series of Master classes that have extended the conference concept. The conference serves as a device for leveraging knowledge across the organisation by bringing all the HR managers together. They both receive new knowledge, by being updated on various developments, often through keynote speakers with expertise in HRM, and they also share information and knowledge on their own businesses:
It’s a networking day. It’s a day in which we’ll have a mix of some outside speakers but 90% or 80% of the day would be given over to the business talking about the initiatives they have taken in HR. So there is great sharing that day and people with great pride talking about the HR initiatives they have taken. And they talk about competencies, what they are doing and how they are applying it. So there is great debate and we run one or two workshops during the day depending on time. That has been very successful. We really challenge them in terms of their opinion. (Manager #2)

One of the managers spoke of the way in which they had been developing the performance management system within one of the business units and how the conference had proved valuable to him:

Others in the businesses within [organisation x] got the benefit or became aware of what that [performance management] programme was. ……our HR Manager would have spoken at the HR conference in 2000, outlining what we did, what programmes came out of that, what learning different managers were pursuing. And the conference then acted as a vehicle for us to promote our initiative across the wider [organisation]. (Manager #15)

Another initiative that has brought the HR community together was the decision to develop a programme in HRM for line managers. The design and delivery of this initiative involved many of the HR managers who had attended the Masters programme and they found themselves sharing their knowledge and expertise. There was very strong support for this initiative which has expanded the role of HR to include responsibility for ensuring the success of HR at line manager level:

Why I am so enthusiastic about this [HR for line managers programme] is that the HR community can become very ghettoised and not taken seriously in the line management area and this is fantastic because they've got some really good line managers from every area and they're really enthused about it. It's a great grounding in core HR. It's like the Masters degree itself- it's pretty hectic. (Manager #7)

Stage 3: The Emergence of New Communities
All the managers belonged to a variety of informal and formal work structures. These ranged from project teams, with a limited life span related to the nature of the project, to what conform to accepted definitions of communities of practice. The new communities that had developed contained a mix of those who had attended the Masters programme and other colleagues. The way in which this was occurring was summed up by one manager:
I think the eleven and the people who work to them are like the ripples in the water. The eleven are the big splash but there is a very major ongoing ripple. (Manager #19)

One manager described the situation in relation to his working relationships:

We are very much a community and not just on this project but on a whole range of issues and those that are coming up. We are continuously interacting on a very regular basis and we bounce ideas off one another. (Manager #5)

The fact that all the managers involved in the community identified by Manager#5 had Masters qualifications was considered crucial to its operation as they were as a result able to utilise a common language in their discussions:

We talk and converse with one another in the same language......it seems to go with the territory, having to reach a common understanding and we have been able to do that. (Manager #5)

I suppose the fact that I was aware of that language and that system, and the fact that there were others there that are involved in this process, means that we can work together and collaborate together in a better way. (Manager #4)

So there are a number of OD and HR programmes that people have undertaken in the last few years and most of the HR people have done them....so people have unquestionably developed a specialist knowledge in those particular subjects which I suppose has added to the vocabulary. And there is no doubt, someone who hasn’t gone through those programmes could very easily feel excluded. If a group of HR people were to come together for a half an hour to have a cup of tea, the debate or conversation can very quickly become jargonised and if you haven’t gone through a formal education programme you may feel slightly outside the loop. So things like managing change, leadership, training and development where you are using the word “learning” more, so phraseology like that tends to be adopted much more quickly by HR people than perhaps the wider business who may still refer to things very much in the old way. “Training” would be the word I would hear used regularly when I would be talking to people, generally speaking; the word “development” would appear very infrequently and the word “learning” would probably never appear other than in the context of talking to people involved in HR. So I do think people’s knowledge and vocabulary certainly increased hugely from doing these programmes. (Manager #10)
The value that membership of such a community brings was summed up by another manager in this community:

*Firstly there is a resource there which has a lot more knowledge than in my head. Another thing that is good is if you have issues to deal with, you can actually deal with them over a phone call or a cup of coffee and get some pointers as to what to do and it makes the resolution of the problem a lot easier.* (Manager #4)

The role of informality in the community structure was noted:

*Because if we developed this in a formal way it would become arduous. You would be attending meetings for the sake of it and it could be productive but I don’t think it would be. The informal contact, the informal aspect of it is when you meet people and you have a problem and “Oh I’ll give X a ring” and this kind of stuff. That’s what I mean by the informal.* (Manager #3)

*And the fact that it is an informal group, it’s hard to have any disadvantages with it because if you don’t want to use them, you don’t. Whereas if it was a formal group where you had to meet regularly, there could be a disadvantage in that it could be time consuming, and you could be having to meet these people when you don’t need to.* (Manager #16)

Finding the right mix between informal and formal is a challenge for the COP. If the structure is too informal then many initiatives will be lost. For example, several managers spoke of the plans that they had to bring more learning back into the organisation once they had finished the Masters programme, but these plans had never materialised due to pressure of work; other spoke of the fact that they no longer had time to do the reading that they had once seen as critically important.

**Overcoming Geographical Barriers**

In the case of one of the communities identified, the community was scattered throughout the country with members in Sligo, Dublin (in two separate locations) and Cork. However the network that they had established as part of their community operation served to ensure that they continued to communicate effectively. This communication process was supported by a variety of devices that enhanced the sharing of information. These included email, a shared drive on the intranet where all the business plans and information on various projects were stored, video conferencing, the telephone, and presentations:

*And on a regular basis I give presentations within the organisation on particular issues of HR and I regularly would have to introduce training*
courses and the HR manager might have to say a few words about it. So although I'm not that directly involved in training, through the presentations I suppose I am involved in sharing the knowledge.’ (Manager #4)

The Impact of ‘COPs’ on the Transformation of HRM
In the late 1990s, the organisation had embarked on a major programme of change in the HR function with the decision made to professionalise the function and to move it away from its previous preoccupation with industrial relations matters in order that it would embrace the broader HRM agenda. The decision by the organisation to send its 11 most senior HR managers onto the Masters programme was part of this professionalisation process.

The managers were able to identify many ways in which the new learning acquired through attendance on the Masters programme and utilized through the forum of a COP had made a major impact on how HR issues were managed within the organisation:

The whole concept of the learning organisation was one that skeptic like me would say “that’s great but what does it mean?” We started a thing recently with Dave X called a learning and performance group, where basically our organisation has three main streams: employee relations, the change and learning and the performance which is all about the right people in the right place with the right skills. Dave is a member of that team so these are centred around a lunch time lecture and Dave gave a 20 minute talk on emotional intelligence. A lot of people in the office might never have heard of it and the general manager came down and a couple of managers from different floors came down and listened. It had an impact as we were doing the design for the 360 degree feedback tool for the senior management team and out of that we added an extra piece on this whole self-awareness. (Manager #11)

I have set up a little group of people around me her who come from training and development background and our little unit is now seen as a Centre of excellence in terms of HR research. Now what I mean by research I mean in the sense of saying “what is this latest thing we’re hearing about?” and we’ll go on. (Manager #2)

DISCUSSION: UNDERSTANDING THE EMERGENCE OF COPS
It was possible to track the way in which the new communities had developed and the process is depicted in Figure 1. The 11 managers are identified as the members of the original COP. From them various new communities have emerged. These new communities comprise members of the original COP who work with new members. These members become part of the new COP not simply because they are involved in
a work-related project, although this is a major driving force, but because they are able to communicate in a shared language that has been acquired through an education process. In addition, they are willing to share information and knowledge that will enhance the success of the project. The COPs span the formal and informal elements of the organisation. Thus, while a project team may be formally constituted to work on a particular project, the community members, only some of whom may be engaged on the project, will engage in knowledge sharing activities. This will ensure the individual brings more knowledge to the project and will enhance the likelihood of the particular project’s success.

Communities of Practice and Knowledge Dissemination

Figure 2 sets out how the relationship between individual learning, communities of practice and knowledge dissemination can operate. The inter-linkages between managers and communities that will cross the formal boundaries that are set by organisational structures and systems results in the cross-fertilisation of ideas, new forms of learning, and the dissemination of knowledge within the organisation.

CONCLUSIONS

This research provides insights into the ways in which a COP developed in one organisation and the way in which new communities developed from this initial base. In addition, the study identified the impact that COPs can have on knowledge creation and dissemination within an organisation. The study was perhaps unusual in that it was undertaken on the understanding that a COP had been formed within this particular organisation as a result of a common bond created by a Masters programme. This belief proved correct, but it does confirm the difficulties identified by Richter (1998) in trying to identify their existence of COPs at managerial level.

Various insights into how communities develop and the issues they face in their development are provided by the research. The research indicated that COPs are not static entities: they grow and develop and acquire new members as they are faced with new challenges and opportunities. The challenges require them to acquire new knowledge and understanding and this prompts them to engage in new learning initiatives. The COPs also benefit from external influences that ensure that they maintain interest in acquiring new knowledge. In this organisation the HR conferences and the Master classes appeared to be crucial in reenergizing the small communities. These initiatives were driven by one individual from the original community and his enthusiasm for introducing new ideas was a critical factor in the continued interest in acquiring new knowledge.
The initial decision to send 11 managers as a group was critical to the development of COPS within the organisation as it created a core group with a shared language and understanding of the potential of HRM. As a COP, they could make an immediate impact on the organisation; the impact would have been very much lessened had they been simply 11 individual managers. The decision to follow this up by sending individuals each year to the programme has provided additional support for the change process within the organisation. In addition, the decision to invest in a range of initiatives that support the continued learning and development of the group of managers has been critical to the process.

REFERENCES


TABLES AND FIGURES

Figure 1: The Operation of New Communities of Practice

Figure 2: Individual Learning, Communities of Practice and Knowledge Dissemination