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#### Chapter I

## Understanding the Benefits and Impact of Communities of Practice

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#### ABSTRACT

Organizations are increasingly providing Communities of Practice with resources to improve the exchange and flow of knowledge and information. However, as with any other significant investment, managers are naturally interested in, and are frequently called upon to justify, the impact that these communities have on individual performance, overall productivity and the bottom line. In this chapter, we present the results of work with thirteen Communities of Practice, focusing on how managers can collect community benefits via serious anecdotes and measure the impact that communities have on time use in knowledge work activities and on individual, community and organizational benefits.

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#### **INTRODUCTION**

From the beginning of the industrial revolution through to the mid-1990s, the knowledge needed to compete and succeed in business was housed locally within the co-located boundaries of the office, the city, the county and within formal worker groups who interacted daily. Today, however, in almost every aspect of business, organizations are pressed to fill the needs and wants of globally dispersed customers and suppliers, in real time and on-demand. At the same time, work teams have not only grown more complex and geographically distributed, but also their need to tap into the knowledge and expertise of their co-workers has never been more critical. To meet both of these challenges, organizations such as BP/Amoco, IBM, Montgomery-Watson Harza, Shell, Siemens, Johnson & Johnson, The World Bank, and Bristol-Myers Squibb have begun to support communities of workers, commonly referred to as Communities of Practice (CoPs), to increase the sharing of lessons learned, the exchange of insights and ideas and the transfer of expertise and hand-on experience.

Ethnographies of these communities reveal that sharing and exchange of knowledge occurs in a variety of ways. In a study of copy machine technicians, Orr (1996) reported that much of technicians' informal discussion took place in natural social interaction, for example, during meals, coffee breaks, and while driving to customer sites. The volume and detailed nature of the conversation supports the transfer of knowledge from the more experienced to the new technicians. Wenger (1998), in his research of a community within an insurance firm, describes how call centre employees exchange knowledge during group meetings and by handwritten notes passed among workers. Lesser and Storck (2001), in their study of seven CoPs in large, multi-national firms, describe how CoPs increase social capital and organizational performance in addition to reporting key value outcomes such as increasing customer response and creating new business opportunities. In their respective works, Teigland (2000) and Liedtka (2000) linked CoPs to an organization's competitive advantage and ability to deliver on-time customer performance. Finally, Fontaine and Millen (2002) reported that to support the sharing of knowledge in communities, organizations are increasingly providing the following resources:

- People: to fill certain community roles and manage the community's activities
- Activities: to bring the community together in meetings and events
- Technology: to facilitate the flow of knowledge and information between activities
- Content: to manage and share the explicit knowledge that the community creates

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