Chapter 6.12
Virtual Communities of Practice:
A Mechanism for Efficient Knowledge Retrieval in MNCs

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ABSTRACT

In geographically dispersed organizations, like multinational corporations (MNCs), contextual gaps exist between senders and receivers of knowledge. Employee socialization resulting from physical proximity facilitates contextualization of the transferred knowledge. However, in MNCs most knowledge transfers take place through virtual communication media. We investigate the phenomenon of virtual communities of practice, and propose them to be efficient for individual's knowledge retrieval as participation in such communities reduces the contextual gaps between senders and receivers of knowledge. However, the organization must provide a knowledge-sharing friendly culture, and an institutional protectionism, in order to establish the required level of swift trust 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 chapter, 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, Kern, Mehmanpazir, & Muier, 1999; Constant, Kiesler, & Sproull, 1994; Granovetter, 1972; Hansen, 1999; Nonaka & Takeuchi, 1995) as in the case of communities of practice (Brown & Duguid, 1991, Wenger, 1998). Here, we point to the fact 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). This article, therefore, questions whether knowledge retrieval can be 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, and likewise the analyses and surveys of these processes in communities of practices. However, this article 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, 1999). Hornett and Stein (2007) confirm this established fact because their survey company focused on the social or the technological part respectively, but seldom the combination of the two, that is, the sociotechnical orientation. Hornett and 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 we theorize on the underlying mechanism for efficient utilization of transferred knowledge, that is, the establishment of a forum where knowledge is retrieved correctly. This issue has been investigated in proxy environments, but we discuss the efficiency of a sociotechnical Knowledge Management strategy, in this case a virtual communities of practice. This contributes to a recent debate in this journal, where Bartczak, Turner, and England (2007) survey of the Knowledge Management strategy of the US Air Force Material Command showed the difficulties of leveraging the otherwise efficient communities of practice in a virtual context, and Vizcaino, Soto, Portillo-Rodriguez, and Piattini (2007) arguing that technological solutions seldom take into account the fundamental problems of transferring knowledge. Contrarily, Cheuk (2007) reports how the British Council has established sense-making processes in a virtual context by initiating social networks. This article taps into this debate and contributes to this area of research because it examines the pros and cons of virtual communities of practice in regard to knowledge retrieval.

The article 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 final 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 decodes) the knowledge and then

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