



A community of leading knowledge-based organizations dedicated to networking, benchmarking and sharing best knowledge practices.

**Wenger, Etienne C., McDermott, Richard, and Snyder, Williams C., *Cultivating Communities of Practice: A Guide to Managing Knowledge*, Harvard Business School Press, Cambridge, USA, 2002, 304 pages (ISBN 1-5781-330-8).**

*Cultivating Communities of Practice* is one of the most important books to be published in the KM field in the last few years. It is both catching and defining a trend. In some ways the arguments that are put forward in this book have been knocking around the KM industry for a number of years - ever since Wenger wrote his seminal book in 1998 on *Communities of Practice: Learning, Meaning and Identity*, - but *Cultivating Communities of Practice* moves on from theory to practice and attempts to argue that communities of practice - when managed correctly - can be the key driver of organizational success.

Perhaps the heart of the book is chapter three on the 'Seven principles for Cultivating Communities of Practice.' The introduction to the chapter contrasts two communities - one circuit designers and one a group of social workers. The introduction concludes: "Despite their differences, the circuit designers' and social workers' communities are both vibrant and full of life. Their energy is palpable to both the regular participants and visitors. Because communities of practice are voluntary, what makes them successful over time is their ability to generate enough excitement, relevance, and value to attract and engage members. Although many factors, such as management support or an urgent problem, can inspire a community, nothing can substitute for this sense of aliveness."

The authors outline seven principles of designing for this aliveness. They are:

1. Design for evolution
2. Open dialogue between inside and outside perspectives
3. Invite different levels of participation
4. Develop both public and private community spaces
5. Focus on value
6. Combine familiarity and excitement
7. Create a rhythm for the community.

The book looks at many examples of communities, including a couple of well known examples of cultivated communities - Chrysler Corporation whose story of cutting time-to-market by half forms the introduction to the whole book, and McKinsey's experience is the inspiration for the eighth chapter of the book: "Measuring and Managing Value Creation". This chapter looks at how McKinsey had communities of practice before the term was invented. The firm began in the 1980s by launching several 'practice centers' in areas where its leaders were convinced they were re-inventing the wheel or missing opportunities to combine expertise across its growing number of globally dispersed offices.

McKinsey starts to show us the way is in the area of measuring and managing value creation. The authors acknowledge that many fear efforts to measure the value of knowledge will hurt more than it helps. But the authors say that measurement efforts are well worth trying because measures of value are instrumental in communities gaining visibility and influence as well as in evaluating and

guiding their own development. Measures help communities translate the value of what they do for teams and business unite in the *lingua franca* of the organization - bottom-line results.

In chapter seven - 'The Downside of Communities of Practice' - the authors describe some of the common disorders - temptation of ownership, imperialism, and cliques - and suggest some remedies.

This book will no doubt be much quoted. We will wait and see how successful its theories are judged in the long run.

(extract of a review by Peter Williams, Editor, *Knowledge Management* magazine.)

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**BOOK REVIEW**

**“Cultivating Communities of Practice”**

**Etienne Wenger, Richard McDermott, William Synder, Harvard Business School Press, Boston, 2002**

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**Introduction**

The notion of communities of practice was first introduced more than ten years ago (Lave and Wenger, 1991). Since then, many scholars and practitioners have made reference in their work (Brown and Duguid, 1991; Eckert, 1993; Gherardi et al, 1998; Liedtka, 1999). Several research have also been conducted along this theme, for example, those involving Xerox technicians (Orr, 1996), flute makers (Cook and Yanow, 1993) and cases with internationally distributed organisation members (Hildreth et al, 2000). However, much of the dynamics that occur within the communities of practice remain fuzzy. The viability of using communities of practice to manage knowledge and create value for the organisation is largely illusive to practitioners.

The book “Cultivating Communities of Practice” represents a major milestone in knowledge management literature. It provides a crystallized perspective by submitting an important structural model for the communities of practice based on the experiences culled from the World Bank, Shell Oil and McKinsey and Company. With design principles clearly laid down, readers are able to understand and cultivate communities of practice in their own organisations. In view of its significance, a review of the book is attempted. This paper seeks to distil the salient points described therein and offer comments on areas that are praiseworthy as well as those needing improvement. The purpose is to invite greater inquiring into such an approach of managing knowledge in the organisation.

This review is organised as follows. First, it provides an overview of the communities of practice by reviewing chapters 1, 2 and 3 of the book. Next, the stages of developing the communities of practice are examined by reviewing chapters 4 and 5. Following that, distributed communities are discussed by reviewing chapter 6. Next, chapter 7 is reviewed to highlight the potential pitfalls of communities of practice. Thereafter, this paper discusses the notion of knowledge measurement by reviewing chapter 8. The penultimate section of this paper examines the strategy to design community-based knowledge initiative for the organisation by reviewing chapter 9. Finally, chapter 10 is reviewed to explore the broader potential of communities of practice that transcends the organisational boundary.

## **Communities of Practice**

Chapter 1 introduces the communities of practice and explains why they are appropriate social structures suitable for developing and sharing knowledge in the organisation. The value of the communities of practice lies in its ability to connect personal development and the professional identity of practitioners to the strategy of the organisation. Hence, communities of practice yield short-term and long-term benefits to both the organisation and the individual community member. However, the chapter has not qualified the conditions under which the communities of practice will deliver the promised results. The analogy of growing a plant is a useful one in conveying the organic process in cultivating communities of practice. This opening chapter has provided a balanced view of the communities of practice as naturally occurring yet one that requires careful cultivation and it has artfully expressed this subtlety.

Chapter 2 examines the structure of communities of practice in detail. It explains that communities of practice may differ in attributes such as size, life span, physical boundaries and the extent by which they are recognised in organisations. However, all communities of practice is characterised by three structural elements, namely, domain, community and practice. Domain ranges from mundane know-how to highly specialised professional expertise. Community refers to the environment in which people interact, learn and build relationships. Practice is the set of framework, ideas, tools and documents community members share. This chapter achieves a major break-through in knowledge management literature by submitting an unprecedented structural model of the communities of practice. It also shows why communities of practice lend themselves to be more suitable for knowledge stewardship as compared to other organisational structures such as formal departments, project teams and informal networks.

Chapter 3 spells out seven principles for designing communities of practice. First is to design for evolution. The idea is not to impose a fix structure but allow the community to develop as it grows. Second is to open dialogue between inside and outside perspective so that the strategic potential of the communities of practice is sharpened. Third is to invite different level of participation so that all members have a role to play based on their interests and commitment. Fourth is to develop both public and private spaces. Public spaces refer to official events organised for all members while private spaces refer to one-on-one interaction among members. Fifth is to focus on value so that the community stays relevant to the organisation throughout its lifetime. Sixth is to combine familiarity with excitement. Familiar events create a comfort level that encourages candid discussion while exciting events provide novelty and spontaneity among members. Seventh is to create a rhythm so that the pace of activities is suitable for the members. These principles are useful in two ways. One, they are generic enough to allow practitioners to adapt according to their varying contexts. Two, they provide some examples of actual implementations which could be easily emulated.

## **Stage of Development**

Chapter 4 and 5 specifies the five stages of community development. In each stage, the key issues related to each of the structural elements, namely, domain, community and practice are discussed. Stage 1 is to see the potential and determine the primary intent. The key domain issue is to define the scope of domain of interest to the members as well as being aligned to the organisation. The key community issue is to discover extant social network that engages in that topic. The key practice issue to be identify the common knowledge needs. Stage 2 is about coalescing. The key domain issue is to establish the value of sharing domain knowledge. The key community issue is to develop sufficient trust to discuss practice problems. The key practice issue is to discover what knowledge should be shared and how.

Stage 3 is about maturing. The key domain issue is defining the role of the community in the organisation. The key community issue is to manage the boundary of the community and not be distracted from its core purpose. The key practice issue is to shift from sharing knowledge to organising and stewarding knowledge. Stage 4 is about stewardship. The key domain issue is to maintain relevance of the domain and find a voice in the organisation. The key community issue is to tone and intellectual focus of the community lively and engaging. The key practice issue is to keep the community on the cutting-edge. The final stage, Stage 5 is the transformation of the community. Many communities fade away, losing its momentum and members. Others die by turning into a social club and the sense of

stewarding a practice is lost. Others split into distinct communities or merge with other communities, or become fully institutionalised in the organisation. The five stages of development mentioned in chapter 4 and 5 are generally not substantiated with specific real-life examples. In this regard, the purpose of presenting these stages is perceived to be academic.

### **Distributed Communities**

Chapter 6 explains the major issues confronted by geographically distributed communities. One, distance makes it difficult for people to connect. Two, the large membership size makes it hard for people to know each other. Three, since their boundaries span across the organisation, the problems of priority and intellectual property arise. Finally, cultural differences among members located across different countries can lead to communication difficulties. To design distributed communities, this chapter provides four design principles. First is to achieve alignment among all stakeholders. Second is to create a structure that promotes both local variations and global connections, for example, by breaking large communities into topic-focused cells. Third is to build a rhythm strong enough to maintain community visibility through technology-mediated communications and face-to-face meetings. Fourth is to develop private space of the community more systematically, such as personalising membership by displaying photographs of each member. This is one of the few chapters in the book where the use of technology is presented. Even then, it has been cursorily explained.

### **Downside of Communities of Practice**

Rather than painting a sanitised picture, Chapter 7 is devoted to explaining the potential pitfalls of communities of practice. The problems arise from dysfunctional behaviours in any of the three structural elements. With respect to the domain, community members may either be overly zealous in guarding the domain which leads to imperialistic perspective, or lose ownership over the domain resulting in the community becoming marginalised by the organisation. With respect to the community, members may bond too tightly resulting in egalitarianism. Rigid conformity to the group leads to mediocrity in performance. With respect to practice, members may develop an overly strong sense of competence that leads to dogmatism. The downside is not confined within a single community but also in a constellation of communities as well as the organisation as a whole.

It is insightful for the authors to warn of the potential downside of communities of practice. While the authors have attempted to provide remedies to each of the problems cited, some of the solutions represent lofty ideals that may still not solve the problems. Another observation is that the pitfalls presented in this chapter generally do not have associated real-life examples. Hence, readers might be left wondering if these pitfalls are for real or whether they have been conjured.

### **Measurement**

Chapter 8 shows why measurement is necessary for communities of practice to gain visibility and influence as well as guide their own development. Rather than relying on static indicators such as participation rate and cycle time, this chapter proposes systematic anecdotal evidence. This approach involves collecting stories that explain what the community did, what knowledge resources were produced and how they were applied to obtain results. A five-step guide is provided for the measurement process. One is to identify the addressees and the purpose of the measurement. Two is to determine the types of stories and related statistics to collect. Three is the choice of the approach to raise the awareness of the measurement. Four is to define the scope and time for to carry out the measurement. Fifth is the manner in which the data collected can be combined into an overall picture.

This chapter has been the most comprehensive work on measuring the impact of knowledge. Compared to approaches such as the knowledge-value-added methodology (Housel and Bell, 2001), the authors have proposed a much more holistic way to measure knowledge by focusing on the distinct parts in the knowledge value system, namely community activities, knowledge resources and the business

processes. Furthermore, in recognising the tacit nature of knowledge, stories are used to preserve contextually rich details.

### **Community-based Knowledge Initiative**

Chapter 9 provides the strategy to design community-based knowledge initiative for the entire organisation. The purpose is to leverage the aliveness of communities and diffuse it throughout the organisation. A community-based knowledge initiative goes through a life cycle not unlike that of a single community of practice. Phase 1 is to lay the foundation by identifying the capabilities required by the organisation. Technology could be used as an enabler to connect people as well as serve as a knowledge repository. Phase 2 is to launch the initiative. Three tactical choices have to be considered: the high versus low visibility of the launch; the top-down versus bottom-up of identifying viable communities; the parallel versus sequential launch of communities. Phase 3 is to expand the existing communities as well as to integrate among different communities to streamline communication. Phase 4 is to consolidate the communities so that they are integrated with other functions and fully aligned with the business strategies and policies of the organisation. Phase 5 is the transformation of the initiative. The potential is two-fold: one, the communities become focal structure in the organisation and two, the identity and culture of the organisation is transformed by a learning and innovation mindset.

### **Broader Potential of Communities of Practice**

Chapter 10 enlarges the scope of communities of practice and argues that they may transcend organisational boundaries and be formed with suppliers, distributors, consumers other organisations across national borders. In closing, it suggests that communities of practice may be formed even in the society and include areas outside business such as housing, parenting, health, education and areas of practice associated to the human society. It is insightful of the authors to conceive the far-reaching applicability of communities of practice across organisations, nations and societies. This concluding chapter asserts that the need to manage knowledge is not merely restricted within the business arena. Furthermore, the notion of communities of practice is relevant to any context so long as there is a domain of knowledge to explore and develop, a community of members who interact and a practice in which they are engaging.

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