

# Communities of practice: learning as a social system

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You are a claims processor working for a large insurance company. You are good at what you do, but although you know where your paycheck comes from, the corporation mainly remains an abstraction for you. The group you actually work for is a relatively small community of people who share your working conditions. It is with this group that you learn the intricacies of your job, explore the meaning of your work, construct an image of the company, and develop a sense of yourself as a worker.

You are an engineer working on two projects within your business unit. These are demanding projects, and you give them your best. You respect your teammates and are accountable to your project managers. But when you face a problem that stretches your knowledge, you turn to people like Jake, Sylvia, and Robert. Even though they work on their own projects in other business units, they are your real colleagues. You all go back many years. They understand the issues you face and will explore new ideas with you. And even Julie, who now works for one of your suppliers, is only a phone call away. These are the people with whom you can discuss the latest developments in the field and troubleshoot each other's most difficult design challenges. If only you had more time for these kinds of interactions.

You are a CEO and, of course, you are responsible for the company as a whole. You take care of the big picture. But you have to admit that for you, too, the company is mostly an abstraction: names, numbers, processes, strategies, markets, spreadsheets. Sure, you occasionally take tours of the facilities, but on a day-to-day basis, you live among your peers—your direct reports with whom you interact in running the company, some board members, and other executives with whom you play golf and discuss a variety of issues.

We now recognize knowledge as a key source of competitive advantage in the business world, but we still have little understanding of how to create and leverage it in practice. Traditional knowledge management approaches attempt to capture existing knowledge within formal systems, such as databases. Yet systematically addressing the kind of dynamic "knowing" that makes a difference in practice requires the participation of people who are fully engaged in the process of creating, refining, communicating, and using knowledge.

We frequently say that people are an organization's most important resource. Yet we seldom understand this truism in terms of the communities through which individuals develop and share the capacity to create and use knowledge. Even when people work for large organizations, they learn through their participation in more specific communities made up of people with whom they interact on a regular basis. These "communities of practice" are mostly informal and distinct from organizational units.

However, they are a company's most versatile and dynamic knowledge resource and form the basis of an organization's ability to know and learn.

### **Defining Communities of Practice**

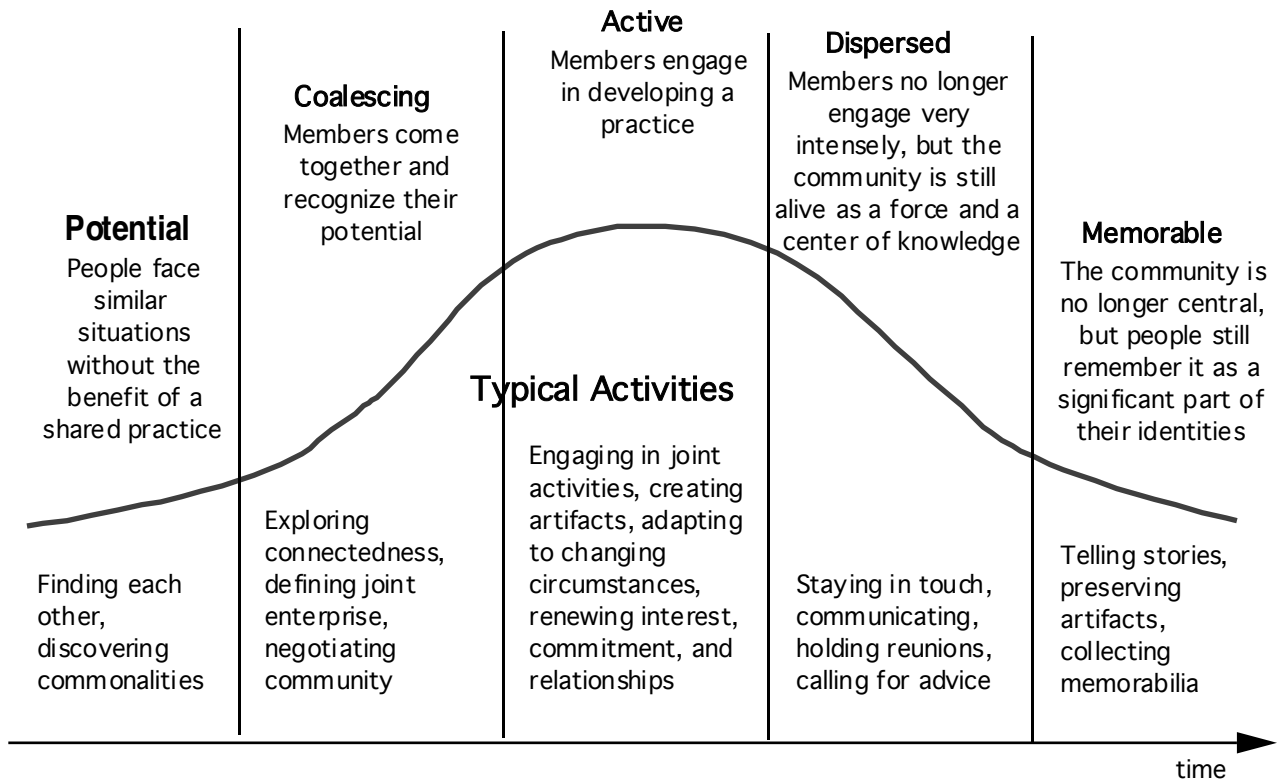
Communities of practice are everywhere. We all belong to a number of them—at work, at school, at home, in our hobbies. Some have a name, some don't. We are core members of some and we belong to others more peripherally. You may be a member of a band, or you may just come to rehearsals to hang around with the group. You may lead a group of consultants who specialize in telecommunication strategies, or you may just stay in touch to keep informed about developments in the field. Or you may have just joined a community and are still trying to find your place in it. Whatever form our participation takes, most of us are familiar with the experience of belonging to a community of practice.

Members of a community are informally bound by what they do together—from engaging in lunchtime discussions to solving difficult problems—and by what they have learned through their mutual engagement in these activities. A community of practice is thus different from a community of interest or a geographical community, neither of which implies a shared practice. A community of practice defines itself along three dimensions:

- **What it is about**—its *joint enterprise* as understood and continually renegotiated by its members
- **How it functions**—the relationships of *mutual engagement* that bind members together into a social entity
- **What capability it has produced**—the *shared repertoire* of communal resources (routines, sensibilities, artifacts, vocabulary, styles, etc.) that members have developed over time.

Communities of practice also move through various stages of development characterized by different levels of interaction among the members and different kinds of activities (see "Stages of Development").

## Stages of Development



Communities of practice develop around things that matter to people. As a result, their practices reflect the members' own understanding of what is important. Obviously, outside constraints or directives can influence this understanding, but even then, members develop practices that are their own response to these external influences. Even when a community's actions conform to an external mandate, it is the community—not the mandate—that produces the practice. In this sense, communities of practice are fundamentally self-organizing systems.

### Communities of Practice in Organizations

Communities of practice exist in any organization. Because membership is based on participation rather than on official status, these communities are not bound by organizational affiliations; they can span institutional structures and hierarchies. They can be found:

- *Within businesses:* Communities of practice arise as people address recurring sets of problems together. So claims processors within an office form communities of practice to deal with the constant flow of information they need to process. By participating in such a communal memory, they can do the job without having to remember everything themselves.

- *Across business units:* Important knowledge is often distributed in different business units. People who work in cross-functional teams thus form communities of practice to keep in touch with their peers in various parts of the company and maintain their expertise. When communities of practice cut across business units, they can develop strategic perspectives that transcend the fragmentation of product lines. For instance, a community of practice may propose a plan for equipment purchase that no one business unit could have come up with on its own.
- *Across company boundaries:* In some cases, communities of practice become useful by crossing organizational boundaries. For instance, in fast-moving industries, engineers who work for suppliers and buyers may form a community of practice to keep up with constant technological changes.

Communities of practice are not a new kind of organizational unit; rather, they are a different *cut* on the organization's structure—one that emphasizes the learning that people have done together rather than the unit they report to, the project they are working on, or the people they know. Communities of practice differ from other kinds of groups found in organizations in the way they define their enterprise, exist over time, and set their boundaries:

- A community of practice is different from a *business or functional unit* in that it defines itself in the doing, as members develop among themselves their own understanding of what their practice is about. This living process results in a much richer definition than a mere institutional charter. As a consequence, the boundaries of a community of practice are more flexible than those of an organizational unit. The membership involves whoever participates in and contributes to the practice. People can participate in different ways and to different degrees. This permeable periphery creates many opportunities for learning, as outsiders and newcomers learn the practice in concrete terms, and core members gain new insights from contacts with less-engaged participants.
- A community of practice is different from a *team* in that the shared learning and interest of its members are what keep it together. It is defined by knowledge rather than by task, and exists because participation has value to its members. A community of practice's life cycle is determined by the value it provides to its members, not by an institutional schedule. It does not appear the minute a project is started and does not disappear with the end of a task. It takes a while to come into being and may live long after a project is completed or an official team has disbanded.
- A community of practice is different from a *network* in the sense that it is "about" something; it is not just a set of relationships. It has an identity as a community, and thus shapes the identities of its members. A community of practice exists because it produces a shared practice as members engage in a collective process of learning.

People belong to communities of practice at the same time as they belong to other organizational structures. In their business units, they shape the organization. In their teams, they take care of projects. In their networks, they form relationships. And in their communities of practice, they develop the knowledge that lets them do these other tasks. This informal fabric of communities and shared practices makes the official organization effective and, indeed, possible.

Communities of practice have different relationships with the official organization. The table "Relationships to Official Organization" shows different degrees of institutional involvement, but it does not imply that some relations are better or more advanced than others. Rather, these distinctions are useful because they draw attention to the different issues that can arise based on the kind of interaction between the community of practice and the organization as a whole.

**Relationships to Official Organization**

<b>Relationship</b>	<b>Definition</b>	<b>Challenges typical of the relationship</b>
<i>Unrecognized</i>	Invisible to the organization and sometimes even to members themselves	Lack of reflexivity, awareness of value and of limitation
<i>Bootlegged</i>	Only visible informally to a circle of people in the know	Getting resources, having an impact, keeping hidden
<i>Legitimized</i>	Officially sanctioned as a valuable entity	Scrutiny, over-management, new demands
<i>Strategic</i>	Widely recognized as central to the organization's success	Short-term pressures, blindness of success, smugness, elitism, exclusion
<i>Transformative</i>	Capable of redefining its environment and the direction of the organization	Relating to the rest of the organization, acceptance, managing boundaries

### **Importance of Communities to Organizations**

Communities of practice are important to the functioning of any organization, but they become crucial to those that recognize knowledge as a key asset. From this perspective, an effective organization comprises a constellation of interconnected communities of practice, each dealing with specific aspects of the company's competency—from the peculiarities of a long-standing client, to manufacturing safety, to esoteric technical inventions. Knowledge is created, shared, organized, revised, and passed on within and among these communities. In a deep sense, it is by these communities that knowledge is "owned" in practice.

Communities of practice fulfill a number of functions with respect to the creation, accumulation, and diffusion of knowledge in an organization:

- They are nodes for the *exchange and interpretation of information*. Because members have a shared understanding, they know what is relevant to communicate and how to present information in useful ways. As a consequence, a community of practice that spreads throughout an organization is an ideal channel for moving information, such as best practices, tips, or feedback, across organizational boundaries.
- They can *retain knowledge* in "living" ways, unlike a database or a manual. Even when they routinize certain tasks and processes, they can do so in a manner that responds to local circumstances and thus is useful to practitioners. Communities of practice preserve the tacit aspects of knowledge that formal systems cannot capture. For this reason, they are ideal for initiating newcomers into a practice.
- They can *steward competencies* to keep the organization at the cutting edge. Members of these groups discuss novel ideas, work together on problems, and keep up with developments inside and outside a firm. When a community commits to being on the forefront of a field, members distribute responsibility for keeping up with or pushing new developments. This collaborative inquiry makes membership valuable, because people invest their professional identities in being part of a dynamic, forward-looking community.
- They provide *homes for identities*. They are not as temporary as teams, and unlike business units, they are organized around what matters to their members. Identity is important because, in a sea of information, it helps us sort out what we pay attention to, what we participate in, and what we stay away from. Having a sense of identity is a crucial aspect of learning in organizations. Consider the annual computer drop at a semiconductor company that designs both analog and digital circuits. The computer drop became a ritual by which the analog community asserted its identity. Once a year, their hero would climb the highest building on the company's campus and drop a computer, to the great satisfaction of his peers in the analog gang. The corporate world is full of these displays of identity, which manifest themselves in the jargon people use, the clothes they wear, and the remarks they make. If companies want to benefit from people's creativity, they must support communities as a way to help them develop their identities.

Communities of practice structure an organization's learning potential in two ways: through the knowledge they develop at their *core* and through interactions at their *boundaries*. Like any asset, these communities can become liabilities if their own expertise becomes insular. It is therefore important to pay as much attention to the boundaries of communities of practice as to their core, and to make sure that there is enough activity at these boundaries to renew learning. For while the core is the center of expertise, radically new insights often arise at the boundary between communities. Communities of practice truly become organizational assets when their core and their boundaries are active in complementary ways.

To develop the capacity to create and retain knowledge, organizations must understand the processes by which these learning communities evolve and interact. We need to build organizational and technological infrastructures that do not dismiss or impede these processes, but rather recognize, support, and leverage them.

### **Developing and nurturing Communities of Practice**

Just because communities of practice arise naturally does not mean that organizations can't do anything to influence their development. Most communities of practice exist whether or not the organization recognizes them. Many are best left alone—some might actually wither under the institutional spotlight. And some may actually need to be carefully seeded and nurtured. But a good number will benefit from some attention, as long as this attention does not smother their self-organizing drive.

Whether these communities arise spontaneously or come together through seeding and nurturing, their development ultimately depends on internal leadership. Certainly, in order to legitimize the community as a place for sharing and creating knowledge, recognized experts need to be involved in some way, even if they don't do much of the work. But internal leadership is more diverse and distributed. It can take many forms:

- The *inspirational* leadership provided by thought leaders and recognized experts
- The *day-to-day* leadership provided by those who organize activities
- The *classificatory* leadership provided by those who collect and organize information in order to document practices
- The *interpersonal* leadership provided by those who weave the community's social fabric
- The *boundary* leadership provided by those who connect the community to other communities
- The *institutional* leadership provided by those who maintain links with other organizational constituencies, in particular the official hierarchy
- The *cutting-edge* leadership provided by those who shepherd "out-of-the-box" initiatives.

These roles may be formal or informal, and may be concentrated in a core group or more widely distributed. But in all cases, leadership must have intrinsic legitimacy in the community. To be effective, therefore, managers and others must work with communities of practice from the *inside* rather than merely attempt to design them or manipulate them from the *outside*. Nurturing communities of practice in organizations includes:

***Legitimizing participation.*** Organizations can support communities of practice by recognizing the work of sustaining them; by giving members the time to participate in activities; and by creating an environment in which the value communities bring is acknowledged. To this end, it is important to have an

institutional discourse that includes this less-recognized dimension of organizational life. Merely introducing the term "communities of practice" into an organization's vocabulary can have a positive effect by giving people an opportunity to talk about how their participation in these groups contributes to the organization as a whole.

***Negotiating their strategic context.*** In what Richard McDermott calls "double-knit organizations," people work in teams for projects but belong to longer-lived communities of practice for maintaining their expertise. The value of team-based projects that deliver tangible products is easily recognized, but it is also easy to overlook the potential cost of their short-term focus. The learning that communities of practice share is just as critical, but its longer-term value is more subtle to appreciate. Organizations must therefore develop a clear sense of how knowledge is linked to business strategies and use this understanding to help communities of practice articulate their strategic value. This involves a process of negotiation that goes both ways. It includes understanding what knowledge—and therefore what practices—a given strategy requires. Conversely, it also includes paying attention to what emergent communities of practice indicate with regard to potential strategic directions.

***Being attuned to real practices.*** To be successful, organizations must leverage existing practices. For instance, when the customer service function of a large corporation decided to combine service, sales, and repairs under the same 800 number, researchers from the Institute for Research on Learning discovered that people were already learning from each other on the job while answering phone calls. They then instituted a learning strategy for combining the three functions that took advantage of this existing practice. By leveraging what they were already doing, workers achieved competency in the three areas much faster than they would have through traditional training. More generally, the knowledge that companies need is usually already present in some form, and the best place to start is to foster the formation of communities of practice that leverage the potential that already exists.

***Fine-tuning the organization.*** Many elements in an organizational environment can foster or inhibit communities of practice, including management interest, reward systems, work processes, corporate culture, and company policies. These factors rarely determine whether people form communities of practice, but they can facilitate or hinder participation. For example, issues of compensation and recognition often come up. Because communities of practice must be self-organizing to learn effectively and because participation must be intrinsically self-sustaining, it is tricky to use reward systems as a way to manipulate behavior or micro-manage the community. But organizations shouldn't ignore the issue of reward and recognition altogether; rather, they need to adapt reward systems to support participation in learning communities, for instance, by including community activities and leadership in performance review discussions. Managers also need to make sure that existing compensation systems do not inadvertently penalize the work involved in building communities.



**Providing support.** Communities of practice are mostly self-sufficient, but they can benefit from some resources, such as outside experts, travel, meeting facilities, and communications technology. A companywide team assigned to nurture community development can help address these needs. This team typically

- provides *guidance and resources* when needed
- helps communities connect their agenda to business *strategies*
- encourages them to move forward with their agenda and remain focused on the *cutting edge*
- makes sure they include all *the right people*
- helps them create *links* to other communities

Such a team can also help identify and eliminate barriers to participation in the structure or culture of the overall organization; for instance, conflicts between short-term demands on people's time and the need to participate in learning communities. In addition, just the existence of such a team sends the message that the organization values the work and initiative of communities of practice.

### **The Art of Balancing Design and Emergence**

Communities of practice do not usually require heavy institutional infrastructures, but their members do need time and space to collaborate. They do not require much management, but they can use leadership. They self-organize, but they flourish when their learning fits with their organizational environment. The art is to help such communities find resources and connections without overwhelming them with organizational meddling. This need for balance reflects the following paradox: No community can fully design the learning of another; but conversely no community can fully design its own learning.

### **Acknowledgments**

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### **Biographical note**

Dr. Etienne Wenger is a globally recognized thought leader in the field of learning theory and its application to business. A pioneer of the "community of practice" research and author of *Communities of Practice: Learning, Meaning, and Identity* (Cambridge University Press, 1998), he helps organizations apply these ideas through consulting, workshops, and public speaking.

**Sidebar:**

Different members of an organization can take actions in their own domains to support communities of practice and maximize the benefits they can provide:

- *Line managers* must make sure that people are able to participate in the right communities of practice so they sustain the expertise they need to contribute to projects.
- *Knowledge managers* must go beyond creating informational repositories that take knowledge to be a "thing," toward supporting the whole social and technical ecology in which knowledge is retained and created.
- *Training departments* must move the focus from training initiatives that extract knowledge *out* of practice to learning initiatives that leverage the learning potential inherent *in* practice.
- *Strategists* must find ways to create two-way connections between communities of practice and organizational strategies.
- *Change managers* must help build new practices and communities to bring about changes that will make a constructive difference.
- *Accountants* must learn to recognize the capital generated when communities of practice increase an organization's learning potential.
- *Facilities managers* must understand the ways in which their designs support or hinder the development of communities of practice.
- *Work process designers* must devise process improvement systems that thrive on, rather than substitute for, engaged communities of practice.

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