A corporation is more than the sum of its assets, products and services. At the heart of the company is a resource more fundamental and enduring—a set of basic “core competencies.” In fact, the organization’s abiding ability to recognize, nurture and capitalize on these core competencies.

These competencies hold the key to the company’s future and to its long-term identity. They underlie its ongoing ability to innovate, to add value in serving its customers and to respond to the shifting demands of the marketplace. Moreover, they are what is hardest for competitors to reproduce.

A successful long-term strategy, therefore, implies continually re-defining and sustaining these core competencies.

But where do these essential competencies actually reside? How are they connected to each other? How can they be tapped?

**Understanding work by being there**

It was to take these questions seriously that I decided to do a study of a claim processing center in a large insurance company. Because I wanted to investigate how learning, understanding, and competence show up in practice, I decided to go spend a year with people at work. I became a claim processor, took the necessary training classes, and joined a claim processing unit. Though it was a secret to no one that I was doing a study, I tried to become part of that work community as authentically as an outsider could.
What I found was that this supposedly routine job gives rise to a very complex social community. In order to work together, claim processors have established a versatile fabric of informal networks. Through exchanging questions, meeting in hallways, telling stories, negotiating the meanings of events, inventing and sharing new ways of doing things, conspiring, debating, and recalling the past, they complement each other’s information and together construct an understanding of their environment and work.

In fact, the claim processors’ ability to learn and perform their jobs depends much more on their community—its shared memories, routines, improvisations, innovations, and connections to the world—than on the company’s official organizational and procedural frameworks.

What I concluded from my experience both in the training classes and “on the floor” was this: the competence of claim processing is organized socially in the community of this shared practice. It is by becoming members of such a community that employees become effective claim processors.

**Some myths about learning**

We are essentially social beings. We live in societies, of course; but more fundamentally perhaps, it is our participation in social communities and cultural practices that provides the very materials out of which we construct who we are, give meaning to what we do, and understand what we know.

A moment of reflection on our own lives, in business, in schools, and at home, and this seems obvious.

Why is it then that we always think of learning in individualistic terms of acquisition of information? We associate it with lecturing teachers, with orderly classrooms, with didactic training sessions, or with lonely evenings of homework. We think of individual capabilities judged in standardized terms of intelligence. And we think of books, assuming that information exists on paper or in words, there to be acquired by individual minds?

This mentalistic view is pervasive: the myth of the acquisition of information and the myth of the individual learner are both central to our culture.

These myths about learning are powerful. They have their origins in the cradle of our civilization. Furthermore, they have largely directed our
institutional pedagogical efforts; this has served to reinforce them and to make them seem natural.

The influence of these myths has sometimes had costly consequences. We have invented schools that sequester students from social life at large. We have conceived training programs that do not provide trainees with what it takes to engage in actual practice. We have assessed progress and intelligence in ways that do not capture their true essence. We have designed technology while ignoring communities of users. We have decreed that learning is not part of everyday life, that it requires special settings, that it is hard, and that we are for the most part lousy at it.

We are badly in need of a new theory of learning and knowing. At the Institute for Research on Learning (IRL), our socially oriented views of learning are based on the notion of “communities of practice.”

The idea of communities of practice is a familiar one to many anthropologists. At IRL, we believe that this notion provides a powerful handle for understanding how competencies are formed and sustained in organizations and how learning takes place within them.

**Learning as a social phenomenon**

As valuable as information is, information by itself is meaningless—as are the sounds of an unknown foreign language. Information only takes meaning in the context of the social practices of the communities that give it cultural life.

It is therefore through our membership in these communities that we come to know—and to be empowered by what we know. In fact, isolation as a principle is either illusory or paralyzing—except perhaps when it is part and parcel of the practice of communities that give it a social meaning, as in monastic seclusion or in the process of writing. Our very identity of individuality is a matter of belonging. But why is it so difficult to see learning as a social phenomenon?

IRL’s approach to learning analyzes the ways in which human knowledge is created, sustained and transformed in communities of practice. Learning is seen as an evolving form of membership, occurring naturally as the individual engages in the practices and activities of the community—which becomes the living repository of knowledge.
Our own communities of practice

We all belong to many communities of practice, at work, at school, in our personal activities. And we become members in them through legitimate peripheral participation, whether we become a full participant, as in our job, or remain a peripheral one, as in our doctor’s office.

Communities of practice are everywhere, but they do not coincide with the formal organizations in which they exist. The school divides students into formal classroom groupings—but it is the students’ own informal social cliques that comprise their communities of practice. The organization divides employees into departmental structures; employees’ personal networks exist alongside these, but are quite separate from them.

We are so accustomed to thinking in formal terms about organizational structures that we overlook the pervasiveness of the informal in our lives. Yet, like the claims processors, we function to a large degree in our informal networks.

Communities of practice are often the place where things get done. Because communities of practice organize themselves around what matters to their members, not according to institutional decrees, they arise, evolve, and disappear with a life of their own. For instance, when a new computer system is installed in the workplace, an informal community is often created—and we learn about the new system by belonging to that group.

Indeed, reflecting on our lives in our own organizations should make this notion of a community of practice seem quite familiar. The resulting perspective is neither new nor old: it has both the eye-opening character of novelty and the forgotten familiarity of obviousness. But perhaps that is the mark of important insights.

Guidelines for a new practice

These insights suggest new ways of thinking about and managing an organization to help tap the core competencies that reside among its employees. Managers who want to leverage the power of the social communities within their corporations will:

pay much more attention to the social world and respecting its informal, improvised, inventive, negotiated character.
Be aware that the social world is where work gets done, where meaning is constructed, where learning takes place every day, where innovation originates, and where identities are formed.

View individuals as members of communities of practice in multiple and complex ways. Don’t just throw information at them, but support their learning by opening possibilities for participation and membership.

Thinking of any institution, such as a corporation or a school, as encompassing an ensemble of interconnected communities of practice, whose boundaries do not necessarily (or usually) follow the formal boundaries of the organization, both inside and outside.

Understand that change implies new practices, but remain aware of the limits of anyone’s external control over communities of practice.

Understand that boundaries and peripheries are places where much happens and where there is high potential for change. Therefore it is important to create bridges, to allow peripheral yet legitimate forms of participation.

Pay attention as any document or artifact crosses community boundaries and becomes part of a new, different practice. Become interested in people whose forms of membership create overlaps.

Become aware of the interaction of multiple local cultural practices instead of talking in abstract terms about a corporate culture. The organization’s competencies are embodied in these living, overlapping, changing, unconforming communities of practice.

**Architects of tomorrow**

It should be clear by now why the organization’s configuration of competencies is an asset difficult for competitors to imitate. The necessary network of communities of practice in all their social complexity cannot be invented overnight—if indeed they can be invented at all.

These notions gain relevance as our society moves toward a service model of production, where communication, construction of understanding, and creation of meaning—all social processes—become more and more central to business.

Thinking of social institutions as the gardeners of learning, as charged with the responsibility of developing, sustaining, organizing, and nurturing societally valued configurations of competencies revitalizes
notions such as corporation, organization, management, vision, or strategy.

But even those who speak about “learning organizations,” “life-long learning,” or the “information society” do so mostly in terms of individual learners and information processes. The notion of community of practice breaks out of this mold; it provides a new way of dealing with the complex issue of creative learning in organizations; and it opens new fields for strategic and visionary thinking.

We at IRL are members of a new community of practice that is emerging among people who think along these lines. There is much to share and much to explore. Consider this an invitation. Those who can understand learning as a social phenomenon and can translate this understanding into learning organizations will be the architects of tomorrow.