

Collective tacit knowledge: corporate universities and the limits to virtuality

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Abstract

What you lose [through on-line training and development] is the networking aspect of meeting people face-to-face. It's very hard to measure, but if people have met they network better, they share better, they trust each other more. They can build on that and create their virtual teams. It's not one of those things we've measured.

Senior manager, FuelCo

This paper sets out from the basis that, by its very nature, tacit knowledge can never be measured, but that it can be revealed in practice (Cook and Brown 1999). The process of 'getting things done' depends on many types of knowledge, such as intuition, emotion, judgement and skilled action that are situated in specific contexts and cannot be objectified in a scientific sense (Spender 2001). But what are the processes by which practices situated in specific institutional contexts? In his definition of institutions as "rules of the game" North (1990), argued there are informal constraints (sanctions, taboos, customs, traditions, codes of conduct) and formal rules (constitutions, laws, property rights). Nevertheless, North's idea that one type of institution can be converted into another is redolent of Nonaka and Takeuchi's (1995) problematic notion of tacit-explicit "knowledge conversion". In different ways, both sets of arguments imply a normative, teleological view of history as a march towards the market-rational ideals of individualism, impersonal market dealings and entrepreneurial innovation. In this paper, we suggest that a pluralist approach to knowledge and institutions, combined with Cook and Brown's (1999) distinction between knowledge that is "possessed" and the "active process of knowing", provide an innovative way of framing the challenge faced by corporate universities.

Whereas traditional universities are associated with Mode 1 knowledge (Gibbons et al 1994), the corporate university (of which it is estimated there are around 2000 in the US alone) appears dedicated to practice, which could be interpreted as Mode 2 knowledge. But the Mode 1 and Mode 2 debate appears to be an incomplete picture. Acknowledging the importance of collective tacit knowledge, defined as Mode 3 knowledge by Ray and Little (2002, forthcoming), offers potential to support a more meaningful interpretation of the interrelationship between working, learning and innovation.

Meanwhile, the categorisation and characterisation of knowledge through corporate universities has become a preoccupation of practitioners and consultants (Dealtry 2000; Ellis 1998; Matthews 1997; Meister 1998; Miller et al. 1999; Moore 1997; Nevins 1998; Sandelands 1998; Trondsen and Vickery 1998). This body of work provides accounts of how knowledge is extracted, stored, and distributed, and the organizational ends these processes serve. Further, it is routinely claimed that technologically driven corporate universities enable the development of learning organisations and cultures. We suggest that this view of the corporate university as knowledge extractor and culture definer embraces two controversial assumptions: first, that individual knowledge can be transformed into collective understanding and explicit information through technological initiatives and limited social interaction, and second, that organizational learning is epistemologically analogous to individual learning.

To put our arguments in perspective, we offer two case studies. FuelCo is based in Europe, and relies primarily on the technical expertise of its employees operationally. In setting up a corporate university, senior managers sought to accomplish three aims. First, to keep the basic skills (such as familiarity with health and safety procedures) required of all employees up-to-date at low cost; second, to provide a corporate cultural centre for employees from around the globe to become and remain socialised; and third, to enable the cultural transfer of knowledge and skills from the corporate centre to the cultural periphery. These aims formed the strategic vision of the corporate university, as a means of cutting training costs, as a means of ensuring that employees shared an understanding of the corporate goals and philosophies, and as a means of transferring technical skills to low-skill countries. Our second case, ResearchCo, is based in the UK. A large proportion of employees are classed as conducting basic research and research evaluation. ResearchCo's corporate university seeks to re-centralise training budget control, and to collate knowledge gathered and generated by employees. The strategic aims at ResearchCo, we suggest, centred more on budgetary control and bringing collective, tacit knowledge within managerial control. Interviews conducted with senior managers involved in defining the role of the corporate universities, those responsible for managing the initiative, and university users

within the two companies are analysed to relate the theory and practice of corporate universities to theories of knowledge production and management.

Both versions of the corporate university in our case studies are analogous to a 'knowledge factories' in which education and training are primary goals, rather than learning (Aronowitz 2000). By deploying a pluralist approach to knowledge, together with the way in which different types of knowledge enable practice in different institutional contexts, it is possible to unpack aspects of the distance learning debate and consider why collectively held tacit knowledge matters. Arguably, an appreciation of this type of knowledge provides a stepping-stone to better understanding the limits to virtuality.

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