

Knowledge creation in managed learning networks: structuring informal relations or killing the goose that laid the golden egg?

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This paper explores the contribution to knowledge creation of managed learning networks among small and medium sized enterprises (SMEs). The empirical focus is provided by a study currently being conducted into a series of learning networks in South East England that are being managed by the University of Brighton. These networks involve more than 450 firms divided into small groups that participate in regular meetings following a structured action learning methodology. The intention is to provide a supportive setting within which managers of SMEs can share knowledge, create ideas, and solve problems collectively through exchange between peers. These encounters follow a largely standardised pattern and are actively guided by an independent facilitator.

These networks offer an interesting example of an intermediate form of network relationship that has both formal and informal elements to it. Much of the literature on networks, knowledge, and innovation tends to focus either on more formal relationships, such as the wide variety of contractually formalised agreements governing relations between firms (e.g. Alter and Hage, 1993, Powell *et al.*, 1996), or on the role of informal social networks, such as those that develop in the context of professional or occupational communities (e.g. Dougherty, 1992, Swan *et al.*, 1999, Van Maanen and Barley, 1984). There has been less interest in intermediate, semi-formal networks and this paper aims to go some way to address this absence.

This is particularly relevant because many managers and policy makers have acknowledged the importance of informal social networks for supporting knowledge creation and innovation, yet have sought to recreate their advantages through more formal and structured interventions. A typical example has been the widespread attempt by governments to establish regional clusters in an effort to capture the benefits of more organically emerging new industrial districts such as Silicon Valley or the Third Italy (Cooke, 2001). Purposeful attempts by organisations to engineer communities of practice are another good example of trying to manage informal relations (Wenger *et al.*, 2002). Given the chequered history of some of these interventions, there is a non trivial question here about the extent to which informal network relations can be actively engineered. There are some who consider there to be a contradiction in attempting to formalise the informal (e.g. Roberts, 2006).

Using case examples based on a multi-method approach entailing semi-structured interviews, questionnaires, and group observations, the paper considers the potential for constructing and managing social networks for the purposes of learning between SMEs. Contrary to those who are critical of attempts at managed informality, the examples suggest that it is possible to achieve benefits through policy efforts to structure network relations providing they are not subject to excessive formalisation. The interactions between network members takes place within a framework that provides them with a common reference point and permits the development of group norms that helps them to develop their capacity to learn from each other. This is grounded in a collaborative experiential model of learning rather than one based on the traditional pedagogic relationship between teacher and student (Lave, 1988, Lewin, 1948, Revans, 1980).

However, there are nevertheless a number of tensions, evident in most collective learning situations, that are perhaps exacerbated by the hybrid character of the learning networks studied. Key among these is the tension between developing the social norms, routines, and

group identities to support collaborative relations and permitting sufficient diversity of perspectives to prevent members becoming trapped in an ultimately limited frame of reference (c.f. Schein, 1996). The paper considers this and other tensions and the extent to which these can be managed as part of the overall challenge of balancing formality and informality in learning networks.

In terms of the rationale and fit of the paper, it is concerned with issues relating to the co-production of knowledge through peer-based interactions and as such speaks directly to the theme of the conference. More specifically, it aims to address key questions raised within Themed Session 1 about the character, benefits, and limitations of informal organising for supporting the creation of knowledge. It seeks to contribute to this debate by exploring the various tensions that emerge at the intersection between formality and informality.

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