

The Effectiveness of Communities of Practice – From Anecdotes to Evidence

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State Farm Insurance Companies



1



State Farm Facts

- 68,000 Employees including
 - Around 13,000 Corporate Employees
 - Represented by 17,000 Agents
- Nearly 80 Million Policies/Accounts
- \$ 48.1 b. in P&C Earned Premium, including:
 - \$30.2 b. - Auto
 - \$15.9 b. - Homeowners, CMP, Other
- \$ 685 b. in insurance in force – Life
- \$ 15.9 b. in assets – State Farm Bank
- \$ 4.6 b. in assets under management – Mutual Fund operations
- \$ 61.6 b. in Total Revenue
- \$ 63.7 b. in Net Worth

» Source: State Farm 2007 Year End Results



2



Knowledge Communities at State Farm

Definition	A community is a group of people with a common interest in a topic and a commitment to share and apply their knowledge for business benefit.
Detailed Description	Characteristics of Communities include: <ul style="list-style-type: none">- Leadership from within the Community- Sponsorship from the Corporate Business Area- May use collaboration tools for knowledge sharing
Benefits	<ul style="list-style-type: none">•Facilitates best practices and knowledge sharing•Fosters collaboration and innovation•Accelerates learning•Provides opportunity to network



3



Current Status of Communities at State Farm

- 207 active Communities of Practice – 433 total SharePoint sites
- Over 11,000 distinct community participants
- Most communities consist of membership from people of similar jobs/background from different geographical areas.
- All current communities are using SharePoint Services as collaboration tool; varying degrees phone call or face-to-face transactions.

4



Why Survey Communities of Practice?

- Empirically support our theory that communities will encourage collaboration and have positive effects on job performance.
- Provide support for the ROI of the investment in the Knowledge management initiative.
- Determine components of effective communities for future community launches and community leader training.

5



Anecdotally speaking:

- What makes CoPs effective?
 - Members have a common interest or field of practice
 - Members want to share information
 - Members feel connected, sense of trust
 - Has a positive impact on their job
 - Passionate, proactive leader
 - Support of upper management
 - (from review of literature 2004)

6



Literature Review (2007)

- Knowledge Sharing based on two theories:
 - Social Cognitive (Bandura, 1997)
 - Self efficacy and reciprocity
 - Outcome expectations
 - Social Capital Theory (Chiu, Hsu, Wang, 2006)
 - Social interaction
 - Trust
 - Shared Vision or Goals

7



Literature Review

- Trust Expanded (Jarvenpaa, et al, 1980 – 2004)
 - Trust depends on structure; weak structures, need for trust is strongest (Dirks and Ferrin (2001)
 - Trust is important in technology enabled relationships.
 - Early good communications enhanced trust.

8



Literature Review

- The Role of Leadership
 - Advocate, catalyst, integrator (Davison, et al. 1996)
 - Definers, Facilitators, and Encouragers (Cascio, 2000)
 - With virtual teams, leaders must provide additional clarity (Workman, 2004)
 - Leaders of virtual teams need greater facilitation skills (Bell and Koslowski, 2002)

9



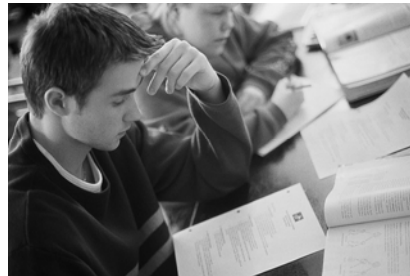
Literature Review

- What predicts virtual team effectiveness?
 - Clarity of Objectives
 - Communications
 - Face to face meetings
 - Monitoring team health by leaders (Horwitz, Bravington, Silvis (2006)

10



Review of Model and Research Question



11



Research Questions

- What elements contribute to members' motivation to share and their perceptions of the effectiveness of CoPs?
- How do Social Capital constructs (trust, connectedness), goal clarity, leadership strength and communication effectiveness contribute to members' perceptions of impact to their job?
- When involvement in a CoP creates a positive impact to a members' job, how does it stimulate their motivation to share?
- How does the use of technology contribute to members' perception of the effectiveness of the community?

12



Variables Explored

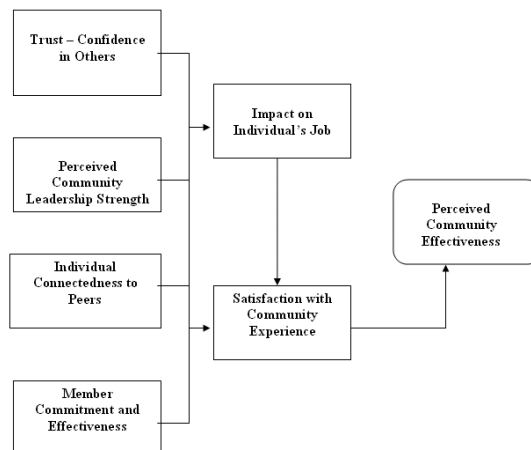
- Leadership
- Communication Effectiveness
- Clarity of Goals
- Trust
- Connectedness
- Cohesiveness
- Importance of the impact of the Job
- Motivation to Share
- Technology Diversity
- Personal Effectiveness
- Community Effectiveness
- Gender
- Role
- Tenure



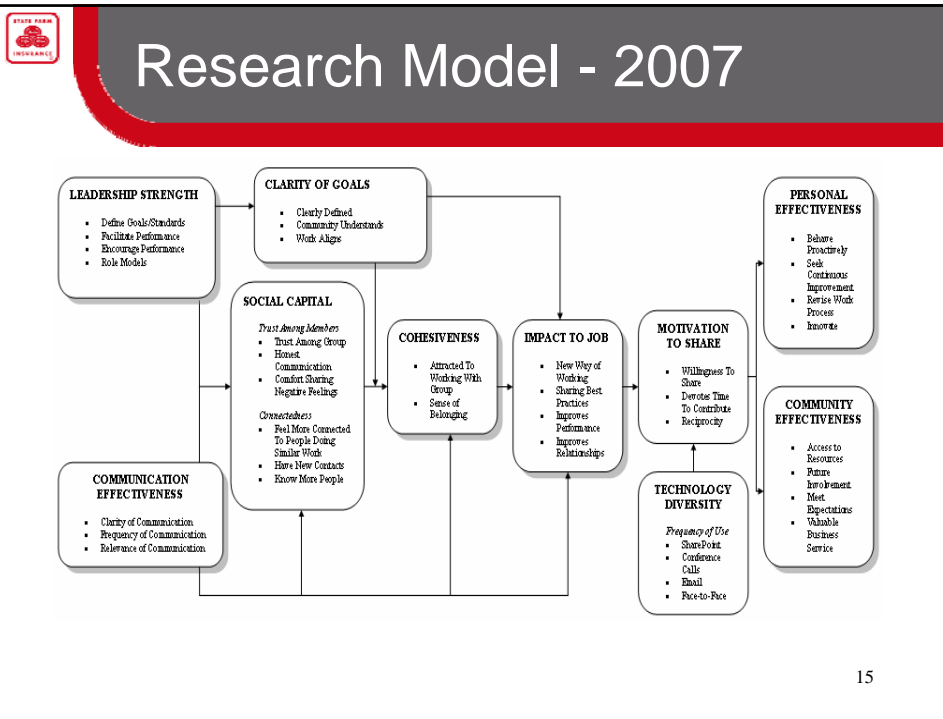
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Research Model - 2005



14



15

Methodology

- Survey developed using a 5 point Likert Scale
- Three open-ended questions to generate verbatim responses
- Survey was sent to 800 participants (both active and inactive) 293 were returned (36% response rate)

16



The Evidence: Statistics and Significant Findings



17



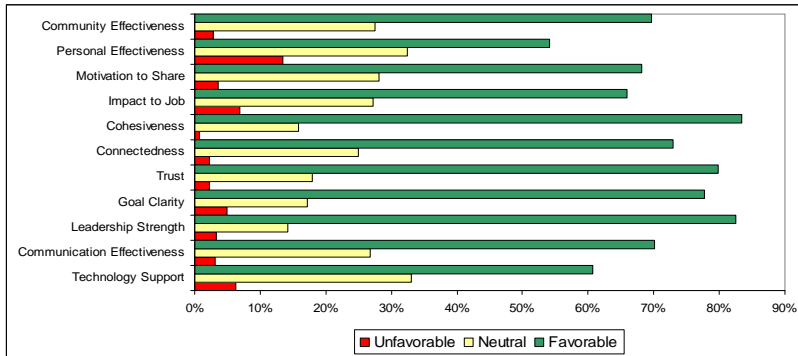
Overall Positive Results

	Percentages			Mean
	Unfavorable	Neutral	Favorable	
Community Effectiveness	2.90%	27.50%	69.60%	3.74
Personal Effectiveness	13.40%	32.50%	54.10%	3.43
Motivation to Share	3.60%	28.10%	68.20%	3.72
Impact to Job	6.90%	27.20%	65.90%	3.63
Cohesiveness	0.70%	15.90%	83.40%	4.00
Connectedness	2.20%	24.90%	72.90%	3.81
Trust	2.20%	18.00%	79.90%	3.94
Goal Clarity	5.00%	17.20%	77.80%	3.91
Leadership Strength	3.30%	14.20%	82.50%	4.06
Communication				
Effectiveness	3.20%	26.70%	70.10%	3.81
Technology Support	6.30%	33.10%	60.70%	3.60

18



Overall Positive Results



19



Significant Findings –

Correlations -Motivation to Share; Effectiveness

- Strongest correlations to **motivation to share**:
 - Connectedness to others
 - Importance of the impact on the job
 - Perception of community effectiveness
- Strongest correlations to **perceived community effectiveness**:
 - Community leadership
 - Quality of communications
 - Connectedness to others
 - Importance of impact on the job

20



Statistics and Significant Findings - Correlations

	Community Effectiveness	Personal Effectiveness	Motivation to Share	Impact to Job	Cohesiveness	Connectedness	Trust	Goal Clarity	Leadership	Communication	Technology Support
Community Effectiveness	1.00	0.68	0.68	0.75	0.70	0.76	0.64	0.74	0.70	0.75	0.39
Personal Effectiveness	0.68	1.00	0.66	0.76	0.57	0.70	0.50	0.38	0.55	0.52	0.37
Motivation to Share	0.68	0.66	1.00	0.69	0.62	0.73	0.60	0.67	0.57	0.65	0.38
Impact to Job	0.75	0.76	0.69	1.00	0.70	0.78	0.62	0.62	0.61	0.64	0.38
Cohesiveness	0.70	0.57	0.62	0.70	1.00	0.78	0.74	0.67	0.69	0.67	0.38
Connectedness	0.76	0.70	0.73	0.78	0.78	1.00	0.68	0.76	0.69	0.69	0.42
Trust	0.64	0.50	0.60	0.62	0.74	0.68	1.00	0.63	0.59	0.66	0.37
Goal Clarity	0.74	0.38	0.67	0.62	0.67	0.76	0.63	1.00	0.76	0.71	0.42
Leadership	0.70	0.55	0.57	0.61	0.69	0.69	0.59	0.76	1.00	0.66	0.35
Communication Effectiveness	0.75	0.52	0.65	0.64	0.67	0.69	0.66	0.71	0.66	1.00	0.37
Technology Support	0.39	0.37	0.38	0.38	0.38	0.42	0.37	0.42	0.35	0.37	1.00

*All correlations are significant at p<01

21



Significant Findings – Impact to the Job

- Members who saw the community as creating a positive impact on their job:
 - Developed stronger connectedness to peers
 - The longer the participants' tenure with the company, the less likely that the community created a positive impact to the job.

22



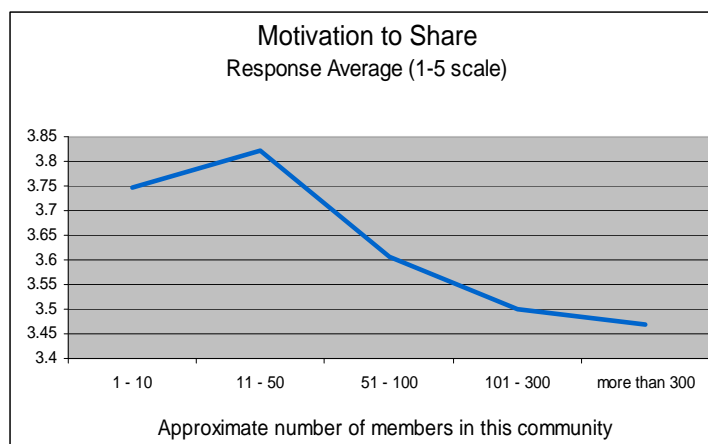
Significant Findings – Motivation to Share

- Community Members were more motivated to share if:
 - They felt the communications from the community were effective
 - They felt more connected to their peers
 - It created a positive impact on the job
 - The number of members in the community is not too large (1 – 100 is ideal)

23



Motivation to Share





Significant Findings – Personal Effectiveness

- Community members felt participation increased their personal effectiveness if:
 - Participation in the community created a positive impact on the job
 - They were motivated to share with the community



25



Significant Findings – Community Effectiveness

- Community members perceived the community as effective if:
 - They felt the communications from the community were effective
 - The goals of the community were clear
 - Participation created a positive impact on the job

26



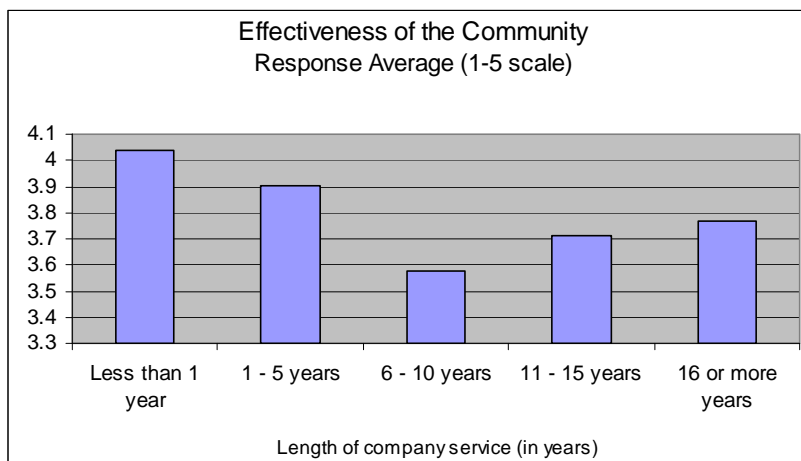
Significant Findings- Community Effectiveness - Demographics

- Participants who have been with State Farm from 1-5 years are most likely to say that they perceive the community to be effective, *however*,
- The longer members participate in a community, the more likely they are to say they perceive it as effective.

27



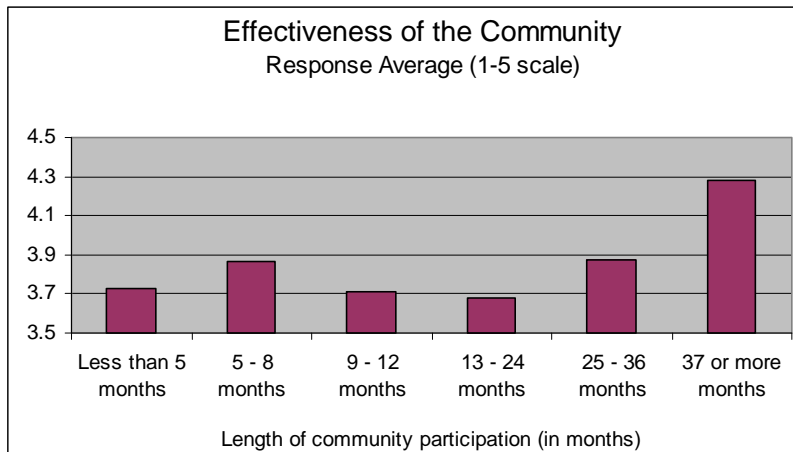
Tenure with Company



28



Tenure of Community Participation



29



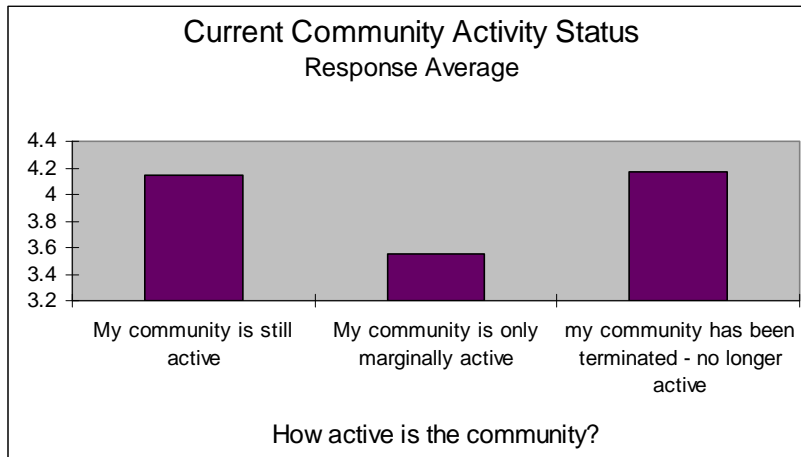
Comparison between groups

- Only 2 of 36 responses indicated that community was *not* active due to lack of engagement.
- Majority of communities are no longer active because the task was completed or project finished.
- Strength of leadership, connectedness between members and positive impacts to the job all were significantly different between active and marginally active communities.

30



Comparisons between groups – Strength of Leadership's effects on activity level



31



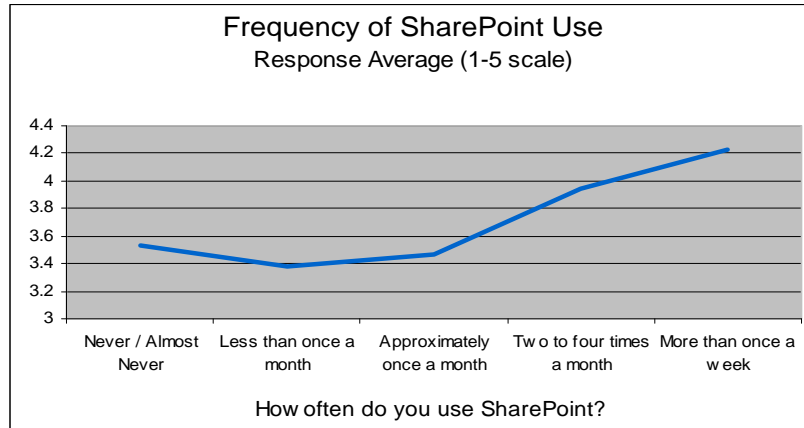
Virtual Collaboration Rocks!

- Community members who use SharePoint more than once a month (44%) are more likely to perceive the community as effective.
- 23% use SharePoint more than once a week.
- 30% of respondents say they never or almost never meet face-to-face (that rises to 47% who say they meet less than once a month.)

32



Use of Technology- Members who perceive their communities as effective use SharePoint more frequently



33



However, the personal touch is still important

- Face-to-face communication is, however, also important.
- Community members who meet once a month perceive their communities to be the most effective.



34



And, technology doesn't answer all collaboration needs.

- Respondents also said that 32% of them still use personal phone calls to communicate with fellow community members more than once a week, and
- 49% of respondents said they use e-mail to communicate with fellow members more than once a week.

35



Summary of verbatim responses

- Greatest benefits received from being part of the community? (125 responses)
 - Sharing ideas and best practices (23x)
 - The availability of and access to information (20x)
 - Access to others in similar roles in other zones (18x)
 - Networking, relationship building, connecting (15X)
 - Increasing job productivity (4x)
 - Reusing, not reinventing (3x)
 - Learning new skills; increasing collaboration behaviors (3x)
 - Use of the general discussion area (2x)

36



Summary of verbatim responses

- What do you see as barriers to the success of the community? (116 valid responses)
 - Not enough time to participate (13X)
 - Lack of engagement and active participation by members of the community (13X)
 - It would be beneficial to meet in person. (5X)
 - Usability and training on SharePoint (9x)
 - Lack of goal or purpose (5x)
 - Support of leadership of the community (4x)
 - Management support to participate (3x)
 - Focus on collaboration instead of just document management (4x)

37



Summary of verbatim responses

- Share a success story (29 Responses)
 - “I have shared my best practices from my state and seen them work in other states”
 - “I was able to adopt a ‘hire ahead’ program for our division based on what was done in another zone with similar issues.”
 - “We started with a blank slate and were able to capture, review, organize, and compile data for an effective business case.”
 - “The community is great especially for new supervisors.”
 - “...as a result, zones experiencing a need had a framework for a course with a proven success for their own use...saved them many hours of instructional design time.”
 - “It was invaluable as a clearinghouse of knowledge!”

38



Summary and Conclusions



39



Evidence of Effectiveness

- Members perceive their community as effective if:
 - involvement in communities impacts the job
 - More idea and knowledge sharing
 - Accessibility to best practices
 - community goals are clear
 - the quality of communications is good
 - personal effectiveness increases

40



Sharing is a wonderful thing!

- Members are more motivated to share if:
 - the goals of the community are clear
 - members feel connected to each other
 - the quality of communications is good

41



If you lead, I will follow:

- Interestingly, leadership did not directly predict community effectiveness; however, community leadership strength plays a significant role as a predictor of motivation to share and effectiveness, especially in these areas:
 - Goal clarity
 - Quality of communications
 - Creating Connections

42



Technology really DOES enable!

- The most effective communities are using SharePoint more frequently
- Some community members feel that a moderate amount of face to face interaction still is important, although 1/3 of our respondents didn't meet face to face at all.

43



Implications for State Farm

- Community Goals/Objectives from Charters are significant:
 - Goals should be clearly crafted
 - Leaders should make a point to revisit goals and objectives so members have line of sight to purpose
- Continue to train leaders on ways to engage members and increase participation.
- For role-based communities, look for opportunities to focus on the job itself and opportunities for productivity improvement.
- SharePoint usage can contribute to perceptions of effectiveness
- Size of community matters, meeting face to face matters, age and tenure of participants matter.

44



It's about Adding Value

- For communities to be perceived as effective they have to add value to the individual.
- Communities' sense of purpose is significant.
- Investment in time to engage in community may eventually save time.
- Continued positive reaction to Communities at State Farm.

45



Questions?



46