

Local-global geographies of tacit knowledge
production in London and New York's advertising
and law professional service firms.

by

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A Doctoral thesis submitted in partial fulfilment of the requirements
for the award of Doctor of Philosophy of Loughborough University

February 2005

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Abstract

For economic geographers interest in the role of knowledge in economic activities and a ‘knowledge economy’ raises questions about how geography enables (and disables) learning and whether the production of tacit knowledge has exclusively local or multiple overlapping geographies. This thesis engages with this debate and considers its relevance to the geographies of tacit knowledge production (learning) in the employees of global advertising and law professional service firms operating in London and New York City. It begins by critically engaging with theories of knowledge, learning and their geographies to develop a spatially sensitive approach to examine learning. Such an analysis is then applied in order to understand the geographies of knowledge production in global advertising and law firms. Three themes are addressed. First, why is tacit knowledge important in the work of these firms? Second, what are the key practices involved in producing such knowledge? Third, what are the geographies of these practices and how important is the local scale (the communities within London and New York) and the global scale (the communities stretched between offices of the global firms studied) for knowledge production. Research findings from semi-structured interviews highlight the multiple geographies of learning in the firms studied at both local and global scales. This is enabled by a number of ‘embedding’ forces that ‘smooth’ the learning process and that have multiple geographies themselves. It is therefore argued that a relational and topological analysis that traces the learning networks across space most usefully provides insights into the geographies of knowledge production. This reveals that the ‘networks and spaces of learning’ are fluid and transcend spatial scales when suitably constructed.

Acknowledgements

This thesis would not have been possible without the support and assistance of a number of individuals and organisations. In particular I am grateful to all the advertisers and lawyers who gave up their valuable time to be interviewed. Funding provided by the Department of Geography, Loughborough University through both a Social Science and Humanities research studentship and travel fund grants supported the completion of interviews in London and New York and the whole PhD process. For this I am most appreciative. Fieldwork was also partially supported by a small research grant from the Powtrell Foundation to whom I owe thanks.

In terms of academic leadership Jonathan Beaverstock has continually provided support and guidance as well as critical appraisal of the research completed. Meanwhile Peter Taylor has similarly provided valuable feedback and much appreciated words of support and reassurance when needed while David Slater has cast a critical eye over work at pertinent times to ensure the research maintained on track. Without the input of these three colleagues the thesis would never have come to fruition nor would I have been able to negotiate the tricky path from keen PhD student to (hopefully) more rounded academic scholar. The feedback, support and help of everyone in the Department of Geography at Loughborough University has also been vital in ensuring the thesis was completed successfully. For this I am again most thankful. Dr Shaun French of the University of Nottingham also provided valuable advise, direction and other forms of general support for which I am most appreciative.

More personally I am grateful to Amanda, my parents and everyone else who has tolerated the highs and lows of the PhD process and my variable moods as a result. However, unfortunately I cannot guarantee my future academic career will be any less turbulent!

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1) Introduction

1.1) Knowledge economies and professional service firms

“The knowledge-driven economy is not only a new set of high-tech industries, such as software and biotechnology, which are built on a science base. Nor is it only a set of new technologies – information technology and the Internet. It is about a set of new sources of competitive advantage that apply to all industries, high-tech and low-tech, manufacturing and services, retailing and agriculture. The key to our competitiveness is how we combine, marshal and commercialise our know-how” (*Observer*, 30th July 1998, cited in Bryson *et al*, 2000, 1).

“Information and knowledge have now become media of production displacing many kinds of manual work. Marx thought the working class would bury capitalism, but as it has turned out, capitalism has bought down the working class. The trading of information and knowledge is the very essence of the new global...system.” (Giddens, 2001, 22-23.)

Knowledge, and its centrality in contemporary economic activities, has increasingly come to pervade discussions about competitiveness and economic systems in both media and academic publications ¹. Moreover both governments (e.g. Department for Trade and Industry, 1998) and non-governmental organisations (e.g. OECD, 2000; UNCTAD, 2001) have become increasingly concerned with how ‘knowledge’ and ‘learning’ economies can be managed and exploited for economic benefit. Consequently, although it remains important to be critical of the rhetoric surrounding such debates, it is now impossible to ignore suggestions that the success of firms (and therefore regions and economies) requires “the continuous creation, aggregation, use and re-use of both organizational and personal knowledge” (Cross, 1999, 11). Particularly strong are suggestions that the tacit knowledge of individuals is most important because of its centrality in innovation and the development of effective production strategies (Nonaka and Takeuchi, 1995).

¹ Indeed at times it now often becomes hard to differentiate between hyperbolic descriptions of the role of knowledge that seem to dismiss the importance of any other factors in ‘production’ (e.g. Drucker, 1993) and more reasoned assertions about the increased relative importance of knowledge alongside other factors such as natural resources and blue-collar workers (e.g. Bell, 1999).

The principle argument of work highlighting the importance of a knowledge economy is that for ‘advanced’ economies such as the UK, Japan and the USA global competitive advantage now lies in exploiting “distinctive capabilities [that] are not raw materials, land or cheap labour. They must be knowledge, skills and creativity” (Department for Trade and Industry, 1998, 6). As a result it is suggested that strategies are needed to ensure that firms produce and exploit knowledge effectively and that a country’s ‘spaces of knowledge’ – places such as Silicon Valley in the USA, the Cambridge biotechnology cluster and the City of London in the UK - are developed and supported. As a result Skyrme (1999, 29) suggests that there is a ‘new economy with new rules’ and that “the characteristics of the networked knowledge economy, so different from those of the physical economy, demand new thinking and approaches”. Such thinking involves both identifying ways to develop and manage knowledge within firms but also finding ways to harness and exploit knowledge at the global scale.

A second strand of the argument put forward in literatures on the knowledge economy highlights then both the importance of ‘local’ cities of learning (such as the clusters made popular by the work of Porter, 1998) but also the global interconnectivity of what Skymre calls the ‘networked’ knowledge economy. It is increasingly recognised that firms must look beyond the boundaries of any one nation and find ways to harness their knowledge to meet the needs of globally distributed and stretched clients (e.g. *FT*, 2004a). It therefore becomes essential that spaces such as the City of London maintain their centrality in the knowledge economy’s wider global networks in order to connect firms with clients throughout the world who seek knowledge-based expertise and services (c.f. Amin and Thrift, 1992).

For economic geographers the role of knowledge in productive activities is just another focus for research amongst a wide range of geographical factors that influence and affect

the activities of firms and their geographies (Sheppard and Barnes, 2000)². The sub-discipline of economic geography has subjected itself to a great degree of critical

² Sheppard and Barnes (2000) suggest economic geographers key interest lies in defining a) where things are produced; b) how they are produced and; c) why they are produced where they are. For some however (e.g. Gregson, 2003) such a definition would be seen as too simplistic and prescriptive, overly rigidifying the discipline of economic geography. It therefore should be viewed as one perspective on economic geography.

deconstruction over recent years. Its epistemological tenets have been scrutinised in light of the wider 'cultural turn' within the social sciences (see *Antipode*, 2001) whilst the policy relevance of work has been both criticised, called for and defended (Castree, 2000; Massey, 2000; Peck, 1999; 2000). Debates about the knowledge economy are particularly pertinent to economic geographers then both because of how the production of knowledge is a key factor influencing the geographies of economic activity and also because of how the questions raised cut through the heart of recent debates within the sub-discipline. In particular the need for socially and culturally sensitive analyses of knowledge production and learning as well as policy relevant research outcomes is acute where the knowledge economy is concerned.

Consequently, debates about the knowledge economy have raised questions about how geography affects the learning practices that produce knowledge. Two distinct strands of work exist. Firstly, there is an extensive body of work that focuses upon the importance of certain places and spaces for tacit knowledge production and learning as a critique of those arguing for an 'end of geography' thanks to the impact of information-communication technologies (e.g. O'Brien, 1992; Cairncross, 1997). In countering such suggestions this group of economic geographers have argued that 'being there' is important for learning and tacit knowledge production and that the process occurs most successfully in certain places and spaces (e.g. Gertler, 2003; Morgan, 2004). These have become known as the 'new regions', places such as Silicon Valley that are touted as 'hot spots' of tacit knowledge and learning in globalised industries. This work has revealed how regional 'assets' such as universities and research institutions as well as regional agglomerations and clusters of firms that result in processes of knowledge churning and collective learning allow firms present to develop global competitive advantage (e.g. Hollingsworth, 2000; Storper, 1997). Such spaces have therefore been highlighted as the driving force behind any country's integration into the knowledge economy. In particular, this work has been used to suggest that the geography of the knowledge economy is one of uneven concentration within regions such as Silicon Valley because of the 'sticky' knowledge production and dissemination that goes on (e.g. Saxenian, 1994). It has also been used to suggest that tacit knowledge, the type of knowledge most important in innovation, is exclusively produced and shared within such regional spaces. The global dissemination of tacit knowledge are said to be limited by both the need for face-to-face contact in learning relationships and the need for a shared understanding of place-specific institutional contexts when parties learn from one-another. These

‘assets’ only exist when firms locate in close physical proximity to one-another (Gertler, 2003; Morgan, 2004).

At the same time however a second strand of research has questioned whether knowledge and learning has such exclusively ‘local’ fixes. Acknowledging the increasingly global nature of the knowledge economy these scholars suggest that tacit knowledge and learning also has important global dimensions, being stretched across space as global firms mobilise learning and knowledge within their global corporate networks (e.g. Amin and Cohendet, 2004; Beaverstock, 2004; Wrigley and Currah, 2004). This work has revealed how global organisations are able to engage in ‘network management’ practices that enable the effective ‘development a diffusion worldwide’ of knowledge, tacit and otherwise, that allows innovation and effective service delivery to clients (Bartlet and Ghoshal, 1998). Consequently it is argued that learning has both local and global geographies that require new approaches to understanding the nature of learning and its spatial dimensions that do not focus upon pre-defined spatial scales but instead upon interconnections, flows and relational spaces (Amin, 2003; Dicken *et al*, 2001). In doing this the latter group of researchers have also contributed to ‘the rediscovery of the firm’ in economic geography as conceptualisations of firms as ‘black boxes’ within economic processes have been replaced by more critical and nuanced studies of the internal mechanisms of firms’. In relation to knowledge this means looking at how learning and knowledge production occurs within firms and how place and space influence this process (see Taylor and Asheim, 2000).

Somewhat problematically however, these two strands of work have become dichotomised within economic geography. Allen (2000a; 2002) highlights how the association of tacit knowledge with the local scale and explicit knowledge with the global scale has plagued economic geography. The second body of work focussing upon the global stretching of knowledge has attempted to overcome such a disabling dichotomy and offered new ways of analysing the geographies of knowledge. However thus far those analysing the local spaces of learning have rebuked such research. This has further reinforced the divide between those highlighting the local spaces of learning and those highlighting the complementary global spaces (see for example the responses of Gertler (2003) and Morgan (2004) to such work).

This thesis therefore intends to contribute to and advance the debates occurring about the knowledge economy and its multiple spatial dimensions in both economic

geography and more widely. By drawing together the strands of work on the geographies of learning from economic geography and coupling them with wider studies of the knowledge economy, learning and organisational knowledge management the thesis fulfils two research needs. First it aims to fill a void in existing awareness about the role of professional service firms (PSF's) in the knowledge economy and how the knowledge that makes them successful is produced. The debates about the knowledge economy are relevant to a wide range of firms (Gregerson and Johnson, 1997) including the hi-tech manufacturers operating in the 'new regions' of Silicon Valley (Saxenian, 1994) or the Cambridge biotech cluster (Keeble *et al*, 1999) to a whole raft of service firms including those involved in global logistics (Dicken, 2003) and back-office data processing (UNCTAD, 2004a). However, there has been a curious silence in relation to many important sectors with academics and policy makers alike favouring research of the 'sexy' and most innovative and 'new' industries such as biotech. In particular the role of professional service firms (PSF's) has been somewhat neglected. Although recognised by academics as a central part of the knowledge economy (e.g. Winch and Scheider, 1992; Lowendahl, 2000) and highlighted by non-governmental organisations as key drivers of this economy (UNCTAD, 2004b; 2005) there is a unsettling lack of studies considering how the effective production and delivery of knowledge by PSF's occurs and affects the global knowledge economy. PSF's cover a wide range of sectors including accountancy, advertising, architecture, law, management consultancy and a plethora of financial services. As Morris and Empson (1998) note, they all provide a service to their clients in the form of advice and guidance in relation to a specific project (for example an advertising campaign). This service is *predominantly* based on the tacit knowledge of employees and how they apply this knowledge to overcome the hurdles faced in any project (Lowendahl, 2000)³. Such services then 'lubricate' the rest of the knowledge economy by allowing other firms to operate when their service needs (for advertising, architectural design of a new plant or office etc) are effectively met (Dicken, 2003).

For PSF's then ensuring learning and knowledge production occurs is essential for success yet is under-studied and often excluded from debates about the knowledge economy. Moreover for many PSF's effective participation in the knowledge economy

³ The input into production in PSF's is knowledgeable employees, the processing that occurs involves the application of the knowledge and expertise of employees to a client's problem and the output is knowledge in the form of tailored advice.

is a geographical project as they globalise their activities to serve clients worldwide. This means both ensuring the knowledge needed to serve clients is available at the 'point of demand' but also ensuring that global clients receive a globally integrated and competitive service (Rose and Hinnings, 1999). It seems important then to further study the role of such firms within the global knowledge economy and consider how the knowledge enabling them to 'lubricate' the activities of other firms is produced. This thesis does this by studying tacit knowledge production in advertising and law PSF's and highlights why knowledge management and exploitation is important. Drawing on extant literatures it attempts to both reconcile and differentiate existing arguments therefore deepening our understanding of the theoretical concepts behind them. Studies from both within economic geography (e.g. Beaverstock, 2004; Bryson *et al*, 2004; Daniels, 1991; 1993; Wood, 2002) and without (e.g. Lowendahl, 2000; Morris and Empson, 2001; Rose and Hinings, 1999) are developed to consider how PSF's produce and employ tacit knowledge to successfully serve clients. Widening the analytical lens further it also considers how work on the social and cultural dimensions to learning (e.g. Amin and Cohendet, 2004; Cook and Brown, 1999; Lave and Wenger, 1991; Wenger, 1998) can be employed to understand the factors affecting knowledge production in these firms.

Secondly, the thesis also analyses the multiple geographies of tacit knowledge and learning at both local and global scales in these firms and contributes to our understanding of the spatial dimensions of tacit knowledge. By coupling insights from analyses of the geographies of knowledge production at both the regional scale (Gertler, 2003; Keeble *et al*, 1999; Morgan, 2004; Storper, 1997) and global scale (Amin and Cohendet, 2004 in particular) the thesis attempts to intentionally blur the boundaries between the two. In doing this it intends to overcome any local-global/tacit-explicit dualism and provide further understanding of how global PSF's operate in the multiple spaces of the knowledge economy. It is argued that tracing the networks of the socio-spatial practices of tacit knowledge production allows us to understand the local-global geographies of learning ⁴. It is suggested that focus should fall upon the

⁴ It is acknowledged that it is somewhat simplistic to dichotomise the local and global as two opposing spatial scales and that there are multiple other spatial scales apart from the global and local across which the learning practices might stretch. A number of scholars (e.g. Brenner, 2001; Jessop, 2000; Swyngedouw, 1997) have highlighted how globalisation has resulted in a scalar restructuring where neither global nor local are pre-eminent. Instead it is suggested that scholars should avoid an approach that implies 'nested scales' and recognise the interweaving of all spatial scales. However, for analytical

factors that influence learning and how (local and global) space affects these factors. This replaces an epistemology often used in studies where focus falls upon the properties of certain spaces (in particular certain regional spaces) rather than how learning practices operate within and through these spaces.

These contributions are made through analyses based on two case studies that highlight the importance of tacit knowledge and the geographies of its production in advertising and law PSF's operating in London and New York. The world cities of London and New York are key locations in the activities of such firms (Sassen, 2000) and should be at the centre of knowledge production and learning (Corporation of London, 2003; Llewelyn-Davies, 1996). In this sense then they are the centres of PSF's activities in both the UK and USA. The ability of the firms operating in the two cities to produce, manage and exploit knowledge defines the success of the firms themselves and the wider economic arenas they serve. At the same time however, many of the PSF's operating in such world cities are global in nature. These firms have corporate networks spanning the globe that allow the production of services to be stretched worldwide and also therefore the production of knowledge. Part of the strategy of these firms is then to 'develop and diffuse knowledge worldwide' (Beaverstock, 2004) and to couple the islands of knowledge that exist in the form of offices spread throughout the world (Amin and Cohendet, 1999). This means it is possible to concurrently consider the local and global dynamics to knowledge production and leverage in such firms, therefore revealing the overlapping and multiple geographies of tacit knowledge production.

Advertising and law are chosen here as case studies for research as they provide a particularly important and valuable lens through which to understand the geographies of tacit knowledge production. There are three specific reasons for making such a claim. First, they have attracted the least attention of all PSF's for academic scholars. Whilst geographers have extensively studied finance and the PSF's that make up this sector (e.g. Beaverstock and Boardwell, 2000; Leyshon and Thrift, 1997; Leyshon, 2000) and scholars from both geography and business studies have highlighted the

clarity the local-global opposition is used here to help develop an understanding of the differences between physically proximate (normally face-to-face) learning and non-proximate (virtual) learning as has been conceptualised in existing literatures. As will become clear later in the thesis when ideas from Actor-Network theory are employed, the epistemology of this research is one that transcends spatial-scalar determinisms and instead focuses upon the scale-transcending processes and practices of knowledge production.

importance of accountancy and management consulting PSF's (Greenwood *et al*, 1999; Hinings *et al*, 1999; Rose and Hinings, 1999; Thrift, 2001) until recently both advertising (with the exception of Daniels, 1995; Perry, 1990) and law (except Beaverstock *et al*, 1999a; 2000) have been somewhat understudied. There is clearly scope for developing better understanding of both sectors in terms of their activities, organisational forms and globalisation. Second, both advertising (e.g. Department of Culture, Media and Sport, 2002) and law (e.g. UNCTAD 2004b; 2005) have been highlighted as industries at the heart of the knowledge economy. The knowledge-based creativity involved in producing advertising that allow firms to successfully market their goods and the knowledge-based analysis of the legal implications of firms activities respectively are critical to enabling firms to compete and operate efficiently in the knowledge economy. It is therefore critical that we better understand the dynamics of these PSF's and the factors defining their role in the knowledge economy (i.e. why their knowledge is important) and influencing knowledge production and application. Third, advertising and law were chosen as case studies as they offer potentially informative comparative studies that will highlight the complex, heterogeneous and variable nature of knowledge. Specifically advertising offers the opportunity to explore the way knowledge informs creativity and the insightful 'manipulation' of reflexive human subjects whilst law offers the opportunity to consider how the application more formal knowledge (of restricted and defined legal practices) can successfully allow business transactions to be completed.

1.2) Aims and objectives

The aim of the thesis is then to consider how tacit knowledge is important in the work of advertising and law PSF's and the geographies of the socio-spatial practices of knowledge production so as to both develop and reconfigure the way economic geographers approach and understand the geographies of tacit knowledge.

The objectives of the thesis are as follows:

- i) To consider why tacit knowledge is important to advertising and law PSF's. Based on a critical reading of existing research, to uncover and explain tacit knowledge's role in the firms operating in London and New York and deepen

our understanding of the way knowledge allows the successful delivery of professional services. In doing this extant literatures analysing the nature and role of tacit knowledge should be employed and explored through the empirical examples of advertising and law so as to highlight the heterogeneous and fluid nature of knowledge and complicate existing understanding in economic geography.

- ii) Through engagement with a range of theoretical perspectives, to evaluate the socio-spatial practices of learning and the factors influencing their effectiveness in producing knowledge. In particular, the important practices of knowledge production in PSF's should be identified and a way of theorising their role in knowledge production developed. This should be based and the development and application of extant theoretical models of learning in a way that allows the factors affecting the ability of individuals to learn to be examined and also the influences upon the success of this learning to be identified.
- iii) To develop an understanding of the geographies of the socio-spatial practices of learning in advertising and law PSF's and reconfigure approaches to the analysis of the geographies of knowledge production. The disabling dichotomy within economic geography between tacit-local and explicit-global geographies of knowledge should, where appropriate, be challenged and reconsidered through an epistemology that does not prioritise geographical scale but instead the 'networks of learning practice'. The research should also deepen our knowledge of the importance of 'local' place and 'global' space in the production of advertising and law professional services and knowledge.

In order to complete such research the thesis draws both upon secondary data sources and existing literatures (from both academic and wider media sources) as well as primary data in the form of semi-structured interviews. In doing this existing theorisations and analyses of the nature of knowledge and its production (both in relation to PSF's and more widely) are unpacked and developed as well as work on the global advanced producer service economy. Interviews with a number of employees of global advertising and law firms operating in London and New York provide further insight into the importance of knowledge, the socio-spatial practices of learning and knowledge production and the geographical influences on these practices. By approaching this analysis from a perspective that seeks to prioritise the socio-spatial practices of learning (rather than focussing upon certain scales or

spaces) it is possible to trace the networks of learning and knowledge that exist within these firms and re-conceptualise the geographies of tacit knowledge production. It is suggested that the geographies are best understood through a relational and topological rather than scalar framework and that learning has multiple *overlapping* geographies. This allows both engagement with but also reconfiguration and development of debates on the knowledge economy, the importance of PSF's in this economy, and the geographies of learning and knowledge. Specifically it allows an argument to be put forward highlighting the need for economic geographers to complicate and refine their understanding of the role and nature of tacit knowledge. Building on this it is also suggested that it then becomes possible to critically evaluate the epistemology of research of the geographies of tacit knowledge production in order to avoid dualistic thinking and *a priori* association of tacit knowledge with exclusively the local scale.

1.3) Structure of the thesis

The rest of the thesis is therefore structured as follows to develop these arguments. The first half of the thesis (chapters two to five) is dedicated to reviewing the existing literatures on knowledge and learning and the way geography has been conceptualised in such work. Specifically, chapter two looks at how knowledge has been defined and understood in a range of literatures as well as how tacit knowledge has been focussed upon by researchers. It also looks at why such knowledge is important to the economic activities of firms. It then applies this analysis to firms operating in the advanced producer economy. After further justifying the selection PSF's as the focus of study the chapter considers both the nature of the global PSF sector, how and why these firms have globalised and why knowledge is important to their activities and both drives and is affected by globalisation. It is concluded that effective study of tacit knowledge requires an in-depth understanding of the nature of tacit knowledge rather than the 'thin abstractions' Allen (2002) has suggested some scholars make. This allows understanding of its role to be complicated and made more effective.

Chapter three then considers the way learning has been theorised in existing literatures and introduces the ideas of three diverging perspectives on learning. By reviewing existing work it is shown how an individual's identity, positionality and membership of a community influences learning, all of which have spatial

characteristics. It is therefore argued that by using such a perspective to trace the socio-spatial practices of knowledge production it might be possible to understand the local-global geographical influences upon learning without resorting to analysis of the characteristics of any one spatial scale. The role of experience, talking and reading as practices of tacit knowledge production are also reviewed. This allows an argument to be put forward that the analysis of learning should trace these practices, show how they allow knowledge production and highlight the spatial influences upon them.

Chapter four then unpacks work focussing upon the geography of learning and knowledge production. It looks at both the ideas of 'new regionalism' and associated concepts that argue learning and tacit knowledge production are 'localised' phenomenon as well as how such work has been critiqued for ignoring the global stretching of learning that increasingly occurs in some firms. In doing this it both identifies why learning might be locally embedded but also that learning might be globally stretched under certain circumstances. The chapter therefore concludes by suggesting the local-global geographies of learning might be better understood through a relational and topological framework that considers space as relational and constructed rather than metric and pre-defined in nature. This means physical distance becomes less important as the networks and shared spaces that exist between individuals (at local or global scales) enable learning. This means the tacit-local/global-explicit dichotomy in economic geography can be deconstructed and critiqued and work of scholars on both the local and global spatial scales reconciled.

Chapter five then looks at how the ideas discussed in previous chapters are relevant to global advertising and law PSF's operating in London and New York and how scholars have previously studied such firms. It highlights how both the advertising and law industries now have a number of global firms dedicated primarily to serving the needs of the World's largest Transnational Corporations (TNC's). These firms stretch the production of services across space between world cities with London and New York central to their activities. The chapter also highlights how knowledge has been shown to be central to the work of both advertisers and lawyers. It is argued therefore that studying these firms will provide insight into the local-global geographies of the networks of the socio-spatial practices of knowledge production and that this will fill a dearth of research in relation to the importance of place *and* space in producing knowledge and the services these firms deliver.

Chapter six considers the methods used to answer the thesis' research questions and the rationale for using such an approach. In particular it highlights the ideas of 'new economic geography' and their relevance to the thesis' epistemology. It then discusses the use of semi-structured interviews in research of both PSF's but also tacit knowledge and argues that the thesis can use such approaches in its research design to provide the opportunity to fulfil the research objectives. Finally the recruitment of advertisers and lawyers in London and New York for interviews is described.

The second half of the thesis (chapters seven to nine) outlines the findings of the research. Chapter seven highlights how tacit knowledge is important to advertisers and lawyers because of the creative and bespoke nature of the services delivered to clients. Five roles for tacit knowledge are identified, all of which contribute to the production of effective advice in relation to a client's project. It is also highlighted that tacit and explicit knowledge are different but not distinct. This in-depth understanding of tacit knowledge is then used in subsequent chapters to understand the socio-spatial practices of its production and also to argue that economic geographers must complicate therefore their understanding of the nature and role of tacit knowledge.

Chapter eight shows the practices of knowledge production. It highlights how experience, talking and reading are all important as they allow individuals to develop their own understanding and tacit knowledge relevant to their work. The important role of observing for producing tacit knowledge in advertising and law PSF's is also highlighted. A number of strategies used by advertising and law firms to enhance the quality of this learning are identified. It is also shown that these practices are synergistic, operating simultaneously to help an individual develop understanding. Two specific arguments are made based on these findings. First it is suggested that insights into the nature of learning need to be more thoroughly applied to tacit knowledge production to highlight how each practice allows a process of translation and sense-making that produces knowledge. Second it is also suggested that there needs to be recognition of the socio-cultural, organisational and materially variegated spaces in which learning occurs in organisations. This affects how learning is enacted and how successful it is.

Chapter nine then considers how these practices manifest themselves in the 'localities' of London and New York but also in stretched global networks between the offices of global advertising and law firms. Firstly the 'local' architectures of learning are reviewed. The role of secondments to clients, 'weak-tie' networks and professional

associations within the clusters of advertisers and lawyers are highlighted. It is also shown that an ‘institutional thickness’ is important in enabling such learning but is absent in some of the clusters studied. Secondly it is then illustrated that by tracing the socio-spatial networks at the local scale the ‘local’ assets that enable such learning can be identified and explanations given for why they are important in tacit knowledge production. The second half of chapter nine then considers how learning is stretched globally by the PSF’s studied. It highlights the important role of expatriation and in particular global learning by talking and the architectures behind these practices. It is then shown how advertisers and lawyers rely primarily on virtual conversations (by telephone) with their overseas counterparts for globally stretched learning that is enabled through the exploitation and where necessary creation of globally shared practice-based and relational spaces. The circulation of documents that help stabilise conversations is also noted to be important. It is therefore argued that based on this tracing of the socio-spatial practices of learning it is possible to show how the construction of shared spaces overcomes the fact that there is physical distance between those involved. It is also argued that both the architectures and spaces of learning at both the local and global scale are remarkably similar and therefore that the tacit-local/explicit-global dualism within economic geography needs to be overcome.

Chapter ten acts as a discussion and conclusion chapter and pulls the ideas of the previous four chapters together and considers them in light of literature reviewed in the first half of the thesis. It shows how the insights the research provides develop our understanding of the geographies of tacit knowledge and provide ways to reconfigure analyses. In particular it is suggested being sensitive to both the locally embedded nature of some knowledge production but also the potential for global stretching when suitable conditions are in place. A relational and topological framework is used to highlight this and suggest space is constructed rather than pre-defined and that metric distance cannot effectively conceptualise the affect of space on learning. Instead relationality should be ‘measured’ with both long and short networks interconnecting proximate *and* distant places and facilitating learning in with multiple geographies. Finally it is therefore argued that both the way the knowledge economy is approached needs to be critically reappraised so as to acknowledge its multiple geographies (rather than the exclusively local ‘regional’ geographies highlighted in academic and policy research) and that economic geographers must both complicate their understanding of tacit knowledge and unsettle the disabling local-tacit/explicit-global binary.

2) The centrality of knowledge in economic activities and service firms

2.1) Introduction

Knowledge and its nature and role have been widely written about by economic geographers (e.g. Allen, 2000a; 2002; Amin and Cohendet, 2004; French, 2000; Howells, 2000) as well as other social scientists (e.g. Blacker et al, 1999; Knorr-Cetina, 1999; Nonaka, 1994). The aim of this chapter is to consider the context for studying the role of tacit knowledge in advertising and law firms in light of these literatures and the insights they can provide into and how we might study knowledge production. To do this the chapter is divided into four main sections. Firstly, definitions, descriptions and explanations of knowledge and its role in economic activities are critically reviewed. Secondly, the nature and role of tacit knowledge is considered. Thirdly, the relevance of these debates to the activities of firms in the advanced producer service economy is explored. The specific nature of PSF's outlined and explanations given for why knowledge is so important in their activities and therefore why it is useful to study these firms to fulfil the aims of the thesis. The key argument running through the chapter is that it is necessary to fully understand the heterogeneous and fluid nature of knowledge in order to understand its role in any firm and that economic geographers need to complicate the way tacit knowledge is studied.

2.2) Knowledge is economic power: understanding the fashionable concept

The idea of 'knowledge capitalism' has emerged in recent times to signify a form of activity based on the exploitation of knowledge by firms (in the form of ideas, skills and talent embodied in employees) to produce ever more innovative products (see Burton-Jones, 1999; Leadbeater, 1999). Accordingly the significant difference between 'knowledge capitalism' and past forms of capitalism is said to be the increased rapidity of innovation and product development required to stay competitive, and hence the increased importance of knowledge. This transformation has been linked to many

‘paradigmatic’ like concepts including post-fordism (Piore and Sabel, 1982)⁵, the learning economy (Lundvall and Johnson, 1994)⁶ and the ‘new economy’ (Beyers, 2002)⁷. However, the importance of knowledge is not only reserved for ‘fashionable’ organizations that are part of paradigmatic switches such as those described above. As Gregersen and Johnson (1997, 481) note, “all economies are knowledge-based. Even so-called primitive economies depend on complicated knowledge structures”. From agriculture to manufacturing and through to advanced and professional (producer) service firms then the idea of knowledge being central to economic activities has become hegemonic.

Nonetheless, there seems to be a need to be critical of the ideas attached to the ‘knowledge economy’. In particular existing literatures suggest we should be critical of the idea of knowledge itself. There are several reasons supporting such an argument. To begin, underdeveloped conceptualisations of the term ‘knowledge’ are often used (Allen 2000a; Bryson *et al*, 2000). In order to avoid this difficulty it is important therefore to both define what the term knowledge does and does *not* refer to and then consider the heterogeneous forms of knowledge that exist.

⁵ This is not the place for a full discussion of the ideas attached to post-fordism (but see Lash and Urry, 1994) except to note a few salient points. Post-fordism is, at a very high conceptual level, associated with flexible production techniques focussed on meeting the needs of a ‘reflexive’ consumer, a consumer ever in search of new products to meet their changing tastes. Hodgson (1999, 181-182) notes that as a result of the uncertainty this creates knowledge is essential to economic activities because of the need for, amongst other things, increased levels of skill in the production and innovation process. This skill is based on the knowledge of individual employees and how they apply it to develop products consumers will purchase.

⁶ The ‘learning economy’ perspective argues that, because of the ideas associated with post-fordism, a focus on the ways the learning needed to produce knowledge occurs is essential. In effect, the economy is driven (or held back) by the success (or failure) of learning.

⁷ The term ‘new’ economy has yet to solidify into any meaningful form but as Beyers (2002) suggests, seems to revolve around the provision of ‘services’ through digital (internet based) means. Activities suggested to be part of such an economy (for example computer software production, multimedia systems) are said to be increasingly ‘weightless’ as they are based entirely on the knowledge of the individuals producing them whilst the product is encapsulated in a digital (generally computer-based) product. This means they are distributed easily via ICT’s and therefore the location of production is theoretically unimportant. However, as (Pratt, 2000) notes, despite the theoretical possibility of an ‘end of geography’ certain locations continue to be important and ‘hot-spots’ of the new economy have emerged.

To begin, confusion between data, information and knowledge that are used interchangeably despite their differing meanings must be dispelled. Burton-Jones (1999, 5) provides us with a useful conceptualisation to do this suggesting that:

“...data are defined as signals which can be sent by an originator to a recipient – human or otherwise. Information is defined as data that is intelligible to the recipient. Finally, knowledge is defined as the cumulative stock of skills derived from the use of information by the recipient”.

This is a conceptualisation others adhere to (see Baumard, 1999, 18-20; Davenport and Prusak, 1998, 2-6) and allows us to recognise knowledge as more than awareness but also *understanding*. It suggests knowledge should be differentiated from data and information as it “involves cognitive structures which can assimilate information” (Howells, 2000, 53). Knowledge therefore can be associated with the process of learning and the development of associations, explanations and understandings based on data and information. Importantly however this is not a ‘linear’ process where data automatically becomes information and then knowledge. Rather it is reliant upon learning occurring through practices that enable understanding and cognition to develop. Making this distinction draws attention to the fact that knowledge, as Ryle (1949) long ago identified, is something behaviour can be reliably based upon thanks to ‘know that’ or ‘know how’. It is what Sternberg *et al* (2000, 112) refers to as ‘condition-action mapping’ that allows “intelligent behaviour”. Tacit knowledge in particular allows individuals to understand the situation facing them even when they cannot explain it rationally (using explicit knowledge). Spatiality is central in the production of such understanding because of the inherently geographical nature of the processes of its production. As Howells (2002) suggests, all knowledge is based on awareness developed in a geographically definable place or space. This point is returned to below.

2.2.1) Deconstructing the idea of knowledge: Dual (spatial) dimensions?

As well as making the distinctions between data, information and knowledge many literatures also acknowledge that it is not possible to discuss knowledge as a static category. Rather it is dynamic and heterogeneous, existing in various inter-related forms. In particular, the idea that explicit and tacit forms of knowledge exist is now

highly influential. Originally proposed by Michael Polanyi (1967), *the tacit dimension* of knowledge is now seen as a fundamental distinction. Polanyi (1967, 4) suggested that “we all know more than we can tell” in that a large proportion of our knowledge could not be easily verbalised or explained rationally. Although Polanyi did not draw the distinction in his work (for important reasons that are discussed below) this type of tacit knowledge is now often contrasted with explicit knowledge that is suggested to be highly structured and easily verbalised, codified (in written or numerical form) and easily transmitted in documents across space (Howells, 2002). Tacit knowledge is the corollary of this: Lacking rational explanation, difficult (if not impossible) to share and spatially diffuse (Smith, 2001). Table 2.1 outlines how a number of scholars have distinguished between the two types of knowledge ⁸.

Tacit and explicit knowledge are also often associated with different spatial scales. Explicit knowledge, because of the relative ease with which it can be transferred through information-communication technology (ICT), is often associated with the global scale. In contrast tacit knowledge is often associated with the local scale because of the need for embodied and contextualised place-specific experiences to produce and share it (Gertler, 2003). This may be another misleading distinction however and requires further analysis (see chapter four).

It seems then that we need a more complex understanding of tacit knowledge before we begin to analyse its role and geographies in economic activities. One way of developing the awareness that might enable us to critically analyse the spatial scales associated with different forms of knowledge is through further analysis of Polanyi’s original studies of tacit knowledge and the insights this provides into the underlying characteristics of such knowledge. In this work Polanyi highlighted how tacit knowledge is produced through engagement and action but is often unconscious in development and employment. As he described the process of tacit learning:

⁸ The English language is somewhat unique in not having synonyms for ‘knowledge’ that better describe these differences. In Greek *techne* (technical ability) and *phronesis* (practical awareness) distinguish explicit and tacit knowledge forms whilst *connaissance* and *savoir* serve a similar purpose in French.

	‘Explicit’ conceptualisation	Tacit conceptualisation
Blacker et al (1999)	<i>Embedded or Encoded</i> knowledge: Existing in the form of systematic routines, rules and procedures, often in books or manuals.	<i>Embodyed or Embodied</i> knowledge: Action orientated (such as the skills of a craftsman) or cognitive abilities in a situation.
Clegg and Palmer (1996)	‘Cookbook recipes’: A knowledge form that describes in-detail a process and can be followed step-by-step.	‘Community knowledge stocks’: Tacit insights held by members of a community developed over time.
Giddens (1979)	<i>Conscious awareness</i> : Knowledge individuals can express	<i>Practical consciousness</i> : Knowledge guiding actions without an individual realising they had such knowledge or be able to formulate it discursively.
Lundvall and Johnson (1994)	‘Know-what’: Knowledge about facts such as how many people live in New York.	‘Know-how’: Skills and the capability to do things.
Nonaka and Takeuchi (1995)	<i>Explicit knowledge</i> : Easily possessed and transmitted and can be processed in a linear fashion.	<i>Technical/cognitive tacit knowledge</i> : Hard to express, highly personal and in the form of intuition and hunches, beliefs and perceptions.
Nooteboom (1999)	<i>Declarative knowledge</i> : Facts and awareness of causal relationships	<i>Procedural knowledge</i> : The skill to perform an activity
Empirical knowledge		Practical knowledge
Thrift (1985)		

Table 2.1. How scholars distinguish between explicit and tacit knowledge.

“...in an act of tacit knowing we attend from something for attending to something else; namely, *from* the first term to the second term of the tacit relation. In many ways the first term of this relation will prove to be nearer to us, the second further away from us. Using the language of anatomy, we may call this first term *proximal* and the second term *distal*. It is the proximal term, then, of which we have knowledge that we may not be able to tell.” (Polanyi, 1967, 10, original emphasis.)

According to Polanyi then, individuals develop unconscious tacit knowledge of the proximal term, the phenomena upon which they focus their attention. Their actions are then guided by this knowledge. As Polanyi (1969, 139) noted “the remarkable thing...is the way the...thing at the centre of my attention depends on clues to which I am not directly attending”. These clues come from tacit knowledge that informs understanding. Polanyi’s example of riding a bicycle best exemplifies the importance of such unconscious knowledge. As he notes, the knowledge needed to ride a bicycle

could exist as explicit knowledge so that “for a given angle of unbalance the curvature of each winding is inversely proportional to the square of the speed at which the cyclist is proceeding” (Polanyi, 1962, 50). However having explicit knowledge of how to maintain balance is useless. Instead individuals need tacit knowledge of how to stay upright, unconscious knowledge of how to stop the bicycle toppling over. Hence we need tacit knowledge developed through “unconscious trial and error by which we feel our way to success...without specifically knowing how we do it” (Ibid, 62, emphasis removed).

We can develop our understanding of this distinction even further through more recent studies of how tacit knowledge is developed in individuals. Arthur Reber (1993) identified tacit knowledge as the result of an individual learning through an *unconscious* process of interpretation and sensemaking. Reber, a cognitive psychologist, noted that when amnesiacs and non-amnesiacs were tested together both were able to improve their problem solving abilities over time as they developed tacit knowledge of how to solve the type of problems set. He argued that this knowledge was not being stored as a memory (or explicit knowledge) of how to solve the problems (or the amnesiacs would have not improved their problem solving ability) but rather as an unconscious, tacit, learning. Hence why tacit knowledge is individualistic and hard to verbalise, it is developed and latterly employed unconsciously⁹. Edelman (1992) further helps us understand this by highlighting the physiological factors allowing unconscious learning. Through neurological testing of the differences between conscious and unconscious learning he discovered that the brain could ‘learn’ after only 150 milliseconds of stimulus whereas it took 500 milliseconds for conscious awareness to develop. He argued that tacit knowledge is produced when the brain learns from a form of stimuli (e.g. conversation) before the individual becomes aware that such learning is occurring.

These studies help develop then the complex understanding of knowledge and tacit knowledge in particular needed to study its role in the knowledge economy. It is possible to argue that an individual develops tacit knowledge unconsciously and then that it unconsciously influences their actions. As Reber noted, “the process involved in

⁹ Berry and Broadbent (1988) developed a similar argument showing how individuals learned (developed tacit knowledge) and employed the rules of computer-based test unconsciously. The individuals could not explain how they knew the answers to the test and were unaware that they had learned the rules used to determine the correct answer. However they demonstrated increased ability over time to select the correct answer that had to be based on some form of knowledge of the test’s rules.

Description of tacit knowledge		
<i>Baumard (1999)</i>	i)	Technical tacit knowledge of a skill (e.g. a craft).
	ii)	Cognitive tacit knowledge (mental representations).
<i>Blacker et al (1999)</i>	i)	Embrained tacit knowledge that allows complex causations to be understood.
	ii)	Encultured tacit knowledge that allows understanding of open ended, negotiated (social), systems.
<i>Boisot (1998)</i>	i)	Unarticulable knowledge because nobody understands it.
	ii)	Unarticulable knowledge because nobody can find an easy way to explain the logic.
<i>Nonaka and Takeuchi (1995)</i>	iv)	Technical tacit knowledge in the form of a skill or ability to do something.
	v)	Cognitive tacit knowledge in the form of mental models that allow understanding of phenomenon.

Table 2.2. The various ways tacit knowledge is explained by scholars.

retrieval can occur independent of conscious control and awareness of the process itself" (Reber, 1993, 111). Table 2.2 outlines some of the different ways scholars have described the nature of this unconscious knowledge. The most common distinction is between tacit knowledge of technical skills (e.g. the type of knowledge an apprentice gains as he/she learns to be a hairdresser) and cognitive tacit knowledge (e.g. the type of knowledge individuals develop about unregulated systems such as human decision making). Such work is not universally accepted however and the critiques faced can further develop our understanding of the nature of knowledge.

2.2.2) Critiquing the idea of tacit knowledge

A number of scholars are uneasy with the concept of tacit knowledge for various reasons. Firstly, questions have been raised about the existence (or at least the lack of proof) of tacit knowledge. Allen (2002) suggests research often makes 'thin abstractions' about tacit knowledge as a type of knowledge distinct from explicit knowledge without substantively supporting such an argument. Cowan *et al* (2000) pick up on such debates

and argue that tacit knowledge has become “an increasingly ‘loaded’ buzzword” used often “without explicit definition, and therefore without further explanation of conditions that might underlie ‘tacitness’” (Ibid, 2000, 212). They go on to deconstruct the meaning of tacit knowledge and effectively argue that all knowledge can ultimately be viewed as explicit with individuals simply needing the tools and motivation to express and make explicit their knowledge. Many disagree with such an outright dismissal of the idea of tacit knowledge (e.g. Nightingale, 2003) and it seems excessively radical to suggest no differentiation between knowledge forms exists. However it highlights how it is important to construct a valid argument if we are to study such ideas ¹⁰.

Secondly, the tacit-explicit distinction that is common in many literatures has also been critiqued. Polanyi noted that, although tacit knowledge was important, any rigid distinction between explicit and tacit knowledge was false and although many “see *tacit knowledge* opposed to *explicit knowledge*... these two are not sharply divided” (Polanyi, 1969, 144, original emphasis). According to Polanyi “explicit knowledge must rely on being tacitly understood and applied” and therefore “a wholly explicit knowledge is unthinkable”. For Polanyi then tacit knowledge is important in all situations, even when explicit knowledge is apparently being used. Many now acknowledge the existence of an explicit-tacit continuum and that separating the two types of knowledge is misleading (e.g. Allen, 2000a). However but most continue to find it difficult to talk of tacit knowledge without creating a dichotomy with its explicit form. Indeed it is commonplace for scholars to suggest tacit knowledge can somehow be ‘converted’ to explicit knowledge with one form or the other being prevalent in any situation ¹¹. Further exploring how explicit and tacit knowledge are heterogeneous forms of knowledge but also complementary is therefore essential and key to understanding its effective production and management in organisations (Asheim, 1999; Styhre, 2004).

Thirdly, and central to the interests of this thesis, the distinction between tacit and explicit knowledge and the creation of a local-global binary has also been criticised.

¹⁰ Demonstration of how the use of tacit knowledge in explanations can be problematic if poorly defined is provided by the way Willman *et al* (2001) use the term. They suggest corporate information only available to a few people is a form of tacit knowledge. This does not fit in any way the description of tacit knowledge outlined above. This is confidential knowledge, not tacit knowledge (for another example of such a problem see Sole and Edmondson (2002) and how they suggest tacit knowledge is knowledge others are unaware of).

¹¹ The work of Nonaka and Takeuchi has also been criticised for making such suggestions. This is discussed in the next chapter.

Research has been accused of failing to consider how learning may be stretched across space and how tacit knowledge may not have fixed, territorial, geographies (Allen, 2000a; Amin and Cohendet, 2004). To overcome this there is need for more detailed research of the learning practices that produce tacit knowledge and how they are spatially mediated.

All of these issues are considered further later in the thesis and enable us to develop a more fluid and sensitive understanding upon which an interpretation of the geographies of learning can be built. It supports the argument made at the start of the chapter that economic geographers would benefit from complicating their understanding of tacit knowledge that is used in analysis of the geographies of knowledge production. In particular it highlights how knowledge and tacit knowledge especially are heterogeneous categories and that we must fully understand how knowledge emerges before tying its production to any spatial scale. The next part of this chapter looks at why knowledge, and in particular tacit knowledge as the focus of this research, is associated with successful firms and how we can begin to understand its role in PSF's and the knowledge economy more widely from these literatures.

2.3) Making knowledge the centre of the theory of the firm

Increasingly knowledge is seen as the key to the competitive advantage of organisations, something epitomised by the idea of a knowledge economy. This is a somewhat recent phenomenon (Easterby-Smith and Lyles (2003) suggest 1995 as the year when most studies of knowledge in firms began to emerge) but has become a dominant managerial discourse (Thrift, 1997). The idea of the knowledge-based view of the firm most blatantly highlights this fact ¹². Chakravarthy *et al* (2003, 307) describe the underlying logic of this perspective as follows:

“Assuming that a firm has already accumulated distinctive knowledge, protecting and extending that knowledge is the first step in its fight to sustain competitive advantage”.

¹² The knowledge-based view builds on Penrose's (1959) concept of the resource-based view and suggests knowledge is a competitive resource firms can exploit by effective management (see Foss, 1997). The concept is explained in more detail in chapter three.

They go on to argue that knowledge allows ‘resource conversion’ – the creation of competitive products based on insights about how materials can be combined in unique ways – and ‘market positioning’ – the identification of a niche in the market based on awareness of consumer needs. This is most successful when ‘knowledge leverage’ occurs, the dissemination of knowledge throughout the organization. This is typical of models proposed in a range of knowledge management literatures (see Davenport and Prusak, 1998; Teece, 2000). The year 1995 was also the year of publication of probably one of the most influential books in this area, Nonaka and Takechi’s *The knowledge-creating company*. As the title suggests, Nonaka and Takeuchi’s (1995) key argument was that the successful firm is a knowledge-creating firm. They argued that the rise to prominence of Japanese organisations during the late 1980’s was primarily due to such firms focussing on the creation and exploitation of knowledge. As they put it:

“...we make the claim that Japanese companies have been successful because of their skills and expertise at ‘organizational knowledge creation’. By organizational knowledge creation we mean the capability of a company as a whole to create new knowledge, disseminate it throughout the organization, and embody it in products, services and systems” (*Ibid*, 3).

Nonaka and Takeuchi’s work is discussed more in the next chapter but it is important to draw attention to it here because of the impact it had on research into the role of knowledge in organizations. In particular, the book re-focussed attention on the role of tacit knowledge, arguing that Japanese firms were not only good at knowledge creation, but in particular, good at tacit knowledge creation and management.

2.3.1) The role of tacit knowledge in economic activities

It has been increasingly suggested over recent years that firms are reliant upon the tacit knowledge of their employees and processes of learning that “give rise to know-how, skills and competencies which are often tacit rather than explicit” (Lundvall, 1998, 34). Nelson and Winter (1982) first highlighted the importance of such tacit knowledge in their seminal work on evolutionary change in firms and how organizational routines develop that embody the tacit knowledge of employees. These enable the firm to make activities more efficient. The ‘neo-classical’ firm that was assumed to have perfect knowledge and have profits determined by transaction costs alone (Williamson,

1975) was critiqued with a socio-economic perspective that posited the firm as an important evolutionary unit. In this conceptualisation profits are made not only by minimising transaction costs but also because of the evolution of effective procedures and routines based on employees' tacit knowledge.

In addition to Nonaka and Takeuchi's work, one of the most comprehensive developments of ideas about tacit knowledge in recent times has been under the guise of 'practical intelligence' by Robert Sternberg (e.g. Sternberg *et al*, 2000). In this work it is suggested that practical intelligence is "what most people call common sense. It is the ability to adapt to, shape, and select everyday environments" (*Ibid*, xi). In the workplace this "can often be viewed as developing a form of expertise" (*Ibid*, 1). Such practical intelligence is, according to Sternberg and colleagues, based on tacit knowledge. Those with tacit knowledge are "able to solve problems by working forward" using their tacit knowledge to develop a solution *for* the problem whilst those without it "are much more likely to solve problems working backwards", having one solution which they fit *to* the problem (Sternberg *et al*, 2000, 4). This is often explained as 'gut feeling' or intuition as well as 'experience' when related to the workplace. Decisions are based on an intangible, inexplicable logic (Ray and Myers, 1989)¹³. As Hatsopoulos & Hatsopoulos (1999, 150) describe the value of experience and the tacit knowledge it produces:

"A fine tuned intuition is based on the accumulation of many associations between attempted decisions and solutions to business situations and their positive and negative consequences. Just like the chess master stores a vast number of board configurations, a good business person stores a vast number of business contexts along with their attempted actions and consequences".

Tacit knowledge is said to enable individuals to intuitively identify the best action or reaction in any situation, to identify a potential business opportunity or new production process. This hints at why it might be important to the knowledge economy: It might

¹³ Baumard (2002) suggests this is why many senior (experienced) managers can never explain the logic of their actions. It is because they are based on tacit knowledge developed through experience. He also suggests this is the reason for graduates often struggling to find their first job: Employers are concerned that they lack experience and the tacit knowledge this provides. Similarly, both Judge *et al* (1995) and Wayne *et al* (1999) suggest that experience is a key factor that can lead to promotion because of the tacit knowledge it provides.

aid innovation. This point is developed further below and is suggested to be one of the principal roles for tacit knowledge.

2.3.1.1) As creativity?

Studies of the process of innovation (something that is central to the knowledge economy) have also highlighted the important role of tacit knowledge ¹⁴. All innovation is suggested in some way to be based in part on tacit knowledge because of how it requires a novel form of understanding that cannot exist solely as explicit knowledge (Howells, 2002). As Nooteboom (1999, 139) suggests, this means a “level of nestling tacit elements are inevitable, formal training is never completely successful”. Tacit knowledge is said to allow individuals to ‘negotiate’ their way through the innovation processes and produce new concepts and ideas (Leonard and Sensipor, 2000). As Carlsson and Jacobsson (1997, 267) describe innovation, “it is to a varying degree tacit (person embodied) in nature. In each technology, there are elements which cannot be written down in blueprint form or are difficult to verbalize”.

In many ways such literatures suggest that tacit knowledge makes individuals creative. Indeed, work on creativity and associated ideas seem to be based on theories that overlap with those about tacit knowledge. For example, work on lateral thinking from Edward De Bono (1981; 1990), although not specifically about tacit knowledge development, describes a process that is clearly related to the ideas described above about tacit knowledge. In order to understand this relationship however we need to return to Polanyi’s original thoughts on tacit knowledge. As was noted above, according to Polanyi, tacit knowledge is ‘*distal*’ knowledge. Tacit knowledge influences our actions through knowledge we are not necessarily aware of (i.e. its unconscious) and is therefore not necessarily at the centre of our attention. De Bono indirectly suggests in his work that lateral thinkers are people who can rely on such knowledge. He suggests that “[l]ateral thinking involves restructuring, escape and the provocation of new patterns...This leads to changes in attitude and approach; to looking in a different way at things which have always been looked at in the same way” (De Bono, 1990, 11). To be a lateral thinker then, in part at least, means not always taking the obvious route – not following the procedure or logic that is central to our attention (in the form of conscious, explicit awareness) but instead taking a route whose logic is

¹⁴ See chapter three for a discussion of the geography of innovation.

unclear (based on unconscious awareness and tacit knowledge). Thus in relation to management thinking he writes:

“In routine and semi-routine operations experience probably is the best master. But running up and down the same groove successfully does not get one out of the groove. There was a time when groove thinking was enough... In a changing and competitive world groove thinking may not be enough. Innovation and creativity are important” (De Bono, 1981, introduction).

So experience in the form of memory is not beneficial when it leads to repetitive behaviours. However, tacit knowledge learned from (produced by) experience aids in ‘getting out of the groove’ and hence is most useful. It involves “restructuring of the patterns [of knowledge], for an insight solution” (De Bono, 1971, 43). Only tacit knowledge allows such restructuring. Explicit knowledge results in “[v]ertical thinking [that] promises at least a minimum solution” but one “which uses information for its own sake in order to move forward to a solution” (Ibid). So explicit knowledge will provide a solution, but not necessarily the only or most appropriate solution whilst tacit knowledge allows new (creative) solutions based on unconscious, lateral, insights. The work of Kneller (1965) similarly suggests that creativity is based upon a type of tacit knowledge. As he wrote:

“Creative novelty springs largely from the rearrangement of existing knowledge – a rearrangement that is itself an addition to knowledge. Such rearrangement reveals an unsuspected kinship between facts long known but wrongly believed to be strangers to one another” (Ibid, 4.)

Kneller described a five-stage process related to this that suggests tacit knowledge enables creative problem solving. He suggested that creative insights are facilitated by a process whereby there is:

- i) First insight where you identify the problem;
- ii) Preparation, a period in which you begin to draw on your experiences which may help you find a solution;
- iii) Incubation, an unconscious period in which your mind applies the knowledge you have to solve the problem;
- iv) Illumination, the point where you find a solution;

v) Verification the point at when you assess the validity of the solution.

Stages ii and iii are effectively where the distal tacit knowledge is employed to produce creative knowledge ¹⁵. Creativity that leads to innovation that is based on the intuition individuals develop, an intuition based on tacit knowledge of relevant approaches. Amin and Cohendet (2004, xiii) make a similar argument but rather than suggesting only tacit knowledge allows innovation they argue that the interplay of tacit and explicit knowledge is vital. As they note, “sparks of innovation emerge through the interplay of different forms of heterogeneous knowledge: their confrontation, combination, fusion and transformation. Something has to happen between at least two different forms of knowledge in order to trigger the generation of novelty”. This further suggests that dichotomising tacit and explicit knowledge might be unproductive and that analysis should consider the complementary nature of the two forms, something the literatures on the role of knowledge in organisations discussed up to this point has lost sight of.

These discussions, although important and highlighting how tacit knowledge allows innovation and the creation of effective strategies to meet consumer demands, tell us little however about the spatiality of knowledge and its production. The arguments developed above have shown how a complicated understanding of tacit knowledge will help us further analyse its role in economic activities. In order to apply this empirically however and to couple it to discussions of the *geographies* of knowledge production require us to consider how knowledge has been written about in relation to one specific sector of the economy and the geographies of this sector and the knowledge important to it. Below then the importance of such knowledge is discussed specifically in relation to advanced producer services/PSF's and the advanced producer/professional service economy. By considering the sector's locational dynamics, and in particular its geographies in the contemporary period of globalisation, it is possible to see how both

¹⁵ Scharmer (2001) similarly refers to creativity as the result of ‘self-transcending knowledge’ that provides the ability to see what to do next. He suggests such knowledge is the result of a combination of explicit and tacit awareness that leads to a creative intuition, a self-transcending knowledge, about how to solve a problem. He describes the development of such knowledge by drawing analogy to a play, suggesting only in ‘act three’ do individual become creative. Act one involves the gathering of explicit knowledge in relation to the problem or issue. Act two is the linking of explicit knowledge to existing awareness gained from experience or by talking to colleagues. Act three is the final stage, when self-transcending knowledge emerges from the awareness produced in act two and allows an individual to produce a creative idea.

knowledge and its spatiality can be understood through the study of such firms.

2.4) The advanced producer service economy

As was described above, knowledge plays an important role in making any firm successful regardless of the nature of their activities. In this sense it would be possible to study tacit knowledge in a range of scenarios such as in the back-offices of an organisation (e.g. French, 2000) or in biotech firms such as those found in the Cambridge cluster (Keeble *et al*, 1999). However, this thesis focuses upon PSF's (and specifically advertising and law PSF's). Two fundamental elements of the nature of advanced producer services/PSF's can be used to justify this choice.

First, knowledge and in particular tacit knowledge *is the product* of PSF's (Empson, 2001; Maister, 2003). The firms provide a service in the form of advice to a client that is guided by the tacit knowledge of the individual(s) working in the PSF employed. Whereas for manufacturers or other non-advanced producer service firms (for example distribution or catering) the knowledge is embodied in a 'product' delivered to the client "[t]he knowledge base represents both an input and an output of the PSF. It is an input in terms of the expertise residing in the firm and it is an output in the form of products or services generated to solve client problems" (Morris and Empson, 1998, 612). These firms therefore lie at the heart of a 'knowledge economy' and lubricate its operation by providing advice into the complex yet essential economic systems (e.g. law) and practices (e.g. advertising) firms need to exploit and engage with in order to be successful (UNCTAD, 2005).

So a firm in the Cambridge biotech cluster delivers a new drug to their clients while a distribution firm provide effective warehousing and delivery of goods. Knowledge underlies each of these products (how to inhibit pain in humans and how to integrate and organise a warehouse and road transport system respectively) but for the client this is of little concern. They buy the tablet or space in a warehouse and on a delivery vehicle. For advanced or professional service firms however the product comes in the form of the delivery of knowledge as advice tailored to their specific circumstances. Therefore the sole focus of the firm must be on producing and exploiting this knowledge effectively. Figure 2.1 conceptualises the differing role of knowledge in PSF's, non-advanced producer service firms and manufacturing firms. It shows how knowledge is the input, processes and output in PSF's whereas it is only one element

of the productive activities of non-PSF's. This means then that understanding how knowledge is used and produced is more important in advanced and professional service firms than in any other type of organisation (Lowendahl, 2000).

Secondly, it is also useful to study PSF's because they allow the spatiality of knowledge to be effectively investigated. Because of the nature of the services provided by these firms delivery occurs almost exclusively through face-to-face contact between the firm and client (Goe *et al*, 2000). This creates a distinct organisational geography to the operations of PSF's with concentrations in world cities in particular (Daniels, 1991; 1993). This means ideas of the 'localness' of tacit knowledge can be investigated in relation to these agglomerations of PSF activity and the spatial fixes of the services. At the same time however these firms are increasingly striving to produce globally integrated PSF networks that allow knowledge to 'flow' and be produced across space (Rose and Hinnings, 1999). This means that other spatial scales in addition to the local can be

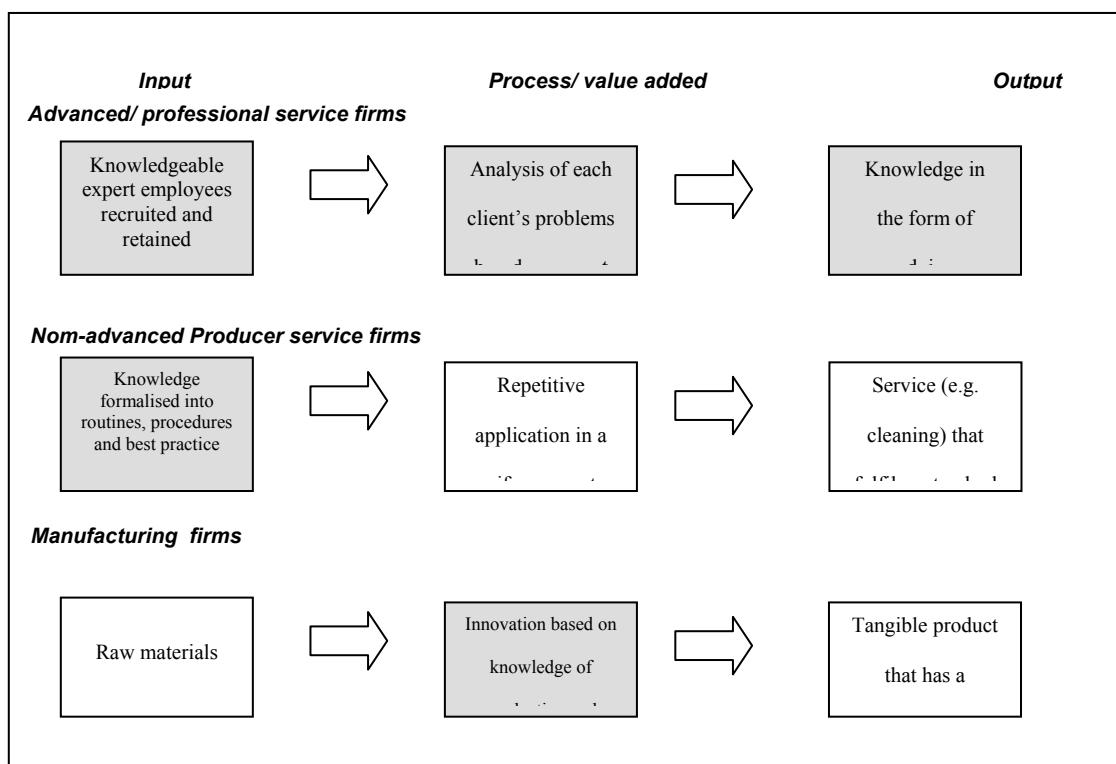


Figure 2.1. The increased significance of knowledge in PSF's compared to manufacturing firms in terms of the input, processing and output of each sector. Shaded boxes indicate stage where knowledge is important.

investigated and the stretching of knowledge and learning across space effectively probed. Although some manufacturing organisations also attempt such a process (Bartlett and Ghoshal, 1998) there tends to be more geographical fixity to knowledge production in the research and development ‘centres of excellence’, normally in the firm’s ‘home nation’ (Gerybadze and Reger, 1999). Moreover, as the final product is not knowledge manufacturers and non-advanced service firms often globalise activities by producing a product or service in one location and globalising it by shipping/trading it across space (Bryson *et al*, 2004). In comparison, PSF’s have to stretch the production of the service (and therefore the knowledge) across space, both producing (with whatever local-global interconnectivity is necessary) and delivering knowledge in all of the locations that the firm operates.

Combined then, these factors make the study of the role and production of tacit knowledge in PSF’s an important area for investigation with such firms offering potentially valuable insights into, in particular, the spatiality of knowledge and learning. Below this argument is developed by looking further at the advanced service economy and the nature of PSF’s. The points discussed above are further fleshed out and it becomes even clearer why PSF’s are ideal candidates for study. In doing this however it is argued that it is important to understand the nature and role of knowledge in order to understand both the role of PSF’s in the knowledge economy and the practices of learning and their geographies.

2.41) Advanced producer service firms

Advanced producer service firms are one part of a service economy that has become increasingly important over the past 50 years. As Daniels (1993, 1) suggests, “services such as insurance, banking, telecommunications and transport reach to the heart of national economies and provide essential inputs”. Services act then as the ‘glue’ that holds economic activities together and producer services, although not being part of the final output of a firm, are essential in lubricating activities (Dicken, 2003). There is little value however in dwelling further on the definitions and characteristics of services here; others have covered this issue more than adequately (Daniels, 1991; 1993; Illeris, 1996). Instead the focus here falls upon how services are part of the

knowledge economy and how they can help us understand the geographies of tacit knowledge.

It is *advanced* producer service firms that have a lead role in the contemporary knowledge economy (Winch and Schneider, 1993). Table 2.3 details the make-up of the advanced producer service sector. As Moulaert and Daniels (1991,2) note, what distinguishes these types of firms from their non-advanced service counterparts is that they are “knowledge and human capital-intensive”. Rather than providing ‘glue’ to hold the economy together in the form of relatively repetitive, low skilled and low value-added services such as cleaning, catering or distribution, advanced producer service ‘stick’ the economy together by providing valuable knowledge inputs into the activities of other industries. These are the services all major TNC’s need but that can only be provided by those with the necessary expertise and skill. This means the service is even more intangible, ephemeral

Advanced producer service sector	Type of firm	Examples of global organisations
Financial services	Investment banking Credit services Insurance	Chase Manhattan Standard and Poor's credit rating Lloyds
Business services	Accountancy* Advertising Architecture Head-hunters Law Management Consultants*	KPMG Saatchi & Saatchi Architecture Head-hunters Clifford Chance PriceWaterhouseCoopers

Table 2.3. The make-up of the advanced producer service economy.

Source: Adapted from Dicken (1998, 388).

* It should be noted that the distinction between these two industries have become somewhat blurred as accountants increasingly offer management consulting as an additional service.

and ‘weightless’ than ‘low-end’ services such as cleaning in that it delivers advice, guidance and opinion rather than a more tangible input such as a clean workplace or food for employees.

Advanced producer service firms, now also referred to as professional service firms, are then industries at the centre of the ‘knowledge economy’. As both Lowendahl (2000) and Morris and Empson (1998) suggest professional (or advanced) should be used to define these firms because of the bespoke and specialist services provided ¹⁶. These are based on a high level of skill and expertise in one specific field. No two projects are identical for these firms with instead the specific whims of the client tended to and the nuances of any particular project central to determining the nature of the advice provided. This requires application of expertise in a new way in every project ¹⁷. Alvesson (2001, 863) therefore suggests that such firms are those where “most work is said to be of an intellectual nature and where well-educated, qualified employees form the major part of the work force”. Swart and Kinnie (2003, 62) similarly argue that the work of PSF’s is unique because:

- i) It relies on skilled human capital (employees) rather than resource exploitation with the work process creating value by using the knowledge of these employees.
- ii) All workers have to be able to use their initiative and skill to provide the unique and bespoke service client’s demand.

Leadbeater (1999, 46) therefore calls the employees the ‘stealth assets’ of such firms, assets not existing as physical stock owned by the firm (buildings, materials, computers etc) but as intangible strengths (for example a group of experienced professionals). It is the bespoke nature of the service (advice/counsel) provided that

¹⁶ The reason for the change in terminology to professional rather than advanced producer service firm is unclear (and in part seems due to the increased interest of scholars from business studies in these firms and their use of this term).

¹⁷ Although a number of these firms operate within a professional field – a field governed by a professional body that sets standards of practice and often self-regulates members of the profession – and this could be used to explain why the term professional is used this is not true for all PSF’s. Therefore the importance of expertise and the provision of bespoke advice to clients are suggested to be the hallmarks of PSF’s.

makes tacit knowledge so vital to PSF's. They do not rely on employees' knowledge of the application of a process or routine that can be recycled again and again. Instead it is their ability to identify and solve a problem by applying (creatively where necessary) their knowledge to the specific nuances of each client's challenges and as a result producing a *new* solution. As was discussed earlier, such knowledge is often tacit.

2.4.2) Knowledge is all they have: the implications for PSF's

As can be seen by the above discussion, any definition of PSF's revolves around the importance of knowledge, and in particular tacit knowledge, in the 'production' process. This however has a number of implications for these firms. As Lowendahl (2000) notes, the key strategic challenge for any PSF is to ensure it has the knowledge needed (in the form of skilled employees), retains this knowledge (by stopping employees leaving to work for rivals) and leverages it in the most efficient way (engages in knowledge management that allows employees to learn from one-another). This knowledge is predominantly tacit, as Weiss (1999, 69) notes, "it's often the things that people know because of their individual experiences that are so valuable". However, it is generally suggested that whereas explicit knowledge can be easily managed using ICT tacit knowledge is 'sticky' (Szulanski, 2000) and more complex to exploit. Nevertheless, as it is this kind of knowledge that makes PSF's successful it is necessary to find ways to overcome this problem and ensure the necessary learning occurs.

Table 2.4 outlines a number of challenges the reliance on tacit knowledge poses managers in PSF's vis-à-vis the establishment of knowledge management and details the various ways PSF's have been noted to overcome these problems ¹⁸. Of particular importance are the 'work strategies' used by these firms. As table 2.4 shows, team working and the application of the bundles of knowledge that exist in the form of a group of experts in each office is vital to successfully serving clients ¹⁹. In particular the project teams used form 'epistemic communities' (Knorr-Cetina, 1981) with

¹⁸ Knowledge management is used here to refer to the establishment of structures/processes than allow employees to effectively learn from their colleagues as discussed in previous chapters.

¹⁹ *Advertising Age* (2003a) reported how one advertising agency, Euro RSCG, had sent employees on courses to foster a 'collaborative spirit' in order to allow better knowledge management and the most effective utilisation of human capital on client's projects.

individuals working together on a project in which they all have relevant and useful knowledge that leads to a successful outcome. As well as reaching the end goal (for example producing an advert or completing a merger) these teams also produce new knowledge. Managing and exploiting the knowledge production opportunities provided by such team working is then a critical strategy for any PSF (*Organization Studies*, 2004).

In relation to this it has also been noted by scholars (e.g. Broadbent *et al*, 1997; Brock *et al*, 1999; Cooper *et al*, 1996; Empson and Chapman forthcoming) that the globalisation of PSF's (see below) has however resulted in a shift in organisational forms that might affect the success of knowledge management. A shift from the partnership model that promotes effective knowledge management (table 2.4) towards what has been termed a 'managed professional business' model (Cooper *et al*, 1996) has been widely observed. This has meant focus is increasingly placed upon reducing transaction costs, boosting profitability and meeting long-term business plans rather than on the development of a collegial and knowledge-rich body of employees. This potentially means conflicts between the need to effectively manage knowledge (which takes the time and effort of employees) and the need to spend time on transaction-related activities that allow fees to be charged to clients (and make the firm profitable). The actual impacts of such a change are however unclear and therefore should be interrogated in any research of the role of PSF's in the knowledge economy.

An additional challenge when the service is unique and based upon tacit insight is the establishment of a loyal client base. The advice PSF's provide clients is based on the tacit knowledge of the individuals working on the project. However, it is very hard for a client to evaluate this advice. There is a 'deep knowledge-asymmetry' (Lowendahl, 2000)

Challenge	Suggested solution
The firm is reliant on the knowledge an individual has and needs to ensure it is drawn upon when relevant to a client's project.	Temporary team formations are used whereby a new team of people is created, made up of the individuals with the most relevant knowledge, for each client's project. This also allows individuals to learn from the other people they are teamed with (with this changing on a regular basis) and develop relationships with people throughout the organisation who they can learn from after the team is disbanded (see Grabher, 2002b; 2004).
Individuals lack the motivation or try to hoard knowledge rather than sharing insights with colleagues (Lowendahl, 2000).	The partnership model of governance is often used rather than becoming a publicly owned corporation. This creates a collegial atmosphere in which all partners benefit from sharing their knowledge as their remuneration is dependent on the success of their peers because, as partners, they share in overall profits (Greenwood and Empson 2003). The 'up or out model' also used means that all non-partners are motivated to learn from their seniors because unless they continue to develop their expertise and are accepted as partners within a pre-defined time span they will be dismissed (Morris and Pinnington, 1998).
The reliance on tacit knowledge renders ICT based systems such as case study reports of restricted value as they often leave out the context and nuances essential to understanding (Morris, 2001; Willman <i>et al</i> , 1999).	Employees are encouraged to interact and talk to one-another (for example by working together on a project) and share their knowledge (Empson, 2001). Individuals are encouraged to take time-out to discuss experiences and ideas with colleagues after projects (for example in de-brief sessions) even though clients cannot be billed for such activities (Weiss, 1999). It should be noted however that conversations are often difficult when individuals do not share the same context (see below).
Tacit knowledge is embedded in context and hard to explain to colleagues who do not share that same context and background understanding that gives the knowledge its value (Weiss, 1999)	Increasingly PSF's try to establish standard routines and approaches to work that all employees use as well as socialising individuals into ways of working through new-recruit corporate induction. These are used to provide a shared background context upon which learning and in particular conversations can be based as well as teaching shared 'firm-specific' approaches to work that can be used explanations (Morgan and Quack, 2004).

Table 2.4. The challenges of knowledge management in PSF's and the potential solutions.

in that the client does not have knowledge of the problem they have asked the PSF to advice on (otherwise they would not have employed them). They therefore cannot be sure the advice they receive is good or evaluate it against another product as is possible with manufactured goods. The development of client relationships is therefore critical to such firms and the client trusting the firm they employ is essential²⁰. This scenario is unique to PSF's and for Maister (2003, 3-5), when coupled with

²⁰ Such relationships help to reduce feelings of insecurity and reassure clients that the advice they get will be the best and most appropriate available (Halinen, 1991). Often this requires face-to-face contact on a regular basis between members of the firm and the client (Goe *et al*, 2000) and as a result it is based on an often relationships between one individual in the PSF and the client rather than between the client and the firm itself. At the same time however the reputation of the firm and its identity and brand can be

effective knowledge management, goes to make up the two prime concerns of any PSF: developing expertise in its employees and managing the client marketplace.

However, although these literatures tell us that knowledge is important they do not explain in detail how tacit knowledge (and not explicit knowledge alone) guides and influences day-to-day work practices and the production of services. It seems that research is needed that couples the in-depth insights into the nature and role of knowledge in organisations to existing literatures on PSF's so that we might better understand their knowledge-intensive nature. Moreover, as was noted above, these PSF's have globalised their activities by opening offices in cities throughout the world. It also seems important then to consider how the spatiality of this process affects knowledge and its production. Below the context for such spatial analysis is outlined and an argument made for the value of studying the geographies of learning in PSF's. In particular it is highlighted how their globalisation has resulted in both urban but also stretched geographies of knowledge and that this might allow local-global scales of learning to be explored.

2.4.3) Global (knowledge-based) service geographies

According to Bryson *et al* (2004, 83-84) the role of advanced producer service firms/PSF's grew in prominence throughout the 1970's because of:

- i) Cost-driven externalisation of service functions by large manufacturing firms. As organisations began to move away from 'fordist' style vertical integration legal, accountancy and financial services in particular were less and less provided 'in house' and increasingly purchased from external specialists because of their greater efficiency and flexibility.

important in making clients feel comfortable (Alvesson, 2001). A certain level of quality is associated with certain firms that reassures the client. A good example of this is the damage done to the reputation of the advertising agency Ogilvy and Mather when one of its advertisers produced a spoof advert for Ford's Ka car showing a cat being decapitated by the sunroof. This was never meant for public viewing but found its way onto the internet much to Ford's horror. The story made headline news across the UK (as well as the angry response by some consumer groups and animal rights activists) and both damaged Ogilvy and Mather's relationship with Ford and the company's reputation as a professional agency (*Brand Republic*, 2004).

- ii) Globalisation. As manufacturers began to globalise their operations only specialists could meet the needs of firms because of the growing complexity of the technology, regulation and spatial interconnectivity involved.

The second point is particularly significant as the globalisation of manufacturing activities also meant the need for globalised service provision. Organisations increasingly needed advanced producer/professional services wherever they located, the result of which was the globalisation of the advanced service firms themselves. This trend has been particularly important since the start of the 1980's. The seminal work of Aharoni (1993) documented in detail how the globalisation of advanced producer services/PSF's had occurred in tandem with the globalisation of other economic activities. Table 2.5 highlights a number of statistics illustrating both the increased importance of advanced producer services and how their globalisation has both occurred in tandem with a rise in the globalisation of other industries and a changed role for services' in the global economy. The result has been increased levels of employment in the sector and also increased levels of foreign direct investment (FDI). Indeed, service firms now form the most important sector of the economy in terms of a source of FDI (UNCTAD, 2004a, 302-303).

The growth of FDI flows over the last twenty years or so has resulted in advanced producer services exhibiting the most intense increase in levels of globalisation of all firms

Insert Table 2.5 here

during this period (Mallampally and Zimny, 2000)²¹. Bagchi-Sen and Sen (1997) note how FDI acts as the principal strategy for advanced producer service firms to globalise but also how joint ventures with firms already in an overseas market and alliances can be important complementary strategies. Table 2.6 summarises the approaches of a range of advanced producer service firms to globalisation.

At the most simplistic level then firms can be said to be simply ‘following the client’ and opening offices to meet their needs. However, more complex analyses (e.g. Bagschi-Sen and Sen, 1997) have applied the logic of Dunning and Norman’s (1983; 1987) ‘eclectic paradigm’ that is based upon the ‘ownership-location-internalisation’ (OLI) model. This work suggests that globalisation of the firm is driven by the client and their globalisation but is also regulated by the OLI model²². Bryson *et al* (2004, 204) adapt this to service industries and suggest that ownership advantage (what they call firm-specific advantage) is based on the reputation of the firm, the knowledge of its labour force, and the innovative ability provided by the agglomeration of experts within one organisation. Location advantage is based on the importance of having knowledge of local market nuances and providing the service to clients face-to-face in that location. Table 2.6 also suggests that another locational advantage is the reduction in reliance on one economic arena for income. Internalisation advantages exist according to Bryson *et al* in the form of the ability to exploit firm-specific knowledge without the risk of giving away competitive insights, the ability to use existing knowledge of a clients needs in the provision of services and also in

²¹ As Roberts (1999) notes, internationalisation first occurred in the form of exports to existing clients who had moved overseas (for example a letter of advice to a company’s office in another country). Over time however an increasing tendency has developed for firms to have a direct presence through overseas offices.

²² The OLI model suggests ‘multinational enterprise’ is only engaged in if profitability can be ensured based on firm-specific competitive advantages. *Ownership* advantages relate to the importance of the company’s ‘resources’ and how they can be leveraged in overseas markets. *Location* issues consider the advantage gained from being physically present in a market. *Internalisation* questions whether direct presence is favourable to sub-contracting or other arrangements.

Insert table 2.6

the form of control over the quality of the service provided ²³. It is clear then that globally leveraging and producing knowledge lies at the heart of the globalisation of PSF's.

As our interest here lies in the geographies of knowledge production it is important to note that this globalisation has, although geographically extensive, resulted in many cases in uneven geographical patterns of PSF activity. Table 2.6 notes the extensive nature of the office networks of some advanced producer service firms (this is further developed in relation advertising and law in chapter six) whilst table 2.7 develops this analysis by showing how some of the key global advanced producer firms have increasingly stretched their activities across space over time ²⁴. The geography of this globalisation continues to be however very much an urban geography (Daniels, 1993) and one concentrated in world cities (Taylor, 2004). Figure 2.2 shows the key concentrations of advanced producer service firms throughout the world. As is clear, the geography of the offices of these firms is one of concentration both in the 'developed nations' but also in the key world cities that exist within these nations. Table 2.8 highlights how this uneven geography has emerged as a result of FDI into the 'developed' nations ²⁵ whilst tables 2.9 and 2.10 show how the assets of and employment in PSF's are concentrated in 'world cities'. This has potential implications for the geographies of knowledge production. These are explored below.

According to Daniels (1993) the geography of PSF's can be explained in two ways. First, world cities provide an agglomeration economy effect because of the international financial centres in the cities that attract and create a wide range of clients. As advanced

²³ Nachum (1999) similarly argues that the dominance of the USA and UK as the home-nation for global advanced producer service firms is a result of the ownership advantages firms accrue from their home nations. Knowledge accrued from experience in the firms home market of London or New York is highly valued in the global economy and is an advantage that can be exploited worldwide. Meanwhile having served key TNC's in their home markets (which are principally the UK and the USA) means globalisation is the preferable strategy to internalise overseas service provision to existing clients.

²⁴ It should be noted that some firms have also retrenched their globalisation activities during this period. However the examples given in table 2.6 are representative of the wider trend.

²⁵ The low levels of outward FDI from 'developing' nations reflects the fact that most global advanced producer service firms originate from developed nations, and the UK and USA especially.

Advanced producer service industry	Exemplary firm	Number of offices
Accountancy	PriceWaterhouse Coopers (Originally Price Waterhouse)	1992: 448
		2004: 814
Advertising	Publicis	1992: 111
		2004: 227
Head-hunters*	Heidrick and Struggles	2004: 58
	Korn/Ferry	2004: 70
Law	Clifford Chance	1989: 15
		2004: 34

Table 2.7. The increasing globalisation over the past 15 years of three exemplary advanced producer service firms.

Sources: *Accountancy*: Bagschi-Sen and Sen (1997) and Beaverstock (Forthcoming). *Advertising*: Bagschi-Sen and Sen (1997); Fieldwork. *Law*: Daniels (1993); Fieldwork.

* Time series data not available.

producer services are almost exclusively delivered through face-to-face contact presence is therefore vital. Table 2.11 illustrates how as a result the consumption of advanced producer services is high in such cities. Second, there are localization advantages. Professional communities develop in each city that produce knowledge these global firms need to access. As The Corporation of London (2003) noted for London, the clusters of PSF's (ranging from accountancy through investment banking to management consultancy) both produce knowledge within the industry clusters (industry specific knowledge relevant to everyone for example in the accounting industry) and between industry clusters (PSF's learn about what clients such as investment banks need in terms of services). Figure 2.3 shows the clusters of PSF's in London this occurs within and between. These uneven urban geographies means then that the globalisation of PSF's and stretching of activities *between* the key cities in figure 2.2 is also likely to mean

Insert figure 2.2 here

Country	2002 Inward FDI flows in services (US\$ millions)	2002 Outwards FDI flows in services (US\$ millions)
France	36,749	44,382
Germany	42,433	18,538
Japan	15,222*	17,336*
UK	26,853	39,974
USA	25,532	81,426
Brazil	10,585	80
China	13,014	N/A
Korea	1,1903	815
Pakistan	411	N/A
Mexico	5,508	N/A

Table 2.8. Inward and outward FDI flows in services in 2002 for the 5 leading ‘developed’ economies and 5 significant ‘developing economies’.

Source: UNCTAD (2004a, 304-306, Table AI20 and AI21).

* 2001 figures.

Cities	Assets of banks in city (US\$ millions)	Assets of insurers in city (US\$ millions)
London	794,510	527,929
New York	715,059	543,740
Tokyo	2,621,883	895,659
Combined value of next 7 most important cities *	3,575,295	2,1900,59

Table 2.9. The concentration of advanced financial producer services in London, New York and Tokyo.

Source: Sassen (2000, 69-70).

* Next seven cities are as follows: Osaka, Munich, Paris, Newark NJ, Zurich, Hartford, CT, and Trieste.

Sector	Employment by sector in London		Employment Rest of UK		% of national employment in London by sector	
	1991	2001	1991	2001	1991	2001
Financial and Advanced producer (Business) services	862,575 (26.5%)	1,324,950 (33.0%)	3,365,856 (15.6%)	4,989,376 (19.6%)	25.6%	26.6%
Non-advanced services (e.g. catering, hoteliers)	657,510 (20.2%)	891,220 (22.2%)	4,725,144 (21.9%)	6,185,008 (24.3%)	13.9%	14.4%
Manufacturing	322,245 (9.9%)	260,975 (6.5%)	4,164,168 (19.3%)	3,614,752 (14.2%)	7.7%	7.2%

Table 2.10. The agglomeration and dominance of advanced producer (business) services in London's economy compared to the rest of the UK.

Source: Office for National Statistics (2003, 63, table 6.4).

Advanced service sector	% business in urban areas using service
All advanced producer services	91%
Accountancy	98%
Advertising	77%
Financial services	60%
Law	96%

Table 2.11. Demand for advanced producer services in cities.

Source: Bryson *et al* (2004, 81)

Insert figure 2.3 here

knowledge production within and between these cities²⁶.

Consequently, in relation to this thesis the significance of the growth of these advanced producer service firms is two-fold. First, the production and effective exploitation of knowledge by these firms has become more and more important to the functioning of the global knowledge economy (Dicken, 2003). Their role in supporting and ‘lubricating’ global corporate and financial activities is now immense. Better understanding the role of

knowledge in these firms (which are undoubtedly now central parts of the ‘knowledge economy’) and also how this knowledge is produced and can be effectively exploited is therefore critical. Secondly, and related to the first point, the globalisation of these services and its mediation through and between world cities raises important questions about the spatiality of knowledge and its production in these firms. As was noted above, it is essential for PSF’s to leverage all of the knowledge within the firm to provide the best possible service to clients in the most efficient way. Knowledge should be produced and diffused worldwide throughout the firm and applied to client’s problems where relevant (see Aharoni, 2000; Grosse, 2000; Lowendahl, 2000; Maister, 2001). So as Lowendahl (2000, 152-153) comments:

“...global presence may enable the firm to develop broader ‘experience records’ and shared knowledge, because of the access to a broader set of knowledge development sources...In PSF’s the competitive advantage, if achieved, results from the ability of the firm to continuously tap into the knowledge developed in all relevant centres of the world...You may even gain competitive advantage from being located in a place where the market is not profitable at all, if the learning from these projects adds more value to other markets”.

²⁶ The role of national regulation should also be added to this with, for example, the relatively low levels of inward FDI into China, as shown in table 2.7, explicable by the tight controls on the provision of services by overseas firms. This is likely to evolve significantly over the forthcoming years however. The re-regulation of trade in services under the auspices of the General Agreement on Trade in Services, put in place by the world trade organisation, has been central to globalisation (see Cuadrado-Roura *et al*, 2002; Dicken, 2003). This has enabled increased flows of FDI and trade in services as restrictive national regulation on investment and provision of services has been rolled-back enabling TNC’s to more easily supply and invest in services outside of their home-nation. China in particular is increasingly becoming open to such trade and the vast markets in the country are likely to be central to many organisations strategies over the forthcoming years.

One of the keys to success then for global PSF's is managing the knowledge the firm has at the global scale. As Lowendahl notes, this means developing knowledge in each office and then dispersing it worldwide. This draws our attention to the potential for globally scaled learning in PSF's as well as urban geographies of knowledge production ²⁷. Extant literatures tell us little however about the practices that might operate at various scales to enable this process. They tell us nothing for example about how knowledge is produced within and/or between the world cities PSF's cluster. These questions then are the subject of subsequent chapters where the geographies of knowledge and learning are considered in depth.

2.6) Conclusions

A number of important points have been in this chapter that have developed our understanding of the role of tacit knowledge. They support the argument made in the opening section that we must fully understand the complexities of knowledge and its relevance to firms in the knowledge economy before attempting to understand the geographies of learning and that its spatiality can be understood through studies of PSF's. Three specific points have been made. First, it has been shown that tacit knowledge is a discrete type of knowledge but also that it should not be rigidly disassociated with explicit knowledge. Indeed, the two may well be complementary in many ways. Second, it has become clear that tacit knowledge is often developed and employed unconsciously and that in a business scenario the intuition, innovation and creativity this can produce is essential. Third, it has been shown that such ideas are extremely relevant to PSF's because of the nature of the work they do. It has also been demonstrated that their globalisation offers the opportunity to study tacit knowledge production and local and global spatial scales. However, it is clear that extant literatures fail address the key question of why tacit knowledge is needed by PSF's to be successful (and how it guides day-to-day work) as they do not explain the affect of tacit knowledge on day-to-day working practices. The aim of this thesis is then to build on the insights gained here into the nature of tacit knowledge and to use them to fill this void and highlight the heterogeneous and fluid nature of knowledge (both tacit and explicit) in PSF's. At the same time the thesis will couple this with an

²⁷ Malhotra (2003) noted a similar point and suggested that PSF's had globalised by opening overseas offices to avoid sharing their employees' tacit knowledge with sub-contractors. This reflects the internalisation advantages noted earlier. Malhotra also suggests however that the two-way flow of knowledge within global PSF's is valuable in itself, creating another reason to open overseas offices: they allow knowledge to flow back to other offices as well.

understanding of the socio-spatial practices of knowledge production in order to understand the geographies of tacit knowledge production in global advertising and law PSF's. A lot of ground has been covered in this chapter but as a result we are now at the point of being able to better engage with the idea of tacit knowledge and subsequently in the next chapter the processes of production (learning) associated with it.

3) The production of knowing: How tacit learning occurs in organizations

3.1) Introduction

Knowledge management is an important concept in both the commercial world and academic circles ²⁸. Geographers have also picked up on the importance of this and how it has changed the way in which (in particular global) organisations operate. Nigel Thrift (1997) in an important contribution suggests that this has been manifested in a “new managerialism which is becoming hegemonic”, a managerialism that means paying “close attention to the resources of *tacit* (familiar but unarticulated) knowledge embodied in its [a firm’s] workforce” (Ibid, 39, original emphasis). Developing this point Thrift (2000a, 48-49) suggests managers now face four key challenges. First, to ensure knowledge is generated and disseminated widely throughout the organisation. Second to tap this for organisational benefit through strategies that allow the knowledge to be applied. Third, to constantly imbue the image and ideology embedded within this and ensure everyone in the organisation focuses upon the development of knowledge. And fourth, to ensure those conduits within the organisation that allow learning are developed ²⁹.

This chapter reviews a range of different perspectives on knowledge management and organisational learning and considers how extant research can contribute to the development of an understanding of the spatiality of knowledge and learning. The aim is to draw the reader’s attention to two main issues in relation to studying learning. First, how an epistemology that is sensitive to the heterogeneous and fluid nature of

²⁸ The key challenge in knowledge management is to ‘share’ knowledge between individuals in organisations (Kalling and Styhre, 2003). This means putting processes in place to produce learning, and in particular learning *from* colleagues, so as to maximise the use of the knowledge ‘held’ by the firm.

²⁹ It has been suggested by some scholars that such a preoccupation is nothing more than a management fad and that knowledge management is simply a ‘buzzword’ at present (see Kalling and Styhre (2003, 23-25) for a comprehensive discussion). However, this need not pre-occupy us here as our interest lies in the diverse range of literatures that now exists in relation to this issue that can provide insight into both the theoretical challenges of knowledge management and the practical structures needed. This can inform our understanding of learning processes and practices.

knowledge and therefore learning is needed. In particular it is suggested that focus should fall on how learning involves individuals becoming knowing through a process of individual (but environmental mediated) sense-making. Secondly attention is drawn to the need to study the socio-spatial practices that produce knowledge and the 'spaces and networks of learning' through which these are enacted. This highlights how learning takes the form of a 'social performance' (c.f. Thrift, 2000b) and shows that to understand knowledge production we must understand the factors affecting the enactment of the practices that make-up this performance. For both issues the most appropriate theoretical and analytical lenses that allow such an understanding to develop are highlighted. The rest of this chapter therefore proceeds as follows. In the next section three different perspectives on learning and knowledge management are briefly outlined. Following this what is termed the social-anthropology perspective (SAP) is considered in more detail with the key tenets of the perspective outlined³⁰. In the second half a wide-ranging review of work on the practices of tacit knowledge production is then completed. Links are made to the SAP and questions raised about how these practices enable learning. Conclusions are then drawn about how the geographies of tacit knowledge production can be understood.

3.2) Three perspectives on knowledge and learning

It is possible to broadly highlight three differing perspectives that treat both the nature of knowledge and the practices associated with learning in differing ways. Both differentiating but also reconciling the diverging approaches of these perspectives is important to allow the most complete understanding of the practices of learning and knowledge management in firms to be developed as well as understanding of the geographies of knowledge production to be gained.

First there is the knowledge-based view of the firm. This takes Penrose's idea (1959, 31) that firms are "collections of productive resources" and applies it to knowledge. It suggests that as a productive resource knowledge should be managed, disseminated and applied as widely and efficiently as possible within the firm through strategic organisational design because the knowledge a firm possesses defines its 'core

³⁰ This term draws on the work of Amin and Cohendet (2004) that is discussed in more detail below and is used here as a useful classificatory device. A number of other categorisations including the cognitive-social constructive approach, as used by DeFillippi and Ornstein (2003), could have also been adopted.

competency' (Prahalad and Hamel, 1990) and 'dynamic capability' (Teece, 2000). This often leads to a focus upon the use of information-communication technology (ICT) in such an approach in particular computerised knowledge management systems that are used to 'entrap' and 'distribute' knowledge as a static entity and resource that can be moved around inside the firm. However treating knowledge in this way is somewhat problematic, especially where tacit knowledge is concerned, because "tacit knowledge, though rare, non-substitutable, immutable and valuable (when used to advance corporate goals), does not satisfy the *ex-post* conditions of a strategic asset" (Meso and Smith, 2000, 232-233, original emphasis). It does not satisfy these conditions because tacit knowledge cannot be transferred as a resource from one individual to another within the firm. It is not static, cannot be packaged and encoded and communicated using ICT (Hislop, 2002) or controlled by management. This point is developed further below.

A second perspective is the evolutionary approach, best exemplified by the work of Nelson and Winter (1982), which suggests knowledge becomes embodied in organisational routines and best practice. These routines develop in a process not unlike Darwin's theory of evolution with continuous improvement and reworking (based on knowledge developed within the firm)³¹. More recently this has been tagged as 'organisational learning', "the vehicle for utilizing past experiences, adapting to environmental changes and enabling future options" (Berends *et al*, 2003). Organisations 'learn' as knowledge is acquired, in some cases unlearning occurs, and as a result the firm becomes more effective (Akgun *et al*, 2003). Berends and colleagues liken this to Gidden's (1979; 1984) theory of structuration suggesting that such evolutionary learning is based on existing routines (structures) which then evolve in a reciprocal manner based on feedback from the experiences of those using the routines. As a result, new knowledge emerges and is embodied in the evolved routines.

The third perspective is what is termed here *the social-anthropology perspective* (SAP). In this approach the focus of knowledge management is not on the knowledge itself but the individuals and the social processes and practices that connect them and facilitate the *construction* of knowledge. At the most simplistic level such an approach

³¹ Michael Hammer and James Champy's model of the re-engineered firm took a similar approach suggesting that every action could be reduced to routines based on such evolutionary knowledge (see Hammer and Champy, 1993).

acknowledges that “[k]nowledge is created through the interactions among individuals and/or between individuals and their environments, rather than an individual who operates alone in a vacuum” (Nonaka *et al*, 2000)³². It highlights how knowledge management cannot ignore the important experiential and social nature of knowledge production and as a result that the key strength of a firm is as community of knowledgeable individuals who can interact with one-another. Tsoukas (1996) likened the ability of employees within an organisation to learn to the ability of the human brain to learn. The human brain has many neurones that connect different parts and allow interactions that result in learning. Organisations have the ability to foster such connections between employees who can learn from one-another through various forms of social engagement, something that should improve learning and knowledge management. In this perspective then, as Amin and Cohendet (2004, 8) argue, focus falls on “knowledge as a process and practice, rather than a possession, on the pragmatics of everyday learning in situated contexts”. This is very different to the knowledge-based view that sees knowledge as a resource to be managed. It also differs from the evolutionary perspective because it does not see knowledge as something that becomes fixed in routines that have punctuated stages of evolution but rather as something that is *constantly* made and remade by social interactions.

If we consider the tenets of tacit knowledge outlined in the previous chapter, the SAP seems most relevant and useful for developing an understanding of how knowledge is produced. It recognises that learning is the result of understanding developed from social experiences. This is something that cannot be fixed in the form of a resource or routine but is instead constantly evolving and changing with use and as a result of the ‘performance’ of the spatial practices associated with knowledge production (c.f. Thrift,

³² Philosophers and psychologists amongst others have long debated knowledge and its nature. Many early theorisation’s suggested that knowledge should be viewed as a resource, something that according to the Nativist approach means that “all knowledge is not ‘acquired’ at all but given *a priori*” (Reber, 1993, 5). Such a belief was reflected in the philosophy of Emmanuel Kant who believed that body and mind were completely separate and as a result all knowledge must originate from solely within the individuals mind and could not be acquired through bodily experiences (Kenny, 1998; see also Nonaka and Takeuchi (1995, 238) on the similar views of Descartes). Such ideas have been heavily critiqued however and are now associated with what has been termed the Cartesian Dualism, a dualism between body and mind which prevents knowledge being developed through experience. Instead, it is now accepted that “all our knowledge begins with experience” (Kenny, 1998, 253) and that rather than being viewed as a resource knowledge should be viewed as an iterative process, continually under development through exposure to new experiences.

2000b). Moreover, the SAP perspective is sensitive to the spatial dimensions of knowledge and learning because of its focus on the socio-spatial practices of knowledge production rather than knowledge as an end-state. This does not mean we should dismiss the insights of the knowledge-based view and evolutionary perspectives. Rather it means that while acknowledging the important 'knowledge resources' of an organisation that often exist in explicit form and complement tacit knowledge, and the ongoing organisational learning that becomes fixed in (explicit) routines, there should also be room for analysis of the 'sociality' of learning and the 'embedded' socio-spatial practices that produce (tacit) understanding and knowledge. The rest of this chapter considers in more detail then how the key tenets of the SAP can help us understand the learning processes that produce tacit knowledge. It also focuses upon how this approach might allow the tracing of the practices of learning across space and therefore allow an understanding of the spatial influences upon learning to be developed. It is argued that by adopting a suitable theoretical framework to understand learning it is possible to better understand the spatial dimensions of knowledge production.

3.3) Knowing through practice in the social-anthropology perspective

In the SAP it is noted that tacit knowledge is produced through social interactions between individuals within firms. Three key tenets underlie and define such an epistemology:

- iii) Tacit knowledge is not seen as a static entity but instead as the result of continually enacted practices that produce understanding. To signify this literatures refer to *knowing* rather than knowledge.
- iv) This process of knowing is not individualistic but rather requires environmental and social interaction.
- v) Tacit knowing is always situated and contextual, the result of complex influences on the knowing individual.

Each of these points is discussed below with point ii and the practices of tacit knowledge production considered last.

3.3.1) The production of knowing

In the SAP an epistemological stance is taken that suggests knowledge, as a static entity, does not exist. Instead as Orlikowski (2002, 250, original emphasis) suggests:

“...there may be value in a perspective that...focuses on the knowledgeability of action, this is on *knowing* (a verb connoting action, doing, practice) rather than *knowledge* (a noun connoting things, elements, facts, processes, descriptions)”.

This, she goes on to argue, is because knowledge “can usefully be understood as an enacted capability – not as a static property or stable disposition – but a situated and ongoing accomplishment that emerges from people’s everyday actions” (Ibid, 269). This is central to what Cook and Brown (1999) describe as an ‘epistemology of practice’ that recognises the importance of a ‘generative dance of knowledge production’. Rather than being concerned with knowledge as an artefact or possession they focus on the practices that produce knowing individuals. They therefore make the contention that:

“...not all of what is known is captured by [an] understanding of knowledge. Put another way, there is more epistemic work being done in what we know how to do that can be accounted for in terms of the knowledge we possess. So, in addition to talking about the...distinct forms of knowledge we also want to be able to speak about the epistemic work done by human action itself – that is, about what is *part of practice* as well as what is *possessed* in the head...Therefore, in addition to the traditional epistemology of possession, there needs to be, in our view, a parallel *epistemology of practice*, which takes ways of knowing as a focus” (Ibid, 382-383, original emphasis).

This contradicts the knowledge-based view of the firm that only concerns itself with managing knowledge as an artefact and instead argues that we must focus upon the practices that produce knowledge. In particular, it suggests that knowledge is more than an accretion of pieces of information but is the result of human practices that produce understanding (Amin and Cohendet, 2004, 18). Moreover, it means that knowledge “increases with use” - knowing is enriched when individuals are involved in practices that allow its use and development, rather than decreasing in value as a static resource does as it is expended (Davenport and Prusak, 1998, 17). The everyday actions of individuals and the experiences involved in this action help

mediate learning and knowing in unique ways³³. Of particular interest here is how these practices are all inherently spatial in nature (they operate within and between spaces of economic activity). As the SAP suggests, this means knowing is always 'situated' and 'contextual' in a variety of ways.

3.3.2) The role of situated understanding and interpretation

The SAP engages with a range of cognitive studies to argue that all knowing is the result of an individual's understanding, sensemaking and cognition of the practices they are involved in. The ideas of Schon (1983) that all knowledge is the result of 'reflection in action' - the result of how an individual, through their 'embodied mind' understands the practices they have been involved in is commonly used in work taking such an approach. Cook and Brown (1999, 388) use the alternative concept of 'productive inquiry' to reflect this idea. They suggest "[p]roductive inquiry is that aspect of any activity where we are deliberately (though not always consciously) seeking what we need, in order to do what we want to do"³⁴. They go on to describe the practice of conversation and how this allows personal (tacit) knowing to be negotiated as follows:

"When Emma says to Andrew 'I've been doing it this way', Andrew not only adds that knowledge to his own experiences, skills and sensitivities, and the like (and vice versa when Andrew makes his reply). By placing Emma's knowledge into Andrew's contexts, the conversation can evoke novel associations, connections, and hunches – it can generate new insights and new meaning...In this way, conversation affords more than an exchange in which the net sum of knowledge remains the same; it dynamically affords a *generative dance* within which the creation of new knowledge and new ways of using knowledge is possible" (Cook and Brown, 1999, 393, original emphasis).

³³ Karin Knorr-Cetina (1981) in her influential work entitled '*the manufacture of knowledge*' noted just such a phenomena with important 'ongoing external events' constantly affecting the way scientific knowledge emerges. She identified numerous influences on individual scientists that resulted in a 'socially constructed' knowledge.

³⁴ Studies adopting the SAP also often draw on the work of John Dewey on pragmatism where he argued that humans acquire knowledge unintentionally through *inquiry*. He suggested that 'doing' in every day life produces knowledge as an individual unconsciously reflects over their experiences and learns once they reach a conclusion (they reach cognition) (Elkjaer, 2003). The reader is directed to Amin and Cohendet (2004, 63) for further discussion and one of the best engagements with this work in terms of learning and knowledge.

As this quote highlights, an individual's cognition and translation of a conversation affects the form of knowing that develops (in this case influenced by Andrew's experiences, skills and sensitivities). A significant element of the SAP is a focus on the importance of *identity* and *positionality* in influencing a socially constituted knowing. The process of 'knowledge' production described above is suggested to be influenced by both existing forms of knowing and the context in which the practices take place. So "[l]earning, thus, starts from a state in which some learning has already occurred. It is activated and directed by the history of the embodied mind" (Amin and Cohendet, 2004, 66). Tsoukas (1996, 16) suggests this means all practices are 'discursive' in that "a practice is what it is by virtue of the background distinctions that are embodied in it...the meaning of those distinctions is established through their discourse". This means that any individual involved in a practice that produces knowing interprets the 'experiences' based on how they situate and translate their meaning. Existing knowledge or the affect of the context/background within which the practice occurs may influence this. In addition to this knowing may be influenced by:

"...social practices...Communities in their specific social settings characterized by conventions of meaning and communication and the cultures of action and interpretation that are the product of social organization and interaction act as learning environments in their own right" (Amin and Cohendet, 2004, 66).

Central to the SAP then is the suggestion that the way individuals understand, make-sense and become knowing (i.e. develops cognition) is guided by their identity as part of a social community. As a result, within a community knowledge becomes situated (Haraway, 1991) and "more or less contested, more or less commonly agreed upon, more or less subject to negotiation" (Kalling and Styhre, 2003, 60)³⁵. Table 3.1

³⁵ Weick (1979) referred to this problem as 'equivocality'. According to Weick ideas can have different meanings to different individuals (they are equivocal) depending on the influence of the context in which they are understood and translated. As Yanow (2004, p. S15, original emphasis) describes it, "[t]ranslation requires expert, local knowledge...one does not translate language *per se*; one translates meaning. Translating builds on 'a felling for the organism'". Without having a 'feeling' for the context of the ideas expressed in conversations cognition and learning becomes problematic. Two individuals receiving the same stimulus will assimilate it (understand it) in different ways and therefore produce divergent forms of knowing. Cook and Brown (1999) highlight this phenomena in their work on the 'generative dance' of knowledge production suggesting shared 'genres' enable learning to occur because of how they allow individuals to understand and interpret the ideas of others. The term 'genre' is used to signify a set of understandings, grounded ideas and norms that influence the way experience is interpreted. Just as genres enable us to understand the underlying logic of a book (if we know it is a romance we interpret the events in terms of how they create a romantic context) genres also enable us to

summarises how several other scholars have made similar arguments and focussed upon identity and context and its influence on practice-based learning. Each one highlights an important way knowing is influenced by context, identity and therefore potentially also space.

3.3.3) *Learning practices and the effect of a spatially mediated identity and context*

So what conclusions can we draw from the literatures adopting the SAP? Two important points have been raised that need to be considered during our reading of the literature on the practices of tacit knowledge production. First, that learning, and the knowledge produced, is a process and practice that does not result in a static entity that is ‘knowledge’ but rather results in individual knowing and understanding. Social practice and how individuals learn *from* it are critical in the production of knowledge. This should dispel the confusion John Allen (2000a, 27) noted between “the transmission of knowledge with its translation” by highlighting that learning only occurs when an actor ‘translates’ the meaning of a stimulus. Von Krogh (2003, 373) therefore suggests that:

“[w]hereas the early literature on knowledge and technology transfer...hinged on a simple model of communication of information, new contributions in this area understand knowledge and technology transfer as a model of knowledge sharing and local knowledge (re)-creation”. The SAP compels us to look at how individuals learn *from* one-another, rather than at how knowledge is transferred as an entity between individuals.

understand our experiences and learn from them (they influence how we interpret and make-sense of the comments and the descriptions of events of other parties in a conversation). Without possessing an understanding of the ‘genres’ (by being a member of the community) it is difficult to understand the assumptions attached to any comments and their significance for understanding and learning. From a different angle the same phenomena can be seen in academic circles where researchers are constantly reminded of their positionality and the influence this has on the knowledge they produce (Denzin, 1994).

Scholar	Practice-based perspective
Akgun <i>et al</i> (2003)	‘ <i>Social cognition</i> ’ affects how an individual interprets their experiences and learns from practices such as conversation. This cognition is determined by the community of individuals interacted with and how they influence thinking.
Chia (2003)	Language and words are inadequate to explain some ideas. Therefore context and understanding of a situation is vital as it guides understanding of experiences and other people’s ideas when a concept cannot be fully rationalised or explained in a logical manner.
Dougherty (2004)	All understanding is influenced by past actions and experiences and how they allow individuals to make-sense of a situation. In firms learning occurs most efficiently between those with shared experiences as empathy and mutual understandings exist.
Gherardi (2000)	All knowledge emerges from an individual’s understanding of their practices and experience. Knowledge therefore grows, changes and evolves every time a practice (e.g. conversation) is interpreted, learned from and built upon. Past experience guides this development by influencing understanding.

Table 3.1. Conceptualisations of practice-based learning and the role of identity and context.

Secondly, the SAP makes it clear that social context and identity influence learning. They affect cognition and the knowing that emerges and therefore should be considered in any attempt to manage knowledge within a group of individuals in an organisation. This is particularly pertinent to our interest here in the local-global geographies of tacit knowledge production where context may have a spatial nature (for example it may be locally specific or globally stretched). It suggests that if we focus upon the practices of knowledge production and the contextual influences on learning such as membership of a community, identity and cultural characteristics it might be possible to understand the impact of place and space on learning and knowledge. This means it is necessary to 'trace' the socio-spatial practices of knowledge production (at whatever spatial scale they operate) and explore the factors facilitating the successful production of a state of knowing in the individuals involved.

It is therefore clear from this discussion then that adopting a suitable epistemology to study learning is vital. It has been argued here that the SAP provides an analytical lens suitable for studying both learning and its geographies. The rest of this chapter reviews the existing literature on the practices of tacit knowledge production. It concludes by identifying how the SAP and a focus upon the socio-spatial practices of learning might help us reconfigure studies of the geography of learning and how this develops the argument made at the start of the chapter that understanding the 'networks and spaces' in which learning occurs will allow the geographies of knowledge production to be understood.

3.4) Becoming a knowing individual: Processes and practices of tacit knowledge production

In Polanyi's original work (Polanyi, 1967) the psychological processes leading to the emergence of tacit knowledge are considered in relation to the process of 'subception'. Drawing on the work of Lazarus and McCleary (1949; 1951) Polanyi suggests that tacit knowledge is developed through "unconscious or preconscious awareness, or [at] the Jamesian fringe of awareness" (Polanyi, 1969, 95). Individuals learn from stimulus beyond their conscious awareness and their tacit knowledge constantly adapts and develops based on the stimuli affecting this process. This development is guided however by explicit knowledge, and hence the importance of not dichotomising the two forms. As Polanyi (1967, 34) writes:

“[t]he playing of a game of chess is an entity controlled by principles which rely on the observance of the rules of chess; but the principles controlling the game cannot be derived from the rules of chess. The two terms of tacit knowing, the proximal, which includes the particulars, and the distal, which is their comprehensive meaning, would then be seen as two levels of reality, controlled by distinctive principles. The upper one relies for its operations on the laws governing the elements of the lower one in themselves, but these operations of it are not explicable by the laws of the lower level”.

According to Polanyi then, tacit knowledge is produced through an unconscious learning process that is, in part, grounded by explicit knowledge of the stimulus learned from. This explicit knowledge acts in many ways like identity or social context does in developing cognition as described in the SAP.

However, although these ideas are useful at a theoretical level, the use of psychological principles to explain the development of tacit knowledge does not provide any insights into the practices that the SAP suggests are key to knowledge production³⁶. Knowledge management requires the successful implementation of these practices and their enactment in a way that enables efficient and effective learning (often in a time-constrained environment). Three such practices have been highlighted in extant literatures: learning through experience, talking and reading. Each one is considered in turn below in light of the previous discussion of the SAP. It is important to do this because, as it was argued above and is returned to below, tracing the ‘networks’ through which the practices are enacted at all spatial scales allows the geographies of knowledge production to be understood.

3.4.1) Learning through experience

One of the first, and often most focussed upon phenomena, is that of tacit knowledge creation through *experience*. First suggested to be important in learning before Polanyi’s work by Arrow (1962) in his classic study of ‘learning by doing’, the role of experience is now seen as vital by many, and is used as synonym for tacit knowledge on many occasions. Learning by experience suggests then that tacit knowledge “can only be produced in practice” (Maskell and Malmberg, 1999, 172). First-hand

³⁶ Knowledge and knowing are used interchangeably in the rest of this discussion to aid grammatical correctness. However throughout the discussion the processes of tacit knowledge production/learning should be interpreted and are discussed in relation to the idea of knowing described previously.

experience and what some have referred to as ‘deliberate practice’, where individuals expose themselves to situations in order to learn from being a part of events, is essential. Polanyi’s favoured example here was how the tacit knowledge needed to ride a bicycle is produced. He suggested that this knowledge is developed through riding the bike (and falling off) that eventually allows you to cycle at a constant speed and negotiate obstacles. The proximal focus may be on falling off because you couldn’t stop in time but the distal (tacit) knowledge and awareness that emerges through unconscious learning allows you to brake earlier.

Learning by experience is a process Robert Sternberg also ascribes to in that he suggests it produces ‘crystallized abilities’ which are based on an accumulation of experience (Sternberg *et al*, 2000, 39). He suggests this makes managers successful because instead of responding ‘mechanically’ to problems as those solely relying on explicit, routine or teaching based knowledge do, those with experience are “action-orientated in the problem solving process. Their analyses [are] cursory rather than exhaustive and based on their personal experience with analogous problem solving rather than more formal principles of problem solving” (*Ibid*, 71)³⁷. Apprenticeship schemes also embody the logic that experience produces tacit knowledge with individuals learning both by actually completing the job but also by watching an expert and learning from observing them. Visual observations are then another source of experience and allow learning. As Nonaka (1992, 13) noted:

“An individual can acquire tacit knowledge directly from another without the use of language. Artisans live with their masters from whom they learn their art not through language but through observation, imitation and practice”.

We can therefore complicate the role of experience by noting how it can take two forms, both ‘hands on’ practical experience and ‘second hand’ observation of others. As was noted by Polanyi however, such learning relies on some form of explicit knowledge of what is experienced/observed to allow the sense making needed for learning to occur. Moreover, the SAP suggests that understanding the context in

³⁷ According to Sternberg’s triarchic theory (see Sternberg, 1985; 1995) this experience is important in three ways. Firstly through *selective encoding* “when a person extracts pieces of relevant information” which can be used tacitly to guide actions (Sternberg, 1995, 324). Second through selective comparison “when a person relates new information to old information already stored in memory” (*Ibid*, 324). In this case unconsciously comparing a current problem with an old problem allows a solution to be found. Third, through selective combination, “when a person puts together information in a way so as to make sense of it”, involves creating associations and linkages between pieces of knowledge to create new tacit knowledge (*Ibid*, 325). Hence experience is vital to tacit knowledge creation.

which experience/observation occurs is vital. Therefore there are likely to be important spatial determinants of this process with both the 'identity' of the individuals experiencing activities and the affects of the 'place or space' in which the identity is produced and experience occurs, both influencing learning. In addition explicit forms of knowledge (organisational best practice/routines, socialisation or training) and its spatial variation are equally likely to mediate sense making.

3.4.2) Learning through talking

Interaction in one form or another is well recognised as a vital way of learning. Sociologists have long studied this process with the work of Irving Goffman on 'the interaction order' providing some of the most useful insights (see Goffman, 1967; 1983). I do not intend to fully engage with Goffman's ideas, as they require us to pay much more attention to the role of performance and the body in social situations than this project can facilitate. However, it is worth noting that Goffman suggested that interactions (e.g. meetings, conversations) are vital but only when certain pre-conditions are in place³⁸. Of particular interest here is his suggestion that when group members have commonality and shared heuristics learning is possible (Goffman, 1983, 5). This mirrors the ideas of the SAP that identity and positionality affect learning. Probably the most useful way however to explore this idea specifically in relation to tacit knowledge production is through two sets of work on communities of practice by firstly Etienne Wenger and colleagues and secondly John Seely Brown and Paul Duguid. I review both of these works in turn below.

3.4.21) How talking allows learning in communities of practice

The concept of communities of practice is based on ideas originally developed in work on situated learning (Lave and Wenger, 1991) that suggested that all knowledge is produced as "an integral part of generative social practice in the lived-in world" (Ibid, 35). This requires '*legitimate peripheral participation*' in various groups or communities that exist in this lived-in world through which individuals can develop (tacit) knowledge. So apprenticeships are, according to Lave and Wenger, not just about a master-

³⁸ Goffman also noted the value of 'embodied' face-to-face encounters for learning. This aspect of his work is considered in the following chapter.

apprentice relationship but also about being part of a ‘community’ through which knowledge is produced. Therefore, communities of practice are defined as:

“...groups of people who share a concern, set of problems or a passion about a topic, and who deepen their knowledge and expertise in this area by interacting on an ongoing basis. Engineers who design a certain kind of electronic circuit called phase-lock loops find it useful to compare designs regularly and to discuss the intricacy of their esoteric speciality... Artists congregate in cafes and studios to debate the merits of a new style or technique” (Wenger *et al*, 2002, 4).

People congregate then to develop tacit knowledge of their speciality. Through conversations with other members of the community individuals ‘reify’ knowledge, something which focuses “our attention in a particular way and enabl[es] new kinds of understanding” (Ibid, 60). Individuals draw on others’ experiences and ideas to enrich and develop their own knowledge. In other words they learn from the people they speak to by interpreting the ideas expressed in conversations and developing their own cognition and logic – their own knowing. As a result it is essential to be a member of these communities because “participation in social communities shapes our experience” (p56.) The practices create a ‘negotiated’ knowledge, one that is based on both individual’s personal knowledge (experiences etc), but also understanding developed through discussions of the experience of other community members (Ibid, 56-57). Learning occurs when individuals “compare and enrich interpretations” (Ibid, 64) and unconsciously learn from the discussion.

Membership of a community, ‘legitimate peripheral participation’ and learning can only occur however when individuals share a context – for example a job role. This reflects in many ways the arguments of the SAP outlined above about the process of cognition and the affect of identity and context on learning. Wenger (1998) argues that there are three important elements to the shared context that enables individuals to learn through participation in communities of practice:

- i) *Mutual engagement.* Everyone engages with the same issues, ideas and problems because they have a shared practice (e.g. the same job and daily problems in that job). It is therefore “just as important to know and understand the latest gossip as it is to know and understand the latest memo” (Ibid, 74). This gives you a shared logic.
- ii) *A joint enterprise* (e.g. a shared profession and professional aims). This means

community members all respond to situations in the same way as they share aims, challenges and ideals. Therefore members of the community can understand one-another's ideas and perspective (Ibid, 77-78).

- iii) A *shared repertoire*. This means everyone uses the same "routines, words, tools, ways of doing things, stories, gestures, symbols, genres, actions or concepts that the community has produced or adopted" (Ibid, 83). This makes participation and reification (translation and sense making) simpler.

These factors gel into a shared identity of everyone in the community: "tacit conventions, subtle cues, untold rules of thumb, recognizable intuitions, specific perceptions, well-tuned sensitivities, embodied understandings, underlying assumptions and shared world views [that] are unmistakable signs of membership of communities of practice" (Ibid, 47). This is what makes communities of practice so successful at producing tacit knowledge. Everyone involved has a shared context that means they can understand the ideas of fellow community members and therefore learn from them. This reflects the ideas of the SAP in many ways with members of the communities sharing an identity that allows shared perspectives to develop. This means the translation process that results in knowing is simplified.

In their work on communities of practice John Seely Brown and Paul Duguid (1991; 1998; 2000) also provide insight into the processes and practices of learning by talking. They suggest such communities promote the creation of tacit knowledge because of the "social resource people in similar occupations provide one another" (Brown and Duguid, 2000, 98). They provide similar arguments in many ways to Wenger and colleagues but outline in detail the nature of the interactions that allow knowledge to be produced. Three points are important here.

- i) First, they note that tacit knowledge is developed collectively drawing on one-another's experiences and ideas. So as a result, "where one person's knowledge ends and another's begins is not always clear... neither has a decisive 'piece' of knowledge... It was a collective process that created an indivisible product " (Ibid, 106).
- ii) Second, this knowledge is produced because of the intensity of understanding between those in the community. Therefore, these communities work because they "join people in one organization to people in similar positions with similar

practices in other organizations... These people who not only do similar work, but go to the same conferences, read the same journals and magazines, and recognize one another as part of the field" (Ibid, 158).

- iii) Third, this allows talk and interaction to occur successfully which produces the tacit knowledge. They suggest that conversations are best conceptualised as being like improvisation jazz. Therefore, stories told invoke responses and ideas from other members of the community which "resembles a series of alternating, improvisational jazz solos, as each [person] took over the lead, ran with it for a little while, then handed it off to his partner" (Ibid, 104). Each person added new thoughts and ideas, each time allowing those involved to develop tacit knowledge.

These ideas help us to understand how the nature of the conversations that take-place in communities of practice result in tacit knowledge production. Learning occurs, as the SAP suggests, when individuals are able to listen to other's ideas, interpret them and as a result develop their own *new knowledge*³⁹.

Learning by talking is then a vital way to develop tacit knowledge. As has been shown here however, conversation does not transfer knowledge but rather allows individuals to learn from one-another. Moreover, as the SAP suggests, for this to be successful individuals must share a context or positionality. This insight will be vital in understanding how learning by talking is spatially practised at local-global scales. It suggests that the shared identity and context needed for learning might exist within communities and that by tracing the geographies of these communities it may be possible understand the geographies of tacit knowledge production. Chapter four further elaborates on this idea.

³⁹ This reflects the ideas in the seminal work of Julian Orr (1996) in which the importance of talking for knowledge production was noted. Orr coined the term 'war stories' to describe how photocopier technicians developed tacit knowledge of problem diagnosis through their discussions before work and at lunchtimes. By discussion and comparing their experiences technicians were able to enrich their knowledge of the machines they worked on based on one-another experience and learning from that experience. Orr suggested the technicians were a community with a shared positionality as copier technicians. They therefore share a practice, and as a result the conversations are based on shared languages, ideas and descriptions that means conversations are "extremely elliptical and barely recognizable to outsiders" (Orr, 1996, 125). This allows individuals to learn from one-another by interpreting and translating the experiences described based upon their existing awareness.

3.4.3) Learning by reading

Learning by *reading* is an idea drawing on Polanyi's original premise that explicit and tacit knowledge cannot be separated but are instead mutually dependent. It suggests that beyond providing explicit knowledge, documents and other codified knowledge forms can actually help produce tacit knowledge. Conventionally it is assumed that such learning can only re-produce explicit knowledge, so Baumard notes "the reticence of organizations to hire young managers without experience... This does not represent a mistrust of the teaching young managers have received [but because t]hey lack a rich tacit understanding...of organization[s]" (Baumard, 1999, 61). It is assumed that because young managers have predominately learned through scholarly methods (reading codified explicit knowledge forms) they lack any tacit knowledge. Indeed there is a rich literature describing how written documents and in particular computer based knowledge management databases cannot convey tacit knowledge (see Foray and Steinmueller, 2003; Goh, 2002; Hislop, 2002; Johannessen *et al*, 2001). However, some scholars have argued reading can produce tacit knowledge.

John Allen (2000) makes a powerful argument for learning by reading based around confusion between "the transmission of knowledge with its translation" (Ibid, 27). He suggests that codified knowledge forms may allow new tacit knowledge to be produced by what he describes as 'detection', a process that allows individuals to "internalize shared understandings or...to translate particular performances on the basis of their own tacit and codified understandings." (Ibid, 28). Therefore individuals can read a document and develop tacit knowledge from it through a personal translation process. Tacit knowledge production he argues then "may involve learning-by-detection, where unformed ideas are picked up...and translated in new and novel ways". The SAP would be sympathetic to such an idea if documents allow the kind of unconscious interpretation described as necessary for learning.

French (2000) also acknowledges the possibility of a similar process in relation to the use of a database by life assurance assessors and how it may produce tacit knowledge. He argues that because "knowledge is always local...there still exists margins of negotiation...[the database] needs to be interpreted and read [its] success is dependent upon translating actors" (Ibid, 116). When the 'local' actors translate the explicit knowledge in the database then new tacit knowledge is produced.

An additional perspective can be added to this analysis of the possibility of learning by reading. Building on work using the tenets of Actor-Network theory (ANT) under the guise of the study of ‘immutable mobiles’, the idea of translation has also been used to highlight how documents can also enable and support the learning process. According to Latour (1987, 108), ‘translation’ is “the interpretation” of a stimulus by an individual. As a simple example of this Latour (1988) noted how a painting of Jesus would be translated differently, change in meaning, and be used in very different ways by different subjects drawing on different networks of influence (for example religion). Callon (1991) further helps us understand this translation process and its relationship to documents acting as immutable mobiles. According to Callon, in any actor-network there are *intermediaries*, “anything passing between actors [in the network] which defines the relationships between them” (Ibid, 134). These can, amongst other things, be conversations and written documents that are used to ‘pass on’ knowledge. These intermediaries then have to be *decoded* after being put into circulation. The relationship and the ‘shared space’ between the exchanging actors affect this. If the intermediary is decoded in the way intended by its ‘sender’ the knowledge is ‘flows’ in tact, everyone translates and make-sense of the ideas in the same way⁴⁰. Non-humans (in the form of documents) are suggested to be particularly effective at allowing ‘accurate’ translations to occur, especially when learning is stretched between communities (Latour, 1987, 223). They act as intermediaries that are decoded and, because they have been ‘made hard’, allow individuals to learn from one-another. Being ‘made hard’ means produced in such a way as to minimise the ‘margin of negotiation’ that exists in their translation (Latour, 1987, 208); it means to produce

⁴⁰ This is not an automatic process however, it requires *converging logic*; all actors have to decode and translate intermediaries the same way. As Callon puts it, convergence is “the extent to which the process of translation and its circulation of intermediaries leads to agreement” (Ibid, 144). In order for convergence to occur translation processes needs to operate within *aligned social spaces* that are *co-ordinated* in some way. An aligned social space means that the social structures (the shared identity and context) influencing the decoding actor are similar and therefore converging logic’s are easy to achieve if this shared space exists. “A and B speak in exactly the same way about themselves, about one another, and about the intermediary that links them together” (Ibid, 145). This alignment in translation can be encouraged through processes of co-ordination that help produce the aligned social spaces. Rules, conventions and norms (embodied for example in professional identities and firm-specific contexts) can help this, co-ordinating the way actors behave. Such co-ordination influences their decoding of intermediaries and makes it more likely that the translation of knowledge in the network will converge with that of the ‘sender’. Therefore, “[a] network which irreversibilises itself is a network that has become heavy with norms” (Ibid, 151).

what in ANT is termed an ‘immutable mobile’; something that will be translated in similar ways everywhere in the network.

The easiest way to do this is when the knowledge can be put into the form of a scientific equation; hence the globality of logic’s such as Pythagoras’ theorem. The translation of meaning and application can be tightly regulated. When it comes to other forms of knowledge (i.e. tacit knowledge rather than explicit equations) nonhumans can only be used to support the human (social) structures and help minimise variations in translation ⁴¹. Drawing on such an approach Hildreth *et al* (2000) have noted that in virtual communities of practice that do not meet face-to-face regularly, document sharing “act[s] as a catalyst (as opposed to a vehicle) for the group members to apply their domain and soft knowledge” (Ibid, 36). They argued that nonhumans (documents) allowed individuals to understand the ideas discussed more clearly and therefore learning was more effective. Along similar lines, Boland and Tenkasi (1995), drawing on the work of Star (1989) suggested that boundary objects could be created that allow perspectives to be conveyed between communities. They suggested cognitive maps that describe the logic and cause-effect processes in any idea, and narrative structures, written descriptions of an idea that provide detail of the logic behind it, help to minimise confusion and misunderstanding. In this sense then documents might support if not allow tacit knowledge production at local-global scales.

A final process that is said to produce tacit knowledge from reading is *internalization*, a process “of embodying explicit knowledge into tacit knowledge” (Nonaka and Takeuchi, 1995, 69). It is argued that when tacit knowledge is made explicit in the form of documents or diagrams individuals can learn by reading the document and interpreting it, therefore producing tacit knowledge. This idea is explored more below where the work of Nonaka and Takeuchi (1995) more widely is considered.

It seems then that there may be good reason to look at the process of tacit learning directly from explicit knowledge sources through a translation process. This further reinforces the argument for an explicit-tacit knowledge continuum rather than a

⁴¹ This result is suggested to be a *metrology*, a situation where variations in translations are minimised (Latour, 1987, 251). Of course, such a process is likely to always be partial, contested and unsuccessful on occasions. Indeed, the most sustained critique of ANT is that it overly simplifies the complexities of human interaction and fails to adequately recognise the impact subjectivity can have on humans’ actions (see Bloor, 1999; Lee and Brown, 1994; Vandenberghe, 2002). This should be born in mind in any application of ANT as an analytical tool.

distinction. Also, as documents are mobile their geographies are likely to be traceable beyond any locally fixed boundaries to global and other spatial scales.

The focus on the practices of knowledge production provided in this section has then highlighted the value of focussing upon the socio-spatial practices of learning and interpreting how they produce knowledge through the SAP. This highlights both the nature of the practices themselves but also the affect of factors such as identity, context and explicit knowledge on how tacit knowledge is produced. Below the work of Nonaka and Takeuchi (1995) on internalization and other tacit knowledge production processes is reviewed in more detail because of its influence on studies of knowledge and learning in recent years. Following this some concluding comments are made about how all of the literatures reviewed in this chapter can help us understand the geographies of tacit knowledge production.

3.5) Spiralling towards knowing

Probably the most influential work of recent time specifically focussing on organisational knowledge creation has been that of Nonaka and Takeuchi (1995) in *The Knowledge-Creating Company*. The key aim of this work was to highlight how knowledge can be produced and reproduced within organisations through the 'knowledge spiral'. They wrote the following about this process:

"The core of our theory lies in describing how such a spiral emerges. We present four modes of knowledge conversion that are created when tacit and explicit knowledge interact with each other. These four modes...constitute the 'engine' of the entire knowledge-creation process. They are...the mechanisms by which individual knowledge gets articulated and 'amplified' into and through the organization" (Ibid, 57).

The 'four modes' of knowledge conversion that Nonaka and Takeuchi describe, each converting one knowledge type to another (see figure 3.1) are as follows.

- i) *Externalization*: "a process of articulating tacit knowledge into explicit concepts" (Ibid, 64). An individual takes their tacit insights and makes them 'knowable' to others by putting them in explicit form (e.g. written words, diagrams and drawings). Symbols, metaphors and analogy aid this process as they "help us

understand the unknown through the known and bridge the gap between and image and a logical model" (Ibid, 67).

- ii) *Combination*: The process "of combining different bodies of explicit knowledge" (Ibid, 67). This may be the result of combining two reports from a database to produce a new report. For example, when an individual reads about the workings of one product, then reads about the market niche identified by the research department and combines the two to write a new product proposal combination has occurred.
- iii) *Internalization*: The process "of embodying explicit knowledge into tacit knowledge" (Ibid, 69). This can occur in one of two ways. First, reading a document may allow an individual to carry out a process and learn by the experience. In this sense internalization is related to learning by experience. Second, it may be possible to develop tacit knowledge directly from reading the document. The words and analogies used may allow the ideas and processes to be 're-experienced' and directly learned from.
- iv) Finally, *socialization*: The "process of sharing experiences and thereby creating tacit knowledge such as shared mental models and technical skills" (Ibid, 62). This process does not create explicit knowledge but instead enables a direct 'transfer' of tacit knowledge. This can be through first hand experience, observation (just as an apprentice observes his master and tries to replicate their actions) or through conversations that allow experiences to be discussed and shared.

Nonaka and Takeuchi argue that all four of these processes are part of a spiral whereby each stage is important in any innovation process. Moreover, this spiral never covers the same ground, it produces new knowledge each time a process is invoked (Nonaka *et al*, 2001).

Here it is the processes of tacit knowledge production that are of interest, the processes of socialization and internalization. Socialization, and in particular the role of talking and interacting in order to produce tacit knowledge aligns in many ways with the communities of practice literatures. Nonaka and Takeuchi highlight the importance of people having similar experiences they can share and discuss and the importance of shared intentions. This mirrors the centrality of engagement and shared repertoire in the communities of practice literatures. Internalization as was noted previously links to ideas of translation and learning by reading.

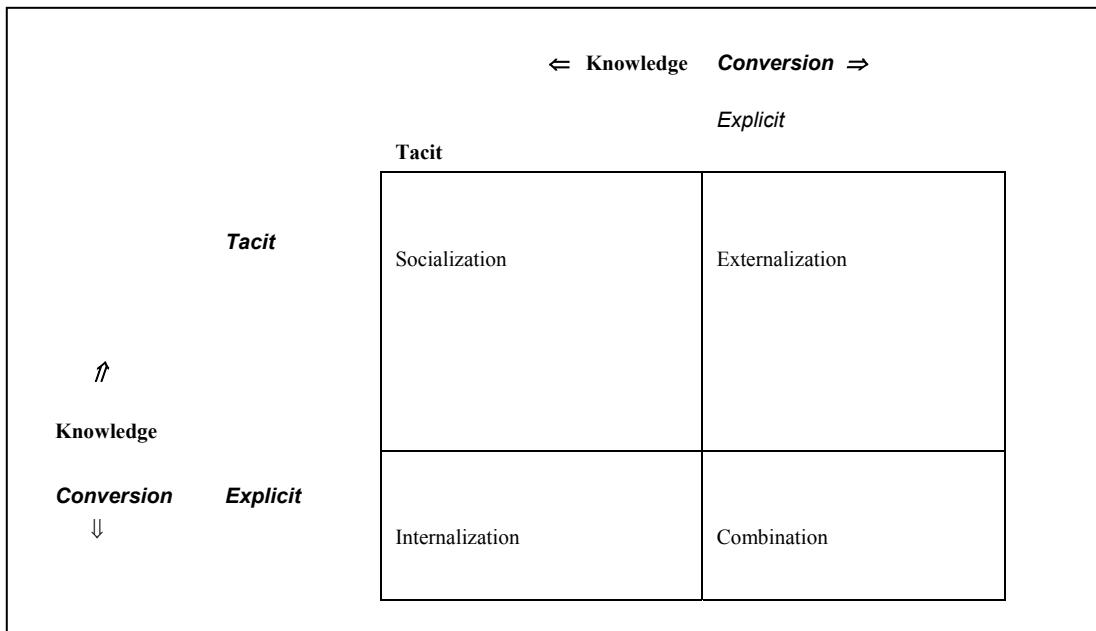


Figure 3.1. The four processes of knowledge conversion identified by Nonaka and Takeuchi as occurring in firms. Each process converts knowledge from one form to another form or allows its transfer between individuals in its original form.

Source: Nonaka and Takeuchi, 1995, 62).

Nonaka and Takeuchi's work is also useful because of how it suggests the spiral of knowledge production operates at multiples spatial scales within firms (within and between offices). They suggest that through both socialization (individuals having direct experience in other offices through business travel) and externalization (individuals making their tacit knowledge explicit in the form of procedures or instructions) it is possible to disseminate knowledge throughout the organisation ⁴². However, before accepting their ideas wholeheartedly it is important to critically consider the epistemology underlying their work.

⁴² In this sense then according to Nonaka and Takeuchi's argument tacit knowledge can only be managed in a global organisation by moving personnel or by making the knowledge explicit and capable of 'flowing' across space. They do not suggest learning by talking can occur without face-to-face contact (instead giving examples of when individuals travelled to meet face-to-face to learn from one-another).

Nonaka and Takeuchi's (1995) work, although highly influential, has been criticised for failing to recognise the importance of an epistemology of practice and the production of knowing (rather than a view that sees knowledge as a static entity). Of particular relevance here is criticism of the knowledge spiral and the concept of knowledge conversation embedded within it. As Tsoukas (2003, 422) argues, this model suggests that tacit knowledge can somehow be converted to explicit knowledge. It fails to acknowledge that tacit and explicit knowledge are fundamentally different (although complementary) because of the way acquired (unconsciously and consciously) and structured (illogically and logically respectively). Tsoukas exemplifies this in relation to the tacit knowledge acquired about bread kneading by the apprentice (Tanaka) in Nonaka and Takeuchi's work:

“...although Nonaka and Takeuchi acknowledge that Tanaka's apprenticeship was necessary because 'the art of kneading'...could not be imparted in any other way...they view her apprenticeship as merely an alternative mechanism of transferring knowledge. In terms of content, knowledge acquired through apprenticeship is not thought to be qualitatively different from [explicit] knowledge acquired through reading manuals...The 'conduit metaphor of communication'...that underlies Nonaka and Takeuchi's perspective – the view of ideas as objects which can be extracted from people and transmitted to others over a conduit – reduced practical [tacit] knowledge to technical [explicit] knowledge...To treat practical (tacit) knowledge as having a precisely definable content, which is initially located in the head of the practitioner and then 'translated'...into explicit knowledge, is to reduce what is known to what is articulable, thus impoverishing the notion of practical knowledge”.

So when Nonaka and Takeuchi discuss the conversion of tacit knowledge to explicit knowledge or vice-a-versa more focus should be placed on how one *aides* the production of the other: how one form of knowledge can lead to a cognition and interpretation that produces another form (see Cook and Brown (1999, 385) for a similar argument). This is particularly relevant to the learning by reading process where explicit knowledge in a document acts as an *aid* to cognition that results in tacit knowledge being produced but also more widely where focus is upon practices that do not convert knowledge but allow interpretation and sense-making to occur and new knowledge to emerge.

3.6) Conclusion

Based on the insights of the SAP into how tacit knowledge is produced by an individual's translation and sense making (and the influence of identity and context on this) this chapter has highlighted the key practices of tacit knowledge production and how they allow knowing to develop. In doing this it has been shown how experience, talking and reading as practices should be focussed upon when tacit knowledge production is being investigated. It also suggests that we might understand the geographies of learning by looking at how the translation and sense-making involved in learning in all of these practices is affected by places, spaces and networks of learning. It also suggests that explicit knowledge and the way this mediates learning either directly (through reading) or indirectly (by interpreting the translation of experiences and conversations) is always important in tacit knowledge production. Building on these insights then the thesis will consider how such practices are manifested in global advertising and law PSF's and in particular how spatiality (local fixity and global stretching) affects the factors that influence the translation and sense making needed for learning. This will enable us to better understand the geographical constraints on knowledge management and learning for firms operating in the knowledge economy but also the ways geography can be made 'un-tyrannical' (Latour, 1997b) with economic geographies of knowledge and learning freed from the disabling local-tacit global-explicit dichotomy.

To assist in this analysis the next chapter looks at how tacit knowledge production has been theorised in spatial terms and how geography has been suggested to play a role in learning. As will become clear, too often the focus has been on the distinct properties of places rather than on the geographies of the learning practices themselves. The next chapter therefore critically assesses how a focus on the practices of learning (rather than the places and spaces in which they operate) can facilitate understanding of knowledge and learning's geographies and avoid spatial determinism and the creation of unnecessary spatial binaries.

4) Face-to-face (in the region) or down the phone line (across the firm's global network)? Debates about the geographies of tacit knowledge production

4.1) Introduction

This chapter looks at how the geographies of tacit knowledge and its production have been researched and theorised in extant academic literatures and the issues such work raises in relation to the local-global scales of learning. It argues that while important 'local' practices of tacit knowledge production have been highlighted, excessive amounts of research in economic geography has focussed exclusively upon the local scale alone, the consequence of which is the local-tacit/global-explicit binary that now pervades many literatures. It is therefore suggested that attempts be made to reconcile what have become diverging bodies of work on local and global geographies of learning by using a research epistemology that prioritises the learning process and practices instead of essentialising certain spatial scales. This will enhance our ability to understand the geographical dimensions of the knowledge economy in terms of both the important local geographies of innovation and knowledge production but also the global interconnectivity and stretching that now affects many practices. The chapter therefore proceeds as follows. The first section focuses on the work of a group of economic geographers who have highlighted the role of locality and regions in tacit knowledge production. Critiques of this work are also reviewed. The second section reviews studies by geographers of global tacit knowledge production and how global organisations have sought to stretch knowledge production across space. The final section looks at how debate has developed between those who believe tacit knowledge production can only occur at the 'local' scale and those who argue for other, primarily global, scales of production and suggests a way of reconciling these differences through a reconfigured epistemology of research. It suggests that work on topological and relational geographies can provide insights into the spatial networks of (learning) practice and their multiple geographies and that tracing the networks of practices will reveal the multiple geographies of tacit knowledge production.

4.2) Being there is everything: The local (regional) pre-occupation

The study of the geography of tacit knowledge production has been pre-occupied in many ways with the local scale over the past twenty years or so. Initiated by the increasing popularity of the concept of 'post-fordism' (Piore and Sabel, 1982) and the new regional economies suggested to be at the heart of this phenomena, much research has emerged to identify the local scale and in particular certain regions as important sites of tacit knowledge production (OECD, 2001). This work is relevant to the investigation of the geographies of tacit knowledge production in PSF's because, as was noted in chapter two, these firms 'cluster' together in world cities that act as regional 'cluster' economies (Corporation of London, 2003; Nachum and Keeble, 1999).

Now commonly referred to as the 'learning region' thesis and also under the guise of cluster economies, new industrial districts and innovative milieus, regional economies are now widely associated with the post-fordist, knowledge economy (see Asheim, 1996; Cooke *et al*, 1997; Simmie, 1997) ⁴³. One of the key arguments in these literatures is that the spatial clustering of firms facilitates the creation of tacit knowledge in two interrelated ways. First, interactions between the employees of different firms create a 'buzz' that produces tacit knowledge (Storper and Venables, 2004). Second, partnerships and connections between firms and local institutions (such as universities and government research institutes) allow the transfer of knowledge to firms. The former set of factors related to 'buzz' are primarily focussed upon here because of the potential for a form of collective learning in the urban agglomeration economies that PSF's operate within in world cities (see chapter two). Literatures adopting this approach also share an epistemology similar in many ways to the SAP. They analyse the social practices that produce knowledge – primarily the role of conversation. In contrast literatures focussing upon 'knowledge transfer'

⁴³ The difference between cluster economies, new industrial districts, innovative milieu and learning regions is slight and as Keeble *et al* (1999) note, is based largely on the activities occurring in a locality. Cluster economies is the terminology associated with the work of Michael Porter (see Porter, 2001) and refers to an idealised model of how spatially clustered firms interact. This work is discussed later in the chapter. Industrial districts (such as Sante Croche in Italy) are focussed on manufacturing activities. Innovative milieus (the term developed by French researchers of new localities) are regions that focus on high-tech activities, R&D and innovation (e.g. the Cambridge biotech cluster). Learning regions are localities where non-firm relations are the focus of learning with in particularly government and university linkages being important. Naturally there is some degree of overlap between all three terminologies and they are often used interchangeably.

between institutions and firms adopt an approach more akin with the knowledge-based view of the firm, treating knowledge as a static resource.

Florida (1995, 533) argues that learning regions and the type of 'community-based learning' they provide are based on:

- vi) Knowledge creation that allows the continuous improvement of production techniques.
- vii) The development of a regional pool of knowledgeable workers.
- viii) A governance mechanism that encourages collective learning and knowledge sharing between 'rival' firms operating in the region.

This argument, which primarily develops ideas on agglomeration and localization economies, is however not particularly new. Marshall (1952) was first to note that specialised regional economies provide opportunities for industry-specific learning to occur. He argued that in industrial districts "so great are the advantages which people following the same skilled trade get from near neighbourhood to one another....[t]he mysteries of the trade become no mysteries; but are as it were in the air" (1952, p225). Recent work has focussed specifically upon how the insights gained and learning occurring produces tacit knowledge and how "tacit knowledge, because it is difficult to transfer...may constitute a basis for sustained regional competitive advantage" (Lawson and Lorenz, 1999, 306). Access to such tacit knowledge gives, according to Tallman *et al* (2004), competitive advantage to firms operating within cluster economies. As they write, "regional clusters indeed do possess certain competencies that provide competitive advantage to their constituent firms as a group...Part of a regional cluster's advantage in its industry is tied to component knowledge that has originated within the cluster and remains there" (*Ibid*, 268)⁴⁴. Underlying the argument of such literatures is then the idea tacit knowledge can only be transferred through

⁴⁴ Pinch *et al* (2003) suggest this new knowledge is in the form of what they call 'architectural knowledge'. This is knowledge of how to deal with common problems everyone working in an industry faces. They exemplify this by referring to the type of knowledge produced in Oxford's 'motorsport valley'. Here collective learning results in a shared understanding of, for example, aerodynamics issues and how best to produce effective body shell designs. Firms benefit from this knowledge but also apply 'component knowledge' to gain competitive advantage over local rivals who share this 'architectural knowledge'. This component knowledge is firm-specific awareness of certain practices and manufacturing skills that are used in producing the final body shell. When combined with the collective architectural knowledge this results in a firm-specific interpretation of the challenge based on insights from both the collective architectural knowledge and also the firm-specific component knowledge.

face-to-face contact and that regional economies facilitate such contact between employees of clustered firms.

In some ways the epistemology of such work fits well with the SAP described in chapter three. The idea that “knowledge improves with use” (Davenport and Prusak, 1998, 17) is applied to show how knowledge develops when it is applied, used and collectively developed, in particular through conversations with fellow professionals, in the same region. As Antonelli (2000, 537) describes this idea:

“...growing evidence emerges of the collective character of technological knowledge. Technological knowledge is collective when and if it is the result of a process that combines pieces of information and knowledge that are owned by a variety of parties”.

It is recognised then that collective learning through the sharing of experiences and insights is a valuable way of producing *new* knowledge. However, as the discussion below highlights, although there is recognition of the importance of learning as a process, analyses of regional economies tend to prioritise the properties of regions and suggest the regions themselves ‘act’ to produce knowledge. For example, research often focuses upon how regions bring firms together and facilitate interactions rather than looking at how learning processes and practices are performed within and are facilitated by presence in the region. This limits our ability to effectively evaluate whether learning and knowledge production is solely a local practice because the epistemology of such research inadvertently forces scholars to look exclusively at the local scale when learning practices might also be operating at other spatial scales, such as the global. Below then the main factors suggested to fix learning at the local scale are considered before the implications of arguments that suggest such work has been overly-deterministic in focussing exclusively upon the local scale are analysed. Such work has important implications for the argument made in this chapter that a revised epistemology for the study of the geographies of knowledge production is needed and shows that research should focus upon the fluid spaces and networks of practices rather than places and bounded ‘regional’ spaces.

4.2.1) Hard or soft? What facilitates regional collective learning?

Two key hard, structural, elements of regional economies are said to act to facilitate tacit knowledge production. ‘Structural’ is used here to denote factors that logically

facilitate learning rather than socio-cultural factors that underlie learning (see below for discussion of these issues). First, and at the most simplistic level in relation to studies of the 'flow' of knowledge between firms and institutions, tacit knowledge is said to flow because of an internal regional labour market. Individuals move between organisations taking their embodied tacit knowledge with them (Keeble *et al* 1999; Keeble & Wilkinson, 1999). Second, and more importantly in relation to the 'buzz' element of regions, face-to-face contact, assumed essential in tacit knowledge development by talking, is facilitated through the clustering of firms and their employees. This is suggested to result in effective innovation as new tacit knowledges are collaboratively developed through social networks (Capello, 1999). Henry and Pinch (2000, 202) suggest that this can be facilitated through producer-supplier relations that inevitably lead to "some 'leakage' of knowledge throughout the industry as a whole" or alternatively through more informal interactions between employees of different firms and therefore "the importance of gossip, rumour and observation in defining productive knowledge". This idea is central to Michael Storper's (1995; 1997) work on the 'untraded interdependencies' of such regions. In addition to various 'traded dependencies' between firms (producer-supplier relations), 'untraded interdependencies' develop (often between a firm and their clients) that enable learning through the sharing of insights and experiences.

However, according to Storper and others (e.g. Barnes, 1999) such relationships are also supported by socio-cultural factors such as trust, reciprocity and mutual understanding of the industry and its conventions that all workers in a region share. This results in "...rules of action that permit participants in the production system to develop, communicate and interpret information, as well as to develop knowledge, and to develop the people who develop and interpret knowledge" (Storper, 1995, 209). Saxenian (1994) suggested Silicon Valley had become a 'protean place' because of its ability to constantly adapt to new market challenges through such 'socially embedded' networks that result in 'knowledge spillovers' (see also Audretsch and Feldman, 1996)

⁴⁵

⁴⁵ Markusen (1996) thus suggested such places were 'sticky' in that they made economic activities, which are increasingly assumed to be 'slippery' and footloose, reliant on certain places. Typical examples of this phenomenon were suggested to be the Italian districts and again, Silicon Valley. Although, as Markusen identified, there are variations in the structure of these districts, it is the clustering of numerous firms and the social structures created in such places that enable tacit knowledge to be produced and therefore make them so important.

As this work highlights then, in addition to 'structural' factors a number of 'softer' socio-cultural influences affect tacit knowledge production in regions. Amin and Thrift's (1994; 1995) concept of 'institutional thickness' usefully identifies four such interrelated characteristics of regions that facilitate learning:

- iii) The strong presence of institutions (meaning a range of firms, banks, professional organizations).
- iv) High levels of interaction between the 'organisations' present in the region.
- v) Defined structures of domination or collaboration between firms.
- vi) Recognition of involvement in a common regional enterprise.

Together these are suggested to embed activities in a region because of how they encourage collaboration and collective learning through interaction between different (sometimes-rival) firms in a region. "It is a 'thickness' which both establishes legitimacy and nourishes relations of trust. It is a 'thickness' which continues to stimulate entrepreneurship and consolidate the local embeddedness of industry" (Amin and Thrift, 1995, 102). Maskell and Malmberg (1999, 172) similarly note that "where firms share the same values, background and understanding of technical and commercial problems, a certain interchange of tacit knowledge does in fact take place". This is based on a regional "institutional endowment" (Ibid, 173) that encourages all firms to work together to solve shared problems ⁴⁶. Barnes (1999, 13-17) summarises these arguments and their links to scholarship in institutional economics and highlights five concepts that describe the institutional contexts of regions that influence economic activities (and tacit knowledge production):

- i) Local and reflexive knowledge – recognition that 'local systems' exist in each region that affect how economic processes are played out.
- ii) Institutions – locally specific institutional values exist being produced, sustained and reproduced uniquely in each region.
- iii) Embeddedness and networks – actions are mediated through various networks embedded in facilitating contexts.

⁴⁶ Trust, often associated with traded interdependencies, is also central to this 'thickness' or endowment with regional economies being good at developing trusting relationships between individuals (Dasgupta, 1988; Dei Ottati, 1994).

- iv) Cultural norms and conventions – processes and activities are viewed, applied and responded to differently in every local context.
- v) Path dependency and lock-in – place-specific assets such as untraded interdependencies ‘fix’ activities in one region.

Underlying all of this work then is recognition of the unique institutional characteristics of every region (where institutions are defined as ‘settled habits of thought’ or ‘conventions, norms and routines’ understood by all in a region (North, 1990)). In terms of our interest here in the process of collective learning, this means the engagement needed for learning is influenced (encouraged or discouraged) by the institutional norms that have evolved over time and become associated with a regional agglomeration of firms.

As a final point it is important to note the role of the work of Michael Porter in popularising the role of ‘local’ economies in knowledge production. His work has become the policy maker’s choice in relation to the benefits of clustering (see Porter 1998; 2000) and provides the most all-encompassing model of why regional economies are important (although it has been critiqued for this very fact, see below)⁴⁷. He argues that, through both vertical and horizontal inter-firm linkages information flows increase, the market awareness and knowledge of firms rises and peer pressure/competition drives innovation in clusters of firms. These form part of his ‘diamond model’ for successful regions that describes factors making clusters competitive. In terms of learning this relies on structures such as professional associations and more informal ‘weak ties’ in the form of social networks which, according to Porter, are all embedded in a:

“...social glue that binds clusters together, contributing to the value creation process. Many of the competitive advantages of clusters depend on the free flow of information, the discovery of value-adding exchanges or transactions, the willingness to align agendas and to work across organizations, the strong motivation for improvement. Relationships, networks, and a sense of common interest undergird these circumstances” (Porter, 1998, 225).

⁴⁷ Porter defines ‘clusters’ “...geographic concentrations of interconnected companies, specialised suppliers, firms in related industries, and associated institutions (for example universities, standards agencies, and trade associations) in particular fields that compete but also cooperate” (Porter, 1998, 197-198).

This is said to lead to more efficient problem identification and solving because of the knowledge shared between firms (*Ibid*, 258). It was noted in chapter two that just such a clustering pattern exists for PSF's and that collective learning may occur in the urban world city clusters. The processes outlined above may therefore be relevant to the advertising and law PSF's studied in this research (see Nachum and Keeble (1999) and Leslie (1995) amongst others). However, the processes also potentially vary to those highlighted in many of the literatures reviewed here. Another failing of regional scholarship has been the almost exclusive focus upon manufacturing firms. As was highlighted in chapter two, knowledge is more important to PSF's than manufacturers and moreover never becomes 'fixed' in a product but instead is constantly remade to meet a client's specific needs. This potentially means collective learning is both more valuable and less fraught with concern about giving away competitive insight. Whereas in manufacturing firms the 'recipe' for a product is key to a firm's competitiveness, in PSF's there is no single key piece of knowledge. Instead it is the synergism of various insights and their tailoring to each project that is essential. This means collective learning is potentially more important and less likely to be seen as a risk. It is therefore important to study localised learning in this context. Below further discussions of the nature of such localised learning are reviewed. These help reinforce the argument that the local scale is important for tacit knowledge production but that this is not necessarily the only spatial 'fix' of learning.

4.2.2) Locally embedded learning

The work on 'regional' economies reviewed above reveals then important insights then into how local regional spaces are valuable for tacit knowledge production. Consequently it has also been suggested that learning and tacit knowledge might be 'embedded' in such spaces (Gertler, 2003; Morgan, 2004). In this section of the chapter the application of the concept of embeddedness to regional learning is therefore considered. However, it is important to be critical of such a claim. As was noted towards the start of the chapter, such suggestions potentially lead to scholars developing a fetish for study of the local scale and therefore the reinforcement of the local-tacit/global-explicit binary that has been so disabling within economic geography.

The idea of economic embeddedness was originally proposed by Karl Polanyi (1944) in relation to how markets are affected by economic and non-economic institutions and how a reciprocal relationship exists between how markets operate and the discourses and ideologies they are embedded within. More recently Mark Granovetter (1985) re-energised interest in embeddedness by highlighting the ‘undersocialised’ view of markets, something that was to be rectified by studying the role of individual actors and the influence of their ‘weak-tie’ network relationships on economic transactions. Such work now forms the defining tenet of a ‘new economic sociology’ (see Swedburg and Granovetter, 1992). In studies of ‘local/regional’ learning ‘rich’ flows of knowledge and insights between individuals and firms are said to occur because relations are embedded in trust and reciprocity and sustained by face-to-face contact and physical proximity (Cooke and Morgan, 2000). For example, Saxenian (1994) suggests that the success of Silicon Valley (compared to Route 128 in Boston) can be put down to how the region’s unique culture enables collective learning. This encourages the creation of collaborative inter-firms networks and the exchange of insights that produce tacit knowledge.

Discussions of embeddedness highlight then both the value of a cluster of firms for structurally enabling interactions (facilitating face-to-face contact and ‘weak-tie construction) and for developing and exploiting an ‘institutional thickness/endowment’ that encourages individuals to interact to solve problems/challenges ⁴⁸. In many ways Gertler’s (1997; 2001; 2003) argument that cultures can prohibit tacit knowledge transfer between regions (across space) also reflects the importance of such locally embedding forces. He suggests that tacit knowledge production is embedded in “institutional proximity – that is, the shared norms, conventions, values, expectations and routines arising from *commonly experienced frameworks of institutions*” (Gertler, 2003, 91, original emphasis). This is something that is based on “taken-for-granted (tacit) assumptions, expectations, values and norms about how to conduct business, the nature of the competitive environment “ (Ibid, 93). Together these factors are said

⁴⁸ The importance of such institutional values has been most clearly highlighted in the work on national systems of innovation (see Edquist, 1997) where the definition of North (1990, 3) is used to outline how “institutions are the rules of the game in society or, more formally, are the humanly devised constraints that shape human interaction. When we refer to institutions and institutional thickness then we refer to the existence of a set of norms and rules that encourage collective learning and tacit knowledge production. These are rules and norms that compel individuals working for firms in ‘learning regions’ to exchange insights and ideas with those working on the ‘joint enterprise’.

to embed activities at the local scale because of how they facilitate tacit knowledge 'transfer'. Put another way:

"...firms become 'embedded' in...a rich, thick, local-institutional matrix that supports and facilitated the...propagation of new technologies (product and process). The ability of firms in such regions to do so is based on shared language, culture, norms and conventions, attitudes, values and expectations which generate trust and facilitate the all-important flow of tacit and proprietary knowledge between firms" (Gertler, 2001, 13).

Critiques do exist of the idea that such institutions negate competitiveness between firms and the existence of 'trade secrets' (e.g. Cumbers *et al*, 2003). However the key thrust of such arguments is that, to some extent, in these regions it is normal for reciprocal sharing of insights to occur between individuals working for competing firms⁴⁹. For Gertler then institutions also mean it is impossible for knowledge to be transferred between locally specific contexts because of the way institutional frameworks underlie the knowledge. This means transferring insights from one region to another becomes impossible as those in other regional spaces do not understand the logic and assumptions attached to best practice⁵⁰.

The arguments for a locally fixed geography of learning and tacit knowledge are then compelling in many ways. However, they also seem too exclusively focussed upon one spatial scale, something that seems problematic in light of the recognition of the multi-scalar nature of contemporary economic life (Jessop, 2000; Massey, 1999; Swyngedouw, 1997). The discussion below therefore develops the argument made at the start of the chapter that there is a need to re-scale analyses so as to focus upon the multiple, overlapping, geographies of tacit knowledge and its production that do not

⁴⁹ However, as Cohen and Fields (2000) point out, collective learning in regional economies is *not* based on 'social capital' or 'civic engagement' as Putnam describes it but on 'networks of communication' that exist in such regions that encourage collective problem solving for generic industry needs. Putnam's (2000) idea of social capital and civic engagement suggests successful communities are based around close social relationships between all members of the community. Cohen and Fields (2001) point out that places like Silicon Valley are not based on such collegiality but instead on industry focussed communication and discussions that individuals get involved in not for 'civic pride' or because everyone if everyone else's friend but instead because they want to learn and solve their own problems.

⁵⁰ Gertler's description of the local institutional embeddedness that affects the transfer of best practice does however raise some concerns in relation to the epistemology of his work. In particular it seems more akin with knowledge-based view of the firm than the SAP. This point is returned to later in the chapter.

a priori privilege any spatial scale but instead recognise the dynamic, fluid, circulating and porous spaces and networks of learning.

4.23) Critically evaluating 'local' learning: Idealised models and scant evidence?

The arguments made in the 'regional' literatures have led many to believe that tacit knowledge production is a localised phenomena; something that can only occur when individuals and firms are located in close physical proximity to one another. In particular such work often suggests regions act to embed learning by bringing firms together and facilitating interactions (in the form of conversations) that result in learning. However, this tells us little about the affect of such regions on the success of the practices, interactions and processes such as those described in chapter three that allow a state of knowing to emerge. This is problematic if we want to evaluate the multiple spatialities of knowledge production. It also fails to convince us that learning is (if it is) solely locally embedded. The origins of such criticisms are reviewed below and ideas developed about how a reconfigured epistemology could help resolve this issue. In particular it is suggested that we should follow and trace the practices of knowledge production in and without regions rather than solely looking at how regions 'act' to create interactions.

The so-called 'new regionalism' literatures have been incredibly influential in many ways but have also been critiqued for attempting to produce a generic, idealised, model of regional development that lacks analytical clarity. The intervention of Markusen (1999) proved one of the most telling critiques of such work. She argued that research on regional economies (as well as other phenomena in economic geography) had, increasingly leaded to a number of 'fuzzy concepts' emerging. She defined such concepts as "an entity, phenomenon or process which...cannot reliably be identified or applied by different readers or scholars" (Ibid, 870). According to Markusen, too much research highlighted apparently important processes, such as knowledge spillovers in regional economies, whilst failing to clearly outline the architecture/structures behind them. She identifies many examples in relation to this and Storper (1995; 1997a) seems is as guilty as anyone. His 'untraded interdependencies' concept lacks definition and empirical clarity and nowhere does he suggest how these interdependencies are structured or manifested. In a similar vein, Breschi and Lissoni (2001a; 2001b) argue that 'local knowledge spillovers' in such regions have become somewhat of a 'stylized fact' (c.f. Clark, 1998) lacking clarity,

something that makes the tacit knowledge production processes in such regions a ‘black box’.

Table 4.1 shows how common such a critique of ‘regional scholarship’ has become. As suggested earlier, one major concern is that literatures fail to tell us anything about how learning actually occurs because of a lack of focus on the socio-spatial practices of learning and an obsession with the region as an actor itself. It is argued here then that research should not focus on the regions *per se* but instead on the ‘knowledge networks and spaces’ – the practices outlined in chapter three and how these operate within certain regional spaces and how they benefit from being enacted in these spaces. At the same

Breschi and Lissoni (2001a; 2001b)

Regional learning is a ‘black box’. There is an assumption of a ‘common knowledge pool’ but little evidence of how it is produced.

Lovering (1997)

The idea of ‘regional economies’ is generically applied in all manner of situations without actually considering what underlies such an ideal.

MacKinnon et al (2002, 300)

“analysis offers little...indication as to how this concentration of knowledge might function”.

Benner (2003, 1812)

“One of the major challenges facing research...is to identify the specific mechanisms and processes that make economic learning effective”.

Table 4.1. Examples of critiques of regional literatures for failing to describe how collective learning/knowledge spillover occur.

time however this should not over-essentialise the 'local scale'⁵¹. Those literatures that exclusively focus upon the 'local' to the detriment of other scales have increasingly been seen as overly simplistic and deterministic⁵². The next section develops this point and considers how for global PSF's, as studied here, local geographies of learning might also need to be complemented by recognition of a global stretching of knowledge production. Spatiality has been shown to be important in the knowledge production process but this does not necessarily mean it is exclusively a fixed, local, spatiality. The networks and spaces of learning may well also be global in nature

4.3) 'De-fetishizing' the local: 'Regional' economies enmeshed in alternative spatial scales

In terms of the knowledge economy, certain places and regional spaces are undoubtedly important for tacit knowledge production (OECD, 2001). However, increasingly concerns have been raised about how regional literatures focus exclusively upon the local scale at the expense of recognising and globally interconnected knowledge economy. This causes a fetishization of local processes

⁵¹ It should be noted that an increasing amount of work that improves the clarity of the structures that actually drive tacit knowledge production in such regions has emerged in recent times. For example, Malmberg and Maskell (2002) highlight the role of the tacit knowledge being produced. They argue that it is the 'observability' of local firms and the ability this gives for 'comparability' between one-another that is vital. Ratisi (2002) has taken this one step further by actually identifying how this knowledge is developed. She argues that, in relation to the fashion industry in New York, common public spaces such as trade shows and bars and clubs provide opportunities for talking about one-another's work and products and developing consensus about key strategies and issues in the industry. Storper has also advanced his explanations referring to the increasingly popular phenomena of 'buzz' in such regions (see also Bathelt et al, 2004; Dahl and Pedersen, 2002). It is suggested that cities and regional economies allow tacit knowledge production because of the face-to-face conversations that occur between employees from rival firms. This only occurs in such localities because of the necessity for face-to-face meetings (that are facilitated when everyone works in close proximity and can meet up easily) that allow rich communication, trust to be developed and mutual understanding assured. Benner (2003), again looking at Silicon Valley, has outlined how professional associations, such as the 'Silicon Valley Webgrrls', allow people to meet and discuss common problems and also develop contacts. It is suggested that the shared enterprise of all in Silicon Valley makes this successful and the shared proximity which makes the meetings of professional associations possible and Silicon valley such an important 'learning region'.

⁵² The lack of clarity about what actually defines a region, as to whether these processes are exclusive to the local scale, or as to how we many apply such arguments to policy circles further reinforces the concerns of some scholars (e.g. Lovering, 1997; Martin and Sunley, 2003).

whilst ignoring other important scales including the national and global (Allen, 2000) and underlies the disabling dualism in economic geography between tacit knowledge as local and explicit knowledge as global.

Amin and Thrift (1992) seminally argued that both the Sante Croce new industrial district and the City of London were 'neo-marshallian nodes in global networks' and could only be understood when studied in relation to wider global economic networks. They suggested that "[t]he [regional] literature has rather limited analytical power, most notably because of a tendency to cling to a model which is locally based and which does not therefore recognize the importance of emerging global networks". We should therefore "consider industrial districts and local complexes as outgrowths of a world economy which is still rapidly internationalizing and which is still a world of global corporate power" (Ibid, 574). More recently Lagendijk (2002) has argued that 'regionalist literatures' have been blind to all other scales of knowledge production and "while acknowledging heterogeneity of knowledge, assets, organizations and institutions, has tended towards a rather generic image of the region and its scale-specific qualities" (Ibid, 77). This has produced a 'regional gaze', and a 'binary worldview' where the region is seen itself as an actor with all of the key determinants for the success. In reality it is the individuals and firms operating within the region, how they interact and subsequently make the firms in the region competitive that should be the focus of study. Table 4.2 outlines how such a critique has become common. Each of the scholars in the table identifies important dimensions to globally interconnected regions and flows between them. This is suggestive of a wider need to understand the geographies of interconnectivity in terms of learning and other practices.

4.3.1) Is learning locally embedded?

Associated with the critique of an overly essentialised local scale has been a questioning of the notion of embeddedness and its application to regional economies. In particular, the assertion that economic activities and learning are somehow embedded in regional

<i>Bathelt et al (2002, 40)</i>	“While a large number of studies...have emphasized the importance of local networking...relatively few empirical studies have actually provided convincing empirical evidence of the superiority of local over nonlocal interaction”.
<i>Hudson (1999, 61)</i>	“Whilst recognizing that the national territory can and continues to be a crucial milieu in some circumstances, it is also becoming increasingly clear that there is no a priori reason to privilege this particular spatial scale”.
<i>Nachum and Keeble (1999, 12)</i>	“Networking and collaboration with other local firms and organisations...play[s] a major role in recent theories of local clusters...However, such linkages are also becoming a global phenomenon, one that has come to coexist with networking and collaboration within particular localities”.
<i>Simmie (2003, 617)</i>	“Regional theory therefore needs to understand the roles that locality plays in wider sets of national and international linkages”.
<i>Taylor (2004, 27)</i>	“[C]oncepts such as space of flows and cities as networked entities...the necessity to think of cities relationally, as the product of networking activities”.

Table 4.2. Examples of the critiques of ‘regional’ literatures for ignoring other spatial scales.

economies has been subject to critical deconstruction⁵³. Both Karl Polanyi’s (1944) original writing and Granovetter’s (1985) development of the concept makes no specific reference to any (and certainly not specifically local) scales of action. Consequently both Hess (2004) and Peck (forthcoming) have suggested alternative applications and evaluations of the embeddedness concept are needed to both specify ‘in what’ processes are embedded and to recognise the relevance of the concept at multiple spatial scales.

Hess (2004) provides a description of what he calls “transnational (and thereby translocal) network building or embedding” (*Ibid*, 176). He argues that studies should consider three different elements to the embeddedness of firms:

- i) *Societal embeddedness*; determined by the social, cultural and political traits individual’s have because of their background.

⁵³ Dicken and Thrift (1992) first introduced the concept of embeddedness to economic geography but in doing so the intention was not to provide a concept that justified solely local analysis. Instead it was meant to help illuminate the importance of socio-cultural influences on firms at whatever spatial scale. However, increasingly it has come to be used as an explanation for local embeddedness, factors which fix economic activities in certain spaces despite what is becoming an increasingly slippery world as regards the geography of economic activities.

- ii) *Network embeddedness*; the network of ‘personal’ relations individuals develop based on the organisation(s) and activities they are involved in.
- iii) *Territorial embeddedness*; the anchoring of activities in a particular place for example by vertical and horizontal trade linkages that develop over time when a firm locates in a specific place.

Together these allow understanding of both the processes of embedding (i.e. what activities are embedded in) and the scales at which these processes exist, from local to global. It is argued that many of the embedding forces associated with regional economies may also embed processes and practices at other spatial scales. Therefore Hess suggests that to overcome the local spatial determinism associated with embeddedness focus should be placed upon “connections between heterogeneous actors, regardless of their locations, rather than [networks] restricted to only one geographical scale” (Ibid, 177).

Peck (forthcoming) makes similar arguments in an epic paper which calls for economic geographers to engage more critically with other disciplines, and in particular with economic sociologists, and with the much used (and abused) concept of embeddedness. Peck believes that embeddedness has been ‘imported’ to economic geography in a Granovetterian sense as a series of networks linking individuals, often in local spaces. However this application has been somewhat uncritical and as a result we cannot explain how such relations are embedded; “networks tend to ‘float’ metaphorically speaking, between voluntaristic individual action and relatively enduring social structures” (Ibid, 19). Again we should look at the practices and processes and question how they operate (are networked) within and across spatial scales and how spatiality affects this.

The increasingly important role of TNC’s in economic activities further reinforces such calls and suggests that the knowledge economy (and the learning and knowledge production needed to be successful in it) is both locally mediated but also globally stretched. It also supports the key argument of this chapter that an epistemology that traces the networks and spaces of practice that produce knowledge is needed in order to understand the jostling of the local and global enactment of the practices of tacit knowledge production.

4.3.2) Globalising the region: TNC's and their global knowledge networks

As Amin and Thrift (1992) argued, the TNC has had one of the biggest impacts on the scales and geographies of economic activity and the same is true for tacit knowledge production. Because tacit knowledge is increasingly viewed as a source of competitive advantage, the TNC has increasingly sought to globalise its production. Bunnell and Coe (2001, 570) have argued this process increasingly “involve[s] a complex and evolving integration, at different levels, of local, national and global factors [not] exclusively at one particular scale but instead across various spatial scales simultaneously”. They argue that the interaction across space of individuals working for TNC's leads to a blurring of the local-tacit/global-explicit dichotomy as TNC's act “as conduits for transferring tacit expertise” (Ibid, 580). Therefore, “a qualitative shift away from work which focuses on particular scales...towards that which gives more credence to relationships operating between and across different scales” is needed (Ibid, 570). In a later article (Coe and Bunnell, 2003) they argue that this produces ‘transnational communities of practice’.

This reflects an increasing belief that firms, and in particular TNC's, should be viewed as ‘sociospatial network organisations’ that facilitate, amongst other things, decentralised learning (Yeung, 2000). These networks take many forms but of particular interest here are the ‘global actor networks’ that facilitate learning, something that is often based on networks of personal relationships between members of a firm. Increasingly, as was noted in chapter two, the firm is seen as an important ‘community’ of individuals that can collaboratively produce new tacit knowledge. The networks within these communities are not necessarily confined to one site or locale but can exist across space, between plants/offices, especially for the TNC.

It was the seminal work of Bartlett and Ghoshal (1989; 1998) in ‘*Managing across borders: the transnational solution*’ that first highlighted the importance of transnational learning. In their work they consider four organizational ‘models’ and suggest that only the transnational model provides genuine worldwide integration (see table 4.3). According to Bartlett and Ghoshal (1998, 75) the transnational model is crucial for the success of TNC's and can be used to explain why some have successfully ‘globalised’ activities whilst others have not ⁵⁴.

⁵⁴ Jones (2002) makes a similar argument in suggesting that a ‘matrix of information and knowledge’ exists in TNC's with transnational learning being central to the success of global professional service

Organizational model	Key characteristics for knowledge production and learning
<i>The Multinational</i>	Knowledge produced and retained in each branch/office.
The International	Knowledge produced at HQ's and disseminated to all branches/offices.
<i>The Global</i>	Knowledge produced at HQ's and all clients served from this location.
<i>The Transnational</i>	Knowledge produced in each branch/office and exchanged between all branches/offices in a collaborative approach – ‘knowledge diffusion and development worldwide’.

Table 4.3. The four organisational models of knowledge production and management.

Source: Bartlett and Ghoshal (1998, 75).

Amin and Cohendet (1999) develop this argument suggesting that ‘decentralised business networks’ are vital for learning, and specifically for utilising the tacit learnings of employees throughout the world. They write that “the major problem for a globalised firm is no longer one of potential unequal distribution of information, but rather it has become a problem of mobilising and integrating fragmented and diversified forms of localised knowledge”. TNC’s rely on “a highly integrated, network organisation for the core competencies of the firm”, something that “allows the firms to benefit from ‘decentralised specialisation’ by coupling islands of localised [tacit] knowledge” (Ibid, 94) ⁵⁵.

firms. This he argues contradicts Sassen’s (1991) argument that world cities are ‘command and control centres’ because of the high levels of HQ’s in such cities. Instead they are simply elements of a matrix of learning in which branches have as much input into decision making (based on knowledge) as headquarters.

⁵⁵ Amin (2003) develops this argument highlighting the various strategies (from movement of personnel, use of documents, inter-personal networking etc) that TNC’s use to produce tacit knowledge. This draws on “a fine network architecture of connections and mobilities and a whole array of governance technologies to make sense of varied and often-conflicting knowledge domains, each of different spatio-temporal reach” (Ibid, 127).

In the book *Architectures of knowledge* Amin and Cohendet (2004) develop this argument further based on the conceptualisation of knowledge as a process and practice. They argue for a ‘distanciated sociology of learning’ that does not reduce learning to the spatial boundaries of certain places but instead acknowledges corporate *relational* spaces⁵⁶. Through a number of examples of globalised firms including management consultants and advertisers they highlight how learning “includes, yes, face-to-face meetings, sociality, and casual contact...but it also draws on distant objects such as drawings faxed between offices around the world, global travel to form temporary project teams, and daily internet/telephone/video conversations” (Ibid, 110). The spaces of learning and knowledge production are, according to Amin and Cohendet, global as well as local and may extend beyond any one region and involve various forms of circulation and flow rather than fixity⁵⁷. The next part of the chapter therefore considers how the globalisation of the learning practices identified in chapter three (experience, talking and reading) has been investigated and how TNC’s have stretched learning. By building on these insights the final section is able to propose an epistemology that focuses upon the multiple geographies of learning practices rather than on any one spatial scale.

4.4) Considering possibilities of globally-scaled learning

The ‘long distance corporations’ related to imperial projects have been noted by Callon (1991) to be the first firms proficient at ‘engineering’ communications networks that stretch across space. More recently TNC’s have found various ways to exploit the socio-spatial office/plant networks they operate through strategies that develop and differentiate the

⁵⁶ The idea of relational space is discussed further later in the chapter. The key argument embodied in this idea is that individuals with shared characteristics (such as shared jobs within a firm or shared professional interests) share similar understandings and logic’s across the world, therefore allowing globalised learning.

⁵⁷ A number of more recent studies have recognised this and exemplified how regions that allow collective learning also have important global connections and receive inward ‘flows’ of knowledge and learning. (e.g. Britton, 2003; Sturgeon, 2003).

global interconnections⁵⁸. The key to success lies in managing these networks in a way that allows interconnectivity to develop between employees throughout the world and therefore learning practices to be stretched with relative ease (Gupta and Govindarajan, 2000; Naphiet and Ghoshal, 1998). This means for TNC's the global stretching of knowledge production has to be managed and intentionally implemented in a way that 'produces' the desired learning effect. Below the practices and strategies that allow globally stretched learning by experience talking and reading are considered.

Learning by (first hand) experience, by definition, can only be done if the individual is physically present at the point of stimuli; they get to learn 'on the job' and from being present when certain events unfold. For this to be globalised in any sense requires individuals to physically move to another branch in the TNC's network. Work on expatriation, in particular by Beaverstock (most recently 2002; 2004) and Findlay *et al* (1996), has shown how expatriation of workers to overseas offices provides "an important ingredient for...knowledge accumulation; with respect to both technical expertise in financial systems, markets and/or client relations; and the know-how of applying such knowledge and expertise in different working and cultural environments" (Beaverstock, 2002, 530)⁵⁹. Time spent in overseas offices allows individuals to learn by experience and then, if and when they return to their 'home' office, use the knowledge developed in another part of the TNC network. A similar process is possible through business travel and short-term overseas work on a global project.

⁵⁸ Nohria and Ghoshal (1997) highlight how the global network of TNC's are differentiated in that only where strategies are put in place to interconnect branches/offices is 'transnational learning' possible. Where not in place the offices become implementers or innovators, receiving from elsewhere or producing new practices (as in an international model). Amin and Cohendet (2004, 127-128) note a similar phenomenon whereby the intensity and nature of communication links between branches/offices determines how successful knowledge leverage is and whether it is predominately explicit or tacit 'flows'.

⁵⁹ Beaverstock and Smith (1996) note how expatriation is an important strategy for many PSF's (investment banks in particular) and is normally practised for one of two reasons. First, to fulfil an overseas business need by sending an expert (and their knowledge) to the point of need or second, to develop an individual seen as having great potential (by sending them overseas to develop and widen their knowledge base). However, as Beaverstock also notes (see Beaverstock, 2001) this process is expensive and requires intensive management. Members of the human resources department have to assist expatriates in terms of cultural adaptation in their new workplace as well as dealing with personal issues (for example moving the entire family) that arise. Moreover, the expatriates themselves have to ensure they 'penetrate' the communities into which they enter both within the offices of their employers but also more widely in the world cities they find themselves in (Beaverstock, 2004).

As regards learning by reading, many doubts exist as to the value of this process for 'globalised' learning. Scholars commenting on the role of ICT's, and particularly the internet (including the knowledge management databases TNC's create and make globally available to employees through this portal) and their use in producing knowledge have argued that the increased global circulation of documents does not aid globalised learning. The principle argument of these literatures is that, as regards tacit knowledge production, ICT is unable to convey the detailed contextual logic needed. Leamer and Storper (2001) argue that urban agglomeration and the face-to-face contact it provides continues to be vital because "the technology for the transmission of complex information has not improved much...While the product [ideas] may be shipped cheaply over long distances, the accompanying information often needs to be delivered from one person to another" (Ibid, 648). However, Allen (2000a) in his description of learning by detection contradicts this view and argues that the ability of individuals to read, translate and learn from documents produced elsewhere means 'stretched knowledges' with geographies of learning at scales other than the local. As was suggested in chapter three, it would seem that the key to understanding the debate around such a process and its geographies lies in better understanding how translation allows tacit knowledge to be produced. As a result of the above debates it is learning by talking that has been highlighted as potentially most important in terms of enabling 'globalised' learning. In particular, it has been suggested that global communities (of practice) allow global learning by talking.

4.4.1) Learning by talking in global communities

As was noted in chapter two, the firm and its organisational structure is said to provide important opportunities for interaction between individuals and as a result learning. Building on work on communities of practice Wenger (1998) and Wenger *et al* (2002) have therefore suggested 'constellations of practice', communities of practice with members spread throughout the world, allow globalised learning by talking. If we further unpack their analysis it is possible to draw out a number of points that highlight why such global knowledge production is possible.

First, in outlining the formation of constellations of practice Wenger (1998) re-emphasises the argument that communities of practice are built on mutual

engagement, joint enterprise and shared repertoire. As a result he suggests there are nine potential ways constellations of practice can be formed. Wenger (1998, 127) argues that they may be based on:

- i) Shared historical roots
- ii) Shared enterprise
- iii) Belonging to the same institution
- iv) Facing similar conditions
- v) Having common members
- vi) Shared artefacts
- vii) Relations of proximity or interaction
- viii) Overlapping styles or discourses
- ix) Competition for the same resources.

What is significant about these factors according to Wenger is that they are aspatial; to share them does not require presence in any one fixed location. As a result constellations of practice can work in exactly the same way as local communities because:

“...the relations that constitute practice are primarily based on learning. As a result, the landscape of practice is an emergent structure in which learning constantly creates localities that reconfigure geography...in the context of constellations of practice, the local and the global are not different historical moments in an expanding world. Instead, they are related levels of participation that always coexist and shape each other. The relevance of communities of practice is therefore not diminished by the formation of broader and broader configurations” (Ibid, 131).

It is the shared practices of individuals that make learning by talking possible at the global scale. The identity that gels a community of practice together at the local scale may also stretch to the global scale and unite individuals in the same job or profession⁶⁰. Therefore as Wenger *et al* (2002, 25) note:

⁶⁰ The work of Nonaka *et al* (2001) on the concept of the *ba* reflects the idea that an aspatial context is important in knowledge production rather than a locally specific context and face-to-face contact. According to Nonaka and colleagues *ba* provides the essential context needed for knowledge production. “In knowledge creation, one cannot be free from context” according to Nonaka and colleagues and “those who participate in *ba* and the context itself evolve through self-transcendence to create knowledge” (Ibid, p. 49, original emphasis). However:

“Sharing a practice requires regular interaction. Naturally, therefore, many communities start among people who work at the same place or live nearby. But colocation is not a necessity. Many communities of practice are distributed over wide areas. Some communities meet regularly...[o]thers are connected primarily by e-mail and phone and may meet only once or twice a year. What allows members to share knowledge is not the choice of a specific form of communication (face-to-face as opposed to Web-based, for instance) but the existence of a shared practice – a common set of situations, problems and perspectives”.

It is also acknowledged that to some degree, however infrequent, face-to-face contact is needed in such communities. The vast majority of learning occurs by virtual means (e.g. by telephone or videoconference) but occasional face-to-face contact is important to overcome the difficulties such constellations of practice encounter. Table 4.4 summarises these difficulties as outlined by Wenger *et al* (2002) and the solutions they propose.

Challenges of constellations of practice	Potential solutions
Connection and visibility of members when communication is virtual.	Regular face-to-face meetings for relationships and contacts to be built
Members trust each other less and don't develop inter-personal relationships	Encourage one-to-one interactions outside of community meetings. Personal relationships take on more importance than in communities of practice.
Cultural differences in behaviour, communication and sense-making makes people feel uncomfortable or unable to connect with and understand other members	Use clear agenda's for meetings, learn about one-another's cultural differences and accept the impacts. Take opportunities for face-to-face contact to help overcome obstacles.

Table 4.4. The challenges of constellations of practice and potential solutions.

Source: Adapted from Wenger *et al* (2002, 116-122).

“*Ba* does not necessarily mean a physical space. The Japanese word *ba* means not just a physical space, but a specific time and space. *Ba* is a time-space nexus or as Heidegger expressed it, a locationality that simultaneously includes space and time. It is a concept that unifies physical space...virtual space...and mental space” (Ibid, 49, original emphasis).

The existence of a negotiated mental space then enables individuals to learn from one-another. It gives the context needed for learning described in chapter three but without the need for physical proximity.

This suggests that the learning and knowledge production process, although requiring some form of shared context, is not necessarily locally embedded by the necessity of face-to-face contact at the point of learning nor by the existence of locally-specific contextual environments⁶¹. Rather is the existence of a globally shared space that learning networks can stretch across that is important⁶². For example, through analysis of the internationalisation of R&D in global organisations Blanc and Sierra (1999) argue that 'spaces of proximity' between individuals in an organisation allow global learning. They suggest there are four important elements to this. *Organizational proximity* allows those working for the same firm to share knowledge

⁶¹ Brown and Duguid (2000) are less convinced however about the possibilities for global geographies; instead believing that face-to-face contact remains critical to the negotiation of meaning that is necessary for knowledge production. They argue that there is a need to recognise the difference between '*networks of practice*' that are "more indirect than direct [and] as a result are quite explicit" (Ibid, 142). These networks are "notable for their reach - a reach now extended and fortified by information technology ". However, such networks are simply about transmission and therefore "such social systems don't take action and produce little knowledge" (Ibid, 142). In contrast, '*communities of practice*' are "relatively tight-knit groups of people...are usually face-to-face communities that continually negotiate with, communicate with, and co-ordinate with each other directly" (Ibid, 143). Brown and Duguid pick up then on the importance of interaction per se and the negotiation and debate involved in knowledge production. They argue that this is only successful when discussions are face-to-face and do not suggest occasional face-to-face meetings can overcome this.

⁶² A number of practices associated with the globalisation of knowledge production in TNC's have also been documented. First, personal networks between individuals in TNC's are essential. For example, Gupta and Govindarajan (2001, 479) argue that in order to produce 'knowledge flows' within TNC's an important factor is "[c]orporate socialization mechanisms...which build inter-personal familiarity, personal affinity, and convergence in cognitive maps among personnel from different subsidiaries". A second area of interest in recent years has been the phenomena of transnational team working and how this can facilitate globalised tacit knowledge production. Building on insights into the processes effecting team working at the 'local', office, scale (for a full review see Stasser *et al*, 1995) scholars have identified both the ability for transnational team working and also the factors that enable its operation. Interestingly it is not the 'structural' determinants that are seen as problematic. As I discussed above, TNC's as organisational forms are ideally suited for 'networking' people together. What the literatures do highlight however is the socio-cultural elements to transnational team working as needing most attention. Factors such as cultural difference and its impact on relationship building have to be addressed whilst processes that offset the loss of face-to-face contact are highlighted as vital (see Cevrier, 2003; Schweiger *et al*, 2003).

based on a common explanatory framework and shared language that all employees are socialised into using. *Relational proximity* is the shared ethos, language and approach to work everyone in an industry shares. This organizational and relational proximity are both based on forms of *Institutional proximity*, shared 'rules of the game' specific to a firm or industry. Finally, individuals can also share a *temporal proximity*, a shared vision of how things should be in the future and where the industry is at present and ultimately heading. Together these allow people to interact through 'spaces of proximity' and therefore globalised tacit knowledge production to occur. Such institutions and 'proximity' are not exclusively local phenomena but also global, existing wherever the firm operates⁶³.

Table 4.5 summarises how a number of scholars have made similar arguments about the global spaces of learning⁶⁴. Amin (2003) shares this view and also argues that relational/organisational proximity facilitates global tacit knowledge production. In his view tacit knowledge production *does* have a geography but this is *not* a geography of global versus local but rather a geography of relational proximities. TNC's, in Amin's view, have produced 'new' geographies of knowledge production based on transnational connections and relationships which means factors such as context and mutual understanding, assumed to be embedded and associated with physical proximity and the local scale, can also exist through relational (distanciated and global) proximities within firms. He therefore asks:

⁶³ Expressing a similar logic Cohen and Levinthal (1990) developed the concept of 'absorptive capacity'. They argued that "prior related knowledge confers an ability to recognize the value of new information, assimilate it and apply it" (Ibid, 128). In their view having an existing knowledge base that is similar to other people in an organization helps you understand their ideas, the way they are expressed and their logic. Without this capacity 'lock out' occurs and it is difficult to assimilate the ideas of others. Knowledge production through talking therefore relies on some form of familiarity with those you interact with. Lane and Lubatkin (1998) developed this idea and argued that absorptive capacity is based on having "some amount of prior knowledge basic to the new knowledge. Basic knowledge refers to the traditions and techniques upon which a discipline is based" (Ibid, 464). This basic knowledge gives you an 'absorptive capacity' for the new knowledge others can help produce through conversations.

⁶⁴ It is important to remain critical of such a perspective however when it suggests common global organizational models that allow learning. Scholars such as Dicken (2003) and Whitley (2001) would argue that there is no such thing as a 'global firm' and that it is hard if not impossible to construct a globally uniform corporate identity and/or practices. The ideas underlying such arguments should therefore be considered carefully in the empirical work in second half of this thesis.

“Do we have to follow a geography of points, lines, and boundaries, reduced to opposition between, on the one hand, *place* as the realm of near, intimate and bounded relations, and on the other hand, *space* as the realm of far, impersonal and unbounded relations, such that the tacit/contextual nature of learning can only be recognized in terms of spatial/physical proximity? Is it not possible to imagine another – topological – geography, made up of organizational networks of varying length and spatial composition, network sites of varying intensity of proximate and distant connectivity, proximity that is also of a non-territorial nature, and mobilities and flows that count as more than spaces of transit?” (Ibid, 124, original emphasis).

This topological geography is considered in more detail in the final section as well as concepts of relational geographies. Such an approach highlights the value of an epistemology for the study of the geographies of knowledge that focuses upon how place/space affects learning (and how in this case globalised tacit knowledge production can occur). In particular it shows that understanding how learning can be globalised should be based on an understanding of what facilitates learning (e.g. shared identity and understanding) and tracing the socio-spatial practices of knowledge production and examining how the mediating factors are affected by the networks and spaces in which they are performed. In doing this it is possible to overcome both the difficulties associated with research focussing upon one spatial scale and to reconcile the divide between locally and globally focussed research. Such debates relevant to PSF’s because, as was noted

	Key concept	Explanation
Boland and Tenkasi (1995)	The role of <i>perspective complexification</i> – ‘a precise understanding of constructs, processes and ideas’ - in allowing learning by conversation in global firms.	A ‘strong perspective’ is needed in order for learning to occur. This exists when individuals are part of organizational ‘communities of knowing’ where everyone shares an understanding of the processes/ideas discussed.
Kogut and Zander (1996)	The importance of ‘ <i>convergent expectations</i> ’, shared ‘ <i>discourses</i> ’ and ‘ <i>situated learning</i> ’.	Everyone in a firm has the same ideals and goals, the same way of expressing ideas and an ability to understand and learn from others comments based on a shared context/identity.
Szulanski (1996)	<i>Absorptive capacity</i> and <i>personal relationships</i> allow learning to occur.	Absorptive capacity (see main body of text); personal relationships develop intimate understandings of the perspective and ways of expressing ideas of colleagues. This allows individuals to learn from them.

Table 4.5. How globalised learning can occur in organizations based on shared context, identity and therefore understanding.

in chapter two, they have increasing important global geographies that mean learning might also be stretched as 'knowledge development and diffusion worldwide' is attempted (Beaverstock, 2004; Bryson *et al*, 2004). It is therefore also useful to consider these issues to fill what is a dearth of research of global PSF's and their role in the knowledge economy. Below it is noted how scholars have thus far struggled to simultaneously study such local-global geographies and have almost totally ignored this issue in relation to PSF's.

4.4.2) Counter-critiquing the transnational focus

Suggestions of globally stretched learning geographies have however not gone uncontested. Indeed, suggestions such as those above are viewed by some scholars as being consistent with an 'end of geography' (c.f. Cairncross, 1997; O'Brien, 1992) type agenda. Critiques have emerged that aim to show why physical proximity matters and therefore why stretched learning and relational proximity is ineffectual in producing tacit knowledge. Gertler (1997; 2001; 2003), for example, remains convinced that cultural differences cannot be sufficiently overcome to allow global tacit knowledge production. For Gertler, learning is institutionally, contextually and culturally bound and can only take-place when two individuals are in close physical proximity to one-another (for example, in the same region). This means that, according to Gertler, "[t]he inevitable geographical variations in institutionally defined local context are endemic to organizations [which means] that fully 'knowing' what some key employee, situated in a far-flung corner of the corporation, knows will be all but impossible" (Gertler, 2003, 95). Pivotal to Gertler's argument is the affect of institutional context on learning but with a different focus to the way identity and context are considered in the SAP. According to Gertler, such institutional differences prohibit the *transfer* of knowledge (in the form of best practice, work practices etc) between different parts of a global organization. As he puts it:

"The idea that organizational or relational proximity is sufficient to transcend the effects of distance...seems improbable...There is little acknowledgement that systemic institutional influences might play an important role in helping determine which practices will flow between locations most easily and which will not" (Gertler, 2001, 19).

However, this argument is evidently based on a different epistemology (transfer instead of learning and knowledge re-production). This may explain Gertler's

reluctance to accept the ideas of the literatures discussed above. The epistemology of his work seems to reflect that of the knowledge-based view of the firm outlined in chapter three where knowledge is transferred between individuals and places as a static entity. This does not sit well with the epistemology of tacit knowledge production outlined in chapter two or the interpretation offered by the SAP. Nonetheless, it would be wrong to assume the factors highlighted by Gertler are irrelevant to globalised learning. Similar arguments have also been by other scholars with globalised learning suggested to lead to confusion because of different interpretations of ideas (Bechky, 1999) and difficult transnational relationships because of a lack of 'mutual understanding' (Cramton, 2001).

Morgan (2004), who outlines how physical proximity is crucial for producing the 'social context' that enables tacit knowledge production makes, a separate argument. According to him, relational proximity "conflates *spatial* reach with *social* depth and hence fails to recognize that it is the latter, with its wider scope for social reciprocity, which is the essential prerequisite for deep [tacit] learning" (Ibid, 5, original emphasis). He uses two factors to exemplify this. First, he argues that the trust produced in regional economies cannot develop in spatially separated relationships. This reduces the 'richness' of knowledge flows. Second, he suggests attempts to replace shared context with shared organisational or industrial languages and codes is unsuccessful, "it is a moving target, a process not an event, an aspirations which is never wholly attained" (Ibid, 9). The outcome of this is, amongst others, "an over-exaggerated sense of what can be accomplished at a distance...although there is a mechanisms for transferring tacit knowledge across organizational boundaries and national borders (namely international mobile communities of practice), the latter do not offer the same scope for reciprocity, serendipity, and trust" (Ibid, 12). Coupled to both of these points is concern about the affect of the loss of face-to-face contact in globally stretched learning. Morgan (2004) suggests the visual clues gained from face-to-face encounters are essential for learning. This reflects in many ways Goffman's (1967) belief that interactions as social encounters are valuable because of what is learned from body language. For Morgan those who have suggested 'global' communities can exist through virtual interactions (e.g. Amin and Cohendet, 2004; Urry, 2001) fail to recognise the value of physically embodied encounters. However, those believing in the ability of global learning vehemently argue virtual interactions can be equally valuable. Clearly there is some work to be done then to overcome such differences of opinion in order to understand why some scholars believe face-to-face contact is essential whilst others believe it is not always necessary.

How are we to reconcile these two literatures? Morgan offers us one possibility suggesting that:

“A key question for future research therefore is not which form of proximity is better, since both are necessary, but rather how they co-evolve in practice at a time when ‘localized’ learning and knowledge networks are evolving into complex ecologies composed of different organizations that straddle multiple spatial scales?” (*Ibid*, 13).

Morgan is thus aware that relational proximity and intrafirm learning is important. This does not mean however that physical (local/regional) proximity will become unimportant. Indeed, many regional economies are now centred around key TNC’s (see for example Grabher, 2001; Nachum and Keeble, 1999) and it seems likely in such scenarios that both physical proximity and local learning as well as relational proximity and global learning are important for producing tacit knowledge⁶⁵. Therefore both approaches need further research and it seems wise to integrate concepts of local and global practices and look at their co-evolution. This would overcome the ‘dualistic thoughts’ of geography (Murdoch, 1997) and help to reconcile the global/local tensions so evident in literature on tacit knowledge production. To do this however requires a different epistemology, one that traces the socio-spatial practices of knowledge production at whatever scale they may operate and seeks to understand what facilitates their operation.

The final part of this chapter looks then at how the principles of relational and topological geographies can help us understand the geographies of tacit knowledge production by allowing us to trace the networks of the socio-spatial practices of tacit knowledge production without scalar determinism. The argument running throughout this chapter that following the practices of learning is can be operationalised by such an approach and might help overcome the divisions between scholars highlighted above us supported by such work.

⁶⁵ Pearce (1999) suggests that increasingly TNC’s use the transnational approach identified above in Bartlett and Ghoshal’s (1998) work and expect each office to exploit the ‘local/regional’ advantages of the host nation they operate within and pass on learning’s accrued to other parts of the firm’s global network.

4.5) Re-scaling analyses of knowledge production

Emerging from the literatures discussed above is the idea that analysis of the spatiality of learning and the knowledge economy requires a relational and topological approach. In such conceptualisations geography and spatiality are viewed as fluid and constantly re-constructed categories rather than pre-existent and predetermined affects. Massey's (1991) seminal work on 'a global sense of place' drew the attention of many to the values of relational analyses through her now well-developed definition of place as "a product of interrelations...constituted through a process of interactions" (Massey, 1999, 282). She suggests that "[s]pace/spatiality...is the meeting up (or not) of multiple trajectories, the sphere where they co-exist, affect each other, maybe come into conflict...the product of relations, relations which are active practices, material and embedded" (Ibid, 283). Viewing spatiality and the affects of globalisation on economic activity as relational has thus increasingly become popular as a critical way of analysing the spatial processes⁶⁶. Amin (2002) suggests globalised activities need "a different interpretation, one which emphasises a topology marked by overlapping near – far relations and organisational connections that are not reducible to scalar spaces" (Ibid, 386)⁶⁷. This is necessary because of the "jostling between spatialities" which exists when we try to explain the processes of globalisation.

The above discussions of the geography of tacit knowledge production hinges around just such multi-scalar (local-global) geographies and the need to understand the overlapping local but also global socio-spatial practices of knowledge production. As a framework topological geography provides one way to understand such processes by drawing on insights from ANT and its ability to analyse actors as 'located' in networks that transcend scales.

⁶⁶ It is also important to note that, as a result, it has become an accepted that space and scale are social constructions, "contingent outcome[s] of the tensions that exist between structural forces and the practices of human agents" (Marston, 2000, 220). Marston argues that geographical scales are produced in three ways; through interaction of actors; through existing structures that both produce and are affected by scale; and through rhetoric and material processes that contingently produce interactions. In all three cases it is the associations between places that give meaning to space.

⁶⁷ The work of political geographers such as Jessop (1999), Swyngedouw (1997), Cox (1998) and Brenner (1998) has contributed to the development of such a perspective by dispelling ideas of 'nested scales' and suggesting globalisation results in a complex overlapping of spatial forms.

4.5.1) Multi-scalar topological approaches to geography

Latour's (1997a) call to 'follow the networks' and approach spatial analyses without any pre-ordained ideals about the nature of space has been heeded by a number of scholars and resulted in insights into the overlapping and jostling spatialities of many processes. Such analyses are based on a topological approach, or as Thrift (2000b, 222, original emphasis) puts it, a "*topologie sauvage* which cannot be fixed or frozen, but can only keep on making encounters". As Serres and Latour (1995, 60) describe the nature of space in a topological approach (using the analogy of a handkerchief):

"If you take a handkerchief and spread it out in order to iron it, you can see in it certain fixed distances and proximities....Then take the same handkerchief and crumple it, by putting it in your pocket. Two distant points suddenly seem close, even superimposed. If further, you tear it in certain places, two points that were close can become very distant. This science of nearness and rifts is called topology, while the science of stable and well-defined distances is called metric geometry" (cited in Murdoch, 1998).

It is the science of topology that ANT uses to overcome dichotomies such as local/global. Distant places can be relationally (topologically) close whilst physically close places may be relationally (topologically) distant. This is the principle of non-euclideanism that ANT applied; it is not necessarily about the metric distances between actors but the topologically 'measured' networks that link (produce) space and give it meaning. The 'measurement' of these networks is based on relational rather than physical proximity and as a result social space becomes 'fluid'. As Mol and Law (1994, 643, original emphasis) describe it:

"...topology doesn't localize objects in terms of a given set of coordinates. Instead, it articulates different rules for localizing *in a variety of coordinate systems*. Thus it doesn't limit itself to three standard axes, X, Y and Z, but another set of mathematical operations is permitted which generates its own 'points' and 'lines'...[t]opology in short, extends the possibilities of mathematics far beyond its original *Euclidean* restrictions by articulating other spaces...[t]he 'social' doesn't exist as a single spatial type. Rather, it performs several *kinds of space* in which different 'operations' take place...boundaries come and go, allow leakage or disappear altogether, while relations transform themselves without fracture. Sometimes, then, social space behaves like a fluid".

Social space in a topological analysis then is constructed and not assumed to exist *a priori* whilst the boundaries of social space become fluid and therefore multi-scalar. It is produced by relations, or as Thrift (2000b) would put it, it is 'performed' by the

various social practices and interactions. Therefore “[p]laces with a *similar set of elements and similar relations between them* are close to one another, and those with different elements or relations are far apart” (Mol and Law, 1994, 649, original emphasis). When viewed in this way discussions of geography stop being ‘tyrannical’ by insisting that spaces of proximity must be metrically close and instead begin to recognise the importance of relational fluid spaces, constructed by networked relations (Latour, 1997b).

Numerous geographers have found such an approach invaluable for understanding, in particular, globalisation and also other spatial phenomena. Drawing on the insights of Simmel (1990 [1900]; 1950) Allen (2000b, 58) suggests for geographers there is a need to “break any steadfast notions that we may hold between proximity and presence. To be close to someone socially does not necessarily require physical proximity, and in a world of disembedded mechanisms and distanciated relations...copresence of subjects is no longer considered to be the necessary basis of community relations”. Instead, effectively constructed relationships, often stretching globally, are the producer of social closeness. Jonathan Murdoch applies similar ideas and argues that when relational networks exist as they do in many TNCs “[t]he question of scale (global, local), therefore, can be posed in another way: what links local actors to nonlocal actors...and how do these nonlocal actors effect [actions] at a distance?” (Murdoch, 1995, 749). He argues that in ‘well cemented relationships’ local and global become irrelevant because of relational proximity produced through networks. As a result, “the words ‘local’ and ‘global’ offer points of view on networks that are by nature neither local nor global, but are more or less long and more or less connected” (Latour, 1987, 122. Cited in Murdoch, 1995, 750).

If we can understand what produces these long but connected networks then we can explain how actions across space can be successfully implemented. This is clearly helpful to the project undertaken here where the global-local geographies of tacit knowledge production are under review. It may help us understand how the practices needed for learning and tacit knowledge production highlighted in the SAP can be operationalised at the global scale as well as the local when the conditions are put in place that ‘construct’ a global space for learning. In effect it will allow us to trace the networks through local regional spaces and onwards into global space without dichotomising the two. Below a brief review of how a number of economic geographers have applied this approach under the guise of ‘relational economic geographies’ is provided.

4.5.2) Relational scales and frameworks

Peter Dicken has, with others, been one of the leading analysts of contemporary globalisation and has, over many years, developed an argument for a relational/network analysis of the phenomenon (Yeung and Peck, 2003). By focussing upon TNC's he has been able to identify the dialectical relationships such organizations have with the local and global at the same time. He (Dicken, 2000) outlines four types of multi-scalar relationships that produce the spatiality of TNC's activities:

- i) Intra-firm relationships which allow the transnational business network model to succeed;
- ii) Inter-firm relationships as producer-supplier relationships produce overlapping networks;
- iii) Firm-place relationships as TNC's attempt to make the most of place-specific advantages;
- iv) Place-place relationships as places 'compete' to attract firms.

This means that tracing the socio-spatial practices across these networks and understanding how they operate and the forces affecting them is essential to developing an understanding of the TNC. This insight has lead to what has become known as the 'relational framework' for analysing contemporary globalisation. First proposed in Dicken *et al* (2001) the relational perspective uses "a relational view of networks as a methodology", something which is appropriate because:

"...the global economy requires us to transcend 'atomistic description' of activities of individual actors (for example firms) or meta-individual imaginations of 'deep' structures. The network methodology advocated...requires us to identify actors in networks, their ongoing relations and the structural outcomes of these relations" (Ibid, 91).

Such an approach allows both the structural elements of the networks (their composition as networks between actors) and the relational elements (the relations formed and based upon rules, conventions, values etc) to be understood when they are both locally, territorially, but also global and relationally bound at the same time. As Dicken *et al* (2001, 97) write:

“...the global economy is constituted by ‘spaces of network relations’...these are ‘spaces’ for social actors to engage in network relationships. These ‘spaces’ can include localized spaces (for example financial districts in global cities) and inter-urban spaces (for example webs of financial institutions and the business media that bind together global cities). The global economy is thus made up of social actors engaged in relational networks within a variety of ‘spaces’”.

As has been suggested in the preceding chapters in terms of the geographies of tacit knowledge production, there exists both locally rooted (regional) but also globally stretched practices in need of analysis. A relational approach would allow these networks to be traced at all scales and understood not in scalar terms but as relational practices⁶⁸. Henderson *et al* (2002) apply such an approach to understanding global production networks and highlight the need to understand how production is both embedded within local institutional norms but also wider national and transnational (globally stretched) influences. Thrift (2000b) conducts a similar analysis and considers how knowledge is spatially ‘performed’ through social engagement between actors. He highlights four organisational strategies (the global mobility of employees, the construction of spaces of circulation within an office, virtual communications and the nurturing of globally stretched epistemic/practice-based communities) all of which enable the type of interconnectivity and performance that allows learning. For Thrift space is constructed and determined by the performances that go on within it (at whatever geographical scale) rather than the metric distances involved. In terms of

⁶⁸ This relational has also been adopted by other economic geographers. Boggs and Rantisi (2003) suggest that the relational turn can overcome four key challenges to our understanding of economic activities under contemporary globalisation. First, it can help us deal with the ‘new reality’ of economic activities increasingly organized in a network form. Second, it provides a new ontology whereby the actor/agency is given more priority than the structures. Third, it allows research focused on the ‘micro-level’ rather than the ‘macro-level’ as part of a methodological shift. For economic geography this means the ‘re-discovery of the firm’ as a collection of individual actors rather than a ‘black box’. Fourth, it will overcome the local versus global tension that exists through recognition of the multiple scalings of economic actions. Bathelt and Gluckler (2003) develop a similar line of argument and suggest that the changes in the way economic activities are studied through the relational lens “are so fundamental that we treat them as paradigmatic and view them as constituting the *second transition*” (*Ibid*, 119). This is a transition away from the logic’s of regional science where space is seen as a defined form of knowledge which is separate from economic action towards an approach which “emphasizes that the economic actors themselves produce their own regional [spatial] environments” (*Ibid*, 123). As a result it is the “importance of economic agents and how they act and interact in space, instead of focusing on the description of spatial categories, processes, and regularities” that is central to relational interpretations (*Ibid*, 128).

learning and the management of the tacit knowledge needed to be successful in the knowledge economy this means space should be seen as an influence on learning that is constructed and ‘performed’ rather than pre-ordained. This means neither local nor global have pre-determined influences on learning but rather than the space in which learning occurs has to be understood by examining the networks in which learning occurs.

4.6) Conclusions

Three ideas can be taken away from these discussions and can be developed in this thesis to enable a better understanding of the spatiality of learning to be developed and the multiple geographies of the networks and spaces of learning to be understood. First, suggestions that certain places are particularly good at producing tacit knowledge can be further investigated. This needs to consider in more detail however why such regions facilitate learning by engaging with learning theories such as those considered in chapter three and by considering how the pre-conditions for learning are met and the practices facilitated when firms cluster in a region. This means opening the black box and describing what facilitates learning (i.e. why presence in the region facilitates interactions that allows the translation and interpretation that produces knowing) and what, if anything, is special about such locally embedded knowledge production. The work of Gertler (2003) and Morgan (2004) begins to do this but still does not place theories and practices of learning at the centre of analysis to explain why cultural traits and ‘thick’ relationships fix learning at the local scale and how they help develop a state of knowing. There needs to be a switch in epistemology to facilitate such an analysis towards study that traces the socio-spatial practices of knowledge production.

Second, this chapter has highlighted how TNC’s increasingly globalise organisational learning processes so that learning takes place between individuals working in different parts of the world (primarily by talking, but without face-to-face contact). This can also be further understood by tracing the socio-spatial practices of learning that emerge as firms attempt to stretch learning between offices/cities. Such an approach would allow understanding of what enables (and disables) individuals to learn from one-another when interactions are stretched across space to be developed. At the

same time this will begin to deconstruct the dualism within economic geography between tacit-local and explicit-global geographies of knowledge production.

Third, and relevant to both of the above points, it has been shown that in both local and globally scaled learning the role of context and identity, highlighted in chapter three as important in learning, has to exist and be constructed. This is true both at the local and global scales where shared enterprise/practice enables understanding and sense making. It is therefore important when tracing the socio-spatial networks of knowledge production to consider how such 'shared space' is produced and how it allows learning. A relational, topological, approach that traces the networks of tacit knowledge production seems to be useful in doing this and should further help deconstruct any spatial binaries that exist between local-tacit and global-explicit knowledge. This will also allow us to understand the geographical dimensions, local 'fixes' and global stretching, of the knowledge economy and how learning is mediated through variegated spaces and their characteristics.

The next chapter moves away from a focus on learning and knowledge and considers the focus of research in this thesis, advertising and law PSF's. Both the nature of such firms and the role of knowledge in their work are considered as well as how London and New York have been documented as cites of knowledge production. This will allow the ideas and concepts explored over the preceding chapters to be applied in relation to the firms studied in this thesis.

5) Knowledge and its geographies in global advertising and law professional service firms

5.1) Introduction

This chapter considers in more detail how tacit knowledge might be important to advertising and law PSF's and the geographies of the practices that produce this knowledge. It aims to further show that because of the geographies of these PSF's and the importance of knowledge in their activities (see chapter two) research will allow existing understanding of tacit knowledge's role and importance in economic activities to be deepened and the socio-spatial practices and networks of knowledge production to be traced and analysed. This will overcome the current dearth of literature analysing the nature, role and geographies of tacit knowledge in advertising and law PSF's and more widely allow understanding of the geographies of tacit knowledge production to be enhanced.

The rest of this chapter therefore reviews the nature of global advertising and law firms, why knowledge is important to their work and the geographies of their local-global activities. Particular focus is placed on existing work that looks at London and New York as important cites of advertising and law firm's activities and the ways knowledge is produced in such places and flows between them. Two related ideas emerge from this review. First, that we don't fully understand the importance of 'place' to these firms in terms of knowledge production (i.e. the world cities and the clusters within them). Second, and related to this, we have only a limited understanding of the affects of globalisation on the production of knowledge and professional services (i.e. the learning networks that might stretch between cities). The chapter therefore concludes by highlighting some themes that will pervade analysis of the empirical research and allow the thesis to fill voids in existing understanding.

5.11) Advertising, law and knowledge

In the introduction to the thesis three reasons were given for studying advertising and law PSF's to uncover the geographies of tacit knowledge production. First it was suggested that both advertising and law are somewhat understudied as PSF's. Financial, accounting and management consulting PSF's all have both much higher

revenues that advertising and law⁶⁹ and also have more extensive office networks⁷⁰. In some sense then studying these other firms would seem more logical. However, financial services (see Dicken, 2003; Leyshon and Thrift, 1997; Sidaway and Bryson, 2002), accountancy (see Aharoni, 2000; Beaverstock, 2004; Greenwood *et al*, 1999) and management consultancy (see Bloomfield and Best, 1992; Rose and Hinings, 1999; Thrift, 1997) have all received significant previous attention from academics. Moreover, although their size as organisations may be greater they are no more important than advertising or law PSF's. For any organisation access to the whole gamut of services is vital and advertising and law are a key part of this spectrum. It is therefore useful to further develop our understanding of these firms. Moreover, because of the nature of the two industries it should be possible to complicate and further interrogate the nature of tacit knowledge. Advertising, and the creativity that is central to the adverts produced, seems likely to be reliant on a very different type of knowledge to law which requires formal training and knowledge of the precedent and legislation that constrains transactions. As two case studies then these two sectors are ideal for highlighting the heterogeneous nature of knowledge, something that was argued in chapter two to be vital in order to develop our understanding of the nature of knowledge. Below a detailed review of extant empirical material and academic literatures on both advertising and law is provided so that the case studies can be optimised to fulfil the thesis' objectives.

5.2) Advertising for the world? Advertising professional service firms and their globalisation

Advertising is now a major global industry with the annual revenue of the worlds 50 largest agencies over US\$30 billion (*Advertising Age*, 2003)⁷¹. As PSF's advertisers

⁶⁹ For example, the leading global accountancy firm (PriceWaterhouseCoopers accounting) had revenues of £13,782m in 2002 (International financial services London, 2003a, 6) whilst the leading management consultant's revenues (IBM) were \$14,900m (International financial services London, 2003b, 6). In comparison the leading advertisers (McCann Erickson) revenues were £1610m (Advertising Age, 2003a) and law (Clifford Chance) £950m (The Lawyer, 2003a).

⁷⁰ The biggest global accountancy firm (Deloitte Touche) that is also the biggest global management consultancy too has 670 offices. Meanwhile the largest advertiser has 480 offices and biggest law firm 69.

⁷¹ Based on data for 2002.

face all of challenges discussed in chapter two and are reliant on the knowledge of their employees for providing clients with the service they require. This part of the chapter then does three things. First, a brief description of the firms within the industry is provided in order to provide some context for study. The focus here, and throughout this thesis, is on the global advertising agencies rather than the plethora of non-global agencies⁷². Secondly, the chapter provides a review of literature illustrating the work of such advertising agencies and highlights how the reliance on knowledge that allows employees to produce creative advertising solutions makes these firms ideal candidates to study the role of tacit knowledge and the local-global geographies of its production. Third, the activities of advertising agencies in London and New York are discussed and comments made about how the local (regional) clusters of agencies but also their global interconnections further make such firms useful for studying the geographies of knowledge production.

5.2.1) The firms, their structure and their globality

The past ten years in particular has seen a rapid consolidation of the advertising industry

through a continual merger and acquisition process, something that continues to this day⁷³. At present there are 15 key global agencies that are part of a series of 'global media groups' (see tables 5.1 and 5.2). Such groups have grown massively over the past 15 years and claim to provide an 'integrated communications package' for firms, incorporating advertising with marketing, PR and increasingly 'interactive media' (ICT based advertising). As one group describes itself:

⁷² This is essential to allow the local-global geographies of knowledge production to be effectively interrogated. Studying agencies with only one office would not as effectively permit investigation and 'tracing' of the networks of learning stretching beyond one city. Global agencies, as is highlighted later in this chapter, have multiple offices throughout the world and therefore provide an opportunity to study globalised learning in an intensive way.

⁷³ In 2003 the Cordant communications group was acquired by the WPP group resulting in the closure of the Bates agency. The latest twist in this complex tale is imminent sale of the Grey Global group of companies to WPP.

"Through our companies and associates, WPP offers a comprehensive and, when appropriate, integrated range of communications services to national, multinational and global clients. Our companies work with more than 330 of the Fortune Global 500; over one-half of the NASDAQ 100 and 42 of the Fortune e-50. Over 330 clients are served in three or more disciplines; more than 230 clients are served in four disciplines and over 200 clients are served in six or more countries. Collectively, the Group has 62,000 people working in 1,400 offices in 103 countries" (WPP, 2004).

Before proceeding further with this analysis however, it is important to consider what is actually meant by *global* advertising and advertising agencies in terms of their geographical reach. 'Global' advertising agencies are just that: truly global firms. As *Advertising Age* (2000) noted, 'the global land grab' by organisations has now almost been fully completed and it is possible to identify 15 global firms (see table 5.2) with all except two of these (Draft worldwide and Rapp Collins) having offices on every continent including Africa. This exceeds the criteria used in other PSF sectors (for example in law by Beaverstock *et al*, 2000) where being 'global' means having a presence in each of the key globalization arenas of North America, Europe (east and west) and Asia. This geographical extensity of advertising agencies' office networks can primarily be accounted for by the nature of advertising in comparison, for example, to law or investment banking services. Whereas the latter are only required when significant business activities are located in a country advertising is needed in any country where a product is sold. Figure 5.1 maps the offices of one of the agencies listed in table 5.2. This shows how truly global such PSF's have now become ⁷⁴.

⁷⁴ As figure 5.1 shows however, although having a global reach, as with all global economic activities, there are regions excluded from the global advertising agencies networks – notably Russia and China due to tight regulatory controls on overseas firms. The case of China is evolving rapidly however as the country become more open to FDI flows and agencies attempt to open offices and exploit the huge consumer market in the country.

Communications group	Global income (\$m)	Number of offices worldwide	Global employees	<i>Global agencies</i>
Dentsu	1987: N/A 2002: 2495	36	N/A	DCA advertising
Grey Global	1987: N/A 2002: 1,864	465	13,507	Grey worldwide
Havas	1987: N/A 2002: 2,733	340	21,000	Euro RSCG worldwide
Interpublic	1987: 971 2002: 7,981	671	49,658	Foote Cone and Belding worldwide Lowe and Partners worldwide McCann Erickson worldwide
Omnicom	1987: 822 2002: 7,404	1278	57,000	BBDO worldwide DDB communications TBWA worldwide
Publicis	1987: N/A 2002: 4,770	998	58,643	Leo Burnett Worldwide Publicis Worldwide Saatchi & Saatchi
WPP	1987: 682 2002: 8,165	1300	60,000	J Walter Thomson Ogilvy and Mather worldwide Young and Rubicam advertising

Table 5.1. The key global communication groups and their advertising networks based on data available in January 2005.

Source: Advertising Age (1987; 2003a); Fieldwork.

Advertising agencies use a combination of direct and indirect presence strategies to develop their global office networks. The preferred method is direct presence, normally aided by the acquisition of a local firm and the knowledge and expertise of their staff that can then be supplemented with expatriate workers. Where such an acquisition cannot be secured formal associations/alliances are used to provide services in that country. Such a strategy is particularly important in places where levels of revenue are low (such as Latin America and Africa) and/or where establishing an office may be problematic due to restrictive legislation. Indirect presence is however a minority part of globalisation strategies for all firms in table 5.2. Table 5.3 reinforces the idea that the communications groups listed in table 5.1 are genuinely global organisations by showing the total value of their advertising billings for a number of offices throughout the world. It is clear that each

Company	Global billings for 2002 (millions)	Global offices	Global employees	Key global clients
Ogilvy & Mather worldwide	\$10,688	480	15,034	Ford BP American Express
BBDO worldwide	\$19,925	417	24,008	Mars Gillette Guiness
J Walter Thompson	\$10,465	314	9130	Vodafone Shell Diaego
Grey worldwide	\$8,488	304	9058	Glaxosmithkline Proctor & Gamble Nokia
Young & Rubicam	\$18,678	283	11,387	Colgate-Palmolive LEGO
TBWA	\$9,755	237	12,626	Addidas Sony News International
Euro RSCG worldwide	\$12,614	233	11,708	Intel Danone Cadbury Trebor Basset
Publicis worldwide	\$18,083	227	10,718	Allied Domecq Hewlett Packard Ericsson
DDB communications	\$815	206	N/A	ExxonMobil Pepsico Beverages Phillips Electric
Foote Cone and Belding	\$362	197	N/A	Glaxo Smith Kleine JP Morgan Chase Kraft
Lowe & partners worldwide	\$4,961	184	9247	Unilever Nestle HSBC Coca-Cola
McCann-Erickson worldwide	\$26,630	170	21,280	Mastercard Cereal Partners
Saatchi & Saatchi	\$5,905	160	7174	Proctor & Gamble Visa Carlsberg
Dentsu advertising	\$2,060	90	10,300	Business Week Cannon Toshiba
Leo Burnett worldwide	\$9,459	84	9778	Heinz Proctor & Gamble Morgan Stanley

Table 5.2. The 15 key global agencies by turnover in London based on data available in January 2005.
Source: Advertising Age (2003); Fieldwork.

Insert figure 5.1 here

office provides an important source of profit although with concentrations in cities such as London and New York (see below).

The integrated global services these communications groups aim to provide are, like other global PSF's, designed to meet the needs of TNC's for consistency in service wherever they operate (Daniels, 1995). Such agencies offer 'globally aligned accounts' to TNC's such as Unilever, Proctor and Gamble and Ford that enable them to advertise their products in every market worldwide (see table 5.2). However, globally aligned accounts do not always mean replication of advertising in every location (Perry, 1990). There is clear recognition both within the advertising industry (e.g. Young and Rubicam, 2004) and academic studies (e.g. Leslie, 1997a) that although advertising agencies may be global there is no globally uniform advertising market and consumers have diverse cultural

2001 Billings by city (US\$ billions)	Cordiant	Dentsu	Grey Global	Interpublic	Omnicom	Publicis	WPP
Havas							
<i>Frankfurt</i>	0.202	0	0	0	1.312	1.312	0.732
<i>Hong Kong</i>	0.25	0	0.164	0.164	0.301	0.241	0.148
<i>London</i>	1.224	0.079	0.77	2.3	3.463	4.069	4.629
<i>Mexico City</i>	0.225	0	0.84	0.142	0.547	0.504	0.247
<i>New York</i>	1.021	0.08	3.482	2.623	5.304	4.115	4.236
<i>Paris</i>	0.108	0.017	0.254	2.538	1.784	2.613	2.03
<i>Sao Paulo</i>	0.162	0	0.093	0.32	1.084	0.533	0.67
<i>Tokyo</i>	0.06	12.65	0.195	0.015	2.763	1.567	0.107

Table 5.3. Billings by office for the key global communications groups.

Source: Advertising Age (2002).

characteristics (see below). Therefore global advertising offers two possibilities. First, economies of scale through the use of one advert in several markets. This reduces development and production costs but risks over-riding the cultural variations between markets (De Mooij and Keegan, 1991). Secondly, the development of a consistent image through globally uniform marketing strategy (but not adverts) that are used to sell a product (Kotabe and Helsen, 2001). Global brands, themes and logos can be used that make the companies products recognisable worldwide (Leslie, 1995) but that also allow the local tailoring of adverts⁷⁵. Both types of strategy however are reliant on the leverage

and application of relevant knowledge to a client's needs. Below the importance of producing and exploiting this knowledge is outlined. This highlights why advertising agencies provide a good case study to fulfil the thesis' objectives.

5.2.2) Knowledge in global advertising PSF's

Nachum (1999) lists nine key factors that are central to successful advertising agencies (see table 5.4). As can be seen by their descriptions, every one in some way reflects the importance of knowledge in driving success. As Nachum argues, the "major advantages often lie in the knowledge of how to meet specific needs of clients" (Ibid, 31). The discussion below further un-picks the specific ways the knowledge and expertise discussed here applies to advertising firms and their work. This supports the suggestion that advertising agencies are ideal candidates to study the role and production of knowledge and its local-global geographies.

The advertising industry has evolved radically in the past 25 years. The 1980's saw the start of what is now popularly referred to as the era of post-fordist production and

⁷⁵ As was noted recently in the *Financial Times* (2004a), more and more TNC's are now recognising the value of consolidating all advertising into one agency and allowing them to manage the account worldwide. This does not necessarily mean using the same advert worldwide. However the efficiency savings of using one agency in terms of reductions in the number of quality checks needed and the reduced levels of complexity involved in agreeing the image and branding technique to be used worldwide warrant using a globally integrated firm.

Key factors for success in advertising agencies	Reason for importance
Creativity	<i>“add[s] value by manipulating existing knowledge” (p31).</i> Creative adverts are based on the knowledge of employees and their ability to apply it to a specific marketing problem.
Quality of employees	<i>“The ability of employees to manipulate existing knowledge in order to solve specific client problems” (p33).</i> Employees with high levels of tacit knowledge help make firms successful in providing bespoke solutions.
Reputation	<i>“The intangible nature of the output of these firms creates difficulty to assess its value...extensive human involvement in the production and the great need for tailor-made solutions [means] the ‘same’ service might differ every time” (p35).</i> Reputation is built on the products that are produced by employees.
Client-Supplier relations	<i>“The interaction between the service provider and the client is considered to be one of the unique features of services” (p36).</i> The employees of agencies need to be able to manage this relationship, know how-to manage the client.
Age	<i>“Age is typically associated with accumulated experience” (p38).</i> The older a firm is the more likely it is to attract or have developed experienced employees with a lot of tacit knowledge.
Size	<i>“Large firms can gain economies from greater specialisation of professionals” (p39).</i> Bigger agencies have a wider pool of knowledge (employees) to draw on.
Economies of scope	<i>“Such economies take place across segments, products or markets and may involve the joint use of different kinds of assets” (p41).</i> The communications groups that advertising agencies are now part of (see below for discussion) are able to exploit the knowledge of employees to provide several related services.
Organizational structure	<i>“The need for an in-depth knowledge of the domestic market limits the ability of headquarters based in another country to guide and control work of affiliates based elsewhere” (p43).</i> Each office must have knowledgeable employees; it cannot rely on replicated insights from elsewhere.
Managerial capabilities	<i>“Managers have to deal with high-quality and high-cost labour...the need to produce creative work requires special managerial efforts” (p44).</i> Managing workers in PSF’s is centred on the need to exploit their knowledge.

Table 5.4. The key factors for success in advertising firms.

Source: Adapted from Nachum (1999, 31-45).

consumption, something that not only changed the way manufacturing firms work but also the way advertisers targeted consumers. Piore and Sabel (1984) argued that by the 1970’s standardised goods were less attractive to the consumer and the ‘rigidities’ of supply driven mass production was being replaced by flexible demand driven production. At the same time it was becoming increasingly evident that consumers

and their 'cultural' characteristics were rapidly evolving. Lash and Urry (1994, 123) in their seminal work on *The economy of signs and spaces* suggested that "the cultural industries ... were post-Fordist *avant la lettre*" in that their core purpose was to exploit a newly emerging reflexive consumer. This newly reflexive consumer meant that not only were standardised goods seen as undesirable but also standardised advertising was ineffective. Further examination of this literature helps explain why knowledge has become central to the advertising industry therefore supporting the argument that advertising agencies are a useful case study for understanding the role and production of knowledge in PSF's.

Advertising in the mid-twentieth century, what is now referred to as first wave advertising, was fundamentally focussed upon description and fact to sell a product. Such adverts were relatively easy to produce based on quantitative analysis of generic target audiences and their lifestyles that could be classified in to a limited number of demographic segments (Marcuse, 1968). However, increasingly throughout the 1970's such an attitude became too simplistic as, just as with manufacturing production, advertising needed to reflect a more responsive and demanding consumer, something that greatly complicated the advertising process and also meant dispelling myths of converging or Americanised consumers (Crang 1996; Crewe and Lowe, 1995). In their seminal work Lash and Urry (1994, 111-112) suggested that consumers could be both 'cognitively reflexive' in that they responded (to adverts) based on a personal understanding and interpretation, and 'aesthetically reflexive', actively constructing new ways of interpreting stimuli through their actions. The result was the emergence of second wave advertising targeted more specifically at certain markets and reflexive consumers. This was rapidly followed in the 1990's by third wave advertising tailoring adverts not only to specific 'reflexive consumers' but also to their reactions and interpretations of recent global or country-specific events. Adverts began to appear just days or weeks after key events reflecting certain consumer's responses in each market. As Miller (1995, p48) suggested, it was more profitable to be in collusion with the customer than to try and convert them to a unified way of thinking. It therefore became vital to have knowledge of what drives small but specific consumer groups.

Increasingly it has been recognised that the most successful advertising is therefore produced based upon the tacit knowledge of employees of how reflexive consumers can be targeted in advertising campaigns. Their knowledge allows market research to be judged, interpreted and then applied in a tailored, unique way to a client's problem.

Chris Hackley has written about the importance of such tacit knowledge in advertising and argues that:

“The highest levels of expertise in this domain, as in other professional domains, depend upon an interaction of domain relevant knowledge, experience and creativity... Large amounts of marketing knowledge are codified in popular texts and constitute a public discourse. However, much of the knowledge underpinning practical marketing expertise may be tacit, implicit in the day-to-day problem solving of strategic marketing practitioners” (Hackley, 1999, 721-22).

He goes on to suggest that tacit knowledge is important because it is critical to problem solving and that “[m]arketing problems... tend to be ‘ill structured’... and as such require structuring by the problem solver” (Ibid, 727). It is therefore vital according to Hackley that tacit knowledge can be employed in a process of “forming and refining a heuristic or rule of thumb for solving their problem. The power of this heuristic in solving the problem depends on the high level of skill of the marketer...and is founded on extensive knowledge and experience” (Ibid, 727). For advertising executives then creativity is, in many ways, based on tacit knowledge. However, extant literatures do not provide us with a clear picture about the way tacit knowledge is used in the day-to-day activities of advertising executives and the creativity it informs makes them successful. This research can fill this gap in our understanding whilst also looking at how such knowledge is produced and the spatial dynamics of this process. Below the way advertising agencies attempt to manage the production and leverage of tacit knowledge is reviewed. It becomes clear that the argument made earlier for such firms being ideal candidates to study the local-global geographies of tacit knowledge production is well founded.

Several strategies are used by advertising agencies to manage knowledge effectively. Drawing on the work of Bartlett and Ghoshal (1989) and their typology of organisational forms De Mooij and Keegan (1991) suggested four agency models exist to effectively exploit employee’s knowledge. Listed in table 5.5 these models clearly show that global agencies attempt in a range of ways to globally stretch knowledge production. However, global agencies have struggled (and still do) to find the best structure that allows knowledge to be leveraged globally throughout the firm. As Leslie (1997a) noted, increasingly small, non-global, firms became disproportionately successful in the early 1990’s as global agencies attempted to manage global accounts using ‘international’ or ‘global’ strategies. This resulted in adverts being

developed without knowledge of specific countries and their consumers. The transnational model, it was argued, was the strategy most needed but the hardest to implement and least adopted by global advertising agencies. Local relevance of the product (and therefore locally relevant knowledge) is vital in advertising as well as the wider global alignment of products (based on globally relevant knowledge). Grein and Ducoffe (1998, 312) therefore argue that the transnational model “helps build working relationships, gather information needed for soliciting new international business, solve problems on international accounts, control or evaluate performance, and ensure that the best ideas in the network are being shared

Agency structure	Key characteristics	Strengths / weaknesses
<i>International</i>	Engages in business overseas using the resources already available in existing offices	Little or no local knowledge; products adapted as seen fit.
<i>Multinational</i>	Independent branches operating in each country developing own strategies and products.	Greatest weakness is inability to see similarities and learn from others work leads to duplication and/or weak strategies; high level of local knowledge.
<i>Global</i>	Centralised operations controlling activities for all countries.	Good at highlighting similarities between nations; applies ‘one size fits all’ to strategy with little concern for local variations
<i>Transnational</i>	Integrated resources serving clients through development and diffusion of knowledge worldwide.	Responsiveness to local 1 tool of many; also global extension of learning and ideas; strong strategy outcomes

Table 5.5. The four models of global agency organisation.

Source: Adapted from De Mooij and Keegan (1991, 8-10).

with other network members”⁷⁶. However, as was noted above, all global advertising agencies operate as part of wider holding companies and are no-longer professional partnerships. Empson and Chapman (forthcoming) note that in such organisations knowledge management of any form is difficult unless the CEO and management board are committed to spending the time and money on such activities. Consequently the (expensive) ‘transnational’ structure needed does not always exist in such firms. These ongoing debates in academic literatures highlight then the potential for studying the global circulation and stretching of learning in advertising agencies that will help us better understand the geographies of tacit knowledge production. Moreover, it is highlighted below that ‘local’ spaces of learning, interconnected through globally stretched networks, are simultaneously important for the production of tacit knowledge and need to be considered.

5.3) Advertising in London and New York

As was noted in chapter two, advertising agencies as with all PSF's have clustered urban geographies in world cities. Allen Scott (see Scott 1997; 1999; 2001) discusses the ‘cultural economy of cities’ and notes how cities such as London and New York are increasingly the home of clusters of firms engaged in activities that ‘economise the cultural’. Advertising is one such industry and firms operating within the cultural economy are said to need to learn from the ‘microcosm’ that exists in the urban clusters. Below the role of London and New York as cites of advertising knowledge production is reviewed and the implications this has for studying the geographies of tacit knowledge production highlighted.

5.3.1) London

London is well recognised as an international centre of advertising expertise and as a centre of global advertising activities (Grabher, 2001; Nachum and Keeble, 2001). As

⁷⁶ Gernot Grabher has written extensively about this phenomena and suggests that global advertising firms need an ‘ecology of creativity’ which has both global and local dimensions to knowledge production (see Grabher, 2001; 2002a). Employees of advertising agencies, according to Grabher, develop their tacit insights from colleagues in their office, from employees of other local advertising firms, and through conversations with colleagues in other offices of their global agency. He suggests both local knowledge creation (in the Village to use his terminology) and global knowledge sharing within the firm (or the Group) is an essential dual structure for global advertising firms.

with other PSF's operating in London, a significant proportion of advertisers work involves large TNC's with global accounts requiring adverts to be developed for markets throughout the world (see table 5.2). Other work has a more UK focussed element, working for large companies and organisations to advertise products in the UK only. However, this is much less profitable. Table 5.6 provides a number of statistics that outline the size and importance of the London advertising market.

Only the WPP holding group is UK based (Publicis and Havas are French, Dentsu Japanese, and the rest are from the USA) and of the 15 global agencies all have their headquarters in the USA (all in New York except Leo Burnett which is in Chicago)⁷⁷. In terms of academic literatures, there is only one significant body of work on advertising agencies in London. This focuses upon the so-called 'advertising village' of Soho in the city that is renown for its cluster of advertising agencies and related businesses (Corporation of London, 2003). Figure 5.2 highlights this cluster's location within London. Extant literatures suggest that within this 'village' important knowledge production occurs in the way described by the regional literatures discussed in chapter three.

Turnover of Advertising agencies (2000)	London: £12 billion Rest of UK: 6 billion
Employment in advertising agencies directly (2000) (excludes spin-off employment in related sectors)	London: 10,000 Rest of UK: 2,400
Exports of advertising (2000)	From London: £774 million Rest of UK: N/A
Imports of advertising (2000)	Via London: £545 million Rest of UK: N/A

Table 5.6. The value of the London advertising market.

Source: Department for Culture, Media and Sport (2002, 1-2).

⁷⁷ This is despite the fact that a number of the agencies originated in London. However, US ownership has resulted in the HQ's being transferred to New York in many cases. Even the WPP group's agencies have headquarters in New York!

As Daniels (1995) notes, London, along with New York and Tokyo, is at the centre of a 'golden triangle' of global advertising. Global firms chose to locate in the city because of the wealth of advertising expertise present and the importance of having 'local' knowledge to serve clients in the UK (the fifth biggest global advertising market). Particularly during the early 1990's firms tended to locate themselves within the Soho district of London (although they are now slightly more dispersed) and as a result a community of firms began to develop. Grabher (2001) notes that this 'ad village' is a vital source of learning and knowledge for advertisers working in London and quotes one of his interviewees as saying "[I]t's almost like an ideas village...like a university, without the academic side to it...people want to work here because they know they're gonna be rubbing shoulder with top directors" (quoted in Grabher, 2001, 368). 'Rubbing shoulders' with these people means talking to them, listening to their ideas and as a result learning. Nachum and Keeble (1999; 2000) note a similar phenomenon and suggest that this effect is also essential for global advertising agencies. Although global knowledge management within the TNC can provide some of the insights needed "[i]nternal TNC linkages are no substitute for locally-generated knowledge needed for production co-ordination and integration. The need to acquire this type of knowledge encourages location of foreign and indigenous firms alike" (Nachum and Keeble, 2000, 20).

Neither of these studies however provides us with any clear insights into how this learning might occur at either local or global scales or into how the production of knowledge might have a blurred local-global geography. Instead they suggest some kind of 'absorption' of knowledge. It seems important therefore to understand more clearly the architecture behind this learning and the spatial nature of the practices involved. It would also seem useful both in terms of understanding the activities of global advertising agencies more widely and also the geographies of tacit knowledge production to develop case studies of global agencies and the importance of 'local' spaces (e.g. London) but also 'global' spaces and interconnectivity in the production and delivery of professional services. Below the

Insert figure 5.2 here

importance of such ideas are considered in relation to the activities of advertising agencies in New York.

5.3.2) New York

As a world city New York, just like London, has a disproportionate role in global advertising activities (Sassen, 2000). All of the agencies listed in table 5.2 have offices in New York. It is also significant that most of the agencies and their holding companies have headquarters in New York giving the city extra significance for these firms. The academic literature and available statistics on advertising firms operating in New York is however surprisingly scarce. Scott (1999; 2001) talks generically about the cultural economy of New York but does not engage in any detail with advertising. The best work (and only work to the author's knowledge) that looks specifically at the advertising market in New York is that of Deborah Leslie (see Leslie 1995; 1997a; 1997b) which although somewhat outdated provides some important insights. Leslie notes that advertising agencies traditionally clustered around the thoroughfare of Madison Avenue in New York and that the type of 'networking' and collective learning described above in relation to Soho in London occurred between agencies clustered in this area (Leslie, 1997b). However, by the mid 1990's agencies had begun to 'abandon Madison Avenue' and move to new locations in New York's cultural quarter (part of which is ironically called SoHo, an acronym for South of Houston Street). Despite this move however, as Leslie (1997b, 583) notes, firms still wanted to be in proximity to one-another:

"The dispersal of agencies away from Madison Avenue does not suggest the diminishing significance of place to the operation of advertising. Rather, when agencies move they relocate in dense nodes of exchange. This suggests advertising agencies need to locate close to their competition".

New clusters therefore began to emerge further south on Manhattan Island. At the same time however large global agencies in New York were going through a period of crisis with their work being criticised for being too conservative and failing to engage with a newly reflexive consumer (Leslie, 1997b). There was concern that the New York agencies were not producing radical ideas because of a form of 'lock-in' (c.f. Grabher, 1993) within the Madison Avenue cluster. The ideas and knowledge upon which their work was based was suggested to be produced too much within the

Madison Avenue cluster and therefore was oblivious to what was occurring elsewhere (both within New York and further afield). The move from Madison Avenue was therefore also seen by some as a way of escaping this lock-in.

This highlights then that, just as in London, New York has a critical mass of agencies and as a result knowledge production occurs in a way not dissimilar to that suggested to occur in archetypal regional economies (see chapter four). However our understanding of this is even less developed than it is for clusters and firms in London whilst the global connections between New York and other cities in terms of knowledge and learning networks are totally undocumented although undoubtedly important (Taylor, 2004). Both areas clearly need further research then. This further supports then the argument made that advertising agencies allow both the heterogeneous nature of knowledge to be studied (and how this allows creativity in advertising strategies), as well as the multiple geographies of knowledge production. Below the role of global law firms is considered and an argument made about how a case studies of these firms also allows examination of the geography of knowledge and its production but in a situation where knowledge has a very different role.

5.4) Lawyers for the world: the globalisation of law PSF's

Over the past fifteen years in particular an elite group of law firms have globalised their activities (*The Economist*, 1996). However, many have also faltered along the way⁷⁸. This part of the chapter looks at the nature of the global law firms, considers why knowledge is so important in their activities and then reviews the role of London and New York in this process. This further bolsters the argument that as a comparative case study (alongside advertising) law will help us understand the geographies of tacit knowledge production.

⁷⁸ The globalisation process for law firms has been dynamic with firms constantly expanding and then retrenching their activities whilst searching for the most profitable markets and best globalisation strategies. *The Lawyer* (2000a; 2000b) noted how globalisation can be costly to engage in and not necessarily bring any significant benefits to a firm whilst even the successful attempts have proven incredibly hard to manage. Most recently *The Lawyer* (2004b) noted how Clifford Chance had closed its Berlin office due to the low profits partners were making thus scaling back its globalisation on a temporary basis at least.

5.4.1) Law firms and their globalisation

By definition law has always been, and predominately continues to be, a nationally situated and jurisdictional phenomenon despite the plethora of multi-national agreements and conventions produced by organisations such as the EU, the World Bank and others. Indeed, for such agreements to work national laws have to accommodate the principles of the agreement and provide a framework under which they can be upheld. It is therefore a fallacy to talk strictly of the globalisation of law, but instead we need to consider the globalisation of law firms and the way such firms have dealt with the challenges the territoriality of law has posed to them. Indeed, much of the early work on geographies of law focussed upon its interpretative nature and the need to understand the territorial social and cultural systems in which it is embedded and in which 'sense-making' occurs (Clark, 1989).

It is the large corporate law firms that have globalised their activities, normally from their home base of London or New York, aiming to serve client TNC's legal needs worldwide. The headline from one such firm reads "Building an integrated international business" (Allen & Overy, 2002, 1) whilst another states their aim of providing "first class legal advice and integrated service in all major jurisdictions" (Slaughter & May, 2002, 7). Table 5.7 lists the 20 key global law firms. It is immediately apparent that their immaturity as global organizations is reflected in the dramatically smaller number of offices such firms have compared to advertisers. Figure 5.3 shows the global offices of one of the firms listed in table 5.7 and as is clear from this map, the global reach and coverage of 'global' law firms is much reduced compared to that of the advertisers reviewed above. Beaverstock *et al* (2000) suggest that only eight firms are truly global (those in table 5.7 with the most offices) with others practising various forms of multinationalism without being a truly global organization. As table 5.8 shows, the main globalisation of these firms has only occurred in the past 15 years but the reach (in terms of number of offices and the places/regions covered) has been somewhat restricted to the key arenas of North America (New York and Washington), Europe (London, Frankfurt, Paris) and South East Asia (Singapore in particular). For the purpose of this research however, global learning can be illustrated in any firm that has offices in more than one country, as all those in table 5.7 do.

Firm	Global turnover (£m) (2003)	Global employees – partners (associate lawyers in brackets)	Global offices
Baker & McKenzie	691	620(3194)	69
White & Case	496	N/A	39
CMS Cameron McKenna	167	147 (483)	37
Denton Wilde Sapte	172	196 (693)	35
Clifford Chance	950	666 (2014)	34
DLA	275	200 (1000)	33
Linklaters	720	490 (1510)	31
Freshfields Bruckhaus Deringer	785	475 (1525)	28
Allen & Overy	652	402 (1280)	26
Lovells	377	304 (940)	23
Skadden Arps Slate Meagher & Flom	811	405 (1345)	23
Latham & Watkins	630	505 (1512)	22
Norton Rose	205	189 (589)	19
Simmons and Simmons	178	152 (758)	18
Shearman & Sterling	445	223 (800)	18
Eversheds	296	333 (1500)	17
Weil Gotshal & Manges	488	374 (735)	16
Dechert	248	228 (445)	14
Clyde & Co	96	102 (248)	12
Ashurst Morris Crisp	197	144 (496)	11

Table 5.7. The key 20 global law firms as of January 2005.

Source: The lawyer (2004a) and Fieldwork.

Insert figure 5.3 here

Law firm	Number of lawyers worldwide			Number of offices worldwide		
	1993	2004	% change 1993-2004	1990's	2004	% change 1990's - 2004
	Baker and McKenzie	1900	4014	111%	47	69
Freshfields	985	2000	103%	16	28	75%
Allen & Overy	725	1682	132%	14	26	85%

Table 5.8. The increasing globalisation of law firms since the early 1990's.

Sources: *Number of lawyers worldwide*: UNCTAD (2004a, 326, Table AIII6); *Number of offices worldwide*: Fieldwork.

Law firms have globalised their activities principally to follow their clients and serve them wherever they operate (Spar, 1997)⁷⁹. Building on the work of Beaverstock *et al* (1999a) and Chang *et al* (1998) it is possible to identify two key approaches to such globalisation:

- ix) *Direct presence* - 'true' globalisation as firms establish offices overseas. These offices are often partly staffed by expatriates as well as local lawyers who provide the expertise and knowledge needed and who are members of the local law fraternity. Often a merger or acquisition is used as a way to establish an office and automatically gain some clients.
- x) *Indirect presence* - and this can be broken down into three further subgroups – is used as both the sole globalisation strategy by some firms, but also as a complementary strategy by others where they have direct presence in some

⁷⁹ As was noted in table 2.5 in chapter two, the motivations to globalise activities are more complex than this in reality. Beaverstock *et al* (1999a) suggest a more nuanced understanding of the globalisation of law firms would incorporate three additional factors. First, how globalisation provides access to new clients and the opportunity to expand the business that the host economy does not. Second, the fact that organisational risk is reduced as the business is not focussed upon one specific nation or market, something that proved to be important during the 'Asian meltdown' where many companies overly reliant on this arena faced collapsing incomes. Third, the way competitiveness is improved because of the global service firms can offer. Chang *et al* (1998) add one further point, suggesting that reputation and corporate image are important because increasingly having global capabilities is seen as the hallmark of a successful law firm.

cities but indirect presence in more challenging or less prestigious markets⁸⁰. This can be through:

- iii) *Association*, a strategy employed by many firms, primarily in countries where foreign law firms are not permitted to practice or when establishing an office is not seen as profitable.
- iii) *Networking arrangements* whereby global service is provided through a network of law practices that are in no way linked as businesses, but are simply part of a global network organisation. Examples of such organisations include the Associated Business Lawyers of Europe and Interlex⁸¹.
- iv) *Ad hoc strategies* that simply involve selecting a local firm as and when needed and offering them work serving your client.

It has been almost exclusively law firms from the USA and the UK that have followed such globalisation strategies (in table 5.5, seven are from the US and the other thirteen from the UK). For US lawyers this was because a number of TNC's originating from the country started to look for law firms that could support their increasingly global operations. For UK firms it was partly because of the British Empire and the resultant global trading by British firms and partly as a response to demand from UK-based TNC's for global legal services (Spar, 1997).

Consequently although any transaction has to abide by 'local' law the fundamental stitching of global transactions is frequently based on structures and processes defined in UK or US law (*The Economist*, 1996)⁸². The global law firm and its ability to provide

⁸⁰ The *Law Gazette* (2001) listed 24 countries where regulation has presented UK lawyers opening offices, mainly because of the need for local certification of expatriate lawyers and local ownership of any organisation.

⁸¹ The value of such alliances has been criticised recently however with the *Law Gazette* (2003) suggesting alliances are 'doomed to failure' and likely to disappear in the future as it is impossible to agree on strategies and service levels when so many different firms are involved. In February 2004 *The lawyer* (2004c) noted how the Klegal global alliance had ended.

⁸² Indeed, the increasing harmonisation of corporate legal systems under European common law and the legal structures of the World Trade Organisation are based on UK and/or US models. However, this does not remove local idiosyncrasies from the procedures for practising law and local contractual requirements. Moreover opt-out clauses for some elements to 'common' legal systems, especially in terms of employment law, are common and used by many nations. It would therefore be wrong to suggest there

services sensitive to both global norms and local nuance has therefore become a central part of global economic activities, especially those mediated through world cities such as London and New York. For these firms this means managing a complex array of knowledge spread throughout the world as any global law firm must employ a body of lawyers that together can provide tacit knowledge of the law in each jurisdiction they operate within. Flood (1996, 187) quotes an article from the *International Financial Law Review* (1984) that describes the work of a lawyer in a global law firm as “a domestic lawyer who counsels clients from other jurisdictions with business in his own” and also as a lawyer “who puts the advice in the context of the clients’ multinational objectives”. Beaverstock *et al* (1999a, 1865) argue that this means law firms cannot simply ‘plant a flag’ but instead must have experts in each location. However, the existence of global models and the harmonisation process also means increasingly global firms try to rely on advice based on “a knowledge collectivity that transcends any single territory” (Beaverstock *et al*, 2000). As an article in the *Law Gazette* (2001) noted, the legislative harmonisation that allows this, through organisations such as the EU, World Bank and others, is vital to smoothing global trade and easing multi-jurisdictional transactions (see also *The Lawyer*, 2001). In a more recent article (*The Lawyer*, 2003b) this was increasingly said to be leading to the ‘cross-fertilisation’ of knowledge between jurisdictions thanks to increasing global understanding and use of common legal practices. Therefore, although advice has to be sensitive to local jurisdictional differences increasingly it is a collaborative effort between lawyers in each of the jurisdictions involved that identifies the best common approach. Below the nature of this local-global knowledge is reviewed. However, it is already clear from the above discussions that global law firms provide a second and valuable cased study for understanding both the importance of tacit knowledge but also its spatial dimensions.

5.4.2) Knowing the law

As Terret (1998, 70) puts it, “law firms apply a body of specialized knowledge to a unique client problem in order to provide a solution. This may be highly customized – a unique ‘one-off’ – or it may be a solution that is a variation on a well known theme”.

is a complete ‘common global corporate law system. Nevertheless there are common practices approaches and models that are used and fitted to local jurisdictional specificity that all corporate lawyers throughout the world use.

Knowledge, and in particular tacit knowledge, is therefore central to the activities of such firms as they aim to tailor their advice to a client's specific problem. Similarly Spar (1997, 9) notes, "lawyers have always sold a somewhat awkward product. They sell an information-based service – a product whose value lies in its customization, a product that is difficult to stockpile or resell, and a product based inherently on human, rather than physical, capital". Managing this knowledge is therefore critical to the success of law firms.

One of the central arguments of literatures considering the role of knowledge in law firms is that tacit knowledge is *more* important than explicit (training/education based) knowledge. As Marchant and Robinson (1999, 18) write: -

"Much of what is learned in law school is the language and principles of practice that are the starting point for a lawyer. But in order to develop competence, the lawyer – to be successful – must use the lessons of experience, the knowledge gained from mentors and observation of the legal system in action".

Although a basic training in law is essential (and therefore, as suggested in chapter two, tacit and explicit knowledge cannot be separated) it is the tacit knowledge lawyers accumulate through practice that makes them successful. Edwards and Mahling (1997) break legal knowledge into four categories, administrative, declarative, procedural, and analytical with only the last being tacit, the rest relating to form filling, explicit legal principles and procedures for activating laws respectively, all of which can be learned as part of a degree programme. However, tacit analytical knowledge developed through experience of practising the law makes lawyers successful because it informs "the conclusions reached about the course of action a particular client should follow in a particular situation. Analytical knowledge results from analysing declarative knowledge (i.e. substantive law principles) as it applies to a particular fact setting" (Ibid, 160). This is often based on past experience as "[a] lawyer who was more familiar with the issues could do a more thorough and more efficient job" whilst discussions with other professionals help because "learning is social: people learn in groups" (Ibid, 162). Table 5.9 outlines how a number of scholars have drawn similar distinctions, all highlighting the importance of tacit knowledge (although again also showing how this should not be dichotomised from explicit knowledge but rather seen as complementary).

In the eyes of the professional legal associations like the America BAR Association and the Law society in the UK, competence is also to some extent a result of experience (tacit knowledge). So to become a registered lawyer in the UK requires an individual not just to hold a law degree but also to have a level of experience at practising law, often supported by 'papers' documenting this. This is because during this process tacit knowledge is developed that then guides decision making in the future (Spaeth, 1999). Moreover, global law firms provide a very different service to what most individuals would receive from their 'high street' solicitors. They provide advice that is tailored to the client's problem *and* aims to provide the minimal impact (or best benefits) in a commercial sense based on lawyers' tacit knowledge of the issue being dealt with. As a result lawyers are

	Role of explicit knowledge (i.e. legal training)	Role of tacit knowledge (developed by experience or learned from those with experience)
<i>Terret (1998, 73)</i>	Dealing with 'procedure projects' where the solution is simply based on following the procedures set out in law (e.g. housing conveyancing).	'Grey hair' projects where experience with similar issues allows an appropriate solution to a common problem to be found. 'Brains' projects where tacit knowledge of the law allows a unique problem to be solved by creatively applying the law.
<i>Khandewal and Gottschalk (2003)</i>	Core knowledge of the law and how to implement it (e.g. how to file a court order).	Innovative knowledge that allows different strands of the law to be combined to solve a client's problem in a creative and acceptable way.
<i>The lawyer (2003b)</i>	Knowledge of legal precedents and processes.	Knowledge of how to use them in a specific situation – a thinking lawyer who can select the best approaches and processes for a client's situation.

Table 5.9. The role of tacit knowledge in law firms (compared with explicit knowledge).

management consultants in many ways and therefore need the problem solving abilities provided by tacit knowledge ⁸³.

The recognition that tacit knowledge is central to lawyers work means that tacit as well as explicit knowledge management is essential in any firm. Both Gottschalk (2000) and Terret (1998) suggest that law firms need both ICT based solutions (knowledge databases with case studies etc) but also 'softer' solutions, for example based on conversations, which allow tacit learning to occur ⁸⁴. Hunter *et al* (2002) focus on the role of de-brief sessions and corporate socialization in law firms as ways of managing tacit knowledge as well as highlighting the importance of junior lawyers learning from their more experienced counterparts. They argue that any firm should encourage lawyers to interact and share experiences in order to facilitate successful knowledge management. Together these provide the full gamut of knowledge needed by a lawyer, both explicit and tacit. Again, for global law PSF's the question arises however as to whether the organisational models used allow effective knowledge management of this type. Both Cooper *et al* (1996) and Hanlon and Shapland (1997) note how the move to more business like models of law firm governance reduces the opportunity for the type of collegial behaviours needed for knowledge management. In particular they have argued that lawyers are becoming increasingly competitive as salaries are determined by the amount of billable hours charged to clients (eat what you kill) rather than the overall success of the firm (lockstep). This discourages lawyers from both taking the time to engage in knowledge management (the time could be spent on billable activities) and from helping colleagues even when the time needed is minimal (as it might allow them to become more successful and therefore better paid than themselves).

⁸³ This type of advice is referred to as 'Cravathism' by Trubek *et al* (1994) in recognition of the American lawyer, Paul Cravath, who pioneered such service provision. This model is now common for all large American corporate law firms and has also been extended to UK corporate lawyers. It aims to provide legal advice tailored to a client's business problem that 'exploits' the law in the most beneficial way for the client. It takes into account the commercial implications of any actions and seeks the best strategy to meet the client's aims. Flood (1996) refers to this as 'megalawyering' whilst Dezelay (1990) referred to a similar model as 'à la carte justice' with the approach carefully selected and tailored to a clients situation rather than being a 'one-size fits all' model.

⁸⁴ A similar point was noted in *The Lawyer* (2003b) where the importance of teamwork (within offices but also globally) was raised. It was suggested lawyers could learn a lot from each other by talking through past or hypothetical transactions and discussing ideas and thoughts.

This discussion highlights then how law firms provide another useful way of both investigating the heterogeneous nature of knowledge (in law the importance of training and explicitly grounded tacit insights initially appears very different to the creativity that knowledge is said to produce in advertisers) and the practices involved in knowledge production (and the challenges faced). Moreover, below it is noted how the local-global dimensions to knowledge production are also exemplified through the study of global law firms.

5.4.3) Global law firms in London and New York

Just as with advertising, the activities of global law firms are concentrated in world cities in order to service their global clients who also operate in such cities. London and New York are dominant in this geography because of the importance of these cities as the 'homes' of the majority of global law firms and also because of their centrality in global financial activities. Below a review of existing literatures considering the role of these two cities is provided. However, surprisingly little has been written about the activities of such firms in London and New York, especially in the case of the latter.

London emerges as both an important location in itself for the activities of global law firms but also a highly interconnected location in a global network of organisations. Indeed, 17% of US law firms' overseas offices are in London (Beaverstock *et al*, 2000), 16% of US law firms overseas workers (Warf, 2001) whilst a massive 80% of total FDI by US law firms is focussed on London (Cullen-Mandikos and MacPherson, 2002). This process was in part driven by the deregulation of the Law Society in the UK in 1990 in what was referred to as the legal 'big bang'. For the first time foreign practitioners were permitted to become registered lawyers on completion of transfer tests or, where the individual was suitably experienced, through an interview assessment⁸⁵. For UK firms, London is both a critical 'home' market, worth in the

⁸⁵ This raises an interesting question in terms of the transferability of 'experience'. Cullen-Mandikos (2001) notes how New York City lawyers are admitted by the Law Society to practice in London if they can prove they have experience of practising New York State law and that their knowledge is transferable to UK law. However, as was noted earlier, although legal systems have increasingly been harmonised (and the UK and New York State systems undoubtedly have a lot in common) there are still local idiosyncrasies to legislation. How a lawyer from New York City adapts to this (beyond significant training and experience in London) is unclear.

region of £7.7b, and also the control point for their overseas office networks (Beaverstock *et al*, 1999a). The result is a cluster of law firms in London (that includes the 20 listed in table 5.6) focussed on corporate activities (Corporation of London, 2003). Table 5.10 outlines the importance and size of the London legal market whilst Figure 5.4 shows the location of the clusters of the firms within London, both to the West of the 'square mile' of the City of London.

As far as studies of law firms in New York are concerned, there is an almost total dearth of literature. Although the importance of such firms is widely recognised (e.g. Sassen, 2000; Llewelyn-Davies, 1996) there is little if any literature that looks at specific issues relating to these firms. Warf (2001) notes that New York remains the centre of Corporate law in the United States in part at least because the clients requiring such a service are often based in the city and want their lawyers to operate close by (see also Beaverstock *et al*, 2000). However, outside of such casual observations there exists no other work to the author's knowledge. This seems somewhat surprising and troublesome. The overall lack of work on law (especially compared to advertising) may well be because law is not seen as such a 'sexy' industry as advertising. Whatever the reason, it is something that clearly needs addressing and is a void this study can fill. As was argued above, the importance of the 'local' spaces of London and New York as well as the global interconnections between

Total value of fees charged by law firms in London	1993/94: £3 billion 2001/02: £8.5 billion	Equivalent to 183% growth
Employment in London's law firms	1993/94: 10,000 2001/02: 12,000	Equivalent to 20% growth
Exports of legal services	1990: £446 million 2001: £1,229 million	Equivalent to 176% growth

Table 5.10: The size of London's 'global' legal market and its growth.

Source: Based on data from International financial services London (2003c).

Insert figure 5.4 here

firms in the cities (Taylor, 2004) means studying the local-global geographies is also possible and a valuable contributions to existing literatures.

5.5) Conclusions

Having considered how and why knowledge is important to advertising and law PSF's, how such knowledge is managed, and the geographies of the activities of these PSF's it is clear that such firms, as two case studies, offer a valuable way of studying both the heterogeneous nature of knowledge (advertising based on unregulated creativity versus law and is boundedness to explicit frameworks) and the spatial dimensions to knowledge production (locally in London and New York and globally through network interconnections). This will also fill the void of work in relation to the role of these firms in the knowledge economy. It is therefore now possible to make some connections with discussions in previous chapters about tacit knowledge and its geographies.

First, it clear that tacit knowledge has been suggested to be important in advertisers and lawyers work but, as was argued in chapter two, explanations of its role are somewhat shallow. It would be useful to go beyond descriptions of how advertisers and lawyers tailor their work to client's needs as explanation of the reliance on tacit knowledge. This undoubtedly forms the key reason for tacit knowledge being important but it would be beneficial to understand the important work practices of advertisers and lawyers that allow successful service delivery and how tacit knowledge guides these on a day-to-day basis. It would also be useful to further explore the complex and fluid dimensions to knowledge through the two seemingly contrasting case studies. Second, as tacit knowledge is so important to the activities of advertising and law PSF's its is vital to understand how it is produced in their employees. The above discussion noted that this is likely to have local geographies (in London and New York) and global geographies (between offices). By applying the theories of learning outlined in chapter three, along with insights about how local and globally scaled learning might occur and can be traced through a relational and topological framework, it should be possible by using an epistemology that privileges learning processes/practices to understand what facilitates collective learning in each city and also how (if it does occur) learning is stretched between offices. This will also help fill some of the gaps in existing literatures identified in this chapter.

Specifically then, it is possible to adjust the research objectives proposed at the start of the thesis and target them at advertising and law PSF's and highlight three important themes that will pervade discussions of the research results:

- i) Specifically in relation to global advertising and law firms, why is tacit knowledge important? We are constantly told that the knowledge economy dictates this and PSF's are said to provide a service based on knowledge, but exactly how does having tacit knowledge allow the provision of advertising and law professional services? To address this issue the nature of knowledge needs to be complicated and analysed I detail and the fluid and heterogeneous forms explored. This should deepen our understanding of tacit *and* explicit knowledge and their complementarity.
- ii) How is tacit knowledge produced (i.e. how does the learning occur) in these PSF's? Of the practices discussed in chapter two, which are important, what strategies do management have for encouraging this (and do some organisational models discourage it), and what impact on the day-to-day activities of employees of advertising and law firms does this have? What insights can the theories of learning outlined in the SAP provide into this and how can studying these practices help us to understand tacit knowledge production? In doing this the results should further develop our understanding of how to theorise the learning and knowledge management process and allow us to identify the factors that affect the practices of learning. It should also advance our understanding of how these practices are enacted within firms.
- iii) What are the geographies of tacit knowledge production in global PSF's? Is learning primarily fixed at the local scale in the cluster economies of cities such as London and New York or are these firms able to globalise tacit knowledge production through the firm's global network? In both cases, how are the practices of tacit knowledge production considered in question (ii) localised and/or stretched at the global scale and how can this be understood by tracing the socio-spatial practices involved? What does this say about the way we conceptualise the affect and importance of place and space and the disabling local-tacit global-explicit binary within economic geography?

The next chapter therefore proposes a methodology and methods to allow such research to be carried out.

6) Methodology

6.1) Introduction

This chapter considers how the key themes and research objectives identified can be situated within research paradigms in the social sciences and economic geography and as a result which methods are likely to reveal useful insights that fulfil the thesis' objectives. In particular it argues that methodological choice is affected by the need for in-depth focus on a number of processes and practices of knowledge production as well as the factors influencing them. The chapter therefore proceeds as follows. Firstly, it reviews the key methodological influences upon economic geography and highlights the relevance of 'new economic geography' to the thesis. It then considers how a research design drawing on the tenets of this approach can be constructed to uncover the geographies of tacit knowledge production. The challenges, logistics and issues encountered during the research process are also explored. Finally it outlines the nature of the advertisers and lawyers interviewed in London and New York and how they were recruited.

6.2) Methodology and (New) economic geography

Economic geography, as with many of the social sciences, has been a discipline in constant flux (some might say turmoil). Summarising this fact Barnes *et al* (2004) note how research in economic geography over the past thirty years or so has been influenced by at least five differing research paradigms, all of which continue to be favoured by different sub-sections of the discipline (see table 6.1)⁸⁶. The idea of 'new economic geography' (c.f. Yeung, 2003) integrates many of the variations of these approaches into a methodological framework that is argued here to be most relevant to this research. Both because of its recognition of the social, cultural and political factors influencing any process and also because of how it aims to open the 'black box' that is often used to represent firms, it provides an approach that will help answer the questions posed in this thesis.

⁸⁶ It is acknowledge that the 'quantitative revolution' is ignored in this analysis and that it played an important role on the history of economic geography. However, due to space constraints and the fact that such a discussion would add little to the argument made here, this 'paradigm' is not included.

Research 'paradigm'	Key tenets
Marxist inspired political economy (e.g. Harvey, 1982).	Research focussing on how the political and economic forces of capitalism shape the space economy and how social classes and the state clash as a result of such forces.
Critical realism (e.g. Sayer, 1984),	Focus on the causal powers of human action and the influences upon it acknowledging how responses are contingently defined and produced.
Institutionalism (e.g. Amin, 1999).	Research considering the effect of social, cultural and politically institutions on action in any place but also how these are constructed.
The cultural turn (e.g. Thrift and Olds, 1996).	A focus on the blurred boundaries between economy and culture that allows an understanding of how culture produces economy and economy produces culture.
Post-structuralist discourse (e.g. Gibson-Graham, 1996).	Research that considers how discourse produces and is produced by the economy and how this affects economic activities.

Table 6.1. Five of the main paradigms of economic geography.

Source: Adapted from Barnes *et al* (2004, 14-17).

New economic geography' has emerged principally as a result of the plethora of calls for economic geography to adopt a new epistemology and become more sensitive to the ways that the social and cultural mediate economic activities (see table 6.1). Thrift & Olds (1996) called for a 'polycentric', interdisciplinary and newly theorised economic geography in light of the cultural turn, something that recognises human actors as parsimonious with economic process. Others have similarly argued that there is a need for a move towards understanding what Barnes (2001) refers to as 'hermeneutics', the strands of social life that both create and reinforce economic geographies. For Amin and Thrift (2000, 4), as a result "It seems...that a turning point is being reached in the history of geography, one which involves both the matters of high theoretical principle and pragmatic decisions about allies." Allies, in their opinion, should come from other social sciences such as anthropology and sociology because of their methods and the ability they provide to look at the 'deep' social processes at the heart of economic geographies. Such approaches allow for the development of an "understanding [of] the social embeddedness of economic action, mapping shifting identities of economic actors, and exploring the role of context in explaining economic behaviour" (Yeung, 2003, 447). In terms of the aims of the thesis, this approach allows the nature and role of knowledge and its production to be understood as well as its social and cultural influences and their geographical variations⁸⁷. It is therefore

⁸⁷ The switch to such an approach has created a war of words however in recent years between both economic geographers and geographical economists (see *Antipode*, 2001; Scott, 2004). One of the

argued that selecting a suitable method that allows the exploration of such factors is central to understanding the geography of knowledge production. Below the process of identifying the most suitable methods for this thesis' research is outlined.

6.3) A research design for understanding tacit knowledge and its production

A good research design should be the starting point for any research and be an iterative process, subject to modification as the project develops. As *Burgess et al* (1994, 129) suggest, it needs to consider that:

"The terms 'fieldwork' and 'field research' have an omnibus quality to them. In common with many aspects of qualitative research they cover various elements of the research process: gaining access, the selection of sites, the collection and analysis of data, the strategies associated with reporting and disseminating data. Yet each of these aspects of the research process is not discrete, for each phase of qualitative research has implications for another. The choice of research questions has implications for the topics and themes of data analysis. The selection of research sites will have implications not only for data collection but also for the data that are available for analysis and dissemination".

As a result, the research design for this thesis was developed in just such an iterative manner. Interest in studying the local-global geographies of tacit knowledge production in PSF's came from reading two sets of literatures – one focussing on globalisation and PSF's and another on the 'new regions' and their properties. The two somehow seemed to overlap with world cities, where global PSF's cluster, mirroring clusters of firms in regions such as Silicon Valley as well as having well-documented global interconnections. As the role of knowledge and its production are key arguments in literatures on both PSF's and the 'new regions' the idea of studying the local but also global geographies of tacit knowledge production in PSF's was born. Interest was also further reinforced by the ongoing debates about the knowledge economy (e.g. Leadbeater, 1999; DTI, 1998) and the difficulties economic geographers face in overcoming the disabling dualism between tacit-local and explicit-global geographies of knowledge (e.g. Allen, 2000a; 2002). This suggested such a study would have academic and public policy relevance. Research aims and objectives were based upon pertinent issues identified in existing literatures on the role of tacit

strongest critiques has come from those who believe such an approach undervalues quantitative economic geography and its explanatory power (e.g. Martin and Sunley, 2000).

knowledge, its production and the geographies of learning and knowledge (e.g. Baumard, 1999; Sternberg *et al*, 2001).

The tenets of 'new' economic geography were, as discussed above, identified as most relevant to such research. The approach's ability to study the socio-cultural inflection of economic practice was seen as critical. The wide range of research methods associated with new economic geography were therefore reviewed and the ethnographic research methods adopted by 'new economic geographers' emerged as potentially useful for fulfilling the thesis' research aims. In particular the role of observation in new economic geography, often used in tandem with interviews the archetypal research method for economic geographers studying organizational practices (Yeung, 2003), seemed particularly promising⁸⁸.

Ethnography as a methodological construct recognises the social construction of studied objects. Perhaps the best inclusive definition is that of Brewer (2000, 6) who suggests that ethnography can be seen as "...the study of people in naturally occurring settings or 'fields' by methods of data collection which capture their social meanings and ordinary activities, involving the researcher participating directly in the setting, if not also the activities, in order to collect data in a systematic manner but without meaning being imposed on them externally" (emphasis removed.) If we unpack this definition, three key issues can be identified. First, ethnography aims to unpack social processes and the structures and agencies associated with them and all of their complexities. The importance of social interaction and the affect on the process of interpretation is considered rather than just the outcomes of any practice (Atkinson &

⁸⁸ The most common conceptualisation of observational work is that of Gold (1958) who defined four positionalities to take in observation based research. *Complete participant* where you are a normal member of the group (probably before the research commences) so able glean data from this. *Participant-as-observer*, where you have a participating role, but only to facilitate your research. *Observer-as-participant*, where you are primarily an observer, but with some interactive role on occasions. Finally, *complete observer*, where you have no role in the social processes. There are however trade-offs between the positionalities. Gans (1999) suggests that the more detached you are from the situation the easier it is to be critical of the observed practiced. Therefore being a complete participant or participant-as-observer may not be desirable. Alternatively, Bryman (2001, 299) argues that "most writers would take the view that, since ethnography entails immersion in a social setting and fairly prolonged involvement, the complete observer role should not be considered as participant observation". The logic of this argument is that unless you participate in the social processes you cannot fully understand them. In reality which of these roles is adopted will be primarily determined by the level of access available and the nature of the social situation being researched.

Hammersley, 1994; Holstein & Gubrium, 1994.) This compels research fulfilling the second tenet of Brewer's definition, that which involves direct penetration of the 'field'. To understand such processes requires the incorporation of the voice of actors in such settings and for the researcher to have a complete understanding of the context and logic influencing this through their presence in the field. Consequently, as the third tenet of Brewer's conceptualisation highlights, this then places a burden on the researcher to prevent any external influences perverting interpretations and analysis.

As the practices of tacit knowledge production described in chapter three could be studied using both an observation and/or interview based approach it was necessary to carefully consider the best strategy for this research. Initially, a multi-method strategy was seen as the best option. This drew inspiration from a range of studies outside of economic geography (e.g. Knorr-Cetina, 1981; Zaloom, 2000). From such an approach it was hoped that a research epistemology focussing upon both the practices and their sociality (how they operated in various communities and were mediated by various forms of embodied interaction) could be adopted. However, as is common with research studying elites and firms (Hertz and Imber, 1995; McDowell, 1998) difficulties in obtaining the access necessary for observation based research prevented the adoption of such a multi-method strategy. It became clear after several attempts at securing access to advertisers and lawyers workplaces that although it was often possible to get agreement for access from gatekeepers that relationships had been established with through interviews, other members of the organization (both colleagues and more senior individuals) would then veto this access due to their discomfort with a researcher's presence ⁸⁹. Consequently it became necessary to revise the research design and to channel the research and its aims through the use of semi-structured interviews, something that access for was easier to secure.

Interviews are the standard and proven method for researching processes and practices occurring within PSF's (e.g. Beaverstock, 2002; 2004; Cooper *et al*, 1996; Greenwood, 1990) because of the relative ease with which access can be secured and the in-depth understanding of socio-culturally inflected practices they provide ⁹⁰. Below

⁸⁹ These concerns normally centred on how the clients of the company would feel about an 'outsider' being present when their commercially sensitive projects were being discussed.

⁹⁰ Clark (2000) in his work on pension fund capitalism uses interviews to develop an understanding of the social processes involved in decision-making in this industry. He identifies themes and concepts from his interviews that highlight the socially and culturally mediated world of finance. Similarly, Schoenburger

the strengths of interviews are considered further and explanation given for why such an approach alone still provides a suitable research method for understanding the production of tacit knowledge. However, it is important to recognise that using interviews alone means an epistemological shift is needed because of the different nature of the data provided compared to an observation based approach. In particular it means it is not possible to study the 'sociality' of practices and how they are affected when mediated through communities and the forms of communal interaction discussed in chapter four. Rather it means focus must be on how the *individual* understands and is affected by the enactment of these practices in community and social settings. Therefore the empirical results describe how the practices described in chapter four are enacted in a community setting but with focus placed principally on analysing how they help *individuals* to become knowing.

6.3.1) Developing a research design based on interviews

Interviews have proved a valuable research method for economic geographers. They allow questions to be asked about the factors affecting economic processes and the experiences of interviewees to be expressed and included in subsequent analysis. Moreover they secure a higher response rate and more detailed replies to questions than postal questionnaires which are seen as relatively unsuccessful for researching corporate elites. However, as table 6.2 (and see also table 6.3 later in this chapter) highlights, a number of issues have to be considered when using interviews as a research method. This relates in many ways to questions of reliability and accuracy.

As conventional terms applied to quantitative data reliability and accuracy and are less applicable to qualitative work ⁹¹. Many qualitative researchers have instead adopted the work of Lincoln & Guba (1985) in order to define the aim of any ethnographic research. Four factors are seen as applicable. First, *credibility* considers how written descriptions of

(1997) uses interviews to understand the cultural influences on the activities of large organisations and how a 'cultural crisis' occurred in many globalising firms.

⁹¹ For example, Bryman (2001) notes how reliability as a term refers to the replicability of study. It will be impossible to every exactly replicate an interview or a social event as each is unique. Similarly, accuracy refers to whether we are measuring the correct variables. Again, in social research we cannot define exactly what we should measure. Therefore, alternative approaches are needed.

Insert table 6.2 here

processes should be recognisable to the researched as a process they are involved in. *Transferability* requires consideration of the relevance of findings outside of the specific context of study. *Dependability* considers how the ideas may be applied when certain elements of the situation are changed, for example over time. *Confirmability* questions whether we can go into the field and observe the processes described in any research outputs. The aim then is to ensure research avoids biased or confused findings ⁹². Analysis of the data gained from interviews must therefore be sensitive to the issues highlighted above. The 'grounded theory' approach for analysing interview transcripts developed originally by Glaser and Strauss (1967) is useful in this regard. As a 'bottom up' approach, grounded theory supports the epistemology and methodological tenets of 'new' economic geography by approaching data without a *priori* logic and instead searching for reasoning within the data. By codifying parts of the transcripts and notes produced it allows recurrent elements to be identified and subsequently, through a recursive process that goes into more and more depth, indexes and sub-indexes to be created that represent recurrent themes and ideas. Computer-based analysis can be used to do this but often 'highlighter pens' are employed to mark parts of the transcript that should be included in code tables of exemplary comments ⁹³. To guarantee a comprehensive analysis the interviewer should ensure each issue has reached what Glaser and Strauss (1967) refer to as 'theoretical saturation' by the end of the research. This means that the ideas and comments being made in the final interviews are only repeating what has been uncovered in earlier interviews. At this point it is acceptable to assume the researcher

⁹² Herbert notes the potential for bias in interviews, as with all ethnographic approaches, that can exist in three forms. First, interpretation is said to be dangerous process when the researcher has actually been a 'tool' in the data collection process, being present in the social situations. Second, generalisation seems impossible as extracting trends is not a simple process. Third, the power of the researcher is great and could lead to abuse of their position. However, as table 6.2 highlights, if suitable considerations are made such challenges can be overcome. Baxter and Eyles (1997) suggest the following procedures (not all of which need to be used in any one study) may help overcome such issues: multiple methods; respondent validation; interview quotations in write-up; critical analysis of interview practice; critical analysis of interview coding/analysis' immersion in the field for a lengthy period to confirm ideas; revisits after a time period has elapsed; appeals to the interpretative community (fellow academics) for validation; the inclusion of deviant cases that do not reflect the researchers argument.

⁹³ Many debates exist as to the usefulness of computer packages in this process (see for example Crang *et al*, 1997; Hinchcliffe *et al*, 1997) but generally their value to geographers seems to be limited. Two key issues seem to exist. First, many packages offer little more than sophisticated 'word search' tools, and even those that go beyond this cannot provide the detailed and contextual understanding that human analysis can provide. Second, such packages contain inherent 'assumptions' that only the programmers are aware of.

is saturated with all of the data needed to understand this issue studied. The next section considers how interviews and a grounded theory approach were used in this thesis and their value both to understanding the socially and culturally mediated nature of the practices of tacit knowledge production but also in understanding the role of tacit knowledge itself.

6.3.2) *Employing interviews to study tacit knowledge*

Whilst Horvath (1999) argues it seems paradoxical in many ways to study tacit knowledge through interviews because, as Polanyi (1967) suggested, it is hard to verbalise he also recognises that “[i]f we are to advance on solutions to problems of knowledge elicitation, transfer and measurement, then we need to get beyond the ‘hand waving’ that characterizes most discussions of tacit knowledge” (Ibid, x). Interviews are seen as one of the best ways of doing this (along with psychological tests for trained psychologists). The key to using interviews to study tacit knowledge lies in asking questions about the processes associated with the use and development of tacit knowledge rather than the knowledge itself⁹⁴. One of the best developments of such an approach has been by Robert Sternberg in relation to his work on practical intelligence (see chapter two). This can be used to inform the application of the research method in this thesis.

Sternberg has developed a method that allows a ‘tacit knowledge inventory’ to be produced that details the key-ways tacit knowledge makes people successful in a profession (see Sternberg and Hedlund, 2002; Sternberg *et al*, 1993; 2000). This builds on the fact that Sternberg considers ‘all tacit knowledge to be procedural’ and based on unconscious learning and the development of understanding about a procedure or process (Hedlund and Sternberg, 2000). He suggests therefore that through semi-structured interviews and subsequent analysis it is possible to identify when tacit (procedural) knowledge is deployed. The interview has three stages. First, an introduction in which the interviewee is informed of the interview’s intention. They are told that the interviewer wants to know what they have learned and gained over time that makes them successful (for example why they are a better lawyer now than

⁹⁴ Baumard (1999) uses interviews to understand the tacit knowledge individuals use when completing tasks at work and also to understand the process by which they accumulate such knowledge. This means the focus of questions is on why an individual did something a certain way, how they came to be able to respond successfully, rather than on ‘what do you know tacitly’.

when they left law school). Second, they are asked to tell stories about when they were successful and/or learned something. Third, these stories are followed up with more detailed questions about the specifics of that event: why they acted in a certain way, what helped them decide to act like that, what they learned from it.

Building on the fact that tacit knowledge is seen as procedural, Sternberg suggests that detailed examination of the responses of interviews can then uncover examples of tacit knowledge (i.e. occasions when the knowledge used to determine action was based on personal understanding and sensemaking). Transcripts are searched for examples where an individual explains their actions using personal rationales, for example, I did this BECAUSE I felt this would be important. Only when the response exemplifies this type of personal learning (i.e. it is not explicit knowledge) is the response taken to show tacit knowledge. So for example, the response to the question 'why did you do that?' of 'because its part of protocol' is *not* an example of tacit knowledge whilst 'because when I did a similar case it worked well and I just suppose it seemed like the best thing' *is* an example as it shows learning which is not codified or explicit in form (whereas protocol is and can be learned from a book).

Such a technique does however seem open to criticism because of the role of the interpreter in deciding what is and what is not tacit knowledge and the ambiguity that may creep in. Moreover as the learning that produces tacit knowledge is supposed to be unconscious the interviewee may well not realise their actions were based on such knowledge. The author is not aware of any critiques of Sternberg's methods in the literature, probably because of the difficulties all researchers face in eliciting examples of tacit knowledge, and is not aware of any economic geographers employing this technique. However, Chris Hackley (1999, 724) has wrestled with the same problematic in his research looking at the role of tacit knowledge in advertisers work. He asks "[c]an we derive theories from the things expert marketers say about what they do?" He goes on to say that:

"There is a philosophical issue at stake here concerning the (problematic) distinction between action, and linguistic signifiers of action. To take an essentially structuralist perspective, we can say that, where a person is asked to introspect about their mental processes in practising their professional activity, their answer must reflect the linguistic presupposition of the discipline in which they operate".

Therefore, he argues that because these people are not psychologists they will not be able to accurately articulate their use of tacit knowledge. As Polanyi (1967) notes, tacit

knowledge is hard to verbalise, so when asked about their knowledge interviewees are likely to provide explicit, textbook examples. Hackley suggests that our analysis needs to be philosophical and critical, considering carefully the epistemological and ontological significance of explanations of tacit knowledge. We should focus on examples of learning that seem likely to have resulted in tacit knowledge. Therefore, questions should focus on learning and developing a personal logic, not on 'what does everybody need know' style questions. Using interviews in such a way would seem then the most effective strategy to uncover the nature of tacit knowledge (considering the lack of skill, finance and time needed for any form of psychological testing). When coupled with analysis of the practices and their geographies it should allow all three of the thesis' research objectives to be fulfilled.

6.4) Application in the thesis

Semi-structured interviews were used in this research to unpack the role, importance and geographies of tacit knowledge production and to understand the factors affecting this. Table 6.3 details how some of the factors considered previously in relation to interviews as a method (see table 6.2) are relevant to this research. These issues are also explored further below. In employing semi-structured interviews it was necessary to tease out, using narrative, the nature of tacit knowledge and the role of the practices involved in its production. Interviews began with the type of introduction Sternberg et al (2000) suggest (see above) and then proceeded to question interviewees in three ways in order to address the three key areas of interest in this research.

First, interviewees were asked to describe, unpack and explore both how and why they were successful in recent work they had completed and also to consider why they were more successful in their job role today compared with when they first started their career. Questions such as 'and how did you come to learn that was the best way' or 'what made you react in that way' were asked. Discussions by interviewees of how they had improved since they began their career were probed with questions such as 'and what have you learned over the years that makes you more successful' and 'so what do you do differently to when you first started your career'. Further questions interrogated whether success could be based on the repetition of strategies used in the past or whether it was necessary to be guided by such experience rather than re-enacting the approach to a

Factor	Effect on interviews and techniques for overcoming problems
Access	Elite's are notoriously difficult to access (see main text for response rates). Once initial contacts made 'snowballing' technique used.
Ethics	All guidelines set out by British Sociology Association followed - e.g. all interviewees volunteered to help, none coerced; open about intentions; anonymity guaranteed; no research subjects put in position of risk.
Data recording	All interviews tape-recorded with interviewee's permission and transcribed afterwards. Offer to see transcripts made (only 2 interviewees took this up and no amendments were made). All interviewees promised anonymity in quotes.
Researcher positionality	Intensive literature research (both academic and industry press) completed before commencing research to provide background knowledge. Interviews completed in New York however likely to have been effected by increased 'outsider' effect because of UK origin of interviewer (see Herod, 1999 for further discussion of this point)
	Dress and language tuned to reflect that of interviewees.
	Recognition that elite's were being interviewed and that they could potentially have more power and be in control on interviews. Interviewer ensured that railroading did not occur and they maintained control of interview.
Verification of interpretations (i.e. not influenced by researcher's misinterpretation)	Verification questions inserted into interview schedule that attempted to ask similar questions but from different approaches so that misleading comments could be filtered out and interviewer had opportunities to verify understanding.
	All interviews terminated with a 'meta-interview' as Schoenburger (1991) suggests that summarised the ideas expressed and asked the interviewee to confirm the accuracy of interviewers understanding.

Table 6.3. Factors affecting the success of interviews as a research method for studying PSF's and solutions to potential problems as used in the thesis' application of the interview method.

project. Full details of this line of enquiry are provided in the interview schedules and transcripts in the appendices. In all cases the aim of this part of the interview was to explore the type of understanding that made interviewees successful and more successful than when they started their career and specifically to search for examples that showed the learning process Sternberg *et al* (2000) describe, i.e. examples of how a personal understanding and logic guides behaviour.

The following section of the interview then secondly moved on from the type of insight that made interviewees successful and focussed upon the practices that produced tacit knowledge. Interviewees were asked to describe how experience, talking and reading had helped them develop the type of insight that makes them successful. They were asked to describe various situations in which these practices allowed learning to occur, what affected whether they learned, and what they felt they took away from the practice(s) involved. They were then questioned about how this insight guided future behaviour and whether they remembered what they had experienced, talked about or read or whether it informed actions in some other way.

Finally interviewees were thirdly asked to describe the spaces in which such learning practices were enacted. Here they were guided to think about how each practice was played out, benefited from or was inhibited by enactment in (a) the offices of the firm they worked for; (b) the city spaces they worked in and the various arenas for enacting the practices; and (c) the global corporate networks of the firms they worked for. In each case interviewees were probed about the situations in which the practices occurred, what affected whether they occurred, the influences and limits on the success of learning and the benefit they gained from the enactment of these practices at various spatial scales. Throughout all of this interviewees were again and again asked how the practices affected their understanding and how they learned from them.

The same fundamental interview schedules were used for advertisers and lawyers in both London and New York with only technical terms relating to each industry and the names of professional associations changed. These changes were necessary and ensured the interviewer explored pertinent industry-specific processes and minimised the affect of his positionality (academic with no expertise in advertising or law) through exhibition of relevant understanding of the respective industries.

All interviews were transcribed immediately after completion where practical. Transcripts provided full renditions of the interview with both the interviewer's questions and interviewees responses noted. A 'cleaning up' process was used (see Bryman, 2001) to remove meaningless pauses such as 'ehm' or 'ahh'. These add no value to the analysis here (although would of course be highly valuable if formal conversation analysis was being completed). It was then possible to analyse the transcripts in two ways. First the technique of Sternberg et al (2000) was employed to seek out examples of the role of tacit knowledge. The replies of interviewees to questions about the factors making them successful were analysed to find examples of where actions were guided by a personal understanding that had been developed from either past experience, talking with other professionals or reading (see appendices 3 and 4 for examples). This meant excluding comments that suggested actions were based on following a rational logic or routine and instead focussing on descriptions of 'intuition' or 'gut feeling'. Analysis of these responses is covered further in chapter seven. This was then secondly followed by analysis based on grounded theory logic. Examples of how the practices of tacit knowledge production allowed understanding (knowing) to develop, and specifically how the practices aid cognitive processes, were extracted. These were highlighted based on the key ideas and themes that appeared repetitively in transcripts. Finally explanations of the success or failure of the

practices in the local-global spaces studied were sought and relevant themes extracted, again using the grounded theory logic described above. This helped ensure a deductive analysis took place with the non-projection of meaning onto data and the credible representation of important processes and practices⁹⁵. By the end of each set of interviews the researcher was satisfied theoretical saturation had been reached in relation to all of the key issues highlighted.

All interviewees were encouraged to think critically about aspects of everyday practice, to evaluate the events and practices and to reflect openly on the norms of social engagement and learning. Questions were often rephrased, posed from different perspectives and broached several times but with different foci in order to ensure what the interview expressed was consistent and not designed to be misleading. Where possible interviewees were encouraged to ramble and describe in detail their experiences, beliefs, concerns and honest opinions about everyday learning practices without resorting to reciting 'corporate ideals'. Where corporate ideals were described interviewees were asked to be critical and reflexive in analysing the true reality and success of such practices.

Fifty-eight interviews were completed with a range of individuals from the population of advertisers and lawyers working for the key global advertising and law firms in London and New York (see tables 5.2 and 5.7 in chapter five for details of the firms studied). For both advertising and law firms' interviews were first completed in London and

⁹⁵ One important element of managing the overall research process to ensure the credibility of the data was the effective management of the positionality of the interviewer. This meant ensuring interviewees felt the interviewer had some knowledge of their industry and behaved like an insider to the industry (see also discussion above in main text). Table 6.3 highlighted how this was achieved. It also meant being aware of the role of gender in interviews (c.f. McDowell, 1997). As is highlighted in sections 6.41 and 6.42 interviewees were both male and female. The dynamics of the social relationship between interviewer and interviewee had the potential to differ in such circumstances with in particular power relations changing. Indeed the key issue to emerge was the increased willingness of female interviewees to fully discuss ideas and experiences compared with male interviewees. Here there seemed to be a dynamic that involved female interviewees enjoying having 'power over' the male interviewee because of their possession of research data. It also seemed to involve a relationship of 'dependence' whereby the male interviewees' dependence on this female interviewee lead to a desire by the interviewee to help where possible. In contrast male interviewees were much more reluctant to 'lay bare' their lives and tried to maintain their 'power' by withholding some insights. It was therefore necessary to be reflexive in dealing with such issues and spend longer developing a trusting relationship with male interviewees and probing and coercing the necessary insights from them.

latterly in New York. Below a detailed analysis of the way interviewees were recruited is provided.

6.4.1) Advertisers

Firstly, from the 15 advertising firms identified in chapter five, four employees working in the London offices of each firm were contacted. As a result, 60 e-mails were sent. E-mail was used as it is the communication method of choice for all employees of professional service firms, as with most firms today. The four e-mails sent to each firm were aimed at the four discreet divisions of work within advertising agencies. First, a managing partner/account director was contacted. Second, a member of the planning department. Third, a member of the creative department and fourth, a member of the account management department. The individuals contacted within each department were selected at random by taking the first person listed in the Institute of Practitioners in Advertising (IPA) website listing for each firm. This source was used rather than company websites because of the limited amount of contact information provided on such sites.

After sending the initial e-mails four acceptances were received representing a 7% response rate. After sending one follow up e-mail this increased to 12 acceptances (20%) whilst eight e-mails were forwarded to other members of the company. Five more acceptances were received as a result of this, meaning 17 interviews in total were arranged, an overall response rate of 28%. This is an average acceptance rate for work with corporate elite's. Three of the five interviews completed as a result of e-mails being forwarded were with knowledge management specialists. This added an important extra dimension to the research. The non-respondents and refusals came from all four categories. Refusal rates were as follows; managing partner 47%; planners 66%; creatives 87%; account managers, 80%. The high level of creatives refusing to be interviewed was a cause for concern. The nature of such professionals (they are renown for being somewhat shy, reclusive individuals) possibly explains this problem however. At minimum, individuals in each job role in advertising agencies are included. From the interviews completed the snowballing technique was then used and five additional contacts made. The result was 22 interviews completed with advertisers working for 11 of the 15 key global agencies identified. Table 6.4 gives more detail about interviewees. The firms not represented showed no trend in relation to nationality, size, communications group or any other factor.

The success of recruiting interviewees was very much influenced by the flexibility, determination and influencing skills of the researcher. It was necessary to 'sell' the project to potential interviewees and both offer feedback from the results and highlight why the research may be relevant to their organization. Any concerns or difficulties raised by interviewees then had to be addressed (ranging from confidentiality through to the amount of time completing an interview would take) whilst it was also important to flatter, show gratitude towards and abide by the norms of interview candidates. This involved, for example, liaising extensively with personal assistants (the gatekeepers to advertisers and lawyers diaries) and troubling interviewees as little as possible before the meeting. Indeed, once agreement had been reached about holding an interview advertisers' and lawyers were not contacted again until two days before the intended meeting. An email was then sent thanking them for agreeing to be interviewed and reminding them of the time/date of the meeting and the projects aims and scope. This renewed the relationship between interviewer and researcher and ensured researcher

Job role	Number of interviewees in London	Number interviewees N York	Different Positions within job role held (and no. of interviewees in position)	Job description
Managing partner/account director	7	1	Office chief executive (1) Senior account manager (7)	Overall strategic management of accounts and agency output ensuring compliance to agency standards and ideals as well as client requests
Account planner	7	2	Head planner (3) Planner (6)	To write a creative brief based on knowledge of the consumer and the brand in question in order to provide a strategy upon which a campaign is based.
Creative	2	2	Head creative (1) Creative (3)	Based on the creative brief, produce ideas and concepts that can be used in advertising as well as ideas for artwork, music and voice-overs.
Account manager	3	1	Account manager (4)	To oversee the whole process from planning to creative work, ensure time scales are met and customer pre-requisites and non-negotiables complied with. To develop good client relationships.
Knowledge/development manager	3	1	Head of employee development (1) Head of knowledge management (2)	To provide the tools and activities needed to train and develop employees and share learnings throughout the firm.

Table 6.4. The roles of advertisers interviewed in the research.

and interviewee had a degree of familiarity from the start of the meeting. These strategies are relevant to all interviews with advertisers and lawyers (see below).

All interviewees were graduates from various social science and natural science disciplines except one who had started as a secretary and gradually gained promotion through the firm. Advertising agencies were less gender divided than law firms (see below) with eight female interviewees holding a range of positions including account director being recruited. The level of seniority of interviewees varied from senior managing executive for the office to management and non-management roles in all other sub-disciplines. Level of experience ranged from three to twenty-five years (13 years on average) with interviewees working for between one and five different firms (three on average). All interviewees worked on at least one global account (most worked on between two and four different accounts with at least one being a global account). All interviewees except one who was born in New Zealand were of UK origin. Interviews were carried in early 2004 and tape recorded to capture the in-depth processes and nuances expressed by interviewees in relation to tacit knowledge. Interviews lasted between 30 and 80 minutes (50 minutes on average).

Exactly the same strategy was used to recruit interviewees in New York. Contacts were somewhat more difficult to find however. The American Association of Advertising Agencies had the most comprehensive list of contacts and was therefore used in the same way as the IPA's web site in London. However, although there was contacts for all 15 firms not every discipline was represented in all cases. As a result only 40 emails were sent in total. However this was sufficient due to the financial constraints on overseas research that limited the time available to complete interviews in New York. Four refusals were initially received, twenty-seven did not reply after one follow up e-mail and nine accepted. This represents an acceptance rate of 23%. Only seven of these individuals were interviewed however due to difficulties in arranging convenient dates and times. This represents six of the fifteen global agencies with again no trend or pattern in those not included being obvious. The aim was not to provide a comparative case study through these interviews but to look at the geographical variations in processes identified in London. Therefore seven interviews are sufficient. Table 6.4 also details the roles of interviewees in New York. These advertisers had between three and nineteen years experience (nine years on average) and had worked for between two and four different firms (three on average).

Interviews were carried out in June 2004 and lasted between 30 and 75 minutes (45 minutes on average) and followed exactly the same principles as described above.

6.4.2) Lawyers

From the top twenty firms identified in chapter five a body of lawyers working in London were contacted by e-mail. Company web sites were consulted and lists of lawyers examined with three individuals contacted in each firm. First, the managing partner. Second, a partner from either the corporate or finance practice area, the dominant focus of lawyers' work in world cities such as London and New York. Then, thirdly an associate lawyer in the corporate or finance practice group was contacted. The corporate/finance partners and associates were selected at random whereby the first individual identified in one of these practice areas was contacted. Most lists are in alphabetical order by office. By selecting a list of partners for the London office of each firm a random list of contacts was produced. The search started with the first name on the list until a suitable individual was found. The result was e-mails to three individuals per firm (resulting in 51 e-mails in total as three firms did not have specific lawyer contact details available, instead using a generic e-mail form that went to central account. Therefore these firms were not included in the research).

The initial response rate was seven out of fifty-one (14%) and increased to 14 (27%) after one follow-up e-mail. Four individuals were contacted as a result of the initial e-mail being forwarded to professional support lawyers (PSL's). These are the knowledge management specialists in law firms, trained lawyers who are dedicated to maintaining libraries, precedent databases and knowledge management systems and providing training for lawyers. This adds an extra dimension to the research. Refusal rates by job role were as follows: managing partner, 94%; Finance partner, 94%; Corporate Partner 76%; Finance associate 82%; Corporate associate 94%. Table 6.5 details the numbers of interviewees recruited in each job role. As is clear, roughly equal numbers of corporate and finance speciality lawyers were recruited with more partners responding from corporate practices but fewer associates and the reverse situation for finance specialists. Snowball contacts were used to further improve the balance of interviewee job roles with an additional three finance partners, one corporate partner, and two of both finance and corporate associates recruited. This resulted in 22 interviews in total. The respondents' came from 11 of the 17 firms contacted, 11 from the original top 20 firms identified. This represents 55% of the key

'global' law firms in London with both UK and US originating firms included. Analysis of non-respondents and refusals revealed no particular trend as regards firm characteristics or job role.

All interviews followed exactly the same strategy as described above in relation to interviews with advertisers, were carried out in autumn 2003, and lasted between 35 and 90 minutes (60 minutes on average). Level of experience of interviewees ranged from six to thirty years (14 on average) with three interviewees not being of UK origin and being in London either on secondment or having migrated to the UK. Nine interviewees had originally left university with a law degree whilst 13 had qualified afterwards through corporate training programmes or spending time at law school after initial undergraduate studies. All but three interviewees had worked for more than one firm in London with some having made multiple moves (up to four, on average two). Again this is a common characteristic of such firms with a constant churning effect as people move between employers. All had experience of working on global transactions. Both female and male lawyers were interviewed in all positions except that of managing partner where only males were interviewed.

In New York exactly the same strategy was used. However, again due to the time and financial constraints outlined previously, only 34 lawyers were approached (two from each firm) with the first partner and first associate listed with corporate or finance specialism contacted. After one e-mail seven refusals were received and one acceptance. Five more accepted after one follow up e-mail. One person forwarded the e-mail to an individual holding a knowledge management type role who agreed to be interviewed. Twenty did not reply after one follow up e-mail. The result was seven interviews (two women five men), again to provide analysis of geographical variations in processes uncovered in London. This represents an acceptance rate of 21%. Table 6.5 gives details of interviewees. Interviewees had between seven and thirty years experience (17 years on average) and had worked for between one and four firms (two on average). Interviewees were predominately more senior lawyers (only two non-partners were interviewed). This should be borne in mind and any influences it has on the final analysis noted. Seven of the twenty global firms are represented (all of which were included in the research in London). Interviews were conducted in June 2004 lasting between 40 and 70 minutes (50 minutes on average) and were carried out exactly as outlined above.

6.5) Conclusions

The aim of the research design used is to provide a number of in-depth and contextualised understandings of processes and practices relevant to objectives of the thesis. An effective research design based upon insights from existing literatures and effective application of the interview research method should allow this. As has been identified here, interviews can both highlight the nature and role of knowledge and also how the practices of knowledge production are affected by socio-cultural influences at any geographical scale. Completing interviews in both London and New York allows identification of the subtle nuances in the processes associated with learning and knowledge production in the two cities as well as similarities and ensures the two key cities for advertisers and lawyers work are studied.

Position and speciality	Number interviewed London	No. interviewed N York	Job description
Managing partner	1	0	Partner voted by colleagues to manage the office and set its priorities and targets
Finance partner	4	1	Partner with expertise in finance related transactions (e.g. stock market floatation's)
Corporate partner	5	4	Partner with expertise in corporate transactions (e.g. mergers and acquisitions)
Finance lawyer associate	5	0	Lawyer of varying level of experience (from newly qualified to almost-partner) specialising in finance related transactions
Corporate lawyer associate	3	1	Lawyer of varying level of experience (from newly qualified to almost-partner) specialising in corporate transactions.
Forwarded e-mails to knowledge managers/professional support lawyer	4	1	Qualified lawyer who has experience of practising law but now focuses on maintaining the precedents libraries, computer-based systems etc lawyers need for research.

Table 6.5. The job roles of lawyers and number interviewed in each role

The following chapters use the data gathered from the interviews completed to begin to fulfil the aims and objectives of the thesis. Chapter seven identifies the heterogeneous and fluid nature of tacit knowledge and argues that a more complex understanding of knowledge is needed than a tacit-explicit binary allows. Chapter

eight highlights the practices that allow advertisers and lawyers to develop the tacit (and explicit) knowledge needed to be successful. The factors affecting the success of these practices at producing knowledge are identified and speculation made about their spatial characteristics. Chapter nine then considers the spatial dimensions to learning. It highlights the architectures for learning at the local scale within the professional communities in London and New York and also at the global scale, between the offices of global firms. It is suggested that the ability to learn from other professionals at the local or global scale is dependent on factors that 'embed' learning at multiple spatial scales. Chapter ten then offers a discussion of the findings outlined in the previous chapters and some overall conclusions. It is argued that the results allow the local-tacit/global-explicit dualism to be deconstructed and ideas about the embeddedness of learning to be unsettled and reconfigured as multi-scalar rather than exclusively local.

7) ‘Solutions begin to feel like intuition’: The role of tacit knowledge in advertisers and lawyers work.

7.1) Introduction

In this chapter results from the interviews conducted are used to develop an understanding of why tacit knowledge is important to the activities of the advertisers and lawyers interviewed. The aim is to both better understand the role of tacit knowledge in the work of advertisers and lawyers but also to note any differences between the two professions. Two significant arguments are made that build on and refine existing understanding of tacit knowledge. First, it is argued that tacit knowledge is important in PSF's and other types of organisation where a bespoke and innovative service or product is needed. Tacit knowledge is shown to allow employees to intuitively identify the most effective and creative solutions. This advances our understanding of why tacit knowledge is vital for any firm operating in the knowledge economy and goes further than previous analyses by documenting how the production and delivery of services and the day-to-day work practices associated with this are affected by tacit knowledge. Second, it is argued that a more complicated understanding of tacit knowledge is needed that both acknowledge that heterogeneous, diverse and fluid nature of tacit knowledge and problematises its distinction from explicit knowledge. Substantive examples are used to illustrate this point and deepen understanding of how the two types of knowledge interact. To develop these arguments the rest of the chapter is therefore divided into six further sections. Sections two and three consider why tacit knowledge is important in the work of advertisers and lawyers. Section four then further deepens our understanding of the role and affect of tacit knowledge by looking at two of the implications the reliance upon tacit knowledge has for the production of professional services. Section five uses the insights gained to further explore ways of theorising the nature and role of tacit knowledge and its geographical dimensions whilst section seven offers some conclusions.

7.2) Professional service firms - 'vendors of tacit knowledge'

When interviewees were questioned about the importance of developing in-depth tacit knowledge and understanding initial responses highlighted how as PSF's both advertising agencies and law firms provide a bespoke service to clients based on insight, intuition and understanding and that this requires profession-specific knowledge (see also the findings of The Corporation of London, 2003). For advertisers inventive, inspirational or radical advertising could be seen as solely based on creativity, flair and innate ability. However, advertising executives of all seniority were quick to dismiss such a suggestion, instead arguing that good advertising is based on knowledge and understanding. All adverts have to achieve a strategic goal as determined by the client and every advert is made with a specific intention *vis-à-vis* the impact it will have on the consumer. As one interviewee suggested ⁹⁶:

"Because we are not just about entertaining people, we're about achieving something, you have to channel the creativity against that task...our agenda is to change someone's attitude or to get them to re-appraise the product and the only way you can do that is if the creativity is channelled against it, so it can't just be completely off the wall, it has to come back to the brief and the knowledge and ideas used to produce it" (A6).

As this quote highlights, the strategic success of adverts is essential and not a chance occurrence. Instead all adverts and the creativity involved in their production are based in many ways on the knowledge of the advertising executives involved ⁹⁷.

The same reasoning was very much at the forefront of lawyer's explanations of the importance of knowledge in their work. Central to the work of lawyers in London and

⁹⁶ As was noted in chapter seven, all interviewees were guaranteed anonymity. Therefore interviewees are identified in the following chapters by way of an interviewee identity letter and number. All advertisers were assigned the letter A and a number of one to twenty-nine (representing the 29 interviews completed). Similarly all lawyers were assigned the letter L and a number between one and twenty-nine. Interviewees A23 to A29 and L23 to L29 work in New York, the rest work in London.

⁹⁷ A large body of literature exists that highlights how all adverts are based on advertising executives' knowledge of consumer groups and how they apply this in a particular project (see for example Abratt and Cowan, 1999; Gould *et al*, 1999; Hackley, 2000; Kover *et al*, 1995). Scholars suggest that successful advertising is based on the application of knowledge of consumers but in a creative way. It is necessary to know how to convince someone to buy a product but also to be able to produce a fresh and innovative advertising format to attract attention and deliver this message.

New York is corporate transactions involving a range of the world's largest corporations which often have financial turnovers matching that of small nations (Dicken, 2003). Consequently transactions regularly involve deals that result in exchanges of capital measured in millions or billions of pounds or dollars. In such transactions lawyers argued that the advice given to clients was tailored and based on an in-depth and nuanced understanding of the law. These lawyers are not mass producers in the sense that they recycle the advice they give to clients again and again. Rather they are experts in their field, able to apply their knowledge to complex transactions with unique challenges. Therefore, as one interviewee described it:

"It's always about application of the law to business problems and business needs. So you won't get a problem, a commercial client need, which matches exactly the answer in the law book or textbook or the answer from a deal done previously. It will always need to be adapted and applied" (L8).

This comment reflects in two ways how these law firms provide a bespoke service that is based on the application of a detailed knowledge of the law. First, the answers, advice and solutions that lawyers provide cannot be found in textbooks. Unlike work carried out by some lawyers outside of London, for example housing conveyancing or divorce, corporate transactions are often highly complex requiring a new structure to be created every time. "In corporate transactions there are often far too many nuances for transactions to be copied. The complexity means you have to adapt and be original" (L10). Secondly, corporate lawyers need to be able to produce legally binding documents that exactly meet the client's commercial requirements. As numerous lawyers pointed out, they can never say 'no' to a clients plans, instead they must work out the best way to meet their needs without breaking the law. As a result most lawyers argued that they had to be creative and innovative, something they suggested was reliant on tacit knowledge.

These points reflect the ideas discussed in chapters two and five about PSF's and the unique type of service they provide and highlight why, as PSF's, knowledge forms the centrepiece of the product advertisers and lawyers deliver to clients. It is important to be aware that to some extent interviewees may have been trying to 'sell themselves' by arguing that tacit (personal) knowledge is vital to success. Lawyers are well renowned for being individualistic and trying to promote themselves (Terrett, 1998) and interviews with elite's are often plagued by corporate rhetoric or self-promotion

(Schönenburger, 1991)⁹⁸. However, interviewees also commented on a range of other important issues that highlight the importance of tacit knowledge in every day work practices and the production of professional services. This suggests such beliefs are not unfounded and allow us to better understand the importance of tacit knowledge in PSF's than existing literatures, simply highlighting the bespoke nature of their work, enable. In particular the detailed empirical examples of the role of tacit knowledge provided in the next section support the argument that the bespoke and innovative nature of the activities of PSF's makes tacit knowledge essential.

7.3) Tacit knowledge and the 'one stop shop' service

This section is based on interviews completed and analysed using the tacit knowledge inventory method of Sternberg and aims to unpack the importance of tacit knowledge in advertisers and lawyers work. Quotes used below both outline the role of tacit knowledge but on several occasions also provide evidence of how this type of knowledge is developed - i.e. when a process of individual learning and sense-making has occurred that allows tacit (unconscious procedural) knowledge to be produced. Examples of the learning process are highlighted in *italics* in the quotations used. Identifying this is important to ensure the selected examples show tacit knowledge, that being a personal form of unconscious knowing (see chapter three). Examples demonstrating the application of explicit knowledge (in a complementary manner) are discussed later in the chapter. Below then five roles for tacit knowledge in advertisers and lawyers work are discussed. The ability to identify the role of tacit knowledge in each case supports the argument made previously that interviews are a useful way to interrogate the nature of tacit knowledge⁹⁹.

⁹⁸ As was noted in chapter six, one of the key challenges with all elite interviewing is ensuring that interviewees provide an accurate and true representation of the processes and practices studied. When interviewing senior members of any organisation there is always the potential for corporate rhetoric or self-promoting answers to be used rather than the expression of true opinions. To effectively manage this challenge it is necessary both to probe answers in depth and seek expressions of personal experience or belief whilst also inserting verification questions into interview schedules that approach issues from various different angles allowing results to be cross-checked. It is also important to establish a rapport with the interviewee, gain their trust and confidence in order to solicit as much truthful information as possible.

⁹⁹ Advertisers (with the exception of one interviewee) were unfamiliar with the concept of tacit knowledge. Indeed, when questioned about what made them successful in their work many responded with answers

7.3.1) As problem identification

As PSF's advertising agencies and law firms aim to solve the commercial problems of their clients. However, before a solution can be produced the actual problem has to be identified. Both advertisers and lawyers were unanimous in suggesting that one of the first calls on tacit knowledge comes in the form of identifying the *real* problem of the client. Clients may be well aware that they need, for example, to defend their brand from a competitive assault or to find a way to merge with an overseas competitor. However, the actual *root-cause* of the problem and therefore the nature of the solution is more often than not unclear to them. For example, the need to defend a brand from competitive assault may exist because its image has become tainted whilst the real challenge to a merger may lie in restrictions imposed by an overseas financial regulator. The client will not be aware of these points but advertisers and lawyers argued that tacit knowledge enabled them to quickly and effectively identify the underlying problem their work has to deal with.

For advertisers then the most common argument was that people become better at identifying the main problem or challenge when they have had some experience. It emerged that the more experience and therefore tacit knowledge an individual has the better they are at quickly (and often the time scales attached to a project dictate things occur quickly) uncovering the key issue(s). Lawyers made very similar arguments. Whilst looking at the structure of the firm(s) involved and legal documents/contracts associated with a transaction (a process that forms part of a lawyers due diligence exercise) lawyers suggested tacit knowledge becomes important because it allows an

such as: "I almost think that you either have a lateral mind or you don't and that's what's needed in advertising" (A9) and "a lot of it is about being a certain type of person...you need to be someone who thinks in a certain way anyway" (A11). Advertisers were very clear then that a certain personality profile was important in making you successful. However, when questioned about why they worked in certain ways and what made them decide to react and act in certain ways it became clear that tacit learning was important. Of the lawyers interviewed 16 out of 29 were familiar with the idea of tacit knowledge and directly argued that it was important in their work. The other 13 were not directly familiar with the term tacit knowledge but during interviews made arguments (for example about the role of experience) that described an important role for tacit knowledge even though the exact terminology was not used. This supports then the suggestion that a pragmatic approach using interviews that focuses *not* on the knowledge itself but on the process of becoming knowing is valuable for deepening our understanding of tacit knowledge.

intuition or 'sixth-sense' of the real problem(s) to develop. The key problem(s) may not be obvious from just reading the documents but when unconscious tacit knowledge is triggered they become clear. For both advertisers and lawyers explicit knowledge complements this process (following firm-specific routines for identifying the key commercial challenge in any advertising campaign or following due diligence routines for analysing the issues in any legal transaction) but tacit knowledge allows the process to be most affective. Typical comments about the role of tacit knowledge were then as follows:

"I think the most important thing about experience in advertising is that *you start to come across the same kinds of situations*, so you find yourself in the situation and instead of thinking about the situation in isolation you can think 'this is one of those kinds of problems or tasks'...Because you are often acting in a way that often seems to run counter to the evidence it can only be *based on experience* not the surface information" (A6).

"...you just develop this sixth sense and as I say, a little buzzer goes off in the back of your head. I remember when I was starting out as a young lawyer on the first few matters I'd be sitting in a room listening to matters and you don't realise. So I'd write up my contract, give it to my mentor, and he would cite these things ... its almost like having sixth sense about things so when you read something things jump off the page and hits you. *And that's based on something you've learned in the past but weren't aware of and it only comes after years of experience*" (L29).

These interviewees describe then a process through which individuals become *instinctively aware* of the underlying problem(s) in any project. The fact that both advertisers and lawyers argued they are able to more quickly and effectively identify the problem because of similar traits from past projects suggests that certain stimuli and triggers of association help invoke the (unconscious) tacit knowledge developed from past situations. Indeed, as the first advertiser suggested, often their reactions seem contrary to the evidence but deep down something makes them react in that way. This is likely to be tacit knowledge. For example, when a client approaches an agency and asks for advertising to support a product re-launch tacit knowledge may be important in various ways. It may, for example, lead the advertiser to realise that rather than viewing the task as re-launching a product the real issue to be focussed upon is the target audience of the brand and the ideas used to sell the product.

The quotes above also highlight an important temporal dimension to the development of this tacit knowledge (see also chapter eight). As the lawyer quoted above suggested, tacit knowledge is important because of how it creates a ‘buzzer that goes off in the back of their head’ that helps to identify a problem. The fact that they were unable to do this as a junior lawyer suggests that the knowledge has been acquired over time and most probably unconsciously as the lawyer was unaware they had it. The partners in law firms interviewed often suggested that problem identification was not something trainee and junior lawyers would be left to do alone because they lacked the insight (the tacit knowledge) to do this effectively. Tacit knowledge develops then over time.

7.3.2) As problem solving

As well as identifying the problems, any PSF also has to be able to solve them in an effective fashion. For both advertisers and lawyers tacit knowledge allows this in number of related ways. At the outset, once the key challenge of the project has been identified it becomes necessary to quickly define an appropriate strategy and course of action depending on the insights gained from the client and the problem identification analysis described above. For both advertisers and lawyers this rarely means recycled approaches (although explicit knowledge of such solutions in the form of case studies and precedent libraries can inform thinking) but instead means identifying the key structures that, when combined, will provide a solution. As two interviewees described this ability:

“You might pull up an approach that you haven’t used in eight years and you might pull up something that isn’t related to you’re market in some way, it might be *‘oh this is a bit like the situation coffee was in this market’*. So I think you have like an internal database which you can draw on if its relevant” (A9).

“What I do find therefore is that having a kind of somewhat difficult to articulate feel for how an issue would probably be resolved is an important component of at least getting an initial reaction to it...*I guess what I find is that to a certain extent it’s close to like neurones firing in terms of what you remember*. And I find when I first encounter something I may not immediately, although I have a pretty good memory, remember all of the things in some sense of which I know but groups of things sort of present themselves to me” (L25).

In describing how they identify potential solutions, the first interviewee refers to an 'internal database' that guides 'intuition'. The second talks of neurones firing that raise unconscious knowledge and awareness. Both are most likely referring to their tacit knowledge developed from past learning opportunities in various forms. Remembering (having explicit knowledge) of how the same type of problem was solved in the past is unlikely to be useful (and more than likely such a problem won't have been encountered in the same way before). Consequently whilst explicit knowledge of text book strategies and past projects might help inform *thinking* tacit understanding based on personal learning is most likely to provide an appropriate *solution*. Again there is a temporal dimension to this with such 'automatic solutions' being something the more experienced advertisers and lawyers commented upon in most detail with more junior interviewees acknowledging that at times they were stumped by a client's problem whilst their superiors were able to instantly suggest a solution ¹⁰⁰. All interviewees recognised then the importance of such an ability; one lawyer commented how their trainees "call me an instinctive lawyer... you get a sixth sense after a while" (L10). Such ability allows solutions to begin to feel like intuition and is based on tacit knowledge that can be applied to produce a creative solution.

This begins to support then the argument made at the start of the chapter that tacit knowledge is important when bespoke and innovative services are needed, something that lies at the heart of the activities of all firms in the knowledge economy. However, once an initial solution has been identified there is still a lot of work to be done in order for

the final advert or transactional structure to emerge. The basic concept has to be fleshed out and developed with new problems and challenges emerging along the way. Problem solving then involves various other stages that also rely on tacit knowledge. At this point it is hard to draw direct analogy between the work processes involved in advertising and law firms because of the very different natures of their work. One of the biggest differences lies in the fact that advertisers are to some degree working with a blank canvass every time they start a project, aiming to develop a new creative idea for a campaign, whilst in contrast lawyers are working within well-defined legal frameworks that all lawyers are trained and socialised within. This is considered in

¹⁰⁰ For trainee lawyers this was not because they lacked textbook knowledge of '*the law*', often lawyers fresh out of law school know the technical nuances of the law better than partners. Neither was it because junior advertisers lacked technical knowledge of how to develop advertising campaigns. Rather it was because the experienced partners intuitively knew what was relevant and could be used as a solution in a particular situation.

more detail later in the chapter. There are however some generic stages that both advertisers and lawyers go through when working on a project that require tacit knowledge in order to be successful. These are considered below but with more emphasis on the differences between advertisers and lawyers work. They reinforce the fact that bespoke and innovative services are highly reliant on the production and exploitation of tacit knowledge.

7.3.3) As innovation

It became clear that both the advertisers and lawyers interviewed believed the services they provided clients were highly innovative and creative. For global advertising agencies creativity in advertising is a central pillar of the offering to clients – new ideas for solving old problems – whilst global corporate law firms offer innovative and tailored solutions to complex problems other law firms couldn't handle. However, the meaning of creativity and innovation varies between advertising and law firms. On this occasion the findings from interviews with lawyers are dealt with first because of the increased complexity of the findings for advertisers.

A common notion with 83% of lawyers (24 out of 29) was the need for lateral thinking and creativity in their work. Those who disagreed tended to be either PSL's who are focussed upon keeping other lawyers technical knowledge of the law up to date or lawyers who believed the technical elements of their work (i.e. knowing *the law*) are most important. As suggested above, this may be true for some provincial lawyers but for corporate lawyers in London and New York this is a fallacy and other interviewees saw such individuals as somewhat unsuited to the type transactions dealt with. Instead there is a need to be able to think around a problem, think laterally about possible solutions, and creatively apply the law to a situation. This often involves personal insight (tacit knowledge) into legislation's relevance to the current transaction and then creatively, based on this tacit knowledge, producing a new structure. Tacit knowledge is crucial as it allows this process to occur almost unconsciously and the lawyer to find an innovative solution quickly and effectively. Those who do not develop such knowledge according to one lawyer "become stuck in a rut and fail to be quite so effective... they can never step outside the rule book" (L6). However, stepping outside the rulebook does not mean breaking the law but rather, based on your understanding and past experience of legal structures, innovating and producing a structure that fits

the nuances of a client's project. The following comments are typical of how lawyers described this process:

"It is experience, it is both coming across legal issues that are both quite narrow and specialised in what we do and there are some very significant issues which are very significant for what we do that wouldn't be covered at all at law school. So you become very familiar with those as you start to grapple with them. Once you've mastered them you're in a position where you can finesse them, readjust them and become creative in the way you work with those issues in different transactions with different structures" (L9).

"...we can say, 'we have no clue how to get from here to there but ...we should be able to get there'. And that's a great illustration of the fundamental premise where you say, 'have I done this? No. Have I done 15 little pieces, streams and strands that are relevant? Yes. Can we pull all these together in different ways? Yes.' And there's a huge element of tacit knowledge in doing that" (L23).

These quotes highlight a key issue that all of the lawyers who claimed to be innovative in their work commented upon. It is only possible to be creative when you have learned about the structures you are being creative with. The tacit knowledge individuals accumulate *over time* about legal structures allows them to take separate and often disparate elements of legislation and apply them in new and innovative ways. This allows the identification of relevant precedents and practices that can be applied synergistically to produce a new and suitable structure ¹⁰¹. As one lawyer described this ability:

"Some people think lawyers are restricted in their creativity by precedent but one way is that when you're just more familiar with structures, it's like in music, the more songs you know, structures you've seen, the easier it is to write something new. It gives you more flexibility in working out a structure, changing certain aspects of it and you just become familiar with structures and how to manipulate them" (L28).

This suggests then that tacit knowledge plays a key role in guiding innovation in PSF's and therefore potentially any organisation aiming to provide clients with a bespoke and

¹⁰¹ This does not mean explicit knowledge of 'the law' becomes unimportant. Rather such knowledge supports and underlies the tacit knowledge used to innovate.

innovative product. This idea is reinforced by the fact that for advertisers innovation follows very similar lines to that described for lawyers. For any advertising project a strategy is needed for the advert. However, in addition to the strategy (which acts like the transaction structure does for a lawyer) a creative *idea* is also needed. This is an extra dimension and needs to be distinguished from strategy. The idea is the actual 'plot' in any advert for example using animals, humans or machines. This is a result of the knowledge that informed the strategy and is the final stage in a long and methodical process. For example, strategy generation may involve acknowledging the need to target annoyed consumers with high car insurance bills by making them feel x company would help reduce these bills. This strategy is based on knowledge of consumers and their feelings in relation to this product. From this strategy the advertiser can then develop a creative idea that uses, for example, a talking bird whose car insurance bill had been reduced by x company. The knowledge lies in first identifying the strategy (exploiting people's annoyance with high car insurance bills) and then developing an idea that can be used to deploy the strategy (using a talking bird that customers empathise with). Both of these roles are discussed below ¹⁰².

Advertisers all agreed that tacit knowledge has an important role in strategy generation in that it allows the development of a 'new' product each time. This means being able to work with various strategic approaches and create new synergies based on experience. Even if the project seems identical to past work tacit learnings will help produce something new. As one interviewee put it:

"There is a tremendous continuity as far as the basic proposition goes [but] we work for all sorts of customers in very different fields and one has to bring a different flavour to each of those customers. So if you maintain a certain quality you can tune it to a different flavour for each client and *that experience aspect is all about having done it and being able to tune it as needed*" (A5).

As this advertiser describes then, tacit learning from experience allows the adaptation or tuning of past experiences to each new campaign. The following comment suggests it becomes almost a 'cherry picking' exercise whereby the advertisers

¹⁰² To some extent strategy and idea generation related to two separate job roles in advertising agencies (account planner and creative respectively). However, as is discussed later in the chapter, there is a blurring of roles on many occasions with account managers, planners and creatives working together on each stage of a project. Despite this however it is true to day that each role in an agency requires the development of some specific skills.

instinctively use different elements of past campaigns to come up with a new and unique combination:

"So the more years you have in the business the more brands you work on and you kind of build up a portfolio of knowledge. That's why we encourage people to work on several different accounts at a time and so in my ten years of account management I probably worked on 25, 30 different brands and you build up a real insight and you think, what we're doing here is quite similar to what I did five years ago. And it doesn't mean you repeat things but you draw on your knowledge" (A13).

Creative idea generation follows this stage and is something lawyers do not engage in. Advertisers not only need to develop a strategy but also a concept or idea through which this strategy can be employed. Consumers only see the creative idea and should ideally be unaware of the underlying strategy. Knowing what kind of idea is appropriate in any scenario was suggested by advertisers to be based in large part on tacit knowledge of previously effective ideas and their impact on consumers. All of the creatives interviewed described such a role for tacit knowledge whilst 15 of the non-creatives also thought their ability to come up with ideas was based on such knowledge. The following interviewee's comment effectively reflects this idea:

*"...it takes time to have good creative judgement, to spot a good ad or a good idea from a bad idea, and over time people get more confident in being able to judge work. You also learn over time to have ideas that are particularly appropriate to a brief...and over time what happens I think is that the wastage of ideas gets less because people kind of develop an intuition *based on experience* of how to channel their ideas" (A13).*

As the quote suggests, the insights as to what will work in any campaign probably come from a number of different campaigns and what has been learned tacitly from them¹⁰³. Those who disagreed with this idea (ten out of the 29 interviewed) suggested

¹⁰³ So continuing with the idea used throughout this section, the use of a talking bird annoyed about the price of car insurance may actually have come from at least two tacit learnings. Firstly about how a talking dog was used to create humour in a campaign that wanted people to find the message conveyed ridiculous. Secondly, this may have been combined with the tacit learning that people feel empathy when they see someone/thing in the same situation as them. The idea was 'born' that a talking bird would create humour whilst if it is talking about the frustration of the high cost of car insurance the consumer will also feel empathy towards it. Tacit knowledge in this way is then vital for idea generation as well as strategy generation.

that inspiration was the source of ideas – the creation of totally new approaches based on an individual's flair. Many advertisers however contradicted this suggestion and also argued such ability was very rare and not the predominant source of ideas.

As is clear from the discussion so far then, tacit knowledge is vital when problems need to be solved in an innovative way. This is the hallmark of all PSF's and highlights how and why tacit knowledge is central to their success. Below a number of further points, all related to the production of professional services, further highlight how tacit knowledge informs activities. This reinforces they argument that tacit knowledge is vital to PSF's because of the innovative and bespoke nature of their work and also shows the wide range of scenarios in which it can be important and therefore that tacit knowledge is fluid and heterogeneous in nature. This point is developed further below.

7.3.4) As *intuitive quality control*

Having identified the client's key problem, the best solution and an innovative way of structuring the final product, both advertisers and lawyers also highlighted the importance of ensuring their work was successful. For advertisers this means ensuring consumers respond in the intended way to a campaign whilst for lawyers it means guaranteeing the legal structure will be accepted by regulatory bodies. Tacit knowledge is important in a number of ways in this process.

Of the advertisers interviewed 83% suggested that their intuition was the most important tool in the quality control process. Those who disagreed suggested forms of quantitative and qualitative analysis, for example through feedback from focus groups, was most important. These were predominately younger advertisers, probably who did not have the tacit knowledge needed to intuitively assess adverts and felt 'safer' using statistical and documentary evidence to justify their decisions ¹⁰⁴. Those who suggested intuition was important agreed that such evaluation was also valuable but believed their tacit knowledge of what did and did not work was more critical.

¹⁰⁴ All interviewees were quick to point out that the learning process as a young professional is about making mistakes as much as being successful and learning why things do and do not work. You then become better at intuitively assessing adverts.

The assessment of adverts using intuitive quality control is not a formal process but normally involves, in particular, senior managers and more experienced advertisers watching, reading or listening to an advert and then instinctively highlighting problems or strengths of a campaign. This is based on tacit knowledge of what has and has not worked in the past in certain markets and in relation to certain products. So for example, when watching an advert someone with this type of knowledge may highlight the need for a bigger logo, the use of a more colourful backdrop or changes that they intuitively feel will make the advert better. As one interviewee put it:

“...what becomes slightly more intuitive is the ability to analyse creative work. So if the planner writes the brief that the creatives work from we manage the entire process but at each stage check the ideas, and I guess that becomes intuitive as you understand the brand and advertising better *and its probably based on built up experience of what's good and bad creative work*” (A15).

The advertiser (who held a senior account management position) commented then on how they had learned over time about what was good and bad in relation to a particular strategy. This had become intuitive and he/she instinctively knew without research the effect an advert would have.

All lawyers also highlighted a similar role for tacit knowledge, what was commonly referred to as the ‘smell test’. Intuition based on tacit knowledge means lawyers are able to ‘smell’ whether an approach is likely to work or whether it will be challenged by regulators or opposing counsel (the lawyers working for other parties in the transaction). Again, this is unlikely to be based on having been in exactly the same situation before but more likely is based on tacit knowledge developed from past experiences and other tacit learning opportunities. Therefore it was normally partners who had such ability, looking at the ideas of associates and assessing whether they were likely to work. The following comment is representative of what the majority of interviewees suggested about this ability:

“...[you] anticipate what's likely to happen. *You become experienced* in how clients tend to behave, not just your own clients but clients on the other side and also experienced in the dynamics of the deals. And that's very tacit, its difficult to pin point it, you just start developing what is likely to happen on a deal and can assess whether a certain approach is appropriate ” (L9).

The comment highlights how for lawyers tacit knowledge needs to exist in relation to multiple parties that might assess and need to approve any transaction structure developed. This can vary from being members of a company being acquired in a friendly take-over and their lawyers to bullish investment banks in a re-financing arrangement. There may also be regulatory boards such as the take-overs panel who have to approve elements of a deal for it to continue. As a result, it is vital that a lawyer has some form of tacit insight into the likely behaviour of these parties. This will never be a 100% predictive power but during the course of interviews it became clear that the most experienced lawyers had developed a tacit intuition of parties they regularly came across. As a result they are able to build a deal structure that is most likely to get the desired response. One lawyer described this idea particularly well:

"Those acting for the corporates will come across the same banks again and again and again and those individuals will encounter the investment banks negotiating position again and again... That's probably a good example of tacit knowledge in action, simply that the more you know about the way the banks likely to go the more effective you're negotiation can be... The other things are like with the regulators on the take-over panel and the UK listing authority, both of those regulators have got extensive rule books but there's always going to be little nuances of interpretation which aren't written down in the rules... if there's a rule which says the regulator can exercise its discretion, if you've come across that before you may have a feel, you'll be able to say to the client, well we can't say for definite which way they'll go but I know in the past they've tended to exercise their discretion" (L3).

The ability to intuitively assess the likely responses of others then is an essential part of a lawyer's job and ensures the advice they give a client is appropriate. Only by having tacit knowledge, learnings developed unconsciously that can be employed to guide action in a future scenario, can lawyers ensure client's objectives are met. This is similar to the awareness advertisers have because of their tacit knowledge that allows them to intuitively filter out work that is unlikely to succeed. Having people with such ability was seen as critical within any firm and can stop costly mistakes being made. This is vital when every service/product delivered is unique and therefore cannot be guaranteed to work based on the past application or sale of the same product. All innovative and PSF's face this dilemma and therefore need employees with this type of tacit knowledge.

7.3.5) As client relations

As was noted in chapter two, for any PSF managing relationships with clients is essential. Advice is normally provided face-to-face through regular meetings and is largely based on tacit knowledge of an issue the client has little or no understanding of. This means the client has to put a lot of trust in those providing the advice just as clients of any firm providing a new, innovative and untested product must do ¹⁰⁵. For both advertisers and lawyers then maintaining good relationships with clients (and therefore retaining their custom) is a vital part of their job. Interviewees disagreed however upon the importance of tacit knowledge with some arguing that the development and management of client relationships is a skill individuals either do or do not have and others suggesting it is something you learn and develop tacit knowledge about.

Fourteen advertisers and eighteen lawyers thought client relationship management was based on certain personality traits and skills that individuals were born with or without. According to these interviewees the recruitment process test's such skills and looks for individuals who have the ability to foster relationships. There is a limited amount of training that can be provided to overcome the lack of such skills ¹⁰⁶. Typical comments of advertisers and lawyers who made such arguments were as follows:

“You need to have inter-personal skills, be a sociable person who gets on with other people easily. You can't really learn that, it's one of those things that people either have or don't have. We can say 'don't do this or do that' but a lot of it is just about you're personality” (A11).

¹⁰⁵ Face-to-face contact is important in this process because of the benefits gained from visual cues and interaction in terms of trust and mutual understanding (e.g. Goe *et al*, 1999; Goffman, 1967; 1983; Halinen, 1991). As of yet PSF's have not found a way to deliver services without such interaction because of the risk often associated with the projects they are involved in and the need for the client to trust the individuals working for them (and hence the urban geographies of these firms, clustered around their key clients).

¹⁰⁶ The customer relationship management routines used by many organisations are targeted more at ensuring individuals remember to provide the correct reports and feedback to clients and for lawyers to keep clients updated about changes in the law. It also increasingly involves completing client satisfaction surveys that ask the client to evaluate the effectiveness, efficiency, and value of the service delivered. Moreover clients are asked to evaluate the personnel delivering the service.

“...client relationship management is much more a process driven thing, you have in place the right support structure, you have in place the right people... the rest is very much down to individuals abilities, something they’re born with” (L23).

For advertisers and lawyers making such arguments then it is the innate ability of an individual to be ‘a sociable character’ that allows client relationships to be developed. Learning such skills is said to be impossible. However, another body of 15 advertisers and 11 lawyers suggested the development of tacit knowledge could help individuals become better at managing client relationships.

As the relationship between client and advertiser/lawyer is normally maintained through face-to-face contact the ability to respond in the correct manner to client requests and attitudes is essential. Interviewees argued that over time tacit knowledge of the best way to deal with client-facing situations could be developed so that the advertiser/lawyer could instinctively respond in a manner that made the client feel comfortable but that also ensured they were able to deliver the service in the way they saw fit (i.e. not being railroaded by a clients demands). Such knowledge is important because it allows sensitive situations to be dealt with effectively. As advertisers and lawyers described such an ability:

“It’s more technical than it used to be but at the end of the day I’m asking a client to believe in a concept that they see as a piece of paper that I have to turn into a TV commercial. You learn how to develop a relationship between yourself and the client and how to respond to *them the more experience you have of different situations and challenges*” (A7).

“There are lots and lots of different types of clients and lots of different types of lawyers and the best lawyers are adaptable people and have good intuition and keep more people happy than others. So it’s a terribly important part of it and at partner level part of the craft is assessing this guy or *group based on your experience*” (L9).

As the quotes show, experience allows individuals to develop tacit knowledge of how best to deal with clients. This then unconsciously informs action in the future and guides suitable responses in often pressurised and fraught client meetings. This is probably also combined in many cases with existing skill however and therefore it seems most likely that successful client relationship management is a combination of innate ability and tacit learning.

Lawyers also suggested an additional element could help cement client relationships. The ‘one-stop-shop’ provided by PSF’s and in particular the ‘mega-lawyers’ studied here means any advice should be *commercially sensitive*. Being aware of the current issues facing the client’s industry and having tacit knowledge of how they may affect a transaction is therefore critical. The resultant ability to comment on the implications of following a piece of advice in the current commercial environment helps reassure and placate edgy clients. As one lawyer put it:

“If you’re trying to sell your services to a client then you have to understand their business in the sector in which they operate. And I think the other aspect of it is to understand a particular aspect on a commercial transaction you have to have sufficient commercial know-how and understanding so you can try and sort those objectives. So commercial lawyers do need to have some financial skills and commercial awareness or you can’t do your job properly” (L12).

Such knowledge is then an important additional element for lawyers and is developed from experience of the client’s industry over a period of time. Most lawyers not only specialise in a generic activity (e.g. mergers) but also in a specific industry, something that further helps this process ¹⁰⁷. Having tacit insight into the implications of advice in the wider context of that industry is therefore vital. It was surprising that advertisers did not highlight this as also being central to their role. However, they were keen to point out that it was the client who briefed them on the commercial problem and they needed knowledge of the consumer more than of the industry to produce successful adverts.

7.4) Explaining the reliance on tacit insights

The elements of the work of advertising and law PSF’s described above make tacit knowledge production and management vital. Figure 7.1 shows how each of the five roles identified are interconnected and synergistic in providing the high quality, bespoke and innovative services clients’ desire. This supports the argument that tacit knowledge enables innovation and is vital in any firm where services/products are

¹⁰⁷ As Hanlon (1997) notes, specialising in professional work in one industry is now common in all PSF’s as clients want advice that adds monetary and commercial value to their business strategies. This requires individuals to focus all of their efforts on a certain type of work rather than being a generalist. The strategies used for becoming such a specialist are discussed later in the thesis.

tailored to clients' unique needs. It also shows that the nature of this knowledge and the actions it guides are diverse and cannot be simplified into one single model of tacit knowledge with instead tacit knowledge being diverse in nature, developed over time, and applied in a range of scenarios related to bespoke and innovative service provision. A number of proxy measures of tacit knowledge's importance in advertisers and lawyers work were also identified and help reinforce the suggestion that it is vital in the provision of professional services whilst also further helping to deepen our understanding of tacit knowledge's nature.

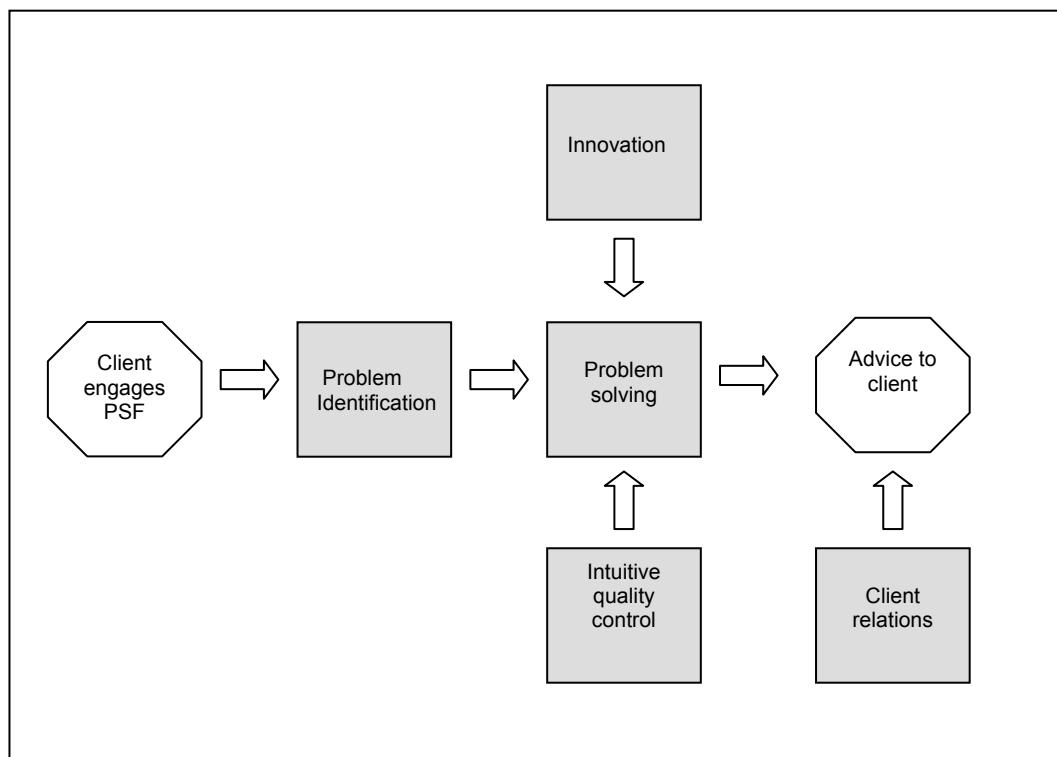


Figure 7.1. The five roles of tacit knowledge and how they allow effective service provision to clients.

Source: Fieldwork.

7.4.1) Tacit knowledge and intuitive work in PSF's

It was clear from the comments of advertisers and lawyers that the complex nature of the issues being dealt with in their work makes tacit knowledge important. As consumer responses to adverts cannot be scientifically determined intuition based on tacit knowledge is important for advertisers. Although quantitative and qualitative research can provide explicit insights into consumer attitudes and behaviours there are no full-proof strategies for getting a certain result out of an advertising campaign. Consequently interviewees argued that relying on logical, structured processes or knowledge (e.g. consumer group x reacts in way y to stimulus z) was not possible and instead gut feel and other expressions of the effects of tacit knowledge (e.g. an inner voice) were more important in guiding work. This tacit knowledge feeds into mental models of likely consumer responses to adverts. Typical comments about this type of knowledge were as follows:

“Being creative is about dealing with the irrationality and the emotive issues that effect the brands people choose. And you need to be able to understand that and be creative to influence them in a way that you know will work. You have to understand how they will react, but there's not easy way of doing that, you're experience is terribly important in helping you do that” (A10).

“Advertising's interesting because it's a mixture of what I would call experience and then innate intuition. Especially for my job there is kind of an intuition that you can't really teach. Maybe its something you don't know initially or can't consciously identify and talk about, about how an ad works... you learn to have confidence in initial thoughts rather than heavily rational thoughts” (A11).

So the fact that advertising deals with irrational human responses makes tacit knowledge vital. As Lash and Urry (1994) highlight, such reflexivity has changed advertising from an industry based on rational logic and fact based marketing to one that tries to collude with the consumer. Explicit knowledge (of consumer trends, advertising strategies and organisational routines) can in part guide this process but cannot exclusively inform solutions. Tacit insight is also needed.

Tacit knowledge is similarly essential for lawyers and their work because of how common law is used in corporate transactions (in the UK and US at least) and the

need to be intuitive of the way the law is likely to be interpreted ¹⁰⁸. As one interviewee put it, “that’s the nature of the common law system, you’re making it up as you go along in a sense!” (L20). It probably slightly extreme to suggest ideas are made up as you go along but a significant proportion of corporate ‘mega-lawyers’ work is based on insights into what is *likely* to be an important factor. However tacit knowledge for lawyers, although providing intuition, differs in some ways from the type of tacit knowledge advertisers need in that it is a tacit understanding of legally defined structures. Lawyers work is less subjective and more technical and based upon understanding the specifics of certain parts of the law and how they can be applied and interpreted. There are still subjective elements to this, for example how a take-over panel will view the application and interpretation of the law, but fundamentally tacit knowledge is about knowing how to apply and manipulate well-defined laws and procedures. As one lawyer described it:

“...the skill is to handle transactional work which is unique and different, the likes you have never come across before...I think it’s a combination of a sound intellect and a lateral thinker. I suppose the closest discipline to law at school is probably geometry. The applications of simple basic principles to a range of things that don’t look like the isosceles triangle. So you’re not quite sure what diagram you’re going to be presented with, but working from base principles you work...Over time you are intuitively able to assess what are likely to be the dominant legal factors, ...it tends to have some strain with it that reflects the past and reflects common sense and so you sort of can get by to some extent on intuition, you sense what is likely to be the right technical approach” (L5).

Tacit knowledge is important to lawyers then because it gives them insight and awareness that allows them to develop new, creative, solutions to client’s problems based on the manipulation of existing structures ¹⁰⁹. This means a basic explicit knowledge is vital and that all tacit knowledge must emerge from this technical understanding. Any structure developed should therefore be rationally explicable

¹⁰⁸ As was noted in *The Economist* (1996), corporate and financial law used throughout the world is almost exclusively based on common law. This requires interpretation of legal statutes rather than understanding of the codified law systems such as those in Continental European jurisdictions that state an ideal-type model of each transaction.

¹⁰⁹ Indeed it could be argued that geometry is the most codified form of knowledge in existence. However, what this lawyers was expressing was the need to be able to manipulate and effectively apply this knowledge – possibly in a way it would not have been intended to be used.

through precedent and reference to legal clauses, not just likely scenarios or gut feelings as often exists in advertising. These points reinforce then the importance of tacit knowledge in PSF's but also highlight how its nature varies both within and between advertising and law PSF's. This insight can be used to develop the argument that tacit knowledge should be complicated as a category and seen as heterogeneous in nature.

The difference between advertising and law identified above reflects in many ways the idea of cognitive versus technical tacit knowledge as was identified in chapter two and supports the suggestion that tacit knowledge is an internally differentiated category. For advertisers their work requires 'cognitive' knowledge of how audiences are *likely* to respond to certain stimuli based on an understanding of undocumented and unregulated factors – what Lash and Urry (1994) referred to as cognitive and aesthetic reflexivity (see chapter five). This type of knowledge has been described by Blacker *et al* (1998, 71) as 'encultured tacit knowledge' that is developed through a "process of achieving shared meaning" and is "socially constructed and open to negotiation". This type of tacit knowledge is, relied upon in "communication-intensive organizations" that have to make sense of a particularly ephemeral phenomena to produce their product (Ibid, 73). Advertising agencies would clearly fit within this category ¹¹⁰. Tacit knowledge is used to enable the development of creative strategies and ideas to sell a client's product based on the synergism of learnings from past experiences. This is based on the mental models developed as a result of combining numerous past insights about what drives consumers and how adverts can attend to and exploit this *undocumented* and *undefined* phenomenon.

In comparison to this, lawyers work is much less subjective, more technical and based on manipulation of existing law in a way that produces 'new' transactional structures. Lawyers do not create new legal clauses or produce a transactional structure based solely on what they *think* will work. Instead they use awareness of existing and technically defined law but in new combinations. Blacker *et al* (1998, 71) describe this as 'embodied tacit knowledge', something that provides "higher-level" abilities to develop complex rules and to understand complex causations". Such knowledge is

¹¹⁰ In a similar vein Nonaka and Takeuchi (1995, 60) discuss what they refer to as 'cognitive tacit knowledge', a knowledge developed when "human beings create working models of the world by making and manipulating analogies in their minds". Again this clearly reflects the ideas of advertisers about the type of knowledge that makes them successful.

important in “analyst-dependent organizations [requiring] [e]ntrepreneurial problem solving” (*Ibid*, 73)¹¹¹. The work of the lawyers studied can be seen as entrepreneurial problems solving in many ways based on tacit knowledge of legal structures that are also explicitly knowable (*the law* and legal precedent) but which can be more effectively applied when tacit insights (personal understanding) exist. This further supports the calls made here for a more complex understanding of tacit knowledge.

A final example that highlights the differentiated nature of tacit knowledge exists in relation to how the nature of the tacit knowledge needed is not necessarily the same for all advertisers. As was noted in chapter five there are three different advertising roles (account planner, account manager and creative) and as table 7.1 highlights, in each position tacit knowledge plays a different role. This is a somewhat awkwardly static stratification of the job roles. On many occasions account managers, planners and creatives work together on both the strategy and ideas for a campaign. However there is still a need for advertisers to hone their knowledge to help them to fulfil their duties within a specific job role. This is a different scenario to what exists in law firms where a lawyer must be able to handle all parts of a transaction and have tacit knowledge in relation to all of the areas described in this chapter. This again shows the importance of recognising the variable forms of tacit knowledge.

As Figure 7.2 shows, advertising agencies are less hierarchical and more flat in organisation at the office level than law firms. This means several individuals work upon any project in a collaborative way. In contrast law firms are based upon the partnership model and its hierarchical tendencies where experience and service determine seniority. Each partner is ‘served’ by several associates who assist with the partner’s work and strive to become a partner themselves after gaining a certain amount of experience. For lawyers therefore such a division of labour does not exist. Instead lawyers are involved in the entire process, in some cases with partners taking a more supervisory role than actively producing documents, but always dealing with everything from problem identification to client relations. Therefore they need all of the types of tacit knowledge detailed above. What is important however, as noted above, is developing specialist expertise in one area of the law, for example mergers and acquisitions and the nature of transactions in one industry.

¹¹¹ Nonaka and Takeuchi (1995, 60) describe such knowledge as ‘technical tacit knowledge’, tacit knowledge of “concrete know-how, crafts and skills”.

Job role	Tacit knowledge needed	Output of tacit knowledge
Account managers	Problem solving	Brief to planners outlining key problems identified.
	Client relations	Good client relations allowing an effective advert to be produced
	Intuitive quality control	A final product which meets the clients needs and solves their problems
Account planners	Problem solving	Able to re-focus the problem identified by account managers in order to provide an approach leading to a solution and a brief to creatives
	Creative strategy generation	Able to produce a novel strategy to solve the problem identified and brief the creatives based on this insight.
	Intuitive quality control	Able to assess the final products effectiveness in remedying the original problem they identified and solved
Creatives	Client relations	Able to present their work effectively to clients before actual production begins
	Creative idea generation	Able to use the planners brief as source of cues for tacit knowledge to develop a novel idea to base the advert upon that will convey the key message
	Intuitive quality control	Able to assess final product against their original aims and speculate on effectiveness
Senior management	Intuitive quality control	Able to constantly evaluate work and likely success or problems
	Client relations	Able to ensure client remains happy but agency is able to produce the advert it believes is best suited to clients needs

Table 7.1. The role of tacit knowledge in each job in an advertising agency and the effect it has on work produced.

Source: Fieldwork.

Insert fig 7.2 here

7.4.2) Tacit knowledge and promotion

For both advertisers and lawyers the level of seniority in an organisation was suggested in many ways to be related to the amount of tacit knowledge an individual has developed, further galvanising the argument that tacit knowledge and the actions it informs are central to the success of PSF's. Advertising agencies do not use the partnership model and its in-built logic of seniority based on experience as law firms and many other PSF's do (see Greenwood and Empson, 2003). However, promotion and seniority was still seen by all interviewees as a reflection of the level of experience and tacit knowledge an individual has developed and the effect this has on making them successful. As one described it:

"If you look at how advertising works then salaries kind of go up slowly for the first five years and then they go up quite a lot. And that's because you can't substitute the experience and knowledge. The younger person can be much more intelligent than their superiors but they don't have the ten years of experience" (A6).

Lawyers made a similar argument. Interviewees suggested that reaching partnership is recognition that individuals have enough tacit knowledge to successfully solve problems and be creative without others guiding the process ¹¹². As one lawyer put it:

"That's why you have a junior and a partner - technically the junior is probably much more up to speed and able to decide on what [legal] section should stay [and which not] but they might not be able to find ways around it or make a judgement call that the senior partner can because of experience" (L10).

Tacit knowledge, and not just explicit knowledge of the law or advertising principles, is essential in achieving promotion because of its role in making the work of individuals successful. In both advertising and law firms' junior individuals may academically be cleverer than their seniors' but often lack the tacit knowledge needed.

¹¹² Indeed although traditionally partnership was gained after a number of years service now it is increasingly based on success and the value of fees charged to clients and the ability to retain these clients (see Hanlon, 1997).

7.5) Refining understandings of tacit knowledge's nature

The above discussion highlights a number of ways that tacit knowledge is important in the work of advertisers and lawyers that support the argument laid out for tacit knowledge's role in innovation and the delivery of professional services more widely. They also show that the nature of tacit knowledge and the actions it informs is diverse being both based on learning from explicit knowledge and personal insights from 'experience' and also being about both the 'dynamic' human subject and 'static' defined rules. It is possible to identify these examples because of the key tenets of Sternberg's work discussed in chapter six. Specifically, the examples used show where learning has occurred not based on rules or procedures but the development of personal understanding. This reinforces suggestions made earlier about the value of such an approach. Numerous comments were rejected because they did not reflect such an argument. For example:

"You overlay that with specific experiences whether that be the category experience, so knowing what works in Greece versus the UK, Greece being that they change their cars every eight years in the UK its every three years" (A7).

"Transitioning from [client x] that was a global technology account onto [client y] I had none of the tacit knowledge needed to work on a packaged goods account. I knew nothing about how they did their business, how the agency interacted with them, how much it was involved in product development" (A23).

These comments show examples of two different types of knowledge advertisers and lawyers find important in their work. The first quote shows how some explicit knowledge is important – facts about the markets worked in. The second quote shows how some knowledge is both explicit and industry specific. Such knowledge is vital, complements and may well lead to tacit insight. However, neither quote shows examples of the personal learning and sense-making needed for tacit knowledge to develop. This shows how using Sternberg's method helped to successfully identify when and why tacit knowledge is important. However, it was also clear that alone such knowledge is not enough to be successful and that without explicit knowledge tacit knowledge is equally useless. For advertisers various forms of training were seen as essential and focus upon procedural issues (e.g. how to get an advert cleared for TV screening). For lawyers explicit knowledge is gained both from education at law

school but also training courses from PSL's. This is given more emphasis than in advertising agencies because of the important technical nature of lawyers' work. Typical comments about the importance of such knowledge were as follows:

"A first class training is vital and that's what I got from my first firm. It was seen as something of a media academy in the basics of what the business is about. So applying what you've learnt are often based on things that are drilled in to you early is really important" (A5)

"... the question is to my mind, can you develop this tacit knowledge without an understanding of the explicit knowledge? I'm not sure you can. So in which case the training courses we send people on, the effectiveness of law school in helping people understand what we do is not that helpful, from my point of view, the training in terms of the lecture programmes we have, the writing up of memo's on point of law, is fundamental before people can start understanding and experiencing and then intuiting how things might progress" (L23).

What both of these quotes show then is that tacit knowledge is relied upon and needed in combination with explicit knowledge. The lawyer was quite precise in his/her description (being familiar with the idea of tacit versus explicit knowledge) arguing that without an understanding of the explicit fundamentals it is not possible to develop tacit understanding¹¹³. This suggests then that as well as complicating tacit knowledge as a category it is necessary to blur the tacit-explicit dualism and consider the co-existence of both knowledge forms (or even the inability to distinguish the two). This confirms the argument made in chapter two that a more complex understanding of tacit knowledge is needed.

It should also be noted that a number of advertisers and lawyers suggested that although, as described above, tacit knowledge is important in making them successful in their work it could also be fallible and lead to wrong decisions. In particular, twelve advertisers and eight lawyers commented on the fact that the intuition tacit knowledge produces can be wrong and should always be carefully considered. As one advertiser noted:

¹¹³ It is possible the interviewee was reciting academic rhetoric (although he/she would need a well-developed knowledge of the literatures to have uncovered such an argument). However other interviewees made similar points but in a less concise manner suggesting it is a genuinely important factor.

“That [intuition] can be dangerous, intuitively you can be right and wrong. You can have a situation where if you’ve been doing it for a long time and you have a feel for what you think the brand is or should be it can be different to where it actually should be...” (A7)

Tacit knowledge then should not be assumed always to provide the correct answer. Indeed, for lawyers in particular, being able to explain tacit insights using explicit knowledge was a good way of verifying their accuracy. This links to the above comments on the role of explicit knowledge in that both are mutually dependent in many situations.

7.51) Tacit knowledge spatio-temporal geographies

Comments by interviewees also highlighted both a spatial and temporal dimensions that should be included in any theorisation of the nature of tacit knowledge. Firstly, the type of tacit knowledge important in advertisers and lawyers work has ‘uneven’ geographies. Lawyers noted that there were variations in the degree to which some offices were able (or willing) to provide advice to clients based on tacit insight. In particular, continental European legal practices (e.g. France, Germany, Italy) favour what interviewees often described as ‘academic law’ – advice about what the law states about a particular problem rather than how they think it can be overcome using an innovative approach. This is different to the US-UK model of mega-lawyering and advising based on tacit insights into solutions rather than problems and legal positionalities. Sixteen of the lawyers interviewed in London and three in New York made such comments about their European counterparts. The following is representative of these comments:

“I think probably the most important thing is the ability to think round a problem, the ability to identify the problem surely but once identified to think of solutions to that, not just to be stuck. There is a particular trend of continental lawyers that tend to identify the problem and that’s it, they don’t really provide you with the insights you need” (L4).

This suggest that whereas in the UK and US common law principles are familiar and lawyers are used to intuitively assessing how others may interpret the law and then

suggesting solutions to problems, many continental European lawyers simply identify *the problem*. They do not proceed through the stages of solution identification and creative structure development.

It could be argued that the UK and US lawyers interviewed made such comments to make their work look superior to their continental European counterparts, and this may be true. However the repetitiveness of the argument seems to suggest that there is a genuine difference between the UK-US axis of global law firm's offices and the continental European axis¹¹⁴. Other offices in the global network of these firms (these are predominantly in East Asia) were seen as on par with the UK-US offices in their ability to advise the client using tacit knowledge.

Advertisers did not comment on such differences between offices with colleagues throughout the world suggested to produce work based on tacit insights. This increased uniformity probably exists because advertising is not as jurisdictionally defined and regulated as law with employees not having to go through nation-state regulated training programmes that influence how individuals work. Moreover, advertising firms do not use the partnership model and may be able to 'control' service delivery more effectively. As Empson and Chapman (forthcoming) note, publicly owned companies with a CEO (as all the advertising agencies studied here are) can more easily set 'global norms' and policies for service delivery standards. Partnerships (as all the law firms studied here are) find this more difficult as every partner has to agree a strategy and theoretically has the right to refuse to implement it. This is an extra complexity then that should be integrated into analysis of the role of tacit knowledge in firms. In particular it highlights then how the use of tacit knowledge in law firms has clear geographies determined by the 'socio-cultural' spaces in which firms operate. This point is developed further in the next chapter.

7.6) Conclusions

As was identified in chapter two, the idea that knowledge is central to economic activities in contemporary globalisation has become popular but is often used in a

¹¹⁴ Both The Economist (1996) and a report by International Financial Services London (2003) also support this idea with reference made to the leading role of US and UK lawyers in corporate and financial transactions because of their flexibly approach to the law.

somewhat simplistic and under-developed way. In particular, the application of the idea of 'tacit' knowledge has been uncritical and 'fuzzy' in many cases without real consideration of the nature of such knowledge or the reasons for its importance. It has been shown here that through a critical reading of existing literatures on tacit knowledge it is possible to develop a more detailed understanding of its nature and therefore its importance in economic activities. The results in this chapter draw our attention in a clear and concise way to how tacit knowledge is important in advertisers and lawyers work and how innovative and bespoke services are fundamentally built upon the tacit insights of employees of the firm delivering the service.

This chapter highlights that in order to understand the role of tacit knowledge in any organisation it is necessary to 'open the black box' that is the firm(s) studied and understand the nature of its work. In doing this the results focus attention on the relatively unique nature of PSF's work and the implications this has for the role of tacit knowledge. In particular, it identifies how tacit knowledge allows problem identification and solving, innovation/creativity, intuitive quality control and the development of effective client relationships¹¹⁵.

Such a suggestion is in itself nothing new. At the heart of the argument laid out towards the end of chapter two is the reliance of PSF's on knowledge to provide a holistic, commercially sensitive service (e.g. Lowendahl, 2000). This is increasingly based on professional relationships with clients that are managed through organisational strategies that 'socialise' employees into behavioural moulds (Anderson-Gough *et al*, 2000; Hanlon, 2004). The results presented here have moved this analysis along an extra stage however, further opening the 'black box' of advertisers and lawyers work and considering in detail the way tacit knowledge is essential in guiding the delivery of such services. As was noted in chapter two, knowledge is different to data and information in that it informs actions and behaviours

¹¹⁵ In this sense the association of tacit knowledge with 'post-fordist' industries and spaces such as the 'new regions' is understandable (see chapter four). In particular it explains why tacit knowledge has become of interest over the past twenty years or so since Piore and Sabel (1982) highlighted the changing organisation of production towards a more flexibly specialised system that tailors products to clients' specific needs. The chapter highlights how advertisers and lawyers who produce a client-specific service need tacit knowledge to meet such demands. This helps us understand why those interested in ideas of 'new regionalism' place so much attention on the development of tacit knowledge (e.g. Lawson and Lorenz, 1999). These researchers may well be aware of such a role for tacit knowledge but, as was noted in chapter four, this is rarely documented in existing literature in the level of detail provided here.

and develops '*justified true belief*' that guides how individuals approach a situation (Nonaka, 1994; Sternberg *et al*, 2000). The results here highlight five ways tacit knowledge informs such action and moreover why the nature of advertisers and lawyers work means only tacit knowledge can successfully guide behaviour. In doing this three further contributions are made to existing literatures on this subject that in particular help to complicate existing understanding of tacit knowledge as a category.

Firstly, the role of tacit knowledge is highlighted and explanation provided as to why it is tacit knowledge (and not explicit knowledge) that is important in such situations. In developing the ideas of Polanyi (1967) it is shown that the tacit knowledge is a result of unconscious learning during past events. The results show that tacit insights are beliefs that manifest themselves in the form of 'gut feeling' or intuition rather than rational logic. It also shows how in many ways those who have written about creativity and described a 'learning' process associated with the development of creative insight (e.g. De Bono, 1981; Scharmer, 2001) are highlighting the production and employment of tacit knowledge. Unconscious (tacit) understanding allows individuals to act based on what they have learned from a number of past scenarios about the potential for lateral and innovative application of professional approaches. Tacit knowledge allows their ideas to become 'self transcendent', they become lateral thinkers. This helps us better understand why tacit knowledge is so often discussed in relation to post-fordist industries and is seen as vital to firms operating in the knowledge economy where innovation is essential.

A second contribution to our understanding of tacit knowledge the chapter provides builds on the first and highlights how tacit knowledge cannot be viewed as a homogenous category. It was highlighted that tacit knowledge plays a similar role for both advertisers and lawyers but that the nature of this knowledge is qualitatively different with cognitive tacit knowledge important for advertisers and technical tacit knowledge important for lawyers. Whilst it may be too stark a dichotomy to suggest advertisers rely on cognitive whilst lawyers technical tacit knowledge – there is undoubtedly some overlap in both professions - such a model is useful to remind us that tacit knowledge cannot be bundled into a homogeneous category and that instead we should approach it with a more critical eye.

The third and final contribution made to our understanding of tacit knowledge both reinforces and further refines the two ideas described above. It shows that tacit knowledge cannot be seen as distinct from explicit knowledge but rather that the two

are complementary and interdependent. The results show that, as Polanyi (1969) and others (e.g. Allen, 2000a) have argued, viewing tacit and explicit knowledge as separate does not aid our understanding. The results highlight how advertisers and lawyers need explicit knowledge in order to apply their tacit insights and tacit insights to employ explicit awareness.

These three contributions are most useful because of how they de-mystify the nature of tacit knowledge and allow us to better understand its role in economic activities. It avoids what Allen (2002) refers to as 'thin abstractions' – work that uses tacit knowledge as an explanatory factor but fails to explain the reasons behind such assertions. These insights can also begin to help us understand the geographies of tacit knowledge production. For example, knowing why tacit knowledge is important to advertisers and lawyers and the nature of this knowledge (unconscious and used to guide five types of action) allows us to consider in detail the practices of learning that might produce such knowledge. In particular it tells us that any learning practices must allow understanding about problem identification and solving, innovation, quality control and client relations to develop. The next chapter therefore considers how the type of tacit knowledge described here is produced and the socio-spatial practices that allow this in advertisers and lawyers.

8) Learning to be a success: How advertisers and lawyers develop tacit knowledge.

8.1) Introduction

Having established the role and importance of tacit knowledge in advertisers and lawyers work this chapter considers the ways such tacit knowledge is produced – how learning occurs. In doing this two key arguments are developed that highlight the nature of tacit knowledge production and also the important role of contexts and ‘spaces’ of learning. First, it is argued that there are four interrelated practices that help produce tacit knowledge but that each one can only be successfully enacted when the conditions are in place that allow translation and sense-making to occur. Building on insights from the SAP reviewed in chapter three it is suggested that the existence of shared context, identity and ‘practice-based space’ is essential for learning and that several factors affect whether these exist and effectively facilitate learning. This is an important insight that deepens our understanding of the tacit knowledge production process. Second, it is argued that the way practices are enacted (i.e. the performance that allows learning) is affected by the geographically variegated ‘socio-cultural’, ‘material’ and ‘organisational spaces’ in which they occur. Specifically it is noted how the learning practices are performed differently depending on the spatially differentiated city, organisation or environment-specific influences upon them. This highlights an additional geographical dimension to learning and is concerned with whether the practices are enacted and performed (c.f. Thrift, 2000b) and *not* whether learning is possible. Both arguments also provide useful insights into the influences upon the practices of learning and will allow the practices to be traced at local and global spatial scales and the factors enabling or disabling learning to be evaluated. In this sense then the arguments made in this chapter also act as an important precursor for the discussion in the next chapter.

To build these arguments the rest of chapter is structured as follows. Over the following section the practices of tacit knowledge production highlighted in chapter three are considered and their enactment *within* the offices of advertisers and lawyers outlined. Each learning practice is considered in turn along with any important

facilitating factors relevant to the SAP. The final part of the chapter then considers how these learning practices are drawn upon in a synergistic manner by advertisers and lawyers to provide the knowledge they need as well as the further implications of all the findings in terms of the geographies of tacit knowledge production.

8.2) Learning through experience

The association of experience with being successful is common in most professions (Baumard, 1999) and was cited by advertisers and lawyers as *the* most important way of developing tacit insight. In particular, interviewees suggested that understanding and awareness gained from working on a range of projects was central in producing the type of tacit knowledge discussed in the previous chapter. For both the more junior interviewees (who often admitted to lacking experience) and their seniors (who said it was their experience that got them promotion) experience informed judgement and guided insight. The following comments then are typical of how advertisers and lawyers described its importance:

“Well I think the main thing that comes from experience is that you get a lot better at solving the problems...it begins to feel more like intuition because you've been in lots of different situations and picked things up from being in those situations...and I guess its hard to say but it starts to feel more automatic” (A26).

“If you've been doing the job like I have for over 20 years then, although you learn something new every day, it is likely that I will have done all the types of transactions that come in, sometimes several times. So for example, I've probably done over 100 announced take-over offers and 60 or 70 IPO's both from the UK and throughout the world. So I've almost become instinctive about an issue...I may have researched that point 15 years ago and as a result you get a sixth sense after a while” (L10).

As these quotes from two senior interviewees highlight, direct experience allows the development of tacit knowledge because of what is learned from a *range* of situations. It is not memory and the ability to replicate actions from a past project (the key factors are unlikely to be the same) but instead the ability to make decisions based on tacit knowledge developed from a variety of experiences (see also the ideas of Hatsopoulos and Hatsopoulos, 2000). However, it emerged from interviews that this type of first-hand learning only occurs if the individual has some existing knowledge upon which

they can base their (unconscious) interpretation of experiences. Advertisers argued that the basic training all new recruits receive allows this whilst for lawyers it is law school education. The explicit knowledge this provides facilitates tacit learning because it provides a context upon which understanding can be based. Representative comments about this idea were as follows:

“And when I was at [firm x] everyone was really young [and] everyone was sitting round in the room going ‘that was great’...and then a stony silence followed by ‘anyone know why’? Coming here was great because I’ve got the experience and can understand things I see better and learn from them more easily” (A14).

“That’s the thing about knowing what it is you don’t know. So you’re working for a client who says to you this company has these liabilities and I want to assign them to the purchasing team. So you think ‘liability assignment’ and try to understand what’s been done but you can’t because it’s an ovation agreement and you didn’t know it. So we all have to have some basic knowledge before we start” (L15).

As these quotes show then, learning by experience is in part mediated by existing knowledge of the context in which an individual is working. As one interviewee pointed out, “experience is important, it is without fail, but there has got to be an ability to store experience and do something with it. It’s a bit like a goldfish swimming around a bowl, if it forgets each time and each time its inventing it again there is no benefit, it needs to be a benefit” (A14). It seems then that having explicit knowledge enables individuals to learn and develop tacit insights and that this is a key factor in allowing the type of interpretation and translation the SAP highlights as critical for learning.

8.2.1) The increased importance of observation in PSF’s

In addition to first-hand experience, the role of observation was noted as especially important in advertising and law firms. This means observing in particular senior colleagues and how they approach a problem and handle client relations and also more widely observing the work processes associated with producing an advert or completing a legal transaction. In the literatures reviewed in chapter three this process is given passing mention in relation to its role in apprenticeships. However for PSF’s it seems that such a learning practice deserves more emphasis, a point Ibarra (1999; 2000) has made recently specifically in relation to law firms. According to her work,

observing senior individuals is an important way of developing tacit knowledge of the behaviours needed to be successful. Interviewees were quick to support such an argument but placed emphasis on the value of observing, in particular for trainees, for developing a range of tacit insights above and beyond key behaviours. The quote below summarise the opinions of advertisers about the value of observing colleagues for tacit learning:

“...you would expect people to learn from going to a meeting with someone where they didn’t say or do anything but actually they’re watching the other person to see how its done...I think its very important, people tend to learn from other human beings best. So if you can get a scenario where someone is watching someone the individual is much more likely to learn” (A3).

Part of the reason for this being so important for advertisers was the cognitive nature of their work. Learning how to understand an advertising challenge and relate this to how consumers respond to advertising strategies requires cognitive tacit knowledge and is, as one advertiser put it, a craft skill. There are a limited amount of rules and procedures that can be learned and then tacit insight becomes important. By observing someone with such knowledge it is possible to learn from how they dealt with the challenges faced and then apply this knowledge to a different situation. The same idea is true for lawyers. By observing partners junior lawyers said they were able to directly absorb or ‘subcept’ knowledge. As with first hand experience, seeing a partner deal with an issue allows tacit learning to occur. All lawyers agreed with this idea and their arguments very much reflect those of the advertisers above except that, because of the technical nature of the law, observing is about developing understanding of how partners apply a range of technical structures rather than develop cognition. As two lawyers commented about the value of trainees observing a partner:

“It’s [observing a partner] most important when you’re a trainee or a more junior associate because you’re looking to pick up tips on what you should be doing, you haven’t got a base of experience on which to sort of rely upon about esoteric parts of practice” (L14).

“...junior lawyers should work with senior lawyers... they will see a new style and approach they might think will work for them and they will adopt pieces that they will

take on board. And that is important in enabling them to be good at intuiting the law, and that's the piece they're going to pick up by watching you" (L23).

Again these quotes highlight how learning by observing facilitates tacit knowledge production because it allows individuals to develop their own understanding based on what they witness. Observation is therefore an important strategy that enables PSF's to develop their youngest employees. Table 8.1 summarises the strategies used by advertisers and lawyers, especially during the early years of an employee's careers, to optimise the amount of learning by experience and observation. These are critical for speeding up the tacit knowledge production process in new recruits. They must however ensure learning occurs. As was noted in chapter three, learning practices must allow an individual to interpret and make-sense of stimuli. All advertisers and lawyers therefore argued that when trainees observed their seniors' they should not be trying to remember what they observed and replicate it in the future but rather learn *from it* and develop their own knowing. As two put it:

"Imitate is the wrong word, learn from definitely, but you can only be who you are to a large extent. It's difficult to explain, I can't really verbalise it, how I take on board, the way people do things. It definitely impacts the way I do things but I wouldn't say that I imitate, maybe use as a reference point for looking at how I do things and how they do it and realise that there are different ways and possibly better ways of doing things" (A15).

"There's not a particular way of doing things and when young people come in its not unusual to have to say 'lets find a style that suits you', and that's a process of both watching other people and taking the bits that suit you and also trying things out, learning your own ways" (L9).

As these quotes highlight then, learning requires the development of your own understanding and logic – not the replication of actions. Therefore, when observing, the aim should be to interpret and make-sense of what is seen. This should be critical observation too – both advertisers and lawyers agreed that it is dangerous to simply

Strategy	Application in advertising agencies	Application in law firms
Job rotation	Individuals work on several accounts simultaneously (normally between two and four accounts at the same time) and never work on one brand or product category for more than a few months (except when they hold a senior position such as account director). This gives a wide range of experience and many different people to observe.	All new recruits act as trainees for the first two years of their career. During this time they do four six-month seats in different departments allowing them to experience a wide range of situations and observe different partners. For example, trainees attend all deal closings and client meetings in a department where they have a six-month seat.
Temporary teams	Each new project is worked on by a temporary team of individuals brought together from throughout the agency. This both gives individuals a wider range of experiences and people to observe and also brings a wider range of tacit knowledge (experience) to a client's project.	As with advertising.
Mentoring	Each individual has several mentors during the early years of their career that they work alongside and learn from. This provides 'role models' that can be observed.	All associates work for a partner who acts as their mentor. When a trainee the lawyer will work extremely closely with the partner and learn from their experiences with him/her and observe their work (see section 8.22).

Table 8.1. Strategies to increase learning by experience and observing.

Source: Fieldwork.

assume everything a senior individual does is correct. Instead trainees should try to understand and interpret what they observe, evaluate it and only learn from it if they consider it to be a good approach. Again having existing explicit and/or tacit awareness that helps this evaluation and sense-making process is essential. Both this example and the importance of existing explicit knowledge for allowing learning by experience support then the key argument of this chapter that a number of factors influence the success of the translation and sense making that produces tacit knowledge.

8.2.2) Observing in law firms: variegated spaces of enactment in London and New York

Advertisers in both London and New York found observing their colleagues important and went about it in the same (see table 8.1). In both London and New York there was also recognition by lawyers that observing was a valuable way to learn. However the

emphasis placed on ensuring this occurred differed greatly between the two cities. In London it is common practice for trainees to share an office with a partner for the first two years of their career (all except one American firm in London did this). The value of observation was emphasised and as one lawyer commented:

“...that's why we always have a trainee sit in a room with a partner, so that they can observe...that's why in law firms we work in partner, associate and trainee level in teams so that you've got the experience but you've also go the people to learn from” (L18).

However, in New York partners expected a spacious office with superior facilities and views across the city, something they were not willing to share with junior lawyers. They were much less willing to take time and make the effort to ensure their trainees got to observe them at work and learn from the experience and all trainees (in both UK and US headquartered firms) were placed together in an office. When asked why they did not share their office with junior lawyers partners in New York responded with answers such as “no, all our associates get lumped together in an office” (L27). They simply didn't like the idea that they might have to share their office, a space they had ‘earned’ through their expertise. For these interviewees the partnership model was not then about passing on expertise but recognising authority and success. There was however recognition from some that this was a very different approach to that taken in London and as one interviewee (who was not a partner) commented:

“...in the UK you have associates sitting with partners in their office and there's a reason for that – I think that's a fantastic model...what you can capture is the person that has that experience and then to be able to provide that environment where a more junior person would feel comfortable watching and learning” (L26).

As this quote shows then, those aware of the differences in approach to the training of junior lawyers recognise that office sharing between partners and juniors is a valuable way of encouraging learning. It is interesting that this interviewee worked for an UK headquartered firm but despite this fact UK practice was not implemented in the New York office. He/she went on to suggest that “I think it's a cultural thing. Partners have large offices as its seen to be their right, you know, people respect them”. Such an idea was also reflected in other comments made by interviewees about the relationship between associates and partners. When asked about how important it was for junior lawyers to learn from their superiors, partners in New York often suggested their role was simply to correct mistakes made by their trainees rather than work with them and

let them learn by observing. The master-slave model was very much in evidence with associates working to provide partners with the 'information' they need in the form of draft contracts or letters of advice. As one partner commented:

"... when you ask someone to research something and they come to you with an answer, or you ask them to write a memorandum, [then] its an extremely important thing to look at it closely and change the bits that are wrong...they can learn from that" (L25).

As this shows then, the relationship between partners and junior associates in New York very much revolves around the work a junior does for their senior (the partner) rather than being about the junior learning from the partner. Amending work is vital to ensure the client gets the right advice and trainees are expected to learn simply by reading the amended document. Another partner commented that they thought they were somewhat unique in that they actually gave feedback to their trainees and junior lawyers when they amended their work. As they put it:

"...a lot of lawyers at my time of life wouldn't spend time marking up contracts, they would just skim it and send it back. But I go through it, pick out the mistakes, and then I don't just hand it back. I talk them through it so they understand it... And I think a bit of give and take is useful and it teaches them" (L29).

This is an interesting variation on what was universally agreed to be an important learning practice. Two potential explanations exist that could account for the different relationships between partners and junior lawyers in New York compared to in London. Both highlight how the 'spaces' in which learning practices are enacted affect their success in producing tacit knowledge.

First, as identified by one interviewee above, American law firms work using a very hierarchical model. Although this is true in London to some extent, it has been well documented (see for example Maister, 2001; Smigel, 1965) that US PSFs traditionally operate using a model whereby partners command respect and are looked upon with awe by more junior individuals. They often see themselves as having 'ultimate wisdom', something which means others should be deferential to them. Indeed as one interviewee in New York commented about partners, "[t]oo often there is the attitude of 'gee I'm a partner at [firm x] and I should know the answer to everything'" (L29). This does not mean they are not willing to share their knowledge, indeed all the lawyers

interviewed agreed that everyone was encouraged to ask questions of their colleagues (including the partners) and that partners would try and help where possible. However at the same time they believe themselves to be superior to junior associates. This means sharing an office with a junior lawyer and taking time to let them observe them at work and ask questions is too greater distraction and toil. Partners believe individuals should learn for themselves, not rely on someone else. The 'every man for himself' attitude often associated with the up or out model operating in such firms seemed especially important then in New York (see Morris and Pinnington, 1998)¹¹⁶. This may also indicate that the managed professional business model as defined by Cooper *et al* (1996) is more prevalent in New York than in London, further reinforcing the differences noted. In terms of our interest here it clearly highlights how the socio-cultural space in which the practices of tacit knowledge production are performed affects their success. In this case it is the differences in the socio-cultural definitions of partner-associate relations between the 'spaces' of London and New York that affects tacit knowledge production.

The second factor that may also influence this difference is regulatory. The Law Society in London puts much more emphasis on the partner's role in training junior lawyers than the American BAR Association does. In London all newly qualified lawyers are required to have a training contract approved by the Law Society. This contract ensures trainees receive close supervision, assessment and mentoring from a partner during their first two years as a full-time trainee lawyer. This contract period must be completed and adequate assessment and supervision provided before the Law Society will allow individuals to practice as fully qualified lawyers. For partners in London the only practical way to meet these requirements is if they share an office with the trainee. In contrast, in New York these requirements are not as strict and the reduced level of supervision means office sharing may not be necessary. Trainees sit the 'Bar exam' to qualify as a lawyer rather than having an 'on the job' training contract. This then shows how 'regulatory socio-cultural' spaces affect the practices of tacit knowledge production. Both explanations of the variations in the success of the enactment of learning by observing highlight how the spatial location of an office affects the learning practices that go on within it. They support the argument made at the start of the chapter that the 'socio-cultural spaces' that in this case vary between

¹¹⁶ It may be too crude a conceptualisation to suggest all partners in New York fit this model whilst those in London are the opposite; undoubtedly there is overlap with both typologies existing in both cities.

cities affect how learning practices are enacted. This idea is further developed later in the chapter.

8.3) Learning through talking

For both advertisers and lawyers talking was, after direct experience, the next most important practice for learning and developing tacit knowledge. When asked how important talking to colleagues was the question was normally cut off with a pronounced reply beginning totally, incredibly, critical, essential or some other form of superlative or imperative. As one lawyer commented, “talking with other lawyers probably takes up 50% of my time!” (L19). No-body disagreed about the importance of conversation. This can be explained in two interrelated ways.

First, talking allows individuals to work together and exchange insights relevant to a piece of work – two heads are better than one. Both advertisers and lawyers agreed that although their industry was often seen to be made up on many talented individuals, the famous names of the industry everyone respected for their abilities, in reality most work is a collaborative effort ¹¹⁷. The only way to find the best solution to a client’s problem is by drawing on your own tacit insights but also those of your colleagues by talking about the key issues. Consequently conversations are rarely in the form of question and answer (although some more junior interviewees found such conversations with their superiors important). Rather they involve discussion and debate that leads to the identification of a solution or idea. As two interviewees described such conversations:

“It’s always a collaborative effort. Unlike being, say for example, an artist working in a singular way, advertising is very collaborative. Working with your colleagues makes you successful. That’s critical, we constantly debate things, bounce ideas off each other, test out ideas and views on one another. You can tap into people’s gut feelings about issues, get to their experience and get ideas about what might work or be important” (A10).

¹¹⁷ The idea of individuals being important in PSF’s has developed because of the increased role of what is referred to as ‘rainmakers’. These people are able to attract clients because of their perceived expertise and can therefore charge vast fees (see Flood, 1999).

“...some transactions are more complex than others and complex transactions, it’s obviously a collaborative process amongst lawyers in various departments. For example, I’ve worked on a transaction where we’ve spent weeks where we met internally with folks from the M&A department, from the tax department, and kept talking about ideas, trying to come up with creative” (L27).

A recurrent theme in these quotes is then the importance of bouncing/kicking ideas around. Conversations are about the exchanging of experience and ideas that can provide learning and knowledge potentially useful in a future situation¹¹⁸. This is the second and related reason for conversations being important then – they allow individuals to learn from others experiences and insights. Just as Orr (1996) described under the guise of ‘war stories’, advertisers and lawyers value conversations with fellow professionals about past experiences and recent work that allow them to share their understanding of the actions taken and its implications. As these conversations occur each individual involved is able to listen, interpret and learn from the ideas expressed, probing for clarification where necessary. This allows the development of new understanding (new tacit knowing) that can be drawn upon in the future (rather than immediately as in the two heads better than one scenario). As advertisers and lawyers described such a beneficial effect:

“It gives you a different perspective, it gives you chance to test you’re speaking against other people to see if it makes sense and it gives you a chance to draw on their experience and to see how they see a problem, how their experience influences them” (A6).

“That [talking] gives you the benefit of their experience, their knowledge, their interpretation, their take on things...If you can get the seniors with an opportunity for them to spout of their knowledge...its when they start asking questions or giving explanations of things and pulling in their experience. Where you’ve got a senior or a partner speaking that’s where you get this sort of tacit value” (L8).

As both of these quotes highlight, individuals listen to colleagues and ‘draw on their experience/existing understanding’, get ‘their take on things’ and learn based on this influence on their understanding. This mirrors the argument in the SAP about tacit knowledge not being shared but rather reproduced, a state of knowing developing.

¹¹⁸ On some occasions these types of conversations provide an immediate solution to a problem. In such cases conversation was more about drawing on someone else’s tacit knowledge rather than learning.

When conversations occur those talking voice their understanding whilst those listening interpret this for themselves and develop their own (new) logic¹¹⁹. For advertisers such conversations help to make sense (develop cognition) of consumers as unregulated factors affecting their work. This can often lead to disagreement about the interpretation of an issue or idea but allows those involved to further develop the richness of their understanding. As one advertiser put it, “because its not an exact science where you can go away and say ‘this is the right answer’ because there isn’t necessarily a right answer, the ability to compare and talk about it’s essential” (A13). For lawyers a similar rational was offered except that the value lies in talking to lawyers who have experience of different technical elements of the law and developing knowing based on conversations about their experience with it. As one lawyer noted:

“...you get fascinating input from people completely unconnected to the deal, ‘well what do you think about this? We came across this and we solved it this way rather than that’. I think those are really good discussions and they genuinely contribute very heavily to those people who are not involved in the deal and may address the same issue” (L23).

Sharing expertise on specific technical elements of the law is critical then for lawyers. As the lawyer quoted above commented, it allows learning from one-another by exchanging experiences and interpretations relevant to the idea discussed. However, as was argued at the start of the chapter, there are a number of influences upon the success of this. Below therefore a number of further factors are highlighted and shown to produce a ‘shared practice-based space’ that enables learning when present.

¹¹⁹ Comments by interviewees about the value of meetings, brainstorming and training sessions for tacit knowledge production reinforce the idea that learning by talking needs debate and discussion to occur so that individuals can interpret the ideas and learn for themselves. Eighteen advertisers and 20 lawyers suggested meetings and brainstorming sessions did *not* allow learning to occur. When questioned further about this it emerged that the sessions these interviewees had experienced were structured in the style of lectures. Individuals sat and listened to someone present facts and procedures they were expected to learn (develop explicit know-what). There was no room for asking questions or elaborating on areas of interest. The eleven advertisers and nine lawyers who argued that tacit learning could occur from meetings and brainstorming sessions described a very different process. In these training sessions and brainstorming events debate and discussion was used as the key method for learning. Rather than one individual lecturing to a silent audience there was debate between those present, discussion of experiences and ideas and input from senior advertisers or lawyers. Such sessions then resembled in many ways the types of conversations described above where ideas and experiences are exchanged allowing individuals to develop their own in-depth, tacit, understanding. This allows the interpretation and sense making needed for learning, as highlighted by the SAP, to occur.

8.3.1) Learning from those in 'shared space'

The type of conversations described above are facilitated by a shared positionality of all those involved that allows engagement in the types of debates that allow learning. The focus here then is upon how *practice-based spaces* allow the translation and sense-making process that produces new knowing *not* upon whether the practices are performed or not (but see below for further discussion of this point).

For advertisers the common ground that produces this shared practice-based spaces exist because of their employment within the advertising industry and the shared awareness of each other's job roles this produces ¹²⁰. This shared space also exists for some because they work on the same client's account. For lawyers shared practice-based spaces exists as most conversations are with other lawyers specialising within their field, either corporate or finance law for the interviewees in this research. For both advertisers and lawyers then this shared practice-based space provides a common ground and context that ensures individuals understand one-another's ideas. As interviewees described the role of such shared ground:

"Most conversations go something like 'when I was at agency x we did it this way' or 'when I worked on client x we did it this way' and people just exchange their experiences and talk about how they dealt with situations they have all come across in one shape or form throughout the career and which they all have a basic understanding of" (A1).

"So, you might have a lawyer whose done certain types of work, they speak to another lawyer whose done certain types of work, and between them by talking things through, by sharing their experiences they actually work out something innovative" (L2).

The two quotes above describe how learning occurs when those involved are able to understand and relate to one-another's ideas because of shared experiences and shared explicit knowledge. This is a key tenet of the SAP, the ability of individuals to interpret and make-sense of conversations because of their context/identity. Hence

¹²⁰ As was noted above, advertisers normally work in at least two of the job roles described in chapter seven during their career. This means they understand the challenges and issues of all of their colleagues and have directly relevant experiences.

why most conversations are between advertisers with similar experiences and lawyers working in the same practice group – it means they share an understanding that allows learning. This shows how important the existence of a facilitating context and shared identity and ‘space’ is for learning.

Table 8.2 summarises several further factors that can support this learning process by ‘manufacturing’ events for learning by talking that overcome the time constraints and other limitations of professionals that might prohibit learning. This develops the idea noted earlier that the socio-cultural and material space in which learning occurs affects how the practices are enacted. Below I focus in more detail upon one of these because of how it provides further insights into how tacit knowledge production occurs through talking and how space can be influential in this process. The reader should not however at this point confuse practice-based spaces and socio-cultural, material and organisational spaces. Practice-based spaces allow cognition to develop – they influence the process of sense-making and translation that leads to learning. Analysis of the affect of socio-cultural, material and organisational spaces focuses upon how such influences affect how the practices are performed and enacted (c.f. Thrift, 2000b) – whether the social engagement and interaction needed for learning occurs successfully.

8.3.2) The spatial dynamics of intra-office learning by talking

As was noted in table 8.2, an important factor in making learning by talking effective is a suite of techniques management in advertising and law firms use to increase the number of people individuals talk to. The management of the enactment of the practices of tacit knowledge production is influenced by the socio-cultural and material spaces that exist in each office. Office design is of particular interest here because of its material spatial nature.

Firstly, open plan offices were seen by both advertisers and lawyers to be preferable because they create more interactions between individuals and as a result conversations. All of the advertising agencies in London researched had such offices but surprisingly in New York all offices were closed plan. This can be explained by building design however with the offices in New York predominately being built in a closed-plan style and therefore limiting agencies’ options. None of the lawyers interviewed worked in an open plan environment. Although all admitted it would create

Factor	Role in advertising agencies	Role in law firms
Existence of a 'flat' rather than hierarchical organisational culture	An informal working environment where everyone is seen as equally likely to have useful insights and is consulted. The ability to stand and chat without fear of chastisement from management.	Partners should be approachable and willing to chat with associates (see below for further discussion in relation to the partnership model).
Use of the partnership model	Not applicable – advertising agencies use a corporate structure.	Collaboration promoted whereby all partners and associates work together and draw on one-another knowledge to meet clients needs. However, especially in New York, partners often view their knowledge as their 'crown jewels' earning them high salaries. They are therefore guarded with the insights they pass on to others. This suggests the partnership ideal that is supposed to encourage knowledge sharing (see chapter two) might have been diminished by the use of the managed professional business model and its aim to boost profitability.
Meetings and training sessions	Opportunities to get together for training on procedures such as how to get an advert cleared for TV broadcast. Also brainstorming in relation to a project. Important conversations occur during these events when debate formats are used.	Training by professional support lawyers (PSL's) on the latest changes to legislation. Also discussion sessions of new elements of the law and recent transactions. Brainstorming also used in relation to a specific project. Important conversations go on during these events when debate formats are used
Employee mixing	The use of temporary teams and office design to increase the number of colleagues an individual comes into contact with (see section 8.3.2 for further discussion).	As per advertising.

Table 8.2. Key strategies to improve learning by talking.
Source: Fieldwork.

more interaction but open plan offices become problematic when lawyers needed to hold private telephone calls or needed a quiet working environment. As one put it:

"...there's a tension in reality between an environment for someone who wants to sit quietly and draft something and an environment where you want people to be team-working and trying to be collaborative and participate" (L21).

In both open and closed plan offices however there was recognition of the need to create what were commonly referred to by interviewees as 'water cooler conversations'. Both advertisers and lawyers in London and New York argued that the layout of key amenities within an office, the photocopier, drinks facilities, toilets, is

critical to improving learning by talking. Interviewees suggested the existence of a communal canteen area for those with access to such facilities is also vital, allowing a large number of people to informally chat over lunch. By locating these facilities in central areas it encourages a range of individuals to congregate and benefit from chance meetings that lead to important discussions. As two interviewees described such benefits:

“...part of the reason the agency is designed the way it is, the reason why you've got a big long corridor... you get the opportunity to bump into at least three people on the way to the toilet or to get a drink and talk things over with them, so its what they call the water cooler conversation” (A14).

“...if you're both in the kitchen making a cup of coffee you get the – ‘how's your day? ‘Oh god I've just had a really difficult conversation with the take-over panel.’ ‘Oh right that's interesting... I've just been looking at rule such and such or we've gone to counsel on a point of law’ and you might want to talk about some of the technical issues you're grappling with” (L3).

These chance happenings then are critical to enhancing the success of learning by talking. When individuals are forced into social interaction with one-another the conversations that occur (and would probably not occur otherwise) are invaluable. As the above quotes show, office design facilitates these meetings and as one interviewee commented about his/her office and the negative influence of its design:

“...one of the detriments of the office here is that we're on 11 floors so there's lots of vertical travel to see people and it doesn't occur spontaneously – you have to arrange it on the phone or something” (L24).

Advertisers in agencies who worked in offices segregated into project team groupings also reinforced this point. In these agencies everyone working on one client's account would use one section or floor of the building. This was done to stop planners being on one floor, account managers another and therefore a physical (spatial) barrier existing between team members. This ensures everyone working on the project interacts regularly. However at the same time it creates a type of account team ‘lock-

in' (Grabher, 1993) whereby individuals rarely talk to anyone outside of that team ¹²¹. As one advertiser noted:

"...its not at all unusual to for me to say to someone, 'do you know where [person x] sits'? And for them to say 'who's [person x]'? Because they live up one end of the floor, they are close to the people who are their colleagues in the team, they're very close to people in their account team, but they're not aware of who everybody else is" (A3).

This shows how vital the spatial dynamics of an office are to learning. The spatial location of offices within a city has been identified as an important factor in knowledge production (e.g. Pryke, 1994) but only recently has the spatial dynamics within offices been considered (and then not by geographers). Hillier (1996) has suggested 'space is the machine' when it comes to effective knowledge production in an office environment whilst Markus and Cameron (2001) have also noted the value of the effective spatial organisation of an office ¹²². The fundamental argument put forward in these literatures is that offices should be designed to create 'relational spaces' (Markus and Cameron, 2001, 64). Physical proximity does not necessarily encourage or facilitate interactions but instead strategic design that results in individuals with shared interests coming together creates opportunities for conversations and learning. This is described as relational because it designs-in spaces and interconnections between physically separate spaces in a building that bring individuals together.

These insights are important because of how they suggest a need to be sensitive to the spatial influences on the enactment of learning by talking and in particular to how such learning might be enabled by the management of space in a way that allows individuals to successfully interact. As was noted at the start of the chapter the way practices are performed and enacted is influenced by spatially variegated organisational, socio-cultural and material factors. Office design is a material factor

¹²¹ The constant churn of team members helps overcome this in part whilst five agencies held weekly meetings for each discipline (account planning etc). Others (three of those sampled) had an agency policy that stated each account team must hold agency-wide brainstorming sessions to 'take an agency perspective' on issues and learn from colleagues not part of the project team. Finally four agencies had a bar within the building that was used to get a wide range of individuals from different teams together after work. This worked in the same way as the communal canteen does.

¹²² This is a very selective reading of what is a diverse body of literature that appears to be somewhat disparate and confusing. However the 'relational' approach taken in the work reviewed here seems to reflect in many ways the ideas of 'relational economic geographies' and has valuable insights into the influence of material space on learning.

that has a significant influence on the practices of tacit knowledge production. When individuals are sitting on different floors (spatially separated by only a few metres and walls) it is necessary to foster interactions, relationships and awareness of one-another's insights and existence. As well as supporting the argument made in this chapter. This also suggests that when learning is stretched between offices located in different parts of the world and individuals are separated by thousands of miles of ocean the fostering of interactions will be important. This point is further developed in chapter nine. Table 8.2 also highlights the affect of the 'socio-cultural spaces' on the enactment of learning in the form of a 'flat' organisational culture. This supports the argument that the 'spaces of enactment' affect the success of learning. The discussion of learning by reading further develops this point.

8.4) Learning by reading

In one form or another reading emerged to be an important way of learning for both advertisers and lawyers. From industry publications such as *Brand Republic* and *Advertising Age* for advertisers and *The Lawyer* and *The Law Gazette* for lawyers to industry-specific textbooks and firm-specific intranet sites, text was seen as an important source of knowledge. However, there was some disagreement as to whether reading simply allowed explicit knowledge to be gained (through memory) or whether tacit (unconscious) learning could occur. All interviewees agreed that reading was important and more senior interviewees said they encouraged trainees to read relevant materials. However, only 14 advertisers and 19 lawyers believed it lead to the sort of learning that produces tacit knowledge.

Those who disagreed (15 advertisers and ten lawyers) argued that documents are a source of factual information – explicit knowledge. This reflects many of the arguments in existing literatures about the difficulties of using documents to manage tacit knowledge (see chapter three). As one interviewee described the value of documents for learning:

“...at the margins that is occasionally helpful... They always feel very dead and yet we persist in trying to share knowledge that way. So much of it is about the context you lose in them and therefore you don't really understand and learn” (A16).

For such individuals then a lack of context prohibited the interpretation and sense making needed for tacit learning to occur. All those who did not believe reading allowed the production of tacit learning made such an argument.

For those advertisers and lawyers who valued written documents as a source of tacit learning two factors were important that contradicted this perspective and meant learning was possible. First, documents should be read in an inquisitive and critical manner. The reader should not be looking for an answer or solution to a problem but instead be looking to understand and learn from what they read. In this sense documents become a source of *learning* rather than knowledge or facts. As two interviewees described such a role for reading:

“When I was a junior I used to go out my way to read things other people had done so I’d read it to just try and learn from it. You get a report and you can see how they’ve done. And you’ve got be interested, curious and want to try and understand and learn things” (A6).

“We also have what’s known as [system x] which is where if you’ve done a piece of work that you thinks particularly interesting you submit it...that’s time saving and generates further ideas because most people when they’re looking at other peoples work they’re looking at it and they can analyse it and put a critical analysis on it as well, so that’s quite helpful, it produces new insights” (L18).

Both of these quotes show then examples of when individuals have used documents as a source of learning rather than knowledge. As the SAP highlights, any learning is about an individual’s interpretation of the stimuli and how they make-sense of it, rather than the consumption of knowledge as a static resource. Those who value documents are those who approach them in the way Allen (2000a) suggests, as a source of learning that they can translate based on their own positionality. The following comments represent this idea well:

“...the computer as an information tool has made it easier for this industry to share ideas because part of the creative process is being able to share ideas. And the quicker you can spread those the better off you are, it leads you somewhere. It won’t do the thinking for you, computers are logical processes so don’t work like humans, but it will help lead you in the right direction, it will provide you with the source of ideas” (A18).

"It [knowledge management databases] just allows you to search faster and so on and it allows us to be have more and more information, you can search by reference to a word. So they're very useful. They don't solve everything, they don't get rid [of the need for] creativity, the flair, the judgement, but they probably allow you to apply all of those things faster" (L22).

Both of the quotes above show how a document has to be understood, interpreted and put into context by the individual. As a result these interviewees suggested tacit knowledge production could occur through a process of re-experiencing past projects through documents. In particular, firm specific intranets (see below for more detail) provide valuable documents describing past projects and the rationale/structures used. As one interviewee put it:

"We've got like a database called [corporate database x] and that has a lot of useful ideas from offices world-wide and so you can search and download what you thinks relevant. I guess if you spilt you're knowledge and learning into two areas there would be that which you pick up through experience and that which you don't necessarily have to have done the job, so reading and learning. And I think that's really helpful, databases and knowledge functions have that role in learning and getting ideas" (L15).

As this quotes suggests then, first-hand experience can be complemented by reading about and learning from other's experience. This idea is reinforced by how lawyers argued that firm-specific intranets and many of the textbooks available are predominately, but not exclusively, used by trainees and junior associates. Partners (who have tacit knowledge) rarely find them useful because they already have extensive explicit knowledge of the law and tacit knowledge from first-hand experience. For juniors without this experience reading is much more useful and allows them to begin to develop tacit knowledge more quickly than if they had to rely on first-hand experience alone. As one partner commented:

"I think they are genuinely useful, nigh on indispensable but I think they tend to be of benefit at relatively low level work...the knowledge information management systems which we have on the intranet, they are useful because they will enable these guys to access and unusual example. If someone had written a contract with an unusual enforcement clause, that would find its way onto the intranet and it can be accessed. But again its really getting associates to a stage where they could have a good stab at something whereas an experienced lawyer would have been able to do it anyway" (L9).

In many ways then reading is, for those who found it useful, a complementary tool and something that for lawyers is most important in the early stages of their career. An additional point these interviewees raised however was that the quality of the documents available affected whether learning could occur. This is discussed below and illustrate well the fact that learning is reliant on an individual's ability to translate and make-sense of, in this case, what they read.

8.4.1) The role of knowledge management systems

Although documents are available from various sources, those most effective for learning by reading often comes from a firm's knowledge management system. Typically such systems contain case studies and reports relevant to past work with knowledge and ideas developed during the project presented and explored so that others can learn from it. Documents in the public domain (e.g. industry magazines) often lack such detail for competitive reasons. Those who used such systems (and the variation in use between both advertisers and lawyers is discussed below) noted however that the quality of documents affected their value for learning. As one advertiser commented, poorly written documents can feel 'dead' and lack the context and depth of explanation needed to allow learning. Only documents that explain in detail the context of the project, the approach used and the final outcomes are useful for learning.

Lawyers in London were particularly aware of the importance of such content and relied on PSL's to manage the documents on knowledge management systems. To capture content for these systems PSL's, who are responsible for knowledge management in London's law firms, work with partners and senior associates to develop in-depth reports about past transactions. This can be through one-to-one interviews, debriefing meetings or standard forms designed to prompt the 'reflection' process. The aim is to get as much insight, detail and logic into a written document as possible. As one PSL noted:

"...the knowledge that the client really wants out of their lawyers at the level this firm operates, is the experience and the people, tacit knowledge, which is almost impossible, because its intuitive, to record in any way. But you can make efforts in that direction, so you try and trap some of that knowledge into a document with guidance

notes and you try and put some of the knowledge and experience on a database so people are aware of the issues that might arise which is not apparent from the law or the document itself" (L7).

Ensuring documents provide such in-depth understanding allows the interpretation and translation process that results in tacit learning to occur based on how individuals understand the ideas expressed because of their positionality, past experience and the tacit understanding it produces and their existing explicit awareness. It is important to remember then that, as the above quote touches upon, documents never 'trap' tacit knowledge but simply act as stimulus for learning.

Such knowledge management systems do not exist in all of the advertising and law firms studied however and not all of the firms had individuals dedicated to creating and managing the documents in such systems. Two important variations were noted in the existence of such systems that again develop the argument that the way learning practices are enacted is affected by, in this case, the 'organisational spaces' that influence them. First, only four of the nine global advertising agencies studied had any type of knowledge management system and those who had such systems often described them as poorly designed and maintained and rarely used. As a result it was common for advertisers in both London and New York to suggest they 'reinvented the wheel' as they were unable to learn from their colleagues experiences unless they knew them personally. Those who had access to such systems generally agreed that it could avoid such scenarios and allow learning by reading as described above. It was somewhat surprising to find that global organisations lacked such tools and advertisers from four of the global agencies studied suggested that their organisation was not willing to make the necessary financial investment in order to set up such a system. This shows that Empson and Chapman's (forthcoming) argument that corporate organisational structures in PSF's are less successful at knowledge leverage than professional partnerships (unless a management board committed to the process exists) may well hold water. It also shows how 'organisational space' affects how learning is enacted as it determines the existence or absence of the 'architecture' within which learning occurs. In organisations where the culture and ideology is not tuned into the importance of knowledge management it is difficult to ensure the 'spaces' that allow effective learning exist.

For law firms the situation is more complex. Whereas all law firms in London have computerised knowledge management systems such systems are poorly developed in New York with documents rarely completed and submitted. Moreover, the role of the PSL does not exist. As a result, whereas in London each practice group has a dedicated individual responsible for ensuring such systems are up to date and good quality documents are submitted, lawyers in New York have no support. Therefore few of the learnings from a transaction are passed on via such systems. As one lawyer summarised the situation:

“I would say in the States we are behind the times in terms of the UK, and that’s true for most of the firms in the States. And so I would say it’s only been the past two or three years that we’ve really made a push to do those kind of things. So it’s been a struggle to get the various practices to contribute materials...especially the associates crave that kind that type of things” (L26).

This quote again shows that lawyers recognise the fact that in the UK (which in some cases is the origin of the firm they work for) better practices exist for knowledge management. When lawyers in New York were asked about the use of intranet-based documents as sources of knowledge they commonly suggested that where such systems were available they were either poorly developed or were not used as documents were of poor quality. This was both disadvantageous to lawyers in New York as they couldn’t search for relevant documents but also to lawyers throughout the world as they couldn’t tap into the experiences and insights of colleagues in New York through such systems (see chapter nine).

Explanation of this difference may lie in understanding the attitude of partners (the prime contributors) towards such systems. If, as suggested above, the managed professional business model is more dominant in New York than London then partners may not like ‘wasting’ time on activities that share their knowledge with colleagues in the firm. As the above quote suggests, getting individuals to contribute to such systems is one of the major hurdles. If partners exhibit individualistic behaviour (I know all I need to know so why should I share my competitive asset with others?) it seems that they will be unwilling to take time to contribute to knowledge management systems. Moreover, the use of the ‘eat what you kill’ model by US firms (and some UK

firms in their US offices to fit with local tradition ¹²³) whereby partners wages are determined by the value of the billable hours they charge to clients, is unlikely to encourage wider contributions to such systems as writing reports does not increase salary or bonuses. Getting individuals to contribute was also difficult in London. However, not only are partners in London paid on a lock-step basis but also there are PSL's who hound partners for contributions. Such a role does not exist in New York. The absence of PSL's may be because in the past individuals were not willing to contribute and managing partners, reflecting the attitude described above, didn't think partners fee/salary earning time should be impeded upon for such an activity. As two lawyers commented:

"They really don't spend money on PSL's in New York firms but the UK firms do...So I get banking, capital markets updates from the PSL's in other offices" (L23).

"In the M&A area there's great debate as to whether we're doing enough knowledge management and we're about to recruit and hire a practice co-ordinator whose principle function will be knowledge management for M&A, and that will be a first for us in the States, although in the UK its my understanding everyone's got a practice co-ordinator but its an unknown concept here in the US" (L26).

This further highlights then how the socio-cultural space in which learning occurs (varying between places) affects how learning practices are enacted and therefore the success of knowledge production.

It is clear then that learning by reading is dependent on documents that provide the necessary depth of insight for interpretation and sense-making to occur. The existence of computerised knowledge management systems that provide the most valuable documents for such learning varies however both between advertising and law firms but also between cities within law firms. This again suggests that 'organisational' and 'socio-cultural space' affect how learning occurs, supporting one of the key arguments of the chapter. Below the way all four of the practices reviewed here also are synergistic is reviewed before some conclusions are drawn about the key ideas developed in the chapter.

¹²³ When one major UK based firm converted its US partners to the lock-step model of payment where partners are paid a percentage of overall firm profits it caused outrage amongst partners (*The Lawyer*, 2003c).

8.5) Synergistic practices of learning

Although each of the learning practices have been dealt with alone in the above discussion a pertinent theme to emerge from all interviews was that no single practice alone ever produces tacit knowledge but instead a synergistic combination of two or more is normally needed. In any situation, whether it is first-hand experience, observation, conversation or the reading of a document, individuals normally turn to a second learning practice to help their understanding and the development of knowing. Numerous comments were made about this synergistic effort. Learning by observing was noted to be most successful when individuals also talked about what they observed:

“For juniors to develop the best way is to observe. Sit in on phone calls to regulators and watch what unfolds. Afterwards I always get them to ask me questions about anything they weren’t clear on or need some hints about. In a transaction we share amongst each other what’s going on and the juniors especially get to listen and ask questions and learn by watching me...you can’t expect them to just watch and understand it all for themselves, it helps if you talk it through as well” (L10).

As this comment shows, the sense-making and interpretation needed for learning to occur is aided when individuals can also discuss what they observe. As far as learning by reading is concerned:

“...it [reading things] will never replace giving the guy in Australia a ring and saying ‘what’s the counsel you can offer?’ And it’s quite interesting when they write up the knowledge and learning’s, inevitably these things are interesting but pretty vanilla, the lumps and bumps are taken out of everything in when a report or review is written. And you only get the lumps and bumps or the local colour as it were by actually talking to people. So actually building up a network of contacts is your life saver” (A23).

Again then talking, this time to the author of a report, provides a vital way of enhancing learning through the synergism of two processes ¹²⁴. The production of tacit knowledge is then both the result of individual practices but also their synergism that

¹²⁴ It is pertinent then that a number of interviewees pointed out that the author of documents on knowledge management systems are always listed along with their contact details to enable such conversations.

enhances an individual's ability to interpret stimuli and develop useful tacit knowledge. As one professional support lawyer described the benefits of drawing on multiple stimuli for learning, "no one approach is used in isolation, that's the important thing. You're usually in a transaction where they'll be a whole team of people working so even the trainee who picks something off the system, they're not sitting there in isolation trying to understand and interpret it they can draw on their past experiences but also talk to colleagues" (20).

Figure 8.1 schematically conceptualises this idea as a *web of tacit knowledge production*. It shows a number of hypothetical situations and how the web of tacit knowledge production might synergistically draw on several practices. This highlights then how any focus upon the socio-spatial practices of learning must trace the networks of knowledge production that operate through several different but complementary practices. It also supports the suggestion that learning does not occur when knowledge 'flows' between individuals but instead occurs when an individual learns for themselves based on a process of translation and sense-making. The web of tacit knowledge production highlights how this process is enhanced when several practices are enacted synergistically to allow learning. This may be important because, as was noted at the end of the previous chapter, tacit knowledge should not always be assumed to be correct. Therefore the synergism of practices may improve the quality and accuracy of the learning and knowledge developed. These insights may be even more relevant to spatialised learning and will be considered in more detail in the following chapters.

8.6) Conclusions

A significant amount of time was spent in chapter three considering how different theories of learning could inform analysis of the geographies of tacit knowledge production. The SAP was suggested to be most useful because of how it highlights the practices of knowledge production and the (in many ways spatial) influences upon them. The research findings outlined in this chapter build on this discussion and contribute to existing understanding of tacit knowledge production by both documenting the factors affecting advertisers and lawyers learning and also outlining how the day-to-day practices of knowledge production are enacted within the offices of the professional studied. This highlights how learning is affected by the 'material', 'socio-cultural' and 'organisational' spaces that exist and by the existence of shared

identity and membership of a community that produce a practice-based space in which the sense-making and translation needed for learning can occur. In doing this four additions to existing understanding are made that reinforce the key arguments of this chapter and that can also be used to aid the exploration of the spatial influences and nature of tacit knowledge production.

[Insert figure 8.1 here]

8.61) Dispelling myths about practices of transfer and conversion

Firstly, the above discussions draw attention to the importance of all of the practices identified in chapter three in producing tacit knowledge. In particular they show that observation, something often given minimal attention in existing work, needs to be focussed on as a learning practice for employees of PSF's. Although Ibarra (1999; 2000) has highlighted the importance of observation for the development of tacit knowledge of behavioural styles, her work, nor that of any other scholar, shows as clearly as these results how observing can result in learning. Probably the greatest contribution however is made to literatures considering the possibility of learning by reading, a somewhat debated and immature body of work. In particular the results confirm the suggestions of Allen (2000a) that when well written documents can be read, interpreted, understood and as a result learned from rather than simply acting as conveyors/transferors of explicit knowledge. This insight also reinforces the argument put forward in chapter seven that tacit and explicit knowledge cannot be seen as separate knowledge forms but rather are different yet complementary. It develops the idea that tacit knowledge informs understanding of explicit knowledge (Polanyi, 1969; Asheim, 1999) and suggests explicit knowledge is also important in the production of tacit knowledge because of the way that it mediates learning. However, rather than supporting the idea of Nonaka and Takeuchi (1995) that knowledge is *converted* from explicit to tacit form by reading (internalization in their language) the results show that documents and the explicit knowledge within them allow learning to occur based on the understanding and interpretation of ideas. This is knowledge *reproduction* (in tacit form) rather than conversion as the explicit knowledge remains (and is probably memorised by the individual) whilst tacit knowledge (unconsciously) develops as well.

Reflecting the ideas of the SAP that practices of learning produce knowing, the results show then how direct experience/observation, conversation and reading allow individuals to interpret, translate and make-sense of the stimuli and develop their own

tacit knowledge (rather than receive it from the person they observe, talk to etc). It is therefore also possible to develop existing conceptualisation of learning by experience (e.g. Arrow, 1962; Sternberg *et al*, 2000) by showing how experience allows learning and how practices such as on the job training require those involved to be able to make-sense of what they experience. It is not possible simply to throw people in at the deep end and hope they learn from the experience. This is a more complex view of this practice than others have put forward and forms one of the main arguments of the chapter in terms of the importance of the existence of 'spaces' of and facilitating factors for learning (see below).

As a result, approaches such as the 'knowledge-based view' that treat tacit knowledge as a static entity that can be transferred between two individuals can be seen as too simplistic in their epistemology. This explains why so many knowledge management initiatives within firms fail when practices are put in places to move tacit knowledge from one place to another (e.g. through the use of computerised knowledge management databases alone). Only when practices are put in place that also effectively allow individuals to learn from one-another will effective exploitation of the tacit knowledge that a firm's employees have be possible.

The second major insight provided by these research results builds on the first and shows that learning should be seen as a multi-stranded process that draws on multiple practices – something conceptualised here as the web of tacit knowledge production. Although each practice alone is an important way of developing tacit knowledge it has been shown that advertisers and lawyers generally find the most effective learning to occur when several or all of the four practices are used synergistically. This reflects in some ways the 'spiral of knowledge creation' proposed by Nonaka and Takeuchi (1995) in which they argued that the combination of explicit and tacit knowledge management processes in the SECI model allows organizational learning and knowledge creation. However, whether intentional or not, this model sets up the practices as separate and discrete, operating alone and in a sequential manner (see chapter three). The model proposed here views these practices as concurrent, operating together to allow knowledge (re)production and organisational knowledge creation by further enable the sense-making and translation needed for learning.

8.62) Advertising and law firms and their management of learning

A third contribution of the research presented in this chapter exists in the form of the development of extant understanding of the way learning practices are employed and managed in advertising and law firms. In particular the results show that temporary project teams, the strategic location of individuals (in their superiors office), effective spatial office design, effective meeting/training management and the creation and maintenance of high quality computerised knowledge management systems all encourage tacit knowledge production. The findings raise questions however as to whether the diminishing role of the partnership model, suggested to encourage knowledge sharing because of the creation of a collegial working environment (see Greenwood and Empson, 2003), is effecting knowledge management in law firms. Lawyers in both London and New York (but especially the latter) often work in an individualistic manner to try and secure partnership (or maintain their advantage over other partners) by 'hoarding' their knowledge. This is the opposite effect that existing literatures suggest partnership promotes ¹²⁵.

All of these insights highlight then how 'material spaces' (office design), 'organisational spaces' (whether knowledge management systems exist) and socio-cultural spaces (whether individuals are willing to make the effort to spend time with trainees, write reports for knowledge management systems) affect how learning practices are enacted. A key argument to emerge from this chapter is then that, as Schoenburger (1999) amongst others has highlighted, organisational practices are influences by intra and inter-firm variations in context, culture and institutions. Therefore there is no such thing as 'the uniform global firm' (Dicken, 2003; Doremus *et al*, 1998) but instead there are complexly variegated organisations and spaces in which economic practices are enacted. The findings here deepen our understanding of this issue and exemplify it specifically in relation to PSF's and knowledge production.

¹²⁵ This is symptomatic of a wider change in 'the professions' away from groups of individuals dedicated to providing a service 'for the public good' and towards commercially orientated organisations that will do anything to fulfil their clients needs and increased revenues (see Broadbent *et al*, 1997). In part this has been driven by a divide within professional industries between those firms who serve the large TNC's and their commercial needs (the type of lawyers and advertisers studied here) and those who provide 'high street' services to small firms and individuals. The former are now more commercially orientated (as mega-lawyers for example) and manage professionals in the same way as employees of non-professional organisations are managed (performance reviews, individual targets, promotion based on value added to the business). The globalisation of these firms has only reinforced this change as a greater need exists to manage and operate an integrated 'global PSF network'. This requires more active management and therefore the increase in use of the 'managed professional business model' (see Brock *et al*, 1999).

The results highlighting the importance of ‘material spaces’ in the form of the effective design of an office to create ‘relational spaces’ are of particular interest. They suggest that the ‘material’ affect of space on learning might also be in terms of connectivity and dis-connectivity. Way of interconnecting physically separated spaces through relational spaces that make individuals aware of one-another’s existence and provide opportunities to interact are important. This is an insight that can further feed into our understanding of the geographies of tacit knowledge production in terms of informing us how the ‘material’ affects of clustering and spatial stretching influence learning. This is developed in chapter nine. Below a final argument is reviewed that might inform the analysis of the geographies of tacit knowledge production.

8.63) Understanding why ‘context’ matters in the (spatial) practices of learning

Finally, fourthly, and building on all of the above discussions, the results highlight how tacit knowledge production can only occur when the appropriate facilitating conditions are in place. As was noted in chapter three, the SAP highlights how learning is situated and contextual, mediated through an individual’s positionality and identity as a member of a community. A key argument of this chapter has been how these factors must exist for learning to occur in what was called a ‘practice-based space’.

The research results presented here shows how the practices of learning important in PSF’s are mediated by existing explicit knowledge, shared awareness because of shared job roles and a common understanding of the profession worked within. Whichever practice of learning is employed the individual makes-sense and interprets the stimuli by putting them into context based on either what they already know (explicitly) about the idea or how they understand it because of their positionality and past experience within the profession of advertising or law. The importance of this is reinforced by the examples that show how learning can fail. For example, learning by experience fails when individuals are new to the profession and have no existing awareness to guide their understanding whilst conversations fails unless with someone in the same job role or with someone who has similar experiences so as to facilitate effective discussion and learning.

These findings exemplify then why organisational learning is seen as so critical and often based upon knowledge ‘flows’ within communities of individuals within a firm (e.g. Amin and Cohendet, 2004; Boland and Tenkasi, 1995; Tsoukas, 1996). It fleshes out

the ideas of Blanc and Sierra (1999) when they suggest 'relational' and 'organizational' proximity exists between those working for the same firm and/or industry and shows exactly why such phenomenon allow learning to occur. In terms of the wider project of this thesis, such insights are also crucial as they may allow a better conceptualisation of the spatiality on tacit knowledge production to be developed. By understanding how factors such as existing explicit awareness and shared context and identity matter in the learning process it becomes possible to trace the socio-spatial practices and networks of knowledge production at local and global scales and consider how differences in these factors at different spatial scales might affect the learning process. In effect it means looking at the geographies of the practice-based spaces of learning.

The next chapter therefore builds on these insights and begins to trace the socio-spatial practices of experience and observation, talking and reading across (local and global) space. In doing this it seeks to identify how the practices of learning identified in this chapter are affected when stretched outside of advertisers and lawyers' offices and to consider if practice-based spaces of learning are local, global or both.

9) Local-global geographies of learning

9.1) Introduction

This chapter traces the socio-spatial networks of knowledge production outside of one office of the firms researched by considering how learning might occur within the PSF clusters in London and New York and between the intra-firm communities stretched across the global office networks of the advertising and law firms studied. To do this the first half of the chapter begins by outlining how each of the practices of learning identified in chapter eight operate in the PSF clusters. Emphasis is placed on the architectures of the practices and the underlying factors facilitating learning. The chapter then secondly considers how spatial proximity and clustering of PSF's might be important in the learning process. The aim of this first part of the chapter is then to consider how 'local assets' might influence and affect the learning practices and individuals' ability to learn. The second half of the chapter then traces the globally stretched knowledge production networks and considers both the architectures of the practices operating at the global scale and how the principle influences upon learning (the context, identity and positionality of individuals and its affect on translation and sense-making) are affected by global stretching. In doing this the dualism between tacit-local and explicit-global geography is deconstructed and ways to overcome the disabling effect this has on studies of knowledge in economic geography proposed. Consequently out of this discussion two key arguments emerge. First, it is argued that at both the local and global scale knowledge production requires the construction of the 'architectures' of learning. These allow the practices of knowledge production to be enacted within the clusters of PSF's and between the intra-firm communities. Second, it is also argued that learning is facilitated by shared identity and context and existing shared (explicit and tacit) awareness, all of which comes from membership of a 'community' and participation in multi-scalar practice-based and relational spaces. These allow participation in the 'shared spaces of learning' that allow translation and sense-making and therefore enable learning. Underlying both arguments is the suggestion that when we 'trace' the networks of knowledge production without pre-ordained spatial ideals it becomes clear that learning occurs at both local and global

scales in similar ways. Therefore there is a need to overcome the local-tacit global-explicit binary in economic geography and considers the multiple geographies of tacit knowledge production.

Below then the chapter begins by describing the 'local' architectures that allow the practices of tacit knowledge production to be enacted within the clusters of PSF's in London and New York. It then steps back and critically questions whether the learning process (translation and sense-making that leads to new knowing) is actually facilitated in any way by presence in these clusters or whether clusters simply bring architectural benefits.

9.2) Experience and the 'local economy'

For both advertisers and lawyers learning by experience is not solely confined to experience of activities within their office but also has a number of local-global geographies (with the latter considered in the second half of this chapter). As was noted in chapter six, in both London and New York clusters of advertising and law firms exist within a wider agglomeration of clients and related PSF's. Flows within this 'local economy' allow learning by experience in a range of ways.

9.2.1) Churning labour forces and their additional learning dimensions

First, for advertisers in particular the churning of the labour force within the two cities is a useful way for individuals to learn from experience. The advertisers interviewed had worked for between one and five agencies, on average three. Often people moved out of choice (rather than because of redundancy for example) to experience different agency cultures and also the different accounts held. It is not uncommon for an agency to hold an account for tens of years and therefore advertisers often felt it was necessary to move between firms to get a wider range of experiences. As one advertiser put it:

"...people do move around on a fairly frequent basis and its valuable to do that because you get to see more things and the work different agencies do" (A4).

Generally it was accepted then that working in more than one agency was good for developing a more rounded and experienced person, someone with more tacit knowledge. This movement is facilitated by the existence of a large number of agencies in close proximity to one-another allowing advertisers to move between firms without uprooting from the city. As one advertiser in London noted, “it is probably a more mobile industry as people’s average stay is about two and a half years and they are likely to go to another agency within two tube stops from here” (A1). This was also a factor for lawyers but not to the same degree. Interviewees had worked for between one and four firms, on average two. This figure in itself shows a lower churn and lawyers generally felt less inclination to move between firms with only three interviewees mentioning it as an important factor. In part the continued existence of the partnership model of governance in law firms may encourage individuals to remain with one firm and be offered partnership after a certain length of successful service (although promotion based on such criteria is declining). It may well also be because lawyers tend to work for clients on one project for shorter periods of time (rarely in excess of a few months).

9.2.2) Learning through secondment experience within the local client agglomeration

For lawyers the ‘local economy’ provided a different opportunity for learning by experience. As already mentioned, London and New York act as large agglomerations of transnational financial service firms and a significant number of these are either the direct clients of law firms or act in some form (as loan provider, accounts managers etc) for other clients. Being located in close proximity to these institutions not only eases the provision of services but also allows important tacit knowledge production.

As was noted in chapter eight, it is crucial to have a degree of commercial awareness *vis-à-vis* your client’s business and also to be intuitive of how financial institutions may respond to elements of a transaction. For example, an investment bank that holds a large number of shares in a firm or has loaned a company significant amounts of money may veto a deal or transaction if they do not like the way it is structured. An important strategy to develop knowledge of such tendencies of nine of the law firms researched was then to second associates to local clients for up to a year. Normally this was to a major investment bank. This brings two key benefits to the individual and the firm. First, it develops a good relationship with the client and means they will refer

a significant amount of their work to the firm. Second, it allows that lawyer to develop tacit knowledge of their industry and its workings from direct experience of being part of the industry. This helps both the individual in their future career and the firm when insights and experiences are discussed and explored with colleagues. So as lawyers suggested:

“...secondment to our clients brings in more industry knowledge, knowledge about the clients. I think in building up that sort of tacit knowledge that is a hugely influential way of understanding clients better and builds junior lawyers knowledge of how clients operate” (L2).

“Many lawyers are now seconded to different industries because it’s also important now to know their client and their business. In the commercial world its not enough for a lawyer just to march into a deal and not know anything about the industry because all of that has an impact on how deal might be structured or how important it is to the client to get that deal through” (L7).

These secondments provide an opportunity for hands-on tacit learning through experience of what drives a client’s business and what influences the outcome of a transaction. Interestingly however this practice was seen as an UK model, something most common in London and somewhat unpopular in New York.

Of the 22 lawyers interviewed in London 17 said their firms regularly seconded to clients. These were both US and UK based firms whilst those not operating secondments were all US firms. In New York three of the seven lawyers interviewed suggested their firms’ seconded lawyers to clients in the city. These lawyers worked for both UK and US based firms. The firms not seconding lawyers to clients in New York were all of US origin. All lawyers in New York commented that secondments are an UK practice that some firms operating in New York have adopted (either because they are UK based or because it is increasingly seen as good practice). As one lawyer working for a US firm in New York commented:

“We don’t do that [second lawyers to clients], it’s very rare in the States. Our firm does not favour that model because it doesn’t really give you enough return on the investment of an attorney’s time” (L24).

Whether the reason for not seconding lawyers is totally financial is unclear although it suggests that the increased preference towards a ‘managed professional business

'approach in New York compared to London again influences learning practices. Other lawyers whose firms did not second clients argued however that it simply because secondments are an UK practice that is not seen as useful in New York. The fact that all those firms sampled in London not operating secondments are of US origin reinforces the idea that it is a UK practice and shows how some US firms have not adapted to local norms. Those in New York working for firms using secondments saw them as a valuable tool however, as one put it, "I'm amazed that the New York market has not taken it up more vigorously" (L23).

These differences raise further questions that build on the issues highlighted in the last chapter about the nature of 'organisational spaces' of enactment. They highlight how the home and host country affect on the practices of TNC's is more complex than often suggested. All of the firms studied in New York were also studied in London and two (both UK originating firms) operated secondments in both cities, three (all US originating) operated secondments in London but not in New York whilst two (both US originating) didn't operate secondments in either city. Figure 9.1 shows how no clear pattern emerged in terms of home country and whether secondments were used. This suggests arguments about the 'home' influence on firms (e.g. Dicken, 2003; Doremus *et al*, 1998; Whitley, 2002) might need to be revised as the results here suggest that in PSF's both 'home' nation and 'host' nation influences may affect how a firm operates and specifically here how the practices of tacit knowledge production operate in specific 'organisational' spaces.

None of the advertisers studied seconded individuals to clients. They viewed their relationship with clients as transactional, as one advertiser put it, "Clients want to hear about what you're going to do for them. Its our duty to make sure we've immersed ourselves in our clients business but they expect that without is going and working with them for a prolonged period" (A11). None of the advertisers interviewed thought they learned anything from their relationships with clients ¹²⁶. Neither did they think their relationships with local market research companies were beneficial beyond the data

¹²⁶ Equally puzzling was that there was little if any interaction between agencies from within the same communications group. As was noted in chapter five most global agencies operate within a larger holding group that includes a number of other global agencies. In both London and New York several agencies from one communication group have offices (often in close physical proximity to one-another). However, there was no movement or secondment of individuals between agencies within the same group. The only exception to this is at the highest level when senior management are moved from one agency to another.

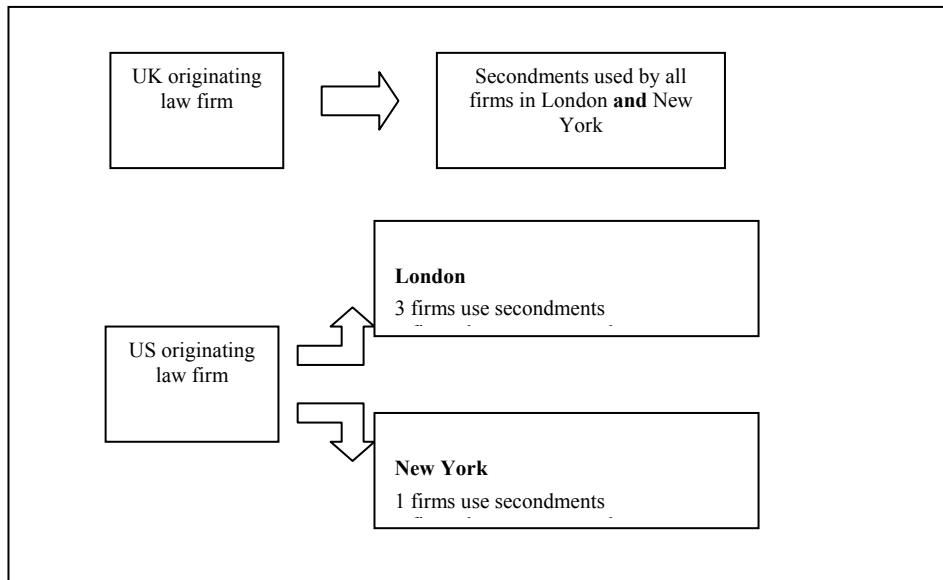


Figure 9.1. The differing use of secondments in London and New York by UK versus US originating firms.

Source: Fieldwork.

they provided. Again it was very much a ‘traded interdependency’ – the benefit comes from what is purchased¹²⁷.

The above discussion highlights then the architectures for learning by experience in the clusters of advertising and law PSF’s. The next section now goes onto to do the same for learning by talking. At the end of this section of the thesis it is then considered whether the factors facilitating the translation and sense-making needed for each learning practice to produce new knowing are enhanced or influenced in any way by the enactment of the practices within the ‘regional’ spaces. In essence it asks whether ‘regions’ have any special powers that smooth the learning process as Gertler

However this is a permanent move not a secondment. Being located in the same city does not facilitate such moves – often they are between offices in different countries.

¹²⁷ It was also surprising that none of the advertisers interviewed commented on the benefit of being in London or New York because of the ‘cultural capital’ of these cities and the opportunity to experience and ‘soak up the atmosphere’ this is often suggested to provide (e.g. Nachum and Keeble, 2000; Scott, 1999). Neither advertisers nor lawyers suggested the ‘observability’ of competitors was important (c.f. Maskell and Malmberg, 2002). They argued that the best way to find out about a rival’s work was through an industry publication (discussed later in this chapter) or by watching television. There was no benefit in simply being located close to their offices.

(2003) and Morgan (2004) amongst others have suggested or whether they simply act as one of many spaces of learning.

9.3) Talking within the local clusters

Learning by talking as a process that produces tacit knowledge is also not restricted to practices occurring within the offices of the advertising and law firms studied. Both advertisers and lawyers in London and New York suggested that talking to fellow professionals working within each city is an important way of developing tacit knowledge ¹²⁸. Advertisers confirmed the idea posited in other literatures (e.g. Grabher, 2002a) that the cluster in London acts as a social 'village' with individuals constantly talking and sharing ideas. As one advertiser commented:

"I keep my ears open and you learn things. You tend to talk about issues you're all talking about, it's more like what are the issues, big issues that agencies are facing. So discussing how people deal with these things, these 'hot topics'... It's a forum in which I think people cement their views" (A4).

As this quote highlights then, such conversations help individuals to develop their understanding and interpretation, something highlighted by the SAP as being critical for learning. Advertisers in New York found such conversations equally valuable although less common in certain scenarios, a point that is discussed more below.

Lawyers in both London and New York similarly valued talking to other professionals in the local cluster. Such conversations were seen as a vital way of developing tacit knowledge of the key problems everyone in the local community faces, for example, the technical issues of a new piece of legislation. As one lawyer noted:

"Conversations with other lawyers act as a sounding board for second opinions, discussions of black letter law. So when we need to address the detail of a development it's useful to discuss the detail...Legal or regulatory questions, transactional questions we're not sure of the answer to, it's useful to see if anyone else out there knows the answer" (L8).

¹²⁸ Their ideas reflect in many ways those of scholars who suggest a 'blurring of the boundaries of the firm' whereby knowledge and learning increasingly come from outside of the firm's community of workers (e.g. Diamond *et al*, 2004; Seufert *et al*, 1999). Scholars have acknowledged that such conversations are a crucial part of making professionals (and particularly senior professionals) successful (e.g. Seibert *et al*, 2001, 219).

As this and the previous quote suggests then, the benefit of talking to other professionals working within the 'local cluster' is in the form of insight and *learning* based on a wider scope of opinions and experiences. For both advertisers and lawyers there were two common architectures of such learning, '*weak-tie*' networks (c.f. Granovetter, 1973) and *professional associations* (PAs). Both are discussed below.

9.3.1) 'Weak-tie' networks within London and New York

Advertisers and lawyers develop 'weak-tie' networks with their counterparts working in the same city and rely on such networks for learning by talking. Such networks are developed in two ways. First, as already noted above, for advertisers in particular but also lawyers there is a constantly churning labour pool within the two cities. As a result individuals develop contacts at firms they previously worked for and have occasional conversations with old colleagues, normally over lunch or after work drinks. Second, advertisers and lawyers get to meet their fellow professionals at a variety of informal and formal professional events and subsequently develop friendships. For both advertisers and lawyers PAs provide a good venue for such meetings. This point is elaborated on below. Regular award ceremonies in each city celebrating the work of successful individuals also provide important opportunities for friendship making. For lawyers fellow lawyers were also met during the completion of a transaction when other parties in the deal bought their lawyers along (who are nearly always from the local law community).

All advertisers found such 'weak ties' particularly important because of the cognitive nature of their work as conversations allowed them to canvass the opinions of fellow professionals. Typical comments were as follows:

"If I chat with mates its more about 'oh my god have you seen how shit that ad is'? It's that kind of thing... It's interesting when someone really likes something, when I say 'have you seen that ad its crap'? And they go ' well I really liked it! And it's like 'well why'? And it's interesting because there is so much subjectivity involved" (A14).

"...you end up with a network of people that do the same thing. Its quite nice to talk to them about the same problems, it could be quite specific things or just opinions. There

are still a lot of issues out there people are trying to understand in advertising terms and it just helps to talk about them together" (A29).

As these quotes highlight, advertisers found conversations invaluable for developing the type of cognitive tacit knowledge they need to be successful. Just as talking in the office allows ideas to be bounced around so does talking to fellow professionals working in the local cluster of agencies. This might mean telephoning a 'weak-tie' and then meeting them for lunch when a particularly difficult project was being worked upon or simply engaging in conversations during a social meeting. The most important factor in making such conversations valuable for learning however is the fact that the work engaged in by the agencies in the London and New York clusters is common to all members. This provides the shared enterprise, perspective and context highlighted as important for learning by talking. As the quotes above show, discussions are normally about shared problems and issues, for example, the difficulty of managing global advertising for large TNC's or the difficulties of developing adverts to target certain consumers ¹²⁹. This is then the 'shared practice-based space' that is needed for tacit knowledge production and suggests clusters of firms are beneficial for learning for more than 'architectural' reasons.

There was less agreement in the lawyers interviewed about the importance of 'weak-ties' for knowledge production. Twelve lawyers (seven in London and five in New York) suggested they regularly drew on such 'weak-tie' networks for learning. However the other 17 suggested that conversations with 'weak-ties' were not about work but about common non-professional interest such as sport. Further interrogation and analysis revealed however that this process was only important for the most senior lawyers who deal with the most cutting-edge transactions. For the majority of lawyers (the 17 who did not ascribe to this process) their work, although requiring intuition and creativity, is based on the application of well-founded laws that all lawyers have to be familiar with. If they do not have the tacit knowledge to solve the problems they face their colleagues within the office will almost certainly be able to assist them. They would therefore never ask advice from a lawyer at a rival firm. Not only is there no

¹²⁹ Examples of the type of conversations had with 'weak-ties' included how to deal with the aftermath of the September 11th terrorist attacks and consumers changing responses to certain types of advertising and how to interpret the public reaction (in the US) to what advertisers described as the 'nipplegate affair': When Janet Jackson accidentally (or as some would have it purposely) exposed her nipple on stage during an interval at the Superbowl.

need (colleagues can help you) but it would also be humiliating. The legal profession remains highly competitive and based on reputation and admitting you lack knowledge would be a disaster. As one lawyer put it, “I don’t want [firm x] knowing I’m trying to do something and don’t know where to start!” (L15). For advertisers the situation is somewhat different with everyone having an opinion but no-one knowing *the* answer or having *the* piece of knowledge needed to be successful.

For the 12 lawyers who suggested they regularly chatted with fellow lawyers at other firms conversations about a piece of law with ‘grey areas’ or a new piece of legislation could be

very important¹³⁰. One associate recognised this to be true of partners in his/her firm suggesting that when “...there’s nobody further up the food chain to ask, no-one in your particular office, then you may reach to colleagues in other firms” (L14). Indeed for these partners the bars and restaurants at lunchtime are crucial points of knowledge creation, nearly as much as the offices themselves. As another argued:

“...whenever there’s any new legislation, or you know if you do come across a novel transaction and you can’t raise a particular colleague who you think would know the answer, chance is you would consider picking up the phone to one of your other mates in another law firm who deals with the same type of thing and chatting in through with them and discussing common issues” (L4).

Again it is the fact that these colleagues are working within the same field of law and in similar commercially orientated circumstances that makes talking to them so useful: they occur between individuals in practice-based spaces¹³¹.

For lawyers it was also important to talk informally with clients. By having ‘weak ties’ working at key local clients it is possible to find out about the key issues they face (and

¹³⁰ ‘Grey areas’ of the law are certain elements of legislation or transaction models that can be interpreted in several ways and where regulators have not clearly defined any precedent-setting way of applying and interpreting the law. These are what the most complex transactions exploit because of the loopholes that emerge and cannot be challenged based on existing precedent. Naturally at all times in conversations about such ‘grey areas’ confidentiality as to the details of the case would be maintained.

¹³¹ At the time of conducting interviews one of the most discussed issues for lawyers in London was the potential importance of changes contained with the Department for Trade and Industry’s ‘Take-over Directive’ and how this could be understood and applied in transactions. For lawyers in New York developing an understanding of the evolving nature of ‘Asset backed securities’ was an important discussion point for lawyers.

further develop commercial awareness) but also to find out both about the activities of rival law firms. Most major clients such as investment banks employ more than one law firm at any one time and therefore individuals working for that firm can provide insights into the services that rival law firms are offering. This is a classic 'untraded interdependency' (Storper, 1995) between firms in a cluster. As one lawyer commented:

"You often get to hear tip-bits or have good friends who are at clients. I've got a very good friend who's at one of our major investment bank clients who I talk to at least once a week. He inevitably, as well as being a client of ours, is a client of all the other magic circle firms and in the same way that we'll be wining and dining him he'll be wined and dined by lots of other firms. So he's a very useful source of knowledge about what other people are up to" (L3).

As this shows then, relations with local clients and the ability to meet and chat with them provides valuable learning opportunities that produce tacit knowledge. Advertisers, for exactly the same reasons as were described above in relation to secondments to clients, did not value this process.

These findings highlight then the role of 'weak-tie' networks in tacit knowledge production within the advertising and law clusters of London and New York. It shows a range of 'untraded interdependencies' both between rival firms but also for lawyers with clients. The results provide insights in an 'unfuzzy' style into the Granovetterian networks that allow tacit knowledge production, therefore helping avoid many of the criticisms of such studies (see chapter four). They also begin to suggest other reasons, in addition to the existence of facilitating architectures for learning, that might make clusters of firms valuable for knowledge production. In particular the importance of a local community of individuals has been highlighted and the 'shared enterprise' and practice-based space this provides. This point is further developed towards the end of this section of the paper. First however the role of PAs as a complementary architecture is explored. This also highlights additional factors that might make learning particularly effective in some clusters of firms.

9.3.2) Professional associations as architectures for learning by talking

The second architecture for learning by talking is the PAs in London and New York. In both cities there are a number of PAs dedicated to representing and serving the needs of the advertising and law firms present. Table 9.1 outlines the key bodies in each city. Contrary to what Benner (2003) argues, for advertisers and lawyers such bodies are not just about lobbying for the survival of the industry and conditions to support such a cause. Rather they also enable a form of collective learning, although it must be said this is an indirect result of their primary activities ¹³². Below then the role of PAs for learning by talking is firstly outlined then variations in the success of such learning noted.

The PAs representing advertisers and lawyers in London and New York share a number of common factors that make them valuable for allowing learning by talking. All of the bodies have committee structures in one form or another that meet regularly and discuss pertinent issues. For example the City of London Law society (CLLS) has, amongst others, committees on finance and mergers and acquisitions, whilst the institute of Practitioners in Advertising (IPA) has committees relevant to each of the advertisers job roles. In addition to this, all PAs hold social events where members are invited to attend, listen to presentations and more importantly, socialise with advertisers or lawyers from other firms. In addition to this, the PAs for advertisers run training programmes for members. PAs for lawyers do not operate such training as law schools coupled with the training contracts for lawyers in the UK are seen as sufficient. However, although these formal committee meetings and training programmes are important, the greatest value of PAs for advertisers and lawyers comes from the opportunity for informal collective learning by talking. In effect events at PAs become communities of practice within the city – meetings of like-minded and similarly engaged professionals who want to exchange ideas and opinions.

Both advertisers and lawyers agreed that PAs were most important because of the opportunity they provide for professionals from local firms to get together and talk

¹³² The role of PAs in knowledge production and learning has been written about in academic literatures in various ways. Specifically in relation to PSF's Greenwood *et al* (2002) have argued that PAs allow archetypes of professional practice to be developed collectively between members of such bodies therefore producing new insights into the best way to practice. More widely PAs have been said to aid the diffusion of technological innovation by allowing members of a profession to learn about new technologies and share insights (e.g. Balla, 2001; Swan and Newell, 1995). In a paper that supports both of these arguments Benner (2003) therefore suggests that in regional economies PAs can act as 'regional communities of practice'.

Insert table 9.1

about common issues and problems, their relevant experiences and ideas, and as a result learn from one-another. Consequently the coffee breaks, meals afterwards and other informal moments are of more value than the structured events. Typical comments about this were as follows:

“...there's a number of courses like IPA courses and they start at one and go up to account director level and I think they're useful about 50/50 in terms of what you learn and also the time you spend with your peers. They all work on the basis of syndicate work where you're put in a group of people from entirely different agencies and everyone is mixed together on purpose and I think at least 50% of why those courses are good is because you get to talk to people who are at a very similar stage, have very similar concerns, and you get just to have open conversations, find out how other people do things, make some contacts” (A8).

“...on a regular basis I go to the American Bar Association, get together with lawyers from other firms where we bat things around, because the amount of explicit knowledge one needs is daunting and you know, it's easy to miss stuff or to not be completely on top of an issue and need other peoples opinion on it. So as a result, just getting together, keeping up to speed with colleagues can be extremely important” (L25).

As these comments highlight, the informal conversations that occur during the events of PAs are a vital way for both advertisers and lawyers to develop tacit knowledge. For lawyers, as the second quote shows, this is technical knowledge of, for example, amendments to legal statutes whilst for advertisers it is cognitive knowledge of consumers and the affects of certain advertising strategies. The conversations that go on between professionals allow learning in much the same way as was described in chapter eight for learning by talking. Individuals are able to exchange ideas and experiences, debate points of interest and, as a result of their interpretation of other's

ideas, develop new tacit knowledge. As two interviewees described the discussions that occur at PAs:

“...there is more discussion about things, we talk about shared experience, and what we have in common is that we all work in advertising and face the same challenges, do similar kind of work” (A17).

“...we sit down and say ‘how do we think this particular section of the act is actually going to work, what do we think these words actually mean?’ And in that environment, it made sense for people to say ‘well I think is maybe this, possibly this’ because it was new to all of us... It’s a mixture of learning and sharing your views and thoughts” (L3).

These conversations then mirror those held within the offices of the firms studied. However they also offer the opportunity to widen the scope of experience of the individuals involved in conversations because of their origins in different firms. Moreover, in addition to the conversations that occur during events at PAs, the ‘weak-tie’ networks described previously are enhanced by the activities of PAs. Advertisers and lawyers from a range of different firms get together and develop friendships. These people then call one-another for advice as described above. As one advertiser noted:

“The classic one is IPA [training course] two where all you’re 18 month youngsters go off to the wilds of nowhere and are put into teams. And its so intensive that these people end up being your buddies for life...I know at least one account director that’s still in touch with all the people she was on IPA two with and they still meet up” (A3).

These findings highlight both an additional architecture for learning and also a potential reason why some clusters of firms are effective at producing knowledge. PAs are shown here to act as communities of practices – something that is facilitated by the

existence of a group of individuals within a regional space that also share a 'practice0based' space. The significance of this is fully developed towards the end of the first half of the chapter. However first further consideration is given to the factors that ensure these PAs are effective at producing knowledge. It becomes clear that a certain type of learning - through untraded interdependencies (between individuals from rival firms or a firm and their clients) – occurs through PAs and requires additional influences to overcome corporate rivalries. This is suggested to potentially be one of the unique powers of 'local' spaces of learning.

9.3.3) Institutional influences on learning in 'regional' economies

In order for these PAs to allow learning by talking to occur there has to be willingness of members to participate in activities and engage in conversations in an open and honest manner. The same is true to some extent with the 'weak-tie' networks although this willingness comes in part from the existence of a friendship between the individuals involved. As Tallman *et al* (2004) note, it seems somewhat illogical to argue that individuals from competing firms are willing to exchange insights and ideas with their rivals. However, as a result of comparing the existence of such collective learning in London and New York as well as between advertising and law clusters it became clear that a form of institutionalism encourages such open and honest conversations between rival professionals. To illustrate this phenomenon it is useful to compare and contrast the success of the collective learning that goes on in each industry and how it differs between London and New York. It is argued that 'relational spaces' based on an institutional thickness enables inter-firm collective learning.

9.3.3.1) Advertising: Institutionally thick in London but weak in New York

For advertisers the success of collective learning through PAs varies between London and New York. In London the IPA is by far the more valued of the two associations for advertisers listed in table 9.1, with the Account Planers Group (APG) being a more specialised body dedicated to the work of account planners and to some extent creatives. All of the advertisers interviewed had been involved in the activities of one

or both of these PAs in one of two ways. They had either been on one of the various training courses both the IPA and the APG offer and/or were a member of one of the various committees that operate in both PAs. Interviewees pointed out however that these bodies only operate because of the willingness of advertising professionals to organise, contribute to and attend events such as committee meetings, training sessions and informal evening meals.

Both the IPA and the APG are not for profit organizations with events run by volunteers from its membership of advertising professionals. Without the contributions of these people the IPA and APG would not exist and could not provide the important collective learning opportunities they do. Moreover, the type of conversations described above, with individuals from rival firms being willing to exchange ideas and experiences, is reliant on a high level of openness in what is an extremely competitive environment. This does not mean giving away 'agency secrets' but instead means individuals are willing to help fellow advertisers and work towards a collective understanding. As two London advertisers described the openness of their fellow professionals from rival firms:

"...there's a lot of exchange that goes on. It's kind of discussions about everything that we all face, discussions about setting the world to rights about how we need to approach things better. And people are always honest even though you don't work at the same firm as them" (A8).

"...the IPA is very good for getting people in contact with people at other agencies. And I chair one of their working parties so that's how I network with other people and the IPA is very good because it brings people together to share issues in an open and honest forum – there's really no point in going if you're not willing to talk freely about things... So any body that has the ability to bring people from the industry together for one cause is useful" (A13).

These quotes illustrate the fact that all attending the meetings of PAs in London are willing to exchange ideas and experiences in an open manner. Individuals almost feel as much allegiance to their wider profession as to the firm they work for, something that is essential in promoting this type of collective learning. This reflects the ideals of the PAs (see table 9.1) and their aim to promote collective understanding for the advancement of the industry. Five advertisers disagreed with such an idea,

suggesting that their allegiance was to their firm and that they wouldn't be willing to talk to advertisers from other firms about their experiences because it might give them a competitive advantage in the future. However the majority reflected the above argument.

This socio-economic logic could be described as a type of 'institutional thickness' (Amin and Thrift, 1994; 1995) that binds advertisers working in London's 'village' and compels individuals to help fellow professionals where possible. There still exists a great amount of competitiveness between firms and such openness undoubtedly does not mean giving away confidential information or ideas - individuals still want to have a competitive advantage over one-another. However it does mean being open and talking about experiences where such conversations pose no immediate threat to competitiveness. This is then a 'relational space' all advertisers share – a space that thickens up and binds the relationships between advertisers.

The importance of such an attitude and relational space was further highlighted by its absence in the advertising profession in New York and subsequently the reduced value of PAs in particular for collective learning. 'Weak-tie' networks remained important, but as noted above, these are sustained in part through friendship. As one advertiser suggested, "When I talk to people who I used to work with the relationship is that we really wish each other well and want to help each-other out" (A27). At PAs most present may not be friends and therefore the existence of the type of socio-economic logic and institutionalism described above becomes critical.

In the case of New York there is only one key professional association (see table 9.1) in the form of American Association of Advertising Agencies (4A's). Until recently there was also a New York version of the APG but this recently closed with remaining operations consolidated into the existing activities of the 4A's. As a PA the 4A's operates in much the same way as described for the London PAs. However, participation in its events is somewhat limited. All of the advertisers interviewed were aware of the existence of the 4A's but only two had been involved in any of their activities. The training offered is not used by agencies with instead new recruits either receiving 'in house' training from the agency's management or in some cases almost no training at all with individuals expected to learn 'on the job' in a sink or swim type environment. The committee meetings and other events organised are also poorly attended. Moreover, those advertisers interviewed who had served on a committee or attended events at the 4A's were negative about their benefits suggesting that little

collective learning occurred. Typical comments about the role of PAs in collective learning in New York City then were as follows:

"We are members of the four A's – the American association of Advertising Agencies...My gut feeling is to say that the PAs don't provide a lot...In general I find people very focussed on their work and their accounts and little time or inclination left over for participation in professional activities" (A27).

"There's a body here called the Account Planning Group that's part of the Four A's and there is a formal exchange through that. But I think the more productive exchanges are the interpersonal ones because you end up with a network of people that do the same thing and who are willing to take the time and be honest with you whereas when you go to meetings at the four A's or wherever people really don't want to share things with you" (A29).

These quotes show that the PAs in New York are less effective at allowing collective learning to occur because of a reduced willingness of members to share insights, experiences and ideas. All advertisers agreed with this suggestion. Whereas the activities of the IPA and APG in London attract participants from the local advertising community that are willing to get involved in the types of conversations that allow collective learning, in New York participants are more coy and discussions are more theoretical, based on issues that are widely covered in the local professional publications such as *Advertising Age*. This results in poor attendance with many agencies not represented at the activities of PAs. Consequently the benefits of collective learning are lost.

It is unclear exactly why advertisers in New York are not as open and willing to participate in events at PAs as their counterparts in London. Indeed, one advertiser in New York who had also worked in London lamented the fact that colleagues in New York were not more like the people they had worked with in London as far as taking part in events at PAs was concerned. As they suggested:

"But from working in London and working here [in New York], I worked in an agency on a project, the difference there was the all the creatives from all the different places all ended up together at the IPA just talking a lot more freely amongst themselves. I wish we had that a bit more here in the States, I guess it might have been back in the days of Madison Avenue but now everyone's dispersed and its just not there" (A28).

The final point that this advertiser noted is potentially significant. They suggested that as firms abandoned Madison Avenue (see chapter five) the collective spirit/institutionalism was lost. It seems to suggest that whereas in London there is an industry-wide socio-economic logic and allegiance to the profession, in New York this does not exist. The advertising industry does not have the same feeling of community as it does in London and lacks the willingness to participate in the events of PAs. This may well be the reason for the closure of the New York APG. The fact that the 4A's has restricted membership – individuals and firms must be voted into the association – also shows a reduced level of openness¹³³. From this comparison then it is clear how important the 'soft' elements of any regional economy are and how they facilitate collective learning and may be one of the 'powers' of regional communities in terms of facilitating tacit knowledge production. A relational space for learning that unites individuals from rival firms is vital and might be unique to cluster economies. Variation in the success of collective learning through PAs for lawyers in London and New York further reinforces this point.

9.3.32) Law: Institutionally thick in London but thicker in New York

Lawyers interviewed in London were principally involved with the activities of the CLLS (see table 9.1) and find its activities valuable for collective learning in a number of ways. Nine of the twenty-two interviewed had some involvement. The CLLS provides a forum for senior lawyers (partners) to discuss common problems and challenges in relation to existing and proposed legislation. Various committees exist representing all of the sub-disciplines of law practised in London with an emphasis on corporate work. The Networking-for-Know-How (NKH) body, mentioned and attended by four interviewees, works in a similar fashion but is dedicated to supporting professional support lawyers (PSL's). Events organised by the NKH group are targeted both at dealing with changes to legislation PSL's would be required to provide training or advice to practising lawyers at their firm on or at knowledge management strategies particularly applicable to law firms. Those not attending (nine out of twenty-two interviewees in London) were more junior lawyers who thought such bodies were targeted at senior lawyers (or for the NKH group they didn't attend because they weren't a PSL).

¹³³ In London membership of the PAs is gained by payment of individual or firm membership fees not acceptance by an elite committee.

For both of these bodies success again depends on the willingness of individuals to be open and frank in their discussions and to share insights and experiences with lawyers from rival firms. As two lawyers in London commented (the first about the NKH group the second the CLLS):

“It’s a very small market place with probably 15 or less trying to be that type of [large corporate law] firm and we all know each other because we deal with each other all of the time. We all face similar challenges, need to find solutions to common problems so it make sense to be open and share things” (L9).

“...as a firm we try to ensure we have people who get onto those committees, we put people on to them. I served on one of those committees in my relatively early days as a partner and I found it absolutely invaluable, discussing with other people and getting a different dimension and perspective of what they do and they way they do it. And people are unbelievable frank in those types of forums.” (L22).

Lawyers recognise then the value of sharing their insights with fellow professionals and learning from one-another. Just as described above for advertisers in London, this facilitates collective learning in PAs and creates an important relational space. The same is true for lawyers and the PAs in New York. For lawyers in New York the Association of the Bar of the City of New York (ABCNY) is the principal professional association (see table 9.1) and is important for collective learning in much the same way as the CLLS. Numerous committees, events and training programmes are organised by the ABCNY specifically aimed at lawyers practising in New York City, of whom the majority are corporate lawyers. Five of the seven lawyers interviewed in New York attended events of the ABCNY with four sitting of specific committees. The two lawyers who did not attend were again more junior. The comments the lawyers attending the ABCNY made about the willingness of lawyers to share their insights with fellow professionals were however, in a qualitative sense, much more forceful in highlighting the existence of an institutionalism and socio-economic logic than the comments of their counterparts in London. As two lawyers described it:

“...the Association of the BAR of the City of New York which presents on a year round basis topical educational programmes, done by lawyers on a volunteer basis without pay. So attending and listening is a major source of knowledge in the US, a complicated web that is much more developed than anything else in the UK...Lawyers at these forums are very very open, there’s a huge amount of generosity and I’m a frequent attendant and learn a lot from

the panellists. I also think that sharing knowledge is advancing the profession and one of the obligations of being a lawyer. A people are very generous about it, very open about sharing knowledge" (L24).

"On a regular basis I go to the American Bar Association, get together with lawyers from other firms where we bat things around...its wonderful. I mean obviously you have to do it in such a way that doesn't disclose client confidences and that sort of thing but when you get together with other professionals in your particular area of expertise and they're pretty open about the nature of the problems they encounter and that can be extremely important" (L25).

It is hard to be certain that such descriptions confirm the existing of a 'thicker thickness' and relational space in the New York law cluster than in London. Lawyers may simply have been engaging in an exercise of self-promotion, trying to depict themselves as 'good professionals'. However, the above comments are undoubtedly qualitatively different to those made by lawyers in London. Indeed one lawyer in New York when asked about whether they felt they should engage in such conversations with lawyers at rival firms commented that "[y]ou don't speak to rival firms you speak to lawyers and if they are from other firms and you don't worry about it" (L28). This clearly highlights a degree of allegiance to the law profession as well as (or instead of) to the firm worked for.

The reason for such a difference is unclear but appears to have built up over many years based around a collegial profession that shares a number of values. As a profession, corporate law is much more mature throughout the United States than in the UK with the existence of large corporate law firms dedicated to serving the needs of big business existing long before they did in the UK (Spar, 1997; Smigel, 1965). As is often suggested, regional economies and the thickness associated with them grows over time and cannot be artificially created overnight (Amin, 1999; Barnes, 1999). It may well be the case then that the increased feeling of collegiality and the existence of a feeling of shared enterprise has grown over many years in New York whereas it is relatively immature in the UK. Such maturity of the profession in New York would seem to be beneficial for those lawyers working in the city who get to learn from such open and honest colleagues.

Whatever the explanation for these variations they do however highlight the importance of a 'soft' socio-economic logic, an institutionalism that underlies the type of collective learning that goes on in cluster economies. As well as exploiting the existence of a community of individuals who can learn from one-another because of a shared identity, context and therefore practice-based space PAs also exploit a community-specific institutionalism that encourages 'untraded interdependencies' to be nurtured and effectively employed to produce knowledge – a relational space. These two factors then may be responsible for 'fixing' tacit knowledge production within the clusters of firms such as those studied in London and New York. The presence of a community of individuals with shared interest and a 'thickness' that encourages interaction might produce new knowledge in a way impossible outside of the clusters. This point is returned to below.

9.4) Learning by reading from within the local economy

Learning by reading is associated with the 'local' economies of London and New York principally through the industry presses operating in the two cities. For both advertisers and lawyers there are a number of industry-specific publications produced in each city (and also reproduced in other key 'world cities' throughout the world). These are listed in table 9.2. In addition there are other non-industry specific publications such as *The Economist* and *The Financial Times* that are relevant to all PSF's operating in London and New York. Reading such publications is important for both advertisers and lawyers – there reception areas are littered with the most recent editions and everyone is expected to take the time to read them. However, as was noted in the previous chapter, such publications rarely contain the detail and explanation needed for tacit knowledge production to occur. Reading them is important then but only as a source of 'know-what' or 'know-who' – knowing what is happening in the industry (industry gossip) and who is doing what (and who has moved between which firms). Typical comments about such publications were as follows:

"...So whether they are messages about social issues or whether they are commercial messages, they need to be interested and read as much as possible from all the publications we make available" (A13)

“...an interest in the subject, so you read into various publications and pick up on what other firms have done, what clients are asking for, things like that” (L4).

As both of these quotes highlight, being interested in the profession is important and reading the numerous publications provides some understanding of what other firms are doing. However no interviewees thought it provided any of the type of tacit insights discussed in chapter seven ¹³⁴. It is also misleading to associate these publications with the

Advertising Publications	Law Publications
Advertising Age	Law Gazette
Brand Republic	The Lawyer
Campaign	Practical Law

Table 9.2. Professional magazines for advertisers and lawyers.

Source: Fieldwork.

‘local’ scale. Not only are they available nation-wide but they also flow between cities and are reproduced throughout the world (and increasingly on the internet). As Thrift (1997) notes, such publications are now part of ‘cultural circuit’ that flows around the world disseminating ideas. Indeed although some articles document London or New

¹³⁴ As was suggested in chapter eight however the explicit knowledge they provide might inform tacit learning. In this sense they do play an important role.

York specific issues, many deal with globally relevant challenges and events outside of the city of publication.

9.5) Does clustering facilitate *learning*?

The above discussion has highlighted how learning by experience (in the form of labour force churning and secondments) and talking (through weak-ties and PAs) are important knowledge production practices in the PSF ‘cluster spaces’ in London and New York. However, although this analysis of the architectures of learning is important it tells us little about how the clusters of advertisers and lawyers might be beneficial to the production of knowledge – how the translation and sense-making process essential for learning is facilitated by being present in these clusters and why learning might be fixed in these places. Moreover, it doesn’t tell us anything about the value of the knowledge produced. It would be useful therefore to understand how learning, as outlined in the SAP, is facilitated by clustering and why the knowledge produced is important and whether there are any genuine reasons for suggesting tacit knowledge production has exclusively local geographies. The results outlined so far in this chapter are therefore further unpicked below to consider which ‘locally-specific’ factors might ‘embed’ learning in ‘regional’ spaces.

For both learning by experience and talking, apart from the architectural benefits, being present in the clusters of advertisers and lawyers is beneficial because of how it provides access to a community of professionals and firms with similar interests, problems and clients. Individuals move between firms within the clusters studied because of the similarity of the work that they do (although for different clients). This means it is easy to learn from experience at different agencies and rely on this learning in the future wherever the individual works. The type of problem identified in chapter seven whereby trainees cannot learn from their experience because they lack the awareness of the background context needed for translation does not occur when individuals move between firms within the clusters¹³⁵. Secondments to local clients are of value to lawyers because of the commonality of the work of all the financial institutions in London and New York. This gives both wider applicability to what is learned but also the ability of the lawyer to understand what they experience based on

¹³⁵ Indeed, the internal labour market of clusters is driven in part by firm’s headhunting individuals and their knowledge because of its applicability to their work.

their positionality as a corporate or finance lawyer and their existing knowledge (explicit or otherwise) of financial institutions.

Conversations between fellow professionals, whether they be 'weak-ties' or at PAs are all based around common problems, issues and strategies that all advertisers or lawyers share. The ability to understand what is discussed, interpret it and learn from it exists because everyone spoken to shares the positionality of an advertiser in London or New York or of a corporate or finance lawyer in one of the two cities. They are in effect all members of a wider 'community of practice' within the city that, just as Wenger (1998) suggested occurs within firms, allows individuals to exchange ideas and thoughts, interpret them in a 'common' way, and learn from discussions. This gives them shared practices upon which they can base their conversations – a form of shared logic and positionality that ensures successful interpretation and sense-making can occur – something the SAP highlights as crucial for (unconscious) learning. All interviewees said this was an important factor in making, in particular, PAs so important. As two put it:

"Groups of agencies get together via committees and discuss common problems on sub-committees...at the IPA people might chat about what should we be doing about this, should we follow the industry view which says do this? What is the policy adopted by other agencies? The kind of conversation the goes on at the individual level is more general, what do your firm do with this? And its that sort of sharing that happens between piers because we're all working in the same area, trying to do the same things with advertising" (A1).

"...increasingly it is a knowledge exchange and we get together and have meetings focussed on a particular topic, a topic that's challenging all of us at the time. And we use the time before and after the meetings to talk about our respective experience on particular topics – we're all in the same line of work you see" (L20).

As these two quotes confirm then, the conversations at PAs are essential because of how they are between piers facing similar problems in similar types of work. This unites them and gives them common ground within a practice-based space that ensures learning occurs just as it does in intra-office tacit knowledge production.

The existence of this cluster-wide shared practice-based space also explains the value of the knowledge produced. PAs are then urban communities of practice producing knowledge relevant to all members of the professional cluster who share an 'enterprise'. This is what Pinch *et al* (2003) call 'architectural knowledge': High-level knowledge of how to approach a common problem. As the knowledge produced by PAs is predominantly tacit it allows action to be taken (Sternberg *et al*, 2000). It allows advertisers and lawyers to understand how to deal with the issues they all face. The importance of this knowledge to advertisers and lawyers can be further explained by looking at the nature of the advertising and law industries in each city and how the knowledge produced through a collective learning process improves the ability of firms to successfully service this marketplace. Both advertising and law are incredibly competitive industries dealing with dynamic and constantly mutating client demands. For advertisers the fluid reactions of reflexive consumers make developing effective advertising incredibly challenging (Lash and Urry, 1994). This means constantly developing new knowledge of how to target these individuals. Likewise lawyers are continuously challenged by changes to the law, new precedent-setting cases, and new demands from clients for innovative transaction structures to circumvent legislation and exploit legal loopholes (Flood, 1997). Although for both advertisers and lawyers it is possible to innovate and develop knowledge of such issues within the firm it is often more effective and leads to more accurate interpretations when a collective agreement and understanding is developed with other members of the profession. This can be used to inform effective responses to changes in the marketplace. Having the ability to develop such knowledge collaboratively with a wide range of professionals' results then in an exponentially valuable process of learning

The results show then that it is the existence of a shared positionality and identity of professions in the clusters studied (that creates a shared practice-based space for learning) that allows collective learning, not just physical proximity. This reflects and develops the idea of those who have talked about 'sectoral innovation systems' (e.g. Breschi and Malerba, 1997) and shows that clusters of similar firms allows learning (and therefore innovation) because of how it creates a community of workers who can learn from one-another. It also addresses Lagendijk's (2002) concern that many studies somehow seem to view regions as actors providing all that is needed to be competitive and for collective learning to occur. As the research results show, regions are not actors but rather containers (with fuzzy boundaries) of firms and their employees that share enough commonalities and the desire (described here as an institutional thickness) to learn from one-another. Beyond being the 'home' to

facilitating architectures (in this case the ‘weak ties’ and PAs in particular) regions are inactive in the learning process. The point about institutional thickness is significant as it highlights how regions are particularly effective at fostering a ‘community spirit’ that lubricates the development and employment of untraded interdependencies for learning. The relational space provided means individuals from rival firms are willing to work together towards a collective understanding whilst in other situations (where the institutional thickness is missing) they may not. This and the practice-based community spaces may be then the factors that ‘embed’ learning in regional spaces.

However, in addition to these ‘local’ geographies of learning for advertisers and lawyers’ global geographies of knowledge production are equally important. The insights used to address the problems in any project potentially emerge as a result of learning practices operating within one office, within the local cluster but also between the global offices of the PSF’s studied. In this sense then scales become fluid and blurred in the knowledge production process as local and global overlap, interconnect and jostle one-another in various ways. The second half of this chapter considers then this stretching of learning that complements the intra-office and intra-cluster learning highlighted so far. It argues that there also exists important ‘spaces of learning’ at the global scale. This suggests learning is not exclusively locally fixed but is also globally stretched when suitable conditions for learning exist.

9.6) Globally relevant and stretched knowledge and practice

According to interviewees, globally stretched learning is possible because of the similarities in the type of work done by advertisers and lawyers throughout the World. For advertisers, although there remains a need for local tailoring of adverts to ensure they are relevant to each specific market, it is also possible to standardise many elements of advertising strategy. These uniform elements can be learned about from overseas colleagues. For example, advertisers argued that human beings and their

basic drivers do not vary greatly between countries and therefore can be targeted in the same or similar ways throughout the world. As two put it:

"It's very easy to get on with people, very easy to share stuff, but because although there tends to be quite fundamental differences with that markets relationship with a brand or product there are useful approaches to a certain extent that are shared and can be used to target consumers anywhere in the world" (A8).

"We all watch the same TV programmes, face common issues in our day-to-day lives, have similar ideas. Now there are idiosyncrasies, but the basic processes are the same everywhere and you talk about those" (A10).

The idea that there is some commonality in consumers and therefore a number of common global processes and approaches to advertising is reinforced by the corporate publications global advertising agencies circulate. For example, Young and Rubicam have extensive research available from their website entitled '*There are seven kinds of people in the world*' (Y&R, 2004). This is used as a promotional tool to suggest that Young and Rubicam can produce advertising that will influence any audience in any part of the world simply by understanding which of the seven categories they fit within. As a result of these similarities advertisers from all of the agencies studied suggested they could learn from overseas colleagues about their experiences both with a certain brand but also a certain type of consumer.

Lawyers made a very similar argument. Because of the jurisdictional nature of law it could be assumed that there would be a lack of direct applicability of learnings from one office to another. However, it became clear during interviews that there are still important occasions when individuals can learn from colleagues in other parts of the firm's network. Although all interviewees were keen to emphasise the fact that there is not such thing as 'the globalisation of law' a common argument was that basic elements of corporate transactions are the same throughout the world thanks to various supra-regional and global agreements. As a result it is possible to learn from how other jurisdictions structure deals by drawing analogies and comparisons with common global structures and then adapting them to suit the idiosyncrasies of each jurisdiction. The following comments can be seen as representative of the arguments all lawyers made:

“...the big development has been the harmonisation of legal systems which have come much closer together. And so, different structures and different solutions to legal problems which have been developed in different countries are now much more accessible and much more exportable and its actually of enormous benefit to be able to talk to people who are at the top of the game in other jurisdictions such as New York and get from them ideas which for the UK are pretty innovative, or vice-a-versa for them” (L9).

“So there are a number of international products, and if you take a syndicated loan it will look pretty much the same in New York, London, Paris, Hong Kong, Frankfurt, whatever. And that is a product that essentially has been exported, and in those circumstances its very important that the knowledge is transferred, the experience transferred...” (L12).

As both of the above quotes highlight, it is useful to learn from colleagues in overseas offices and adapt and build on their insights because of the globally shared legal practices that exist. For both advertisers and lawyers this makes for an interesting situation whereby the knowledge relevant to any transaction can have overlapping global and local sources (from overseas offices and within the same offices but also from within the local cluster).

Below the ways the practices of tacit knowledge production highlighted in chapter eight are stretched between offices is considered. It is argued that both the practices themselves have global geographies but also that learning is possible in ‘global spaces’ when conditions that enable the translation and sense-making, outlined as necessary for learning in chapter eight, exist.

9.7) Experiencing the world: The role of mobility

First hand experience was shown in chapter seven to be the most important practice for tacit knowledge production. Reflecting this fact advertising and law PSF’s stretch the practice across their global networks through the mobility of employees. Expatriation to overseas offices for a period of time is used by both advertisers and lawyers (but more by lawyers than advertisers) to allow individuals to learn from experience in overseas offices. This has two key benefits. First, it allows the development of tacit knowledge by experience and observing within the overseas office worked in. Second, and this is discussed more below in relation to learning by

talking, it enables the development of important global relationships with colleagues in overseas offices.

Only seven of the 29 advertisers interviewed (five in London, two in New York) had spent any time on expatriation in an overseas office. Four of these were senior managers and three more junior advertisers. It was universally agreed that it was beneficial to do so but generally advertising agencies did not encourage people to engage in such activities. Typically the reason for this was that management either didn't want to let a talented employee leave their office or that there was concern about how useful someone would be in an unfamiliar marketplace (although this contradicts the arguments made about the global commonality of many aspects of advertising). This again develops the argument proposed in chapter eight that the practices of tacit knowledge production have 'organisational' geographies that, in this case, determine whether expatriation is seen as a useful strategy. For those who had worked overseas one of the key benefits was learning that made them more successful in their work once they returned to their home office. As one advertiser described it:

"You get a cultural sense of local markets, working in [place x] there was a totally different culture of working. And understanding this is definitely a benefit for optimising how we work across markets. People become aware by experiencing the situations and learn things that can be applied everywhere" (A19).

As this comment shows, learning by experience and observing whilst working overseas is a key way to improve an individual's tacit knowledge. For lawyers much the same argument is true. However, expatriation is a more common process. Trainees normally spend one of their six-month training seats abroad whilst associates are often sent for between three months and two years to work in an overseas office in the firms network. Only seven of the lawyers interviewed had not worked overseas at some point in their career. Again all argued they learned a lot (by experience and observing) from this practice. As one lawyer commented:

"It adds a lot. First of all it gives the individual considerable experience of other people and the way other people work...It sharpens them up, they come back much better people. And clearly secondments establish relationships which can then be built upon" (L14).

For both advertisers and lawyers then the learning occurring on overseas expatriation provides tacit insights transferable between global offices. It is the similarities in the work-related practices and problems faced by advertisers and lawyers throughout the world that makes learning possible (and therefore suggesting the non-transferability of expertise should not be used to justify not using expatriation). Just as with locally mediated learning, translation and sense-making can occur during expatriation because of the familiarity of the issues faced.

However, all interviewees were quick to highlight that the expatriation experience is not unproblematic. In particular the establishment of good working relationships with those in the overseas office expatriated to could be problematic. For the majority of expatriated advertisers and lawyers' problems were faced in terms of the cultural differences in approaches to work and different behavioural expectations in overseas offices. As one lawyer commented about their experiences:

"The Germans take a very detailed approach, they can be very uncommercial. So they are absolutely meticulous in everything they do but they don't provide a solution and I found that really hard to work with" (L12).

Several lawyers highlighted this as a real challenge to time spent overseas. Similar challenges also exist for advertisers. This means that expatriation is not always as successful as it could be (the discussion of expatriation in chapter five further highlights these issues). If managed successfully however it can provide an important way to globalise learning by experience and observing.

At a different temporal scale, business travel and short-term visits of up to two weeks are another way of enabling such learning. Despite hyperbole that suggests ICT advances no longer means business travel is necessary, for both advertisers and lawyers' trips to overseas offices are vital. Again this idea is developed more below in relation to learning by talking but it is important to note that the experience and observations made whilst spending a short period of time overseas can also provide valuable learning opportunities.

9.8) Talking to colleagues throughout the world

In the first half of the chapter it was noted how learning by talking occurs at the 'local' scale with the important role of 'weak-ties' and professional associations noted as architectures of this practice. At the same time however advertisers and lawyers working for the global firms studied argued that conversations with colleagues in overseas offices are also important for tacit knowledge production. All except five advertisers suggested they would regularly talk to overseas colleagues and learn from the conversations whilst all lawyers argued they regularly had useful conversations with lawyers from other offices ¹³⁶. The following quotes are representative of what advertisers and lawyers said about this issue:

"...in a discussion which say might be with you French colleagues and how French woman's attitudes to [product x] are different to British woman's and that is incredibly productive. And with my American partners we talk about new design evolution in the business, campaigns we've done so I'm always talking to someone elsewhere in the world and benefiting from it" (A22).

"So when you're up against a problem first you walk down the corridor and talk to your colleagues but if they can't find a solution and you think there is more mileage to be had out of this you pick up the phone and talk to the partners who you think might have something to offer here, and they might be in Germany, in New York, or in France" (L9).

The ability to reach outside of the office for advice and guidance in relation to any project is, as the quotes above show, important in the work of advertisers and lawyers. Indeed, overseas offices become like an extended workplace when necessary with the type of intra-office conversations discussed in chapter eight occurring through virtual means between offices worldwide. The architectures of such learning are outlined below.

9.8.1) Global professional networks and learning by talking

¹³⁶ The five advertisers who didn't were all juniors, the potential reasons for their exclusion are discussed below.

he key architecture for global learning by talking is the existence of *global professional networks*. These are globally stretched friendships between advertisers and lawyers in offices throughout the World. They give professionals the ability to call on someone working in another office for advice or to discuss a problem, something that results in learning. Four important ways were identified to develop such networks and are summarised in table 9.3.

To summarise table 9.3 then: Global project teams, common in both advertising agency's and law firms not only allow a clients requirements to be met but also allow effective global knowledge production both in relation to the current project but also in the future by drawing on the professional networks developed. As two interviewees described their value:

"If you work on a global account you have a network of people and you get to know them. Once a week you have a conference call, what's going on. You'd e-mail out every week so people knew what you were doing. And its up to the guy running the account globally to make sure those contacts work" (A6).

"Imagine a situation say where you're selling a billion pound company which is quite complicated and maybe has 500 subsidiaries around the world and all sorts of other bits and pieces...So you can see...you probably need to have a group of people on your side from each jurisdiction who can advise you and you're in constant contact with them and get to know them really well" (L6).

Interviewees pointed out that over time as multiple global transactions are worked on the number of networks increases exponentially and means there is always someone to call on for advice. On most global projects individuals in every office involved talk on a regular basis, exchange e-mails and occasionally meet face-to-face¹³⁷. After the project has been completed these individuals will often then remain in contact and sustain the professional

Process of global	Description of process	Relevance to advertising agencies	Relevance to law firms
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¹³⁷ It is important to note that in all scenarios the networks produced allow learning that occurs on a one-to-one basis rather than through group discussions with multiple colleagues. This reason for this will become clearer later in the chapter.

professional network	production		
<i>Through global project teams</i>	All individuals work on at least one global project at any one time. Members of the project team throughout the world regularly talk by telephone and occasionally meet face-to-face. Professional networks are made by interactions and sustained after a project is completed.	Interviewees suggested that between 30% and 75% of work was on global projects so a key strategy.	Interviewees suggested that between 25% and 50% of work was on global projects so an important strategy.
<i>Through global practice groups</i>	Individuals grouped globally by job role or speciality. Group members interact by weekly or monthly telephone conference calls, electronic bulletin boards and annual global training events and conferences. Invaluable for putting individuals in similar position in contact with one-another and developing awareness of 'who knows what' (Grabher, 2002b).	Only two of the advertising agencies researched had such structures.	All law firms had global practice groups.
<i>Global mobility and training</i>	Global business travel for project meetings (although reduced since September 11 th terrorist attacks), trips to global conferences/training events, expatriation and ad-hoc away-days at closer overseas offices all produce global networks.	Advertising agencies do not use global training courses. Generally less travel than lawyers (cost constraints cited).	All types of mobility used and more frequently than advertisers.
<i>A 'cold calling' approach</i>	Searching either an expertise database or knowledge management systems or sending a 'does anyone know email' to all offices to find someone in an overseas office who might have expertise that can be learned from.	Only ten advertisers said they had developed contacts this way. Lack of knowledge management systems hampered ability.	Twelve lawyers developed contacts this way and more easily than advertisers because of the existence of knowledge management systems. In six firm's expertise yellow pages also existed.

Table 9.3. The four processes of global professional network production.

Source: Fieldwork.

(and often personal) relationship through occasional telephone conversation and opportunistic face-to-face encounters. This reinforces ideas about the benefits of temporary teams discussed in previous chapters.

Global practice/job groups work in a similar way but are focussed on certain specialities rather than a client's project (e.g. planning in advertising agencies; mergers in law firms). To varying degrees in both advertising and law firms practice groups exist that group individuals on a global scale by speciality – for advertisers by job role

and for lawyers by practice or industry such as mergers or finance. These groups interact in various ways including electronic bulleting boards, weekly/monthly telephone conference calls, training events for juniors', and annual/biannual global conferences. They are valuable for putting individuals with the same professional interests in contact with one-another and for juniors help establish the first professional networks when new to a firm. Typical comments about practice groups were then:

"There's an international planning group called [group x] that try to help each other out with case studies and ideas when we're doing something and that becomes very useful because you get different perspectives...it's really useful to know who's doing the same thing as you but say in London" (A29).

"I don't see how you do it without global practice groups. In your own practice area you need to know what everyone does. The associates also need to know who to go to and who to ask and practice groupings are very good ways of showing them how they can access the knowledge they don't have" (L23).

As these quotes show, the professional networks emerging from global practice groups are vital for global learning by talking. They help create interconnections between individuals with very similar work practices and problems who can then learn from one-another. In particular for senior advertisers and lawyers it allows an awareness of 'who knows what' in the firm to develop and therefore an awareness of who to call for advice. This in itself has been recognised by several scholars and an important type of knowledge (see chapter two; Grabher, 2002b).

The third way global professional networks are made is through various forms of global mobility. Business travel can take various forms including trips directly related to a project (e.g. to discuss global strategy for an ad campaign or close a global merger), trips to global conferences (for example global account planners conferences, global partners conferences in law firms), global training forums for juniors', long-term secondment/expatriation, and even ad hoc trips to other offices simply to meet and get to know overseas colleagues. Such trips provide the opportunity to develop important

contacts that can be called upon for advice in the future. The following comments represent the ideas of those with such global mobility:

“At our conferences, so say for example the recent European conference, the chatting, exchanging ideas over coffee, lunch etc is more important than the actual speakers. Getting to know these people socially, having a drink with them is really important. Then you've got someone to call in the future” (A4).

“...our team is pretty good at trying to meet people, get out and about. Three of us went to [place x] last week just to meet them, its not vital but its massively important. My point of view is its brilliant because now if I've got a problem, I've pretty much met everybody from that office, and they'll be no problem, I'll know exactly who to call” (L17).

“There's always the trade off of both time and expense of bringing people together from around the world. For partners its twice a year in person. The associates meet with the partners once every other year with the partners. Smaller things are often more useful and everyone's encouraged to do that because you can network and develop contacts when there are less people there” (L24).

The above quotes show the unanimous support for business travel in the development of global professional networks. All interviewees had been on overseas business trips (with seniors' tending to travel more) whilst all senior personnel in both advertising and law had been to global conferences (whilst for juniors this was less common). No advertisers had been on global training courses but all lawyers had (for junior associates this was normally in the form of an induction). Further analysis of the importance of such mobility is provided below. It is also important to note that as well as developing global professional networks mobility allows learning during face-to-face encounters therefore creating a constantly circulating learning process as individuals travel around the world (Sklair, 2001).

Finally, fourthly, cold calling is useful for developing global professional networks when technological systems are in place to put individuals in contact. Such an approach was less popular than the previous three processes outlined, only ten advertisers

suggested they had developed contacts in such a way whilst 12 lawyers thought it was important, the rest suggesting it was only used as a last resort, if ever. This process uses either an 'expertise yellow pages' which lists all employees by speciality and in some cases experience (six law firms but no advertising agencies had such a system) or by searching a knowledge management database (where available) for reports relevant to the transaction that identify the author used to find a contact. Typical comments from interviewees about this were:

"...we have a thing we call the [corporate knowledge hub x] which contains all our experience on [client x] so that the network can learn how to run [industry x] business around the world. So there are reports, campaigns and people can talk to us when they've read the report to get that extra insight and understanding" (A13).

"...if you're doing a deal in a particular industry sector and you want somebody from a particular office then your better going to someone with that sector...its just choosing the right man for the job. And that's done through the database of people and what they do" (L18).

As these quotes show, having access to such computerised databases is useful in quickly finding people with relevant knowledge and insight. Where they have written a report this would be read first (and hopefully learning by reading occurs) but then, as the web of tacit knowledge production suggests, complemented with a conversation. Indeed one interviewee said the most beneficial part of computer knowledge management systems was that they provided "a dating service, they put people in touch with colleagues who can help them" (L3).

The above discussion highlights then the architectures of globally stretched learning by talking. These professional networks are vital and discussed further below. It is interesting to note at this point however that the architectures reflect in many ways those of learning at the local scales discussed in the first half of the chapter. Indeed it seems that both in terms of providing the 'weak' ties to talk to and learn from as well as uniting communities of individuals with similar interests the global professional networks work in a very similar way to the local architectures. This is the first hint then that a blurring of the tacit-local global-explicit binary might be needed. This point is further fleshed out later in the chapter. Below the geographies of the professional networks are considered.

9.8.2) The geographies of global professional networks

Above the ways advertisers and lawyers develop global professional networks that enable learning by talking was outlined. The actual geographies of these networks reflect in many ways the geographies of globalisation (see Dicken, 2003) and in particular the key economic arenas for advertisers and lawyers work. Advertisers in the UK had most contacts in North America (New York in particular) and Europe (Barcelona, Frankfurt, Paris, Milan and also some Eastern European countries). Australia, a key advertising market, was also mentioned regularly. Advertisers in New York also mentioned European offices (but less so those in Eastern Europe) and also offices in South East Asia (Hong Kong, Japan) and South America (Mexico City, Rio de Janeiro). No interviewees had such networks with African advertisers despite the existence of offices in various cities¹³⁸. Lawyers in both London and New York had contacts in all three main economic arenas of Asia, Europe and North America. These were dominantly focussed on the key cities in these regions with Singapore and Hong Kong central to South East Asian activities, Frankfurt, Paris and Milan being key in Europe, and New York and Washington dominating networks to/within the US. Strong networks between the London and New York offices also exist. Other networks to countries in Eastern Europe are increasingly important for the London office whilst for the New York offices networks also exist to South America in some cases. However these latter two regions were less important and less frequently mentioned by interviewees.

As can be seen by these descriptions, professional networks very much reflect both the geography of the firms sampled (this has been noted to be focussed on the so-called world cities in Europe, North America, and South East Asia) and exclude what

Insert figures 9.2a

¹³⁸ Although some of these offices are representative offices operated by local firms a number are fully-fledged agency offices. Interviewees never mentioned these.

could be termed developing nations (in particular those in Africa). Figures 9.2a and 9.2b show the geographies of these networks and the strength of the interconnections

between offices. As is clear, the London-New York axis dominates for both advertisers and lawyers with both of these offices also having an important 'hinterland' of weaker relationships with offices within their economic arena¹³⁹.

Figure 9.2b shows how the direction of 'knowledge flow' is one-way for the New York offices of law firms. It became clear that for lawyers the nature of the relationship embodied in these professional networks varied between London and New York. Lawyers in New York viewed their relationship with overseas colleagues, as far as learning and knowledge 'exchange' was concerned, as being based on the New York office 'teaching' other offices how to practice in a US style. When questioned about how much they learned from their overseas colleagues six of the seven lawyers suggested that they didn't learn a lot (with the potential exception of when the conversation was with colleagues in London) because the US legal system was more advanced than most other countries and set the standard for approaching corporate/financial transactions. Typical comments about the nature of the 'learning relationships' between lawyers in New York and other cities were as follows:

"On a UK-US axis I think its very important, more US to UK than UK to US. On an US to another jurisdiction of law, by and large it's traffic that goes from to and not to from. So what most people are interested in is the US aspects of or how you do something...So the person handing out the knowledge [in the US] might hand out five units and get one unit back, and I think that's to be expected... If I was in Madrid having this conversation I would say its incredibly important because I need these guys to help me to do what I do, and I think that's true of most offices around the world" (L23).

"I think at the moment in the M&A arena, US practice is much more advanced and sophisticated than continental practice... On the continent its clear that the degree of

¹³⁹ These geographies can be explained in a number of ways. For advertisers London and New York act as 'centres' of advertising, and hence the strong New York-London (NYLON) interconnection and the interconnectivity of the two cities with other offices. Both cities are widely recognised as 'capitals of culture' (Llewelyn-Davies, 1996) and this is important for developing advertising drawing on the latest consumer trends. For law London and New York are central because of the city's role in global trade and finance and the origin of some of the worlds largest TNC from these cities (see Dicken, 2003). The global professional networks are very much client-led then, reflecting the geographies of interconnectivity in the global economy.

Insert 9.2b here

sophistication is much lower, the experience levels are lower in general, so there's a lot more we can bring from US experience that is useful to continental practice right now" (L24).

As these two quotes show then, lawyers in New York see their role as a 'teacher' for the rest of the world, telling them how to structure their most complex transactions. This creates a relationship of power between the New York office and other jurisdictions because, as is highlighted at the end of the second quote, other offices rely on their colleagues in New York for help more than the people in New York rely on them. This was true in both US and UK headquartered firms, potentially creating a situation whereby one office was seen as the centre of knowledge. This was not however necessarily the headquarters of the law firm. As two lawyers commented about the implications of New York's dominance in terms of legal knowledge:

"In a broader sense the US standards of disclosure as regards security law has had a significant impact on how the rest of the world works and so often its useful to get some idea, the hands on experience aspect, and that's something that we [as a firm] do by seconding lawyers to one of our US offices to see how its done" (L25).

"When I started out if you were buying assets in Italy you would have a five page contract...it was simplistic, that's how people would do business...And I don't know if its because financing has become globalised or people in Europe and Asia have kind of scratched their heads and because American companies buying businesses weren't going to have a simplistic five page contract and wanted to work in our way" (L29).

As these quotes show then, a form of dependence on New York is assumed (or exists) and therefore the lawyers believe they have a superior status - everyone has to learn from them. This reflects in many ways Sassen's (2000) suggestion that world cities are 'command and control centres' and that global organisations 'drive' activities from, in particular, New York and London. It is interesting, however, that lawyers in London did not see their relationships with other offices in the same light. They acknowledged the usefulness of talking to colleagues in New York but also pointed out that they learned a lot from their European counterparts. However they did recognise that not all offices might work in such a way. One lawyer described his/her office in New York as "the mother ship, everyone is obsessed with how it's done in [place x]" (L2). Lawyers in New York working for UK firms did not make such negative comments about headquarters. This suggests that geographies of power (c.f. Allen, 2003) exist in the global knowledge networks, something that deserves further consideration. New

York clearly dominates this geography and it may well be that London is also viewed in such a way by other cities. Such a phenomenon was not identified in advertising with each office seen as an 'equal'. The professional networks of advertisers in New York allow learning from various other offices, not the type of 'teaching' described above.

9.8.3) Exploring the nature of stretched learning in global professional networks

When advertisers and lawyers employ global professional networks most learning occurs through virtual means, which for all interviewees requires extensive use of the telephone¹⁴⁰. However a key tenet of the SAP is that learning can only occur when an individual can understand and interpret the ideas expressed in conversation whilst one of the underlying arguments in 'regional' scholarship is that virtual interactions cannot facilitate tacit knowledge production because of the difficulty in conveying ideas without visual clues from the face and the existence of trust-based relations constructed through face-to-face encounter (see in particular Morgan, 2004). It is also suggested that learning networks stretched between regions are inherently prone to confusion because of the different 'institutional' spaces and the misunderstanding that occurs when individuals with different beliefs and norms try to understand one-another's ideas (see in particular Gertler, 2003). In relation to the first issue interviewees were unanimous that it would be preferable to always meet face-to-face but that this was not possible and in reality not always necessary. As one interviewee put it:

¹⁴⁰ Both advertisers and lawyers saw videoconferences as problematic because of continuing technological constraints that make picture and sound quality stunted and poor (only five lawyers and three advertisers said they used it regularly). E-mail was used primarily as an information-conveying tool in the form of documents and progress reports (see below).

“...in the ideal world it would always be nice to meet face-to-face and to be able to work together...but the reality is that it costs money because someone’s going to have to get on a plane...That’s the ideal scenario but in reality people are often going to try and avoid doing that so you’ll use the other most effective ways so inevitably you will talk to each other on the phone” (L3).

It is rarely possible then to meet face-to-face more than once or twice in any project due to the expense of business travel (advertisers travelled on average two times a year, lawyers five times)¹⁴¹. Therefore the telephone is next best option and used on a daily basis by all advertisers and lawyers. It also became clear from interviews that stretched learning between ‘regional institutional’ spaces does not result in the type of misunderstanding Gertler (2003) suggests is common. Interviewees suggested that for both of these issues the success of ‘virtualised’ learning was due to a number of mitigating practices being used that can help substitute for the loss of face-to-face interaction and reduce the level of confusion in discussions of advertising and legal ideas. Below three crucial practices that do this are considered.

9.8.4) Global mobility, occasional face-to-face contact and global ‘relational spaces’

A critical strategy that smoothes the process of learning by talking on the telephone is the effective use of global mobility in *consolidating* existing professional networks¹⁴². All advertisers and lawyers unanimously agreed that global professional networks are most effective when some form of face-to-face contact has occurred between the two parties. This helps establish a relationship between the two individuals and allows each party to develop a mutual understanding of one-another’s behaviours and ideas. As two interviewees described this:

¹⁴¹ All interviewees suggested the frequency of such travel has been reduced since the September 11th terrorist attacks because of fears about security. Indeed simply getting a group of corporate lawyers together in one location was seen as a potential security risk.

¹⁴² These are the same meetings that help develop global professional networks (see table 9.1)

“...from my point of view, everyone I've met on a personal level it changes how I deal with them on a personal level immediately. It's very easy to see them as distant entities that you'll help to a certain level but when you've met them it makes a whole lot of difference. I think from my point of view the personal-ness of the relationship is what drives everything, understanding them and their way of working” (A2).

“We have been putting more and more emphasis on periodically getting people together and it's an important thing... It's difficult to put your finger on. Just being able to attach a face to a name and remember that you had dinner with that person and talked to them about something can be an important aspect of making you feel personally comfortable with them. Also, just seeing people in those kinds of situations and hearing them talk about the way they approach things and getting a feeling for who they are, it's very intangible but it gives you a feeling of comfort in how you deal with them... there's an atmospheric sense of feeling you know somebody that comes from actually spending time in their physical presence not just talking with them” (L25).

It is clear from these comments then that occasionally meeting face-to-face is vital for the development of a personal bond between colleagues from different offices. Intangible factors such as ‘personal understanding’ and feelings of reciprocity are hard to develop by telephone. Once established however they are critical in allowing individuals to understand one-another’s ideas and for effective learning to occur. There was no disagreement with such an argument. Interviewees also suggested that such occasional meetings develop important levels of trust between overseas colleagues. It has been widely noted in academic circles that trust is important in inter-personal relationships as it provides reassurance that a positive outcome will be achieved and no one will purposely cause harm (Fukuyama, 1995)¹⁴³. When talking to an overseas colleague by telephone trust becomes an important way of managing the risk taken when following someone’s advice or learning from his or her comments. Should this prove to be wrong, intentionally or otherwise, there are potentially massive

¹⁴³ The actual factors cited as helping develop such trust vary and are the subject of many debates. The work of Zucker (1986) probably still provides the clearest conceptual clarification and is most useful here. She argues that trust develops because of either *process*, when people work together and gradually begin to trust one-another, *characteristics*, when people find things in common and get on, and *institutions*, when people trust each-other because of the firm or institution they are both in.

financial risks for advertisers or lawyers if a project is deemed unsuccessful in the eyes of the client. Worse case scenario could see litigation against the firm but at minimum the result will be a severely negative effect on the all-important reputation of the PSF.

Developing this trust and the respect needed to have such relationships occurs through occasional face-to-face encounters according to interviewees and once established can be relied upon in telephone-based conversations. This further smoothes the learning process by making individuals willing to express opinions and, importantly for learning, listen to the ideas of others. Hence why conversations are nearly always one-to-one: They rely on the existence of well-nurtured 'thick', trust rich, personal relationships ¹⁴⁴. As interviewees described the importance of such relationships:

"...I think meeting people is where you develop the relationship. The email and the phone just becomes a functional thing. Unless you meet them face-to-face and go out with them there really is no real relationship and bond. After you've met them the conversation's easier, more effective. You can be a lot more frank, more direct, you can ask questions rather than worrying about the interpretation. You trust them more I think and that helps when talking to them" (A29).

"When you have a global deal or problem you phone people up and talk through the problem...obviously its better if you've met with them, you know their approach and you have trust in them...Trust is incredibly important so people trust that knowledge because otherwise they're not going to use it. It's a matter of building up trusts, building up relationships...That familiarity, that ability to judge the person, to judge whether they're taking the right decisions" (L7).

"...it has helped that I have met people I deal with. I felt more comfortable phoning them, its a level of comfort, it makes it that much easier. I probably trust them more once you've met someone, I guess you trust their going to do the right thing by you" (L26).

Global learning by talking then can occur by telephone and is most effective when supported by the development of thick relationships that facilitate learning. To some extent trust already exists between individuals working for the same firm – four

¹⁴⁴ It was noted in *The Lawyer* (2004d) that partner conferences regularly turn in to what they described as an 'autograph frenzy' as partners scurry around to meet their counterparts and get to know them. This reflects the ideas described here and shows the wider acknowledgement within the law industry of the importance of such events.

advertisers and five lawyers argued that although face-to-face contact was important this simply reinforced trust that already exists because the person spoken to works for the same firm. Maister (2003, 307) referred to this as the 'one-firm-firm' ideology whereby everyone automatically trusts each other because of shared employment. However there was clear preference for the reinforcement (where it existed) of such an ideal through face-to-face encounters. This contradicts then Morgan's (2004) argument that such 'thick' qualities can only exist in relationships based on continuous face-to-face encounter, which are therefore fixed at the local scale. This is the first finding then that supports the argument made at the start of the chapter that the factors said to facilitate learning at the local scale also exist at the global scale ¹⁴⁵. When existing then these professional networks that are thick with trust produce a *relational space* in which learning can occur.

Such spaces are vital for learning then must however be managed by global PSF's as part of their 'network management strategies that allow the effective exploitation of their global office networks (Gupta and Govindarajan, 2001; Nohria and Ghoshal, 1997). This means ensuring the opportunities for business travel and occasional face-to-face meetings between professionals exist ¹⁴⁶. In this sense then global organisations and intra-firm networks are the key to enabling stretched tacit knowledge production. The strategies of these firms to create relational spaces enable knowledge production that would be potentially impossible otherwise. Below further ideas that reinforce the argument that globally stretched learning is possible when 'global spaces' are constructed and exploited by TNC's are outlined. These highlight how as well as

¹⁴⁵ Indeed Giddens (1990) argues that globalisation and the 'disembedding' of social relations has made trust more important and therefore globally stretched, trusting relationships are vital. He suggests that "[t]rust is related to absence in time and in space. There would be no need to trust anyone whose activities were continually visible and whose thought processes were transparent" (Ibid, 33). He goes on to argue that globalisation and 'virtual' relationships that are not face-to-face increase risk and therefore trust has become more important in society as "localised influences drain away into the more impersonalised relationships of more abstract systems...the very tissue of spatial existence alters conjoining proximity and distance" (Ibid, 140).

¹⁴⁶ This is the reason why more junior advertisers were noted to be less likely to engage in global learning by talking. Because of the expense involved in business travel advertising agencies have generally cut back on the number of times junior lawyers travel overseas (on average it is once a year although for some it was even less frequent). Therefore they cannot develop the trust-rich global professional networks needed. Similarly this was also exemplified by how the relationships between lawyers in global law firms and their outside counsel (lawyers from other firms working on a transaction in a jurisdiction where the firm doesn't have an office) was more functional and shallow and did not allow learning.

global relational spaces global practice-based spaces allow the translation and sense-making needed for learning.

9.8.5) Globally shared practices and spaces

A second important factor that facilitates global learning by talking is the existence of a practice-based space that transcends any locally-specific logics or understanding that Gertler (2003) and others suggest prohibit stretched learning. For advertisers global professional networks normally develop with their overseas counterparts in each office (e.g. planner to planner) whilst for lawyers networks are normally to someone in the same global practice group (e.g. finance to finance specialist). There are commonalities to the work practices of these individuals throughout the world and results in what are referred to here as a number of *global shared practices*.

Both advertisers and lawyers suggested that their telephone-mediated conversations with overseas colleagues are not focussed on the 'local' specifics of a project (e.g. how a campaign had to deal with specific consumer attitudes in the UK; how a legal precedent affected a transaction structure in New York). Rather they are focussed upon the generic elements that both parties are familiar with and have knowledge of. These are the global shared practices that all advertisers and lawyers have in common and can discuss with minimal problems of misunderstanding and confusion. As they described such shared practices:

"...its amazing, there is a very common language and thought process ... I think it has to do with the fact that there are some basics associated with how you arrive at a strategy that are the same no matter where you are and what you're doing...there are some common processes or steps and stages on goes through to develop communications. So there's a common language, a common view, there are some questions and answers that typically happen pretty much regardless of where you are in the world. So then within a given business challenge people are accustomed to thinking through it the same sort of way" (A25).

“Working in the M&A practice there are certain people working in that area and you both get familiar with the key structures in global M&A practice and the more you work with them the more you get comfortable with them and can develop things because you have common approaches everyone’s familiar with” (L11).

These quotes highlight then the existence of a commonality in the work of advertisers and lawyers in London, New York and many other cities. This provides a common language that conversations can be based upon and which minimises confusion as both parties are clear about the meaning of the terms expressed and the implications of the ideas discussed ¹⁴⁷. The comments of two lawyers nicely illustrate the benefit of having discussions with overseas colleagues about such shared practices:

“...we group ourselves globally by the practice of law that we do rather than locally and we talk every week about a legal issue but in each jurisdiction and how that’s then treated in each jurisdiction, and it just gives helpful arguments to you in your jurisdiction to say in Spain it happens this way, in France it happens this way because the fundamental are not that different between jurisdictions” (L18)

“I don’t see how you can learn from people who aren’t in the same practice group... its difficult if people don’t understand what you’re talking about...you have to use terminology to understand. But if everyone [in the same practice group] knows exactly what you’re talking about and if you get to something very prickly and you say I want to talk about issue x, everyone will know what that means, what the issues are, how it effects deals and you can go right into a very very sophisticated discussion (L24).

Shared practices enable individuals to understand what is being discussed, interpret the meaning and learn from it, subsequently applying the knowledge gained to their own work. Just as learning within the clusters of London and New York is possible because of a community of individuals engaged in the same type of work and having similar problems, globally stretched learning is possible because of a global community with shared practices, enterprise and interests. For lawyers these shared practices most commonly exist between members of the same practice group and their understanding of harmonised global corporate and financial law. Meanwhile for

¹⁴⁷ Undoubtedly for lawyers from non-English speaking countries this is more challenging but interviewees suggested that, somewhat embarrassingly, individuals from these countries had an excellent (often grammatically superior) mastery of the terminology and language associated with these globally shared practices.

advertisers such shared practices exist both between individuals in the same job role (e.g. planner) and also between individuals working on the same project. Often projects last several years (or one project gets rolled into another because it is for the same client) and as a result members of the project team begin to develop their own 'shared language' of practice. This language refers to ideas used in the past, brand-specific issues and approaches and other factors unique to that client's account. As one advertiser described it:

"The thing with working on a global account is that it will take on its own rhythms based on the things everyone shares and deals with, it possibly develop slightly different variations of the corporate approaches to things, has different expectations we all share" (A1).

These rhythms then are the shared practices that allow all members of the team, in various offices worldwide, to discuss common issues in relation to the client's project.

In advertising agencies shared practices are also often manufactured in the form of *global corporate practices*. Seven of the eleven agencies studied had some form of global communication and branding tool that is used to help share ideas and strategies between offices. Although not always specifically designed to improve knowledge management, advertisers working at the agencies with such tools suggested they were useful in this process. In particular they allow advertisers to explain an idea by couching descriptions within the terminology of the branding tool. Table 9.4 gives two examples of such corporate tools and how the agencies describe them. To maintain the anonymity of interviewees one example is taken from an agency studied in this research and one from an agency not studied. As the descriptions of these global corporate practices suggests, they are incredibly useful ways of both homogenising the advertising development process worldwide but also allowing individuals to communicate ideas using a corporate language that describes shared practices. The following comments from advertisers highlight this point:

"I can get a call from the middle East and they'll say to me 'we're doing a [activity x] and we're doing this and I know immediately what a [activity x] is and what they're doing through, what they need. And so there are processes in place that make it easier and they make it easier to get on the same wavelength. That process is an important way to make sure that every office in the network has a basic way of understanding basic things" (A2).

Agency	Corporate tool	Description
Foote Cone & Belding	FCB's Blueprint and Tools	We have the reach and muscle of a global giant...Unity all efforts around a client's needs and the sum is greater than its parts... The FCB Blueprint is our way of working around the world. Our way to organise as a team to uncover insights that lead to powerful ideas. Designed to smooth the way, not to bog it down, the FCB Blueprint gives structure to the process, so everyone agrees on where to go, and how to get there".
J Walter Thompson	Thompson Total Branding	"How do you turn the first advertising agency into the world's first global brand communications agency?...you have to deliver creative to where ever your consumer lives, works, sleeps, eats or plays... To achieve our goal of 'Total Branding' we cross continents, span mediums and traverse boundaries both physical and spiritual...Creating and nurturing brands in this environment is a frighteningly complex challenge. What is called for is a perfect blend of left-brain logic, process and rigor together with right-brain passion, chaos and creativity. This is why Thompson Total Branding was created, and why it is proved to be so successful...TTB leads us towards the great ideas that will build on these convictions".

Table 9.4. Corporate descriptions of communications tools.

Source: Foote Cone and Belding (2004) and J Walter Thomson (2004).

"...ideas are really difficult things for people to understand...And [corporate tool x] is just a really good global tool and what's cool about it is that the methodology is done in such a way that you could compare any brand to any brand anywhere and you can compare brands by country so its an incredibly flexible tool and you can usually pull a story out. And having said that its hard for me to understand where a brand is in any other country's brandscape, [corporate tool x] is a really good way of me getting a grip on that, brilliant at helping you understand...It doesn't help us develop the strategy but it helps us share it, if you like it's a common language that you can use between offices" (A11).

As these quotes show, advertisers value such tools because of how they make misunderstanding and confusion less of a problem when working with other offices. The quotes also show that such corporate tools are important in advertising because of the type of understanding that is needed to be successful – cognitive tacit insight and

knowledge. Whereas lawyers can base conversations around common technical elements and terminologies (explicit knowledge gained from law school or formal training) advertisers do not have such a basis. Instead, because their work is cognitive and based on understanding un-defined and unregulated human subjectivities, it is necessary to have tools that allow artificial structure (explicit knowledge/procedure) to be added to the reasoning used.

It should be noted that of the 15 advertisers interviewed who worked for agencies with such tools four were somewhat negative about these corporate tools/practices. Typical comments were “my point of view is that it’s not that helpful because trying to make things systematic is not necessarily good” (12) and “they often make things too rigid and formal” (17). Interviewees’ negative about such tools found them too restrictive and limiting when they were working on a project. However the majority found them valuable because of the improved communication it allowed. Although they may result in work following a more procedural approach their value on global accounts for knowledge sharing outweighs this issue. Indeed, everyone was keen to point out that they are only tools, no-one is compelled to use them, but if used correctly they are valuable.

This creation of global corporate practices, just as with the ‘organic’ shared practices that were described above, all allow learning because of how they overcome any problems of misunderstanding and confusion because of variations in norms and interpretations between local spaces. Such shared practices allow individuals to understand one-another’s ideas, interpret them and (unconsciously) learn, producing (tacit) knowledge. They provide a shared *global shared practice-based space* in which advertisers and lawyers can learn. This further suggests then that the factors and spaces that allow tacit knowledge production to occur are not exclusively local but also global. It highlights how globally stretched intra-firm learning networks can operate within and between communities or constellations of practice because of pre-existing and organisationally managed spaces.

Below a final factor that can further smooth globally stretched learning is highlighted. After briefly reviewing the nature of globally stretched reading some conclusions are then drawn about the implications of these findings for how we conceptualise the geography of tacit knowledge production. In particular it is suggested that the results show a blurring of the local-tacit global-explicit dichotomy and the existence of different

modes of learning at the local (untraded *inter-firm* interdependencies) and global scale (*intra-firm* learning networks).

9.8.6) Documents

The exchange and circulation of documents provides an additional way to smooth globally stretched learning. Documents are a common way for individuals to share knowledge with unfamiliar people in the firm either by e-mail or through a computer based knowledge management systems where available. In addition to this most advertisers (seven firms) and lawyers (all studied) have project specific intra-net sites in addition to any computerised knowledge management systems that documents relating to an ongoing project are placed within. Interviewees argued such documents are valuable not only because of what can be learned by reading (see below) but also because conversations could be based around the document.

As was noted in chapter eight, those interviewees who had access to intranets or firm-wide knowledge management systems suggested that it is common practice to telephone the writer of a document to talk to them about the details of the project/situation described. The reverse of this process is also important in some cases when globally stretched learning by talking occurs. A telephone conversation will result in one individual sending the other party a document describing the project/situation they had just discussed. As the web of tacit knowledge production suggests, the most effective development of tacit knowledge occurs when two or more processes are used synergistically (in this case learning by reading *and* talking). The following comments are typical of what interviewees said about the role of documents in this process:

“When you’ve both read a document then you have a basis of common facts and common approaches you can start a conversation around [and] then you can ask questions that would get peoples opinions, experiences and how they would approach your specific situation” (A19).

“Tonight I’ll be speaking to the [place x] office and that’ll be about an hour long and we spent quite a lot of email time over the last three or four days organising that. We put some care into those emails and the documents attached to them to make sure people

were clear what those discussions were about, the background, what they might need to bring to the meeting. So there were six interactions to get to that one interaction where we hope the richness of knowledge will be exchanged." (A25).

The above quotes all show how documents can assist and complement global learning by talking because of the way they align and 'enrol' (c.f. Latour, 1987) participants in a conversation by providing a common basis for understanding. For advertisers the document may be a picture board, piece of artwork or script. For lawyers it may be a draft contract or transaction model. In both cases documents facilitate the sense-making and interpretation highlight by the SAP as critical for learning. This reflects the arguments of numerous scholars who have noted the role of various forms of 'immutable mobile' in assisting spatialised learning (e.g. Amin and Cohendet, 2004), sometimes under the guise of boundary objects whose meanings transcend communities (Boland and Tenkasi, 1995; Star, 1987). This helps reinforce the shared space for learning that firms exploit and consolidates the ability of firms to develop their intra-firm learning networks. Below the global dimensions of learning by reading are briefly explored before some overall conclusions are drawn.

9.9) Reading globally

The documents advertisers and lawyers read and learn from originate from throughout the world, especially when sourced from a firm's computerised knowledge management system. In addition to this, as was noted earlier, many of the publications read by advertisers and lawyers are stretched across a global cultural circuit of business knowledge. In this sense then learning by reading has global dimensions because of the source of the documents read. However, at the same time learning always occurs locally – individuals read and interpret the documents and learn based on their 'local' understanding of the ideas contained within it (see also French, 2000). As a process this does not vary in any way to the process described in chapter eight – reading something written in Singapore is very similar to reading something written in France (assuming English, the common language of business, is used). The only caveat both advertisers and lawyers added was that within the same firm the process of learning can be further aided if all offices use the same layout for their documents. Eight advertisers and six lawyers commented on this - the knowledge management specialists (PSL's in law firms) were most aware of its benefits – and suggested that by having a uniform structure it is possible to smooth the learning

process. Individuals can pick up a document written anywhere in the world and understand it because of its common structure. As one interviewee describe such an approach:

"I think our aim recently has been to structure things in a way that helps understanding...It helps people to understand. So, for example, when we structured our anti-trust documents we structured it in a way that actually reflects the way an anti-trust matter works so that it's a learning tool. A lot of the templates that London has developed makes people fill it out in certain ways and are now used in every office" (L26).

Such a strategy further enables the understanding and interpretation needed for learning and makes it easier to read documents produced in other offices. It may also help in learning by talking as discussed previously. Apart from this factor however, neither advertisers nor lawyers highlighted any other challenges (except those previously noted in chapter eight) with learning from documents produced in other parts of the firm's global network.

9.10) Conclusion

The research results presented in this chapter take seriously arguments that tacit knowledge production can have both local *and* global geographies and show how the learning practices identified as important in chapter eight are both locally mediated and globally stretched. In doing this it both identifies the architectures that enable the learning practices to be enacted at both scales and also the factors that facilitate learning. A number of significant insights are provided by this analysis that reconfigure the way we analyse the spatiality learning and highlight the multiple geographies of the practices involved.

The research findings place learning and geography centre-stage in the analysis knowledge production rather than geography alone. They show how presence in the clusters of PSF's in London and New York allows the practices of tacit knowledge production to be enacted outside of the offices of the firms studied and within the local agglomeration that includes the advertising and law clusters studied. These findings engage with and contribute to the literatures discussed in chapter four by both identifying a number of the key hard, 'structural', architectures of collective learning

within London and New York but also the important 'soft' influences on the process. In doing this however the findings shift our epistemology of such locally embedded learning away from the regions themselves and their characteristics to the processes and practices of learning and the factors facilitating learning. The analysis looks at why being in the clusters in London and New York might *facilitate* learning rather than how the regions themselves act to produce knowledge. In this sense it highlights that the existence of 'regional' communities of practice made up of professionals with shared interests is one of the key 'assets' of a cluster as it allow individuals to learn from one-another because of shared identities, interests and positionality as part of a practice-based space.

At the same time the results also show that the practices of learning should not be assumed to be exclusively local. Again, by focussing on the learning process itself rather than spatial scales, the results highlight how globally stretched networks do not necessarily have to be 'thin' and allow the conveying of information only. Rather it shows how architectures and spaces of learning can be constructed at the global scale just as at the local scale and that these have remarkable resemblance to the 'local assets' that allow knowledge production in clusters of firms.

Below the key arguments of this chapter are revisited and it is noted how all learning to occur a number of architectures and spaces need to exist and be constructed. However the similarities between these spaces at both the local and global scale shows that it is misleading to dichotomise tacit-local and explicit-global geographies as is often done in existing literatures.

9.10.1) Local-global architectures of learning

In a 'structural' sense the findings both confirm and advance the insights of literatures reviewed in chapter four into the nature of locally-scaled learning. First, the 'churning labour force' is shown to be important but not only because it allows knowledge to flow between firms but also because it allows the diverse learning experiences needed to be successful, particularly in advertising, to occur. Second, 'weak-tie' networks between fellow professionals are shown to be important. Developed as individuals move between firms and also through PAs, physical proximity sustains these relationships as individuals can meet at lunch and after work. This reflects the idea that 'gossip and informal chat' are a key way collective learning occurs in regional

economies (e.g. Henry and Pinch, 1999). Thirdly, secondments to clients are highlighted as an additional architecture of collective learning for the law firms using them. Because of the wider agglomeration of financial institutions in each city (the key clients of law firms in London and New York) it is possible to spend time working for these firms and developing tacit knowledge that is applicable to future work. Finally, PAs are shown to be another key architecture for collective learning because of how they bring fellow professionals together, therefore facilitating conversations that allow learning. The role of such bodies has been noted previously (e.g. Britton, 2003) but the findings here highlight specifically why they facilitate learning (because of the 'weak-tie' networks they produce and the events that facilitate discussion between professionals in shared practice-based spaces).

This is a uniquely detailed analysis of the 'untraded interdependencies' and is not 'fuzzy', as many descriptions of this phenomenon have been in the past. It therefore deepens our understanding of the knowledge production architectures in clusters of firms. However the results also highlight that there are additional scales to learning that mean a focus upon locally mediated learning alone is insufficient. Instead there are numerous global architectures for learning that synergistically complement the local architectures and allow for local-global geographies of tacit knowledge production.

Learning by experience/observation is facilitated by expatriation, a well-documented process (e.g. Beaverstock, 2004). Learning by talking is also shown to be stretched predominantly through use of the telephone, something that facilitates the 'development and diffusion of knowledge worldwide' through global professional networks (Bartlett and Ghoshal, 1998). In addition to this the global circulation of documents allows learning by reading to occur on globally sourced stimuli (Allen, 2000a), something that the web of tacit knowledge production suggests also supports other learning practices, in particular global learning by talking. This reflects then arguments of scholars (e.g. Amin and Cohendet, 1999) that TNC's are increasingly attempting to stretch and manage knowledge globally through corporate networks.

Of particular interest is how the results show the importance of the development of global professional networks between colleagues in an organisation. When the relationships become 'strong ties' (based on thick trusting relationships and shared practices) they allow learning, thus confirming the dilemma highlighted by Augier and Vendelo (1999) that 'weak' ties allow scanning whilst 'strong' ties are better for

learning. This is significant as critiques of suggestions that tacit knowledge production can occur at the global scale revolve around two fundamental arguments. First, the idea that culturally defined differences in the approach to and understanding of work practices between countries prohibits learning (principally the thesis of Meric Gertler). Secondly, the belief that the type of relationships that allow learning are thick with trust, reciprocity and mutual understanding, something that cannot exist when relationships are stretched across space (principally the arguments of Philip Cooke and Kevin Morgan). The spaces of learning identified here are based on just such 'assets' but exist at both the local and global scale.

9.10.2) Local-global spaces of learning

The findings presented in this chapter also suggest that the 'spaces' of learning are dynamic and fluid, not constrained by spatial boundaries (such as regions) but determined by the effective creation of a context in which learning is enabled. At the local scale it is a community of clients and firms and the shared interest in advertising or corporate law of all these actors that allows learning (a practice-based space) when architectures exist that interconnect individuals. It is also the institutional thickness that fuels a desire of the communities to engage in a process of collective learning with rival firms (a relational space). Meanwhile at the global scale it is also the development of professional networks between a community of individuals with shared interests that facilitates learning (also a practice-based space) and the development of thick relationships that stretch between offices (also a relational space). This suggests then that what is often assumed to be the result of spatial proximity (i.e. shared cultural values that allow learning and 'thick' trusting relationships) is existent at other spatial scales, and in this case the global scale. Consequently there is a need to reconsider the way the affect of space on learning is considered and in particular to critically scrutinise suggestions that local spaces have unique 'assets' that enable learning and prohibit its global stretching. Specifically here it has been shown that relational and practice-based spaces are important and existent at both local and global scales.

At the same time there are differences in the modes of learning however. In 'regional' spaces learning is *inter-firm* – based on the nurturing of untraded interdependencies. This is only possible however when a community-based institutional thickness help lubricates relationships and overcome competitive rivalries. In comparison globally stretched learning is *intra-firm* – between individuals working in the same organisation.

This does not require the ‘thickness’ to lubricate relationships – instead this is provided by the shared membership of an ‘organisational space/community’. This suggests then that tacit knowledge production has multiple geographies and is not exclusively locally fixed but that there are different modes of learning occurring in different spaces. Regions may be valuable for inter-firm learning whilst global spaces may be more suitable for intra-firm learning ¹⁴⁸. This insight might then help us reconcile the differences between scholars such as Amin (2003) and Morgan (2004) who look at global intra-firm and local inter-firm learning interdependencies respectively and have thus far found it difficult to reach agreement about whether learning is local or multi-scalar. The results here suggest it is both but that there are different modes of learning at local and global scales and therefore the need to reconcile the different focuses in order to overcome the local-tacit global-explicit binary.

In order to understand the geography of these spaces requires then an approach that doesn’t privilege any one scale or pre-determined spatial constraint (Marston, 2000). Rather it suggests that an approach that considers the ‘construction’, continual reproduction and negotiation and redefinition of the spaces of learning is necessary (Amin, 2003). This means reconfiguring the way we think about the geographies of learning based on the deepening of our understanding of the spaces of learning previously proposed by scholars (e.g. Amin and Cohendet, 2004; Blanc and Sierra, 1999; Gertler, 2003; Morgan, 2004) the research presented in this thesis allows. In particular it highlights the need to follow the networks of learning rather than analysing the territorial, metric or regionally defined spaces of learning.

The next chapter therefore draws all of the findings from the thesis together and makes some conclusions about the way we can interpret the local-global geographies of tacit knowledge production and the implications this has for the way economic geographers approach analyses of the geographies of learning.

¹⁴⁸ This raises interesting questions about whether inter-firm alliances at the global scale allow effective tacit knowledge production.

10) Conclusions

10.1) Introduction

This aim of this thesis has been twofold: First to consider how tacit knowledge is important in the work of advertising and law PSF's within the knowledge economy; and second to analyse the geographies of the socio-spatial networks of tacit knowledge production. In doing this the thesis' three objectives of understanding the role of tacit knowledge in more detail, the practices that produce it and the geographies of its production have been fulfilled whilst also developing new ideas about how to advance and (re)conceptualise the geographies of tacit knowledge that deconstruct the disabling dualism between tacit-local and explicit-global geographies.

This discussion chapter aims to both draw together the findings outlined in previous chapters and highlight their implications for the way we conceptualise and explore the *geographies* of tacit knowledge. It argues that the results presented in the second half of the thesis require us to reconfigure and complicate the way we look at tacit knowledge (and the idea of knowledge more widely) as well as the practices, processes and geographies of learning. Specifically it makes three interconnected claims. First that economic geographers need to apply more complex analyses of the geographies of knowledge by recognising the fluid, heterogeneous and constantly circulating and growing nature of knowledge. Second it claims that the study of TNC's needs to focus on firms as 'socio-spatial network forms' (c.f. Yeung, 2000; 2001) and the way practices and the production of services/goods is mediated through local-global spaces and through intra-organisational socio-cultural spaces affected by the contexts in which firms operate. Finally, thirdly, it is claimed that ideas about the geographies of knowledge production must reconfigure and disturb settled modes of thought about local-global dualisms and embeddedness as well as metrically defined

meanings of space. Specifically it suggests relational and topological analyses can further our understanding of the geographies of tacit knowledge production. To outline these claims the chapter draws the empirical findings of previous chapters together and shows how they might support the arguments made and help reconfigure and advance thinking within economic geography. The final section then focuses upon the implications of the thesis' findings more widely in relation to economic geography, the social sciences and studies of the knowledge economy. A critical analysis of the overall research process is also completed as well as consideration given to potential lines for future research.

10.2) Conceptualising the socio-spatial practices of learning

Chapter seven began by building on insights from the literature reviewed in chapters two and three and highlighted how tacit knowledge allows advertising and law PSF's to provide bespoke services to clients in a timely and efficient manner. It also showed tacit knowledge was different to explicit knowledge in that it allows informed action and forward thinking/problem solving rather than routine-drive problem identification and the development of rigid solutions. However it also showed that tacit and explicit knowledge are complementary. This was an important starting point for the analyses that followed because, as Allen (2000a; 2002) has reminded all economic geographers, research is too often based on 'thin abstractions' into the nature and importance of tacit knowledge.

The discussions in chapter seven showed in detail how tacit knowledge influences the production of the services PSF's provide and also shows why PSF's are at the centre of the knowledge economy and why tacit knowledge itself is so vital to the knowledge economy. In a nutshell it argued that tacit knowledge informs innovation and the tailoring of services or products to clients' unique needs based on the 'creative' insights tacit knowledge produces. The use of this in five elements of professional service delivery was outlined and it was shown how tacit knowledge is heterogeneous and fluid as a category existing in relation to various aspects of advertisers and lawyers work but also in technical and cognitive dimensions. Chapter eight then built on these insights and unpacked how tacit knowledge is produced in the employees of global advertising and law PSF's. The results presented support the arguments made for the use of a SAP on learning and tracing the socio-spatial practices of knowledge production both of which allow the influences upon learning to be identified (identity,

context and positionality). In particular it was noted that for the translation and sense-making that allows learning to occur individuals must have both existing (tacit and explicit) awareness and when learning from others, shared membership of a 'community' or 'practice-based' space. Based on these insights three initial conclusions can be reached about how knowledge should be studied within economic geography that develop and reframe extant literatures discussed in chapters two and three.

First, the findings show the need to recognise that tacit knowledge and its production cannot be uncoupled from the existence of explicit knowledge. As many have suggested, the two are complementary and interdependent. This is exemplified in chapters seven and eight by how tacit knowledge is used by advertisers and lawyers in tandem with explicit knowledge and how tacit learning is mediated by existing explicit knowledge and awareness. It also supports claims that a more complicated understanding of both the 'category' tacit knowledge and knowledge more widely is needed. In terms of the epistemology of knowledge management in organisations this means then that whilst the knowledge-based view and evolutionary perspectives are unable to inform strategy for tacit knowledge management their principals should not be disregarded because of the importance of explicit knowledge to any tacit knowledge production. Instead the integration of the complementary and common threads of these approaches with those of the SAP is likely to allow the most effective exploitation of a firm's capability (see Amin and Cohendet (2004) for a successful attempt at such a strategy). The value of such a combination is highlighted by the model proposed in the 'web of tacit knowledge production' and its emphasis on managing both 'social' practices such as talking and experience and also the explicit resources that allow learning by reading.

Second, the results show that tacit knowledge production and the practices involved result in the creation of new knowledges rather than the transfer or translation of existing knowledge between individuals or forms. The SAP highlights the importance of the continuous and dynamic production of knowing and the results presented illustrate how in advertising and law PSF's knowledge management is not about the transfer of practices (Gertler, 2003) or the conversion of explicit knowledge into tacit knowledge (Nonaka and Takeuchi, 1995). Rather the practices of tacit knowledge production allow ideas and insights to be learned *from* and built *upon*. Therefore any study of the geographies of knowledge must focus on the practices that produce

knowledge and trace their spatial reach and socio-cultural inflection and the affects of both factors upon learning.

Third, the empirical analysis of how the practices of tacit knowledge production are enacted in a 'community' setting (in particular when learning by talking occurs within, without and between offices) suggests the benefits from such social engagement comes not from the 'community level cognition' that develops as Wenger (1998), Brown and Duguid (2000) and others suggest, but rather from the improved *individual* level cognition that emerges as a result of the influence of the opinions and experiences expressed by other community members. This cuts to the heart of the assumptions in the communities of practice literatures and suggests that when Brown and Duguid (2000, 106) talk of "where one person's knowledge ends and another's begins is not always clear... neither has a decisive 'piece' of knowledge... It was a collective process that created an indivisible product" they misconstrue the 'level' at which the knowledge exists. It proposes that whilst the process may be collective (individuals learn from one-another) the outcome (the evolution of knowing) is at the individual level.

As was shown in chapter eight, tacit knowledge production occurs when individuals benefit from stimuli that influences individual sensemaking and cognition. In this sense conversations within a community are of exponential value because of the range of different experiences, ideas and beliefs that are expressed during discussions. This allows triangulation in the sensemaking process as individual knowing emerges as a result of insight and understanding gained from several members of the community. Consequently, whilst 'shared practice' unites communities and leads to what Wenger (1998) described as shared 'symbols, genres actions or concepts', it does not necessarily mean that the social engagement ongoing in communities results in a unified and shared understanding and knowledge. Instead it means individual level knowing converges (but doesn't merge) based on the sharing of relevant narratives. The individual level assimilation and unconscious cognitive processes that Reber (1993) identified as associated with tacit knowledge production means our attention should return to the individual level. This does not detract from the importance of all members of the community having an interest in shared practice. Indeed, so that the ideas and experiences discussed are comprehensible, can be assimilated and result in individual level cognition, the existence of shared practice is vital. However, it means that this shared practice does not then necessarily translate into shared bodies of knowledge. So in the discussion between photocopier engineers described by Orr

(1996) the actual manifestation was not a group of engineers with identical knowledge and problem solving abilities. Rather it was a group with more complex individual level knowledge, developed thanks to the benefits of discussion with colleagues. This knowledge however had different dynamics and logics at the level of each individual. Hence the continued importance of engineers being able to contact one-another during the working day when they faced a problem: it allows them to tap the differentiated logic of a fellow engineer to solve the problem faced. If the community of practice had resulted in group level shared knowledge then this would not have been necessary, all members of the group would have comparable knowledge.

In this sense re-consideration of the perspective of Nonaka and Takeuchi (1995, 59-60) in terms of the ontological dimension of their study of knowledge and learning is enabled by the thesis' findings. In their work Nonaka and Takeuchi attempt to grapple with the question of how knowledge can exist at the organizational level. In doing this they acknowledge that "knowledge is created only by individuals...The organization supports creative individuals or provides contexts for them to create knowledge" (Ibid, 59). This reflects the argument made above. They then go on to suggest that the only way knowledge can exist at an organizational level (the community level) is through its conversion to explicit form. This "crystallizes it [knowledge] as part of the knowledge networks of the organization". Putting aside the problems outlined above with the conversion model, this supports the suggestion that tacit knowledge and the practices of its production always result in individual level understanding. Only when knowledge becomes more explicit in form (for example as a document outlining the process for delivering a certain type of service) is it possible for it to be shared by all in the community. However, the results of the thesis suggest that the way this shared knowledge is interpreted and used at the individual level still continues to affect the actions guided by its existence. This therefore further reinforces the argument that our understanding of tacit knowledge production should be based on analysis of sensemaking and cognition at the individual level.

All of the advances made by the empirical analysis in this thesis are important and develop the way knowledge and learning is conceptualised and understood and can be used by firms operating in the knowledge economy to guide how they 'manage knowledge'. However, the principal aim of the thesis is to consider the spatial dimensions to this process. The rest of the chapter therefore outlines how this approach to understanding knowledge production helps reveal the geographical nature

of learning in PSF's and in particular how it supports calls for studies that are more sensitive to the multiple geographies of learning and organisational practices.

10.3) Buying local-global knowledge from London and New York's advertising and law firms

The findings presented in chapters eight and nine highlight the ability of advertisers and lawyers in London and New York to learn from colleagues in their office, fellow professionals working in the local cluster and also colleagues elsewhere in the firm's global network. This means that any client potentially receives a service based on locally and globally produced knowledge. As was noted in chapter two, Lowendahl (2000) has suggested that one of the motivations for the globalisation of PSF's is 'access' to knowledge in various different markets and the dissemination of learnings throughout the firm's network. Similarly it has been recognised since Massey's (1992) seminal work on a 'global sense of place' that flows and connectivities influence any locale. The results presented here suggest London and New York might therefore be seen as locales of professional service provision influenced by local-global flows of knowledge. As Beaverstock *et al* (1999b) suggest, world cities are constructed by the global networks of the PSF's that inter-connect cities such as London and New York through a world city network. Studies of the effects of ICT and its impacts on the importance of place have similarly highlighted how cities are locations of knowledge production but also points of wider interconnection (see also Amin and Thrift, 2002). Graham (1998, 172) describes this eloquently as "a complex co-evolution, articulation and synergy between place-based and telemediated exchange". This means "urban places and communications networks stand in a state of *recursive interaction*, shaping *each other* in complex ways" (*Ibid*, 174, original emphasis).

In this sense then London and New York are important places of knowledge production whilst also being part of wider networks and flows of knowledge ¹⁴⁹. In terms of the

¹⁴⁹ Such an assertion also reflects the idea of Hudson (2004) that cities are 'moments' in global networks and circuits of flows. Increasingly research suggests connectivities between cities in the form of both physical flows (for example of humans) but also virtual flows (such as ideas and knowledge) 'produces places' through local-global overlaps in everyday practices (Amin and Thrift, 2002; *European Urban and Regional Studies*, 2004; Massey, 2004).

knowledge economy, this means that whilst there are important places for knowledge production the most successfully exploitation of knowing comes from managing wider interconnections to a global knowledge economy.

For the PSF's studied in this research this means both local linkages but also wider global connections through corporate networks can influence activities. Both presence in cities such as London and New York but also the construction of connections between such cities is important. Knowledge produced through collective learning in one city flows globally outwards from the city through global professional networks whilst inflows to the city through the same global networks affect the learning and knowledge produced in the city (by informing the conversations between professionals). What is 'known' in London then is a complex overlap of insights developed in that city but also within wider global corporate networks. This has implications for how global PSF's manage their operations in a globally stretched knowledge economy and also for how we should understand TNC's more widely. In particular it suggests that academics (e.g. Leadbeater, 1999), governments (e.g. DTI, 1998) and non-governmental organisations (e.g. OECD, 2000; UNCTAD, 2001) should focus both on the important places and regions in the knowledge economy but also how they are interconnected with wider global spaces.

This highlights how global PSF's and TNC's more widely are then socio-spatial networks at both the local and global scale that need to be understood through research that traces the reach of their networks. At the same time however the results also highlight that these firms are not 'placeless bodies' operating in the same way throughout the world. Rather it was highlighted in chapter eight that the socio-cultural, organisational and material spaces within these firms vary and affect the enactment of learning practices. The implications of the results for global firms operating in the knowledge economy are therefore reviewed below.

10.4) 'Global' firms with 'local' nuances: How knowledge and learning varies across a global PSF's network

By examining how tacit knowledge is important and learning occurs in both London and New York the results outlined in this thesis identify a number of nuances in how 'global' firms operate in different cities throughout the world. This means effective management of firms operating within the knowledge economy requires recognition of

the globally stretched yet also locally mediated nature of the essential processes of knowledge production. The practices involved are spatially variegated within firms with socio-cultural, organisational and material differences between offices in a firm's network (Schoenburger, 1999)¹⁵⁰.

For the law firms studied four significant differences were observed between offices when it came to the importance of tacit knowledge and practices that allow its development. First, it was noted that the type of advice based on tacit knowledge described in chapter eight was not provided in every office and that in particular continental European jurisdictions rely on explicit (academic) knowledge of the law more than tacit insight. This suggests then that the role of tacit knowledge and the resultant legal service provided varies because of the jurisdictional influences upon each office and is not solely dictated by headquarters (in London or New York). The offices of UK and US based global law firms in places such as Frankfurt, Milan and Paris provide a service that reflects the 'local' expectation of advice on *the law* in a formal, explicitly defined, textbook way.

Secondly, in chapter nine the practices of learning within the offices of law firms were also noted to vary between offices. In particular the facilitation of learning by observing in London by placing trainees in an office with a partner was not replicated in New York despite recognition of the value of such a practice. In addition to this, both the computerised knowledge management systems and the PSL's who maintain them and provide training programmes are absent in New York whilst being universally present in London. Again these examples show how 'local' 'socio-cultural spaces' can affect how one office of a 'global' firm operates.

Thirdly, the use of secondment to clients was noted in chapter nine to be determined by both home and host country effects. To summarise what was explained in chapter nine: The process of seconding lawyers to clients is traditionally an approach used in London. However it has been 'exported' by some UK based firms to New York, is used by some US firms in London to fit with local norms and has influenced some US based firms so much that they also use it in New York. Table 10.1 summarises this issue under the guise of 'home' versus 'host' country effect on how global law firms

¹⁵⁰ Advertisers surprisingly showed more consistency in their practices, something potentially attributable to their corporate rather than partnership structure (see below).

operate as has become common within economic geography. Numerous scholars (e.g. Dicken, 2000; Whitley, 1997) have argued that a 'global' organisation does not exist but instead that any TNC has a clear identity defined by its 'home' nation that affects the organisation's practices. Table 10.1 suggests however that the variation in the practices employed by law firms between London and New York cannot be reduced to a model whereby each office is organised based on 'norms' derived from its home nation. The host nation the office operates within is also influential¹⁵¹.

This suggests economic geography needs even more sensitive analyses of the way the socio-spatial networks that form TNC's have socio-cultural, organisation and material spaces of meaning that vary across a firm and affect practices. In this sense calls to stop treating firms as a 'black box' (e.g. Taylor and Asheim, 2000; Yeung, 2003) have been advanced. This develops economic geographers understanding of global economic processes but is not the main crux of the thesis' argument however. Below the contributions in terms of understanding the local-global geographies of tacit knowledge production are reviewed and arguments made for unsettling the way space is analysed with relational and topological geographies suggested to be especially useful in blurring the boundaries between spatial scales and overcomes the tacit-local/explicit-global dualism that plagues economic geography.

	Outcome
<i>Home/ Host nation effect</i>	
<i>Host effect:</i> PSL's used in London by UK and US firms to encourage and develop knowledge sharing/management. In New York PSL's non-existent in UK and US firms and knowledge sharing not a focus.	Different degrees of focus on knowledge management in London and New York due to local expectations.
<i>Host effect:</i> US law firms require partners in London to share an office with trainees, something not done in New York whilst UK firms in New York don't require partners to share an office with trainees, although it is common in UK.	Firms adopting different partner-trainee relationships in London and New York because of host city norms.
<i>Home effect:</i> UK law firms in New York use secondments to clients.	The unique UK practice of secondment is used outside of London.

Table 10.1. Examples of home and host effect on organizational characteristics.

¹⁵¹ It has been noted elsewhere that some law firms have tried to impose 'home nation' norms on overseas offices. For example The Lawyer (2003c) noted how Clifford Chance had attempted to convert partners in New York to the lock-step used in London model where salary is based on a percentage share of profits rather than on fees charged to clients as in the eat what you kill model. However this resulted in uproar from the partners in New York and many left the firm and continue to leave on a regular basis.

Source: Fieldwork.

10.5) Understanding local-global geographies of tacit knowledge production

All of these insights into the geographies of tacit knowledge emerge from analysis in chapter nine that highlight the need to privilege the networks and the socio-spatial practices of knowledge production rather than any one spatial scale. Insights are provided into how this can be done through an exploration of the factors affecting learning – i.e. focussing upon how experience and observation, talking and reading occur within and are influenced when mediated through local and global spaces. This builds on ideas from Actor-Network theory and also work on relational and topological geographies and ‘follows the networks’ of learning and the influences upon actors (human and non-human) in these networks rather than viewing spaces as actors themselves. It also means viewing knowledge not as a static entity but as ‘always becoming’ in the sense that it is produced rather than flowed across space. In doing this the ways tacit knowledge production has been analysed at both the local and global scales can be critiqued and re-conceptualised in order to deconstruct the disabling dualism that often exists within economic geography between local-tacit global-explicit knowledge.

The practices of tacit knowledge production were outlined and analysed in chapter nine and it was highlighted how there are architectures and spaces of learning at both local and global scales that have similar characteristics. Below then the significance of this in terms of the arguments of existing literatures that analyse learning is considered. Specifically it suggests that we can disturb concepts such as embeddedness, spatial scale, proximity and ‘local buzz’ through the findings of the thesis.

10.5.1) Re-evaluating the embeddedness of ‘local ‘learning

If we take the findings presented in chapter nine and consider their significance for how we understand ‘localised’, regional, learning it is possible to re-evaluate what is meant by claims that tacit knowledge and its production is embedded in such regions. The discussion in chapter nine dispelled ideas that regions themselves act to embed

learning. Instead it showed how both the institutional thickness that influences and is produced by the groups of professionals in each city (and its absence in the case of New York's advertisers) and the presence of a community of professionals with a shared enterprise allows learning in relational and practice-based spaces respectively. To begin then this might first allow us to complicate the meaning of embeddedness by analysing how the relational and practice-based spaces identified might 'fix' learning in regional spaces. This inevitably also means critically exploring the 'assets' of cities such as London and New York and considering how 'being there' is important and whether anything unique actually occurs as a result of the spatial proximity of actors in the city compared with the spatial distanciation (but continued relational proximity) in stretched learning .

Combined with the 'unfuzzy' descriptions of the architectures of collective learning these results show then how regionally-fixed knowledge production is based on a combination of facilitating architectures such as PAs, and a socio-economic logic or institutionalism that drives members of the cluster to become involved in activities that facilitate learning. The results also show that clusters of professionals are good at producing tacit knowledge because of the existence of a *community* of professionals with shared interests that can therefore operate as regional communities of practice through a shared practice-based space. As the SAP suggests, without the existence of this space, no matter how numerous the architectures are or how strong the institutionalism is, learning will not occur. The translation and sense-making required for learning needs all involved to have a shared perspective and positionality. Without this the ideas discussed would become what Weick (1979) describes as 'equivocal' – they would mean different things to different parties and result in confusion and misunderstanding.

The results also show that clusters of firms that engage in effective collective learning do so because of a strong feeling of professionalism and a desire to share insights and ideas with all in the profession. This often exists in addition (and sometimes in place of) a feeling of allegiance to any one firm and is driven by a desire to develop the industry as a whole by sharing ideas that may lead to progress for all. It was suggested this is a relational space for learning. Florida (2002) suggests this is typical of what he terms 'the creative class'. These are professionals that are more interested in the betterment of themselves and their profession than the firm they work for. Such a feeling was lost when the advertising profession 'abandoned Madison Avenue' but not because of the physical movement away from one place – it was not Madison

Avenue itself that embedded learning. Rather the professional community lost its collegiality and desire to work together and learn from one-another¹⁵².

If ‘being there’ in the clusters in London and New York is essential then it is in part at least because presence in the relational and practice-based spaces allows learning that would not take place if a firm existed in isolation. A cluster of firms provides a shared space for learning. Building on the recent critiques of embeddedness (see chapter four) it is possible then to complicate the meaning of the embeddedness of learning in local spaces such as London and New York.

If we take the suggestions of Hess (2004) about the three dimensions to embeddedness (societal, network and territorial) the findings in chapter nine show how learning is multiply embedded in the cities studied. First, the socio-economic logic resulting from institutionalism could be said to be a *societal* factor. According to Hess ‘societal embeddedness’ is the result of the ‘background’ in which a process operates. As was shown by comparing the differences in institutionalism between professions and cities, such a factor is place and cluster specific, dependent on the professionals and their behaviour. It is a factor that is different in every society – every professional cluster in each city. This embeds (and dis-embeds where missing) learning as it encourages interaction without which PA’s in particular cannot operate.

Second, the important ‘weak-ties’ identified can be seen as a *network* factor. Hess defines such a factor as a set of personal relations developed over time. As was highlighted in chapter ten, ‘weak-ties’ develop between fellow professionals in London and New York and give individuals people to call upon for advice and discussions that allow learning. This is embedded in each city because the production of these networks occurs through flows of individuals between physically proximate firms within the cluster as part of the labour pool churning and friendships developed through PA’s in each city.

Third, ‘weak-ties’ to clients and also where applicable ‘secondments’ to clients could be seen as a *territorial* factor. Hess defines this as anything anchoring activities in one place and the various forms of relationship with clients that enable learning certainly do

¹⁵² It is not the intention of this research to unpack the processes behind the loss of this institutional thickness but this change undoubtedly highlights a need for further work on the growth and decline of such a factor.

this. It has been well documented that client relationships need face-to-face contact because of the idiosyncratic, bespoke and tacit knowledge-based nature of services PSF's provide. Consequently services are almost always delivered to physically proximate clients (Goe *et al*, 2000; Halinen, 1991; Lowendahl, 2000). The 'weak-ties' to clients that form 'untraded interdependencies' and allow learning are then territorially rooted because of the need for physical proximity for service delivery and the exploitation of the relationships developed for learning. For law firms this necessitates being physically proximate to the financial institutions in London and New York to which 'weak-ties' and secondments interconnect and allow learning.

In addition to this however the results presented in chapter nine suggest an additional factor needs to be added, one that is not societal, network of territorially embeddedness but is embeddedness in a *community*. For advertisers and lawyers in London and New York this is a professional community of fellow advertiser or lawyers that are involved in the same type of work, have the same identity, context and positionality and therefore can exchange ideas, experiences and beliefs without equivocality developing. As was noted in chapter nine, learning is facilitated in London and New York because of the existence of a group of professionals with a shared enterprise – a community of individuals facing the same problems and issues. Such individuals can easily share ideas and thoughts and learn from one another because, as the SAP highlights, learning is situated and contextual and occurs when individuals can understand and interpret the stimuli (the conversations) they learn from. When everyone has a shared enterprise and profession this can occur. It also means the knowledge produced is valuable and helps those benefiting from the collective learning deliver effective services to clients.

By analysing the factors that facilitate learning it is possible then to argue that learning is embedded in places such as London and New York in multiple and complementary ways. This is a more nuanced view of what embeds learning in such places and does not suggest the 'regions' themselves are actors but instead that they are containers for clusters of firms and the professionals within these firms that engage in collective learning. It also unsettles existing ideas that 'weak' tie networks alone embed learning in regions (Peck, forthcoming). The results also highlight the important ways that, for different industries within one city and between different cities/places, the nature of this embeddedness changes and is contingent. It is misleading then, as critiques from scholars such as Lovering (1997) have argued, to suggest there is a 'one-size' fits all model for collective learning or regional economies more widely.

10.5.2) Critically analysing the need to ‘be there’ in cities

Whilst the above discussion highlights the multiple ways learning is embedded within London and New York it is important to also consider the significance of these findings in terms of literatures that promote the importance of ‘being there’ in cities and how this allows access locally bound tacit knowledge production (e.g. Gertler, 2003; Storper and Venables, 2004). In chapter four it was noted that one of the significant arguments made in extant literatures analysing the ‘power’ of the local in terms of tacit knowledge production was that ‘local buzz’, conversations, gossip, rumour and the exchange of ideas, allow tacit knowledge to ‘flow’ through a cluster (Henry and Pinch, 2000; Storper and Venables, 2004). Whilst the importance of such buzz has been empirically documented both in this thesis and by other scholars (e.g. Grabher, 2002; Leslie, 1995) it is argued here that an approach that attends less to spatial fetishisms and more to an unbiased spatial analysis of learning is likely to reveal that tacit knowledge production through buzz is not uniquely local in nature. An important dimension to this analysis involves recognising that the interactions that create buzz and the value-added gained from the tacit knowledge produced are not necessarily lost by physically distant interactions between relationally close individuals.

Those arguing that buzz has a uniquely local nature suggest that its creation is principally a result of serendipitous encounters facilitated by spatial proximity between individuals working in the same professional domain. These literatures imply chance encounters on the street or in restaurants and bars create the ‘networks’ needed for learning and the informal ‘flow’ of tacit knowledge. So Leamer and Storper (2001, 653) note how globally stretched learning “has no physical neighbourhoods, no Starbucks where like-minded people bump into each other for serendipitous handshaking”. Consequently it is impossible to get the type of incremental and tacit-rich knowledge production that occurs in regional spaces through globally stretched learning. Relationships do not have the same opportunistic and collaborative nature and according to Morgan (2004) lack the social qualities of trust, respect and reciprocity that locally-bound relationships have when mediated exclusively through face-to-face contact.

The arguments put forward by Bathelt et al (2004) reflect a similar logic. They again suggest buzz is an exclusively local phenomenon that has unique properties and that “participating in the buzz does not require particular investments. This sort of

information and communication is more or less automatically received by those who are located within the region" (Ibid, 38). According to Bathelt and colleagues the local-fixity of buzz exists because "Being in the same place also enables firms to understand the local buzz in a meaningful and useful way. This is because co-location within a cluster stimulates the development of a particular institutional structure shared by those who participate. Firms develop similar language, technology attitudes and interpretative schemas" (Ibid, 39). This contrasts with what they describe as 'global pipelines' which allow "nonincremental knowledge flows [that] are often generated through 'network pipelines', rather than through undirected, spontaneous 'local broadcasting'" (Ibid, 40). The implication of knowledge being 'nonincremental' is that is of a lower order, of less value, than local buzz. So whilst "[l]ocal buzz is beneficial to innovation processes because it generates opportunities for a variety of spontaneous and unanticipated situations...global pipelines are instead associated with the integration of multiple selection environments that...feed local interpretations and usage of knowledge" (ibid, 42). In effect, globally stretched learning is said to complement but only consolidate what can be gained from local buzz. This is because stretched learning, in their eyes, is more planned, formalised and task-specific in nature than learning facilitated by local buzz.

The empirical results outlined in chapter nine contradict the logic of these arguments in two ways. As has been acknowledged, local buzz was shown to be valuable, principally through the interactions structured through the PAs in London and New York. However this buzz was shown neither to be: (a) primarily based on serendipitous encounter and of a higher order than intra-firms globally stretched learning; and (b) to be advantaged by the existence of 'shared interpretative schemas' that are uniquely local in reach. Both of these points are explored in more detail below.

As the empirical results suggest, collective learning and the benefit of 'buzz' stimulated by advertisers and lawyers sharing ideas, experiences and insights, required some form of seeding or structuring in order to be most successful. Contrary to what Storper, Bathelt and others argue, chance encounters facilitated by physical proximity were shown to be rare and often less valuable than the 'planned' and catalysed meetings that occurred as a result of the activities of PAs. In many ways then close physical proximity was unnecessary for structuring interactions that created buzz and it therefore seems misleading to suggest that physical proximity is necessary because of the chance encounters promoted. According to the findings presented here planned

encounters can be just as valuable. This critiques and challenges one of the key assumptions in 'regional' literatures about the value of 'being there'.

The results also suggest planned and structured interactions (network embeddedness) are involved in globally stretched learning. This again challenges the distinction made by Bathelt and others between local and global architectures of tacit knowledge production. In particular the results suggest that a form of buzz can exist at the global scale when individuals hold conversations across global professional networks that are neither task-specific nor confined to exchanging ideas and insights that are nonincremental in value. So the results presented in chapter nine suggest globally stretched learning is highly incremental in nature, allowing learning about strategies and approaches that build on existing, create new and novel and reconfigure and recombine extant understandings. Without globally stretched learning advertisers and lawyers might remain unaware of the insights that could make their work successful. It also suggests that the 'planned' relationships that facilitate this incremental learning are bound by strong relational spaces. Whereas the work of Morgan (2004) reviewed in chapter four suggests that such relationships are 'weak' or 'thin' because of a lack of inherent social qualities the results from this research suggest such relationships share the same characteristics (trust-rich, reciprocal, based on mutual respect, understanding and interest) as locally based relationships. This further challenges the logic that cities and regions allow some form of unique learning.

Suggestions that 'shared interpretative schemas' exist only at the local scale and facilitate learning through local buzz were also shown to be problematic by the empirical findings of the research. Whilst such schemas were shown to be important in local learning (community embeddedness) the empirical material suggests it is misleading to suggest they are exclusively local. As well as Bathelt and colleagues (see above), Meric Gertler (1995; 2003; 2004) has been one of the key proponents of the view that locally-bound logics prohibit tacit knowledge production outside of regional spaces. His work, reviewed in chapter four, develops the idea that 'local institutional norms' affect how individuals interpret and make-sense of ideas and practices expressed in conversations. Such norms, he argues, have locally-defined cultural characteristics which means "[t]he inevitable geographical variations in institutionally defined local context are endemic to organizations...fully 'knowing' what some key employee, situated in a far-flung corner of the corporation, knows will be all but impossible" (Gertler, 2003, 95). In effect, he argues that individuals outside of regional spaces do not share the same cognitive and interpretative schemas. This

adds value to local buzz because of the ‘shared meaning’ that exists for all in a local space, something not replicated in global spaces. However, the empirical findings presented in chapter nine suggest shared ‘practice-based spaces’ of learning negate many of the problems associated with such local fixity. They also suggest Gertler’s epistemology of learning is different to the one advocated here, and hence the conclusions he reaches about the local fixity of tacit knowledge production.

The results provide evidence that reinforce the points made in chapter four about Gertler’s arguments being based on an epistemology of knowledge transfer (in the form of corporate practices) rather than *learning* (the development of a state of knowing as individuals learn from one-another). In PSF’s it is always the flow of insights and ideas rather than knowledge embodied in routines or artefacts that is important because of the bespoke nature of services. The same is likely to be true for any firm trying to use the ‘transnational’ model of innovation where ideas are shared worldwide to allow employees to learn from one-another (Bartlett and Ghoshal, 1998). This means the problem Gertler highlights whereby transferred practices cannot be implemented becomes irrelevant and the important factor is whether individuals can understand one-another’s ideas, interpret them and learn *from* them. Shared global practice-based spaces are shown in chapter nine to allow this to occur successfully (in the same way as learning occurs at the local scale) and therefore the need to deconstruct arguments about the necessity of ‘being there’ and therefore the localness and city-rooted nature of tacit knowledge production.

Combined then it seems that ‘being there’ in cities, whilst important, should not be suggested to allow access to *exclusively* local tacit knowledge production. Rather it forms a complex matrix of learning networks that cut across various geographical scales. This does not mean places are not, to use Markusen’s (1996) terminology, ‘sticky’ because of the valuable assets they provide in terms of learning. Rather it means they are one site of a fluid and circulating geography of corporate learning that shares more similarities than differences when operating within and between scales. It seems then that we need to complicate our understanding of why ‘place matters’ and potentially acknowledge the important inter-firm learning that occurs in cities (facilitated by the societal embeddedness described above) without creating a dualism and dichotomy between learning at other scales. In particular it suggests that the only difference between local (city-based) learning and globally stretched learning is its inter-firm versus intra-firm nature. Local institutional thickness is essential for inter-firm relations and is something that gives cities a unique asset in terms of knowledge

production¹⁵³. This does not mean however that globally stretched learning is fundamentally different (nonincremental, overly planned and not based on buzz-type conversations). This idea is reinforced below by reconfiguring understanding of the application of embeddedness to highlight its global dimensions in relation to tacit knowledge production.

10.5.3) Re-conceptualising globally embedded learning and its spatiality

The findings outlined in chapter nine highlight that global tacit knowledge production occurs through learning by experience and globalised, virtual, tacit knowledge production by talking. Both of these globally stretched practices require active management by the individuals and firms involved but reflect in many ways the architectures, and strategies used to encourage locally scaled learning described above. Below it is shown how the discussions of globally stretched learning by talking might further unsettle existing suggestions that such learning is locally-fixed by building on reconfigurations of the spatial dimensions of embeddedness.

The establishment and continual reinforcement of global professional networks that are thick with trust and reciprocity is shown in the research findings presented here to be central to global learning by talking. As noted above, whereas Morgan (2004) suggests such relationships only exist when individuals have continual face-to-face contact it is argued here that global professional networks allow virtualised learning because of how they are enriched through *occasional* face-to-face contact. This is enabled by the global mobility of advertisers and lawyers and ensures the trust and reciprocity needed for learning is present¹⁵⁴. Consequently such ‘thick’ relationships cannot only be associated with localised interactions but also exist at global and other spatial scales.

¹⁵³ Of course, this is only the case if institutional thickness and its socio-cultural affects on inter-firm learning exist exclusively at the local scale. This seems unlikely (see Amin, 2002). However, this research did not investigate this issue and therefore cannot speculate on the ‘localness’ of such a thickness. Further analyses of the spatial dimensions of institutional thickness are however clearly needed.

¹⁵⁴ This also suggests that Brown and Duguid’s (2000) argument that ‘networks of practice’ (communities of practice based on virtual interactions) do not allow learning because they lack the type of reciprocity and engagement needed might not fully appreciate how globally stretched learning can be operationalised.

It was also noted in chapter four how the existence of shared ideals/experiences/positionnalities have been suggested to allow learning in global constellations of practice (Wenger *et al*, 2002), in mental spaces known as a *bas* (Nonaka *et al*, 2002), when 'absorptive capacity' based on shared understandings exists (Cohen and Levinthal, 1990), when relational/organizational proximities develop (Blanc and Sierra, 1999) and when 'relational corporate spaces' are produced (Amin and Cohendet, 2004). The results reported here develop and deepen our understanding of these ideas and show how advertisers and lawyers can learn through globalised conversations when *shared practices* create *shared spaces of practice-based proximity*. This does not necessarily mean every office in a firm's global network is a replica of headquarters and operates in exactly the same way. Rather it means there are an increasing number of common, global, profession-specific (e.g. the fundamental of a merger for lawyers) and firm specific (e.g. communication tools for advertisers) practices that facilitate the development of understanding and allow the translation and interpretation that leads to learning ¹⁵⁵. Consequently the fact that individuals work in different country-specific advertising and legal markets becomes less intrusive on the learning process.

Finally, the global circulation of documents was also highlighted in chapter nine as important in further reinforcing the success of globally stretched learning. Advertisers and lawyers have access to documents distributed as attachments to e-mails and on project intra-net sites and knowledge management systems. These documents can be useful on their own (learning by reading can occur) but are often used to stabilise and structure conversations across global professional networks in a synergistic manner as the web of tacit knowledge production suggests. When coupled with the shared practices described above they help overcome problems of misunderstanding in

¹⁵⁵ As was noted in chapter two, Empson and Chapman (forthcoming) suggest that increasingly PSF's try to 'manufacture' globally common practices and that these enable knowledge management. For lawyers this has been through the promotion of new legislation and as both Spar (1997) and Trubek *et al* (1994) have suggested, through the intentional manipulation of existing legislation to create increasingly harmonised global law. The principal goal of this is to simplify global transactions and allow global mergers, acquisitions and other transactions to be completed more easily. However, one bi-product has been a number of globally shared practices that ease global learning by talking. Advertisers cannot take such an approach with their business being less defined by regulators and more by reflexive consumers who must be responded to. As a result their attempts to 'manufacture' global practices have been limited to processes within each firm.

globalised learning by talking, in effect acting as 'immutable mobiles' (Latour, 1987). They facilitate learning by supporting the interpretation, translation and sense-making process that needs to take place and produce what Latour (1987) describes as a metrology¹⁵⁶.

These insights develop our understanding of the use of such documents in learning and knowledge management further than existing literatures that suggest documents are used by TNC's to frame employees' actions and aid management of disparate branches/offices by encoding ideals, expectations and standards (*Organization*, 2004). Except with a few notable exceptions (Amin and Cohendet, 2004; Boland and Tenkasi, 1995; Bechky, 2002) research has ignored the role of documents in learning. The findings here show how documents, acting as immutable mobiles, can both facilitate learning in themselves (by reading) but also support other forms of learning (by talking) because of their role as intermediaries (Callon, 1991).

Below then these empirical discoveries are used to consider how re-conceptualising the way we view the role of spatiality in learning might further help us move away from a local-tacit/global/explicit dualism and the suggestion that cities and regions are the only spaces in which tacit knowledge production can occur. In particular a further re-working of the idea of embeddedness is used to show how local and globally scaled learning have more similarities than differences and therefore suggestions that 'local buzz' has no global counterpart, only less valuable 'hums', are misleading .

As Hess (2004) suggests, the existence and role of embedding forces in facilitating learning should not be taken to be exclusively local¹⁵⁷. One of the important contributions of the research results presented in this thesis is the recognition that by

¹⁵⁶ It should be noted that this does not mean there is *no* room for misunderstanding when documents are used. As was noted in this chapter, all documents are interpreted 'locally' and, as was noted in chapter three, one of the critiques of Actor-Network theory is its under-sensitivity to the role of human subjectivity in any process. It is always possible therefore that an individual may misunderstand and misread a document. The principle of an immutable mobile and the framing conventions it provides however is to reduce the likelihood of this happening.

¹⁵⁷ Similar arguments have also been made by Oinas (1997) who suggests that because understanding of what embeddedness actually means is poor understanding of its geographies is equally underdeveloped and therefore often assumed to be exclusively local. Dacin *et al* (1999) suggest the application of embeddedness using an 'organizational field approach' helps avoid this by focussing upon the social, cultural and cognitive factors that embed practices rather than the scales of embedding. This very much reflects both Hess' approach and the approach taken by this thesis.

tracing the networks of knowledge production it is possible to understand the spatial scales at which learning occurs without privileging any one scale a priori. This means focussing upon the embedding factors at all scales (i.e. what facilitates translation and sense-making) and the dynamics of these factors presence and absence.

If we again draw on Hess' (2004) re-conceptualisation of embeddedness it is possible to draw comparisons between what embeds learning at the local scale and similar forces operating at the global scale in relation to learning by talking. At the local scale four embedding 'forces' were noted. Two out of the four seem to have globally scaled counterparts. *Network embeddedness* exists at the global scale as global professional networks. These are the result of being part of a global organisation that actively works to construct such networks. *Community embeddedness* also exists at the global scale in the form of groups of professionals with the same or similar job roles within an organisation and, for advertisers in particular, shared corporate practices. Being part of this community allows learning to occur because of the effects of the shared practices on learning.

Both of these embedding forces operate in the same way then at the local and global scale. Network embedding provides the socially-grounded relationships needed for learning whilst community embedding actually facilitates learning by providing the shared context and understanding needed for the interpretation and translation of discussions. The two other embedding forces, societal and territorial embeddedness are only important at the local scale and because these relationships are *not within* the organisation. Learning from professionals at rival firms requires a different type of relationship, driven by an allegiance to the profession as much as or more than to an employer. Societal embeddedness in the form of an institutionalism supports such relationships, something akin to Polanyi's (1944) original meaning of embeddedness. Relationships to clients are also exclusively locally territorially embedded for PSF's because of how service delivery has to be through face-to-face contact and therefore how firms must locate in proximity to their clients (and learning interdependencies subsequently develop).

From this perspective then the idea of embeddedness is relevant at both local and global scales with some factors being exclusively local whilst others are stretched to other scales including the global. It seems then that the arguments of Peck (forthcoming) and Hess (2004) about geographers' fetishisation of the local scale when discussing embeddedness and in particular tacit knowledge (Allen, 2000a) has good

grounding. In the past the natural reaction of economic geographers has been to respond to assertions such as the 'death of distance' (Cairncross, 1997) and 'the end of geography' (O'Brien, 1992) by refocusing on the importance of place and the local. This is an important contribution but as the above discussion shows, geographers can also contribute to debates by explaining how spatially stretched processes might be facilitated. This would highlight that although certain places may not be as 'sticky' as they were, the global stretching of processes should not be taken for granted, requires complex mediating factors, and on occasions remains locally fixed (e.g. intra-firm and based on untraded interdependencies). Such a measured approach can potentially end the jostling that goes on between those fighting the 'battle' of the local (e.g. Gertler, 1997; Morgan, 2004) and those promoting the 'new' abilities of the global (Amin and Cohendet, 2004). In particular it means reconsidering the distinctions between local buzz and global pipelines that Bathelt et al (2004) make and recognising the constructed nature of buzz at local (through PAs) and global (through global professional networks) scales. This means the local is not the only scale at which tacit knowledge production can occur and therefore should not be fetishised in the way a number of literatures and policy documents do.

The final part of this section of the chapter considers a way of conceptualising the geography of knowledge production that builds on the findings outlined in chapter nine as well as recent calls (e.g. Amin, 2002; Dicken *et al*, 2001) for an analysis of geography based on a relational and topological approach. This ensures analysis does not privilege any particular spatial scale but instead focuses upon the existence and constructions of the shared spaces and interconnections that facilitate learning. This reinforces the points made above.

10.5.4) New relational and topological geographies of learning

The results of the thesis suggest a jostling between what is local and what is global in terms of practices of knowledge production. It is therefore argued here that the ideas of ANT, broached in chapter four, can be further drawn upon to conceptualise the networks and geographies of tacit knowledge production.

As the results outlined in chapter nine suggest, it is productive to take up an approach that 'follows the networks' and considers how learning is simultaneously mediated across short and long, local and global, networks. This means considering the various

forms of interaction and engagement within learning networks that stretch across spatial scales. As was explored in chapter four, ANT and its origins in the sociology of scientific knowledge (SSK) has provided inspiration for geographers seeking such a non-scalar way of analysing the geographies of socio-economic practices. Perhaps one of the most useful ways then to symbolise the networks of learning is through Latour's (1993) analogy of a railway line and his use of this to describe the geographies of actor-networks. As he points out, standing on a railway line can simultaneously require understanding of local influences (where an individual stands) but also non-local influences (the various other towns, cities and nations railways provide connections to). 'The railway' and the logics associated with it are constructed locally and globally by actors affecting the construction of meaning and action in the network. The same is true for the geographies of learning. Learning involves concurrently understanding physically proximate (face-to-face) and distant (virtual) interactions and their influence on sensemaking. Undoubtedly it is important to recognise that these various forms of embodied interaction have different affects. As Law (1994, 102) suggests, "some materials last better than others. And some travel better than others". The challenge therefore is to understand how certain forms travel differently across space (i.e. travel globally) compared with other forms and the affect of the processes of transformation, decay and evolution are at work. So we need to understand how, as the results presented in chapter nine outline, talking in global practice-based and relational spaces allows ideas to travel and learning to occur both in similar yet also different ways.

This reflects the points made by Knorr-Cetina (1981) in relation to how scientific knowledge emerges as a result of multiple actors and forms of interaction in networks of scientific knowledge. Some of these interactions are physically proximate (in the laboratory), others non-proximate (between fellow scientists both familiar and unfamiliar working in different laboratories and in different countries). Nevertheless, all are equally important in the production of knowledge.

It seems likely then that approaching the geographies of knowledge production through a lens that places face-to-face and virtual, proximate and distanciated, interactions in parity will reveal how 'embodied' affects have multiple geographies, and in particular geographies outside of the local. As the discussion above highlighted, it is misleading to suggest local face-to-face buzz has superior qualities to global virtual buzz. Both forms of embodied interaction in the networks of knowledge production are equally important and potentially of similar value. It is therefore suggested that the tenets of a

topological analysis, as outlined in chapter four, are most likely to reveal insights into and help us conceptualise the geographies of learning. Such an approach allows focus to be placed upon how the affect of space on learning is not simply determined by physical proximity and metric 'closeness' but instead by constructed spaces of learning. As was noted in chapter four, relational economic geography, drawing on the insights of Actor-Network Theory (ANT) suggests looking at the 'spaces of network relations' within and between firms to understand how economic activities are spatially mediated (Dicken *et al*, 2001) and performed (Thrift, 2000b). This is particularly valuable for understanding the globalisation of processes and practices as it allows the nature of global interconnections and the influences upon these interconnections to be evaluated. Such associations can mean physically distant places become as 'close' as physically proximate places (Amin, 2002).

If we apply such an understanding to globalised tacit knowledge production the meaning and affect of space, spatiality and geography can be seen as constructed through the deliberate actions of individuals and managers within TNC's. Practices (such as frequent business travel) develop 'relational networks and spaces' that ensure learning occurs through rich and reciprocal channels (Gupta and Govindaraja, 2001; Naphiet and Ghoshal, 1998; Nohria and Ghoshal, 1997). At the same time existing practice-based spaces and the creation of corporate practice spaces where necessary ensure that sense-making and learning are effective. The strategies and actions that create such spaces mean then that for the offices that are part of such spaces (the offices identified in chapter nine to be included in global professional networks) physical, metric, distance becomes unimportant for learning. Instead relational proximity, inclusion in the shared spaces, is important whilst those offices excluded from such networks (for example African offices for the advertisers studied) are relationally *and* physically distant. Using relational and topological approaches means then that geography is no longer seen as 'tyrannical' and a problematic factor in tacit knowledge production. Instead the affects of space can be managed through relational and practice-based spaces that help overcome the 'difficulties of distance' and enable learning.

Figures 10.1 attempts to conceptualise this drawing inspiration from (the somewhat unlikely source of) the cover of Peck and Yeung's (2003) book entitled 'remaking the global economy'. The cover of this book is a re-worked map showing the relational proximity of the key trading regions of the world (the USA, Europe, South East Asia and Japan) and how this makes them in effect closer together whilst other regions

(Africa and India for example) are topologically/relationally further away. Figure 10.1 uses this idea and, based on the geographies of global professional networks, show the relational proximities that exist for those working in London and New York. As can be seen from the map produced, places such as Frankfurt, Milan and Paris are 'relationally close' for both cities because of the well developed networks between individuals in these cities and the ability to learn from one-another. Australia is also relationally close for both London and New York (principally because of its large and well developed advertising market). Meanwhile places such as Africa and China (although this is likely to change over the forthcoming years) are relationally distant. There may be spatial, metric-geographic, explanations of such patterns in some cases but the most important point to note is that those places distant are not so because of physical geography. For example China is metrically nearer to the UK than Australia but relationally more distant because of the lack of global professional networks and shared relational, practice-based, spaces.

The same type of analysis can also be used to understand 'local' learning in the advertising and law clusters in London and New York. As was argued above, it is not simply physical proximity of firms that allows the type of collective learning that goes on but also the creation and existence of numerous architectures and facilitating contexts for learning. For example, advertisers in London are relationally close to fellow professionals in the city because of the 'weak-tie' networks and interactions at PAs. However, advertisers in New York are more distant from their local counterparts as 'weak institutionalism' fails to provide the motivation for the exploitation of PAs for collective learning. Consequently, in many cases those working in New York may be 'closer' to their fellow advertisers in London than those in New York because of the global professional networks and 'thick' relationships that have been constructed between the two cities.

Geography might then not always be about physical, metric, distances but might also be about connectivity and interactivity. As Urry (2000) suggests, it is best to conceptualise contemporary societies as 'networks and fluids' rather than bounded formations because of the diverse form of interconnectivity through both physical (air travel) and virtual (telephone, internet and audio-visual) mediums that tie non-proximate individuals and

[Insert figures 10.1 here]

communities together¹⁵⁸. For Law and Hetherington (2000, 40) this means that distance is only important when communication and interaction are missing. When present they “join things up...thereby making a single space”. In this sense then ‘space (local or global) is made’ by how those within it interact. In terms of the arguments of scholars such as Gertler (2001; 2003) and Morgan (2004) it means that factors assumed to be locally fixed (shared spaces of understanding and trust rich relationships) can also be spatially stretched and should not be assumed to be exclusively local. This means the local-tacit global-explicit binary geographies of knowledge can be deconstructed and re-evaluated.

10.6) Concluding remarks

At the end of chapter six three inter-related research questions were posed specifically in relation advertising and law PSF’s. Three separate arguments can now be made to address these questions that build on the arguments made above. Most importantly an argument can now be made for how economic geographers can refine the way they think about the geographies of tacit knowledge production. These are firstly discussed below in relation to the thesis’ research objectives:

- iv) **Objective one:** *To consider why tacit knowledge is important to advertising and law PSF’s.*

Tacit knowledge has been shown to exist as unconscious insight that guides actions when situations are unfamiliar or require a creative/innovative response. This means such knowledge is vital to PSF’s where the service provided is bespoke (and therefore necessarily creative and innovative). However tacit knowledge exists in different (cognitive and technical) forms and also exists alongside and in tandem with explicit knowledge. The existence and use of such knowledge by PSF’s is vital in supporting

¹⁵⁸ Similarly Vertovec (2004) has noted how ‘cheap calls’ are the glue of transnational communities allowing individuals to telephone other community members throughout the world for small sums of money and therefore remain intensely connected and ‘close’. Ueno and Kawatoko (2003) describe how technology can have a similar effect by ‘making space visible’. Technological aids that allow individuals to understand and transcend the space between themselves and other members of their community result in physical separation and distance becoming irrelevant. Instead connectivity and the understanding facilitated by technology (such as the internet) creating ‘closeness’.

and lubricating the knowledge economy but must be studied in detail in order to understand its complex nature.

- v) **Objective two:** *To consider the learning practices associated with tacit knowledge.*

The findings in chapter eight show that tacit knowledge is produced through various practices (experience, observation, talking and reading) that allow individuals to interpret, translate and make-sense of the stimuli they are exposed to and as a result develop their own personal understanding. These practices are situated and contextual, mediated by individuals existing knowledge, identity and positionality in a community, and have to be effectively managed in PSF's. The practices are also enacted differently depending on the socio-cultural, material and organisation spaces in which they occur. To ensure PSF's operate as efficiently as possible in the knowledge economy requires these practices to be successfully implemented but our understanding of this must be based on in-depth insights into how the socially mediated practices are performed differently in different contexts.

- vi) **Objective three:** *To apply an understanding of the socio-spatial practices of learning to existing ideas about the geographies of knowledge production*

The findings outlined in chapter nine show how the learning practices operate at multiple spatial scales. The ability of the practices to produce tacit knowledge is dependent on how they are mediated within the 'constructed spaces of learning' that may or may not exist at any scale. This means learning can benefit from both local (regional) embedding but also global stretching (across corporate networks) and embedding in relational spaces. Therefore the geographies of tacit knowledge production can be studied as socio-spatial practices instead of spatially *defined* practices.

In this light, **two significant conclusions can be drawn from this research that advance economic geographers understanding of the geographies of tacit knowledge and its production:**

- vi) **A binary between tacit-local and explicit-global geographies should not be drawn with instead each knowledge form being complementary and**

existing and operating at multiple spatial scales. As a result it is dangerous to make arguments for the local embeddedness of tacit knowledge and its production as learning is embedded in a range of factors relevant at a range of spatial scales. Understanding of knowledge more widely therefore needs to be more complex and nuanced with reconfiguration of focus away from 'local buzz' versus 'global pipelines' towards the reconfiguration to local-global learning networks.

- vii) The geographies of learning and knowledge production as well as economic activity more widely can be effectively understood by applying a relational and topological approach to research. This means 'following the networks' and tracing socio-spatial practices without assuming any *a priori* spatial fix or metrically defined influence. This should prevent the disabling dualisms from emerging that constrain economic geographer's ability to analyse the processes of economic activity and of learning in particular.

These findings feed into wider debates that economic geographers and social scientists continue to engage with and develop. In particular they contribute to three wider areas of concern. First they allow us to better understand the spatial dimensions of the knowledge economy. As the knowledge economy becomes an ever more debated subject (e.g. DTI, 1998) it becomes ever more important to understand its spatial dimensions. A regionally biased approach has dominated a significant amount of work thus far but as these results suggests, although regional scales are important global interconnections are equally valuable. The findings therefore help move analysis on from local fixes toward a more integrated, overlapping, blurred and less dichotomised view of the scales of knowledge production.

Secondly, the results feed into the more tightly focussed debates between economic geographers about the spatiality of learning and what facilitates or prohibits learning outside of a regional space and also the wider debates about how to understand firms and their operations in the global economy (e.g. Dicken, 2003; Yeung, 2000). The thesis has drawn on existing theoretical insights (e.g. Gertler, 2003; Morgan, 2004; Amin and Cohendet, 2004) and deepened our understanding of the nature of learning and the affect of space upon this. In doing so it has highlighted the need for a more nuanced understanding of spatialised learning and shown how the factors highlighted

in literatures suggesting locally-fixed and globally stretched learning are relevant in the activities of PSF's, a set of firms whose work lies at the heart of the knowledge economy (UNCTAD, 2005). This has wider reverberations for how economic geographers in general approach analyses that aim to consider the spatial dimensions of factors influencing production (Sheppard and Barnes, 2000) in that it identifies the potential for the existence of multiple geographies in any process. This suggests the need more widely within economic geography to be sensitive to the affects of globalisation on economic activities (Dicken, 2003) in terms of the reconfigured nature of both the firms but also productive practices. It has been argued that tracing the socio-spatial networks that make up firms and analysing how these networks are affected as they pass through space is vital (see also Henderson *et al*, 2002).

Thirdly, and related to the previous discussion, the results are valuable because of how they further help in the 'rediscovery of the firm' (Taylor and Asheim, 2000) and the development understanding of PSF's more widely. They both highlight how PSF's form a central part of the knowledge economy through the delivery of knowledge to clients and how their management of practices allow knowledge production that is essential to the success and the delivery of these services. It also shows that these firms have important local-global geographies and that services are produced across spaces rather than within the boundaries of any one place. Again this feeds into wider interest in how economic geographers can understand the interactions between firms, territories and spaces (Dicken and Malmberg, 2000) and their globalisation and the impacts of this upon production, delivery and the global interconnectivity of service spaces (Taylor, 2004).

The final section below reflects on the research process more widely and also suggests how future research might build on these insights.

10.6.1) Reflecting on becoming 'knowing' about the geographies of tacit knowledge production

The data upon which the findings of this thesis are drawn from was obtained using semi-structured interviews with advertisers and lawyers. Using Sternberg's 'tacit knowledge inventory' technique complemented this approach. The result of this combination is an incredibly useful, detailed and nuance-filled insight into the role of

tacit knowledge and the practices and processes of tacit knowledge production in advertising and law firms. At this point however it is important to spend a brief moment critically reflecting upon, in particular, the use of the tacit knowledge inventory method.

Semi-structured interviews have been extensively critiqued and the problems of such an approach identified. This was documented in chapter six as well as potential solutions and their significance for this research. In contrast, the tacit knowledge inventory method has not been subject to such critical scrutiny¹⁵⁹. As was noted in chapter six there are a number of potentially problematic issues with such an approach. These include the use of language to explain the role of tacit knowledge, a type of knowledge often said to be 'hard to verbalise', and the role of the researcher in interpreting what is and is not an example of tacit knowledge. As concerns the first problematic, attempting to get interviewees to verbalise the type of knowledge that guides their action was found to be both successful and unsuccessful at the same time. As the quotes used in chapter seven suggest, interviewees were good at describing the knowledge guiding their action as 'gut feeling' or a synonym of this effect, and were also able to explain how they had developed that type of insight – an unconscious awareness based on something they had learned in the past. This was the successful element of this research method. On the other hand interviewees could not verbalise exactly what they knew or understood about a scenario – they couldn't verbalise their tacit knowledge or put it in explicit form. As expected, asking interviewees about their tacit knowledge only highlighted the learning process and the effect of what was learned. However, as chapters seven and eight show, this proved sufficient to explain why tacit knowledge is important and how it is developed by the employees of these firms.

As regards the potentially negative effect of the researcher having to 'interpret' the data, the impact of this was overcome and minimised in three ways. First, as is necessary for all semi-structured interviews, the researcher first completed extensive background reading into the nature of the industries studied so as to inform understanding. This helps switch the positionality away from academic researcher towards cognisant member of the profession (although of course never really coming close to having the understanding a true member of the profession would have). Second, the principles of grounded theory were applied to the analysis whereby only examples that were continually repeated by interviewees were accepted as

¹⁵⁹ To the researchers knowledge there are no published critiques or analyses of this method.

representations of tacit knowledge. Third, examples of tacit and explicit knowledge were searched for to ensure a clear distinction being made between the two (see chapter seven). These strategies helped offset the potentially problematic elements of this method.

Three final caveats should also be added at this point about how the research design used might have been improved. First, the research could have been improved by integrating a wider range of cities and offices. However, time and financial resources prohibited this. Second, it may have been useful to widen the scope of the research beyond two types of PSF's. However again time and financial resources would have made it difficult to develop the detailed level understanding and analysis needed to fully explore other sectors. Third, as was noted above, the interview schedule used proved unsuccessful in uncovering the geographical variations in the nature of learning practices in advertising agencies whereas it was successful in law firms. An improved schedule may have done this. However, as is discussed below, such issues need further addressing through future research and were never one of the central questions the thesis intended to address.

10.6.2) Future avenues for research

The insights the thesis provides raises a number of further questions. Five lines of research that build on the key findings presented here but also upon issues identified but not fully develop (as they fell outside the scope the thesis' objectives) are pinpointed and suggested to warrant further investigation.

First, and in no particular order of importance, the role of institutionalism in regions and its effect on collective learning seems to deserve further attention. Although this has been highlighted in various guises in a number of literatures (see chapter four) the findings from this thesis suggest it has a more important role that has previously been suggested. In particular it shows how for advertisers the lack of such institutionalism almost totally removes the benefits of clustering for collective learning. It is suggested then that future research should look more widely at the role of this factor (both for PSF's and other firms that cluster together) and in particular at how it is important when combined with professional bodies that can promote collective learning. An important element of such research would be studies that consider the growth and decay of such institutionalism, potentially using a historical perspective, in order to

more clearly specify the meaning of an 'institutional thickness' and the key actors in its development. This might prove to be of great significance in terms of understanding how the global knowledge economy can be pinned down, contributed to and exploited.

Second, the results have highlighted important geographies of power in corporate networks and the 'world city network'. Although it lay outside of the thesis' remit to fully investigate this phenomenon it was noted in chapter nine that the use of global professional networks for learning has a different meaning for lawyers in London than it does for their counterparts in New York. In particular, lawyers in New York believe such networks are most valuable for 'educating' lawyers in other offices by passing on their expertise whilst lawyers in London believe they can both assist their overseas colleagues but also learn from them. This highlights that there are important 'geographies of power' in the corporate networks but with power not necessarily emanating from headquarters. It is well known that certain cities hold more 'power' in the global economy than others. Herod and Wright (2002) note that geography and spatial scales should be seen as constructed based on social interactions and that power emerges from these constructions. Similarly Allen (2003) has called for a more complex understanding of the geographies of power with in particular the relationality of power and how power flows across relational networks in need of further investigation. This would suggest that the world city network (c.f. Beaverstock *et al*, 1999b) and the knowledge economy is imbued with power relations because of the centrality of cities like London and New York in PSF's activities, and specifically here, the importance of such cities as centres of knowledge production. Two related lines of further research seem useful then. First, from the perspective of PSF's it would be helpful to better understand how power and influence is distributed in global corporate networks and the reasons behind certain places being powerful. Whether power extends out of headquarters or just significant offices (in terms of financial turnover or otherwise) is unclear. Second, building on Allen's (2003) call for action, further work is needed into the meaning, production and control of power within the relational world city networks and the origins and impacts of this power. This will help us better understand how global organisations operate as socio-spatial network organisations (Yeung, 2000) and the uneven and contested nature of the spatial relationships in such firms. In terms of the knowledge economy this might also highlight how 'power' and 'influence' define the pre-eminent cities of production in such an economy and the reasons for such spatial power-based geographies.

Third, the results highlight interesting questions about corporate governance in PSF's (partnership models versus traditional corporate beaurocracies) and how these effect the way global PSF's operate across the world. Again this fell outside of the scope of the thesis and could not be fully interrogated here but it was noted how a seemingly partial switch to a managed professional business model that is implemented differently depending on the 'host' country norms has occurred. It was also highlighted several times in the results that differences in the organisational governance strategies of advertisers and lawyers seem to affect how they engage in knowledge management. Moreover, lawyers in different parts of the world appear to work in different ways because of the varying ways the partnership/managed professional business model is implemented throughout the world. The effect on organisational governance structures needs then further analysis and their impact on strategies in global PSF's needs to be understood. Related to this point there seems to be questions to be answered about the effects of globalisation on the partnership model and how the structure has been affected, in particular by the Americanisation of its use, and also by the difficulties of managing global organisations using such an approach. This would build on the insight provided in the thesis into the important role of PSF's in the knowledge economy and highlight some of the contradictions and tensions in the management of the knowledge economy's global dimensions. It would also provide further insights into how the socio-spatial networks the form global organisations deal with the complexities associated with managing cross-cultural, transnational, management and how global organisations are simultaneously 'embedded' in both local and global spatial contexts.

Fourthly, the results suggest there are interesting insights to be gained from looking at how global firms construct their global corporate networks. Rather than simply documenting their existence and absence it seems important to look at how these networks operate, how they bind (or do not bind) offices together and how this affects the way activities are managed at the global scale. Although we are well aware of the existence of these networks explanation of their role, what makes them successful and the implications for how we understand spatiality are poorly developed. Using the relational/topological approach highlighted earlier in the chapter could allow advances to be made along this road. This will better allow us to understand the interweaving of spaces into the global knowledge economy by the affective 'network management' of TNC's. It would also provide insights into how the nature and meaning of space has and can be transformed when inter-connectivity is 'manufactured' and exploited resulting in changing dynamics to social inter-relations (Urry, 2000).

Finally, fifthly, the research suggests that the geographies of tacit knowledge are multi-scalar and cannot be fixed in place, space or time. In light of debates surrounding the 'new' knowledge economy it seems important then to further consider the geography of innovation based on tacit knowledge and its local-global spatiality. In particular, as was noted in a recent special supplement to the *Financial Times* (2004b), there is little existing understanding of the processes of innovation in PSF's. These results suggest a number of insights could be gained through research focussing upon how innovation occurs and the socio-spatial networks of practice that produce the knowledge upon which this innovation is based. At present we know relatively little about the nature of and processes of innovation in PSF's and even less about its geographical dimensions. Such research would then allow us to understand both the 'social' and spatial dynamics of this process and how this is managed in PSF's. This is again critical if the knowledge economy is to be most effectively managed and exploited.

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Appendices

1) Advertising interview schedule

Intro

First - everything we talk about is totally confidential. No-one in organisation sees it. If write up, all quotes are totally anonymous - disguise anything could identify you or firm. More than happy for you to see transcript. Want you to be honest - tell me things you might think obvious or stupid. Interested in your thoughts and ideas as someone with first hand experience.

Project outline – What's called tacit knowledge. Experience, know-how, practical knowledge.

- * What is it and why important? * how do you develop it?
- * How can global office network help, how important is sharing knowledge?

To start with, just briefly tell me a bit about yourself, your role etc. How long in advertising?

What is tacit knowledge?

So tell me about the kinds of knowledge and insights you need to be successful in advertising?

What makes you successful – what insights?

How important is knowledge to your work?

How important is what you learned from other experiences in guiding this? Actually having done it?

How important is being creative then?

What makes you creative, is it just a natural thing or can you learn?

Do you need knowledge to be creative?

Is adapting things you've seen in the past important?

Do you need to be intuitive of what will work? How do you become intuitive?

So is your work more strategic, a problem solver?

So what is the best way to develop such insights - experience? Observing?

How important is the intranet for guiding actions? What can you use it for?

Socialisation and talking

Want to think now about what you learn from other people - your colleagues for example - that goes to make up this knowledge/experience that makes you successful. Do you think you learn a lot from talking to colleagues?

And what in particular is so valuable about talking to people?

Are such conversations regular activities?

Mostly with people working on same project? When/ Where?

Do you talk to people when you have a problem?

How important is brainstorming sessions with team members on a project?

Is it debate? Drawing on other peoples insights?

So is there a firm culture to encourage this? 'Open door' policy?

Do you talk to advertisers from 'rival' firms - maybe people you worked with in the past, old school friends etc?

What about people from firms member of same communications group?

Where/When?

Are you a member of any professional clubs/ regular conferences where a lot of advertisers hang out? - do you learn things from going to them?

What about IPA courses?

Do you make new contacts like this? How?

Why do you get on with them? Common ideas, problems etc?

What do you talk to them about - can you give me an example again? Is this very London specific talk - issues plaguing all law firms?

You have the same concerns, thoughts, issues etc? Does it help you get on?

What kind of relations do you have with supplier firms?

Globalisation of knowledge

I want to consider now how you might share this knowledge with other offices in the firms global network. So maybe in a project that involves the New York office as well. What kind of contact do you have with advertisers in that office in such projects?

Is it normal to talk to people in other offices when you're doing a project for a TNC?

What do you talk about?

Do you learn anything from this contact – like you might do talking to a colleague here in London when you have a problem? How? What communication devices?

Would you phone someone if you had a problem?

Do you ask them for ideas about an account or just transfer brand ideas outwards? - London dominates?

Do you meet them face-to-face regularly? Is this important? Can you just telephone them?

Who do you talk to? A small group of friends?

Which offices - mainly Europe?

How important is trusting these people?

What kind of relationship do you have - regular contact?

How do you get the contacts?

Is there ever any problem with misunderstanding between you and people overseas?
Do they 'talk the same language' so to speak about issues etc?

If transferring an ad to be adapted, do people understand the concepts behind it?

Are there common concepts, ideas, 'company language' you all use? Everyone knows what they are?

Have you ever spent time working overseas? What benefits did this bring you?

Would you now be seen as the [place] expert? Good at dealing with them? Why?

Do you refer to other documents to keep synchronise understanding?

2) Law interview schedule

Intro

First - everything we talk about is totally confidential. No-one in organisation sees it. If write up, all quotes are totally anonymous - disguise anything could identify you or firm. More than happy for you to see transcript. Want you to be honest - tell me things you might think obvious or stupid. Interested in your thoughts and ideas as someone with first hand experience.

Project outline – What's called tacit knowledge. Experience, know-how, practical knowledge. Want to look at how you develop this knowledge/skill, how you share it with others in the firm (particularly those in overseas offices). Why its important.

3 areas: why important - talk - globalisation

What is tacit knowledge?

First I'm interested in finding in what you learn over time that makes you successful today – i.e. what x years of service have provided you with. Not things you can learn from books, from lectures (i.e. what you had when you started as a graduate) but what you've learned since - often unconsciously - as you go about day-to-day work , talking with people, working on a project and trying things out.

Tell me about a time when you were successful then. What did you do that made you successful? Why did you do it like that?

How important is what you learned from other experiences in guiding this?

Do you develop intuition?

What role in problem solving?

How important is the intranet for guiding actions? Does looking at what others have done, reading about it help?

Can it convey the type of knowledge needed to be successful?

What about talking to them? Do you just copy this or give it your own take – so learn something from them?

How important is managing client relations? Is it a skill?

Anything else help you make decisions? - e.g. something you read last week? Something you heard on the grapevine?

Socialisation and talking

Want to think now about what you learn from other people - your colleagues for example - that goes to make up this knowledge/experience that makes you successful. Do you think you learn a lot from talking to other lawyers?

Can you give me an example of a conversation you had? What was it about? What did you learn? Why was it important to you?

What circumstances? Brainstorming? Random meeting?

Do you just take what they say 'as given' or use it as a way to develop your own ideas, thoughts? Is it important that you trust these people, have a relationship with them?
REFLECT ONE EACH OTHERS EXPERIENCES?

Are such conversations regular activities? Mostly with people working on same project?

How do you keep up to date about changes in legislation etc? Do you talk to others about this? Who?

Do you talk to other lawyers at 'rival' firms - maybe people you worked with in the past, old school friends etc?

Do you make new contacts like this? How? Why do you get on with them? Common ideas, problems etc?

What do you talk to them about - can you give me an example again? Is this very London specific talk - issues plaguing all law firms?

You have them same concerns, thoughts, issues etc?

Is being in London important for this? So rather than working at home or the company's office being in Leeds, the ability to meet other lawyers at lunch, after work in the bar etc because you're all in the same place? OBSERVING OTHER FIRMS IMPORTANT?

Do you ever go to conferences, professional meetings?
Are you a member of any professional clubs where a lot of lawyers hang out?
Does this provide a venue for talking and developing this knowledge?
Are they all in London?

So why is it important to be in London then?
What about client contact - being in London allows you to see them easily?

Globalisation of knowledge

I want to consider now how you might share this knowledge with other offices in the firms global network. So maybe in a project that involves the New York office as well. What kind of contact do you have with lawyers in that office in such projects?

How important is sharing knowledge between offices?

How do you make contacts?

What do you talk about? Do you learn anything from this contact – like you might do talking to a colleague here in London when you have a problem? How? What communication devices?

Do you meet them face-to-face regularly? Is this important? Can you just telephone them?

How important is e-mail in this?

What about videoconferencing?

Can you give me an example of a time when you have needed to learn or use someone's experience in another office? How did you do it?

Is it helpful to share documents etc, talk through them?

Is there ever any problem with misunderstanding between you and people overseas? Do they 'talk the same language' so to speak about legal issues etc?
Do you refer to other documents to keep synchronise understanding? (e.g. redundancy?)

Do you trust these people? What makes you trust them? Do you need good relationships?

Do alliances firms make it harder?

Have you ever spent time working overseas? What benefits did this bring you?

Would you now be seen as the [place] expert? Good at dealing with them? Why?

When is it important to actually spend time overseas (on a secondment or expatriation) instead of just meeting occasionally, talking on the phone etc? Can you give me an example when you (or someone else) has had to work overseas and why?

3) Advertising interview transcript

Advertising interview 1 - [name]xxxxxxxx (McCann-Erickson) (16/03/04) Duration: 1 hour 15 mins

Managing partner/account manager - working in advertising since 1987.

Interviewer: so just tell me a bit about your role

Interviewee: I am managing director of McCann-Erickson here in London, and probably around 60% of our billings come from global accounts. And that's very apt for what you're doing as we are in the business of trading on knowledge and experience as we are the kind of fulcrum point between head offices and local markets – in other words we run as a hub – and its about getting information and knowledge out to market places and getting knowledge back from market places to the centre. And [firm x] developed by following [client x] around the world in the 1930's and the really how it got its place in the marketplace because its seen as being best at doing that kind of stuff. At the other end of the spectrum you get what we call local creative hot shops that do work for local brands and they actually use knowledge, experience and insight in a different way.

I head the account management which means we are the touch point between the client and the agency. That's often seen quite negatively because we don't book media, we don't do research, we not the creatives, but instead we project manage everything. One of the key things is understanding what the client actually needs and translating that into a requirement of what the agency needs to deliver.

So what personal qualities make you successful?

I think an analytical brain which may sound surprising because this is deemed to be a creative business. But quite often there is this innate enthusiasm in agency's to try and rush off and get things done to please the clients without really fully understanding what the client wants or needs and the two things may be different. And certainly what I try and do is analyse the situation so that I can understand our envisage what the client is after rather than them coming and saying 'we want an ad' and you go off and produce an ad. Down that particular route lies frustration. One of the particular things that guides me personally is some reading around the business I used to work on which is [client y] and read quite a few books on the history of [client y] and particularly on [process x] which they established. And the guy that was credited with creating this process had a general practice of asking why five times. So if a light bulbs gone and you just ask why the first time, you might make the assumption that its because the light bulbs gone. If that is not the real reason why the light bulbs going in a few days time then sure enough it will blow again in a few days time. And so by asking why five times you'll inevitably really get down to the fundamental issue and make recommendations to the client which may actually be a long way away from where they started. So that's the best tip I had in terms of uncovering knowledge because actually finding knowledge in organisations is really difficult. All the clients give you is data, and data can support any argument no matter how ropy it is. So you need to move through data, to information and then to knowledge and you can do that by asking why 5 times.

So if you were looking to recruit what skills would you look for?

The ideal in any recruitment scenario is that you look for people with complementary skills but I haven't seen that working in practice in agencies. You talk about building a complementary team but when you've been on agency teams a few times they all end up being made up of exactly the same personality profiles.

So how important is basic experience – done things before?

You tend to get agencies that basically cast by CV and sometimes are very explicit about how they do this, or conversely whether you cast be gut feel or core competencies. Let me give you an example of that. A lot of clients who work in the pharmaceuticals or healthcare fields have a certain way of working and they tend only to accept people on the agency side who have got experience of working on those fields. And, that's fine to a certain extent if they want to do that and they want their processes to be run in a certain way rather than being challenged at every turn, so that's why they want people who understand that way of working. Personally, I find that you end up in an inevitable position where you say 'right, so you want people who work on healthcare but you're not going to give anyone the option to work on healthcare if they've not done it before' and if you do that then no-one could ever start on healthcare, it's a cycle. So in that case you say, well you've worked on soap powder before so you'll be able to do another soap powder whereas we're more likely to say you're ability to work under pressure's good, you're attention to detail's fantastic, you're numeracy is top notch, we think you could handle this situation even though it's a totally different product. So the nature of experience is either you've done it before so you can do it again or conversely you say we think you've got the knowledge to do the job even though it's a completely different market place.

So do you have to be a lateral thinker?

I think what's typical of account management is that's its about problem solving and if you looked at the top line you would normally say it couldn't be done. However through being analytical and trying to solve the problems you can find a way through it and often this means thinking laterally, being creative to find solutions.

So what role is there for creativity?

Well I think any problem solving is creative. Its both being analytical but the most common answer would be it can't be done, so you need to have a bit of creativity to handle the situation. And that may be creativity in many ways and so if you're uncreative you're going to hit many brick walls.

So is it off the wall creativity?

No, its more based on logic to some extent. What people produce is actually solutions to puzzles. There is the target audience, we want to do that, how are we going to do it? Unstructured creativity or indulgence creativity does have a role but I tend to call it diversionary, so if you haven't got anything to say you just have a naked lady. That's completely diversionary, it doesn't solve the problem but just takes the problem out the equation.

So do you have to be adaptive with things you've seen before?

Yeah, in some ways its like the Hollywood adage that there are only four story lines and the rest are adaptations and I think the same is true in advertising. Obviously I've said it's a knowledge based problem solving practice and there are a limited number ways of solving the problem and you have to choose the right one to use and adapt. And so people use their experience to decide on the best approach it.

So do people become more instinctive over time?

Yeah, I think it depends on your point of view, you can spin it one of two ways. I mentioned that from the client base perspective, the majority of our clients are actually global clients, and there are various constraints, or givens or guidelines within which you have to work which may be anything from brand architecture to the way the logo sequence works and a lot of this is not up for grabs. So you can spin it any number of ways. When you're in the knowledge gathering stage of your career that's when you get your freshest thoughts because it's not limited by what you know are constraints, but when you get into the knowledge leverage stage, the more senior staff, it depends on how you read the situation, some say you become more pragmatic and less inspirational because you are aware of the constraints of how global brands operate. So it can be any number of constraints.

KM is normally seen as a computer database – how useful are these?

The one's that I'm most familiar with which we run here, one is for [client y] and the other is for [client z], and indeed the one we've got for [client z] is called the [client z] knowledge centre, that is hugely useful in terms of looking at the knowledge and experience gained of doing something for that client in Australia, so when you do a similar campaign in Canada you don't make the same mistakes. They are essential because on global pieces of business there is a requirement to deal in real time so the only way to run an account 24 hours a day is through one of these intranet systems but in the end though it helps to a point but it will never replace giving the guy in Australia a ring and saying 'what's the counsel you can offer?' And it's quite interesting when they write up the knowledge and learning's, inevitably these things are interesting but pretty vanilla, the lumps and bumps are taken out of everything in when a report or review is written. And you only get the lumps and bumps or the local colour as it were by actually talking to people. So actually building up a network of contacts is your life saver. So I think there is a difference- you can look things up in a reference book and it will give a starter for ten but it won't give you the colour.

So how important is talking to colleagues for knowledge sharing?

The reality of the advertising business is that everyone is working on their own individual client portfolio's and so you almost live in the pocket of your team members. And it is a natural reaction for people to sneer when others say 'when I was at agency x we did it this way' or 'when I worked on client y we did it this way', because there is an assumption that if it was so good you shouldn't be with us. So there's an assumption that the team you are currently in is as good as it could be. So it actually works in a more subtle way in that you use your experience but you are less likely to credit it because you know it will be discredited if you say it's from another agency or whatever. But what one of the things agencies are pretty poor at is sharing knowledge between say the [client x] and the [client y] groups say, because there could be some learning's that could transfer. And I think there are a number of reasons why that happens. Because we are effectively all fee earners there is a big pressure for us all to be fully occupied on client business, and for us to be knowledge sharing internally from the company's perspective could be seen as being a lost revenue opportunity and so it doesn't see it as an investment, sitting around drinking coffee sharing experience. The other aspect to it is that clients expect Chinese walls to be built between groups, even if they are as dissociated as computer software and healthcare. I'm not sure that they'd be particularly happy, and so that knowledge transfer in the office tends to be on a very informal basis.

We do three informal things to encourage knowledge transfer. One is to run training programmes, one is to run mentor programmes, and the third way is to move people around different accounts. And that's the way experience is moved around the agency.

So why is talking to colleagues so important?

The answer for that is why our meeting was delayed, it was delayed because I was talking to colleagues in a rather impromptu meeting. A team should be able to come up with a richer, better, more valuable solution than any individual, and that for me is the more rewarding part of the job. When as a group we've got the solution that we take to the client that is better than any of us individually and then you're utilising the experience or expertise of different people to the best advantage.

So is a team meetings or inter-personal 1to1's that are most important?

I think whether its formally or informally one of the ways in which it tends to organise is by looking at whose responsible. So instead of just having a brainstorming you look at the unique contribution and individual can make.

So to what extent do you talk to people at other firms?

Yes, there are formal groups, there is the IPA, the institute of practitioners in Advertising, where people get together and talk about issues an agency might face. Groups of agencies get together via committees and discuss common problems on sub-committees. It's very rare for someone to go outside the agency and discuss a particular business problem mainly because you're more than likely to find that the person you tell will then go back to their own agency and they will try and nick your client.

What about informal networking?

It is an incredibly social industry but I think there is an unwritten rule that no specifics except very gossipy anecdotes are shared between the agency's because one man's problem is another man's opportunity.

So contacts you have are for non-work chats?

It might be talking about things that have happened on the job, we had a disaster because whatever, but it will be on an anecdotal level, rather than saying we have this real strategic problem on a project for client x.

What about high level issues?

Yeah, at the IPA people might chat about what should we be doing about this, should we follow the industry view which says do this? What is the policy adopted by other agencies? The kind of conversation that goes on at the individual level is more general, what do your firm do with this? And it's that sort of sharing that happens between peers because you like to know where you stand in the industry.

It is a village and there are a number of social events that create the opportunity for social interaction and it is probably a more mobile industry as people's average stay is about two and a half years and they are likely to go to another agency within 2 tube stops from here where they are likely to meet people who have also been at the same places as them. So for example, in the last few months we've had 3 people leave here to go to exactly the same agency and another 3 people go to another agency. So they will be chatting to each other and staying in contact with people here. It's almost like, a group of people with disparate backgrounds all right here for a period of time and then break up. Then you go on and meet up with another group of chaps or chapesses and then later you get back together with the people from earlier on.

So what about at the global scale, how important is knowledge sharing by talking?

Information should be fairly neutral, turn left at the crossroads should be fairly difficult to misinterpret that. And most of the information on global accounts is turn left at the crossroads

type information. Now the local market use their expertise and experience to misinterpret very simple information and the beauty of language, no matter how clearly one writes it, and e-mail is in fact a very beautiful way of writing unclearly, people at a local level tend to misinterpret the central guidance so we can't rely simply on 'turn left at the first crossroads' because it is more than likely going to be misinterpreted. So we have to use personal conversation about it.

So how much do you talk to other offices?

That's ultimately it, the number of problems solved using e-mails are limited, the way to get everyone to engage is ideally through face-to-face meetings or through conference calls. Getting people to sign up to something, on e-mail people never do, you can't be sure if they understood it, the detail, so in the end conference calls are the way to do it.

What about inter-personal contact?

Yes, conference calls end up being pretty formal. They have to be, you've got potentially ten offices on the call, you have to be very goal focussed within that conference call. It's a bit like the UN; the UN sessions are actually pretty boring but the corridor events or the pre-event dinners are where the business is done. The pre-face that comes out of the UN event is bland in the extreme but the networks and alliances that are formed as a result of private conversations off-piste are where it gets pretty exciting. And its no different, if I wanted to find out something about work done in Italy it's like the old AA thing, I know a man to call, who I can talk much more colloquially to, tell me off the record so I know the complete picture. Conversely I'm networking with people in the states. So derailing a conference call is not productive to do this sort of thing.

So do you have a network of friends?

Yeah, I think hopefully you develop a personal relationship with them above and beyond work because that's how you assume that they're actually talking to you straight and actually letting their guard down. And over time you spend a sufficient amount of time with them to see them not just as colleagues. And again, just as it takes time if you're new to this office it takes time to get to know 100 people in the office it takes time to get to know 50 people around the network and that comes with time.

So how often do you meet f2f?

I'll give you an example, I run 2 global bits of business, [client x and client y]. We probably meet our own counterparts at [client x] its probably 4 to 6 times a year and [client y] its probably 2 to 3 and that reflects the amount of business.

And what are they about?

They tend to be effectively review and preview sessions where, and its interesting how they get set up, its easy to take an antagonistic position on e-mail, so they are a useful defusing mechanism where you let off steam.

Is there a social element?

Yes, there is a bonding thing and I think [firm x] is probably a classic example of this in that because some of our accounts are so big you can often build a career inside a global account. And so there is very much a binding thing which is dinners, lunches, pats on the back.

Does that help, developing relationships you use at the global scale?

Yeah it does because what happens is you often get calls on other business., for example I got one from [place x] which is another of our centres, and I can put people together.

Is there cultural differences that are problematic?

Yeah, I think it relates to everyone wanting to get something out of the conversation. So I try to represent to a view, the person I'm speaking to doesn't want to take it on board because they see it from their own view. So sometimes it's a battle over whose point of view will prevail.

So are there strategies that help unite you?

One of our trade mark practices is [corporate strategy x], and I think we are pretty good at this. It is a way of organising thoughts into the same format which allow differences to be compared and reduces confusion and misunderstanding. What tends to happen is you use these approaches and styles and it allows ideas to be expressed and those of [place x] and [place y] come across the same way.

So everyone talks about an issue in the same way?

Yes. We are actually good at rolling these things out and I could walk into the say [place x] office and have a conversation about [client x] and using the [corporate strategy x] and the logic behind it be able to get to a position of mutual understanding really really quickly because of the shared tools we've got.

So does overseas expatriation help?

We do lots of exchanges with other offices, we tend to have a rich cultural mix of people. The people I was talking to before you came, one was South African, one was German, we've got a lady whose just come over from Singapore, we try and look at peoples core competencies. They create a really interesting environment to work in because you do get different ways of working instead of a kind of stereotypical kind of approach.

And does that make appreciating other offices easier?

The thing with working on a global account is that it will take on its own rhythms, possibly develop slightly different variations of the corporate tools, have different expectations and then the task is to marry any idiosyncrasies.

So how much contact do you have other agencies in the communications group?

There is, within [communications group x] there are [x number] of agency networks of which we are one. Within this there are also a complete series of other marketing services and one of the objectives we've got is to grow revenues by introducing clients to sister companies and one of the objectives the client has is to centralise things into one agency for efficiency reasons! So all of our global clients work with other divisions of the group.

On a personal level you don't have dealings with other agencies?

Yeah! Almost on a daily basis.

And do you gain insights from them?

Yes and no. Yes because I like to know what they're up to and what new things their expertise is adding. And no because of the nature of the relationship. Ideally you'd like to have a sister-sister relationship of equal parties but actually those relationships are incredibly rare. They end up being like mother-daughter. Head office is the mother and we're the daughter and knowledge sharing is determined by that relationships. Likewise, advertising is the mother and related services becomes the daughter, so it makes it more tedious.

Its interesting, some firms have a very good database and if you want someone who knows about whatever you type it in and you get a number to call. In this industry its much more informal and as a result you get a lot of deja-vu where things are repeated.

Its also hard to know how to charge for things, a slogan might take half an hour to write but it took 20 years of experience to be able to do that. Now clients increasingly want things charged by the time taken, but how do you charge for that?

Ok, that's great, is there anything else you'd like to add, anything we've not covered you think is important?

Another thing you need to factor in in relation to this is relationships with clients that are very important. Someone here was best man at the head marketing man of [client x's] wedding and so you can't let people go because of this. Its not that they know the client better than anyone else but it's the relationship.

That's true [phone rings] well thanks a lot...

4) Law interview schedule

Law interview 2 - name xxxxxxxx, , Linklaters (08/09/03) Duration 1hr 5 mins

Senior position in know-how department - previously a finance lawyer – combined 12 years experience in law.

Interviewer: So what *makes you successful?*

Interviewee: Well, you know you come out of law school, you can be incredibly bright but actually however much you learn from books or from attending lectures is not really how the real world of being a lawyer is and never could be. You just couldn't replicate it because it seems to me that you really pick up a lot of what you're doing through experience and therefore our senior partners might be less bright academically than say some of our junior lawyers but actually you wouldn't put the junior lawyer in to do the transaction because academically they could be brighter but actually its how you negotiate, how you relate the client, how you manage client relationships, how you manage, in effect project manage your deals, the form in which you give the advice, knowing how to give advice to one client in a particular way but to another in a another way, that is the experience angle which is very hard to replicate other than by having experience. Now you can do things to help that along clearly, but its not something that you can just create.

Absolutely, so for the associate lawyer, whose maybe not doing this relationship management to such an extent, what kinds of things make them successful?

I think its how you approach work a lot of it. Some of it will be if you like a blend, you can learn to do certain things. You can learn what a take-over is in a classroom situation by reading books but there's nothing like actually getting involved in a take-over to understand that actually things don't go from a to z in a smooth line, that actually watching you're colleagues, watching and working with people on the other side, the investment banks or whoever, its a hugely beneficial for informing how you do the next piece of work, even if its not entirely the same.

So, if someone was to ask you what makes a successful lawyer, then they come out of law school with academic intelligence but is there anything you would summarise as vital?

I think you have to be, you have to be able to deal with people, you have to be quite creative, you have to be flexible in you're thinking and approach, you have to be able, depending on what area of law you go into, if you can't negotiate you're not going to make a good transactional lawyer. But actually its very difficult something like that because you don't really know if you're good at that until you do it. Again, you do debating at school or you do mutes if you go to university and do law but I mean, I was crap at muting but actually quite good at negotiating. It's a different skill in that you learn, we can teach people the basic of how to negotiate, but some people are good at in and some people aren't good at it. But I think the idea that you have to be a good academic lawyer, that's just the starting point, and my view is that the people that make partnership probably now are somewhat different, the characteristics people look for in partners now is different to say 1987 when I came in. Now some of the people who became partners in 1987 clearly would become partners now but I think that the whole of being able to get on with clients, flexibility, creativity, is recognised now for what it is.

And something you mentioned early was that its quite important that you learn from other people, you watch how they work, observe other people. How is that, important, why is that important?

Well, I just think often watching people deal with real life situations helps you to learn how to do it or how not to do it. Now obviously then you have to make a judgement for yourself in terms of you're learning whether its to learn how to do things the right way or how not to do things, and therefore you're own judgement is applied but I think that's hugely useful. It needs to be part of a balanced approach, gone are the days, trainees sit with a variety of people, when I was a trainee you sat with a partner and learnt what you did from them and you did lots of rubbishy things but you did some quite good things and we probably have less of that now, especially in the big firms. I suspect in smaller firms you still get that a lot, but the economic and the practicalities of having 120 trainees for each year, so in any one year we've got 200 and something, means that as we only have 500 partners world wide you just can't have them all sitting with partners.

So, when KM is talked about the first thing that jumps to mind is a computer, how useful do you think that is in providing ideas, examples of other peoples work and experiences?

I think they are very useful but I think you have to have a blended approach, and why the US initiatives in knowledge management in law firms have failed is because they went straight for the technology, the golden bullet solution, and you suddenly have this whizzy technology and nothing to back it up. I would say, the criticism, for you're benefit rather than for everyone else's, is that the technology for our know-how has never been that brilliant, but its actually now getting quite good and will be very good shortly, but we came very much from a content, a support ethos where we saw technology as an enabler and that's probably because we seriously started, discussed talking about know-how here in the 1960's, they had a know-how committee, now at time there was no technology really, now when I got here in 1987 they had just completed an exercise of producing company manuals for all there major transaction types. Now again, in 1987 there clearly wasn't the technology and these were all hard crappy manuals, now that is hugely valuable know-how but the challenge has been that we have superb content and then making this electronic. But, the technology is the enabler to get it to more people more quickly, to share it more easily, the technology does not make the content better.

So do you think the content approach is actually as valuable for learning as observing other people, seeing them do there work, can you learn as much from it?

Well its different. As I say, I'm a believer that you have different things for different reasons, so if you start to get onto what you have there is: learning by example which is what we've talked about up to now, which only gives you a snapshot of certain things at a particular moment in time. It doesn't give you a whole picture of how to do something. You know, formal training gives you a much more overview of how to do something. It gives you experience in that controlled environment with piers to actually talk about how you do things, practice negotiating, practice drafting, as questions of someone more experienced than you. But that's a much more formal situation. Then you've got supporting documentation, the knowledge system, our precedents manuals, the intranet. Now if you just relied on those three things, generally speaking, if you just relied on either one of them, again you'd miss a part of it. Its difficult to say what absolute benefit these three things, and which order would you place there importance, because actually they're horses for courses and depend on different situations.

OK, what I want to focus on now is how important interacting with other lawyers, talking to other lawyers is a part of this knowledge development process. What do you think you can learn from talking to colleagues?

I think that what you get from that is context and also you can, it's not rocket science, but what you get is you get the context, you get the opportunity to refine you're thinking, the person knows what you're talking about, you share it, it's a dialogue, whereas within knowledge systems there is not context, you might not even get the context of the other persons thoughts and they certainly haven't got any context of yours. Its static, so dialogue is hugely important.

So the idea it's a two way banter?

Absolutely

Is it a reflection process, delving into their own knowledge to find a solution?

Yes, I suppose it depends how deep that communication process actually goes, if you just ask somebody a question and they just answer it well, I'm not sure other than the answer if you've learnt a lot. I guess the sort of think you'd be talking about more is the problem solving elements where people are trying to find innovative ways for dealing with a situation. So, you might have a lawyer whose done certain types of work, they speak to another lawyer whose done certain types of work, and between them by talking things through, by sharing their experiences they actually work out something innovative. Now that's obviously really high end stuff, at a lower end you perhaps even help people with their thought processes and help them with their understanding.

Are there certain circumstances, project meetings, brainstorming sessions, that you think are good knowledge management opportunities?

Yeah, I think within this firm knowledge is seen as really is fundamental, so its not as if, well a) we've never talked about knowledge management really because it strikes me that if know-how is a term so embedded in the firms culture why bother to change, although the managing partner thinks we might talk about knowledge now rather than know-how, but hey-ho what they hell! But, I think that a lot of activities of viewed as activities for knowledge sharing so that there's not a lot of conscious effort. You know, communities of practice is this months conference circuit, everyone's talking about communities of practice. Now we have communities of practice, we've had them for years and years and years. Now we don't talk about them as being communities of practice but clearly there real purpose is to share know-how, to share knowledge, to share experience, what went right what went wrong, what we don't have so much of but we're starting to a bit more now, is having end of matter de-briefings. We have them where we tend to get out professional support lawyers to go round and talk to lawyers to find out what know-how was generated, what know-how they used and how it assisted them, but again that's, not lawyers learning from each other, that would be much more our professional support lawyers trying to capture knowledge. But what we do have is that our associates are encouraged to speak to partners or senior associates at the end of matters to find out how they did within that matter so that some of that would not be legal knowledge, some of that would be how did they negotiate well draft well, but that's valuable feedback. Its not a formal part of the assessment process but its designed to complement the assessment process where actually a partner assesses you, and that partner might be someone you've not worked with or done all you're work with.

Something I want to consider is how important the contact lawyers have outside the firm are, we might be talking about clients, but also old friends from law school or lawyers they've come

across in some way, and although they're not going to discuss a project they may discuss topical issues, or things that are posing problems to everyone?

I don't know, I'm thinking of all the lawyers I know and that we've never spoke about law! I think there are formal things which are very important and the City of London law society sub-committees are hugely important for cross knowledge sharing. They have to be very careful because of cartels and all that, but quite often in response to new draft legislation or regulation a City of London law society sub committee will have apined on what there response will be and that will be the collective view of a number of law firms. Now that is quite useful because that is quite useful because in a controlled environment Linklaters view is fed in and so is Allen & Overy's, Freshfields etc etc. That is hugely relevant for raising generally the game of law because it helps to develop new law and the response to how you respond to certain legal developments. I do sort of wonder how much people do actually talk to people they've got contacts with. I mean they might a bit but I'd be quite surprised. I think its probably a valid point and it would be really interesting to know what smaller law firms, where if you're a sole practitioner and you've no mate in your law firm to talk to, I'm sure that would probably be quite important also I suspect in a sense it would be must less of a conflict because the nature of the work would be much less at the innovative end and much more at the routine bit. It would be no less a loss of face because you're mate might phone you because he doesn't know something about property so there is a bit more quid-per-quo because loss of face within the city would be quite a big issue. What you might here from people is what clients are doing, but legal knowledge?

Are there other kinds of professional clubs, associations where lawyers meet and come together?

Yes, the fairly newish innovation is the professional sport lawyer networks, so you have for most of the major areas of law covered by city practices and certainly the next tier of city firms down, or two tiers, would be these PSL networks. Some of them really exclusively talk about what the role of PSL's should be, so mundane stuff, but others have started to galvanise themselves, almost mirroring the work that's done by the City of London sub-comities, or less complex things. But, I'm not aware of any secret or unsecret clubs!

So why is it important be in London? What's key about it?

For us, because it's the centre of finance, that is the reason, we only really operate in financial centres, we are financial centres because all the work, the corporate and financing work is all to do with finance and the litigation that we do you obviously need to be near the central courts and for us that is not the criminal court but the high court or the equivalent in any jurisdiction. For real estate because again all commercial real estate is really run by the financial institutions. So the underlying thread of finance you've got to be in these cities.

What I want to talk about now is how you can share knowledge and experiences between offices in the company. Increasingly law firms are becoming global so I wondered if you could say how important you think sharing knowledge between offices in the company is and why?

I would probably take a step back from that first and say that I think its very important in a law firm when you've got people all over the world, the most important things is the relationships. Obviously with a partnership the size of ours, if you just take partners there are about 500, its very difficult for 500 people to know each other well. Now in terms of what makes Linklaters successful, a lot of it's the underlying excellence of what you do and therefore reputation and that's all to do with how your product if you like is developed and delivered to the market. What you have to ensure is the consistency of excellence throughout the whole firm. Therefore you

need the consistency of relationships, or at least between partners, or at least enough of them to be working properly so that, if you like, not only does everyone buy in to the same sort of ethos and values and all that sort of stuff, but that they're happy to call each other and not to think they can do it all themselves. So you need, if a piece of work comes in here that's got German, Spanish, and French lets say angle, and you're the corporate lawyer that gets the piece of work here, you need to make sure you've got teams of people in those jurisdictions but what you need to know is that actually what you do is that you trust that when you phone that the people you are phoning are as good as you want them to be or as good as you think they are, and it works vice-a-versa, the people phoning out of Paris trusting the people in London to help them properly. And therefore, trust is the most vital element of that. If you trust each other you're going to work together, if you don't trust each other you're not going to work together and share knowledge effectively, and so its really finding ways to build trust between groups of people. Now what we try and do is at least at a partner level is to try and find ways of building this, through partner retreats at a macro level. We're divided into practice groups, we have 3 main global streams, commercial, finance and corporate, and then in each of those global streams you will have different practice areas, so for example finance will having banking, project finance, capital markets, structured finance and other bits and pieces, and then within those smaller groupings it much easier to get people together so that at least if all your capital markets partners worldwide sort of know each other or at least trust each other to refer work backwards and forwards it starts to build trust down the chain, because you know partner x will say if partner y in London has asked you to do something its alright because he's a good bloke. I means, its not quite as obvious as that but you get the gist.

Moving down, what we have always done a lot of but the recession has meant we've done less which has been a shame, we tend to have retreats for these smaller practice areas where we get together and work together and these are viewed as knowledge sharing, training, what ever you like to call it, experiences. So then, associates from different places meet each other, they meet partners from other places, and therefore they start to build the contacts and the trust. Then you get stuck on something in London and you need some help on French law, you've got someone to call that you trust, you trust them that you tell them you're problem that they're not going to laugh out loud, they can help you and share knowledge. That's really the sort of activity, and then the underlying documentation supports that. There are some things that are cross border, so capital markets in a sense is pretty similar all around the world. But corporate, you have a domestic corporate practice as well as a cross border corporate practice. So doing a share sell in England for a English company or a German company in Germany the knowledge sharing is non-existent. But if you've got a big company with worldwide interests then clearly then you've got an international cross border approach which tends to be a blend of either US or UK approach. But then you need much more formal training so your lawyers understand how to do a cross border transaction. And that's another way that you get some of the younger lawyers together – so we do a global corporate foundation course and a global finance course, and that in part is to teach people how to do things, but again its also to build up those networks at a pier level so you've got someone to phone whose a mate.

When you make that phone call, is it a problem solving phone call –what's the answer, is it a learning exercise, with a general discussion and you develop understanding and learning?

I think it will vary depending on what the matter is. I think you could range from one of a spectrum to another.

So is it essential, how important is meeting face-to-face to sit down and solve problems, or can it occur through a telephone call, videoconference?

I tend to say, because of the nature and speed with which things have to be done, you don't have the luxury to sit down and plan it all out. If you took something like McKinsey doing a big project, you'd probably have enough time, and the nature of the work, to sit down, do a lot of the team bonding stuff, but because the nature of the transactions tend to be fairly fast flowing, project finance might go on for years, but generally deals will only take a few months or a few

weeks, you can't bring 50, 60 people from around the world, or even 5, so you would tend to do things by telephone conference and that's where good project management comes in because you need you're lead partner or associate to actually make sure all the rest of the team knows what's happening, have the right things to inform their decision making.

Its suggested its quite hard for someone in New York to talk to someone in London, give advice, is that problematic or are there ways of overcoming it?

I think it varies - I think for, if you take how Linklaters used to be when we didn't have lateral hires, you made partner by going up through the ranks, you went off to New York, you were leaving the mother ship if you like, you could speak to the mother ship because you knew everybody in the mother ship, you didn't really have a problem. Even if you employed associates locally, because you were a partner from the mother ship you imbued them with the way Linklaters does things. The difficulty such big firms have now is that they have not grown purely through developing themselves, they've all grown through merger, and therefore you don't have that 'what is the mother ship', so it is much more complicated, so you need to find ways of building the trust between people because people will say it's harder. It's infinitely harder if you're not a native English speaker, if you're a Thai lawyer whose never been to London, and we don't send huge numbers of English lawyers out to Thailand anymore, so it really is a Thai ship and it's run by somebody whose English but have been in Thailand for 13-14 years and we employed him, he's a lateral hire, there is a sense of isolation and it is difficult.

So its almost part of you're job to create these situations where these relationships can be built?

Yeah, although you have to take a pragmatic view, what is most important to you're business. It's the 80/20 rule. Given that you can't do everything you choose where you're going to put your money and your efforts into building relationships. That doesn't mean we've abandoned say Bangkok but you can't give equal weight to every place we've got. If Thai lawyers are primarily doing Thai law, for example, they're not really doing cross border work, the need for them to communicate is much less, and that's a complete generality and not necessarily true of Bangkok, but you have to work out international M&A is clearly very important, you put lots of resource into building that because you need these teams of corporate lawyers around the world to get on and be able to work together. Real estate is probably more domestic and while at a macro level there does need to be cohesion, it's probably not quite as important to build those relationships.

In that context, how important is secondments and expatriation for developing these relationships, knowledge and knowledge transfer?

Hugely I think, in spite of the recession a lot of our trainees from London go abroad for one of their seats and others come to London and for associates therefore we have a programme of moving associates around jurisdictions, that doesn't necessarily mean coming to London, it can mean going to another jurisdiction from you're home jurisdiction, that's hugely important. The other area of secondment that is hugely important is to our clients to bring in more industry knowledge, knowledge about the clients. I think in building up that sort of tacit knowledge that is a hugely influential way of understanding clients better and builds junior lawyers knowledge of how clients operate. What matters to clients, what we think matters as lawyers is normally complete tosh because they are much more concerned about their share price and not being arrested for insider dealing and all those other things. You learn very quickly about clients and how they operate.

So somebody whose been seconded, would it be likely that they are better at communicating, two years down the line, with that office or is it general?

I don't think we've done any analysis but the gut feeling has got to be yes, otherwise we wouldn't be doing it, that is obviously one of the reasons for doing it. It builds those relationships, trust, learning about different cultures, environments, the pressure of smaller or bigger offices, and you'd hope that makes them better. Some secondments are fantastically successful, some are pretty average and you probably have some that are pretty disastrous and those people might not be kept on. But gut feel has to be that it's the right thing – it's expensive so you wouldn't do it.

Any other techniques, tools, you think are important?

We've talked about retreats, formal training, being peoples role models, communities of practice, we call it non-groups, because people are in communities because these people are non-group specific, and they are very important for sharing both experience and expertise. You might get the take-overs non-group for example, that would be people who work in take-overs but you might be a tax lawyer or corporate lawyer or whatever and they're very valuable for sharing experience, expertise, and we have country groups which do the same things but help people to build up a group of people who are particularly interested in or have done a lot of work in a particular jurisdiction, so particularly jurisdictions where we don't have offices, so South Africa would be a big one. They are groups which self select in many ways and that's a good way of people knowing a group of people they can go to. That's what a lot of our knowledge systems are about, our knowledge index whilst it has a lot of know-how in it collected from what people have done in past transactions, a lot of it is almost a dating agency because you find a piece of knowledge. It might suit you're purposes but actually what might be most important is who wrote it so that you can speak to them and actually discuss you're problem.

Do these non-groups occur in 1 office?

KM as a concept is an Anglo-Australian concept and therefore it is much less advanced in most offices outside of the UK. We are slowly putting these techniques into other offices, we've put a lot of effort into documentation, because in most offices they share know-how by talking to people. This interactions has been fine, what they don't have, some of the other things to back it up.

When these non-group meet, what kind of context do they meet up, to talk about a particular issue?

Sometimes they talk about issues, sometimes a round up of interesting matters people have worked on that are no longer confidential. If something clever or innovative has been created it will be to talk about how that came about, what impact its had.

Its important not just to read a report but to talk to them, so do KM tools encourage people to contact the person?

All the contact details are their. The approach we have taken is that we don't have an expertise database because I believe they are totally useless, because actually writing down what you know you never write down what you actually know whereas what we say is, we take this knowledge and put it in our knowledge index and it either is documents that have been written, I write a letter of advice to BP about something, somebody interested in that topic sees it. That letter might just give them the answer they're looking for and they might never speak to me. Or alternatively, they might think, well she knows a bit about that, but it might be something really small so I would have never had thought to put it into a expertise database. Alternatively the other part of our expertise database is to do with transactions management or recording

transactions so that somebody says I'm just about to do a take-over of a South African mining company, is there anybody whose done anything similar. They search this and it says yeah, well actually x has done this sort of work before. So again you've got contact. And you might use the document or part of the document that they've used before but more importantly you might want to speak to somebody whose faced a similar problem.

And is that quite successful when you speak to someone?

I think it is used quite a lot yeah, you still get, and you still receive them, e-mails that go round particular practice groups which say 'does anyone know anything about this, does anyone know anything about that', but actually I don't see that as a failing of our knowledge systems, I see that as actually, you know its good, we follow up that sort of enquiry and add it to the database.

Is there anything else?

All I would say is that it is absolutely crucial for success that this tacit knowledge is shared and I don't buy that you either talk or have a computer system, my view is that you have a mixture of tools, depending on the practice are you will use different tools. You won't have a complicated databases if you have 3 real estate lawyers in Hong Kong, you might access the London one should they want to, but they keep all their stuff in a filing cabinet and just talk to each other because there's only 3 of them. If you've got 150 banking lawyers in London, pretty difficult for them all to know each other let alone the other 150 spread around the world so you have to... you have a series of tools and you apply them in a context which suits groups of people best.

And for tacit knowledge which is most successful?

You talk to somebody, without question. And you wouldn't need a lot of these things .. why do you if you're a 10 lawyer firm in the high street why do you not have knowledge systems, why don't you talk of knowledge management? Because you just go into each others offices and talk to each other. That's what in effect we did when we were only 20 partners in 1967, why in 1967 did they think they needed to do more, because they knew they were growing. And actually that's not a sustainable model when you've got 2 or 3 thousand lawyers.

OK, that's great, thanks a lot...