Stretching tacit knowledge beyond a local fix? Global spaces of learning in advertising professional service firms

James Robert Faulconbridge
Department of Geography,
Lancaster University,
Lancaster,
LA1 4YW
U.K.

Email for correspondence: j.faulconbridge@lancaster.ac.uk
Telephone: +44 (0)1524 592203
Fax: +44 (0)1524 847099

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Abstract

The ‘knowledge economy’ is now widely debated and economic geographers have highlighted the ‘new regions’ ability to produce and disseminate tacit knowledge. However, there is concern that such work is responsible for the unfounded association of tacit knowledge with solely the local scale. Through examination of empirical material exploring the stretching of learning in advertising professional service firms, the paper argues that we need to differentiate: knowledge transfer in the form of best practice and ‘social learning’; and inter-firm versus intra-firm learning. This highlights the different ‘modes of learning’ at different scales but the existence of multiple geographies of tacit knowledge.

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knowledge; professional service firms; advertising; globalization.

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Introduction

The role of knowledge pervades discussions of factors affecting the success of organisations (Bell, 1999; Bryson et al, 2001) whilst academics (Leadbeater, 1999) and governments (Department for Trade and Industry, 1998) are preoccupied with the implications of the ‘knowledge economy’. Fuelled by this and growth of concepts such as ‘knowledge capitalism’ (Burton-Jones, 1999) and ‘the new economy’ (Beyers, 2002), economic geographers have sought to describe the geographical influences upon the creation and dissemination of knowledge.

One of their main contributions has been to highlight the ‘new regions’ and their ability to produce and disseminate tacit knowledge, therefore pinning down the knowledge economy (Gertler, 2003; Lawson and Lorenz, 1999; Morgan, 2004). However, for many (Amin and Cohendet, 2004; Bathelt et al, 2004), and especially Allen (2000), there is concern that such work is at least partially responsible for the unfounded association of tacit knowledge, its production and dissemination, with “solely the creation of territorially specific actions and assets – restricted to organizations, regions, places or other such spatial confines”. This, according to Allen “is highly questionable and reflects the delimiting vision of a powerful set of discourses” (Allen, 2000, p27), discourses that create a misleading dualism between tacit and explicit knowledge and local and global geographies respectively. Scholars have therefore called for better understanding of the multiple geographies of knowledge through the integration of research of local but also global relational spaces of learning and innovation (Amin and Cohendet, 2004; Bunnel and Coe, 2001; Wrigley and Currah, 2004).
This paper aims to help further dismantle the dualism between tacit-local and explicit-global geographies of knowledge by providing a rich empirical investigation of how learning is globally stretched in professional service firms (PSF’s). Whilst extant work has been theoretically strong (Amin and Cohendet, 2004; Bland and Sierra, 1999; Wenger, 1998) with a few notable exceptions (e.g. Bartlett Ghoshal, 1998; Beaverstock, 2004) there has been a dearth of empirical studies of this issue. This paper helps rectify this problem and draws on original empirical material to analyse the nature of globally stretched learning in advertising PSF’s, the cinderela of PSF’s in recent times in economic geography that have received limited attention vis-à-vis their globalization. Two key arguments are made in the paper. First it suggests that there are fundamental differences in epistemology between, in particular, the work of Gertler (2001; 2003; 2004) on knowledge transfer and the locally-bound nature of tacit knowledge and the work of Amin and Cohendet (2004) and Wenger (1998) on the ‘social production of knowledge’ and global geographies of learning. This is suggested to be central to the seemingly irreconcilable differences in the two bodies of work (see Gertler, 2003). Second, the paper argues that strategies in global organisations to exploit, configure and create what are referred to as global practice-based and relational spaces of learning differentiate globally stretched, managed intra-firm, learning (Amin and Cohendet, 2004) from learning through serendipitous, unmanaged and untraded, inter-firm interdependencies (Morgan, 2004; Storper, 1995). Recognising these different ‘modes’ of learning is proposed as a way to further reconcile and advance understanding of the multiple geographies knowledge production. The rest of the paper develops these arguments over six further sections.

Section two engages with literature outlining the theoretical models of globally stretched learning with in particular work on global ‘communities of
practice’ reviewed. The critiques of such work by scholars dismissing the possibility of globally stretched learning are also considered. Sections three to five then explores the nature of globally stretched learning through detailed empirical material from the study of advertising PSF’s. This reveals how globally stretched learning involves the social production of new knowledge rather than knowledge transfer. It also shows how globally stretched learning is possible in ‘practice-based’ and ‘relational spaces of learning’ that are controlled and created by the firms involved. Section six then evaluates the significance of these findings for how we study the geographies of tacit knowledge. It suggests there is a need to differentiate locally fixed and globally stretched modes of learning and that this might help overcome the tacit-local/explicit-global dualism in economic geography.

**Emerging global geographies of learning**

In tandem with the fascination with ‘regional’ economies such as Silicon Valley and their supposed abilities to produce and disseminate tacit knowledge (Lawson and Lorenz, 1999) there has been a rising tide of work suggesting that the knowledge economy, and learning more widely, has global geographies (Allen, 2000; Amin and Cohendet, 2004). Table 1 summarises the key tenets of such work and the practices of global learning that can create “a highly integrated, network organisation for the core competencies of the firm” that “allows the firm to benefit from ‘decentralised specialisation’ by coupling islands of localised [tacit] knowledge” (Amin and Cohendet, 1999, 94). These studies suggest that focus should fall on the interconnections of a global knowledge economy as well as the regional ‘hot-spots’. Below the use of the concept of communities of practice to theorise such stretched learning is explored.

[Insert table 1 here]
The concept of communities of practice (see in particular Wenger, 1998; Wenger et al, 2000) has gained significant intellectual currency over recent years. Within such literatures the existence of globally stretched communities (or constellations) of practice) are highlighted and explanations of their ability to globally stretch learning offered. So Wenger (1998, 127) argues that the fundamental characteristics of communities of practice that enable learning - the existence of a group of individuals with a shared enterprise, engagement and repertoire that provides a shared context, understanding and way of expressing this understanding – stretch beyond local communities. Therefore as Wenger et al (2002, 25) note:

“…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…Others 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”.

Blanc and Sierra (1999) exemplify the globality of such communities and learning through analysis of the internationalisation of R&D in global organizations. They argue that global 'spaces of proximity' allow globally stretched learning because of the shared logic and understanding all in such spaces share and the ‘absorptive capacity’ (Cohen and Levinthal, 1990) this ultimately produces. These spaces exist in the form of:

- **Organizational proximity** (common approaches, language and job roles specific to a firm);
• **Relational proximity** (shared ethos, language and approach to work everyone in an industry shares).

• **Institutional proximity** (shared ‘rules of the game’ specific to a firm or industry); and

• **Temporal proximity** (a shared vision of how things should be in the future and where the industry is at present and ultimately heading).

Amin and Cohendet (2004) develop this line of reasoning further and argue for a ‘distanciated sociology of learning’ facilitated by a form of relational space. 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). For Amin and Cohendet then, learning involves various forms of global circulation and flow rather than spatial fixity.

Such work suggests that, at a theoretical level, there is a strong rationale supporting the possibility of globally stretched learning. However, such work has proved controversial within economic geography. In particular, a number of scholars remain unconvinced about its theoretical underpinnings, with most recently Meric Gertler (2003) and Kevin Morgan (2004) posing a number of critical questions in relation to the ideas underlying this work.

For Gertler (2001; 2003; 2004), the importance of ‘local’ cultural and institutional values prevent the possibility of a globally shared context existing and facilitating learning. This means tacit knowledge has distinctly local geographies because:

“…firms [in a region] 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).

Consequently as “[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). According to Gertler (2004) this is because the implementation of best practice and routines developed outside of any one regional space is impossible without an understanding of the locally specific cultural and institutional norms embodied within the practices.

Meanwhile, for Morgan (2004), face-to-face contact is the only way to create the mutual understanding and ‘thick’ relationships that allow learning. He argues that physical proximity is crucial and that arguments for globally stretched learning “conflate spatial reach with social depth and hence fail to recognize that it is the latter, with its wider scope for social reciprocity, which is the essential prerequisite for deep [tacit] learning” (Morgan, 2004, 5, original emphasis). Consequently, Morgan argues learning is locally fixed as “body language and face-to-face communication convey as much as (if not more than) verbal communication” (Morgan, 2004,5). This produces trust between parties in regional economies that enhances the quality and complexity of reciprocal knowledge flows. Morgan (2004,12) therefore argues there is “an over-exaggerated sense of

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1 He illustrates this in relation to how machinery designed in Germany cannot be used in Canada because of the inability of the Canadian buyers to understand German cultural and institutional norms in terms of employee training and job tenure. These are embodied within the machinery’s design and therefore affect the skills needed to use it successfully.
what can be accomplished at a distance, whether it is through virtual proximity of
digital technology or the occasional proximity associated with business travel”.

This leaves our understanding in a confused and contradictory state,
something that has limited economic geographers’ ability to overcome the local-
tacit global-explicit binary. The rest of this paper therefore considers how such
diverging perspectives can be explained and potentially reconciled. It does this
through the analysis of empirical material collected through 29 interviews with
advertisers working for global agencies in London and New York \(^2\). This in itself is
unique because of the lack of empirical research in economic geography into both
the globalization of advertising PSF’s and the stretching of learning in such
organizations. Interviewees held a range of positions and levels of seniority and
represent 11 different global firms. An interview schedule was used that probed
the nature of: the architectures of learning that enable individuals in different
offices to learn from one-another; the problems associated with such learning and
commonly used solutions. Interviews were conducted in early 2004 and lasted
between 35 and 90 minutes. To maintain the anonymity of interviewees the quotes
used are anonymous with interviewee number used for identification purposes.

**Geographies of knowledge in PSF’s**

The work of all PSF’s (advising clients in relation to their business problem
or need) is only possible when the tacit knowledge of experts is harnessed and
exploited (Weiss, 1999). No two projects are identical for these firms with, instead,
the specific whims of the client tended to and the nuances of any project central to
determining the nature of the advice provided (Alvesson, 2001). The key strategic
challenge for any PSF is therefore to ensure the knowledge needed to produce
their services exists (in the form of skilled employees), is retained (by stopping employees leaving to work for rivals) and is leveraged (through knowledge management) (Lowendahl, 2000). At the same time, these firms also ‘lubricate’ the process of globalisation through the creation of global PSF networks that aim to provide integrated and seamless services to TNC’s through the ‘development and diffusion worldwide’ of knowledge. A more detailed discussion of both of these issues is provided in Beaverstock (2004).

Table 2 highlights how global knowledge leverage is increasingly possible for global advertising PSF’s through their ever-growing number of offices worldwide. However, in many ways advertising knowledge could be seen as ‘local’ in nature because of:

- Its cultural/institutional fixity. It is widely recognised that all professional services must be produced and delivered locally so as to be tailored to local market nuances and reflexive customers (Daniels, 1993; Grein and Ducoffe, 1998);

- The need for face-to-face contact and trust rich relationships. Advertisers principally deliver their services to the marketing managers of the world’s largest TNCs through trust-based, face-to-face relationships (Goe et al, 2000; Halinen, 1991);

- The importance of ‘local, regional’ spaces of advertising knowledge production in city-based clusters (e.g. Leslie, 1995; 1997).

[Insert table 2 here]

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2 Such an approach is well rehearsed within economic geography where studies of PSF’s have consistently used case-study based empirical material gleaned from interviews (e.g.
Nevertheless, it has also been noted that both global advertising agencies and the city based clusters in London and New York are linked into important global knowledge networks. Both Grabher (2001; 2002) and Nachum and Keeble (2000) describe how the global agencies operating in London rely on both ‘local buzz’ but also ‘global pipelines’ for the development of knowledge that allows competitive advertising to be produced (Bathelt et al, 2004). Below the way these global ‘pipelines’ might allow the ‘development and diffusion worldwide’ of knowledge, that is of equal incremental value to local buzz, is explored through an instructive case study of the nature of globally stretched learning in advertising PSF’s.

**Global ‘social’ learning in PSF’s**

To unpack the nature of globally stretched learning in advertising PSF’s it is important to first make an epistemologically distinction between ‘knowledge transfer’ as defined by Gertler (2001; 2004) and what is referred to here as the social production of knowledge’ (c.f Amin and Cohendet, 2004). For advertising PSF’s, knowledge leverage is not about the transfer of practices from office to office. Rather “[t]he flows are not of products but of people and of ideas” (Rubalcaba-Bermejo and Cuadrado-Roura, 2002, 42). In terms of globally stretched learning, this means ideas and insights are shared that can be learned *from* and built *upon* by individuals in the organisation. For advertising PSF’s this is particularly relevant because of the local specificity of services. Despite rhetoric of converging global cultures, nationally variegated cultures remain as important as ever (Grein and Ducoffe, 2000). This means knowledge leverage cannot focus upon transferring practices between offices but instead must

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Beaverstock, 2004; Leslie, 1995)
centre on the sharing of insights and ideas that can be learned from and developed, adapted and applied as relevant to each market.

Several scholars have pointed to the importance of differentiating between transfers of knowledge and globally stretched social learning. Amin and Cohendet (2004, 8) suggest focus should be placed on “knowledge as a process and practice, rather than a possession, on the pragmatics of everyday learning in situated contexts”. This builds upon the work of Cook and Brown (1999) and recognises the importance of a ‘generative dance of knowledge production’, an idea described well by how they discuss the value of conversation for learning:

“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” (page 393).

Andrew benefits because of the new understanding that emerges after the conversation. Individuals learn, according to Cook and Brown, when they interpret one-another’s ideas and develop new understanding of the issues discussed. This removes the problem of knowledge and best practice being culturally and institutionally embedded as knowledge leverage is not, as Gertler suggests, solely about “the diffusion of innovations (including what are commonly referred to as ‘best practices’) throughout a large organization” (Gertler, 2004, 141). Instead it is about allowing individuals to learn from one-another through social engagement.
Consequently, for advertisers global knowledge management/leverage is based upon telephone-mediated conversations that allow fellow professionals located throughout the world to exchange ideas, insights and experiences and learn from one-another. Interviewees suggested they engaged in such ‘learning’ conversations with overseas colleagues several times a day. The knowledge produced by such conversations is new and can be used to develop innovative and tailored solutions to clients’ problems. As one interviewee described these types of conversation:

“...for example we’ve just done a thing for a financial services client and we sent out a thing asking people to tell us what was the most interesting innovation they’ve used for banking in their market...so you build up a body of knowledge on a type of business and share that with colleagues, you share your insights with them and they return the favour...There is a cross fertilisation of ideas across the different cultural boundaries that is vital which means not replicating what they did but learning from it, using it as a spur for innovation” (A12).

The advertiser quoted above was well aware of the cultural differences that exist between advertising markets. However, they were also aware that sharing insights and ideas was valuable when individuals learn from them and do not try to replicate a strategy in London or New York that might be successful, for example in Germany. Consequently, as one advertiser suggested:

“...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

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3 These principally occurred between advertisers in London and New York as well as between advertisers in London, New York and other offices in Western Europe, South East Asia and Australia.
evolution in the business, campaigns we’ve done so I’m always talking to someone elsewhere in the world and benefiting from it. But what I do is learn from it, feed it into my judgement I suppose. I wouldn’t try to copy it, that just doesn’t work” (A22).

There is then a fundamental difference between the type of ‘social’ learning described above and what Gertler (2001; 2003; 2004) focuses upon in the form of embodied knowledge *transfer* and implementation through culturally inflected best practices. The epistemology of learning and knowledge leverage practice described above highlights how ideas and insights can be learned *from* and interpreted by those ‘sharing’ knowledge. When knowledge leverage takes this form new knowledge is produced that is locally filtered and refined by those involved. Consequently, local specificity’s need not affect the success of stretched learning. Gertler’s (2004, 141) work therefore focuses upon what Bartlett and Ghoshal (1998) would call an international strategy (where best practice from one part of the organisation is implemented in another) whereas in the ‘social learning’ described above a transnational approach is used (everyone learns from one-another).

It is argued here that recognising the difference between the transfer of best practices and the global stretching of the ‘social production of knowledge’ explains, in part, why scholars such as Amin and Gertler have been unable to reconcile their differing perspectives. It suggests that, as Gertler (2004) argues, models of best practice have local cultural/institutional specificity but that learning as a social process can be stretched across space when the aim is to produce *new* understanding 4.

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4 Gertler (2004, 141) acknowledges that an alternative epistemology of learning to the transfer-based model he uses exists but fails to consider the implications it has for his claims of locally fixed tacit knowledge.
Below, the detailed empirical findings from this research are used to further explore this globally stretched social learning process as a practice of knowledge leverage. In particular the role of what are termed practice-based and relational spaces of stretched learning are fleshed out. This shows that global spaces of learning can be further differentiated from the learning ‘networks’ and ‘spaces’ operating at the local scale.

**Global practice-based spaces of learning**

According to interviewees, globally stretched learning is possible and valuable because of the macro-level similarities in advertisers’ work throughout the world which means that, although there is the need for the local tailoring of adverts, it is possible to identify globally standard approaches and elements of advertising strategy. These can be learned about from overseas colleagues. As two interviewees put it:

“Its very easy to get on with people, very easy to share stuff, although there tends to be quite fundamental differences with that market’s 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).

This idea is reinforced by the corporate publications global advertising agencies circulate. For example, Young and Rubicum 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 audiences in any part of the world simply by understanding which of the seven categories they fit within. This does not deny that there are ‘locally-specific’ influences on any consumer’s behaviour, but instead acknowledges that practices aimed at creating feelings of empathy, sorrow, desire or lust have global commonality. As a result, 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 strategy. Two examples of issues commonly discussed and learned about through conversations stretched across global advertising PSF’s illustrate this idea. Discussions often centred around: (a) how to use certain types of emotional attachment in an advertising campaign; or (b) the affects of ‘world’ events on consumer attitudes (e.g. the September 11th terrorist attacks). Although each market uses emotion in adverts in different ways or requires responses to events that reflect locally tuned consumer reactions, the strategies used can be learned from and applied with suitable adjustments elsewhere in the world. Alternatively, they can be learned from so as not to repeat the errors or responses experienced by overseas colleagues.

The existence of these globally common practices is argued here to result in what is termed a ‘global practice-based space’ of learning. This unites fellow professionals through the existence of common work related practices and approaches to problems. This means those involved in conversations do not have to wrestle with the difficulties of understanding the nuances of advertising practices in each local context. Instead, focus falls on exchanging insights into elements of common approaches that are neither region-specific nor ambiguous. As one interviewee described such a shared space for learning:
“...it's 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...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” (A25).

The value of such ‘shared spaces’ only truly emerges however when they are exploited and configured by global organisations, and where necessary constructed through ‘network management strategies’ (Gupta and Govindarajan, 2001; Naphiet and Ghoshal, 1998). Jones (2005) has previously drawn our attention to the importance of ‘constructing’ the global organization and such strategies are vital for the success of globally stretched learning. Firms exploit practice-based spaces through strategies such as the ‘seven kinds of people’ document outlined above. These aim to draw the attention of all employees to the importance of sharing insights with overseas colleagues. As one interviewee who held a senior management position commented:

“...where there is an issue then any account team worth their salt will trawl and bring in a relatively big cross sample from across the agency. And its our policy that on any project the team members must consult with their colleagues both in this office but also worldwide to find out what they can learn from them” (A21).

Not all agencies had such an overt ‘exploitation’ policy. However, it was generally recognised as ‘best practice’ by interviewees to engage in a global consultation process, normally through a network of inter-personal relationships with overseas colleagues (see below).
The use of practice group formations is equally valuable and helps configure practice-based spaces. In global advertising PSF’s it is common to group employees into global practice groups based on their job role. For example, in two of the agencies studied global planning practice-groups existed that bought individuals, with a shared interest in the problems attached to account planning, together. This effectively created a ‘constellation of practice’; the global community that allows globally stretched learning. As one member of a practice group commented:

“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 and [group x] brings us all together” (A29).

In addition, advertising PSF’s also found it important to construct practice-based spaces to further enhance the global stretching of learning. To do this seven of the eleven advertising agencies studied had some form of global communication and branding tool they used to help share ideas and strategies between offices. Table 3 gives two examples of such corporate tools and how the agencies describe them. Each of the tools is based around a number of ‘modules’ or ‘components’ that have a corporate language associated with them. These describe processes and strategies for dealing with the common issues in any advertising campaign. To maintain the anonymity of interviewees the firm-specific languages are not reproduced here. However, a hypothetical example that renames a number of the phases described by interviewees can be given. So for example, a module covering issues associated with the initial phases of a project named ‘first day’ might detail the challenges associated with moving a client’s aims
for a campaign towards a number of potential lines of strategy that target certain consumer groups. A component called ‘solidification’ within this might detail how these strategies can then be translated into several ideas for the types of place, cast and story-line that might work in the advert. Advertisers throughout the world are familiar with and can learn from one-another about the difficulties of ‘first day’ and the best way to apply ‘solidification’. The following comment from an advertiser further highlights this point:

[Insert table 3 here]

“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 going 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).

As this quote shows, advertisers value such tools because of how they make misunderstanding and confusion less of a problem when working with other offices. They construct stable, ‘artificial’, ‘practice-based spaces’ of learning.

5 It should be acknowledged that these manufactured spaces were seen as problematic by some advertisers. Of fifteen advertisers interviewed who worked for agencies with such tools four were somewhat negative about their affects. They found the manufactured approaches too restrictive and limiting when working on a project. However, interviewees argued that the most important thing about such manufactured spaces was how they build upon and complement the ‘natural’ spaces that already exist. Globally stretched learning can occur without the constructions of such spaces. This was demonstrated by how the advertisers working for firms without such ‘communications tools’ also
Global relational spaces of learning

In addition to managing ‘practice-based spaces’, it also emerged that many of the global organisations studied were effective at managing the global ‘learning networks’ needed for global knowledge leverage. As a range of scholars have noted (Bathelt and Glucker, 2003; Dicken et al, 2001), the globalisation of economic activities has resulted in firms that operate as complex socio-spatial networks. For example, various forms of transnational community have been shown to allow the global stretching of learning because of the reciprocity, mutual understanding and trust that emerges (Amin and Cohendet, 2004; Blanc and Sierra, 1999; Bunnel and Coe, 2001; Gupta and Govindarajan, 2001).

For interviewees, such global relationships facilitated the global stretching of learning when coupled with the practice-based spaces described above. Establishing and sustaining such relationships with overseas colleagues creates what is referred to here as a global relational space in which learning occurs based on ‘thick’ relationships - relationships based on trust, respect and mutual understanding. However, such relational spaces are, like practice-based spaces, in part at least the result of the network management strategies of global advertising PSF’s.

For advertisers, global relational spaces are constructed and configured in two ways. First, within advertising PSF’s a significant proportion of work has a global dimension. The clients of these firms are some of the world’s largest TNC’s (see table 2) and the most profitable projects involve producing advertising for several world markets. As a result of the project team architectures used (Disterer,
global professional network relationships are constructed between counterparts on a project in several offices. Individuals talk to their overseas counterparts on a regular basis by telephone (often daily or at minimum once a week) and discuss problems and exchange ideas about potential solutions. In doing this a rapport and collegiality begins to develop between individuals in different offices, something that begins to foster reciprocity and trust. The comments of one interviewee described this idea well:

“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 and that people are talking, preferably every day, getting to know each other, developing the friendships that make things work” (A6).

This quote shows then the value of having regular contact with colleagues in overseas offices and how this leads to important relationships developing. Key to this process is the role of management in global PSF’s who are able to foster the construction of such relationships through their ability to ‘network’ individuals and create ‘social capital’ (Gupta and Govindarajan, 2001). This is a basic strategy of global PSF’s: to ensure there is knowledge of ‘who knows what’ and interconnections between employees so as to enable learning (Grabher, 2002).

In addition, the managed global mobility of employees in PSF’s and the occasional face-to-face contact facilitated by such travel also goes a long way to exploit the relationships through which globally stretched learning occurs. Such mobility further nurtures and reinforces the trust, reciprocity and mutual
understanding that already exists in relationships formed through virtual means. This mobility was normally in the form of travel to formal meetings or practice group conferences. These were designed to serve a purpose, for example allowing the key members of a project team to meet up with representatives of a client. However, all interviewees agreed that it is the social events organised afterwards and the opportunity they provide to spend time with overseas colleagues in a social setting, playing golf, eating a meal and often most importantly getting drunk, which allows relationships to be ‘thickened’ up. Management therefore always ensures business travel and global events have social times attached to them. As two interviewees described the value of such encounters:

“There are formal comings together, there’s a global conference coming next month where literally representatives from all the worldwide offices will be there. There’s presentations about the business but there is a social side to that so that we are gelling as a network rather than just being pins in the map” (A5).

“…you tend to have a person who you rely on in that office and you do build a relationship with that person and quite often it will take a while and then you’ll meet [face-to-face]. So you get to know that person and it’s really important to meet them because you always have an easier phone relationship once you’ve met

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6 The most senior advertisers suggested they travelled to overseas offices between three and eight times a year. Less senior individuals generally travelled once or twice a year, the result of which was a reduced density of global relational networks and a reduction in the frequency with which junior advertisers talked to and learned from their overseas colleagues. This business travel principally involved flows of individuals between the London and New York offices themselves and also between the two cities and Western European (Milan, Munich, Paris), and East Asian (Hong Kong and Tokyo) offices. Visits lasted between three days and four weeks and were organised so individuals could attend formal events such as project meetings or practice group conferences.
face-to-face and you have a better sense of them...And I guess the people I get on with best are those I’ve spent time with, enjoyed a night out with” (A8).

As these quotes suggest, the face-to-face encounters facilitated by global mobility build on the pre-existing foundations of friendships formed through telephone-mediated interactions. This leads to the type of trust-based ‘thick’ relationships that are vital for learning. Such an argument is confirmed by the comments below of two other interviewees. The first was new to the firm they worked at having arrived within two months of being interviewed, whilst the second worked for a firm that had recently merged with a rival. They both described the difficulties of having to establish new global professional networks but also ‘nurture’ them:

“It’s really difficult at the moment because I don’t know anyone apart from by their name on a list. So my suggestion to my boss was that we get them over here to help us so I can meet them and get to know them” (A28).

“… because we only merged [x time] ago I don’t have a network of contacts. But that would be the idea, to have colleagues in a number offices you can rely on. There’s an emerging degree of integration but its still got quite a way to go but its getting better as we work on these global accounts and come in to contact with one-another” (A14).

This ability to rely on the fostering of such relationships through corporate strategy is then critical for ensuring globally stretched learning relationships are ‘thick’, despite the fact that there is not continuous face-to-face contact. It suggests that it is misleading to read off, as Morgan (2004) does, from the importance of face-to-face contact for the construction of ‘thick’ relationships in ‘local’ learning environments a negative affect of reduced face-to-face contact in global learning relationships. As the empirical material presented here reveals,
Discussion and conclusions: Local and global modes of learning – multiple geographies of knowledge

The empirical research findings detailed here have extended our understanding of the nature of globally stretched learning and suggest that when the ‘knowledge economy’ (Department for Trade and Industry, 1998) and ‘knowledge capitalism’ (Burton-Jones 1999) are discussed there is a need to move beyond existing preoccupations with the local scale (e.g. Gertler, 2003; Morgan, 2004) and recognise the potential for ‘knowledge development and diffusion worldwide’ by TNCs (Bartlett and Ghoshal, 1998). This paper begins to address this issue and in doing so attempts to further deconstruct the dichotomy of local versus global geographies of tacit knowledge by acknowledging the multiple geographies of learning (Allen, 2000). Two significant contributions have been made that help in this task.

First, the empirical material has been used to show that different epistemologies of learning and practices of knowledge leverage are used and studied by Gertler (2001; 2003; 2004) and Amin and Cohendet (2004) and Wenger (1998). These differences alter how the affects of ‘local culture and institutions’ on learning are interpreted and manifested. As far as advertising PSF’s are concerned (and this seems likely to be the case in a range of other types of global organization), learning and knowledge leverage has been shown to involve the production of new knowledge, not simply the transfer of best practice. This suggests there is a need to recognise two practices of knowledge management in firms: knowledge transfer (i.e. the transfer of best practice); and knowledge creation through social learning (i.e. individuals learn from one-another). The latter
is less affected by local cultural and institutional influences. Acknowledging these differences is suggested to be the first way to overcome current disaccord in analyses of the geographies of tacit knowledge.

Second, the paper showed that the ‘network management strategies’ used by global PSF’s exploit, configure and construct global practice-based and relational spaces of learning. Whilst this does not mean that studies of the local cultivation of untraded interdependencies and the learning this allows should be disregarded, the results do suggest that there are differences in the ‘modes of learning’ involved in locally bound versus globally stretched learning. By the admission of their strongest proponents (e.g. Storper, 1995; Storper and Venables, 2004), the learning ‘networks’ formed as local untraded interdependencies are based on gossip and informal (often serendipitous) chat between employees of different, sometimes rival, firms. In contrast, the global learning interdependencies documented here are intra-firm, between colleagues in the same organization, and intensely managed as part of network management strategies. Recreating these managed conditions in an inter-firm scenario seems likely to be difficult. In untraded, inter-firm, interdependencies firms are less likely to spend time and money exploiting, configuring and constructing spaces of learning. The powerful serendipitous encounters and feelings of joint enterprise that emerge when individuals work within a common, regionally based industry, are equally unlikely to be recreated through management strategy (Bathelt et al, 2004). This suggests that there are two different modes of learning at play here, one locally-bounded by its untraded and serendipitous basis in inter-firm interdependencies, the other being multi-scalar and global, principally intra-firm, and managed and exploited in the ways outlined above. This means the ‘social depth’ Morgan (2004) highlights as present at the local scale and so critical for learning, is not necessarily absent at the global scale. Rather, ‘social depth’ can be managed and constructed in global, intra-firm, learning
Recognition of these different epistemologies, modes and practices of learning and knowledge leverage might, when coupled together, enable the hereto un-reconciled differences of scholars such as Amin and Gertler to begin to be addressed. In effect, the findings of this paper suggest there are multiple geographies and practices of learning that play out in diverging ways at different scales, thus bolstering the argument that there is a need to decouple tacit knowledge from the local scale.
References


<table>
<thead>
<tr>
<th>Source</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bartlett and Ghoshal (1998)</td>
<td>TNCs operate one of four models of learning: Multinational (knowledge produced and retained in each office); International (knowledge produced at HQ’s and disseminated as global best practice); Global (knowledge produced at HQ’s and all clients served from this office); Transnational (knowledge developed and diffused worldwide to allow collaborative innovation based on the sharing of ideas).</td>
</tr>
<tr>
<td>Bunnell and Coe (2001)</td>
<td>TNC’s manage the knowledge upon which innovation is based at local and global scales. Frequent interactions and virtual communication allows tacit insight to flow across space.</td>
</tr>
</tbody>
</table>

**Table 1.** Illustrations of globally stretched tacit knowledge management in TNC’s.
<table>
<thead>
<tr>
<th>Company</th>
<th>Global billings for 2002 (millions)</th>
<th>Global offices</th>
<th>Global employees</th>
<th>Key global clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ogilvy &amp; Mather worldwide</td>
<td>$10,688</td>
<td>480</td>
<td>15,034</td>
<td>Ford</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>BP</td>
</tr>
<tr>
<td>BBDO worldwide</td>
<td>$19,925</td>
<td>417</td>
<td>24,008</td>
<td>Mars</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Gilette</td>
</tr>
<tr>
<td>J Walter Thompson</td>
<td>$10,465</td>
<td>314</td>
<td>9130</td>
<td>Vodafone</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Shell</td>
</tr>
<tr>
<td>Grey worldwide</td>
<td>$8,488</td>
<td>304</td>
<td>9058</td>
<td>Glaxosmithkline</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Nokia</td>
</tr>
<tr>
<td>Young &amp; Rubicam</td>
<td>$18,678</td>
<td>283</td>
<td>11,387</td>
<td>Colgate-Palmolive</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>LEGO</td>
</tr>
<tr>
<td>TBWA</td>
<td>$9,755</td>
<td>237</td>
<td>12,626</td>
<td>Addidas</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Sony</td>
</tr>
<tr>
<td>Euro RSCG worldwide</td>
<td>$12,614</td>
<td>233</td>
<td>11,708</td>
<td>Intel</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Danone</td>
</tr>
<tr>
<td>Publicis worldwide</td>
<td>$18,083</td>
<td>227</td>
<td>10,718</td>
<td>Allied Domecq</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Ericsson</td>
</tr>
<tr>
<td>DDB communications</td>
<td>$815</td>
<td>206</td>
<td>N/A</td>
<td>ExxonMobil</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Phillips Electrics</td>
</tr>
<tr>
<td>Foote Cone and Belding</td>
<td>$362</td>
<td>197</td>
<td>N/A</td>
<td>Glaxo Smith Kleine</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Kraft</td>
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<tr>
<td>Lowe &amp; partners worldwide</td>
<td>$4,961</td>
<td>184</td>
<td>9247</td>
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<td></td>
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<td></td>
<td>Nestle</td>
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<td></td>
<td></td>
<td>Coca-Cola</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Mastercard</td>
</tr>
<tr>
<td>McCann-Erickson worldwide</td>
<td>$26,630</td>
<td>170</td>
<td>21,280</td>
<td>Visa</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Carlsberg</td>
</tr>
<tr>
<td>Saatchi &amp; Saatchi</td>
<td>$5,905</td>
<td>160</td>
<td>7174</td>
<td>Visa</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Carlsberg</td>
</tr>
<tr>
<td>Dentsu advertising</td>
<td>$2,060</td>
<td>90</td>
<td>10,300</td>
<td>Cannon</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Toshiba</td>
</tr>
<tr>
<td>Leo Burnett worldwide</td>
<td>$9,459</td>
<td>84</td>
<td>9778</td>
<td>Heinz</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Proctor &amp; Gamble</td>
</tr>
</tbody>
</table>

**Table 2** The 15 key global agencies by turnover.
**Source:** Based on data in Advertising Age’s 2003 annual agency report.
<table>
<thead>
<tr>
<th>Agency</th>
<th>Corporate tool</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foote Cone &amp; Belding</td>
<td>FCB’s Blueprint and Tools</td>
<td>“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”.</td>
</tr>
<tr>
<td>J Walter Thompson</td>
<td>Thompson Total Branding</td>
<td>“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”.</td>
</tr>
</tbody>
</table>

**Table 3.** Corporate descriptions of communications tools.  
**Source:** Based on descriptions taken from [www.fcb.com/agency/goal_pf.html](http://www.fcb.com/agency/goal_pf.html) and [www.jwt.com/jwt/philosophy/ttb/2.2.2.html](http://www.jwt.com/jwt/philosophy/ttb/2.2.2.html) - both accessed 24th April 2004.