

Knowledge Management Capabilities (KMCs): Tools to Support Development and Sustainability of Social Enterprise

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Abstract – *Knowledge and its management are recognized as a strategic asset that provides organizations with a competitive edge. Prior research demonstrates that knowledge management capabilities (KMCs) are crucial because it helps organizations promote best practice, facilitate knowledge creation and enhance innovation and organization sustainability. Although there is a growing realization that KMCs is critical to knowledge creation, there is still an emerging area of inquiry whose essential component, relationships and how KMC can support the development and sustainability of social enterprise, especially in Malaysia. In this paper, the key concept of knowledge management and organizational capability are reviewed. This paper would be of attention to readers who would like to understand more about how KMCs can become a valuable tool to support the development of social enterprises. Copyright © 2015 Penerbit Akademia Baru - All rights reserved.*

Keywords: Knowledge management, Organization capabilities, Organizational performance, Social enterprises; Review

1.0 INTRODUCTION

In the new global economy, knowledge has become a central issue for the organization to create growth and security for the organization. A hallmark of the global economy in recent years is the growing challenge to a firm's ability to effectively create a sustainable competitive advantage [1]. It depends on the creation, distribution and application of knowledge as the main drivers for organization sustainability and survival from scale-based competition to speed-based competition by creating competitive advantage utilizing knowledge, skill, experience, and technology [2]. In unstable market condition caused by innovation and intense competition, knowledge owes more to organizational capability and less to market positioning [3]. According to the knowledge-based view, firms are sources of knowledge competencies that reside in the hearts of operations strategy and critically explain operation performance across different company [1].

In the recent years, organizations have understood that knowledge is the most important intangible asset. The role of knowledge not just bringing revenue [4] and sustainability for the company [5] but also to provide and share intangible assets to win market competition [6]. It is well recognized that knowledge is valuable to the organization. Thus, individuals play a crucial role in implementing knowledge practices [7]. Knowledge, if properly harnessed and leveraged can proper encourage the organization to become more adaptive, innovative, intelligent [8] and recent development in knowledge that sustain organizational performance and sustainability [9]. [10] as well as [11] indicates that employees are the

major contributors to overall organization performance. Hence, the knowledge used to achieve the organization objective, its needs a process or procedure in systematic of knowledge which known as knowledge management (KM) [2]. Since 1990, KM is no longer merely a science of organizational management, with the emphasis on technological and networking applications, but a new way which the world's leading organizations have given utmost importance and continually provided increasingly efficient KM development process, in order to empower practitioners, including the increase in productivity and organization performance [1, 8, 9].

Knowledge management (KM) has attracted considerable attention while knowledge resources are displacing natural resources, capital, and labor as the basic economic resources in the new economy [14]. A knowledge management is a broad research area with many different aspects that can be explored such as knowledge sharing, knowledge application, the implication of knowledge management and knowledge capability. Based on the research objectives, knowledge management capabilities were covered in these studies. It is a growing field of interest in business and research due to its significant impact on organization performance and success [15]. More recently, there is a large volume of literature describing knowledge management capabilities [16]–[26] and offer the impact to organizational development [22–24]. In between, have many of the researcher were proposed the components of KMCs.

This concept has recently been discussing by [30] and [31], who divided knowledge capabilities into two main component. It is are infrastructure capability and knowledge processes circle. Some researchers look at knowledge management capabilities as a whole [32] while others divided the capabilities into knowledge based and resource based [2]. Some studies looked at knowledge management capabilities as external and internal factors [33]. While there are a massive number of studies on the knowledge capabilities, none of these studies were concentrating on exploring and reviewing of knowledge management capabilities components that are adopted by the companies. In fact, reviewing knowledge management capabilities is helpful to understand the knowledge management capabilities components, which are more frequently used, and are relevant to firms.

Most of the research has been mainly completed in large private organizations, where resources and competitive conditions can trigger the use of knowledge management [15]. However, there are other sectors and other organization types and sizes that can develop these capabilities and improve their organization performance. There is 'for-benefit' sector or in other word 'social enterprise' [34]. These organizations had emerged impact-driven and entrepreneurial individuals for solving a social or environmental issues using viable business means. They have organic structures and culture fostering from for-profit sector and not-for-profit sector to encourage innovation and resources in their organization [34–36]. [38] argue that this situation is likely to subsist even though social enterprise is developing a highly knowledge-based sector. As a result, recent advances in information and communications technology that allows for the extensive use of the transfer and sharing, reuse and storage, and production of knowledge. Social enterprises, like any businesses organization, need the right support from vary side. But because they aim a social or environmental change at the mainstream business support cannot always meet their specific needs. Moreover, in the social enterprise literature, there are few studies on capturing than sharing and transferring individual knowledge to transform it into an asset that can enhance organizational performance [37–39]. That why knowledge management and the sharing of ideas and information are so important especially if the sectors are to continue growing.

Despite the widespread belief that KM capability enhances organization development and sustainability, researchers have attempted much theoretical work or empirical studies on the development of relationships among KM and organization sustainability in other sector and vary type of organization. However, we realized just a few studies (e.g. [38]) focus on knowledge management capabilities in social enterprise. The absence of empirical studies and review article on recent KMCs direct in social enterprises encourage us seeks to bring clarity to the nation of knowledge management

capabilities and their potential to support development and sustainability of social enterprise, especially in Malaysia. This study aims to provide an initial answer to the research question of “what have researchers previously written about KM and KMCs?” and, more importantly, “what is the relationship of KM/KMCs and social enterprise performance?” This paper thus reviews different types of knowledge and presents a discussion of the application of KMCs in social enterprises performance.

Have three contributions this article to the literature in the social enterprise sector. Firstly, we review the literature and surface valuable inconsistencies and ambiguities in the extant literature and suggest remedies that can direct future work. Secondly, we advance the understanding of knowledge management capabilities in SEs. The knowledge management capabilities literature has given scant attention to the enterprise as they create, discover, and exploit opportunities. We believe that a systematic comparison of the different perspectives provides new insights into the creation and exploitation of knowledge management capabilities into SEs. Third, we deepen the discussion by advancing a set of propositions regarding the relationships knowledge management and the effect of social enterprise development and sustainability.

The paper is organized as follows. First, the methods utilized in reviewing the literature will be discussed in the first section; thus is then followed by the meaning of knowledge management and the description of knowledge management capability. The subsequent sections look at the discussion of the methods utilized in this study, followed by prior studies on knowledge management capability, and its components that can enhance that. Later, a discussion on the important knowledge management capability components discovered through literature review is provided, and lastly this article ends with a conclusion and further study possibilities.

2.0 LITERATURE REVIEW

2.1 Knowledge and Knowledge Management (KM)

The correct and efficient application of knowledge will increase the competitive capability of the organization. Knowledge is a strategically significant resource of the firm that reflects well established and valid information through tests of proof. Information concerned expertise opinion, creative, ideas and skills that are well managed and properly accessible at the right time right people might be upgraded to the knowledge level [4]. Organizational competitiveness and decision-making capabilities today are very much reliant on the knowledge base. There is clear trend that the stronger knowledge-based, the higher the change of decisions to find out the complex and unpredictable forces shaping competitive business condition. Hence, this requires organizations to capture and streamline all their knowledge and piece it together systematically to create knowledge pool that is it can be used to facilitate better and more informed decision [2,30].

Knowledge is a fluid mix of framed experience, value, contextual information, and expert insight that provides a framework for evaluating and incorporating new experiences and information [42]. It is also can define as a procedure through which the organizational knowledge is captured, developed, shared and effectively used [15]. In another perspective, [43] divided knowledge into explicit and tacit. Tacit knowledge can refer that knowledge that is transferred from a person to another through the means of communication and verbalizing [4]. On the other hand, explicit knowledge is the type of knowledge that is possible to be coded into signs, words, etc. and it is can modifiable, storage, and transmittable, such as knowledge storage in the textbook, newspaper, article paper report, etc. Knowledge has created and disseminated throughout the firm; it has the potential to contribute to the firm’ value by enhancing its capability to respond to the new and unusual situation. Knowledge is an asset that needs to manage effectively [15].

Interest in KM has grown dramatically in the recent years, and many researchers and practitioners have become alert of the knowledge potential to drive innovation, sustainability and development of organization performance [33–35]. It is a discipline in the constitution which is borrowed from varied filed: economy, management, psychology, sociology, sciences, information technology, etc. [46]. KM can define as a discipline with the objectives of promoting knowledge growth, knowledge communication, and also knowledge preservation within an organization [47]. Most book on organizational theory and management published after the late 1990s either explicitly state or allude to the importance of KM [48]. Also, KM also affects individual approaches to work, and influence organization performance [39–41].

2.2 Knowledge Management Capability (KMC)

Literature defines KMC as the ability to organize, shift, configure, and arrange knowledge-based resources to achieve the goals of and gain business values from the organization from a knowledge-based view [52]. This definition is similarly by [53] which is their defines the KMC as the ability to mobilize and deploy KM-based resources in combination with other resources and capability [52]. Whether such transferring of knowledge affects the KM effectiveness of the organizations depends on KMC. Therefore, in this study, KMC can describe as the capability of the company to create and apply the knowledge by integrating/combining various resources and activity in KM to affect positively organization performance.

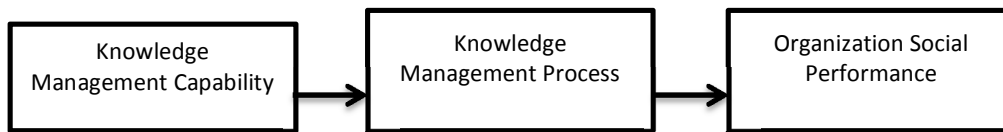


Figure 1: Model of literature review to synthesize indicators of KMC for organization performance

Among the different dimension of KM capability that has been proposed, two categorizations are noteworthy. The previous study by [30] proposed and tested a conceptual model with KMC related to organization performance, based on the organizational capabilities theory. To determine these knowledge capabilities, [49,56] categorized KMCs from the infrastructure view and process view. The former are related to the social capital since they are required for combination and exchange of knowledge for the creation of new knowledge [38]. Three dimensions of infrastructure components are:

- **Structural dimension;** refer to operational and command structure of the organizations, both official and unofficial. Besides, it includes incentive system, work design, management support policy of the administrators and rules, regulations, and practices [55], which affect the KM process and organization performance [2]. Potential indicators for KMC effectiveness include the ability to cross-functional boundaries to obtain knowledge, knowledge sharing, and collective behavior of employee [57, 60].
- **Culture dimension;** refer to the atmosphere and work practices of the personnel in the organization affecting the efficiency of KM. It comprises a culture of knowledge sharing, knowledge coordinating, knowledge co-operating, and knowledge acquiring by the personnel in the organizations [2].
- **Technology, physical system and managed technology dimension;** refer to fundamental information technological structure of the organizational, both the hardware and software including the database and the network system, within and outside the organizations [57] which are inter-connected and efficient in the utilization of information technology.

On the other hand, knowledge is considered an important resource if organizations, which will help build competitive advantage. Therefore efficient KM and knowledge application are necessary for the organization. As an organization is composed of different sorts of personnel who vary in their needs for knowledge and use it to attain their purpose, strategies in KM and knowledge implementation must reckon these difference and make strategies in KM consistent with strategies of the business [11, 61, 62]. The literature review of important works on KM, for example [2, 9, 50, 61, 63, 64] indicate various viewpoints on the differentiation of KM which have diverse characteristics; many viewpoints classify KM process and activity in KM at the same level. The processes view are the acquisition of the knowledge, making it into something useful, knowledge application and protection of knowledge [3, 25, 26]. Table 1 describes the four dimensions of KMCs from process view as propose by [30]. We adopted the categorization from the process view of [30] because it can accurately capture the nature of KM capability. This study uses the definition of knowledge management capability that is based on the capability of the organization to dominant the process and infrastructure to apply knowledge management practiced effectively.

Table 1: Dimension of knowledge process view

Dimension	Explanation
Knowledge acquisition	Ability to gain and accumulate knowledge inside and outside organizations
Knowledge conversion	Ability to organize, structure, coordinate, integrate, and distribute knowledge, which enhances the usefulness of existing knowledge
Knowledge application	Ability to store, retrieve, and use knowledge to enable the knowledge to be accessed and employed by the organization
Knowledge protection	Ability to prevent knowledge within an organization from being inappropriately or illegally used or stolen by other organizations

2.3 Social Enterprise

The social economy is also referred to as the “third sector”, after the private and public sector. A social enterprise is essentially a sub-sector of this third sector of the social economy. The use of the term “*social enterprise*” was first developed by Freed Spreckley in a publication called *Social Audit – A Management Tools for Co-operating Working*, published in 1981. [61] describes a social enterprise as follows:

An enterprise that is owned by those who work in it and reside in a given locality is governed by registered social as well as commercial aims and objectives and run co-operatively may be termed as a social enterprise. Traditionally, “capital hires labor” with the overriding emphasis on making a “profit” over and above any advantage either to the business itself or the workforce. Contrasted to this is the social enterprise where “labor hires capital” with the emphasis on personal, environment and social benefit (p. 4).

Social enterprise has a hybrid as a new way to describe organizational forms and entrepreneurial approaches that priorities social innovations and responsibility to society. It’s must balance short term, objective-driven funding’s regimes with the desire to provide job security, progression, and creativity in the work environment. [62] defined that social enterprise as organizations that needs to be distinguished from other social-oriented organizations and initiatives that bring significant benefits to communities. They also suggest the list of characteristics for an organization who announce they are social enterprises. These include:

- They have a social purpose;
- Using assets and wealth are used to create community benefits;
- Pursuing social purpose with trade in a marketplace;
- Profits and surpluses are not distributed to its shareholders and owners;

- Involving “members” or employees in decision making and governance;
- The enterprise is seen as accountable to both its members and a wider community; and
- There is either a double or triple-bottom line paradigm (financial, social and environmental).

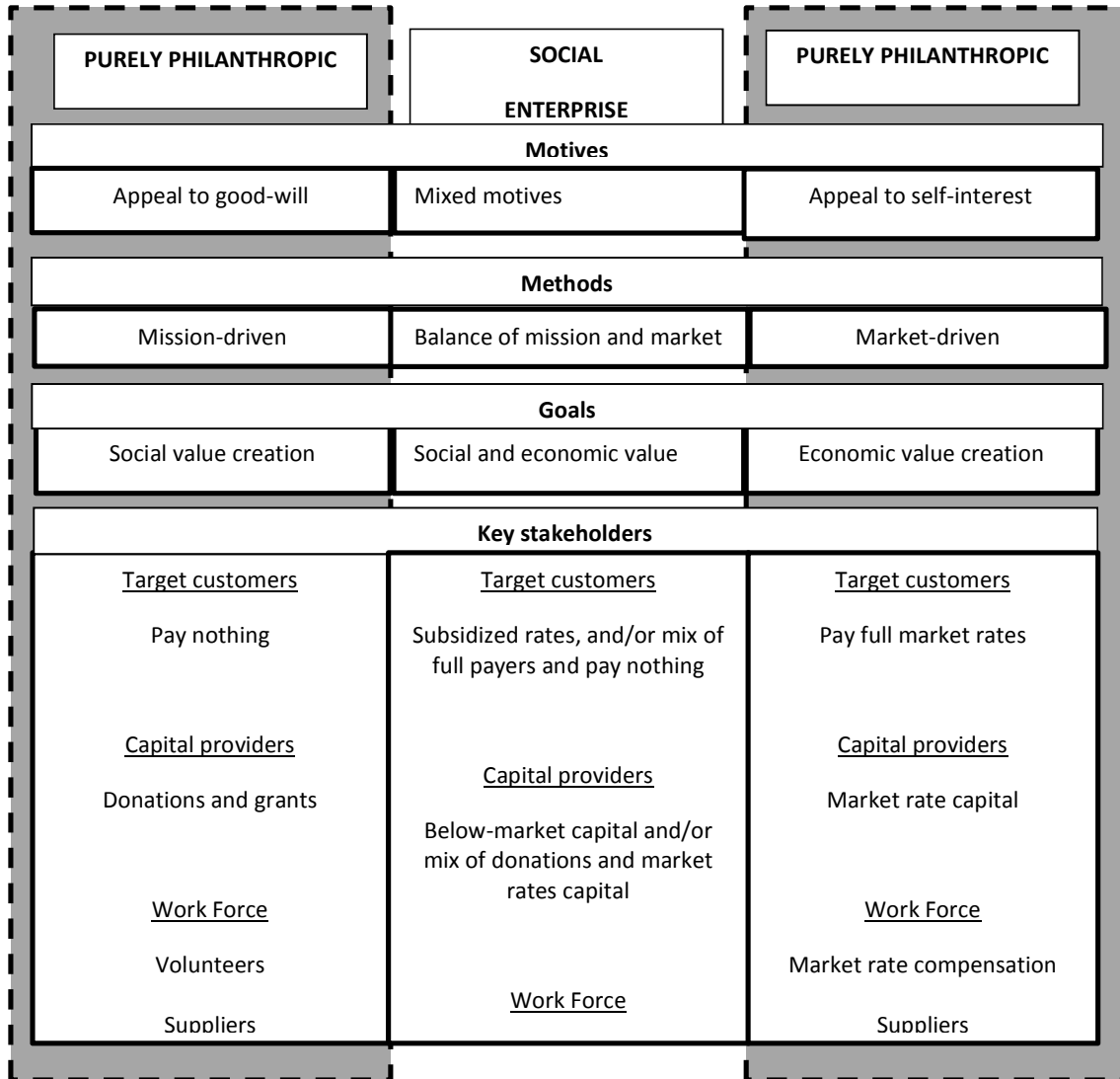


Figure 2: Social enterprises spectrum

Social enterprise gradually become self-financing through organic growth, making the organizations less dependent on donation and grants from the government [63]. They generate income from business activity such as sell product, tickets for the exhibition, provided services to other and their using the profit to reinvested in the development of organization activity to resolving social and environment problem. Adapted from [64] “social enterprise spectrum”, Figure 2, this spectrum describes the full range of business models available to the social enterprise, from traditional nonprofit organizations to business corporations. As shown from Figure 2, social enterprises are neither traditional non-profit organizations nor business corporation [76,77]. They represent a combination form of organizations that involve taking business-like, innovative approaches to deliver public services [65] and characterize

alternatives for resourcing new services, particularly services innovations that do not fit neatly within government funding guidelines.

2.4 Social Organization Performance

Evaluating success is a growing concern for social enterprises. This has become a major challenge for them because of pressure from funders and stakeholders increasingly requiring reporting and because of isomorphic pressure from the business world to demonstrate performance. Social enterprises, however, feel helpless when having to choose or develop a performance evaluation tool among the plethora of tools coming from the business world or specifically develop from them.

Performance and related concepts, such as effectiveness, remain controversial and lack widely accepted definitions [66]. In the context of for-profit organizations, performance has long been restricted to its financial dimension and profit. About social enterprise, performance is often related to the degree of mission accomplishment and is viewed as a way of linking and reinforcing mission, goals, strategies and measures [67]. Social performance can refer to making an organization's social mission a reality, reducing vulnerability, improving an impact on the environment or the community, improving the quality and appropriateness of services already being offered and building client's sense of empowerment. In another opinion, [68] mention Social performance as the measurement of the impact of changes (outcomes) intentionally achieved in the lives of beneficiaries as a result of services and products, delivered by an organizations, for which the beneficiary does not give full economic value. Measuring social impact is one of the most challenges for scholars in the field of SE [69].

For over twenty years, different methodologies have been developing, spanning different viewpoint, different services arenas, different jurisdictions, and the needs of different interest groups. A few reason social enterprise need measuring their performance as state by [68] are:

- *Social need* – with the recession biting globally, these needs seem to be on the increase, at the same time as that recognition appears to be growing.
- *Cash constraints in public funding* – A funding falls the focus must be on effective and efficient delivery of services, concentrating resources on what works best in delivering impact.
- *Legislation* – The development of programmers and funding under the social enterprise initiative are examples of innovation set to have an impact on society.
- *Evolving thinking* – A review of the reports being produced shows a refinement of measures; enhance methodologies issues such as social value and improvements in a presentation to make the findings of these studies more transparent and usable.
- *Changing delivery landscape* – The emergence of social enterprise as a field in its right, demanding it owns structures and standards, has raised further questions, and calls for definitions, which circle back to the delivery of social value.
- *Changing funder landscape* – New funds have emerged, as traditional private equity has opened it eyes to this arena and been joined by major new providers.
- *The growth of the measurement culture in policy-making and public life* – With a shift in focus from commercial to social needs, that measurement mind-set has transferred to this emerging area.

Although that, [61] state has five indicators of the scope of information to consider when to evaluate social enterprises performance.

- *Profit contribution* – The adoption of social impact in business enterprises adds implication to the profit contribution as it draws attention to the circumstances. Additionally, it can see that the failure to achieve social objectives may lead to a lack of profitability.
- *Human resources contribution* – The impact of the activities of the people employed in it – the human resource. Social enterprises can recruitment the employee, pay the salary, provide job

security such as insurance, safety job environment and also pay tax for their employee. It helps people increase their life living and give job opportunities to poor and unemployed person.

- *Public contribution* – The impact of social enterprises on the public (individuals and groups of individuals outside the organization) can view from contribution to charitable, education and cultural activities, financial support for a community project and taxes paid.
- *Environmental contribution* – Social enterprise also the contribution to the environment. This enterprise should be given to the despoliation of the environment and pollution air and water and the noise levels of activities.
- *Products / Services contribution* – This organization provides a product and services that are will provide by government or charity organization. However, a lack of funding or source, the product or services just given to the selective person. So, social enterprises cover the resource gap and provide the product and services to the community in a little or no cost.

A measure of performance in SEs is not an easy task, because it requires the consideration of a diversity of objectives and results for a heterogeneous set of stakeholders, sometimes with conflicting interest [79, 83]. In addition, social enterprises are very diversified since they operate in many different industry fields, including financial services, commercial services, agriculture, health, and charity, with different organizational structures and connection with other profit and non-profit organization [71]. [68] propose social enterprise performance can measure from three perspectives; economic and financial performance, social effectiveness, and institutional legitimacy. Figure 3 show the multidimensional social enterprise performance from [72] perspective. The indicator given corresponds to the performance measures while recognizing that following characteristics, information and monitoring needs.

The social enterprises management should point-out their organization performance from following aspects:

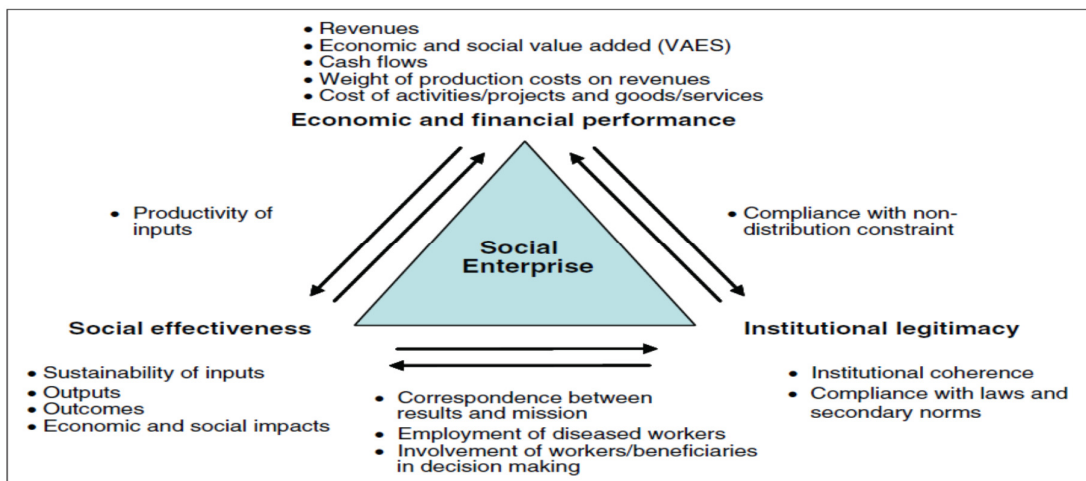


Figure 3: Multidimensional social enterprises performance

(1) Economic and financial performance:

- The income statement and economic demonstration equilibrium;
- Productivity of inputs (labor coast for services rendered)
- Social value added, the equitable remuneration of stakeholders involved in the production process;
- The cash flow generated and the capability of social enterprise management to maintain a financial equilibrium compatible;

- The incidence of production costs on revenues and comparisons with another type of sector (for-profit, public and non-profit organization); and
 - The cost of activities/projects and goods/services, providing data by which prices are fixed and tenders for public calls submitted.
- (2) Social effectiveness:**
- Assessment of the sustainability of resources and production methods (social and environment);
 - Output regarding “concrete” results;
 - Compliance with the non-distribution constraint;
 - Outcome indicators by concrete actions and in relationship to external benchmarks; and
 - Evaluation of social impact and economic effect.
- (3) Institution legitimacy:**
- Correspondence between achieved results (revenues, outcomes, impact) and the social enterprises stated mission;
 - Compliance with general and particular laws applicable;
 - Involvement member and beneficiaries in decision making; and
 - Institutional coherence, thus the coherence of activities with the stated mission.

Although that, social enterprises can be measure using social audit that is first time introduced by [61]. In his work aid title “Social audit: A management tool for co-operative working,” he mentions that social enterprises are dissimilar from private business, yet the criteria and procedures for assessing their viability are at present the same [86, 87].

3.0 METHODOLOGY

The literature search took place in 2006 until 2015, during which relevant articles were found from online database search with the keywords such as knowledge management capability, social enterprise, organization performance, and a combination of these words were used. This database included Emerald, JSTOR, ProQuest, ScienceDirect, SAGE, and Wiley Online Library. In another relevant attempt using Google Scholar, the search was based on the keyword: “KM”, “KMCs” and “social performance”. The rationale for choosing these databases is that they are the largest and most popular online databases and search engines.

Each identified articles was carefully read through to determine its inclusion for analysis. The decision to include an article for analysis was primarily based on its direct relevance to the theme of the study. The identified articles that were publishing by social enterprise journal and knowledge management journal concentrate to the domain in knowledge management capability were very few, and these were only published within the last decade. However, have many studies conduct in other sector and organization. The studies were included empirical, conceptual, and literature review. This study is concentrated on the component of knowledge management capability, infrastructure, enabler and knowledge process component were used for enhancing organization performance. Based on the literature review, study findings were presented.

4.0 RESULTS AND DISCUSSION

The following subsections delineate component of knowledge management capability and the significant relationship between social organization performance that are commonly found in current academic work.

4.1 Knowledge Management Capability (KMC) in Social Enterprises Model

Capability refers to the ability to implement and integrate resources to achieve corporate goals, as well as results acquired from long-term accumulation of interaction among various resources [75]. KM capability refers to the ability of an enterprise to leverage existing knowledge in their company to manage, store, retrieve and augment their intellectual property to create new knowledge [11]. [52] states that KM capability not only refers to the ability to acquire knowledge and information but also to the organizational capability to protect knowledge and information to encourage staff to use this ability as a tool to work more efficient.

Drawing upon the previous findings it can be deduced that knowledge is a core source of competitive and sustainable advantage and, by developing KMCs, a company can enhance organizational innovation [76], organization performance [48], [69], [70], [72], [73], [90–92], new product development [52] and organization effectiveness [2], [58], [80]. Therefore, these capabilities can create value for organizations of different sizes, structure, from varying sector with contrasting strategic drivers.

As a starting idea for managing knowledge in an organization, companies need to know which are the activities that create knowledge, what exactly organizationally constitutes a KMC and understanding what exactly value this knowledge can impact the organization [30], [38], [54]. Based on previous studies above, this research developed Knowledge Management Capabilities for Social Enterprise (KMC-SE) model based on the model proposed by [30], [31], [54] proposed model builds on this and explored KMC influence on the organizational performance of SEs. The lack of empirical research related to knowledge management capabilities in SEs impact to the explicit reference to KMC in SEs was found. Therefore, the hypothesized model is developed primarily from the theoretical and empirical research of KMCs in other sectors and the limited empirical and descriptive research available on SEs' organizational behavior.

The KMC-SE model presented in Figure 4 and illustrates the three main components of the model; knowledge organizational capabilities (KOC), knowledge process capabilities (KPC) and organizational performance (OP). Based on previous studies, have four components in knowledge organization performance (i) Technology (ii) Structure (iii) People and (iv) Culture. In knowledge process capabilities, have four components also. It is (i) Acquisition (ii) Conversion (iii) Application and (iv) Protection. Although that, this model provides their relationship and their reflective to organization performance. However, until now, the lack of the empirical and theoretical research to measure SEs performance and no have specific indicator we can measure output in SEs. For that matter, this research adapted the indicator for organization performance from the previous study which is provided that organization performance can measure from (i) input (ii) outputs (iii) Outcomes; and (iv) impact. Table 2 presents the explanation each component in knowledge organization capability; Table 3 explain the knowledge process capability and Table 4 present the explanation of social organization performance indicators.

6.0 CONCLUSION AND DIRECTION FOR FUTURE WORK

This paper reviewed the body of literature to understand better the knowledge management capability that is managing knowledge within an organization can become a core capability. This study is quantitative in nature and using secondary data from which the study findings were derived. The study showed knowledge management capabilities have a relationship in competitive advantages, and it can improve social performance. This combination of findings provides some support for the conceptual premise that SEs can also develop this core capability and obtained similar outcomes that its counterparts in the private, public and not-for-profit enterprises. However, due to their idiosyncratic characteristics of multi-stakeholder

organizations, SEs would need to devote more consideration, time, cost and effort to exploit the values of knowledge effectively.

Therefore, it is suggestible that SEs managers and efficient management of knowledge require coherent and well-established KM pre-conditions to improve SEs performance. This paper suggests that Social Enterprises or any similar organizations need to assess and focus on these organizations pre-conditions, assuring knowledge-friendly enterprises and consider their capability before devoting efforts and resources, to implementation KM activities and systems in their organization.

The numbers of literature review studies on knowledge management capabilities in SEs are limited. Therefore, it is recommended that researchers focus on expanding our understanding of knowledge management capabilities in SEs, especially in Malaysia perspective. This study contributes a first attempts to understand how KM can be developed in different organizational contexts, perhaps more informally, and still improve the performance of SEs in Malaysian. Moreover, it can help enterprises to achieve their objectives, whether they are social environmental or economic, or any combination of the three.

Despite these observations, it is recommended that future studies focus more on organizational behavior of SEs. Moreover, the studies about another component of knowledge management capability in different sizes, sectors, and strategic orientations still need to explore in future. This information can be used to contribute development SEs sector in Malaysia because SEs in Malaysia is in the embryonic stage of development.

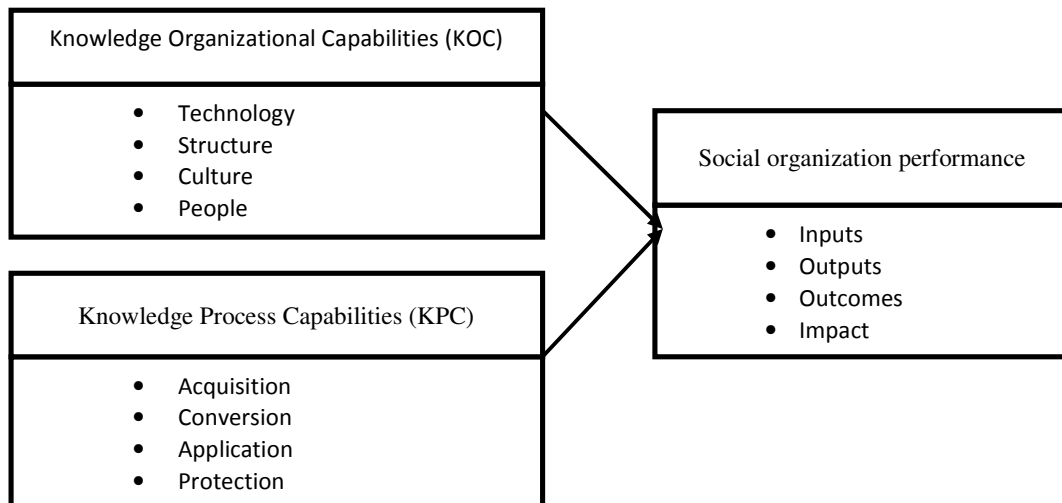


Figure 4. Knowledge management capability in social enterprise (KMC-SE) model

Table 2: KOCs component explanation and description from SEs Perspective

Variable	Component	Explanation	Description from SEs perspective
Knowledge Organization Capabilities (KOC)	Technology [30], [54], [94-97]	Technology infrastructure comprises the hardware, software, and middleware and protocols that allow for the encoding and electronic exchange of knowledge. It is facilitating knowledge creation, embodiment, dissemination, integration, used and management inside and outside the organization.	IT can help SEs expanding the web of social interaction, increasing its density, promoting new connections among diverse, supporters and donors' records, staffing records and project record.
	Structure [2], [8], [30], [67], [71], [72], [92], [93]	The structure of an organization sets into place hierarchical orders, communication channels, decision-making protocol, and some other communication-based functions.	Individuals, communities, and volunteers required collective organization structure and the decision-making power share with other stakeholders in a coalition government.
	Culture [2], [30], [71], [93]	Culture in the organization will be shaped assumptions about why knowledge is valuable and must be kept inside the organization, who must save and share it, how knowledge will be used in a particular situation and how new knowledge can change strategic direction and resource allocation faster than a competitor.	Culture in SEs must have positive environments, people in that organization willing to listening, have different thinking, caring and friendly people. Although that, SEs must maintain a culture with high values related to their social and environmental mission such as solidarity, ethics, and trust. This value can help the SEs to create internal cohesion.
	People [30], [31], [38], [54], [59]	A key component of creating organization knowledge. Employees' skills are part of the identity and idiosyncratic nature of a person obtained from education or experience. Factors influence people in the organization are T-shaped skill, extrinsic motivation, and intrinsic motivation.	People in SEs refer to social entrepreneur and the other member of the SE. They were encouraged by the social mission and social value, the possible of working with and for people, personal growth, have social contacts, and always optimize to grab the opportunities to learn.

Table 3: KPCs component explanation and description from SEs Perspective

Variable	Component	Explanation	Explanation from SEs perspective
Knowledge Process Capabilities (KPC)	Acquisition [30], [54], [66], [71], [89], [90], [92], [100]	The activity orientated towards obtaining knowledge by developing a new idea and replacing existing content within the organization's tacit and explicit knowledge base. This process enhances new productive opportunities, encourage organizations to exploit these opportunities, reduce uncertainty, and encourage product innovation.	Members in SEs can acquire knowledge by collaboration with other, outside organization, and sharing and exploits the new knowledge throughout the organization, adapting, and integrating value-creating resources, such as experience-based knowledge, into operating routines available.
	Conversion [30], [58], [60], [76], [79], [94], [96]	Activities are those orientated toward making existing knowledge from various source effective useful form firm. The main aims this activity is organizing and structuring the knowledge of potential future value by selecting, storing and regularly	SEs can distribute of knowledge by turning isolated knowledge or experiences into knowledge so the whole enterprise can use it. It can impact in the integration of knowledge that may exist in different parts of the enterprise, reducing redundancy and

		updating that knowledge. So, in future, members of the organization can access and distribute it within the organization.	improving efficiency by eliminating excess work.
Application	[30], [71], [73], [89], [90], [92]	This process is concerned with the actual use of integrating and applying that knowledge in the firm's products and services. It is also can use to increase profitability, long-term viability, and ability to quantify critical success factors for the organization.	SEs can apply knowledge from past mistaken to solve new problems, improved organization efficiency, motivate people to think creatively and use their understanding of the enterprise products, process, and services, also, use the knowledge to adjust strategic direction to achieve the enterprise's ultimate goals.
Protection	[30], [66], [71], [90]–[92], [100]	This activity is associated with the effective control and protection of knowledge within an organization from inappropriate of illegal use involve copyright, patents and IT systems that restrict and control access to knowledge and information.	SEs should protect their knowledge and access only by authorized members. These are because; SEs like SMEs used the internet as a platform for hosting their information. It may be able to imply their knowledge at high risk because their knowledge is exposed to the public domain.

Table 4: Social organization performance indicators and description from SEs Perspective

Variable	Component	Explanation	Explanation from SEs perspective
Social organization performance	Input	The resources that contribute to the activity undertaken for their input such as cost-efficiency, analysis related to outputs/outcomes and a social-effectiveness perspective when producing services (or goods).	SEs should pursue community interest by choosing local suppliers to favor short supply chains, choosing socially or environmentally certified suppliers.
	Output	The activity to achieve the mission and direct and countable goods/services obtained using the activities carries out.	SEs uses the analysis of outputs involves highlighting the “physical” product of the activities carries out by SEs such as production cost and employee productivity.
	Outcome	The real benefits or impact of the performance to archive organization goals according to organization mission.	This dimension aim of evaluating the “benefits” that flow from SE activities. The outcome can be measure either as internal (achievement of the mission and chosen objectives) or external (client/user satisfaction).
	Impact	The consequences for the long terms impacts on wider community.	Effectiveness control focuses on the contribution made by the SE to the creation of social capital and collective well-being through the identification of measures medium or long term impact on the community or environment.

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