KNOWLEDGE MANAGEMENT CAPABILITIES (KMCs): TOOLS TO SUPPORT DEVELOPMENT AND SUSTAINABILITY OF SOCIAL ENTERPRISE

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INTRODUCTION

ॐ In the new global economy, knowledge has become a central issue for the organization to create growth and security for the organization.

ॐ 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

ॐ Knowledge, if properly harnessed and leveraged can proper encourage the organization to become more adaptive, innovative, intelligent and recent development in knowledge that sustain organizational performance and sustainability.

INTRODUCTION

- The concept of KMCs has recently been discussing by Gold, Malhotra and Segars (2001) and Lee and Choi (2003) and they divided knowledge capabilities into two main component.

- It is are infrastructure capability and knowledge processes capabilities.

INTRODUCTION

ℰ Most of the research about KMCs has been mainly completed in large private organizations, where resources and competitive conditions can trigger the use of knowledge management.

ℰ However, there are other sectors and other organization types and sizes that can develop these capabilities and improve their organization performance.

ℰ There is 'for-benefit' sector or in other word 'social enterprise'

LITERATURE REVIEW

❧ *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 (Rai, 2011).

❧ *KNOWLEDGE MANAGEMENT* as a discipline with the objectives of promoting knowledge growth, knowledge communication, and also knowledge preservation within an organization (Gharkhani and Mousakhani, 2012).

LITERATURE REVIEW

❧ *KNOWLEDGE MANAGEMENT CAPABILITIES (KMCs)* the ability to organize, shift, configure, and arrange knowledge-based resources to achieve the goals of and gain business values for the organization (Liu and Tsai, 2007).

❧ 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.
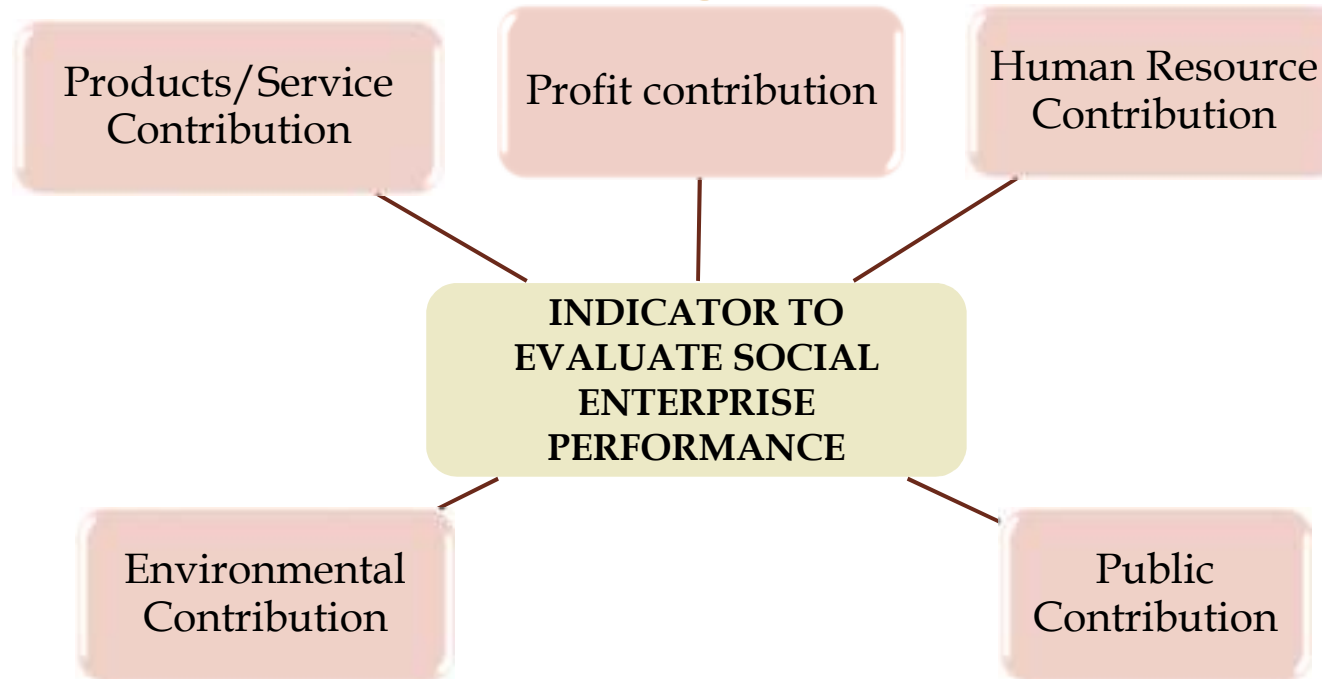
LITERATURE REVIEW

❧ According to Gold, Malhotra and Segars (2001) and Lee and Choi (2003), they divide KMCs to infrastructure capabilities and knowledge process capabilities.

❧ **Infrastructure capabilities**; Structural capabilities, culture capabilities, technology capabilities and people.

❧ **Knowledge process capabilities**; Knowledge acquisition, knowledge conversion, knowledge application and knowledge protection.

LITERATURE REVIEW

ॐ *SOCIAL ENTERPRISE (SE)* has a hybrid as a new way to describe organizational forms and entrepreneurial approaches that priorities social innovations and responsibility to society.

ॐ **Characteristics for SE are**:

(1) They have a social purpose;

(2) Using assets and wealth are used to create community benefits;

(3) Pursuing social purpose with trade in a marketplace;

(4) Profits and surpluses are not distributed to its shareholders and owners;

(5) Involving "members" or employees in decision making and governance;

(6) The enterprise is seen as accountable to both its members and a wider community; and

(7) There is either a double or triple-bottom line paradigm (financial, social and environmental).
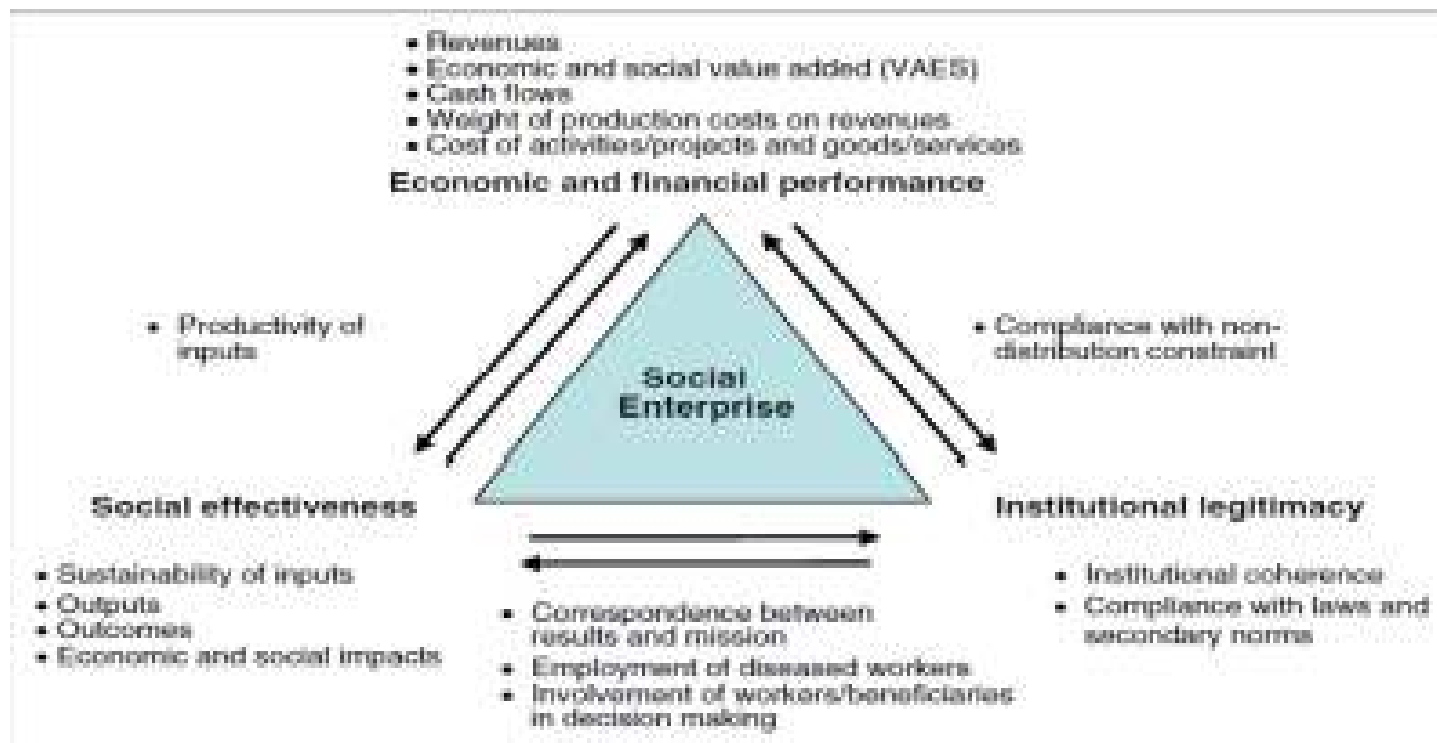
LITERATURE REVIEW

Products/Service Contribution

Profit contribution

Human Resource Contribution

INDICATOR TO EVALUATE SOCIAL ENTERPRISE PERFORMANCE

Environmental Contribution

Public Contribution

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LITERATURE REVIEW

Multidimensional SE performance

METHODOLOGY

- The literature search took place in 2006 until 2015.

- Relevant articles from Emerald, JSTOR, ProQuest, ScienceDirect, SAGE, and Wiley Online Library.

- This study is concentrated on the component of knowledge management capability, infrastructure, enabler and knowledge process component were used for enhancing organization performance.

RESULTS & DISCUSSION

ↀ 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 (Ju, Li and Lee, 2006), organization performance (Ba, 2004; Hong, Kianto and Kylaheiko ,2008; Spreckley, 2008; Kerlin, 2010; Bagnoli and Megali, 2011; Rai, 2011; Liao, Chuang, and To, 2011; Grienco, Michelini and Iasevoli, 2014); new product development (Liu and Tsai, 2007) and organization effectiveness (Anderson, 2009; Aujirapongpan, 2010; Pandey and Duta, 2013).

RESULTS & DISCUSSION

KNOWLEDGE ORGANIZATION CAPABILITIES (KOC)

Component	Technology
Explanations	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
Description from SEs perspective	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.

RESULTS & DISCUSSION

KNOWLEDGE ORGANIZATION CAPABILITIES (KOC)	
Component	Structure
Explanations	The structure of an organization sets into place hierarchical orders, communication channels, decision-making protocol, and some other communication-based functions.
Description from SEs perspective	Individuals, communities, and volunteers required collective organization structure and the decision-making power share with other stakeholders in a coalition government.

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RESULTS & DISCUSSION

KNOWLEDGE ORGANIZATION CAPABILITIES (KOC)

Component	Culture
Explanations	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.
Description from SEs perspective	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.

RESULTS & DISCUSSION

KNOWLEDGE ORGANIZATION CAPABILITIES (KOC)	
Component	People
Explanations	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.
Description from SEs perspective	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.

RESULTS & DISCUSSION

KNOWLEDGE PROCESS CAPABILITIES (KPC)	
Component	Acquisition
Explanations	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
Description from SEs perspective	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.

RESULTS & DISCUSSION

KNOWLEDGE PROCESS CAPABILITIES (KPC)

Component	Conversion
Explanations	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 updating that knowledge. So, in future, members of the organization can access and distribute it within the organization.
Description from SEs perspective	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 improving efficiency by eliminating excess work.

RESULTS & DISCUSSION

KNOWLEDGE PROCESS CAPABILITIES (KPC)

Component	Application
Explanations	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.
Description from SEs perspective	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.

RESULTS & DISCUSSION

KNOWLEDGE PROCESS CAPABILITIES (KPC)	
Component	Protection
Explanations	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.
Description from SEs perspective	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.

RESULTS & DISCUSSION

SOCIAL ORGANIZATION PERFORMANCE (SOP)	
Component	Input
Explanations	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).
Description from SEs perspective	SEs should pursue community interest by choosing local suppliers to favor short supply chains, choosing socially or environmentally certified suppliers.

RESULTS & DISCUSSION

SOCIAL ORGANIZATION PERFORMANCE (SOP)	
Component	Output
Explanations	The activity to achieve the mission and direct and countable goods/services obtained using the activities carries out.
Description from SEs perspective	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.

RESULTS & DISCUSSION

| SOCIAL ORGANIZATION PERFORMANCE (SOP)	
Component	Outcome
Explanations	The real benefits or impact of the performance to archive organization goals according to organization mission.
Description from SEs perspective	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).

RESULTS & DISCUSSION

SOCIAL ORGANIZATION PERFORMANCE (SOP)	
Component	Impact
Explanations	The consequences for the long terms impacts on wider community.
Description from SEs perspective	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.
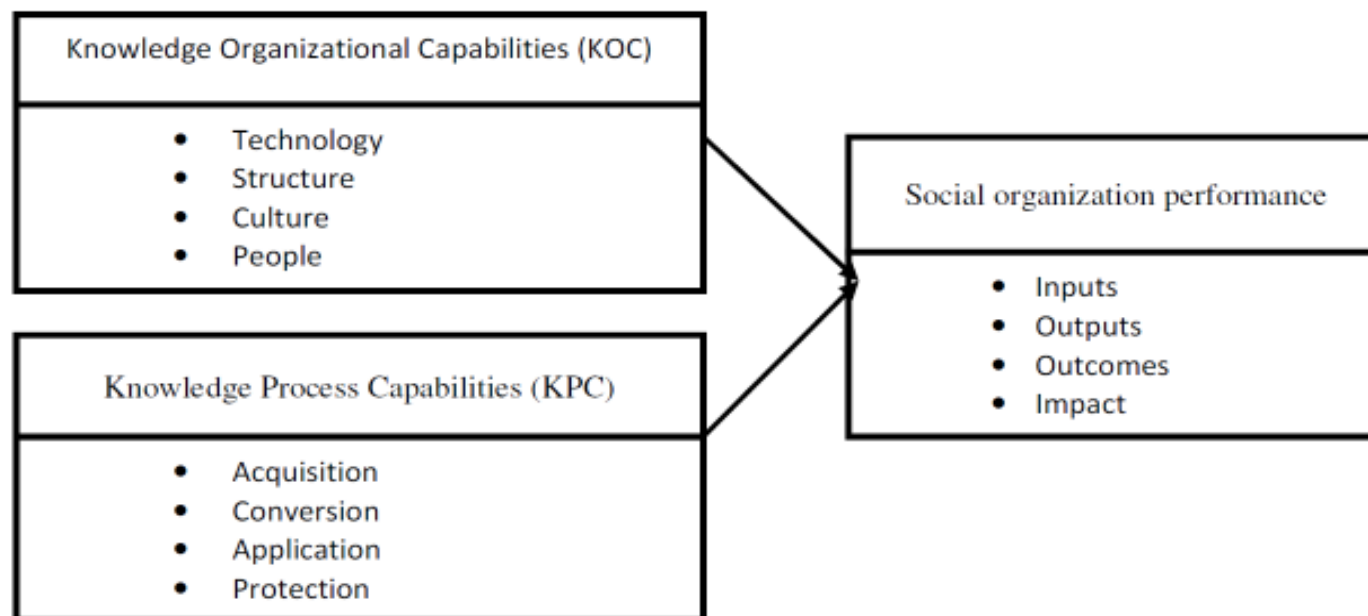
CONCLUSION & DIRECTION FOR FUTURE WORK

- The study showed knowledge management capabilities have a relationship in competitive advantages, and it can improve social performance.

- It is recommended that researchers focus on expanding our understanding of knowledge management capabilities in SEs, especially in Malaysia perspective.

- Moreover, the studies about another component of knowledge management capability in different sizes, sectors, and strategic orientations still need to explore in future.

THANK YOU

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