Knowledge Management Model for Social Economy: Antecedents and Future Agenda

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Abstract
This study tried to explore the appropriate model for knowledge management system on socio-economy based organization. Relying on some previous studies from multi-field of knowledge, the study found four possible antecedents such as knowledge network, leadership style, process of communication and bureaucracy system. Considering the weakness part of socio-economy based organization, the study signaled the vital used of knowledge network as an integral structure of the system. Apart from its internal-external functions, knowledge network can play role as knowledge mediator as well as becoming the source of new information. The dynamic factor of the network tends to direct the flexibilities to absorb and process the knowledge. The mechanism was believed to call for proper leadership style. Servant leader, transformational, the leading leader and team leadership concluded as the ideal format for socio-economy. In order to perform the most effective communication flow, organization needs to fit-in its structure. Sharing the same responsibility to the messenger and listener will boost the process of producing new-useful knowledge to gain competitive advantage.

Keywords: knowledge management, social economy, learning network, leadership, communication

1. Introduction
For more than half of centuries, knowledge management has become one crucial factor in organization management. Most scholars believe that productive KM system leads to firm’s competitive advantage. This is why many research and literature review has been developed towards finding the most appropriate pathways to develop the system (Prasetyo and Khiew, 2016; Daud, 2012; Lee and Lee, 2007; Choi and Lee, 2003; Gold et al., 2001; Davenport et al., 1998; Garvin, 1993). Though the finding was almost clear, but empirical analysis still recognized several critical points. For example: Braganza and Mollenkramer (2002) signaled the important role of culture. Failure in developing firmly culture would make the investment become priceless. The finding confirmed Weber (2007), Chua and Lam (2005), Bhattacherjee and Premkumar (2004) and Malhotra (2002). The previous study even recalled some complexities on implementing the concept. The fact that having strong financial resource and network still failed in providing guarantee that the system can be implemented successfully.

The conclusion has triggered new concern on human factors, especially in developing firmly-culture. High-resistances from the user tend to impacted on the weak learning-culture within organization. Most companies found to use strictly standard operating procedure to ensure that the system might benefits the entire process. For those capital-intensive and profit-oriented companies, having firmly mechanism to implement knowledge system might results on higher transactional spirit among the employee. This would be the hardest things for social economy organization which relied more on the power of associational life among society (Restakis, 2006). The only reason is that for most socio-economic organization, the power comes from voluntarily efforts from society. Therefore new engagement model should be address in order to improve the quality of KM system.

Relating social economy to the society require us to explore the basic needs which will be achieved through knowledge management system. For those who came from higher social status, engaging with community would be beneficial to actualizing their good deeds. On contrary, for lower social status, joining in one network would be use as means to improve their economy quality. On contrary, for lower social status, joining in one network would be use as means to improve their economy quality.

Combining the two purposes is not easy. Knowledge system must be able to accommodate every single interest. Otherwise, the system won’t work effectively. This paper tried to identify each possible component to develop effective KM system while mapping the critical path through the process. We use three types of social economy organization: co-operative organization, non-profit organization and social foundation as unit of analysis. The rest of the paper will be organized as follows: section two will discuss several possible factors which can be used by social economy organization to develop KM system effectively. Section three will describe our research method section four will provide new insight to the common ground while section five enclosed the paper with short conclusion and future research agenda.

2. Literature review
2.1. Characteristic of social economy based organization
Many scholars had defined the term social economy in different ways. Some scholar began with the definition
proposed by the company (named social enterprise). The idea of social economy was believed to be born from initial mission of the company. It is the founding father who set up the basic belief that the presence of the company is not limited to the growth of shareholder’s welfare, but also for the common good of society (Moulaert and Nussbaumer, 2005; Putnam, 1993). Though the paradigm uses holistic approach in defining the term society, but the definition is still useful to the current business practices. For some scholar, putting customer into the term society is still debatable.

The second thoughts are coming from the society itself. Social economy comes from the needs of the society to improve their economies welfare. Advanced knowledge in how to manage their life productively has made awareness regarding the importance of community movement become higher. This is the origin point where each member of the society shares their similar concern. The further outcome would be the idea to create formal economy movement such as co-operative organization, educational foundation and any other non-profit organization.

As society-movement, socio-economy organizations relay more on the productive idea, commitment and efforts from the members. To make all elements work well, organization needs strong leadership style especially from the management of the movement. Several types of leadership such as transformational and servant leader has acknowledged as the most appropriate styles that fits-in with socio-economy (Sengupta, 2016; Domhoff, 2009; Rangan et al., 2008; Moulaert and Ailenei, 2005; Amin and Hudson, 2003). To those researchers, the leader played important function as vision starter that might perform as clear guidance for the entire organization. For any reason, we may conclude that this is the signal for knowledge mediator function. Once the mediator can play the key role, then knowledge culture and mechanism may perform at its best.

Although it seems simple, previous research also found signal for several critical points. First, since the organization deal with voluntarily spirit, then there is no guarantee for the total commitment or loyalty (Russell and Scott, 2007). This is the true challenge which should be dealt by the leader. It is how the leader can maintain the stability of the spirit for the whole movement. For most cases, the problem arose at the leadership level. Due to limited budget, socio-economy based organization found difficulties to improve the leadership quality among leaders (Chew and Lyon, 2012; Westall, 2007; Osborn, 1998).

The second critical point can be found on how the leader succeeded in bringing-in the concept of innovation. Strong business alliance might be benefited to the organization. The third party might use it as corporate social responsibility program, thus sharing the same spirit of voluntarist (Boyle and Harris, 2009; Chew and Osborne, 2007). This is showed the importance of having supporting network to the organization. The third point would be on community empowerment process. Solid leadership required commitment and loyalty from the community to carry-on the program (Kabeer, 2012). This requires logic-reasoning mechanism to ensure the ultimate outcome from the organization. As long as the organization has the ability to convince that the benefit from the movement can be delivery throughout the community, then the empowering process can be done smoothly.

2.2. Knowledge management system

One early conclusion which can be derived from the previous section is regarding the needs for proper and accurate knowledge to run the organization. Research on knowledge management for social economy-based organization found to use multiple approach perspective, but most of them tried to adopt the concept from profit-oriented company. Some research highlighted four important elements such as the content management, the importance of community practices as the learning mechanism, a combined collaboration which created the system and virtualization process (Noonpakdee and Phothichai, 2015; Cavus, 2011; Han and Park, 2009). The previous finding appointed the importance of the essence of knowledge as starting point, but they failed to access where the knowledge comes from. Furthermore, the hole will be solved through this paper.

The other research appointed the importance of knowledge network for the organization (Prasetyo and Khiew, 2016; Godoi-de-Sousal and Junior, 2013). The idea comes from the understanding that innovation played as pivotal role for socio-economy based organization to compete with the other player – especially from pure-profit oriented company. Having acknowledged the cycle of knowledge, some believes that by joining the network, socio-economy organization will have wide access to absorb new idea which can be turned into productive strategy. Therefore taking network as another issue in KM would be plausible.

As one of the pioneer for modern KM concept, Gold et al., (2001) succeeded in proposing firmly framework regarding how the company can implement the concept effectively. The separation of infrastructure and process had given clear insight how to adjust the concept in daily activities. KM infrastructure consists of information technology infrastructure, culture and people, while the term process consists of knowledge absorption, storing, processing and retrieving.

For socio-economy based organization, the process should remain similar, but deeper analysis must be done on infrastructure point of view. At some point, socio-economy based organization might be confronted by some traditional way of thoughts which can create major-future constraint. Reluctances to use new technology,
incapability, minimum knowledge access and miscommunication are examples of current problems that can be a huge problem.

The second concern can be found at the process mechanism. One of the consequences for not having proper KM technology is relating to the storing system. For this point, socio-organization should use their knowledge network as a storing media. Each part of knowledge must be within every member. This might be the answer of why organization rely more on member and community productivity. Another consequence is at the retrieving process. Having considered the major role of community, socio-economy based organization needs proper communication process as retrieving mechanism. Therefore knowledge circulation among members tends to direct the overall performance. This is how the cycle keeps on spinning. Current knowledge will soon be replaced by new ideas.

3. Research method
The study used multi approach in order to find the most appropriate model for knowledge management at socio-economy sector. At the first stage we use grounded theory approach unto two variables: (1) social economy organization and (2) knowledge management concept. All related research, theory and framework for each concept have been explored to find the interconnection of explanations. Moreover, the integration process will be done to create one firmly model.

For the first variable – social economy, we tend to investigate several points such as: (1) definition, (2) characteristics, (3) type of organization, (4) leadership style, (5) intra organizational concept, (6) learning method, and (7) culture. Every finding will be analyzed carefully to find the ideal ways to have the adoption of KM concept, including each possible weakness. For this reason, we use multi theory approaches from different field of studies to maintain the objectivity.

The second variable – knowledge management will be analyzed using the perspective that commonly develop for the pure-profit organization. We used the basic theory proposed by Gold et al., (2001) which categorized KM system in two different categories: infrastructure and process. For infrastructure, we tried to expand the definition by accommodating the role of business network and alliances. The purpose is to deal with weaknesses part of the organization. Detail observation for culture and people will also been done to propose the unique character of the organization. Moreover, for the process perspective, we try to adopt some communication theory unto the system by considering the adjustment for retrieving concept declared on part 2.

The final stage would be using explanatory approach in where we precede some supporting argument and explanations using the model. In this part, we tried to clarify the concept for both academic purposes and also practical matters. By having this stage, hopefully the model can be best representing the actual conditions.

4. Analysis and discussion
4.1. The proposed antecedents
Social-economy based organization found to be unique compare to the ordinary profit-oriented business organization. While profit organization rely more on the power of capitalism, socio based organization has put their faith upon the common good for the community (Restakis, 2006). This requires similarity on dreams, vision, mission, commitment and loyalty among founder and member. Putting the concept proposed by Tuomi (2002), Holland (1995) and Kauffman (1993), socio-economy organization has its complexity compare to the ordinary entities. The first complexity can be found on the paradigm-level. Though the existence of the organization might act as living evidence on how the founders were able to come across the same thoughts, but as White (1999) concluded, it needs more efforts to maintain the original paradigm in dealing with contemporary turbulence. Many cases showed that the absence of the policy might create some false-direction to the organization (Moseley, 2009; Rubis, 2008).

From KM perspective, one plausible way to continue the original values of the organization is through knowledge dissemination among member. The idea is somewhat recalling our insight for knowledge network neither internal nor external. Our proposed knowledge network must base on the understanding that renewable thought is originated from social network. Through internal and external relationship, organization will join the science-confirmatory cycle to seek for the truth. By considering people development influence on organizational way of thoughts, we do believe that on early stage of mind, external network tend to set the basic paradigm. ‘They brought ideas that we never had before’ might serve as the basic spirit to receive new paradigm. But as the organization started to grow, internal network played more important rather than the external one. Knowledge circulation among member has run smoothly as the sign of the new stage which will be named maturity.

Upon that stage, organization must rely more on external network: disseminating the pre-owned knowledge to the stakeholder, thus taking the responsibility to be one of mentor for the society – non-member of organization. Unconsciously, external dissemination leads to the rejuvenation process of the old-knowledge. Using the common KM process proposed by Gold et al., (2001) which consists of absorption – storing – processing – retrieving, organization will be able to maintain the knowledge cycle over the long run.
Considering the complexity of the network, the second antecedents would be on leadership style. This consideration was left behind by outmost former researchers. Though they already take the variable into account, but identifying which style would be the most appropriate is still puzzling. Therefore in order to find the right answer, we begin with the works of Bolden et al., (2003).

Comparison among theories – behavioral school, situational school, leaders and followers, dispersed leadership – found that the most explainable theory came from leaders and followers school of thought. Leadership style namely servant leadership, the following part of leading, team leadership and transformational leadership acknowledged as the ideal form for socio-economy based organization. The four styles show strong ability not only to motivate and giving clear direction to the overall organization but also to the community as well. They have some unique approach to reach-out the community through strong profile and visionary senses. Therefore we might name the style as community-economic based leadership.

Having gone through some literature studies regarding leadership style, we found that the four proposed types share the ability to perform network management at its best capacity. The open-minded style carried by the four styles has made leadership become one of communicative tools in relating the top management to the entire community. This would be one of competitive factors from the socio-based organization especially in dealing with profit-oriented sector.

Our arguments for knowledge network and leadership leaded to the role of effective communication. Having noticed that the socio-economy based organization is a learning unit we then depict the work done by Lunenberg (2010) to explore the effective communication process. To gain effectivity upon communication process, two functions must be performed well for both the sender and listener. The sender bears responsibility that the message should contain accuracy for every consideration. This is because most socio-based organization relies on honesty, fairness and some common virtues. Carrying on these spirits would act as the best preservation media that creates the going concern process.

On the other hands, the listener bears responsibility to do the synthetizing mechanism, ranging from receiving, understanding, proposing hypotheses, analyzing and disseminating. In this essence, every message will be understood as raw materials to be process further to become more valuable knowledge. Therefore, accuracy for the first message would impose the new-processed knowledge.

Ensuring the quality of the initial message requires appropriate organizational structure, since complex bureaucracy tends to create distortions. Therefore, KM system for socio-economy sector needs to consider less bureaucracy organizational structure. Up to this point, each component on the bureaucracy system should act as knowledge mediator to each other. There will be no leader-staff formal relations in terms of KM, but as knowledge mediator, both parties will create firmly learning mechanism. This is how the organization might preserve its knowledge resources.

4.2. The proposed model

Our proposed model consists of three: (1) the general perspective of KM system tailored for socio-economy based organization, (2) the early stage KM model, and (3) the advanced stage KM model. The first critical point should be addressed to the player that further known as knowledge mediator. We posed the term knowledge network, since the one who should bear the responsibility to deal with the KM system must be fully understand the characteristic of the organization. The first model can be seen on figure 1.
Our frame of knowledge network was divided into internal and external network. For internal context, all knowledge will be circulated from the organization to its members. On socio-economy sector, member has been acknowledged to perform twofold functions: (1) as the owner of the organization, and (2) the primary customer of the organization. Taking the possibility of the outgrowth from human (or member) perspectives, both parties can perform as knowledge source and mediator. At the early stage, the organization tends to be the knowledge feeder to the member. But as the members succeed in developing themselves then they might become another feeder.

The second circle appointed to the role of external networks. Parallel to the flow of internal networks, every new-updated information or knowledge will be induced or disseminated to all stakeholders – up to the society or community. This is the ultimate goals from socio-economy based organization: the point to which organization can be the source of knowledge for stakeholders.

For most organization, at the very first stage, external network tend to induce the original paradigm. This would be the basis framework which can be found on the second model (figure 2). As observed among several types of socio-economy based organization i.e. co-operative union, non-profit organization and social foundations, most founders shared the idea from external experience. The first knowledge – brought by initial founders – then will be disseminated to those who later become founding fathers of the organization.

As time goes by, all founders tried to influence the community to join the movement becoming one of their respective members. Moreover, as knowledge development continues, valuable information that once becomes confidential now should be disseminated to all stakeholders. First, to its local stakeholder and then proceed to another sets of network. One thing which should be notice is that the network seems to be operated under close-loop system. Every party only share their information limited to the member. This is the condition in which network might develop its loyalty and mutual collaboration.
Now let’s consider figure 2. For early-stage organization, the influence from external knowledge network to organizational leader tends to be higher. Most idea to develop the organization comes from externality. On the right side, it reflected strong external communication between leader and their respective stakeholder. The ideal type of leadership (i.e. servant leader, team leader, transformational leader and the following part of leading) shared strong influence to the flow of internal knowledge network and also for having effective communication process. Combining the two elements together, the leader will be able to develop productive learning culture.

Moreover, highly productive learning environment tend to make the adaptation to a new KM infrastructure become easier. On other side, effective communication process tends to create better organizational fitness. This is the basic element to improve organizational capability. These seven elements can give strong support to KM process, thus providing accurate, timely and effective knowledge for decision making process. By having this flow, all valuable knowledge is used internally as a signal for the organization to grow and being survive.

For the advanced stage, every good decision will be used as benchmark for both internal and external. This is signaled by the willingness of the organization to see other player not as their potential competitor but more to respective collaborators. This might change the existing paradigm, especially in looking out competition in terms of blue ocean strategy.

As seen on figure 3, through external knowledge network and external communication process, organization tends to disseminate all their best practice as one of the learning process for the entire community. Mostly, they will replace individual egocentric with the exact socio-economy values: achieving the common good for all society. Nonetheless, after organization succeeded in becoming one true benchmark, then the leader might have impact to stakeholder’s paradigm. Soon, they will become the role model for the industry. We can see it clearly to the two head arrows appointing from leadership element unto both external knowledge network and external communication process.

Uniquely, the existing model will be unconsciously replicated to another network. Therefore we can see that figure 1 was then extended to become figure 4. They are not only focus in taking care of one network, but also tried to help another sets of network. The willingness to help another player is actually the vital point which might determine the future of social economy within regions.
4.3. Practical implications

Our models had shown how socio-economy based organization can have strong KM system. For those organizations that currently happened on early stage, our model suggested to have stronger external knowledge network by having effective external communication process. At this point, we need to expand our understanding regarding the terminology of knowledge network. The network should not limit only on the certain player who shares the same concern, but more to those who can provide complementary knowledge to what we currently had. Therefore the leader should take the critical part to build strong partnership to all potential candidates who shares the same spirit: i.e. common welfare, honesty, trust and accountability. This is important since socio-economy organization has the responsibility to maintain and preserve the initial values which differ from commercial sector. The leader needs to maintain and preserve those initial values otherwise it
is possible for the organization to shift in commercialization process.

The second crucial part can be found at the learning culture. To develop conducive-learning culture, the leader must play as an inspiratory role to direct all activities. Everybody must aware that they took the responsibility as knowledge mediator, thus sharing the same position regarding knowledge dissemination process. Each member, employee and management team must be able to take part on KM process effectively. Information and knowledge should be free for everyone within the organization. This idea tends to provide strong support to increase people competence and capability which representing adequate organizational culture. Up to this point, organization has already got unique competitiveness to compete even with commercial sector.

The ultimate goal from KM system is when the organization has the ability to give contribution to other organization or network using their expertise. Our third and fourth model indicated that this going to be the future collaborator for socio-economy. Thus, every leader of this organization must think ahead and find the most appropriate ways to maintain the knowledge circulation on its most productive performance. In fact, the development of the concept is still need special attention, especially on under developing and the third countries where people need social-concept. Through our fourth model, it is clearly seen that up to one point, developed country must eager to expand their social movement, reaching out to the other part of the world by helping the other network to develop their organization.

5. Conclusion
The study began with one simple question: what would be the most ideal KM model for socio-economy based organization. From literature review, the study found four additional point of consideration: (1) leadership style, (2) communication process, (3) knowledge network and (4) bureaucracy concern. Having described how the four additional elements are jointly together, we propose the first model which tried to have mapping from the entire process. KM system must be provided with knowledge network perspective which divided into both internal and external.

Our discussion and analysis was then turn into the second model which is addressing the early-stage of socio-economy based organization. In this model, we found strong external influence on the idea of socio-economy. Furthermore, the idea was then being processed as the basis element to create another six elements: internal knowledge network, learning environment, internal communication process, organizational culture and fitness and adaptation to KM infrastructure. All those seven elements are simultaneously acting as the basis for KM processing system which in turn creating accurate, timely and valuable knowledge for decision making mechanism.

For those early-stage organization, all flows of knowledge happened only for the closed system loop. Up to one point, the organization must be able to enter the new stage which required them to have external disseminations. All internal best practice must be disseminated to the external parties, thus increasing the power of influence among others.

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