



**ROLE OF KNOWLEDGE MANAGEMENT ON PERFORMANCE OF SOCIAL ENTERPRISES IN  
KENYA: A CASE STUDY OF NAIROBI CITY COUNTY.**

**PATRICK NDERITU WANJIRU, DR. JANE GATHENYA**

---

**ROLE OF KNOWLEDGE MANAGEMENT ON PERFORMANCE OF SOCIAL ENTERPRISES IN KENYA:  
A CASE STUDY OF NAIROBI CITY COUNTY**

**<sup>1</sup>PATRICK NDERITU WANJIRU, <sup>2</sup>DR. JANE GATHENYA**

<sup>1</sup>Student, Jomo Kenyatta University of Agriculture and Technology (JKUAT), Kenya

<sup>2</sup>Lecturer, Jomo Kenyatta University of Agriculture and Technology (JKUAT), Kenya

**Accepted August 8, 2015**

---

**ABSTRACT**

*Knowledge management has been studied in many contexts especially in entrepreneurship and corporate sectors. However scanty research has been done on knowledge management in social enterprises especially in Kenya. Social entrepreneurship has an economic and social mission that may complicate its knowledge management practices. This study investigated the role of knowledge sharing on performance of social enterprises in Kenya. Ten social enterprises in Nairobi were selected for the study. A sample of 90 individuals were interviewed from the 10 organizations. Data was collected using questionnaires, interview guides and review organizations' document. Data was analyzed through quantitative and qualitative methods.*

*Most social enterprises document and share knowledge as indicated by 65% of the respondents who reported that their organizations had established ways of documenting and sharing knowledge. Profitability of social enterprises under study had increased in the last three years as indicated by 61% of the respondents. Achievement of social objectives for social enterprises under study is on good track with 66% of respondents stating that performance in social mission had improved in the previous three years. Most social enterprises under study do not share knowledge with other organizations as reported by 49% of respondents. Knowledge sharing is resulting to innovation in social enterprises as reported by 71% of respondents. Knowledge sharing in social enterprises also helps in achievement of social objectives with another 71% of respondents reporting the same. It also results sustainable solutions to targeted social problems according to 63% of respondents. A majority (67%) of respondents agreed that protecting organizational knowledge had helped the organization protect its profit margins. Protecting knowledge in most social enterprises under study negatively affects achievement of social objectives. This was reported by 55% of respondents.*

**Key Words:** Knowledge Management, Knowledge sharing, Social Enterprises.

## **INTRODUCTION**

Entrepreneurship is a concept associated with profit making business entities. What differentiates an entrepreneurial business entity with other business firms is the aspect of innovation (Hall, Daneke and Lenox, 2010; Schumpeter, 1951; Drucker, 1999). In all cases entrepreneurial business organizations have profit as their desired end. However, for several years now, entrepreneurial concepts using the normal business models have been utilized by many organizations to solve social problems (Kirkwood and Walton, 2010). These kinds of firms using business entrepreneurship skills to solve social problems are called social enterprises.

In Kenya, social entrepreneurship as a recognized field is relatively new field. However, social entrepreneurship is slowly taking shape in Kenya spearheaded by several entrepreneurial organizations (Orengo et al., 2013). These organizations are solving a variety of social challenges in fields such as health, food security, economic empowerment and others. Such organizations include I hub, Frontline SMS, Ushahidi, Mlab, Nailab, Growth Africa, Kick start, Backpack Farmer, Rubicap, Farm shop, and Access Afya.

Knowledge in a firm is considered as its most important source of competitive advantage (Hackman and Katz, 2010; Spender & Grant, 1996). In entrepreneurial firms, what generates innovation is unique knowledge the firm possess (Hayne, Shepherd, Mosakowski, & Earley, 2010).

### **Statement of the problem.**

Knowledge sharing is critical for performance of organizations in social entrepreneurship both in its economic and social missions. Knowledge sharing enhances social enterprises innovativeness and allows them to grow more alert to opportunities (Huckman & Staats, 2011). Tacit knowledge is identified as the most critical knowledge to give an organization competitive advantage since it is hard to be copied by competitors. Tacit knowledge is the knowledge that resides in people's minds (Polanyi, 1958). Tacit knowledge is highly critical knowledge to

share in the organization so that it can be sustained by the organization longer and it can be utilized by many people within the organization. However this knowledge is the hardest to share within the organization. The challenge in tacit knowledge sharing is evident in social enterprises (Bloom & Chatterji, 2009). Inability to share tacit knowledge in social enterprises compromises their performance (Bloom & Chatterji, 2009). Further social enterprises' knowledge sharing practices differ with knowledge sharing of other profit making enterprises or purely charitable organizations (Sirmon & Hitt, 2009). While ordinary enterprises have only one bottom line, profit, social enterprises have two contrasting bottom lines, profit making and achievement of social objectives (Tracey & Phillips, 2007). When making decisions on knowledge sharing, social entrepreneurs have to balance between protecting the enterprises knowledge that gives it competitive advantage in the business front and sharing the same knowledge with other organizations to enable ideas replication for social mission achievement (Zahra, Gedajlovic, Neubaum and Shulman, 2009).

This study sought to investigate how social enterprises in Kenya are balancing the interests of their economic and social missions in their knowledge sharing practices.

### **Research objective.**

To establish the role of knowledge sharing on performance of social enterprises in Kenya.

### **Theoretical framework.**

Knowledge based view is an offshoot of resource based view. Resource based view focuses on permanent resources held by the firm (Lewis, Lange, & Cillis, 2005). When these resources are combined over time, they result to certain capabilities that gradually give the firm competitive advantage (Kooij-de Bode, van Knippenberg, & van Cinkel, 2010). Distinctive competencies are those things that a firm can do better than its competitors. The firm's unique capability in terms of its knowhow and managerial ability are very crucial in creating

sustainable competitive advantage (Sirmon & Hitt, 2009).

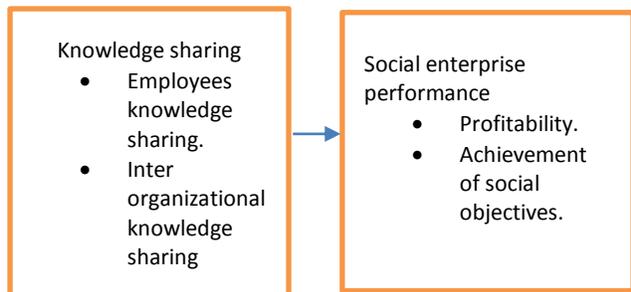
There are certain conditions necessary for a firm's resources to provide it with competitive advantage (Gupta & Singh, 2012; Holsapple & Wu, 2011) rareness, value, imperfect imitability and non-substitutability. Resource based view emphasizes the internal capabilities of the firm as the ones that can be strategically positioned to compete in the external environment (Mahoney and Pandian, 1992). Penrose (1959) observes that a firm may be able to attain competitive advantage and profitability not because they have superior resources, but because they have unique knowledge of combining their average resources to attain competitiveness. This is where knowledge based view stems at.

Knowledge based view hence recognizes knowledge as the most critical resource for organizations competitive advantage. The theory poses that organizations are heterogeneous and loaded with knowledge. Resource base of the organization consists of various knowledge assets (Marr, 2004). Knowledge based view asserts that differences in performance between organizations is attributable to knowledge management (Nevo, Benbasat and Wand, 2009). KBV of the firm proposition states that the organization exists to create, transfer and transform knowledge into competitive advantage (Nevo, Benbasat and Wand, 2012).

**Conceptual Framework.**

**Independent Variable**

**Dependent variable**



**Figure 1.1 Conceptual framework.**

**Knowledge sharing.**

Ferguson et al, (2008) gives the following strategic knowledge domains that a knowledge management strategy should embrace; Sharing knowledge and best practices; Instilling responsibility for sharing knowledge ;capturing and reusing past experiences; Embedding knowledge in product, services and processes; Producing knowledge as a product; Driving knowledge generation for innovation; Mapping networks of experts; Building and mining customer knowledge bases; Understanding and measuring the value of knowledge and leveraging intellectual assets.

Knowledge sharing can be used to map out organizational knowledge gaps through knowledge sharing systems like intranets, wikis and blogs (Sindhu, 2009; Hinds and Pfeffer, 2002). The logic is that when employees share the knowledge they know, the organization will be able to identify which relevant knowledge is hardly shared and investigate further if that knowledge is unavailable in the organization (Gupta & Singh, 2012).

The most critical source of knowledge that the firm can utilize is knowledge in the minds and experiences of human resources because it is difficult to imitate by competitors (Huckman & Staats, 2011). In deed some literature has reasoned that human experience, in the large sense, might be the foundation of the knowledge based view of the firm (Gupta & Singh, 2012; Von Krogh and Grand, 2002).

Knowledge sharing amongst the firms human resource results to knowledge creation (Sharma, 2009). After knowledge is shared new ways of combining it with other tacit or explicit knowledge in the social enterprise emerge which results to new processes, products or services. Turner and Jackson-Cox (2002) emphasize that knowledge creation within an organization centers on the crucial presumption that human based knowledge is created and enlarged by means of social interaction. Relying on Nonaka and Takeuchi's (1995) work, they conclude it is

this interaction that converts individuals' explicit knowledge into collective, structural and procedural knowledge that is implicit knowledge within an organization (Sindhu, 2009).

According to knowledge based view of the firm, knowledge sharing allows efficient replication of best practices within the firm boundaries (Hackman & Katz, 2010). The most important knowledge for the firm is the one that can be easily shared with other employees in the organization (Alfes et al., 2013; Szulanski, 1996). Unfortunately such knowledge, easy to share within the organization, also tends to be easy to be replicated by competitors (Sankarasubramanian, 2009). The entrepreneur therefore has to patrol this fence, trying to increase efficiencies within the venture while aiming to preclude imitation by others (Biswas, Varma, Ramaswami 2012; Szulanski & Jensen, 2006).

There are certain factors affecting the quality and extent of knowledge sharing. One key factor is employees motivation to share the knowledge (Conway & Monks, 2009; de Man, 2008). Other factors quoted include motivation to learn, knowledge flow system put in place, and ability to overcome boundary spanning obstacles such as cultural, geographic and organizational barriers (Christian, Garza & Slaughter, 2011).

Human resource within organizations hold crucial knowledge that can be of great benefit to the social enterprises. The loop side to this is that this knowledge is very volatile (Francis, Ramdhony, Reddington & Staines, 2013). Individuals take their talent, skills, tacit knowledge, creativity and innovation with them when they leave an organization (Bontis et al., 2000). This knowledge will only be sustained in the organization if it is shared within the organization and possibly codified. To manage the personal knowledge of individuals, managers are typically urged to identify the kinds of knowledge possessed by various people in an organization and then to arrange appropriate

interactions between knowledgeable individuals (Sanchez, 2005).

For efficient knowledge sharing within the organization, structures must be put in place to facilitate sharing while eliminating handles to knowledge sharing (Jenkins & Delbridge, 2013). Hierarchies and bureaucracies are hindrances to knowledge sharing (Conner and Prahalad, 1996). Knowledge based organizations abandon hierarchies to focus on internal normative structures where knowledge can be easily shared (Kahn & Heaphy, 2013; Rylander and Peppard, 2004).

Core knowledge is the most critical knowledge for the organization to achieve its objectives. It is crucial for organizations to be able to know clearly what knowledge they need (Afuah & Tucci, 2012). This will facilitate the management to identify where that knowledge is within the organization and facilitate its sharing (Keenoy, 2013). The challenge is that many managers do not know well what knowledge is with which employee. This frustrates effective knowledge sharing (Huckman & Staats, 2011).

There are many indicators within an organization that knowledge sharing is happening. Some include the presence of communities of practice or learning networks, as well as presence of publications and blog spots resulting from knowledge sharing (Kelliher, Hope & Farndale, 2013; Minonne, 2008).

Unique knowledge possessed by a firm gives it competitive advantage. Organizations possessing that knowledge will go to great extent to protect that knowledge from replication by competitors. Knowledge based theory of the firm reasons that the ability of the firm to protect the knowledge from its competitors is the key determining factor in the firm's sustainability (Taneja, 2009). Indeed, other scholars are persuaded one of the most critical roles of firm's management is to identify, actualize and protect knowledge that will give

the firm sustainable competitive advantage (Teece et al., 1997).

However, recent studies contradict this notion that protecting knowledge necessarily gives the firm competitive advantage. Yang, Phelps, and Steensma (2010) found that when knowledge gets out of the organization, even accidentally, it increases the possibility that the organization will receive valuable knowledge in future days. Organizations have started deliberately but selectively giving out information that would otherwise be protected from the public, making it accessible to competitors (Vogelsang, 2009). This is called selective revealing (Henkel, 2006b).

By making its crucial information available to the competitors, it may result to greater collaboration or divert the competitive environment to fit its desired trajectory. It could be that an organization has made a discovery but it is stuck on improving it for better performance. By releasing the knowledge it has it could incite greater attention from others resulting to improvement of the initial innovation (Stam, 2009). Clarkson and Toh (2010) showed that disclosing internal technology resources may deter rivals from investing in similar ones.

Compared to other enterprises, knowledge protection in social enterprises is more complex. The complexity results from the double bottom line associated with social entrepreneurship, the economic and social missions. When making decisions on knowledge protection, the enterprises has to balance between protecting the enterprises knowledge that gives the enterprise competitive advantage in the business front and sharing the same knowledge with other enterprises to enable ideas replication for social mission achievement (Tracey & Phillips, 2007).

Whereas social enterprises would like to protect their knowledge, other lines of evidence indicate that sharing knowledge with other organizations in their lines of operation enhance achievement

of the social enterprises social missions and hence rate of return to social enterprises return to investment . De Man, (2008) writes that innovation no longer takes place within the organization but within network of organizations. Successful initiators in social enterprises depend on networks of organizations working together to achieve social goals (Lam, 2009; Shaw and Carter, 2007). All this further complicates the decision of social enterprises regarding how to protect their knowledge.

Knowledge sharing for social enterprises goes beyond sharing it within the organization. Research indicates that knowledge sharing with outside stakeholders influences the performance of the social enterprise especially in pursuit of its social mission (MacLeod & Clarke, 2009; Kristoffersen and Singh, 2004). Social enterprises can gain strategic advantage if they can make use of knowledge their stakeholders have and which is only gained through effective networking (Lomardo, Meier & Verloo, 2010; Schiuma et al., 2005). Social enterprises that frequently interact with other organizations from different industries are more likely to be receptive of new ideas that improve their practice (Birkinshaw et al., 2008).

### **Organizational performance**

Organizational performance is an extensively researched field. Karagoz and Oz (2008) writes that work on organizational performance started in the 1930's. It has been defined as proficiency of the organization at having access to the essential resources (Henry, 2011). McCann (2004) noted it as the ability of the organization's successful fulfillment of their goals through core strategies. Majority of business oriented organizations have used profitability measure of business economic performance (Lejeune & Vas, 2009). When measuring profitability, organizations will monitor growth in sales. Social entrepreneur's primary objective is to achieve social goals. Debate has been going on whether there are any universal social objectives

that social entrepreneurs endeavor to achieve. Some reason that whatever specific social objectives social entrepreneurs work towards (Ashoka, 2005) social entrepreneurs should work towards achievement of innovative ideas that are sustainable, widely replicated and that radically change the social systems (Locke, 2009).

Knowledge sharing impacts the spread of a certain social solution important to the social enterprise. It encourages other players in the industry to share further information about the issue or invest in it (Jeppesen & Lakhani, 2010). It also sets agenda around the issue. This may be at a local or global level (Alexy, Criscuolo, & Salter, 2009).

## **RESEARCH METHODOLOGY**

### **Research design**

The researcher used descriptive research design. Descriptive research is a method of collecting information by interviewing or administering a questionnaire to a sample of individuals (Orodho, 2003). The major purpose of descriptive research is description of the state of affairs as it exists. The researcher reports the findings (Orodho, 2005).

### **Population**

A population is defined as the total collection of subjects a researcher makes inferences about (Cooper and Schindler, 2003; Burns and Grove, 1997). The population in this study was social enterprises in Kenya and registered under East African Social Enterprise Network. In total there are 40 registered organizations under East African Social Enterprises Network working in Kenya.

Target population is the specific section of the entire population from which the researcher wants information from (Ngechu, 2004). In this study, the target population were all the social enterprises in Nairobi and registered under East African Social Enterprises Network. There are 27 social enterprises registered under East African Social Enterprises Network which are in Nairobi. Five hundred and twenty five employees from

the 27 organizations formed the target population.

### **Sampling.**

Sampling frame is a small proportion of the target population that is selected for observation and analysis from which the sample for the study is derived (Best and Khan, 2011). Of the 27 social enterprises based in Nairobi and registered under East African Social Enterprises Networks, 10 those organizations have knowledge management systems and hence they were selected for this study. Two hundred and twenty three employees from the 10 organizations formed the sampling frame.

From the 10 organizations, employees were randomly selected for the study. Lottery method of sampling was used to determine the random samples. However senior managers such as Chief Executive Officers, knowledge management managers and monitoring and evaluation managers were selected for in depth interviews.

**Table 1. 1 Sample Determination**

Organization	Employees	Managers	Sample size	Management
Nuru Social Enterprises	27	3	8	2
Ushahidi	40	5	12	3
Kick start	16	4	5	2
Front line SMS	26	3	8	2
Growth Africa	10	1	2	2
Grassroots international Kenya	12	2	3	2
Global Action Plan	25	4	8	2
Techno serve Kenya	25	4	8	2
Ashoka Kenya	25	4	8	2
Regional Institute for social enterprises (RISE)	17	3	6	3
<b>TOTAL</b>	<b>223</b>	<b>33</b>	<b>68</b>	<b>22</b>

## Research instruments and data collection

The instruments that were used to collect data were self-administered questionnaires, interview guide questions and document review guide questions. Data collection was done through self-administered questionnaires, in depth interviews and documents review. Self-administered questionnaires were given to randomly sampled employees of the organizations under study. To ensure an accurate response rate to the questionnaires was calculated, the researcher maintained a register of questionnaires issued and those that were received. The questionnaires were administered through a drop and pick later method. In depth interviews were conducted with managers in the organizations under study who were considered to have adequate in depth information on knowledge management of the organization and its performance. These included CEOs, human resource managers, monitoring and evaluation managers and the like.

## Data analysis

Data was analyzed through qualitative and quantitative means. Cross tabulation was used to analyze the role of knowledge management of social enterprises both in the economic and social missions. Interpretation of the data was done in line with the study objectives. Thematic analysis was used to analyze qualitative data.

## Pilot testing

The tools of data collection were piloted to test their validity and reliability. The pilot study was done in a social enterprise which was not involved in the final research. This involved issuing of research tools to pilot study respondents and getting a response from them about the adequacy of the tools. After pilot testing, the research tools were reviewed before the actual research so that they could generate the most reliable data for analysis.

The test of validity was done through content validity measure. Content validity measure assesses whether a tool is measuring what it

purports to. The researcher got experts opinion on the tools validity. Reliability test used parallel forms reliability test. In this test, the researcher issued two research tools with similar questions but differently phrased to the same group of pilot test respondents at different times. The results of the two tools were correlated to establish the extent of variance in the results.

**RESEARCH FINDINGS AND DISCUSSION.**

**Reliability tests of constructs**

Cronbach’s coefficient alpha which is one of the most common methods in gauging reliability was used. Cronbach’s alpha determines how all items in the test relate to all other items (Bryman, 2011). The findings indicated that Knowledge needs identification had a coefficient of 0.970, Knowledge acquisition had coefficient of 0.653, knowledge sharing had a coefficient of 0.969 while organizational performance had a coefficient of 0.961. All constructs depicted that the value of Cronbach’s Alpha were above the suggested value of 0.6 thus the study was reliable.

**Table 1.2 Reliability tests of constructs**

Construct	Composite reliability	Comment
Knowledge needs identification	0.970	Accepted
Knowledge acquisition	0.653	Accepted
Knowledge sharing	0.969	Accepted
Organizational performance	0.961	Accepted

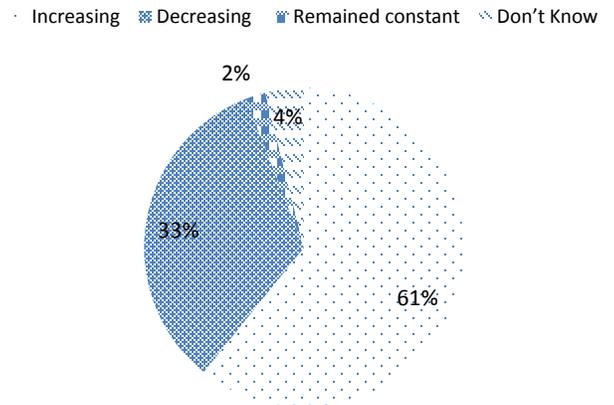
The significance was 5% (0.05).

**Response Rate.**

Response rate indicates the extent to which final data set includes all samples intended. It is calculated by dividing all interviews that were correctly done by all sample size intended. A sample of 90 people was intended. Of these, 70 responded. This gives a response rate of 78% which is adequate Mugenda and Mugenda (2003).

**Social enterprises profitability**

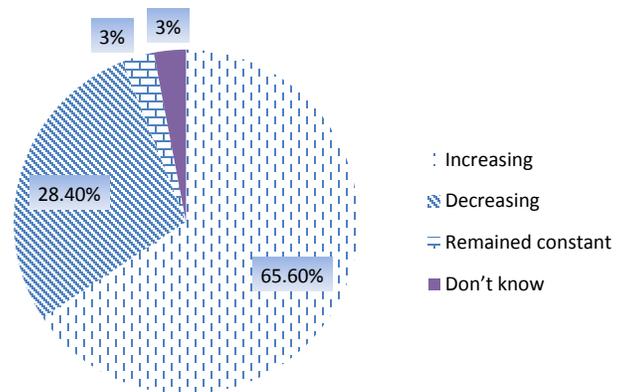
A question was posed on how the profitability of the social enterprise had been in the previous three years.



**Figure 1.2 Social enterprise profitability**

Profitability of social enterprises under study had increased in the last three years as indicated by 61% of the respondents. However for a significant number of respondents (33%) profitability of the same organizations had decreased.

**Social enterprises achievement of social objectives**



**Figure 1.3 Social enterprises achievement of social objectives**

Achievement of social objectives for social enterprises under study is on good track with 66% of respondents stating that performance in social mission had improved in the last three

years. Nonetheless for some social enterprises, performance in the social mission has been on the decline as recorded by 28% of the respondents.

**Sharing knowledge amongst employees**

To establish to what extent employees in social enterprises under study share knowledge amongst themselves, the respondents were asked if their organizations had established ways for people to document and share knowledge. Most social enterprises document and share knowledge as indicate by 65% of the respondents who reported that their organizations had established ways of documenting and sharing knowledge. In majority of social enterprises regularly share work experiences as reported by 63% of respondents who reported that they met least once every three months to share work experience and knowledge.

In most social enterprises Information Technology plays a crucial role in knowledge sharing. The respondents were asked if IT systems in their organizations connected them with the information sources they needed to do their work. The study revealed that 41.2% of respondents agreed that IT systems in their social enterprises connected them to knowledge sources they required to perform well at work. Another 27.5% actually strongly agreed with

that. However 15.7% of respondents strongly disagreed that their IT systems connected them with knowledge they needed with 11.8% disagreeing as well.

To further establish tendencies of knowledge sharing, participants were asked if they met as a team to share knowledge and experiences at the end of projects in their social enterprises. The largest proportion of respondents (35.3%) strongly agreed that they met at the end of projects to share knowledge and experience acquired in the course of project implementation. Another 29.4% agreed. However, there is a whole 19.6% of respondents who strongly disagreed they met on project end for knowledge sharing. Another 13.7% disagreed.

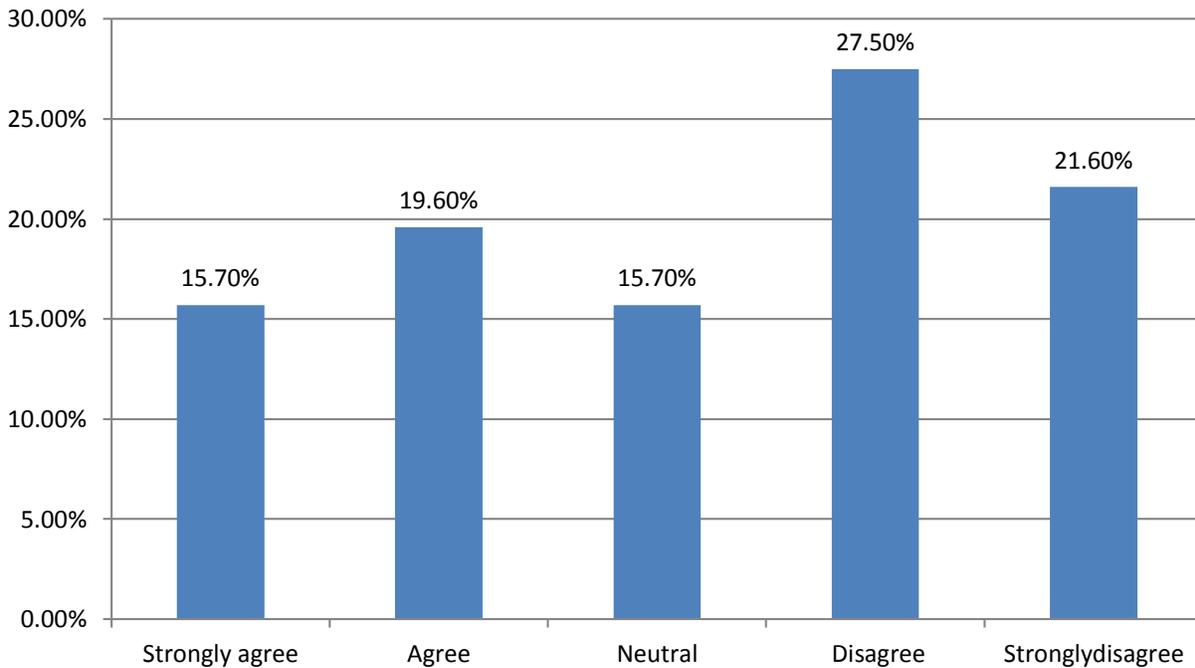
The study established to what extent the employees in the social enterprises were aware of each other’s knowledge. This is important because once employees know who holds what knowledge, especially tacit knowledge, it’s easier for them to seek it when need arises. A majority, 37.3% agreed and another 21.6% actually strongly did so. However, 17.6% felt strongly their colleagues were not aware of their professional knowledge and experience. Another 15.7% moderately disagreed with that statement. There is a small proportion (7.8%) who could neither agree nor disagree with the statement.

**Table 1.3 Knowledge sharing amongst employees**

Statement	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Documentation and knowledge sharing	39.2%	25 %	5.9%	15.7%	13.7%
Employee knowledge sharing	29.4%	33.3%	2%	19.6%	15.7%
IT system connecting employees to information sources.	27.5%	41.2%	2.0%	11.8%	15.7%
Teams analysis of end projects for learning purposes.	35.3%	29.4%	2.0%	13.7%	19.6%
Colleague’s awareness of each other’s knowledge.	21.6%	37.3%	7.8%	15.7%	17.6%

### Sharing knowledge with other organizations

The study sought to establish if social enterprises share knowledge with other organizations. This is important because when knowledge is shared across organizations, cross learning happens which improves social enterprises performance especially on achievement of social objectives. Hence the respondents were asked if they share knowledge with other organizations.



**Figure 1.4 Inter organizational knowledge sharing**

Most of social enterprises under study do not share knowledge with other organizations. Majority of respondents (49%) disagreed with the statement that their organization did share knowledge with other organizations. Only 35% agreed and strongly agreed respectively with this statement. Another 15.7% neither agreed nor disagreed with the statement.

### Knowledge sharing and organizational performance

The study sought to establish what role knowledge sharing has on organizational performance. Knowledge sharing is resulting to

innovation in social enterprises. The study established that majority of respondents (71%) with the statement that knowledge sharing had helped their organizations generate new ideas useful to the organization. Knowledge sharing in social enterprises also helps in achievement of social objectives as reported by 71% of respondents. It also results to sustainable solutions to targeted social problems. This is according to 63% of respondents. Knowledge sharing within the organization enhances performance in the business aspects of social enterprises as well. This is evidenced by 68% of respondents who agreed that knowledge sharing amongst employees had helped boost sales volume.

**Table 1.4 Knowledge sharing and organizational performance**

Statement	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Knowledge sharing resulting to innovation	43.1%	27.5%	0%	5.9%	21.6%
Internal knowledge sharing resulting to sustainable solutions.	41.2%	29.4%	0%	5.9%	21.6%
Inter organizational knowledge sharing and sustainability of social solutions.	37.3%	25.5%	2.0%	11.8%	21.6%
Knowledge sharing and increased sales volume.	41.2%	25.5%	0.0%	2.0%	25.5%

**Table 1.5: Cross tabulation of knowledge sharing and profitability of social enterprises**

		Profitability of my organization in the last three years.			
		Increasing	Decreasing	Remained constant	Don't know
<b>My organization has established working ways for people to document and share knowledge. (Knowledge sharing)</b>	Strongly agree	85%	5%	5%	5%
	Agree	76.9%	23.1%	0%	0%
	Don't know	33.3%	33.3%	0%	33.3%
	Disagree	12.5%	87.5%	0%	0%
	Strongly disagree	28.6%	71.4%	0	0

Knowledge sharing indeed is confirmed to result to improved profitability of the social enterprises. Cross tabulating for knowledge sharing and profitability of social enterprises, it was established that 85% of the respondents

who strongly agreed that their social enterprises had established working ways of knowledge sharing within the organization also reported that profitability of the organizations had been increasing in the last three years.

**Table 1.6: Cross tabulation of knowledge sharing and achievement of social objectives**

		Achievement of social objectives	
		Increasing	Decreasing
My organization has established working ways for people to document and share knowledge.	Strongly agree	95%	5%
	Agree	84.6%	15.4%
	Don't know	100%	0
	Disagree	25%	75%
	Strongly disagree	0%	100%

Failure to share knowledge in social enterprises may result to deteriorating performance in the social mission. Majority of the respondents (75%) who disagreed with the statement that their social enterprises had established working ways for employees to document and share knowledge also reported that their social enterprises social mission’s achievement was on the decline.

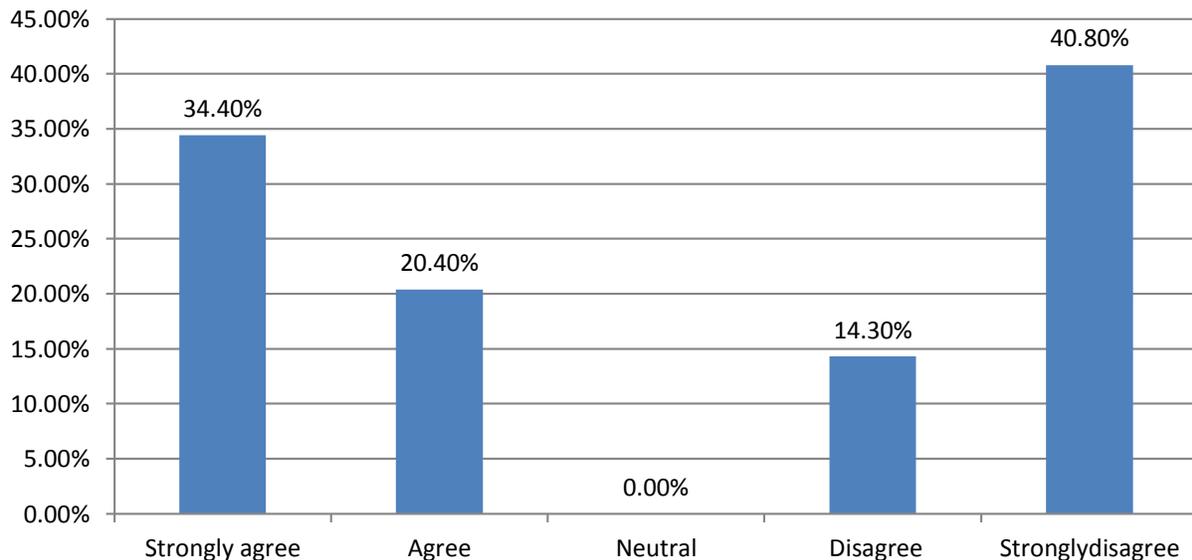
**Knowledge protection and social enterprise performance**

The respondents were asked if knowledge protection had helped their organization

enhance profitability in the business front. Knowledge protection in social enterprises helps improve profitability. A majority (67%) of respondents agreed that protecting organizational knowledge had helped the organization protect its profit margins. However, a third of the respondents (33%) disagreed that protecting organizational knowledge had helped in profitability. Protecting knowledge in most of the social enterprises under study negatively affects achievement of social objectives. This was reported by 55% of the respondents.

**Table 1.7 Knowledge protection and organizational profitability**

	Frequency	Percentage.
Strongly agree	19	39.5%
Agree	13	27.1%
Neutral	0	0%
Disagree	3	6.25%
Strongly disagree	13	27.1%
<b>Total</b>	<b>48</b>	<b>100%</b>



**Figure 1.5 Knowledge protection and achievement of social objectives**

Social enterprises that share knowledge with other organizations are likely to benefit from improved profitability. As indicated in the table

4.17 all respondents who strongly agreed with the statement that their social enterprises shares knowledge with other organizations at

least thrice an year also agreed that profitability of the social enterprises had been on the rise in the previous three years. Those agreeing their social enterprises share knowledge and the profitability of their social enterprises was on the rise were 70% with 20% of those agreeing their social enterprises shares knowledge with other organizations reporting that their organizations profitability had been declining in the previous three years. Almost forty three percent (42.9%) of the respondents who disagreed with the statement that their organizations shared

knowledge with other organizations reported that their organizations profitability had been increasing with 50% in the same category reporting that their organizations profitability had been decreasing. Almost 64% of those who strongly disagreed that their organizations shared knowledge with other organizations, also reported that profitability of their social enterprises had been decreasing in the previous three years but another 36% in the same category reported that profitability had been increasing.

**Table 1.8: Cross tabulation of knowledge protection and profitability of social enterprises**

		Profitability of my organization in the last three years.			
		Increasing	Decreasing	Remained constant	Don't know
<b>My organization shares knowledge with other organizations at least thrice an year. (Knowledge protection)</b>	Strongly agree	100%	0	0	0
	Agree	70%	20%	10%	0
	Don't know	75%	12.5%	0	12.5%
	Disagree	42.9%	50%	0	7.1%
	Strongly disagree	36.4%	63.6%	0	0

Social enterprises failure to share knowledge with other organization harms their achievement of social objectives. Majority of respondents (72.7%) who reported that their

social enterprises don't share knowledge with other organizations also reported that achievement of their social objectives was on the decline.

**Table 1.9: Cross tabulation of Knowledge protection and performance of social enterprises in achievement of social objectives**

		Achievement of social objectives	
		Increasing	Decreasing
<b>My organization shares knowledge with other organizations at least thrice a year.</b>	Strongly agree	100%	0
	Agree	80%	20%
	Don't know	87.5%	12.5%
	Disagree	64.3%	35.7%
	Strongly disagree	27.3%	72.7%

### **Discussion on Knowledge sharing and performance of social enterprises**

The study revealed that social enterprises under study have gained from sharing knowledge amongst employees with both financial and social objectives improving. This finding agrees with findings of Hackman & Katz (2010) who concludes that knowledge sharing amongst employees allows replication of best practices that results to greater performance.

This study has indicated that most social enterprises have developed ways to share and document shared knowledge amongst employees. This is a factor that has ensured the sharing results to improved performance. Sanchez (2005) findings showed that documenting tacit knowledge from employees makes the knowledge available to the organization long after the employees leave and can be used to enhance organizational performance.

The research established that social enterprises have developed knowledge sharing systems mostly quarterly, annual and project end experience sharing forums. The systematic knowledge sharing has contributed to better utilization and documentation of shared knowledge. Other research has also established

knowledge sharing best happens when formal knowledge sharing forums are developed (Puranam, Singh, & Chaudhuri, 2009). This allows for proper documentation of shared knowledge and systematic reflection on the shared knowledge to realize how it is best utilized within the organization (Hakanen & Schaufeli, 2012).

Social enterprises, from this study, will protect the knowledge that is likely to give them the highest competitive edge in the business front. This finding agrees with that of Henkel & Baldwin (2011) who empathizes that social enterprises will put financial considerations first when making decision over knowledge protection.

This study established that social enterprises protection of their knowledge had not helped the organizations in achievement of their social objectives. Other researchers have found that knowledge sharing with other organizations influences the performance of the social enterprise especially in pursuit of their social mission (MacLeod & Clarke, 2009; Kristoffersen and Singh, 2004). Social enterprises that frequently interact with other organizations from different industries are more likely to be receptive of new ideas that improve their practice (Birkinshaw et al., 2008).

## REFERENCES

- Afuah, A., & Tucci, C. L. (2012). Crowd sourcing as a solution to distant search. *Academy of Management Review*, 37, 355-375.
- Alexy, O., Criscuolo, P., & Ammon, S. (2012). Managing unsolicited ideas for R&D. *California Management Review*. 54{3, 116-139.
- Alfes, K., Shantz, A.D., Truss, C., and Soane, E.C. (2013). The link between perceived human resource management practices, engagement and employee behaviour: a moderated mediation model. *The International Journal of Human Resource Management*, 24, 330–351.
- Ashoka Official Website. (2005). *What is social entrepreneurship* June 14, 2014, from <http://www.ashoka.org>
- Birkinshaw, J., Hamel, G.K. & Mol, M.J. (2008). Management innovation. *Academy of Management Review*, Vol. 33 No. 4, 825-45.
- Biswas, S., Varma, A., and Ramaswami, A. (2012). Linking distributive and procedural justice to employee engagement through social exchange: a field study in India. *The International Journal of Human Resource Management*, 24, 1570.–1587.
- Bloom, P. N., & Chatterji, A. K. (2009). Scaling social entrepreneurial impact. *California management review*, 51(3), 114-133.
- Bornstein, D. (2004). *How to Change the World: Social Entrepreneurs and the Power of New Ideas*. New York: Oxford University Press.
- Burns, A.C. and Bush, R.F. (2010). *Marketing research 6th Edition*. New York: Pearson education, Inc.
- Clarkson, G., & Toh, P. K. (2010). "Keep out" signs: The role of deterrence in the competition for resources. *Strategic Management Journal* 31, 1202-1225.
- Conway, E., and Monks, K. (2009). Unravelling the complexities of high commitment: An employee-level analysis. *Human Resource Management Journal*, 19, 140–158.
- Cooper, D.R and Schindler, P.S (2003). *Business Research Methods (8<sup>th</sup> ed)*. McGraw-Hill: New York.
- Christian, M.S., Garza, A.S., and Slaughter, J.E. (2011). Work engagement. A quantitative review and test of its relation with task and contextual performance. *Personnel Psychology*, 64, 89–136.
- De Man, A.-P. (Ed.). (2008). *Knowledge Management and Innovation in Networks*. Cheltenham UK: Edward Elgar Publishing.
- Drucker, P. F. (1985). *Innovation and Entrepreneurship: Practice and Principles*. New York: New York publishers.
- Drucker, P. (1954). *The practice of management*. New York: Harper and Row Publishers.
- Ferguson, J.E., Mchombu, K. and Cummings, S., (2008). Management of knowledge for development: meta-review and scoping study. *IKM Working Paper No. 1, March 2008*, 45.
- Francis, H.M., Ramdhony, A., Reddington, M., and Staines, H. (2013). Opening spaces for conversational practice: A conduit for effective engagement strategies and productive

- working arrangements. *The International Journal of Human Resource Management*, 24, 2713–2740.
- Gupta, P., Mehrotra, D. and Singh, R. 2012. *Achieving excellence through knowledge mapping in higher education institution*. IJCA proceedings on international conference on recent advances and future trends in information technology (iRAFIT 2012).
- Hall, J.K., Daneke, G.A. and Lenox, M.J. (2010). Sustainable development and entrepreneurship: past contributions and future directions; *Journal of Business Venturing*, Vol. 25, No. 5, 439-448.
- Haynie, J. M., Shepherd, D., Mosakowski, E., & Earley, P. C. (2010). A situated metacognitive model of the entrepreneurial mindset. *Journal of business venturing*, 25, 217-229.
- Henkel, J., & Baldwin, C. Y. (2011). *Modularity for value appropriation: Drawing the boundaries of intellectual property*. Finance Working Paper no. 11-054, Harvard Business School, Boston.
- Henry, E. A. (2011). *Is the influence of organizational culture on organizational effectiveness universal? An examination of the relationship in the electronic media (radio) service sector in the English speaking Caribbean*. Unpublished PhD theses. University of Mississippi.
- Huckman, R. S., & Staats, B. R. (2011). Fluid tasks and fluid teams: The impact of diversity in experience and team familiarity on team performance. *Manufacturing and Service Operations Management*, 13, 310-328.
- Jenkins, S., and Delbridge, R. (2013). Context matters: examining “soft” and “hard” approaches to employee engagement in two workplaces. *The International Journal of Human Resource Management*, 24, 2670–2691.
- Kahn, W.A., and Heaphy, E.D. (2013). Relational contexts of personal engagement at work, in *Employee Engagement in Theory and Practice*, eds. C. Truss, K. Alfes, R. Delbridge, A. Shantz, and E.C. Soane, London: Routledge.
- Karagoz, S., & Oz, E. (2008). *Organizational effectiveness in higher education; measures, measurement and evaluation*. Paper presented at the EABR & TLC Conferences Proceedings, Rothenburg, Germany.
- Keenoy, T. (2013). Engagement: A murmuration of objects. in *Employee Engagement in Theory and Practice*, eds. C. Truss, K. Alfes, R. Delbridge, A. Shantz, and E.C. Soane, London: Routledge.
- Kelliher, C., Hope-Hailey, V., and Farndale, E. (2013). Employee engagement in multinational organisations. in *Employee Engagement in Theory and Practice*, eds. C. Truss, K. Alfes, R. Delbridge, A. Shantz, and E.C. Soane, London: Routledge.
- Kirkwood, J., & Walton, S. (2010). How ecopreneurs’ green values affect their international engagement in supply chain management. *Journal of International Entrepreneurship*, Vol. 8, No. 2, 200-217.
- Kooij-de Bode, H. J. M., van Knippenberg, D., & van Ginkel, W. P. (2010). Good effects of bad feelings: Negative affectivity and group decision making. *British Journal of Management*, 21, 375-392.

- Kristoffersen, L., and Singh, S. (2004). Successful application of a customer relationship management program in a nonprofit organization, *Journal of Marketing Theory and Practice*, Vol. 12 No. 2, 28-42.
- Lam, T.K.Y. (2009). *A knowledge cafe: The intangibles of project management*. Paper presented at PMI 2009 Asia World Congress, Kuala Lumpur, Malaysia.
- Lejeune, C., & Vas, A. (2009). Organizational culture and effectiveness in business schools: A test of the accreditation impact. *Journal of Management Development*, 28(8).
- Lewis, K., Lange, D., & Gillis, L. (2005). Transactive memory systems, learning, and learning transfer. *Organization Science*, 16, 581-598.
- Locke, E. (2009). The nature and causes of job satisfaction. *Journal Of Industrial And Organisational Psychology*, 4 (6), 230–235).
- Lomardo, E., Meier, P., and Verloo, M. (2010). Discursive dynamics in gender equality politics: what about “feminist taboos. *European Journal of Women’s Studies*, 17, 105–123.
- MacLeod, D., and Clarke, N. (2009). *Engaging for success: enhancing performance through employee engagement*, London: Office of Public Sector Information.
- Mahoney, Y. T., and J. R. Pandian. (1992). The resource based view within the conversation of strategic management. *Strategic Management Journal*, 13 (5), 363–80.
- Marr, B. and Roos, G. (2005). A strategy perspective on intellectual capital, in Marr, B. (Ed.). *Perspectives on Intellectual Capital: Multi-disciplinary Insights into Management, Measurement, and Reporting*. Elsevier Butterworth-Heinemann: Amsterdam.
- McCann, J. (2004). Organizational effectiveness: Changing concepts for changing environments. *Human Resource Planning*, 27(1).
- Minonne, C. (2007a). Towards an integrative approach for managing implicit and explicit knowledge: an exploratory study in Switzerland, Doctoral Dissertation, University of South Australia, Adelaide.
- Nevo, D., Benbasat, I. and Wand, Y. 2009. Who knows what? *MIT Sloan Management Review*. Retrieved June 10, 2014, from <http://sloanreview.mit.edu/executiveadviser/articles/2009/4/5147/who-knows-what/>
- Nevo, D., Benbasat, I. and Wand, Y. 2012. The knowledge demands of expertise seekers in two different contexts: Knowledge allocation versus knowledge retrieval. *Decision Support Systems*, 2012(53), 482- 489.
- Ngechu. (2004). *Understanding the research process and methods. An introduction to research methods*. Nairobi: Acts Press.
- Orengo Castellá, V., Zornoza Abad, A. M., Prieto Alonso, F., & Peiró Silla, J. m. (2013). The influence of familiarity among group members, group atmosphere and assertiveness on uninhibited behavior through three different communication media. *Computers in Human Behavior*, 16, 141- 159.
- Penrose, E. T. (1959). *The Theory of the Growth of the Firm*. New York: John Willey and Sons.
- Polanyi, M. (1958). *Personal knowledge: towards a post-critical philosophy*. Chicago: University of Chicago Press.

- Sanchez, R. (2005). *Knowledge management and organizational learning: fundamental concepts for theory and practice*. Working paper, Lund Institute of Economic Research.
- Sankarasubramanian,S.(2009). *Knowledge management meet project management*. Paper presented at PMI 2009 Asia World Congress, Kuala Lumpur, Malaysia.
- Schiuma, G., Lerro, A. and Carlucci, D. (2005). An interfirm perspective on intellectual capital,in Marr, (Ed.), *Perspectives on Intellectual Capital: Multi-disciplinary Insights into Management, Measurement, and Reporting*, Elsevier Butterworth-Heinemann, Amsterdam, 155-69.
- Schumpeter, J A. (1934). *The Theory of Economic Development: An Inquiry into Profits, Capital,Credit, Interest, and the Business Cycle*. Cambridge,MA:Harvard University Press.
- Sharma, Rashmi (2009). A Study of Human Motivation for an Effective Knowledge Management. *Bizcraft, Vol.3 No.1*, Sept.08 – Feb. 09.
- Shaw, E., & Carter, S. (2007). Social entrepreneurship: theoretical antecedents and empirical analysis of entrepreneurial processes and outcomes. *Journal of Small Business and Enterprise Development, 14*, 418–434.
- Sindhu Dr. (2009). Integrating knowledge management with organizational learning. *Bizcraft, Vol.3 No.1*, Sept.08 – Feb. 09.
- Sirmon, D. G., & Hitt, M. A. (2009). Contingencies within dynamic managerial capabilities: Interdependent effects of resource investment and deployment on firm performance. *Strategic Management Journal, 30*,1375-1394.
- Spender, J. C. & Grant, R. M. (1996). Knowledge and the firm: overview. *Strategic management journal, 17 (Winter Special)*, 5-9.
- Stam, C.D. (2009). Knowledge and the ageing employee: a research agenda. *Science Guide journal*.
- Taneja, Kanika (2009). Micro finance: the new mantra of rural finance to reduce poverty. *Delhi Business Review, Vol. 10, No. 2 (July-December 2009)*.
- Teece, D., Pisano, G. and Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal, 18 (7)*, 509-534.
- Tracey, P., & Phillips, N. (2007). The distinctive challenge of educating social entrepreneurs: a postscript and rejoinder to the special issue on entrepreneurship education. *Academy of Management Learning & Education, 6*, 264–271.
- Vogelsang,K. (2009).Project management standards: Diffusion and application in Germany and Switzerland. *International Journal of Project Management, 27*, 292–303.
- Von Krogh, G. and Grand, S. (2002). *From economic theory towards a knowledge- based theory of the firm*. In Choo and Bontis (Eds.) *The Strategic Management of Intellectual Capital and Organizational Knowledge*, New York: Oxford University Press, 163-184.
- Yang, H., Phelps, C, & Steensma, H. K. (2010). Learning from what others have learned from you: The effects of knowledge spillovers on originating firms. *Academy of Management Journal 53*,371-389.

Zahra, S., Gedajlovic, E., Neubaum, D., & Shulman, J. (2009). A typology of social entrepreneurs: Motives, search processes and ethical challenges. *Journal of Business Venturing, 24(5)*, 519–532.