The Role of Knowledge Management Process for Improving the Organizational Philanthropy- A Case of Transparent Hands of Pakistan

Author’s Details:

(1) Rabeea Ishaq (PHD Scholar @ UMT Lahore) (2) Anna Ali MS Scholar (3) Faisal Mehmood Tahir MS Scholar

Abstract

In recent times the interest of the businesses towards social innovation, social entrepreneurship as well as social responsibility grows up more for increasing the positive attitude towards the external stakeholders. With these an increasing interest concerning the ecological wellbeing is considered to be more like a social innovation perspective’s for the business. Organization philanthropy comes under the umbrella term of the organization social responsibility. This basic motivation relying behind this conceptual paper study is to explore the impact of philanthropy acts of the organizations as a social innovation, as well as to link up this with the phenomenon of knowledge management process. The basic motivation behind this study is to highlight that how the transparent hands – A social enterprise managing the knowledge process behind their philanthropic intentions. Separately both of these concepts had a variety of literature, but still the arguments relying behind the knowledge management strategies and social innovation perspective is missing. The theoretical argument support behind the Knowledge management process and philanthropic acts has been explained with the help of self-conceptualized theoretical model. The inspiration behind this study is to put a light towards the emerging phenomena’s that are linked up with the external stakeholders welfare and as well as the internal stakeholders intellectual abilities. In addition, Knowledge management strategies can drive a company or an organization to capitalize on economic potential outside the firm, and enable organizations to detect opportunities for innovation that they otherwise could have missed.

Keywords: organization philanthropy, knowledge management process, Social enterprise

Problem statement

In this competitive era, the external stakeholder role is becoming stronger with the passage of time. Hence it is easier for the stakeholder’s perspectives to hold over the organizations that are accountable for their actions. Companies any of the unethical act may go viral within no more time. Added more on the other hand the role of external stakeholder acts as a knowledge creator for the organization by providing them easily accessible information. So this emerging role of the stakeholders makes aware many of the businesses to increase the innovation aspects to make them survive as well compete in the business world.

One of the major concerns for the well-being of the society is to perform CSR (organization social responsibility) and a philanthropic act to show love and kind towards the society as social innovation perspectives. They are in fact part of the society in which they operate, and be affected by societal changes as well. This designates that today’s contemporary companies have an even wider set of multifaceted norms and prospects to take into explanation, in addition to the traditional market forces (Spence, 2010). Added more the philanthropist’s activities as social innovational perspectives are still missing in the link up with the knowledge management processes. In recent times the concern regarding the environmental welfare is ever increasing, that focus organizations to make their strategies strong towards the organizations philanthropy.

Introduction

The European Commission delivers a wide meaning or description of CSR that shapes CSR as “the responsibility of initiatives or businesses for their influence on society”. And that in adding to obedience, compliance with the law, companies can become socially responsible by “integrating ethical, social, consumer, environmental and human rights worries into their business plan as well as operations” (European Commission 2017). CSR is not a new idea or a concept, it remained a chief theme of interest in business world in 1970s (Carroll 1999). By the 1960s, CSR mentioned to as organization philanthropy where its appointment was unspoken in a broad intelligence, and where not unavoidably linked with business policy (Vogel 2005 in Preuss 2011: 19). This stage of CSR is aimed at “doing good to do well”, awarding only an
unintended link between organization philanthropy as well as the shareholders’ interests (Friedman 1970, Preuss 2011).

The focus of this paper is towards making the connection among the knowledge management process and the organization philanthropy as a social innovational perspective. As CSR (organization social responsibility) is also one of the emerging phenomenon behind the social entrepreneurship and social innovation. Separately the concepts are present with the available literature; furthermore these are the most discussion phenomenon of today’s world. But the connection among these two still needed to be overlooked. In today's competitive environment the stakeholder especially the external customers have a strong impact on a business progress just because of they have an immediate access towards the information. So one of the most important facts is to get recognition about the social responsibilities of the stakeholder's. Philanthropic act is also one of the leading phenomenon to show love and kind towards stakeholders, which also come in the umbrella term of CSR. This designates that today's current businesses have an even wider set of multifaceted norms and opportunities to take into explanation or account, in addition to the traditional market militaries, forces (Spence, 2010:59).

Organization philanthropic activities are integrated with the perspective of the business model in many of the ways as it has a strong link associated with to know that what marketing actives they needed to perform behind the business model. Knowledge management strategy here plays an important role that is linked up with the reconfiguration of knowledge management process. Philanthropic activities goes stronger impact when these are linked up with the business support models, in which the philanthropic acts as well as the social agenda are the core of the business strategic model. A company attractive in sensitive CSR is typically replying to attacks since media and pressure collections targeting socially or ecologically unsustainable performs (Midttun 2013).

Literature Review

Knowledge

Knowledge can be define according to the definition of Davenport and Prusak (1998, p.5) “it’s a fluid combination of enclosed experiences, values, experts visions and appropriate information that deliver a framework for accessing and joining new information and experiences”. Knowledge is the visions, identifications, and applied knowledge that individuals own. It is the Central source that lets individuals purpose logically. It can be specified that Knowledge is an unseen or intangible talent or asset, in which its achievement includes compound reasoning Procedures of awareness, education, communication, suggestion and reasoning (Epetimehin and Ekundayo, 2011). Allee (1997) declares that knowledge develops significant effects when it is understood in the superior setting of culture, which changes out of principles and attitude. Sveiby (1997) labels Knowledge as the size to action on info and thus make it appreciated or value able, so knowledge can be supposed to be incompetent if not used. In organizations, knowledge develops surrounded not only in papers or sources, but also in organizational procedures, developments, Practices, standards and philosophies.

Knowledge is divide in two diverse types, Nonaka and Takeuchi (1995) define knowledge as current in two proportions – tacit and explicit knowledge. Tacit knowledge is the individual and situation exact knowledge of an individual that exist in the social mind, performance, and observation (Duffy 2000). Tacit knowledge is tough to express as it is articulated complete action based talents and cannot be condensed to rules and guidelines. It is intensely deep-rooted in actions, commitment, principles, values and it can only be ultimately accessed (Baloh et al., 2011). Tacit knowledge is extremely personal, individual, hard to reinforce, expressive and communicate fully, knowledge based, contextualized, job precise, moved over discussion or description, not taken by official teaching or exercise and may even be hidden but talented of attractive explicit information (Nonka and Takeuchi, 1995, Hislop, 2013).

Knowledge Management

Knowledge management is basically a discipline that has been a main opinion of discussion from the last few decades. In recent years, the Position of Knowledge Management has remained extensively familiar as
the fundamentals of commercial economies moved from ordinary capitals to intellectual or knowledgeable assets. Since 1995 the eruption in the literature environment brings the emerging idea of Knowledge Management. In Soul Knowledge Management is valuable to all areas, be it informative r educational, banking, communications, manufacture/industrial, and even the municipal sectors. Many groups have understood that technology-based competitive advantages are passing and that the only defensible competitive rewards they have are their workers and so to continue at the lead and continue competitive advantage organizations must have a good size to remember, advance, establish, and apply their employee capabilities (GroÈnhaug and Nordhaug, 1992).

Knowledge management is defined by W.R.King (2008) as the process of planning, organize, inspire or motivate, and controlling of processes, systems and people in the organization, confirm that the knowledge-related effects are enhanced and efficiently engaged. According to the definition T. Shanhong (2000) Knowledge management is "effective finding, formation, development, resolving, use, storage and distribution of knowledge in command to create an attitude for the conversion of tacit knowledge in explicit knowledge." Jashapara (2004) expresses knowledge management in the system of a four-looped procedure as Creating, forming, distributing or sharing (both tacit and explicit knowledge) and applying of knowledge.

According to the definition of O. Nazari (2003) Knowledge Creating is a boundless procedure which comprises making novel ideas, clutching novel paradigms, and uniting lonely principles for founding new procedures. Knowledge Organizing is the twist of knowledge management sequence refers to storage, recording, and protective knowledge in arrangements and edges which lease other staffs recover it. (Radding, 2003, pp178-189). Knowledge Sharing is the mutual knowledge graceful and trickle amongst people and mechanical and non-mechanical centres for knowledge. In fact, 90% of the knowledge management achievement rest on correct knowledge sharing. (Radding, 2003, pp. 160). And Knowledge Implementing Consists of using the gotten ideas and knowledge, deprived of being worried about their announcers H. Benbya (2008).

In many of the business the KM is considered as a main priority of investment. It has been predicted that the Knowledge management had a string linkup with the intellectual abilities of the firm. That in return have an association with the financial as well as the innovative concerns of the business performance (Wong et.al, 2005). According to Love, P et.al (2003) the effective as well as the efficient KM facilities of innovation results to minimize the project duration rate as well as to improve the quality of the satisfaction level of the customers. Hence few of the other researches highlighted that those firms who are having more awareness regarding the knowledge resources they are considered to be more valuable, unique, rare as well as difficult to imitate etc. Therefore these business get advantage over their competitors. (Darroch, 2003).

Literature reveals that the knowledge management has a strong link with the innovation positively. Knowledge plays the role of the most important as well as the valuable asset for the organization to get the competitive edge over their competitive. Innovation has also been liked with the knowledge based phenomenon (Trott, 2001). Few of the researchers’s like Porter has also specified that innovation is more relying towards the impact of knowledge based processes. Added more the study based on innovation and knowledge management process has been empirically stated over three states comprising of Russia, China and Finland. Results of this study postulated that innovation is relying with three knowledge managed steps includes the creation of knowledge, their documentation as a knowledge stock and the acquisition of the knowledge. Further these findings highlighted that these three steps of knowledge management process has a strong link towards the benefits associated with innovation. Woodcock (2007) stated that KM and innovation are interrelated.

Knowledge based view (KBV)
KBV (Knowledge-based view) of an organization or a firm assumes that a firm render services obtainable offered by using knowledge. The knowledge is entrenched and embedded in as well it is approved through many entities that also includes organizational identity, culture documents, individual employees, routines and policies etc. (Grant 1996). According to the knowledge based view the knowledge is considered as a
most powerful as well as having a significant source for an organization and this view is fitting towards the software industry as they are providing the IT services. Concentrating upon knowledge perspective as a main creative resource, KBV reflects the dare of the direction for KM is to plan devices over and done with the knowledge resources of different persons that can be organized in the manufacture of a particular product or service (Grant 2013).

Social innovation
Social innovation is defined as “innovations that are both social in their ends and in their means. Social innovation is new ideas (products, services and models) that simultaneously meet social needs (more effectively than other alternatives) and create new social relationships or collaborations.” (EU Commission 2012 in Osburg 2013:17). Innovation doings can also be well-defined as an innovation schemes, or it can be incessant developments to products, processes and operations. It can be the application of a single noteworthy alteration, or it can be a sequence of incremental variations that together establishes an important modification (Mortensen, et al., 2005: 47).

The Oslo Manual describes four types of innovations that can fit an extensive range of vicissitudes in the doings of a firm: product innovations, organizational innovations, process innovations and marketing innovations. Social innovation may vary or occurs according to the multiple levels. Nicholls et.al (2012) highlighted that innovation may be incremental, institutional and the disruptive form. Institutional innovation means that the innovation focus is on the market development whereas the incremental innovation is linked up with the product and service development innovation. On the other hand the disruptive innovation is concerned with the social movement or a political level focus innovation. Moulaert (2013) highlighted that the concept of the social innovation is linked up with the micro as well as macro level innovation. Added more micro innovation means that the focus is on individuals but on the other node the macro is concerned with the innovation improvements for social class as well as social group level innovation.

According to Moulaert (2013) social innovation revenue refining social relations, that entails scopes of both process and outcome, process is linked up with the series of mobilisation and participation whereas the outcomes are associated with enhancements to social relations, governance structures, etc. The three comprehensive structures of social innovation highpoints includes the satisfaction level of the social needs, reconfiguration of the social relations as well as the greater level of the shared empowerment, the concluding of which is important to conference as well as meeting the citizens’ unmet wants and requirements.

According to osef Hochgerner (2011) “Social innovations are new ideas or the concepts that dealings for solving social encounters that are acknowledged and exploited by the social groups affected.” Social innovation contracts with refining the welfare of persons and public through employ, depletion or participation, it’s articulated with the purpose of being therefore to deliver answers for individual as well as the community problems. Hence Social innovation is not about presenting new types of making or exploiting new marketplaces for the sake of manipulating them, but it is all about filling new requirements not provided that by the market or creating new, more acceptable ways of supplement in relationships of giving people a place as well as a role for the production.

Literature supports that many of the research scholars defined the term of innovation based on two approaches or perspectives. The first one has an emphasis towards the process of innovation within the boundaries of the organizations that furthermore linked up with the creativity of individual’s, knowledge creation as well as the sharing techniques, the culture of the organization, environmental contexts that may effects the organization stability as well as the social economic factors of the states. On the other node the second approach of social innovation relies on the value added perspectives of the organizations through product creation? As the intentions of the customers that are linked with the organization have been changes. The S-D logic enhances the phenomenon of value co creation, as its premises stated that value co creation is relying on individual social actor’s requirements.
Organization Philanthropy

Corporations make handouts or gifts to charitable establishments or set up their own fundamentals, as they struggle for new conducts of in advance of a competitive advantage (Porter and Kramer 2002) and are predictable to do so by their various stakeholders (Logsdon et al. 1990; Wang and Qian 2011). Today, what is considered illegitimate is for organizations not to engage in philanthropic activities (Seghers 2007). In spite of this outstanding dispersion, organization philanthropy, defined as unpaid, charitable and unconditional transfers of cash or other assets by private companies for public determinations (FASB 1993), remains an interesting wonder which is up till now to be properly tacit.

Philanthropists organizations are also have knowledge intensive bodies. Almost everything that they do or perform depends upon the intellectual as well as the human capital of the organizations. Many of the business spends dollars for the inside knowledge improvements. Knowledge is considered to be a cornerstone for the effectiveness of the philanthropy. Organizational changes motivate them to make improvements in the knowledge management strategies. Organizational abilities to improve knowledge resulted to enhance the effectiveness of growth, decreasing the administrative cost as well as for the most effective strategies for the social change perspectives.

Research Methodology

By focusing on Interpretivism paradigm in this research study the researcher used the exploratory research design at epistemological assumptions to highlight the role of knowledge management with respect to social innovation phenomenon. This explorative study is based on the theoretical foundation to explain the transformation of Knowledge in the context of social enterprise. The current research survey is carry out with the help of literature review, based on the conceptual argumentation, that is concerned with the context of Knowledge Management Process and the social innovation that is implementing by the social enterprises though their philanthropic act. According to the explanation of Miguel (2007) the main theme behind the conceptual as well as theoretical investigation is to explore, identify, understand as well as monitor the specific areas of Knowledge floating forecasts.

Knowledge management and organization philanthropy

Development of the strong knowledge management process as well as strategies is essential for the philanthropic act. Many of the organizational perspectives has highlighted that knowledge management is vital for the strategically perspectives. If company strategy is to spend on the knowledge improvement of the internal customers then it had been strongly link up to motivated them as a social entrepreneur’s; by bringing ideas for the social innovation or philanthropically perspectives.

Pavitt therefore suggests a general framework in order to enable a clearer understanding of the complex knowledge in innovation processes. Innovation has many processes that may be varies as it is not dependent to just a specific firm level processes of innovation. different of the researcher’s interpret the phenomenon of innovation in their own ways like the encomiasts always intended to talk about the economic incentive for the business innovation. The organizational management will see this innovation from the processes improvements as well as coordination level. Similarly according to the sociology’s point of view they will see the impact of social change behind the innovation added more, the innovation processes vary or improved depends upon the size of the firm, its level of the organization strategy, as well as the prior experience (Fagerberg et al., 2013: 88).

Philanthropists acts are also relies on research and development innovation perspectives, mentioned that the role of the company is to apply the core principles of the philanthropic responsibility towards their services, products as well as productive processes and practices that requires the change or alteration. Sustainable firms therefore essential to accept innovation in procedures and produces to increase energy competence, decrease the ingesting of materials (Gallego-Álvarez, et al., 2011) and the influence of the products/services on the atmosphere.
Added more the niche market perspectives the role of the customer knowledge is valuable for the innovation processes. So the knowledge that is creating from the customers in the knowledge management processes have a strong linked towards the knowledge management strategies, that has strong association either the innovation practices for the society. For promoting the philanthropists acts it resulted the business to get more financial setback returns. In specialized R&D, the knowledge creation can provide a push that creates opportunities for discoveries. Knowledge creation is one of the most important impacts for the development of philanthropist’s innovation perspective of the customers of society.

After all the creation of the knowledge from the external stakeholder the next one footstep is the sharing of the knowledge for more outputted results. Knowledge sharing relevant for teamwork between dissimilar industries can be outside-in procedures where external knowledge is integrated into the innovation process for creating the philanthropy innovation for the society. Added more the phenomenon of the knowledge sharing may be arises from inside. Knowledge sharing can also be an inside-out process, where inside competences and capabilities in a firm (knowledge, technology) can be providing in order to exploit on economic possible potential outside of the firm, or in joint expansions. If a company with a planned or strategic organization philanthropy agenda, for example purposes at emerging a new and ecologically or an environmentally friendly production process like the process innovation, they would need to assimilate external knowledge as to in what way or how to do so. They would have to fascinate outside knowledge on maintainable or sustainable production as well as the development (outside-in process).

**Case of Transparent hands Pakistan – A social Enterprise**

Transparent hands are becoming a leading philanthropic organization in the position of providing charitable services in health sector of Pakistan. They have taken the initiatives of first online form crowd funding platform in Pakistan health sector. The intentions of this organization id to provide the maximization of best services towards the surgical treatment of thousands of the poor or needy patients. They are connected though the link of online web portal to make their connection towards the million of donors across the nation for funds. Added more donors of funds get ensured that their each donating penny has been utilized for the
purpose of the individuals or community wellbeing. They make this system ensured by uploading the bills and receipts online on a web portal for making their donors more satisfied as well as motivating to be loyal in future. Transparent hands trust is motivated to spread these activities all across the Pakistan and then move towards the other attention sectors like education for their philanthropic act. Transparent hands start their idea creation of crowd funding for providing the best health care services towards the needy. Today the most trust funding organization that has made their name because of these social innovations named as transparent hands. Through their portal now they can access over $ 2 Billion individuals to cover the medical bills as well as the volunteering efforts of the donors.

Figure2; self conceptualised on the base of Transparent Hands- A social Enterprise Knowledge Management process

Knowledge is considered as a power, either talk about the individuals as well as the organizational knowledge. Organization philanthropy acts as an innovational process because of the knowledge push within the organizations. The philanthropy possibly will be the social need from stakeholders confidential or outside of the organization, and the knowledge push determination be advanced in particular R&D workrooms, with the aimed at conference these needs and thus improving the chance for detections and novelties aimed at solving this essential. The foundation of the philanthropic is more relying on the knowledge intensive bodies. Almost all of the functions that they perform are more relying towards the human as well the intellectual capital improvements. Many of the public organization as well as system failed to improve their philanthropic act, just because of the lack of knowledge management process as well as their effective contribution.

Figure 3; process flow of knowledge application by Donors of Transparent Hands-A Social Enterprise Pakistan
The basic intention of the transparent hands is to give relief to those patients who are living under poverty, they can’t afford the expenses of their surgical treatments. They proved themselves to be an ideal philanthropic organization through the knowledge acquisition of crowd funding platform. As well as they are making their donors loyal though the transparency of the flow of all the interconnected system. The role of internal customer’s or internal management) is appreciating behind these philanthropic acts improvements. Their intellectual abilities making Trusting Hands Corporation to update their system of knowledge flow or process, according to the donor’s easiness and the access level (major stake holders).

Discussion and conclusion
The concept of social innovation is linked up with the verities of the activities like the new product development of the product as well as the services, phenomenon of social entrepreneurship, social relationships reconfigurations and as well as the new models of the work innovations, societal development, development of the economic perspective’s etc. literatures highlighted that there is not a particular definition that is linked towards the social innovation. But many of the prominent researches highlighted that the emergence of social innovation is more linked up with the scenarios of the doing things in an innovative way for the benefit that is associated with it.

Social innovation is becoming a changeable situation for many of the organizations for the survival in this competitive business era, as well as in the knowledge based economies. Social innovations are actual context-sensitive in the wisdom that social innovations are entrenched with the perspective of local or regional environments with precise socio-cultural establishments that effect movements, actions and mechanisms for the change.

Generating a social novelty is a procedure that begins with looking for an opportunity to transport solutions for current social problematic issues to found a new of social values. Social invention is the foundation for social entrepreneurs in responsibility of their social assignment or a mission in a better way (Dees, J. Gregory 1998). Hence relying on these assumptions of the knowledge it has been clarified that innovation over the long time period is associated with the organizational ability to manage, create as well as facilitate the knowledge with tin the organization. Knowledge creation and sharing are the backbone for the KM processes. In the start the initiative is the based on individual tacit knowledge and after that the knowledge transferability makes it explicit towards the knowledge of the organization (Lantos, 2001).

Transparent Hands - A social enterprise basic aim behind the knowledge creation of crowd funding is to make connected the pool of potential donors according to their easiness and access. Through this creative knowledge or intellectual capital they make this enterprise to reach millions of the patients all across the Pakistan for fulfilling their philanthropic intentions. Transparent hands major contributor is participating organizations, institutes as well as hospitals that are connected with them for their knowledge transformation towards societal effort. Added more they have the strong intentions to create a well developed process or a system for education sector, to make contribution in educational prosperity of the humans. Transparent Hands future intentions are relying to create a system that should be for justice and for violation of human rights. This philanthropic act of Transparent hands giving an advantage to the interconnected institutes, organizations as well as an individual donors for their promotional acts, as they are participating in this funding scheme for the community wellbeing as a social innovation perspective.

References


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