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A qualitative study on the perception of intellectual capital among a group of senior managers of Italian social enterprises

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ABSTRACT

The aim of this explorative research is to understand how senior management of Italian social enterprises perceive the role played by the intellectual capital within their organisations in generating knowledge and organisational growth. Semi-structured, in-depth interviews were individually conducted with 81 senior managers of Italian SEs. Interview data were analysed using different qualitative techniques: discourse analysis (performed by two independent judges) as well as content analysis, run through the T-Lab software (analysis of word occurrence and co-word mapping). Findings show that senior managers have a limited understanding of the IC concept of their own organisations as a generative intangible resource. The contents of their perception of IC is more related to the management of human resources and the Page 2 of 3 activities performed by their organisations. Implications for scholars and practitioners are discussed.

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1. Introduction

The economic and social role played by non-profit organisations (NPOs) is growing in Europe, as well as in the rest of the world, due to the persistence of high structural unemployment in many countries and the difficulties of traditional public policies in coping with new economic and social challenges. On the other hand, in the past three decades, the NPOs have been facing multiple challenges, such as reductions in public funds, and an increasing demand to provide new services, as they have taken over responsibility from public authorities in many areas of human and social services (Defourny, Hulgård, & Pestoff, 2014). As a result of such pressure, some NPOs have turned to a more entrepreneurial approach to achieve greater financial self-sustainability, as well as greater efficiency, becoming or promoting a social enterprise (Maier, Meyer, & Steinbereithner, 2016).

Social enterprises (SEs) are the most entrepreneurial NPOs and present different organisational forms: co-operative style enterprises, mutual-type organisations and associations, as well as a large number of de facto organisations, which are more informal initiatives (Laville & Nyssens, 2001). For the purposes of this paper, Defourny and Nyssens' (2010) definition has been adopted, which describes SEs as organisations which follow three criteria: a) a continuous activity of producing or selling goods or services, b) an explicit aim to benefit the community, c) an organisational decision making structure that is not based on capital ownership. SEs thus undertake economic

activities that would otherwise be precluded by the law applicable to NPOs and their production surplus is reinvested for the benefit of the people rather than those who control the organisations (Kong, 2010).

The number of SEs is steadily increasing, thanks to the support from governments and the European Union through the introduction of legal changes, aiming at promoting SEs along the Italian model of cooperative enterprise. Thus, Italy is an interesting example in which to observe SEs. Italian NPOs number 301,191: they comprise 681,000 of employees and 4.7 million of volunteers; their annual revenue is about 64 billion euros. NPOs generate 4.3% of Italy's GDP. The number of NPOs has grown by about 35% in the past 10 years. Italian SEs number 20,431. They represent 6.8% of the non-profit world, but they have 545,000 of employees and their annual revenue is over 28 billion euros, which is about 45 per cent of the non-profit sector's total revenue (Borzaga, Poledrini, & Galera, 2017).

The aim of this study is to understand IC and the role it plays among SEs by analysing the representation that senior managers hold of it. Unveiling the contents assigned to IC by senior managers can help to disclose the black box of how SE senior managers perceive IC as a catalyst for organisational performance and thus how SEs utilise IC for value creation (Benevene & Cortini, 2010). The research on IC has traditionally been connected with its financial dimension, while the internal perception of IC has till now been fairly neglected (Bozzolan, Favotto, & Ricceri,

2003). This knowledge is crucial to overcome the big gap between scholarship on IC and the actual management of IC among SEs, which undermines the full exploitation of IC (Kong & Ramia, 2010).

This paper thus contributes to the IC literature by: a) filling the gap of the underdeveloped body of knowledge about the role played by IC among SEs; b) contributing to the shift in the academic research from focusing on causal models of IC measurements to the unveiling of the role of IC in the specific context of SEs; c) highlighting how senior managers of SEs perceive their organisation's IC and if their perception differs from the definition of IC used by academic scholars. To the authors' knowledge, no previous research has thus far dealt with the representation of IC among SEs.

2. Intellectual capital and its components

Intellectual capital (IC) can be defined as knowledge that can be converted into value (Edvinsson & Sullivan, 1996). It is the stocks and flow of knowledge disposal in an organisation and is considered to be the sum of everything everybody in the organisation knows that gives it a competitive edge (Bontis, Crossan & Hulland, 2002). IC has a positive impact on organisational value through the creation of new organisational knowledge if it is strategically managed (Kong, 2015). More precisely an enterprise can generate organisational knowledge that in turn generates higher performance and innovation, leading to higher corporate value and greater competitive advantage over other firms (Martín-de-Castro, 2014).

As the development of the IC concept continued, some researchers began to link the concept to the resource-based view of the firm and knowledge-based theory arguing that intangible resources and capabilities and knowledge assets are a firm's critical resource (e.g. Grant, 1996; Nahapiet & Ghoshal, 1998; Subramaniam & Youndt, 2005). IC is considered firm-specific as no two organisations have the same value of IC making the concept compatible with the resource-based view's four attributes of firm resources (Nahapiet & Ghoshal, 1998; Subramaniam & Youndt, 2005). It was from here where the strategic role of IC was clearly identified linking the concept with the firm's value creation, competitiveness and performance (Kong, 2008; Martín-de-Castro, 2014). Reed, Lubatkin, and Srinivasan (2006) described the concept as the basic competences of an intangible character that allowed the firm to create and maintain its competitive advantage while others perceived that knowledge assets can be converted into value (Carlucci & Schiuma, 2007). Accordingly, the IC concept is linked to the firm's competitiveness and performance (Nahapiet & Ghoshal, 1998). IC is often perceived as the set of intangible resources and

capabilities, or knowledge assets that are possessed or controlled by the firm (Hsu & Wang, 2012; Reed, Lubatkin, & Srinivasan, 2006). It is the collective knowledge that is embedded in the personnel, organisational routines and network relationships of an organisation that can be converted into value for the organisation (Edvinsson & Sullivan, 1996). IC is generally taken to encompass three primary interrelated components as follows:

- *Human capital (HC)* is a collection of traits including the knowledge, talents, skills, abilities, experience, intelligence, training, judgment, and wisdom possessed individually and collectively by employees in an organisation (See e.g. Mubarik, Chandran, & Devadason, 2018). It helps organisations to effectively respond to environmental changes by sensing the need for changes, developing strategies to meet the changes and efficiently implementing the strategies for complex and dynamic environments (Wright, McMahan, & McWilliams, 1994). For the purpose of this paper, HC is defined as various human resource elements, including attitude, competencies, experience and skills, and the innovativeness and talents of people in an organisation. The chosen definition aligns with the nature of SEs as a hybrid form of organisation that involves taking business-like, innovative approaches to deliver social services, which often require strong human interactions to accomplish their organisational goals.
- *Relational capital (RC)* is the flow of knowledge from an organisation to the external environment of knowledge (Kong, 2010). It is the intangible value inherent in formal and informal relationships with customers, as well as other stakeholders such as governments and industry associations, and their perceptions about the organisation (Bontis et al., 2002; Edvinsson & Malone, 1997). In this paper, RC is defined as the loyalty of valuable customers; the mutual trust and commitment given by key suppliers and clients; the reliability and reliable partnership from alliance or business partners; and the reputation and relationships that an organisation has developed over time in its surrounding community. The chosen definition reflects on the complex business environment that surrounds SEs.
- *Organisational capital (OC)* refers to the supportive non-physical infrastructure, processes and databases that remains in an organisation at the end of the day after individuals within the organisation have left (Kong, 2008; Kong 2014). Unlike the other two components, OC can be owned and traded by an organisation as some of the intellectual assets may be legally protected

and become intellectual property rights which are legitimately owned by the organisation (Edvinsson, 1997). OC, in this paper, is defined as institutionalised knowledge that is codified and residing within and utilised through proprietary software and databases, patents, manuals, structures, systems, routines, processes and trademarks as well as other intangible organisational value such as organisation's image and goodwill. The definition highlights external and internal foci of SEs at the present time but also stresses strategic renewal and development value for the future of the organisations.

It is important to note that defining the three IC components separately does not suggest that the components are separated constructs. Rather, the single concept of IC is a multi-dimensional construct and the three IC components are highly inter-dependent (Benevene, Kong, Barbieri, Lucchesi, & Cortini, 2017). A loss of organisational memory due to individuals' departure may be a threat to the organisation as the individuals take their talent, skills and tacit knowledge with them when they leave the organisation (Kong, 2008). It is therefore critical for organisations to ensure that a setting, practice or system is made available where others can pick up the knowledge and skills from the departing employees (Kong, 2010). This setting or practice can be referred as OC, which works as the pool of firm-specific knowledge that supports and enables HC to function fully for sustainable competitive advantage (Wright et al., 1994). As an organisation continues to invest in HC, more competent and capable individuals develop better OC and RC for the organisation (Kong, 2015). Improved HC and OC help to create a higher level of RC through the delivery and establishment of better products, services and relationships to high-value customers and other stakeholders and this virtuous cycle begins its upward spiral into further organisational value and growth (Knight, 1999). This suggests that an organisation's IC and its components need to constantly evolve and to maintain its dynamics (Tece, Pisano, & Shuen, 1997). The evolving IC stock over time is dependent on how the knowledge within an organisation is created and managed (Zhu, 2008), and transformed through an elaborate form of learning (Shariq, 1999). Thus, IC must comprise of a learning culture that facilitates knowledge stocks change both within an organisation and between organisations and can be transformed over time (Salleh, Chong, Ahmad, & Ikhsan, 2012).

3. SEs and IC management

IC framework has recently emerged as a conceptually robust approach for the non-profit world, in spite of being originally developed as a strategic management

tool in the for-profit sector (Kong, 2015). SEs represent a hybrid form of organisation that involves taking business-like, innovative approaches to deliver social services. The IC framework, which highlights the relevance of qualitative and non-financial indicators, is particularly suitable for SEs since their products and services are largely intangible in nature (Lettieri, Borga, & Savoldelli, 2004). It is an effective instrument in identifying SEs' intangible resources, carrying out strategic analysis and monitoring the organisation from an internal perspective (Edvinsson & Malone, 1997). The adoption of merely financial measures has, in fact, emerged as encouraging short-term thinking and paying too little attention to the role played by the intangible assets – such as employees' capabilities and customer satisfaction – in organisational development (Marr, Gray, & Neely, 2003). To mobilise its IC, an organisation needs the total commitment of its senior management (Van De Vrande, De Jong, Vanhaverbeke, & De Rochemont, 2009). Senior managers are the highest level of management of an organisation. They hold ultimate responsibility over the organisation's policies and their implementation (Hambrick & Quigley, 2014). It is important to reach a deeper understanding of the representation held by SEs' senior managers regarding their organisation's IC. How senior managers perceive their organisation's intangible resources has an impact in shaping strategic analysis and choices and ultimately, the organisation's management (Benevene et al., 2017).

According to the social representation theory, how people represent phenomenon has a strong impact on their attitudes and expectations, driving their behaviours, choices and actions (Moscovici, 2001). Representations are the result of a social construction. The meanings assigned to a given phenomenon are not fixed and defined once for all, but they require further understanding. This is particularly true when addressing IC, which is dynamic in its nature (Veltri & Bronzetti, 2015). Thus, it is necessary to understand not only what senior managers have really retained from theories and models as outlined in the academic literature, but also what understanding they have of them. This is necessary to assess the use, if any, they have made of them. In addition, senior managers are key informants. They know better than anyone else the praxis of their organisation (Hambrick & Quigley, 2014). Therefore, they are the best source of information to obtain a qualitative image of the organisation in terms of how IC is managed (Curado, 2008).

4. Disclosure of IC management among SEs

The literature on IC management has undergone two main phases and is currently entering a new period (Guthrie, Ricceri, & Dumay, 2012). The first one aimed at raising awareness about the relevance of

IC and its strategic management. The main results of the studies carried out till the late 1990s are well represented by the Balanced Scorecard (Kaplan & Norton, 1992), the Skandia's model (Edvinsson, 1997) and the Intangible Asset Monitor (Sveiby, 1997), where the focus is on IC reporting among for-profit organisations. In the course of the first and second phases, the identification of the IC components was finalised too (Dumay & Garanina, 2013).

The second phase is characterised by the efforts of making “the invisible” visible, through the development of several methods for measuring, assessing and disclosing IC (Guthrie et al., 2012). These efforts are based upon the belief that IC measurement would generate an ultimate model that could lead to higher performance of the organisation.

The inconclusive results of the approach adopted in the second phase lead to a shift in focus from IC measurement to the understanding of the actual transformative role played by IC in the organisation (Mouritsen, 2006). This third and most recent phase on IC management research begins in the early 2000s and two considerations are addressed: a) the gap emerged between the academic literature and the practice in IC management and b) the context-specificity of IC (Rathi, Given, & Forcier, 2016). It has been argued that IC is developed in a specific organisational context and therefore it is perceived to be difficult to measure and understand without taking the context into account (Swart, 2006). As a consequence, the core question shifted from “how to measure IC” to “how IC is perceived and mobilised in specific contexts”, such as SEs (Hendriks & Sousa, 2013).

The focus on the organisational context generated an interest in IC among NPOs (Kong, 2015). In spite of the variety of legal forms that NPOs may assume, they present specific features, such as the presence of volunteers and donors (Anheier, 2014). The role played by IC in non-profit management and even more among SEs is thus a relatively new area of research and relatively underdeveloped, especially if compared with the IC management literature developed for for-profit organisations (Veltri & Bronzetti, 2015). Above all, the literature on IC management does not address the uniqueness of the non-profit environment and its social aims (Cerchione, Esposito, & Spadaro, 2016). The financial approach applied in the for-profit world does not take into account the ultimate social aims and mission of NPOs, which are the *raison d'être* of these organisations (Anheier, 2014). It would hence be inappropriate to consider findings regarding the for-profit field to be also valid for the non-profit world (Kong, 2008).

Nonetheless, Kong (2010) suggests that IC may be a useful framework for SEs, which are the most entrepreneurial sector of the non-profit world. Meadows and Pike (2010) successively confirmed

the relevance of adopting the IC model by SEs. Findings show that IC can assist SEs' management in formulating strategies, endorsing the innovation process and allocating resources, since it shifts the strategic focus onto intellectual resources and knowledge creation among SEs, which are knowledge-intensive organisations. IC management emerged as a key success factor “also for resource acquisition such as sustaining positive external stakeholder relationships to draw funding from potential donors and to attract potential new employees and volunteers in the organisation” (Kong, 2010, p. 164). Despite this the fragmentation of the literature has led to calls for more empirical research grounded on social entrepreneurial organisations (Chell, 2007; Weerawardena & Mort, 2006).

5. Methodology

This paper has sought to address the following research questions: How do Italian senior managers perceive their organisation's IC? What role does IC play in Italian SEs?

A qualitative approach was adopted to carry out this explorative study, in consideration of the underdeveloped knowledge of the role played by IC among SEs (Grandinetti, 2016). The collection of qualitative data through interviews offers the opportunity to gain an insight about the representation that senior managers of Italian SEs have of their organisations' IC, rather than simply looking at formal discourses and official documents of the social enterprises (Eisenhardt & Graebner, 2007). In fact, official documents may not fully reflect the objective reality of a firm. As Abeysekera (2006, p. 73–74) argued, documents such as “Annual reports are used by firms to establish their desired position among their stakeholders, rather than to simply communicate the objective reality of the firm through the IC disclosure”.

More specifically, interviews were analysed by triangulating two qualitative techniques: content analysis and discourse analysis. Content analysis differs from discourse analysis quite profoundly even though it is similarly concerned with the analysis of texts (Hardy, Harley, & Phillips, 2004). Content analysis focuses on the text abstracted from its contexts and assumes a consistency of meaning that allows counting and coding while discourse analysis focuses on the relation between text and context and thus is concerned with the development of meaning and in how it changes over time. In other words, where discourse analysts see change and flux, content analysts look for consistency and stability (Hardy et al., 2004). In discourse analysis, texts are not individually meaningful (Hardy et al., 2004). This notion strikes at the heart of a primary commonality between discourse analysis and content analysis, as both are

concerned with drawing conclusions about some aspect of human communication from a carefully selected set of messages (Neuendorf, 2004). Ultimately findings from the two methods can fit together quite nicely, providing a good example of triangulation of methods, a highly desirable situation (Cortini, 2014).

With regard to content analysis, the text was analysed through the analysis of the occurrences and co-occurrences of words, using the lemma “intellectual_capital” as a keyword to unveil the participants’ representation of their organisation’s IC. The analysis of the occurrence of words allows the highlighting of the most significant concepts, as expressed by their frequency in the text analysed, whereas the analysis of the co-occurrence of words allows us to disclose the cognitive representations of a given phenomenon, highlighting how the interviewees perceive it in a significant relationship with other words and other concepts (Cortini & Tria, 2014). In addition, we used discourse analysis of a singular extract in order to highlight the results of the content analysis. A code system was developed, taking into account the relevant literature on IC. Subsequently two different trained coders, expert on IC, analysed the text. The Cohen’s Kappa (Cohen, 1960) was measured to assess the inter-rated reliability, since it is considered the standard measure of research quality (See, e.g. Kolbe & Burnett, 1991). The Cohen’s kappa resulted in .78, thus assessed as “substantial” (Zegers et al., 2010).

6. Participants and instrument

Structured interviews of approximately 45 minutes in length were conducted with 81 senior managers of Italian SEs. Each interview was recorded and then transcribed, in order to be subsequently analysed. Interviews took place between March and November 2016.

Participants were asked to speak about their organisation’s IC and its management, answer the following questions: “Can you tell us about your organisation’s

IC?” “Can you tell us about your IC management?” “Which are the beneficial results/outputs of your IC?”.

During the interview, participants’ socio-demographic information (age, gender, education and previous working experiences) and information on the SEs (turnover, balance sheet, number of employees and volunteers) were also collected. Documents such as annual report, organizational websites and mission statement were collected too, to allow triangulation of information.

It was decided that only senior managers would be interviewed in order to minimise information bias as much as possible, due to different hierarchical levels. Besides, interviewing one senior manager per each social enterprise is possibly the best way to reach the most exhaustive information about the organisation. It meant also higher probability of SEs accepting to take part in the study and reaching a larger number of organisations (Curado, 2008)

For the purpose of this study, only SEs with at least 10 or more employees were considered, since this is the threshold adopted by the European Union to distinguish micro enterprises from small and medium enterprises (SMEs) (Verheugen, 2005).

Only 7,710 SEs have 10 or more employees, which is about one third of the total number of SEs (Unioncamere-Si Camera, 2014). Based on the selected criteria, 160 SEs were contacted, first via email explaining the purpose of the study and then by telephone to allow potential interviewees to clarify questions. A total of 81 social enterprises agreed to participate in the study. All the Italian macro-regions were covered: North-West (N = 22), North-East (N = 21), Centre (N = 20) and South (N = 18).

Tables 1 and 2 respectively present data on respondents’ demographics and their organisations.

7. Data analysis

For the purposes of this paper, the authors chose to use the T-Lab software since it can contemporarily analyse word frequencies and word mapping in

Table 1. Respondents’ socio-demographics.

Events	Contents	No.	%
<i>Gender</i>	Male	53	65.4%
	Female	28	34.6%
<i>Age (years)^a</i>	30–39	8	9.8%
	40–49	42	51.9%
	50–59	30	37.1%
	60–70	1	1.2%
<i>Education</i>	High school diploma	27	33.3%
	University degree	54	66.7%
<i>Previous working experiences</i>	Yes, in a non-profit organisation	40	49.4%
	Yes, in a for-profit organisation	24	29.6%
	Yes, in a State organisation	9	11.1%
	No previous experience	8	9.9%

^aNo respondent was aged less than 30 or more than 70

Table 2. Data on SEs of Participants.

Events	Contents	No.	%
Turnover	0–500,000 euros	5	6.1%
	500,001–1,000,000 euros	17	21.0%
	1,000,001–3,000,000 euros	37	45.7%
	3,000,001–5,000,000 euros	10	12.3%
	5,000,001–10,000,000 euros	7	8.7%
	10,000,001–100,000,000 euros	5	6.2%
Number of employees	10–20	26	32.1%
	21–50	24	29.7%
	51–80	8	9.8%
	81–120	10	12.4%
	121–400	9	11.1%
	More than 400	4	4.9%
Number of volunteers	None	54	66.6%
	1–50	22	27.2%
	51–400	1	1.2%
	More than 400	4	5.0%

original transcripts, thus triangulating textual statistics with discourse analysis.

In order to objectively measure the real significance of the words' association, the Cosine coefficient of each association was calculated. Following the literature, an association between “intellectual_capital” and other lemmas was considered to be significant if the Cosine coefficient's value was equal to or more than 0.20.

The transcriptions of the 81 individual interviews were prepared to be analysed through the process of *lemmatisation*. That is, by clustering lemmas with the same root meaning, like “work” and “working”.

A structured interview was opted for, and therefore the transcripts were not subjected to an open coding, but rather directly to the content analysis whose results are presented in the following paragraph.

In terms of the number of the occurrences, when talking about “IC”, the word “valorising” was the most cited (43 occurrences), followed by “organisation” (35 occurrences) and “IC” (28 occurrences). This suggests that, according to the senior managers who were interviewed, “IC” has to be valorised in an organisation. In fact, the discourse analysis confirmed that almost all the participants argued that IC has to be valorised, since they perceive it as a leverage for their social enterprise's development.

The following examples illustrate this very clearly.

Int. 73 *An enterprise collapses if it doesn't valorise its IC.*

Int. 27 *(The IC of our organisation) is definitely valorised; it brings higher quality and efficiency.*

However, whilst on the one hand participants showed awareness about the relevance of the role played by IC, on the other hand, it is quite apparent that their representation of IC differs from the definition of IC present in the academic literature, as the following extracts highlight:

Int. 3 *Talking about IC means talking about the human capital, that is all the know-how which the human resources own.*

Int. 59 *It is vital to valorise the IC, which I understand as human capital and product brand, and for this reason we invest a lot in training and marketing.*

7.1. Occurrence and co-occurrence of OC

In terms of OC, the occurrences of the words “organisation” (often preceded by the word “our”) and “culture” are the only relevant references to this dimension of IC. This finding is confirmed by the discourse analysis, as some participants referred to IC as strictly linked to OC.

Int. 78 *(IC) lies in the culture of the organisation, it serves to make us grow and that's why we try to enhance it.*

There are no other words in a significant relationship with words referring to OC (such as the words “procedures”, “processes” or “values”).

However, the perception of the organisation's OC is thus understood as linked and inter-acting with the organisation's HC. In fact, when senior managers talk about the processes endorsed by their organisations, they often refer to the relevance of involving the employees in the decisional processes, as the discourse analysis highlights.

Int. 10 *We develop our IC by involving in the planning and delivery of services our human resources, so that they become active participants, capable of determining the choices and processes.*

Int. 23 *All the people (who are part of our organisation) are valued and involved in all our processes, because we think that they can bring great benefits to our organisation in terms of competence, efficiency and quality.*

7.2. Occurrence and co-occurrence of RC

As far as RC is concerned, it is present in the occurrence of “reputation” with IC, but no references are made, for instance, to words such as “stakeholders,

“donors” or “providers”. More in general, the discourse analysis highlights that IC is seen as an opportunity for reaching visibility and developing organisational value, through the network of external relationships of the organisation.

Int. 20 *IC is an intangible but expendable asset in the fields of reputation and innovation, to achieve continuous business development and responsiveness to local needs.*

Int. 41 *Our IC is valued at the most, because it brings us many benefits in terms of projects and external relations.*

Once again, from the discourse analysis, RC, very much like OC, emerges as strictly linked and interacting with HC.

Int. 70 *I would say that we have created a virtuous circle: our human capital works well, enhancing our reputation ... The benefits are obvious: today our social cooperative is known for its quality products, its projects and the professionalism of its employees.*

These findings are confirmed by the co-word analysis sensu stricto (See Figure 1 and Table 3). Figure 1 shows which lemmas of the analysed text are most significantly associated with “intellectual_capital”. The closer a lemma is to “intellectual_capital”, the more significant is its association with it. Table 3 presents the values of the Cosine coefficients, upon which Figure 1 is developed.

7.3. Occurrence and co-occurrence of HC

Unlike OC and RC, HC appears to be perceived as quite relevant in the managers’ representation of IC. HC is

Table 3. Cosine Coefficients of the words that most co-occurs with the lemma “Intellectual_Capital”.

WORD	COSINE COEFFICIENT
valorising	0.49
co-operative	0.439
basis	0.357
know-how	0.355
human_capital	0.334
intangibles	0.334
goods	0.309
work	0.293
organisation	0.287
reputation	0.283
workers	0.283
advantages	0.265
members	0.262
possible	0.254
social	0.254
to_create	0.254
activity	0.231
production	0.231
culture	0.228

the only IC dimension whose perception is similar to the definition in the academic literature. Moreover, the content analysis suggests that, in comparison with lemmas referring to OC and RC, words referring to HC are more frequently used and include: “Work”, “Workers”, “Activities”, “Know_How” and “Members”. It has to be noted, however, that while these lemmas belong to the broad area of HC, they are mostly confined to the area of human resource management. In fact, there are no words that refer to the strategic exploitation of HC that are significantly associated with IC.

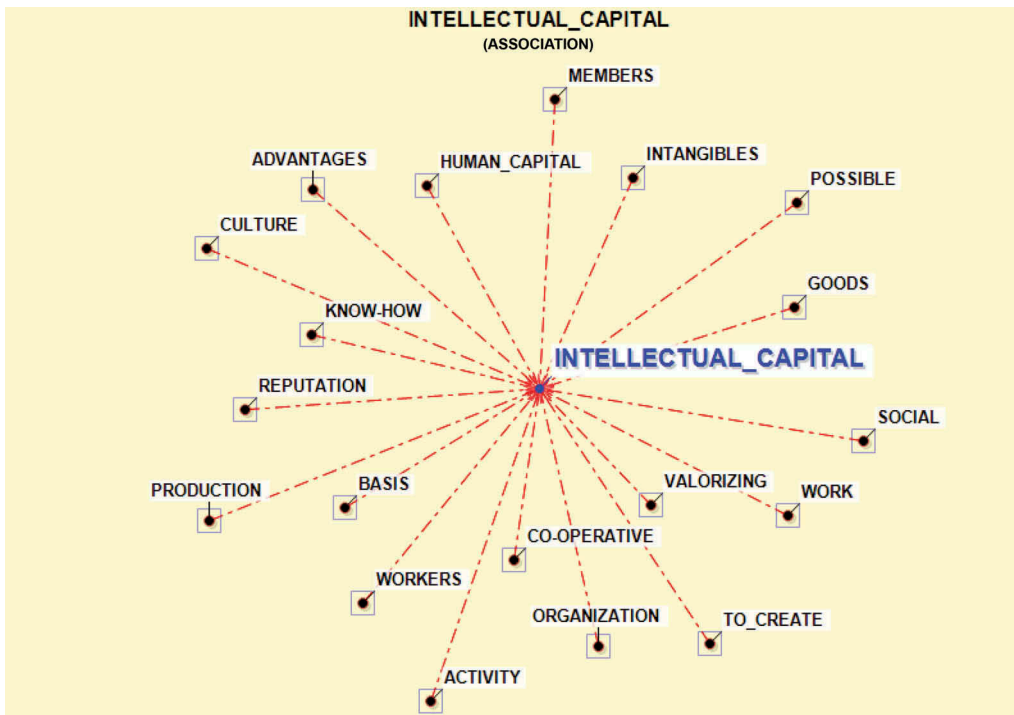


Figure 1. Co-word mapping for the word “Intellectual Capital”.

From the discourse analysis, it also emerges that IC management is mainly aimed at valorising the members of the organisation, as well as the users of their services. In this respect, IC management emerges as the involvement of HR and end-users in the decision-making process, as well as in organisational procedures. IC is perceived as closely linked with organisational growth, better performance, competitive advantage, as well as sense of belonging, organisational commitment and loyalty.

Int. 17 *(Our IC) is enhanced by ensuring active participation in the life of our organisation ... by focusing on continuous training and the enhancement of the individual member ... the benefits that the organisation draws are: strong interest in the work, cohesion, commitment and willingness on the part of individuals.*

Int. 7 *We try to invest a lot in the knowledge and skills because we are now at a stage where it grows and generates competitive advantage through more intangible manners. Valorising these resources ... means bringing important benefits to the organisation especially in terms of quality, expertise and loyalty.*

7.4. Perceptions of IC management and generation of knowledge

In terms of IC management, the discourse analysis highlights that several participants referred to IC management as the development of individual skills and competences through training opportunities:

Int. 20 *The valorisation (of our IC) takes place through the “care and development” of human resources, ... We detect periodically the needs and critical issues (of our human resources) and intervene with support, training and accompanying actions.*

Int. 9 *Our organisation is always careful to stimulate professional, cultural and personal development of all its members, through training courses and exchange moments. Every worker is continuously stimulated to grow by participating in community and collective events.*

Participants also represent organisational knowledge as sharing knowledge already held by members or groups of the same organisation, rather than the process of generating new organisational knowledge. In other words, IC is understood as the result of exchanging and transferring knowledge rather than an instrument to generate new knowledge. In fact, there are no lemmas referred to the semantic field of knowledge that are significantly associated with the lemma “intellectual_capital”:

Int. 79 *Knowledge of individuals and groups when transferred and shared create an important added value.*

Int. 38 *We try to make sure that all of our human resources can make the most and can transmit (to the other members of the organisation) their knowledge.*

The only reference to knowledge, and quite semantically distant, could be traced to the lemma “Know_How”.

Int. 72 *The IC represents the know-how of our cooperative and the core business of our every activity.*

8. Discussion

Senior managers of Italian SEs assigned great relevance to their IC, which they considered as a relevant factor in their organisation’s development. However, their understanding of IC and its components differed from the literature on the subject. Their perception of IC overlapped that of HC, which was considered more important than the other two dimensions of IC. Unlike the literature, which posits that each component of IC has to interact with the others to create knowledge, the interviewees seemed to believe it was mainly HC that interacted with the other two dimensions of IC. Furthermore, the perception of HC was closer to the field of the human resource management than to the actual contents of HC per se. This finding is in line with previous studies, according to which HC is perceived more important than the other IC dimensions (Benevene et al., 2017; Curado, 2008). Thus, this perception might be explained in the light of the central role assigned by SEs, and, more in general, by NPOs, to the delivery of services aimed to enhance individuals’ well-being. The quality of their services and therefore the success of these organisations do not depend on the availability of tangible goods, but rather on the quality of work of their members, especially those who are directly involved in the delivering of the services to the SEs’ beneficiaries.

While IC was perceived as being crucial to an organisation’s success, senior managers seemed to have a limited understanding of the role that IC and its components could play in generating knowledge. Knowledge creation seemed to be perceived as embedded in the personal skills and ability of each individual employee rather than in an organisational process of creating new knowledge. According to the interview data, senior managers represented their IC management mainly in terms of valorising individual talents, expertise and skills and devoting attention to employees’ needs which, in turn, generated better individual and organisational performance, as well as a sense of belonging and organisational identity. Knowledge management was perceived as the result of the sharing and dissemination of individual knowledge. This explains the overlap between human resource management, HC and IC.

Senior managers represented the output of their organisations' IC in terms of good practices and a successful entrepreneurial attitude, rather than the strategic management of knowledge. In their view, IC seemed to generate a more efficient market-oriented approach, which was, however, rather generic. More generally, this was a rather limited and blurred representation of IC, which did not take into consideration knowledge management and its consequences on organisational development.

The managerial approach emerging from our data seemed to be more oriented towards finding greater efficacy and efficiency than to the development of a strategic approach through IC management. In general, the contents of their representation of IC appeared to be more action-oriented than knowledge-oriented, and more oriented towards the daily activities of an organisation than to its strategic management.

Our findings suggest that knowledge management was poorly connected with strategic planning or management, as only two participants explicitly made references to this connection. This suggests that strategic planning and management were not seen as key elements of knowledge creation and IC management. Difficulties in developing long-term, strategic plans are commonly reported among small and medium enterprises, such as the SEs reached by this study. Small and medium enterprises, in fact, tend to adopt informal decision making processes, due to their non-hierarchical structures (Chan & Chao, 2008). Therefore, they tend to adopt a rather unstructured approach to knowledge creation and IC management (Benevene & Cortini, 2010). On the other hand, it is difficult for small and medium enterprises to endorse the large companies' practices, since they have limited financial and human resources (Marzo & Scarpino, 2016; Wee & Chua, 2013).

9. Conclusions

This paper has implications for practitioners and managers. The findings of our study highlight the need to raise awareness among managers of SEs about the role played by IC, expanding managers' vision of IC to one that goes beyond the level of HC. In this respect, it is important to offer training opportunities (Benevene & Callea, 2014).

In addition, this study offers an opportunity to managers to reflect on how and to which extent IC their organisations' knowledge is generated and managed through IC. Indeed, our findings seem to suggest that knowledge generation practices are not endorsed through a structured approach. This is an important point to flag, in order to raise awareness among managers about how their might be engaged

in *de facto* activities of IC management without recognizing them as such (Salojärvi, Furu, & Sveiby, 2005).

On the other hand, researchers and scholars should thus deepen their understanding of how IC fits social enterprises' needs (Demartini & Paoloni, 2013). IC is context-specific and its transformational power lies also in a praxis, which is tailored to the specific features of their organisation. Thus, instead of adopting a predefined framework to measuring and disclosing social enterprises' IC, there is a need to develop indicators based on the specific features, as well as on the perspectives of the users (Veltri & Bronzetti, 2015).

A limitation to our study must be mentioned. The group that was tested is a convenience sample, and not a statistical representative sample. This implies that our results cannot be generalised. It would be interesting to further develop this study, reaching a statistical representative sample that is not only limited to Italy, but that also reaches a broader cross-cultural context. In fact, national culture and context has proven to have an impact on KM processes and in generating IC (Jacks, Wallace, & Nemati, 2012).

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