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## Enhancing social enterprises through intellectual capital

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### Keywords

Social enterprise, Intellectual capital, Knowledge management

### Abstract

*Social enterprises have increased dramatically in number and received worldwide attention (Tracey and Jarvis, 2007). Social enterprises are enterprises which adopt market methods to generate revenue to reduce or eliminate the reliance on governmental grants or external donations for sustaining themselves and solving social problems. That is, despite the objectives of social enterprises are primarily to solve social problems, these enterprises adopt market methods. Thus, it becomes necessary for social enterprises to consider their competitiveness under market mechanism. Davenport and Glaser (2002) and Hansen et al. (1999) state that knowledge is the main asset of modern businesses and their key to continuous competitiveness. Furthermore, the capability to develop and utilize rare, valuable and inimitable knowledge resources is the key to business performance (Grant, 1996; Spender, 1996). Consequently, intellectual capital meaning the sum of all intangible knowledge resources a business can utilize for competitive advantage and including social, organizational and human capitals, is associated with higher competitiveness and financial performance (Youndt et al., 2004). Intellectual capital should facilitate the development of social enterprises. Nonetheless, little research attention has addressed the relationship between intellectual capital and social enterprises.*

*To fill this gap in the literature, this study will focus on exploring the relationships between three components of intellectual capital, namely social, organizational and human capitals, and the development of social enterprises.*

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