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ARTIKEL JURNAL NASIONAL TERAKREDITASI SINTA 2

Judul Artikel: The Effect of Social Capital and Knowledge Sharing on Innovation CapabilityJurnal: Jurnal Manajemen dan Kewirausahaan, Vol. 19, No. 2, September 2017, pp.65-71.

Penulis : Dhyah Harjanti, Noerchoidah

Indeks : Jurnal Nasional Terakreditasi Sinta 2

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Name:	Dhyah Harjanti
Institution:	Petra Christian University
Country:	Indonesia
Author's Email:	dhyah@petra.ac.id
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Paper Title:	The Impact of Social Capital On Knowledge Sharing and Innovation Capability
Attach Your File:	http://i-come.petra.ac.id/wp-content/uploads/2017/02/The-Impact-of-Social-Capital- On-Knowledge-Sharing-and-Innovation-Capability.docx
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The Impact of Social Capital On Knowledge Sharing and Innovation Capability

Purpose – The study examines the impact of social capital on innovation capability, with knowledge sharing which is consist of knowledge collecting and donating as intervening variable.

Design/methodology/approach – The data was collected using questionnaires from 112 lectures of private universities in Surabaya. This study applied the Structural Equation Modeling - Partial Least Square (SEM-PLS) to investigate the research model.

Findings – The results suggest that social capital significantly influences innovation capability, while high level of knowledge collecting and knowledge donating can lead to high level of innovation capability.

Research limitations/implications – Future research could examine social capital using its dimensions (such as structural, relational, and cognitive dimensions) and add up organizational characteristics (such as private and/or public university).

Managerial implications – From a managerial perspective, the relationships among social capital, knowledge sharing, and innovation capability may provide a evidence regarding how universities can promote social capital and knowledge sharing culture to enhance their innovation performance.

Originality/value – The findings of this study provide a theoretical basis, and simultaneously can be used to analyze relationships among social capital, knowledge-sharing, comprising knowledge collecting and knowledge donating, and innovation capability. From a managerial perspective, this study identified several factors essential to successful innovation, and discussed the implications of these factors for developing organizational strategies that encourage and foster social capital and knowledge sharing in universities.

Keywords: Social capital, Knowledge sharing, Innovation capability

2. Bukti accepted abstrak artikel di International Conference (17 Maret 2017)



Fri, Mar 17, 2017 at 11:24 AM

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Surabaya 17 Maret 2017

Subject: Letter of Abstract Acceptance

Name of author(s):

1. Dhyah Harjanto

Abstract ID: ACL02File62

Paper Title: The Impact of Social Capital On Knowledge Sharing and Innovation Capability

We are pleased to inform that your paper based on the **Abstract ID: ACL02File62** entitled "The Impact of Social Capital On Knowledge Sharing and Innovation Capability", has been accepted by the Scientific Committee of i-CoME 2017.

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Fri, Mar 17, 2017 at 11:31 AM

Surabaya 17 Maret 2017

Subject: Letter of Abstract Acceptance

Abstract ID: ACL02File62

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Best regards

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Title:	Ms.
Name:	Dhyah Harjanti
Institution:	Petra Christian University
Country:	Indonesia
Author's Email:	dhyah@petra.ac.id
Mobile Phone Number:	082141107669
Phone Number:	0312983246
Student ID:	ΝΑ
Full Paper or Abstract:	Full Paper
Paper Acceptance Code:	ACL02File62
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The Impact of Social Capital On Knowledge Sharing and Innovation Capability

Dhyah Harjanti¹ and Noerchoidah²

1 Petra Christian University, Surabaya, dhyah@petra.ac.id 2 Surabaya Merdeka University, Surabaya, noerchoidah1969@gmail.com

ABSTRACT

This study examines the impact of social capital on knowledge sharing and innovation capability among lectures in universities. The research model and hypotheses are developed from the literature and tested based on the data collected through a survey on lecturers of private universities in Surabaya. The obtained data from the questionnaires were analyzed with the Partial Least Square (PLS) to investigate the research model.

The results suggest that social capital significantly influences innovation capability, while high level of knowledge collecting and knowledge donating can lead to high level of innovation capability. The findings of this study provide a theoretical basis, and simultaneously can be used to analyze relationships among social capital, knowledge-sharing factors, consist of knowledge collecting and knowledge donating, and innovation capability.

Key Words: social capital, knowledge sharing, innovation capability

INTRODUCTION

In this knowledge economy era, a company could not only rely on mastery of technology, access into capital, and past success, to win the prevailing competitions. Now knowledge has become the basis of organizational competitive advantage, so that ideas concerning products and the application of the ideas on the products have become routine economy activities. The main asset of an organization is in the form of intellectual capital, which adheres to each individual and is intangible. With this intellectual capital, individuals could change information into knowledge (Nahapiet & Ghoshal, 1998).

A considerable number of literatures show that social capital holds an important role in economy, especially knowledge-driven economy (Doh and Zolnik, 2011), since social capital could facilitate and urge the forming of knowledge and exchange of research results, education, and research and development processes (Westlund, 2006, Doh dan Zolnik, 2011). Nahapiet and Ghoshal (1998) pointed out that social capital holds a role in the creation of intellectual capital in an organization which could become the organization's advantages for meeting challenges.

This study will be a significant endeavor in promoting knowledge sharing in the workplace, particularly in universities. This study will also be beneficial to the lecturer when they employ effective knowledge sharing in order to, not only, collect external knowledge, but also to donate it. Initially, this will lead to the enhancement of the university's innovation capability.

LITERATURE REVIEW

Social Capital

Social capital is social relationships that could provide useful resources for an individual's interest in the present or in the future (Green, 1996). Unlike human capital, which is a combination of a person's attributes, skills or experiences, social capital consists of value and benefit, both actual and potential, which is produced by a person's social interactions (Santarelli and Tran, 2012). Social capital could interact with human capital and financial capital. The benefits given by social capital also could be manifested in the form of human capital and financial capital (Doh and Zolnik, 2011).

Putnam (1995) classifies social capital into trust, network structure, and norms that drive cooperation among actors to gain mutual benefits. Putnam (2000) also shows that formal membership, public participation, social trust and altruism are indicators of social capital. Fukuyama (1995) adds that aside of being the main form of social capital, trust could also be accumulated by collaborating within

a public participation network. The study by Onyx and Bullen (2000) discusses social capital as classified into trust, participation within networks, reciprocity, customs, social agents and social norms. Thus, social capital could be explained through three constructs which consist of mutual trust, associational activities or membership, and civic norms.

The preventive aspect of trust relates to the belief that there is an efficient sanction mechanism in case of a breach of deals or contracts. This belief enables the establishment of cooperation and deals or contracts (Rousseau et.al., 1998; Dakhli and de Clercq, 2004). Previous researches show that trust and honesty could reduce transaction cost, create more efficient reciprocal relationship, and diminish frictions within social life (Fukuyama, 1995; Putnam, 2000), therefore trust is regarded as the main feature in communication and social exchange (Doh and Zolnik, 2012).

Associational activities are the tendency of community members to be voluntarily involved in various types of organizations (Knack and Keefer, 1997; Dakhli and de Clercq, 2004). This reflects the proximity with social networks and the level of openness of the networks. A study by Coleman (1988, 1990) shows that closure of social networks and cohesive ties provide positive impacts in the process of development of trust, cooperation and interactions.

Community norm is people's tendency to cooperate and to put common interest above personal interest (Knack and Keefer, 1997; Dakhli and de Clercq, 2004). This informal mechanism often occurs simultaneously with associational activities, since community members who want to improve their social condition tend to be more involved in various activities, and more willing to share information, ideas, and knowledge (Dakhli and de Clercq, 2004).

Knowledge sharing

Knowledge sharing is one of the key elements in the knowledge management process used to create, harvest, and sustain business processes (Syed & Mahmood, 2013; Alavi & Leidner, 2001; Witherspoon et.al. 2013), where organizational members collaborate to mutually facilitate, solving problems and developing new ideas (Pulakos at.al. 2003). Successful knowledge sharing will enable an organization to enhance its innovative capabilities in response to a changing environment (Hansen, 1999, Collins & Smith, 2006).

Knowledge sharing can be performed in various ways, depending on the type of knowledge to be shared, i.e. tacit or explicit knowledge. Generally, tacit knowledge is more difficult to share because it is embedded in the subconscious level (Faizuniah & Aizzat, 2009). Therefore, tacit knowledge is commonly shared using face-to-face interactions, metaphors, images and other methods that do not require formal language use (Koskinen et al., 2003; Fernie et al., 2003).

Meanwhile, explicit knowledge is more easily explained and shared, available in books, manuals, data bases, expert systems, training and various types of publications (Faizuniah & Aizzat, 2009; Ipe, 2003; Koskinen et al., 2003). Explicit knowledge sharing activities will encourage every member of the organization to combine codified knowledge, to enable them to generate new knowledge and enhance innovation (Suresh, 2012).

A number of previous studies have shown that knowledge sharing will enhance the ability and performance of corporate innovation (Lin, 2007; Yang & Wu, 2008; Zhing-hong et al., 2008). Van Den Hoff & De Ridder (2004) define a knowledge sharing process consist of both bringing (or donating) knowledge and gaining (or collecting knowledge). Knowledge donating is concerned with communicating to others about one's intellectual abilities, whereas knowledge collecting is concerned with consulting peers so that they can share their intellectual capital.

Innovation Capability

The innovation capability is an important organizational asset in order to survive and create competitive advantage (Terziovski, 2007; Bullinger et al., (2007). The innovation capability is defined as the ability of corporations to routinely generate new and unique commercial values (Bullinger et al. 2007; Wallin et al., 2011; Terziovski, 2007). It includes the dimensions of product innovation, process innovation and management innovation (Lin, 2007; Plessis, 2007).

The capability of innovation can be studied at both the individual and organizational levels. In this study, innovation capability was researched at individual level. The assessment of innovation capability at individual level are classified into: personality perspective, behavioral perspective and output perspective (Lin, 2007). The example of personality perspective or personality characteristics is the level of

willingness to change from an individual. The behavioral perspective is indicated by the ability of individuals to try something new. While the perspective of output is shown by the ability of individuals to make something new (Lin, 2007). At organization level, innovation capability can be measured by the ability to develop new products, to respond to technological changes, and to counter to competitors (Lin, 2007).

Hypothesis

The relationship between social capital and knowledge sharing has been widely discussed in previous studies (Tsai, 2005; Chow & Chan, 2008; Sechi et al., 2011; Roussel & Deltour, 2012; Yen et al., 2015). The relationship of social interaction, mutual trust, and team identification are significantly related to knowledge sharing intentions (Akhavan & Hosseini, 2016). According to Van den Hooff & Huysman (2009), in the process of sharing knowledge, social capital acts by providing access to persons with relevant knowledge, shared interests, mutual trust, respects the value of knowledge of others and having the ability to understand, interpret, and assess each other's knowledge.

The current study expects social capital to have a positive influence on lectures' willingness to share knowledge with colleagues in terms of both knowledge collecting and knowledge donating. Thus, the following hypotheses are formulated:

H1: Social capital positively affects knowledge sharing process (knowledge collecting).

H2: Social capital positively affects knowledge sharing process (knowledge donating).

The ability of an organization's innovation is influenced by two basic processes of knowledge sharing, namely knowledge collecting and knowledge donating (Lin, 2007; Zhi-hong et.al, 2008 Yesil et.al, 2013; Kamasak & Bulutlar, 2010). Based on those previous study, the following hypotheses are suggested;

H3: Knowledge collecting positively affects knowledge donating.

H4: Knowledge sharing process (knowledge collecting) positively affects innovation capability.

H5: Knowledge sharing process (knowledge donating) positively affects innovation capability.

METHOD

Population and Sample

The unit analysis in this study was the individual level. The empirical study was based on data acquired through a questionnaire survey distributed among lecturers of private universities in Surabaya, East Java. The sample of this research is obtained by using probability sampling technique. The questionnaires were distributed to 200 lectures of private universities in Surabaya. A total 134 were return and only 99 were usable.

Instrument and Measures

The measurement items were adapted from the literature adjusted to the research context . All the items were rated on a five-point Likert-type scale ranging from strongly disagree (1) to strongly agree (5). The data was analysed by using Smart PLS3.

Social capital items were operationalized as trust, network structure, and norms (Putnam, 2000). A sample items is as follows: "*I believe the management is able to make good decisions for the future of university*". All knowledge collecting and donating items are taken and modified from Van Den Hooff & De Ridder (2004). A sample items of knowledge collecting is as follows: "*I asked my colleagues about their abilities when I wanted to learn something*".). A sample items of knowledge donating is as follows: "*When I have learned something new, I tell my colleagues about it*". Innovation capability items were taken and modified from Lin (2007). A sample items is as follows: "*I am improving my ability to produce new, more effective work procedures*".

Data analysis was conducted in two-stage (Hair et.al., 2010). First, analyzing the reliability and validity of the item measures. Second, testing the hypotheses using partial least squares techniques (Chin et.al., 2003).

FINDINGS

The results of first stage are shown in Table 1. The VIF values of the model were all <10, hence there was no multicollinearity (Hair et al., 1998). As shown in Table 1, the individual item reliability of each standardized factor loading was significant and exceed the recommended level 0.7. The composite reliability (CR) and Cronbach's α of each construct was exceed the benchmark 0.7 (Hair et al., 1998), consequently, the construct reliability is met. For convergent validity, the average variance extracted

(AVE) for each construct has exceed the variance due to measurement error for that construct (i.e. AVE should exceed 0.50). 0.41

1 1

Table 1. Results of the measurement model					
Construct	Items	Factor loading (t)	Cronbach's a	CR	AVE
		(>0.7)	(>0.7)	(>0.7)	(>0.5)
Social Capital	SC1	0.815 (10.553)	0.881	0.910	0.627
	SC2	0.756 (9.536)			
	SC3	0.773 (15.932)			
	SC4	0.831 (18.961)			
	SC5	0.770 (7.679)			
	SC6	0.803 (14.877)			
Knowledge	KC1	0.862 (24.422)	0.807	0.874	0.635
Collecting	KC2	0.722 (4.988)			
	KC3	0.770 (10.901)			
	KC4	0.827 (15.892)			
Knowledge Donating	KD1	0.852 (22.013)	0.757	0.858	0.670
	KD2	0.862 (23.910)			
	KD3	0.736 (11.084)			
Innovation Capability	IC1	0.807 (15.885)	0.840	0.893	0.676
	IC2	0.817 (19.215)			
	IC3	0.879 (29.925)			
	IC4	0.785 (12.762)			

Table II shows the correlations among the constructs, with the square root of the AVE on the diagonal. All the square root of the AVE values exceed the correlations between any pair of constructs, implying the adequate discriminant validity of the measure (Fornell & Larcker, 1981).

I able 2	Tuble 2: mean, standard de mation, and correlations among study constructs						
Contruct	Mean	SD	AVE	1	2	3	4
Innovation	0.672	0.055	0.676	0.822			
Capability							
Knowledge	0.629	0.080	0.635	0.606	0.797		
Collecting							
Knowledge	0.666	0.049	0.670	0.702	0.702	0.819	
Donating							
Social	0.617	0.078	0.627	0.626	0.697	0.646	0.792
Capital							

Table 2. Mean, standard deviation, and correlations among study constructs

As shown in Table III, all items loadings on the corresponding constructs are significant, and the loadings on the corresponding constructs are larger than loadings on the cross-loading, thus confirming the validity of the construct (Gefen & Straub, 2005). The reliability, convergent validity, discriminant validity, and unidimensionality are fulfilled, indicated by the results of a good degree of unidimensionality for each construct

The second stage of data analysis is testing the hypotheses using partial least squares techniques. To begin with, the variance measured (R^2) by the antecedent constructs was examined. The benchmark to interpret R² was taken from Cohen (1988) that is 0.02, 0.13, and 0.26 as the small, medium, and large variance, respectively. Afterward, employing the bootstrapping technique and computing the t-values to obtain the significance of the path coefficients and total effects.

The current study found positive and significant relationship on social capital on knowledge collecting (H1, ß 0.697, t-value 6.839, p<0.001) and knowledge donating (H2, ß 0.305, t-value 2.957, p<0.001). Thus, it can be confirmed that social capital has significant influence on knowledge collecting (H1) and knowledge donating (H2). The findings support H1 and H2, and are consistent with Akhavan & Hosseini (2016). It is also revealed a significantly positive relationship for knowledge collecting on knowledge donating (H3, ß 0.490, t-value 4.683, p<0.00). Furthermore, we find a significantly positive relationship for the influence of knowledge donating on innovation capability (H5, ß 0.466, t-value 4.034, p<0.001). This result are consistent with previous studies (Lin, 2007; Zhi-hong et.al, 2008 Yesil et.al, 2013; Kamasak & Bulutlar, 2010).

On the contrary for H4, the results indicate that knowledge collecting has no significant relationship on innovation capability (H4, ß 0.102, t-value 0.693, p<0.001). Therefore, H4 is not supported. The summary of hypothesis test results are presented in Figure 1 and Table 4.

	IC	KC	KD	SC
SC1	0.461	0.529	0.504	0.815
SC6	0.455	0.536	0.451	0.756
SC2	0.481	0.506	0.489	0.773
KC1	0.563	0.862	0.618	0.612
KC2	0.395	0.722	0.483	0.527
KC3	0.464	0.770	0.531	0.537
KC4	0.495	0.827	0.597	0.544
KD1	0.644	0.616	0.852	0.590
KD2	0.613	0.641	0.862	0.632
KD3	0.432	0.433	0.736	0.299
IC1	0.807	0.563	0.593	0.592
IC2	0.817	0.475	0.587	0.531
SC3	0.577	0.513	0.555	0.831
IC3	0.879	0.501	0.580	0.495
IC4	0.785	0.444	0.544	0.425
SC4	0.409	0.601	0.483	0.770
SC5	0.570	0.620	0.574	0.803

Table 3 Item Loading and Cross-loading



Figure 1 Result of SEM-PLS Model Analysis

Table 4 Hypothesis Test Result						
Hypothesis	Path	Path coefficient	t-value	Results		
H1	SC→KC	0.697	6.839	Supported		
H2	SC→KD	0.305	2.957	Supported		
H3	KC→KD	0.490	4.683	Supported		
H4	KC→IC	0.102	0.693	Not Supported		
H5	KD→IC	0.466	4.034	Supported		

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DISCUSSION AND CONCLUSION

This study reveals that social capital influence both knowledge collecting and donating. Social capital become valuable mechanism for universities to enable the knowledge sharing. For that reason, it is suggested that universities should intensify the trust, networks, and norms among lectures to facilitate the knowledge sharing. Through such a solid relationship, the process of knowledge sharing could be accelerated.

The empirical results also demonstrates that knowledge donating has a significant impact on innovation capability, while the knowledge collecting has not. The process of sharing knowledge could not stop at the stage of acquiring knowledge alone (Van Den Hoff & De Ridder, 2004). A person must also be willing to deliver his knowledge, so that knowledge sharing can proceed perfectly. It is consistent with the norm of reciprocity in social capital (Putnam, 1995). Therefore, it is strongly recommended that both processes of knowledge sharing be completed before it can have a positive effect on the ability of innovation.

However, there are limitations of this study. The construct of social capital in this study only identified by trust, network and norms. Other perspectives of social capital could be considered in future studies. Moreover, the object of this research is lectures of private university in Surabaya. Since different local norms can affect social capital, it would be interesting to compare social capital in one area with social capital in the other.

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4. Bukti accepted artikel di International Conference 16 Juni 2017



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Salam hormat, Dhyah Harjanti

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The Effect of Social Capital and Knowledge Sharing on Innovation Capability

Dhyah Harjanti¹ and Noerchoidah²

1 Petra Christian University, Surabaya, dhyah@petra.ac.id 2 Surabaya Merdeka University, Surabaya, noerchoidah1969@gmail.com

ABSTRACT

This research examines social capital and knowledge sharing effect on innovation capability among lectures in universities. Social capital was analyzed using three constructs, namely trust, norm and network. While knowledge sharing was broken down into two variables, namely knowledge collecting and knowledge donating. Innovation capability was explained on an individual level based on personality, behavioral and output perspectives. The research model and hypotheses were developed from the literature. Data collection is conducted through a survey on lecturers of private universities in Surabaya. The obtained data from the questionnaires were analyzed with the Partial Least Square (PLS) to investigate the research model.

The results suggest that social capital significantly influences innovation capability, while high level of knowledge collecting and knowledge donating can lead to high level of innovation capability. This study offer a foundation to analyze relationships between social capital, knowledge-sharing process, consist of knowledge collecting and knowledge donating, and innovation capability.

Key Words: social capital, knowledge sharing, innovation capability

INTRODUCTION

In this knowledge economy era, a company could not only rely on mastery of technology, access into capital, and past success, to win the prevailing competitions. Now knowledge has become the basis of organizational competitive advantage, so that ideas concerning products and the application of the ideas on the products have become routine economy activities. The main asset of an organization is in the form of intellectual capital, which adheres to each individual and is intangible. With this intellectual capital, individuals could change information into knowledge (Nahapiet & Ghoshal, 1998).

A considerable number of literatures show that social capital holds an significant part in economy, especially knowledge economy (Doh and Zolnik, 2011), since social capital could facilitate and urge the forming of knowledge and exchange of research results, education, and research and development processes (Westlund, 2006, Doh dan Zolnik, 2011). Nahapiet and Ghoshal (1998) pointed out that social capital is involved in the creation of intellectual capital in an organization which could become the organization's advantages for meeting challenges.

This study will be a considerable endeavor in knowledge sharing stimulation in the workplace, particularly in universities. This study will also be beneficial to the lecturer when they employ effective knowledge sharing in order to, not only, collect external knowledge, but also to donate it. Initially, this will lead to the enhancement of the university's innovation capability.

LITERATURE REVIEW

Social Capital

Social capital is collective relationship that could deliver useful resources for an individual's interest in the present or in the future (Green, 1996). Unlike human capital, which is a combination of a person's attributes, skills or experiences, social capital consists of value and benefit, both actual and potential, which is produced by a person's social interactions (Santarelli and Tran, 2012). Social capital could interact with human capital and financial capital. The benefits given by social capital also could be revealed as human resources and monetary assets (Doh and Zolnik, 2011).

Social capital can be categorized into trust, connections set structure, and norms that encourage collaboration between actors to gain mutual benefit (Putnam, 1995). According to Putnam (2000), social

capital is represented by recognized affiliation, public involvement, social reliance and altruism. Aside of being the main form of social capital, trust could also be gathered by collaborating within a public affiliation connection set (Fukuyama, 1995). The study by Onyx and Bullen (2000) discusses social capital as classified into trust, involvement within groups, mutuality, customs, social agents and community rules. Thus, social capital could be explained through three constructs which consist of reciprocal trust, affiliation, and community norms.

The preventive aspect of trust relates to the certainty that there is an efficient penalty mechanism in case of a breach of deals or contracts. This belief enables the establishment of cooperation and deals or contracts (Doh and Zolnik, 2012). Previous researches show that trust and honesty could reduce transaction cost, create more efficient reciprocal relationship, and diminish frictions within social life (Fukuyama, 1995; Putnam, 2000), therefore trust is regarded as the main feature in communication and social exchange (Doh and Zolnik, 2012).

Associational activities are the tendency of community members to be voluntarily involved in different sorts of organizations (Knack and Keefer, 1997; Dakhli and de Clercq, 2004; Doh and Zolnik, 2012). This indicates the proximity with social set of connections and the level of openness of the networks. A study by Coleman (1990) shows that social networks conclusiveness and cohesive ties encourage the process of development of trust, cooperation and interactions.

Community norm is people's tendency to cooperate and to put common interest above personal interest (Knack and Keefer, 1997; Dakhli and de Clercq, 2004). This mechanism occurs simultaneously with associational activities, since community members who willing to develop their social condition tend to be more involved in various activities, and more inclined to share information, ideas, and knowledge (Dakhli and de Clercq, 2004).

Knowledge sharing

Knowledge sharing is key element in the knowledge management practice used to create, harvest, and sustain business processes (Syed & Mahmood, 2013; Alavi & Leidner, 2001; Witherspoon et.al. 2013), where organizational members collaborate to mutually facilitate, solving problems and developing new ideas (Pulakos at.al. 2003). Successful knowledge sharing will enable an organization to enhance its innovative capabilities in response to a changing environment (Hansen, 1999, Collins & Smith, 2006).

Knowledge sharing can be performed in various ways, determined by the kind of knowledge to be shared, i.e. tacit or explicit knowledge. Tacit knowledge is embedded in the subconscious level, therefore it is usually more complicated to be shared (Faizuniah & Aizzat, 2009). For that reason, tacit knowledge is commonly shared using face-to-face interactions, metaphors, images and other methods that do not require formal language use (Koskinen et al., 2003; Fernie et al., 2003).

Meanwhile, explicit knowledge is more easily explained and shared, available in books, manuals, data bases, expert systems, training and various types of publications (Faizuniah & Aizzat, 2009; Ipe, 2003; Koskinen et al., 2003). Explicit knowledge sharing activities will encourage every member of the organization to combine codified knowledge, to enable them to generate new knowledge and enhance innovation (Suresh, 2012).

Numerous previous research shows that knowledge sharing will enhance the ability and performance of corporate innovation (Lin, 2007; Yang & Wu, 2008; Zhing-hong et al., 2008). Van Den Hoff & De Ridder (2004) define a knowledge sharing process consist of both bringing (or donating) knowledge and gaining (or collecting knowledge). Knowledge donating is concerned with corresponding to others about one's intellectual abilities, whereas knowledge collecting is concerned with asking peers so that they can share their intellectual capital.

Innovation Capability

The innovation capability is an important organizational asset to survive and create competitive advantage (Terziovski, 2007; Bullinger et al., (2007). The innovation capability is the ability of corporations to routinely generate new and unique commercial values (Bullinger et al. 2007; Wallin et al., 2011; Terziovski, 2007). It includes the dimensions of product innovation, process innovation and management innovation (Lin, 2007; Plessis, 2007).

The capability of innovation is able to analyse at both the individual and organizational levels. This research investigate innovation capability at individual level. The assessment of innovation capability

at individual level are classified into: personality perspective, behavioral perspective and output perspective (Lin, 2007). The example of personality perspective or personality characteristics is the level of willingness to change from an individual. The behavioral perspective is indicated by the ability of individuals to try something new. While the perspective of output is shown by the ability of individuals to make something new (Lin, 2007). At organization level, innovation capability can be measured by the ability to develop new products, to respond to technological changes, and to counter to competitors (Lin, 2007).

Hypothesis

The correlation between social capital and knowledge sharing widely discussed in prior studies (Tsai, 2005; Chow & Chan, 2008; Sechi et al., 2011; Roussel & Deltour, 2012; Yen et al., 2015). The relationship of social interaction, mutual trust, and team identification correlate to knowledge sharing intentions significantly (Akhavan & Hosseini, 2016). According to Van den Hooff & Huysman (2009), in the process of sharing knowledge, social capital acts by offering access to persons with appropriate knowledge, shared interests, mutual trust, respects the value of knowledge of others and having the capability to comprehend, interpret, and consider the other's knowledge.

This research presumes social capital to influence lectures' inclination to share knowledge with colleagues in terms of both knowledge collecting and knowledge donating positively. Thus, the following hypotheses are formulated:

H1: Social capital affects knowledge collecting positively.

H2: Social capital affects knowledge donating positively.

The ability of an organization's innovation is influenced by two basic processes of knowledge sharing, i.e. knowledge collecting and knowledge donating (Lin, 2007; Zhi-hong et.al, 2008 Yesil et.al, 2013; Kamasak & Bulutlar, 2010). Based on those previous study, the following hypotheses are suggested;

H3: Knowledge collecting affects knowledge donating positively.

H4: Knowledge collecting affects innovation capability positively.

H5: Knowledge donating affects innovation capability positively.

METHOD

Population and Sample

The unit analysis in this research is at the individual level. The empirical research bases on data obtained through questionnaires distributed among lecturers of private universities in Surabaya, East Java. The sample of this research obtains by using non-probability sampling technique. The questionnaires distributed to 200 lectures of private universities in Surabaya. A total 134 were return and only 99 were usable.

Instrument and Measures

The measurement items were taken from the literature and then adjusted to the research setting. All the items rates on a five-point Likert-type scale ranging from strongly disagree (1) to strongly agree (5). The data was analyses by using Smart PLS3.

Social capital items were operationalized as trust, network structure, and norms (Putnam, 2000). A sample items is as follows: "*I believe the management is able to make good decisions for the future of university*". Knowledge collecting items are derived from Van Den Hooff & De Ridder (2004). A sample items of knowledge collecting is as follows: "*I asked my colleagues about their abilities when I wanted to learn something*".). Knowledge donating items are modified from Van Den Hooff & De Ridder (2004) as well. A sample items of knowledge donating is as follows: "*When I have learned something new, I tell my colleagues about it*". Item of innovation capability takes Lin's proxy (2007). A sample items is as follows: "*I am improving my ability to produce new, more effective work procedures*".

This research performs two-stage data analysis (Hair et.al., 2010). First, evaaluating the reliability and validity of the proxy. Second, testing the hypotheses using partial least squares techniques (Chin et.al., 2003).

FINDINGS

Table 1 depict the results of first stage. The model has VIF values <10, hence there was no multicollinearity (Hair et al., 1998). As Table 1 presented, the individual item reliability of each

standardized factor loading was significant and exceed the recommended level 0.7. All construct composite reliability (CR) and Cronbach's α are above the benchmark 0.7 (Hair et al., 1998), consequently, the construct reliability is meet. For convergent validity, all construct average variance extracted (AVE) is higher than the variance due to measurement error for that construct (that is AVE must > 0.50).

Construct	Items	Factor loading (t)	Cronbach's α	CR	AVE
		(>0.7)	(>0.7)	(>0.7)	(>0.5)
Social Capital	SC1	0.815 (10.553)	0.881	0.910	0.627
	SC2	0.756 (9.536)			
	SC3	0.773 (15.932)			
	SC4	0.831 (18.961)			
	SC5	0.770 (7.679)			
	SC6	0.803 (14.877)			
Knowledge	KC1	0.862 (24.422)	0.807	0.874	0.635
Collecting	KC2	0.722 (4.988)			
	KC3	0.770 (10.901)			
	KC4	0.827 (15.892)			
Knowledge Donating	KD1	0.852 (22.013)	0.757	0.858	0.670
	KD2	0.862 (23.910)			
	KD3	0.736 (11.084)			
Innovation Capability	IC1	0.807 (15.885)	0.840	0.893	0.676
	IC2	0.817 (19.215)			
	IC3	0.879 (29.925)			
	IC4	0.785 (12.762)			

Table 1. Results of the measurement model

Table II shows the relationship among the constructs. The diagonal of the table presents the square root of the AVE. The entire square root of the AVE values is higher than the correlations between any pair of constructs, implying the satisfactory discriminant validity of the measure (Fornell & Larcker, 1981).

Construct	Mean	SD	AVE	1	2	3	4
Innovation	0.672	0.055	0.676	0.822			
Capability							
Knowledge	0.629	0.080	0.635	0.606	0.797		
Collecting							
Knowledge	0.666	0.049	0.670	0.702	0.702	0.819	
Donating							
Social	0.617	0.078	0.627	0.626	0.697	0.646	0.792
Capital							

Table 2. Mean, standard deviation, and correlations among study constructs

As depicted in Table III, all items loadings on the corresponding constructs are significant. The loadings on the cross-loading are smaller than loadings on the corresponding constructs. Thus confirming the construct validity (Gefen & Straub, 2005). The reliability, convergent validity, discriminant validity, and unidimensionality are fulfilled, indicated by the results of unidimensionality adequate degree for each construct.

The second stage of data analysis is testing the hypotheses using partial least squares techniques. It performs through examined the variance measured (R^2) by the antecedent constructs. The benchmark to interpret R^2 was taken from Cohen (1988) that is 0.02, 0.13, and 0.26 as the small, medium, and large variance, respectively. Afterward, employing the bootstrapping technique and computing the t-values to obtain the significance of the path coefficients and total effects.

The current research found positive and significant relationship on social capital on knowledge collecting (H1, β 0.697, t-value 6.839, p<0.001) and knowledge donating (H2, β 0.305, t-value 2.957, p<0.001). Thus, it confirms that social capital influence knowledge collecting (H1) and knowledge donating (H2) significantly. This outcome corresponds with Akhavan & Hosseini (2016). It is also

revealed a significantly positive relationship for knowledge collecting on knowledge donating (H3, β 0.490, t-value 4.683, p<0.00). Moreover, this research finds significant positive correlation between knowledge donating and innovation capability (H5, β 0.466, t-value 4.034, p<0.001). This result corresponds with preceding studies (Lin, 2007; Zhi-hong et.al, 2008 Yesil et.al, 2013; Kamasak & Bulutlar, 2010).

	IC	KC	KD	SC
SC1	0.461	0.529	0.504	0.815
SC6	0.455	0.536	0.451	0.756
SC2	0.481	0.506	0.489	0.773
KC1	0.563	0.862	0.618	0.612
KC2	0.395	0.722	0.483	0.527
KC3	0.464	0.770	0.531	0.537
KC4	0.495	0.827	0.597	0.544
KD1	0.644	0.616	0.852	0.590
KD2	0.613	0.641	0.862	0.632
KD3	0.432	0.433	0.736	0.299
IC1	0.807	0.563	0.593	0.592
IC2	0.817	0.475	0.587	0.531
SC3	0.577	0.513	0.555	0.831
IC3	0.879	0.501	0.580	0.495
IC4	0.785	0.444	0.544	0.425
SC4	0.409	0.601	0.483	0.770
SC5	0.570	0.620	0.574	0.803

Table 3 Item Loading and Cross-loading

On the contrary for H4, the results indicate that knowledge collecting has no significant relationship on innovation capability (H4, β 0.102, t-value 0.693, p<0.001). Therefore, H4 is rejected. The summary of hypothesis test results are presented in Figure 1 and Table 4.



Figure 1	Result	of SEM-PLS	Model Analysis
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Hypothesis	Path	Path coefficient	t-value	Results
H1	sс→кс	0.697	6.839	Supported
H2	SC→KD	0.305	2.957	Supported
H3	KC→KD	0.490	4.683	Supported
H4	KC→IC	0.102	0.693	Not Supported
H5	KD→IC	0.466	4.034	Supported

Table 4 Hypothesis Test Result

DISCUSSION AND CONCLUSION

This research reveals that social capital have an effect on both knowledge collecting and donating. Social capital become a valuable mechanism for universities to enable the knowledge sharing. For that reason, it is suggested that universities should intensify the trust, networks, and norms among lectures to facilitate the knowledge sharing. Through such a solid relationship, the knowledge sharing process could be accelerated.

The empirical results also demonstrates that knowledge donating has an impact on innovation capability, while the knowledge collecting has not. The process of sharing knowledge could not stop at the stage of acquiring knowledge alone (Van Den Hoff & De Ridder, 2004). A person must also be willing to deliver his knowledge, so that knowledge sharing can proceed perfectly. It is consistent with the norm of reciprocity in social capital (Putnam, 1995). Therefore, it is strongly recommended that both processes of knowledge sharing be completed before it can have a positive effect on the ability of innovation.

However, there are limitations of this research. The social capital construct of this research only identified by trust, network and norms. Other perspectives of social capital could be considered in future studies. Moreover, the object of this research is lectures of private university in Surabaya. Since different local norms can affect social capital, it would be interesting to contrast the effect of social capital in several area or region.

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6. Bukti Konfirmasi Artikel Accepted di partner journal International Conference (7 Agustus 2017)







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August 7, 2017

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No: 013/VIII/SK/PNJ/2017 Re: Publication Notice

Dear Authors,

On behalf the i-CoME Committee, I would like to express a high appreciation for your valuable participation on the conference.

After considering of all notes of the reviewers team on your paper entitled: **The Impact of Social Capital on Knowledge Sharing and Innovation Capability, Paper ID: FCL02File62**, I am gladly to inform you that your paper could be published on **the Jurnal Manajemen & Kewirausahaan (B Nationally Accredited)**. Therefore, I need your confirmation as soon as possible and not more than August 16, 2017 by submitting your confirmation and transfer slip through the website: i-come.petra.ac.id/ payment.

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