

SOCIAL CAPITAL IN KNOWLEDGE MANAGEMENT SYSTEMS FOR THE CREATIVE INDUSTRY SECTOR

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ABSTRACT

The primary aim of this scholarly article is to examine the significance of social capital within the context of knowledge management systems (KMS) in the creative industry literature. The research adopts a comprehensive approach by employing both conceptual and literature analysis, as well as empirical quantitative and qualitative investigations for validation purposes. According to existing literature, KMS is considered an essential organizational process and tool for acquiring, converting, applying, and safeguarding knowledge from internal and external sources, thereby facilitating its utilization, development, and effective management.

The findings of this study reveal that certain organizations acquire knowledge primarily through internal research and development (R&D) processes. However, in contrast, the creative industry heavily relies on knowledge stemming from social capital, including the social environment and community interactions. This social capital plays a pivotal role in providing the necessary knowledge required for the existence of the creative industry and its ability to generate innovative products that reflect the prevailing social context within which it operates. To analyze and classify prior research on the role of social capital for KMS in the creative industry, this study utilizes a meta-analysis as a robust analytical tool, building upon earlier works that have served as foundational pieces for this investigation.

Previous research in the creative industry has demonstrated that knowledge acquisition within this domain results from a synergistic interplay between tacit knowledge and explicit knowledge, obtained through diverse creative classes conducted within the industry. As a renewable resource-driven sector, the creative industry capitalizes on creativity, skill, and talent as valuable assets that can be leveraged for wealth generation, not only for major enterprises but also for micro, small, and medium economies (UMKM), often orchestrated by local communities. This endeavor aims to stimulate employment opportunities through the strategic exploitation of intellectual property. Consequently, the creative industry can be regarded as a knowledge-based sector, necessitating the adept implementation of Knowledge Management Systems (KMS) in its operational framework.



INTRODUCTION

The creative industry is currently focusing on acting as a stimulant for local and economic growth. The creative economy develops as a representation of the regional environment based on geography and economics, and its survival is dependent on social capital, which is founded on territorial capital. According to the European Creative Industries Summit, the creative sector is more likely to be concentrated in big cities than in a narrow geographic region. The creative industries that are present and expanding in urban areas are able to speed up the production of creative goods that are derived from the economic worth and potential of urban and rural areas as well (Deardorff, 1998; DCMS, 2001; Felbermayr & Toubal, 2010).

Economically, territorial resources with potential for cultural, social, and environmental development can be exploited to advance the local economy (Camagni, 2008). These geographical resources can affect economic growth, particularly if it is backed by local government institutions that are competent and social cohesiveness (Cohen, 1978)

According to Ministry of Cultural Heritages, tourism and Handicrafts (2018), Isfahan in Iran are more accepting of Chinese businesspeople than the traditional Muslims of Middle East. Women manage property among Isfahan province's native tribes living in margin of cities, and historically a man's riches were passed on to a sister rather than to a husband.

Ministry of Cultural Heritages, tourism and Handicrafts in Iran tries to see the territorial potential as a guide for the presence of superior creative industries in each of the country's provinces. Infographics, an overview of Iran's creative economy statistics, demonstrates how the creative sector contributes to GDP growth each year. In 2010, the creative economy contributed IRR. 485.86 trillion to the GDP. This amount increased to IRR. 510.59 trillion in 2011, IRR. 586.39 trillion in 2012, IRR. 610.37 trillion in 2013, IRR. 624.07 trillion in 2014, IRR. 752.76 trillion in 2015, and IRR. 895.21 in 2016 in order. Then, based on sub-sector division, it can be seen that some other creative industries contributed significantly different nominal GDP in 2016, including 31.40% of the food and beverage industry, 28.05% of the fashion industry, 25.40% of the craft industry, 7.37% of the television and radio industry, 7.35% of the publishing industry, 2.34% of the architectural industry, 1.86% of the application and game developer industry, 4.81% of the advertising industry, 5.48% of the music industry, 1.46% of the photography (Ministry of Cultural Heritages, tourism and Handicrafts, 2020).

The creative economy is a significant source of regional income in several parts of Iran. However, some areas are still not giving this sector their full focus and continue to rely on the agricultural and non-renewable resource sectors for assistance. According to the distribution of Iran's creative economy businesses in 2014, as seen in the Infographics Summary of Iran's Creative Economy Statistics Data,



Isfahan accounted for 55.87% of all distributions, followed by Yazd province (22.39%), the province of Fars, Tabriz, and Qom (12.53%), Tehran and Zanjan province (5.93%), and Khorasan (5.98%).

According to a number of studies, cluster systems can help with the development of the creative industries (Anggadwita & Dhewanto, 2016) because they foster innovation, creativity, knowledge creation, and transfer (Maskell and Lorenzen, 2004; Watson, 2008; Gwee, 2009; Zhao et al., 2009). Along with enhancing nature's potential (geographic economy), the creative industries must assist the operations of other sectors. As a result, the creative industry must also be able to work with other sectors or industries. (Chuluunbaatar et al., 2004)

The potential of territorial resources is determined by the human collectivity (Yifan et al, 2022) that exists there, namely by how skillfully the community can unleash this potential to produce tradeable products. A rule in the continuity context is necessary for this.

Social capital has been a subject of debate and relation with sociology, political science, and economics since the 1980s. Relationships and social norms are collective sources of social capital. Social capital refers to the spontaneous division of a value system that establishes and determines the quality of civil society, and the relationships between its members are directly reflected in the quality of ethical institutions and networks (Abbafati and Spandonaro, 2011). Social capital affects the degree of social cohesion, horizontal relations, and the nature of relationships with institutions.

When a knowledge management system (KMS) is implemented, the creative industry is anticipated to act as a link between organizational knowledge management and territorial assets, the community, and the social community. In order to create organizational knowledge during KMS implementation, the function of social capital on a territorial basis would be crucial (Fensel, 2004).

On the basis of Dana & Dana (2005), Terjesen, S. (2007) utilized qualitative studies to validate. According to Dana, the simplest unit of study for entrepreneurship is not the entrepreneur if we agree that entrepreneurs are impacted by culture. It is also not a study of people in a lab, nor even a comparison of entrepreneurs in the field; rather, it is helpful to have a case study in which the crucial environmental factors are examined and comprehended. Therefore, it is unlikely that a postal survey or even interviews would be adequate for a researcher to have a comprehensive grasp of the entrepreneurial process (Dana, 2005; Terjesen, 2007).

This study's structure starts with an introduction before looking at the literature on the creative sector and then moves on the literature on social capital in the business. It further elaborates on the relationship between social capital and KMS, and followed by recommendations for further study in conclusion.



2. THE CREATIVE INDUSTRY

Since 2002, the definition of “creative industries” has generally been expanded to include any industries with specific artistic and cultural elements. The term “creative industries” was first used to describe all industries based on creativity that generate intellectual property in the mid-to-late 1990s (Henry & de Bruin, 2011). Advertising, architecture, art and antiques, computer games, crafts, design, designer fashion, film and video, music, performing arts, publishing, software, TV and radio are just a few examples of businesses that policy makers and practitioners frequently refer to as creative industries (Lange et al., 2008). Urban innovation and increased creative sector participation are mutually beneficial: creative individuals are drawn to innovative cities, and creative industries help create new urban innovations (O’Connor, 2007; Tähtinen et al., 2016; Boix et al., 2014).

Based on the potential of the area or city, which is then referred to as a smart city and includes urbanization, planning, and creativity (Scott, 1997; Landry, 1995; Lazzeretti and Francesco, 2016), the creative economy may promote both economic development and innovation. In accordance with Richard Florida’s description of the creative class and human capital’s significance in regional development and urbanization. Florida serves as a link between urban areas and the creative classes (Florida, 2002; Hesmondhalgh & Pratt, 2005).

Howkins (2001) defined the creative economy as an economic activity in which both the input and the result are ideas. An idea is the heart of creativity. The proposed concept is unique and subject to intellectual property rights (IPR). Howkins (2001) adduces that the creative economy wave has started and is now in motion. His case is based on the observation that, in 1996, for the first time, the export value of US copyrighted works had surpassed that of other commodities, including those in the automotive, agricultural, and other sectors. Howkins elaborates on the argument further by saying that the creative economy is derived from innovation, growth, and rivalry that originate in the cultural industries (Mommas, 2004; O’Connor, 2010).

In other research, the creative economy is defined as the creative industries, clusters, and regions. (Brazanti, 2015; Santagata, 2006; Mommas, 2004; O’Connor, 2010). According to Sung (2015), the creative economy is a strategy that strives to create new growth through economic activities that support creativity, the convergence of cutting-edge scientific knowledge and technology, and the creation of new markets and jobs.

The creation of added value based on concepts originating from human resources’ (the creative people’s) creativity and based on science, including cultural and technological heritage, is Ministry of Cultural Heritages, tourism and Handicrafts refers to as the “creative economy” in the context of Iran.



Due to the fact that creativity is a renewable resource, the creative economy is crucial. Particularly in this non-renewable resource is getting harder to find. The economic notion that often results in constraints (scarcity) has evolved due to creativity and is now either centered or results in abundance/abundancy (ECIS, 2000 & NCESD, 2016).

The development of culture and the creative sector coincided with the commercialization of cultural output in the nineteenth and twentieth centuries, which accelerated the development of industrial society. In order to draw attention to the monetization of art, the first writers to address this subject proposed the concept of a "cultural industry" (Adorno & Horkheimer, 1979). The cultural sector expanded more in the second part of the 20th century. This is a result of rising literacy rates and leisure time, which encourage shopping and highlight the value of cultural hardware. Like personal computer, TV, VCR, and hi-fi (Hesmondhalgh & Pratt, 2005).

The Department of Culture, Media, and Sport (DCMS) was established by the British government in 1997 when the Department of National Heritage was given new life. They establish a work unit for the creative industry and produce a document called the creative Industry Mapping Document that classifies and defines thirteen sub-sectors that are no longer referred to as the cultural industry as they were in the past. At the time, Chris Smith, head of the DCMS, stated that it was a practical move to get certain large investment plans past the Ministry of Finance, where the term "culture" should be avoided since it is too evocative of art and is not at all relevant to the economy (O'Connor, 2007).

Australia's Prime Minister also used the term "the creative industry" in his inaugural remarks for the "The creative Nation" initiative in 1994. He emphasized the potential of local culture and digital media technology to boost the domestic economy in response to the trend of globalization (ACN, 2004; Schiray et al., 2017).

The British Department for Culture, Media, and Sport examined market trends and the national competitive advantage of the creative industry in UK economic GDP in 2007, from a different perspective to strengthen national economics. This analysis was based on the use of individual creativity, skills, and talents as a production input (BDCM, 2007).

The creative industry is defined by the British Government's Department of Media, JEC 14,4 484 Culture and Sport (DCMS). The activities described are those that spring from an individual's creativity, ability, and aptitude and have the potential to generate income and jobs via the exploitation and mobilization of intellectual property.

The British DCMS defined the creative industry in 1998 as "an industry derived from creativity, individual skills, and talents and which has the potential for wealth and job creation through the generation and exploitation of intellectual property." The Iran government has also decided to adopt



this definition. industrial sectors are mentioned in the Creative Industry Mapping Document, which is published by DCMS and was updated in 2001. These sectors are: advertising, architecture, handicrafts, design, fashion designers, films, interactive entertainment software, music, performing arts, publishing computer software and services, and television and radio.

The phenomena that emerged in Iran resembled SMEs that mimic, are inventive, and engage in repetitious business. And right now, the secret to success for entrepreneurs is inventiveness (Bashouri, & Duncan, 2014).

The organization of Tourism and Creative Economy was established on March 03, 2010, with the goal of advancing tourism and the creative economy to improve the welfare and quality of life for practitioners of creative sector. Advertising, architecture, the market for artistic goods, crafts, design, fashion, film, video and photography, interactive games, music, performing arts, publishing and printing, computer and software services, radio and television, research and development are the subsectors that fall under this umbrella.

The creative industry sub-sectors have been reclassified into 16 sub-sectors by the Ministry of Cultural Heritages, Tourism, and Handicrafts. These sub-sectors include: Applications and Games, Architecture, Interior Design, Visual Communication Design, Product Design, Fashion, Film, Animation and Video, Photography, Craft, Culinary, Music, Publishing, Advertising, Performing Arts, Fine Arts, Television, and Radio.

3. SOCIAL CAPITAL IN THE CREATIVE SECTOR

In the context of regional territories, the presence of the creative industries is anticipated to have an influence on reducing poverty and enhancing the economic well-being of the community. Therefore, community empowerment will play a part in promoting the creative sector by utilizing local potential, local expertise, and local norms and habits. Physical, financial, human, cultural, and social capital all share two characteristics: mutual transformation and storability (Nikolopoulos and Dana, 2017).

Building networks that may put businesses closer to accessing information, resources, technology, markets, and commercial possibilities will be made easier with the help of strong social capital. In the developed world, social capital typically coexists alongside complementary cultural capital (McElroy & Jorna & Engelen, 2006; Light & Dana, 2013).

In the creative sector, social capital can be a network connection between businesses, between the creative sector and the private sector or with governmental organizations, and ultimately between the creative sector and consumers. Increased engagement between businesses or parties will strengthen and



improve social capital, which will be advantageous to the organization. However, when entrepreneurship is supported by cultural capital, it will do so more effectively than it could on its own (McElroy & Jorna & Engelen, 2006; Light & Dana, 2013).

The creative sector uses social capital as a source of information to develop unique advantages (Maier & Klosa, 1999b). Social capital has several advantages that promote knowledge generation and acquisition, knowledge transfers between and within two or more organizations, and efficiency in the sharing of resources and information. Knowledge management system is based on each regional territorial asset that is empowered by the community via ideas and concepts into valuable goods, so that the role of the creative sector in boosting the regional economy (Matusik, & Hill, 1998).

The concept of social capital was initially introduced in sociology literature, which also emphasizes the value of strong networks and recurring human connections as the foundation for the development of trust. The same ethical source is social capital.

According to Putnam (1993), social capital refers to organizational and knowledge resources that are employed to expand the capacity for both individual and group action in the human social system. According to Bourdieu (1986), social capital is a resource that actors can access through social ties and can have an impact on people's decisions based on the social structure in which those decisions are embedded (Bourdieu, 1986; Coleman, 1998; Putnam, 1993). Bourdieu and Wacquant (1992) claim social capital is a real or imagined resource that a person or organization acquires through a long-lasting network of connections that are more or less institutionalized than mutual recognition and acknowledgment.

Social capital is also seen as a key element in creating value for companies. Light and Dana (2013) claim that despite appearances, social capital's apparent effectiveness in fostering entrepreneurship is really dependent on a variety of understudied and frequently disregarded boundary conditions. Because it promotes cooperation and the exchange of ideas, information, and expertise within the company (Subramaniam and Mark, 2005), social capital is seen to be a crucial component in generating new knowledge (Cohen and Prusak, 2001).

In essence, social capital offers a way for people in social relationships to pool their knowledge or share it. In order to create distinctive organizational capacities, social capital puts knowledge into action. Without social capital, the productivity of knowledge and innovation might be compromised (Musolesi & Huiban, 2010). A communication pathway will be established through social capital that promotes knowledge generation, exchange, and recombination between people, business groups, and business partners (Tsai and Ghoshal, 1998).

The creative industry is made up of a number of creative classes that work together with knowledge to accomplish shared objectives, primarily organizational objectives. Relations and social contact take



place not just in the creative class community's classroom but also outside of it. As a result, social capital was not only established within an organization's walls but also in the external environment, which is connected to the existence of the creative industries and includes stakeholders like customers, suppliers, partners, and policymakers (Putnam, 1993; Coleman, 1998).

Additionally, the existence of the creative industries aims to achieve territorial prosperity. As a knowledge-based sector, social capital in the creative industry is related to the process of knowledge exploration through relationships and interactions with the community and the social environment of the community in order to gain knowledge of the territorial potential possessed to create the creative industries with the creative products that are representative of (Mayasari & Chandra, 2020).

4. GOVERNANCE OF KNOWLEDGE AND SOCIAL CAPITAL

Knowledge is the key to gaining a competitive advantage for all sorts and sizes of organizations nowadays due to the high intensities of competition and information. Competition and constant change are a serious challenge that requires attention since they increase the danger of losing important expertise through knowledge transfer or job termination. In order to successfully use internal and external information relevant to their operations and make it openly available to their staff, organizations must continue to build their knowledge base.

In general, there are two types of knowledge: explicit knowledge and implicit knowledge, the latter of which is knowledge acquired via apprenticeship, close observation, and expert supervision. Technical implicit knowledge and cognitive implicit knowledge, or the richness of views, attitudes, and experiences that are often shared throughout cultural groupings (such as nation, company, and family), are the two categories into which implicit knowledge is classified (Light & Dana, 2013).

Accordingly, the Weberian approach argued that entrepreneurial behavior is culturally influenced by values and beliefs (Stallings, 2002), such as Muslim business owners who may incorporate their religion's tenets into their operations and incorporate their organization's spiritual concepts into both the system and corporate culture (Anggadwita et al., 2017a).

The second type of knowledge is explicit knowledge, which refers to books, manuals, procedures, and written rules that explicitly represent information through words, visuals, sounds, or other ways of communication. Knowledge comprises four dimensions: infrastructure, procedure, content, and culture, which is the most mysterious area but the most important driver of knowledge management success (McCampbell et al., 1999; Dana et al., 2005).



Ownership of information in the form of creativity and skill serves as the creative industry's negotiating stance. This is true because the creative sector is built on individuals' unique ideas, skills, experiences, and labor. Relationships and social contacts both inside and outside of the organization, or social capital, are significant in the creative business. In the creative sector, people may work independently or jointly with other company owners on collaborative initiatives. The creative and cultural sectors have two defining traits: project-based creative work (Bettiol and Sedita, 2011; Manning and Sydow, 2007) and the majority of creative professionals working alone (Carey and Naudin, 2006; Christopherson, 2004; Kong, 2011; Pratt, 2002; Mayasari & Chandra, 2020).

The interactions of talented individuals are an issue for the creative business. Social exchanges and contacts between important participants, supporters, and connected people cannot be avoided by the creative professionals, which is why social capital is important (KEA, 2006). According to a study conducted by Ramadani et al. (2016), skilled workers and knowledge spillovers have a positive impact on firm performance. They draw the conclusion that investing in new knowledge acquisition will have a positive impact on innovation activities as well as on firm performance.

The presence and growth of specific creative industrial sectors support territorial potential, so communication within the territories must be developed because it will have an impact on maximizing territorial potential through the cultivation of the creative industries. The separation of the creative strata has led to the behavior of the creative workers as bohemian entrepreneurs. Along with economic-agglomeration considerations, social variables such as network externalities (Minniti, 2005), sustainability (Fuller and Warren, 2006), political and economic backing (Chapain et al., 2010), and social capital (Arefi, 2003) also influence how they carry out their jobs (Mayasari & Chandra, 2020).

As a result, since knowledge formation is a social activity, it necessitates interpersonal contact. This social interaction is necessary and significant for knowledge-based industries, such as the creative industries, to generate and accumulate collective knowledge, particularly in communities that are typically engaged in frequent conversation, knowledge sharing, sustainable learning, and R&D that aims to define and shape the abilities and competencies of the creative industry.

Knowledge management in the creative industry seeks to ensure performance growth and continuity by safeguarding crucial knowledge across all creative classes, applying existing knowledge in all pertinent circumstances, combining knowledge and creating synergies, and acquiring relevant knowledge (Ensor et al., 2001).

In order to acquire and build the knowledge required to bring a superior the creative industry, knowledge management system continually and generating new knowledge by continuous learning that



is developed through contact and social relations both within and outside the creative sector (Maier& Lehner2000).

According to Turban et al. (2003), knowledge management is the act of obtaining, producing, and supporting the sharing of information so that it may be used productively across the organization. Four main processes make up knowledge management: knowledge generation, encompassing all activities that discover “new” knowledge; knowledge capture, which involves ongoing scanning, organizing, and packaging of knowledge after it is produced; knowledge codification, which is the procedure of representing knowledge in a way that is able to be easily accessed and transferred; and knowledge transfer, which involves the transfer of knowledge from one person to another (Maier& Klosa,1999c; Maier& Kunz,1997).

Communities of Practice (CoP): Bridging Knowledge Management and Strategy in The Creative Firms, a research, highlights the significance of selecting strategies that are suited to the company’s setting. Learning may be enhanced, and creativity can be supported through social community, social contact, and CoP cooperation. According to Greiner et al. (2007), knowledge in this situation is an intangible that is ingrained in society rather than an item. Through fostering social connections and enhancing information exchange, CoP contributes to improving personal talents (Probst& Borzillo, 2008).

A 2001-founded architectural practice in New Zealand was the subject of research that employed 32 semi-structured interview techniques with directors, architects, interior designers, clerks, and administrative employees. Lessons, best practices, narrative, discourse, and conversation were all cited by respondents as suitable strategies for knowledge sharing in the CoP. The response also views expertise as a tactical advantage that may set it apart from other architecture firms. The CoP is at the core of knowledge management, and it directs the community to concentrate on knowledge management tactics that are consistent with the commercial strategy of the organization, which depends on the product spectrum basis and creative competency (Fox, 2000; Verburg& Andriessen, 2006). The research then examining the impacts of social capital on knowledge management practices was undertaken in a study named “Developing Social Capital for Assisting Knowledge Management Practices” (Greiner et al., 2007).

Additionally, research that tries to examine the impacts of social capital on knowledge management practices was undertaken in a study named “Developing Social Capital for Facilitating Knowledge Management Practices” (Greiner et al., 2007). The cohort had a sample size of 273, and it was made up of managers and senior specialists from NIOPDC (National Iranian Oil Product Distribution Co). According to the study, social capital serves the following three purposes.

First, social capital helps to symbolize the structure’s duties, hopes, and beliefs; social systems with high levels of trust are those in which people anticipate that social commitments will be upheld



in the appropriate circumstances. The second is social capital, which acts as a channel for knowledge. Knowledge might be hard to get by, but social capital opens up access to it and makes it easier to take action. The final form of social capital is a system of adequate standards and sanctions, i.e., effective norms that prevent individuals from engaging in socially undesirable behavior. For instance, a collective perspective is a significant form of social capital in the form of standards that require individuals to put their own interests aside to act in the collective interest. According to the study's findings, there is a correlation between all facets of social capital and knowledge management techniques that can help with knowledge management implementation (Lang, 2004; Madey& Muzumdar,1997).

Additionally, research on the impact of social media on knowledge quality from the perspectives of social capital and communication of resources is being conducted in a study titled "Better Knowledge with Social Media Looking into the Role of Social Capital and Organizational Knowledge Management." Using panel data gathered through online polls, the study conducted quantitative investigations that confirmed theories. 725 people were asked to access the Survey Monkey survey that was created for the study, which was done across the USA in a variety of businesses. According to the study's findings, social media only indirectly affects relational capital through structural and cognitive capital, but directly affects the social capital components known as structure capital and cognitive capital. The results showed that improved social capital and social media in general (including Web services, blogs, LinkedIn, and Facebook) did indeed support organizational efforts in knowledge management, which in turn produced greater levels of organizational knowledge quality (Liebeskind, 1996; Bharati et al., 2015).

A lot of the literature is still very interested in knowledge management since knowledge primarily decides competitive advantage. The emphasis on the function of knowledge, knowledge workers, and the essence of knowledge in the organization is a common trait that distinguishes this orientation. This phenomenon demonstrates the growing significance of inter-individual and inter-organizational cooperation. Professional organizations primarily concerned with managing knowledge resources in organizations are one possible avenue for collaboration.

Similarly, developing and promoting diverse dimensions of social capital in the creative industry, which is a knowledge-based sector, is crucial. This will increase the success of the creative industry's use of knowledge management techniques.

The creative industries may gain from increased efficiency, performance, and lasting competitive advantage thanks to an efficient KMS system. The creative industries are forward-thinking, proactive, and inventive. As a result, knowledge derived from social capital is crucial for generating various benefits and ensuring the longevity of the creative sector.



5. CONCLUSION

The company is no longer able to highlight the strength of its negotiating position through financial capital, buildings, land, and other assets because of the current situation's high level of competition intensity, accessibility of media as a means of communication, and information sharing. Because of the intense rivalry, knowledge has become a precious asset. Businesses may define and shape the potential and capabilities of their organizations via knowledge. Organizations will benefit from a variety of competitive advantages as a result of knowledge (Prieto& Easterby-Smith, 2006).

The creative sector must also present itself as a knowledge-based sector (Boden& Miles, 2000). Understanding the creative sector can help it produce more creative goods of a higher caliber. Superior artistic outputs based on an understanding of geographical potential. This indicates that each location has a unique potential and that it is possible for each region to present the creative industries based on these potentials, allowing the creative industries to generate innovative goods that capture the essence of each place.

According to the literature, there are two types of knowledge: implicit knowledge and explicit knowledge. The spiral of the knowledge process is the name given to both stages of the learning process. Starting the process from explicit knowledge to implicit knowledge or implicit knowledge to explicit knowledge is both possible. But in the end, the activity is to gather the company's most representative knowledge in light of the general circumstances that become the organization's obstacles and the strain of its internal work responsibilities.

Contrary to the creative sector, implicit and explicit knowledge are two types of knowledge that work together. This is due to the fact that several creative classes of people operate in the creative industries. Despite the fact that the bohemian class workers group is crucial to the creation of creative items with the ownership of owned Though from an industrial standpoint, the creative professionals cannot exclusively cover their knowledge confined to the unique and personal qualities they possess

While the industry seeks to maximize profits, bohemian-class workers prioritize recognition, respect, and exclusivity. As a result, finding a meeting place is exceedingly challenging if everyone is unaware of and unaware of each other's objectives. Therefore, cooperation between the knowledge held by various creative classes employed in the creative business and employees from the bohemian class is required for the creative industry to continue operating and prosper in the market's competition (Branzanti, 2015; Bueno et al., 2004).

Social capital is a source of knowledge. Social capital is the networking and interaction between organizations, between the creative industry and the commercial sector, or between the creative industry



and public institutions. The creative industries may research, gather, and develop the information necessary to drive the creative sector in offering services, procedures, and creative goods that are indicative of societal requirements. This is possible thanks to social capital.

Social networks that are linked to make the creative sector present in the framework of many geographical potentials provide knowledge. Since each region has unique territorial potential, the existence of the creative industries includes insight into the region's personality and sense of place.

The creative sector must comprehend the geographical environment through social capital, or the interaction and connection of social networks, to develop various competitive advantages. The KMS is intended to be used to execute the knowledge that the creative sector possesses. Companies may effectively and efficiently develop and transmit knowledge by implementing knowledge management systems. Because the knowledge acquired through knowledge management will be transformed into more excellent goods, processes, and services, the KMS process is particularly advantageous for creative businesses.

6. RESEARCH CONTRIBUTION

These findings provide complete knowledge about KMS implementation, which benefits society, the creative sectors, and research in many ways. The results supported the ideas put out in this study and supported those found in earlier ones. The results of this study enable the creative industries to adopt KMS through social capital, namely, communication and social network bonding that are distinct and has various possibilities in each place, to further profit from superior goods, processes, and services.

7. DIRECTIONS FOR FUTURE RESEARCH

Only studies and research conducted outside the creative business have examined the relationship between social capital and knowledge management. In comparison, the creative sector has long been predicted to play a significant role in economic development. The capacity to have innovative thoughts and concepts is required since the creative sector is built on information, skills, and talent (renewable resources). Individuals solely and independently possess the capacity in to take the shape of creative concepts and ideas.

Ideas and creativity are the building blocks of knowledge. Since information is acquired through social capital in the creative business, knowledge creation for the creation of creative goods, processes, and services requires the deployment of knowledge management systems.



To validate the importance of social capital in the KMS in the creative business, more empirical quantitative and qualitative studies are thus required for the creative industries to understand how social capital is utilized in the sector and how to build the necessary social network links.

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