

Social Media Orientation and Knowledge Creation of UKM in the Covid-19 Era: Mixed Methods Perspective

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Abstract. *The purpose of this study is to analyze the antecedents of the role of social media orientation to improve organizational performance in Central Java fashion UKM and explore how the role of social media orientation for knowledge creation. The Covid-19 pandemic has brought changes to SME actors to change their business towards digital by utilizing social media Instagram, Facebook and TikTok as media to support business activities and a place for the knowledge creation process. In improving performance in the era of the COVID-19 pandemic, several variables can be used in this study, namely: social media orientation, structural social capital, and knowledge creation. The role of social media as a bridge (networking) to always be connected with stakeholders online both for personal and interpersonal members so as to open up opportunities for the creation of cooperation patterns so as to improve organizational performance. The use of social media in fashion UKM can be said to be high and agile skills. The higher the intensity of social media use, the more knowledge creation processes are received by fashion UKM through social media. Knowledge is used as the main asset in the process of creating new knowledge, in the form of a process of sharing knowledge from other parties such as knowledge about promotions, prices and the latest trends and finding new ideas so that SME members are always creative in increasing innovation. The method used is mixed methods with a concurrent embedded design type. The sample of quantitative research was 135 UKM and informants in qualitative research were 8 SME managers in the fashion sector in Central Java. Additional requirements for respondents, UKM have been using digital technology for at least 3 years, have a minimum turnover of ten million, and have at least 5 employees. Quantitative data collection used questionnaire distribution and qualitative data through interviews. Data analysis used PLS and thematic respectively. The data collection method used was through questionnaires and interviews which would then be analyzed using statistical and thematic analysis techniques. The results of the study showed that the ability of UKM to use social media is very high as a medium to support business such as a virtual promotional storefront, emotional bonding, a place for self-existence through communities and media for selling, thus opening up wide opportunities to improve the pattern of cooperation that is established in UKM both in personal and interpersonal. The role of social media is important in UKM for the creation of knowledge by processing information on social media so that a learning process is created to create innovations in improving*

organizational performance. The role of social media is able to be a bridge to establish cooperation and the process of creating new knowledge to improve the performance of SME organizations.

Keywords: COVID-19 Pandemic; Knowledge Creation; Organizational Performance; Social Media Orientation; Structural Social Capital.

1. Introduction

The spread of Covid-19 cases in Indonesia is still very high, so it is a serious concern for the government in fighting the Covid-19 virus where on Friday (11/12) there were 605,243 positive cases of Covid-19 recorded in Indonesia while in Central Java confirmed 63,100 positive cases. The high rate of spread of Covid-19 has caused several regions in Indonesia to make various efforts to break the chain of spread of the Covid virus by implementing large-scale social restrictions (PSBB) and all activities are carried out at home work from home (WFH) which causes all activities outside the environment to be stopped so that it has an impact on several companies and other business units experiencing a decline in organizational performance. One of the business units affected by the decline in organizational performance is UKM.¹

Based on a survey conducted by Bank Indonesia in 2020 on 916 fostered and partner UKM, it was found that the Covid-19 pandemic reduced the performance of 72.6% of 916 UKM. The biggest impact was on the decline in sales turnover by 51%, followed by difficulties in production input by 14%, and difficulties in obtaining capital by 35%. On the other hand, based on data from the Central Statistics Agency (BPS) and the Cooperatives and UKM Office of Central Java Province, 51% of the 4.1 million UKM in Central Java experienced marketing constraints. Of that number, 51% experienced marketing constraints, 25% experienced financing constraints, 5% experienced raw material constraints, and 19% experienced other constraints, which resulted in a decline in organizational performance in UKM. The problem currently being faced by UKM is the decline in organizational performance due to the impact of the Covid-19 case, so UKM must be able to read opportunities to survive in the pandemic era by implementing social media. Effective use of social media can improve the performance of SME organizations, such as a survey conducted by SME Corp in 2018, around 70.5% of UKM have utilized social media for their business by using WhatsApp, Facebook, Instagram, TikTok as the most widely used social media platforms as a medium to create knowledge for SME members and build relationship networks so that they can increase business profits and productivity, especially for engagement or interaction with customers.²

¹<https://semarang.bisnis.com/read/20201009/536/1303031/survei-bi-kinerja-umkm-kian-memburuk> (accessed on December, 16).
<https://semarang.bisnis.com/read/20201019/536/1307059/51-persen-umkm-di-jateng-terkendala-pemasaran> (accessed on December, 16).

Another finding is that around 29.5% of UKM prefer traditional ways of doing business due to internet network constraints. So this raises the researcher's curiosity about the extent of the role of social media in improving organizational performance in Indonesian UKM. This is in line with the characteristics of Indonesian UKM where there is an increase in internet networks by 17% and the use of social media has increased by 8.1% with active social media platforms being YouTube, WhatsApp, Facebook, Instagram, Line, etc. The increasing number of social media users provides opportunities for UKM to improve organizational performance which is a facilitator for communicating and obtaining knowledge and information interactively creating wide open business opportunities.³

Regardless of the pros and cons between social media relationships and organizational performance where there are positive and negative relationships. So there is a need for an intervening variable as a bridge to improve organizational performance, namely the structural social capital and knowledge creation variables. The reason for the structural social capital variable as a moderating variable is because this is the latest novelty in this study, where structural social capital is a dimension of social capital. The use of social media will encourage an increase in structural social capital because social interactions between individuals that are established in social media will increase the values and resources embedded in a relationship within the organization so as to improve organizational performance.⁴

2. Research Methods

This research is a research using mixed methods. The mixed methods approach refers to research that mixes or combines qualitative and quantitative approaches in one study to produce a more complete explanation of the research problem. According to (Johnson, et al) mixed methods is a type of research in which researchers combine elements of qualitative and quantitative research approaches (eg, the use of qualitative and quantitative perspectives, data collection, analysis, technical inference) for the broad purpose of broad and in-depth understanding and evidence. Then according to (Creswell and Clark) that mixed methods is a procedure for collecting, analyzing, and mixing both quantitative and qualitative methods in one study or series of studies to understand the research problem. Mixed methods provide the opportunity to present greater diversity for different views.⁵

³Tajvidi, R. and Karami, A. (2017). The Effect of Social Media on Firm Performance. *Computers in Human Behavior*, 3Lee, SH, DeWester, D. and Park, SR 2008. Web2 o portunities for Small Businesses. *Service Business*, 2(4), 335-345. 0.

⁴Hislop, D) .(2013) .(Knowledge Management in Organizations :A Critical Introduction .3rd Ed) .(UK: Oxford University Press).

⁵Tashakkori A, Creswell JW. Editorial: The New Era of Mixed Methods. *Journal of Mixed Methods Researcp*.2007;1(1):3-7. doi:10.1177/2345678906293042.

3. Results and Discussion

3.1. How Extensive is the Use of Social Media for Business among Central Java Fashion UKM?

3.1.1. UKM Fashion Social Media Accounts

a. Instagram

Based on the results of the presentation of the resource person, it can be concluded that the social media account that is often used by UKM in the fashion sector is Instagram. The resource person feels comfortable when using Instagram because the features in it are very diverse so that this will make it easier to upload photos or videos related to stock or goods available from the SME itself, besides that the market share of Instagram itself has a very wide reach so that this will be beneficial for UKM to find new consumers to increase market share.

b. Facebook

Based on the results of the answer presentation, it can be concluded that the third most frequently used social media application is Facebook, where many UKM business actors still utilize social media to support their business activities by joining several similar communities such as buying and selling groups, etc., so that they will get a wider market reach.

c. TikTok

Based on the results of the presentation of the interviewee's answers, it can be concluded that UKM have also started to utilize social media that is currently happening, such as TikTok social media, on the grounds that when marketing products using TikTok it is more interesting because there is a music feature so it seems more interesting.⁶

3.1.2. Actor Behind the Scenes

Based on the results of the presentation from the resource person, it can be concluded that almost all of the resource persons stated that they still handle or operate it themselves because indirectly they will interact directly with consumers, when they are able to provide maximum service, it will make consumers loyal and feel happy and comfortable when making transactions on purchases. So this is the most important key factor in a business because the owner will better understand the characteristics of each consumer.⁷

3.1.3. The Role of Social Media for Fashion UKM

a. Virtual Promotion Showcase

Based on the results of the presentation of answers from the informants, it can be concluded that all informants utilize the use of social media for activities related to promotions, this is done to attract customers by uploading photos or videos related to new product catalogs or

⁶Scupola, A., and Nicolajsen, P. W. (2013). Using social media for service innovations: challenges and pitfalls. *International Journal of E-Business Research*, Vol. 9 No. 3, p.27-37.

⁷Adler, P.S. and Kwon, S. (2002), "Social capital: prospects for a new concept", *Academy of Management Journal*, Vol. 41 No. 4, p. 464-476.

existing stock by using attractive templates or feeds with the aim that other people who see it will be interested in seeing it.

b. Emotional Bonding with Consumers

Based on the results of the presentation of answers from the resource person, it can be concluded that the use of social media as a material to build interactions or relationships with consumers. As a business actor, you must be required to always be connected with stakeholders, for example with consumers, when the relationship with consumers goes well, then the SME is able to create a good image because stakeholders have a role and contribution in helping UKM to facilitate their business.

c. Self-Existence through Community

Based on the results of the resource person's presentation, it can be concluded that social media is utilized by fashion UKM as a material to build similar communities, so that when they join a community, they will get many benefits such as exchanging information and sharing knowledge related to current developing trends so that they are able to see the desires of consumers who are currently popular.

d. Sales

Based on the results of the presentation of the resource person's answers, it can be concluded that social media is used as a medium for selling by SME business actors in the fashion sector. During the Covid-19 pandemic like this, all business activities are carried out online considering the situation that does not allow for offline sales so that it will be more profitable in terms of income prospects, time and market share, it is more profitable to sell through social media.⁸

Based on the results of qualitative research on eight informants, it was concluded that the use of social media in Central Java fashion UKM is very high, where all informants have utilized social media for business continuity during the Covid-19 pandemic. This is supported by the rapid development of technology in Indonesia so that SME actors are able to adapt technology-based services to carry out marketing online, so that they can create a variety of new profitable opportunities to support business activities so that they always survive. The social media used by fashion UKM are Instagram, Facebook and TikTok. The use of social media requires an admin to help run SME operations from designing interesting content, determining the schedule for broadcasting its content, to answering all questions/comments/complaints that come from followers so that the admin becomes an important image for UKM. The use of social media is one of the most important factors to improve performance so that many benefits are obtained such as a medium for promotion by uploading photos or videos of new products or ready stock products through social media pages so that the market coverage is wider, as a medium to build relationships with consumers, where social media is considered a container or facilitator with consumers so that it will make it easier for UKM to interact with consumers such as Question & Answer with

⁸Andres Kaplan & Michael Haenlein, (2010). *User Of The World, Unite! The Challenges and Opportunities Of Social Media*, Business Horizons. <https://doi.org/10.1080/14780880903340091>.

followers through social media such as Instagram. The third benefit is as a medium to build a similar community, where social media is usually used as a container to create a group/community of the same type so that they will get information related to cheap raw materials, or current trends. The fourth benefit is as a medium for selling online.⁹

3.2.How is social media used in the context of the knowledge creation process among Central Java fashion UKM?

3.2.1. Posting Errors and How to Fix Them

Table 3.2.1 Digital Native

Source person	Statement	Source person	Statement
N1	"As for posting errors, it's not that often, but it has happened 2-3 times. ever made a posting mistake, Steps overcome it The mistake made by the admin is deleting the post and then we re-upload it, but if the mistake is fatal, for example in the image or video, but for minor posting mistakes, for example in the caption, we just edit it, so in the future, be more careful when you want to upload something"	N5	"Posting errors have occurred but not often. Maybe usually I post the wrong price but someone already bought it and in the end I sold it at the wrong price as a professional form so that it wouldn't be considered a cheat. The same customer."
N2	"For posting errors, I have, but not too often. The steps to overcome posting errors are just to edit them, because that's usually how it is, just edit them and then fix them by the admin themselves, so later we will be more careful because if we often make mistakes, our image will be considered unprofessional."	N6	"I have made mistakes, I have made posting mistakes but not too often. If asked how many times, maybe 3 times. Well, the way we deal with posting mistakes is we first check where the mistake is, then we ask for advice to fix it, well from there we know more about our mistakes so we can be more careful."

⁹Carr, C. T., & Hayes, R. A. (2015). Social Media: Defining, Developing, and Divining. *Journal of Communication*, 23, 46–65.

N3	"Posting errors don't happen often, maybe an average of 3 times a week, so we immediately correct those errors by the admin, like editing them again, sometimes we also repost them which is done by the admin themselves.	N7	"Yes, but not too often, maybe only a few times but I forgot hehehe maybe twice. When there is an error in posting, the first thing we do is archive the post, sometimes we also delete it, then we re-update the new one that has been corrected by the admin
N4	"Not too often, but for example, when we post on Instastory, there seems to be a typo error. The steps we take are to try to fix the error by editing it, fixing it first - arranging the sentences to be better and more interesting, then we repost it by the admin	N8	"Yes. But not too often. No visual errors, but yes copywriting errors. In the sense of using words or hashtags that are not appropriate for the product. The steps to overcome them depend on how big or fatal the error is."

Based on the results of the explanation of the answers above, it can be concluded that all sources already have fairly reliable skills where they are able to overcome problems when making posting errors made by the admin himself. The category of posting errors is in the form of minor posting errors such as incorrect captions or typo errors. While fatal errors, the action taken is to archive / takedown the post and then send it again. All posting errors form the characteristics of an admin as a form of professionalism so that the lessons learned in the future are more careful.¹⁰

3.2.2. Forms of Knowledge and Discussion from Other Parties

Table 3.2.2

Sharing Knowledge)

Source person	Statement	Source person	Statement
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¹⁰Dane, M. (2016). 8 ways to get more website traffic via social media. *Maximize Social Business*. <https://maximizesocialbusiness.com/how-to-drive-website-traffic-with-instagram-22950/> (Accessed on June, 8 2018).

N1	"So the form of knowledge produced with other parties is in the form of sharing knowledge, for example related to promotions, so we can gain new knowledge about how to carry out promotions that are interesting and on target."	N5	"The form of knowledge is more about sharing or exchanging new information about the fashion market. Such as trending models, lots of new color-sused, consumers want products that are like What"
N2	"There are many forms of knowledge with other parties, experience, new suppliers, knowledge about small productssupport Forop erational equipment for products, for example, there are distributors of interesting fabrics. The problem is that those who work with Omah Muslim are generally very open to knowledge -	N6	"The form of knowledge that I get from other people is more- like sharing information and knowledge for example new knowledge, whether from the way of thinking, production methods, marketing methods"
N3	new science is more about sharing knowledge" . "Knowledge with other parties is more like sharing knowledge.for example We get tips on how to increase sales, how to do interesting promotions and also how to manage social media accounts such as uploading photos or videos so that they look more aesthetic so that the impression is good to look at."	N7	"The form of knowledge produced with other parties, for example, is about how to do business properly in the pandemic era, then... sharing information and knowledges such as a good way to promote using social media"
N4	"The form of knowledge with other parties is more about sharing knowledge and science. Like sharing how to manage social media accounts properly, so that the content will be filled later Good"	N8	The form of knowledge that we get from other parties is more about sharing new knowledge, for example, how to do promotions in an aesthetic way so that it seems more contemporary and follows the times.

Based on the results of the presentation of the answers of the resource persons above, it can be concluded that the form of knowledge produced with other parties is related to sharing knowledge. Because UKM consider that sharing knowledge is one of the important activities to upgrade knowledge. The form of sharing knowledge is also diverse, such as how to promote related to photos or videos that will be shared or uploaded so that people are interested in seeing them, strategies for getting new suppliers, knowledge about small products that support operational equipment, related to prices and current trends.¹¹

3.2.3. Stalking Social Media Passive Learning Vs Active Learning

Table 3.2.3
Passive Learning and Active Learning

Source person	Statement	Source person	Statement
N1	"I also often observe brands from other UKM, usually by looking at other UKM we can know more about the current developing trends, so we can use them as reference material."	N5	"I also often observe brands. from ukmlain Forsee and search referencethat's fineFor model,materi- alor the finished color will be adjusted to the product We"
N2	"Of course, it happens very often, because by observing other people's social media accounts, competitors, we will know, oh, what's good is like this..., what's popular is like this..., so to observe strategies and also to explore trends that are happening so we can use that as reference material for our UKM."	N6	"We often observe other people's social media accounts, so we can see and look for references from other items as references for the products I will make."
N3	"I also often observe other UKM's social media accounts, because by observing other people's social media accounts, we can observe fashion trends. is currently popular so we have material as a reference for that"	N7	"Often, usually because we use it to see what the current trends are, so we can adjust our needs." according to that

¹¹Creswell, John W. (2012). *Educational research: planning, conducting, evaluating, quantitative and qualitative research (Fourth Edition)*. (United State of America: Pearson Education Inc).

	how, so we can also see the market share needs that are being sought by other customers."		currently in de- mandconsumer
N4	"I also often observe other UKM so- cial media accounts to see refer- ences for new designs that are hap- pening, and to see how far the com- petitors are so that we can also fol- low market developments through competitors."	N8	"Often,Often seen from other brands (well-known brands) asrefer- ence . From there we can learn and know the unique- ness that the brand has and from there we will definitely come across creativity that can later be developed in our own business"

Based on the results of the presentation of the answers of the informants above, it can be concluded that of the eight informants interviewed, all of them often observe the social media accounts of other UKM because when they observe other people's social media accounts, they will get ideas or references for role models for their businesses/products so that they are able to follow the current trends according to the needs of consumers who are currently popular.¹²

3.2.4. Knowledge Creation Through Social Media

Table 3.2.4 Innovation and Research

Source per- son	Statement	Source per- son	Statement
N1	"If it's to copy posts, no, but it's more appropriate for us to look at posts from other UKM social media accounts as reference material, then we can innovate in terms of color, model, etc."	N5	"More not to imitate butdevelop. So you know for example this company is less motivated so I develop more highlighting the motif. So I can de- velop it more by doing innovations"

¹²Efraim Turban, Narasimha Bolloju & Ting-Peng Liang (2011): Enterprise Social Networking: O portunities, Adoption, and Risk Mitigation, *Journal of Organizational Computing and Electronic Commerce*, 21:3, 202-220.

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|----|---|----|---|
| N2 | <p>"If it's to copy posts, it's not really, it's more about implementing ATM, namely Observe, Copy and Modify, so basically we focus more on...the innovation process then develop it, for example, we see a good photo on someone else's social media, and the photo is aesthetic, so we end up modifying it like a Muslim house according to the criteria and budget, so we"</p> | N6 | <p>"It is said that copying the product is not true, but if you copy the steps, yes, and after that I still do it.de-velop</p> <p style="text-align: right;">And</p> <p>innovate productthe."</p> |
| N3 | <p>"Maybe you could say it's copying, maybe it's about copying 40-50%
"Well, after seeing that, we carry out the product innovation process so that it is different from other UKM, while we modify the rest according to what we want, so it will be more diverse."</p> | N7 | <p>"If you say that you are copying a product, no, but if you copy the steps, yes, and after that I will still do it.develop</p> <p style="text-align: right;">And</p> <p>innovate the product."</p> |
| N4 | <p>"Not really copying, but sometimes we also look at it as reference material, but not too often, but we...focus For develop it through innovations that we have seen and modify.</p> | N8 | <p>"If you don't copy, it's more about developing with the innovation that I design, so it's a kind of Observe and Modify process, so we will be different from other UKM, whether in terms of color, material or additional models."</p> |

Based on the statements of the sources above, it can be concluded that some SME business actors imitate but do not imitate one hundred percent and some do not imitate but only as reference material, then they focus on the innovation process so that the results will be different from other SME products. They carry out innovation processes such as in the selection of colors, materials and models by implementing the ATM process (Observe, Imitate and Modify).¹³

Based on the results of the presentation of the answers of the resource persons above, it can be concluded that the use of social media is one of the valuable assets for fashion UKM as a process or forum for creating new knowledge that comes from social media, for example in the process of posting errors when uploading content or photos on Instagram or TikTok pages, there are various minor errors such as typo errors in captions or video finishing, but the admin

¹³Ferrer, E., Bousoño, C., Jorge, J., Lora, L., Miranda, E. and Natalizio, N. (2013), "Enriching social capital and improving organizational performance in the age of social networking", *International Journal of Information, Business and Management*, Vol. 5 No. 2, p. 95-109.

is able to overcome these problems so that they become more careful in using social media. When the intensity of social media use increases, you will gain knowledge from other parties such as knowledge about how to promote well, knowledge of getting new suppliers and how to manage / manage social media properly. Social media is a forum for fashion UKM to create new knowledge by observing SME social media accounts which are carried out by learning by doing (done by themselves), when observing other SME social media accounts, they will know how their competitors are currently positioned, can follow the development of fashion trends that are developing and give rise to a creative spirit. When the creative spirit is getting higher, the sense of innovating and developing it to launch new products is also getting higher. In the process of innovation and developing new products using the observe, imitate and modify method, this will create new knowledge.¹⁴

3.3. Implementation of Social Media in Improving SME Performance

Based on the results of testing the first hypothesis in quantitative method research, social media orientation has a strong, positive and significant influence on organizational performance or it can be said that this variable has an influence to increase organizational performance. This is evidenced by the results of the path coefficient which has a significant positive value. The results of this study are supported by the results of qualitative research in the form of interviews conducted with eight informants who stated that the use of social media among fashion UKM can be said to be high, where all UKM have been able to adapt technology-based services to carry out SME operational activities online so as to create a variety of new profitable business opportunities to support operational activities so that they always survive. Social media that have been implemented in fashion UKM, namely Instagram, Facebook and TikTok, which are social media that are actively used as activities to support online business activities during the Covid-19 pandemic. This is in line with research conducted by (Houitsoite, 2020) which states that Indonesian people like to access social media with an average of around 8 hours 52 minutes a day with social media that is highly accessed, namely WhatsApp, Facebook, Instagram and TikTok.¹⁵

The role of social media is very important for the sustainability of fashion UKM during the Covid-19 pandemic for online business support activities because it is not possible to carry out offline business activities due to the implementation of several regulations by the government to break the chain of the Covid-19 virus. The results of this study support previous studies where now UKM build and maintain social media to increase the importance of their social networks, increase interest and build relationships with the public online to improve organizational performance according to (Parveen et al., 2015) and in terms of customer service, accessibility of information, reducing costs for marketing activities and customer service according to (Tajudeen, 2014). This study is in accordance with the answers

¹⁴Hashim, S. R. (2007). Poverty and Inclusive Growtp. *The Indian EconomnJournal*, 55(2),323. <https://doi.org/10.1177/0019466220070202>.

¹⁵Hannah, Sean & Lester, Paul. (2009). *A multilevel a proach to building and learning organizations*. The Leadership Quarterly. 20. 34-48. 10.1016/j.leaqua.2008.11.003.

of informants such as UKM Kemsuy who stated that "I use social media as a promotional material, for example when there are new products that will be released later so other people will know that we have new products, or new stock so that we can be more efficient in terms of budget costs because it is considered cheaper but the target market coverage is wider ". For example, on Instagram social media, there are many features that can be used to make promotional media more attractive, such as the Instagram story feature, feed or shop feature that makes it easier for UKM fashion business actors to upload products.¹⁶

The second benefit is as an emotional bonding with consumers, the statement of the UKM Omah Muslim resource person stated that "social media is a place to build relationships with consumers, for example, we often make Questions & Answers related to what consumers need". The third benefit of social media is as a place for self-existence through communities such as groups on Facebook so that various benefits will be obtained such as exchanging information or sharing knowledge. The statement of UKM Gaia.shop "We also optimize social media, usually by creating groups like that for fellow UKM in the fashion sector, so later in that group we can use it to build a community so we can exchange information about trends that are happening with other members". The fourth is as a place to sell, this is an important prospect for improving the performance of UKM according to the statement of the UKM OBF Store resource person who stated that "For me, social media is considered a kind of online market, so as much as possible I use it to sell online".¹⁷

3.3.1. Intensity of Social Media Use in Establishing Cooperation

Based on the results of testing the second hypothesis in quantitative method research, social media orientation has a strong, positive and significant influence on structural social capital or it can be said that this variable has an influence to increase structural social capital. This is evidenced by the results of the path coefficient which has a significant positive value. Based on the results of the analysis, it shows that fashion UKM with the role of social media are able to make fashion SME actors have awareness, belief and feel confident to open up opportunities for cooperation with other UKM which are carried out online through social media as a business support in the era of the Covid-19 pandemic.¹⁸

The use of social media is an effective information and communication channel for UKM to create new forms of collaboration so that it will be easier to contribute from different places and different times without being limited by time and distance so that community members can interact as often as possible with other SME members. This study is supported by the results of interviews from qualitative research which states that the use of social media as a place to do business will open up opportunities to connect with consumers and suppliers

¹⁶Horng, Shwu-Min. (2017). A Study of Active and Passive User Participation in Virtual Communities. *Journal of Electronic Commerce Research*. 17. 289- 311.

¹⁷Kwok, L., and Yu, B. (2013). Spreading social media messages on Facebook: An analysis of restaurant businessto- consumer communications. *Cornell Hospitality Quarterly*, Vol. 54 No. 1, p.84-94.

¹⁸Leana, C.R. and Pil, K.P. (2006), "Social capital and organizational performance: evidence from urban public schools", *Organization Science*, Vol. 17 No. 3, p. 353-366.

which are done virtually or online. As stated by one of the speakers from SME Tracegoods "so the role of social media as a medium for consumers so that they are able to build relationships online, for example we often go live on Instagram, well from there usually there are consumers who join or see our live, we can forgive the opportunity to ask questions or interact ".¹⁹

On the other hand, UKM Omah Muslim argues that "there are many forms of knowledge with other parties, for example from social media we can get to know new suppliers, or interesting fabric distributors, from there we create a learning process for how to work together and share knowledge". The results of this study support previous studies where the role of social media is important to connect with customers, suppliers, competitors, and other companies in the industry because it will help improve communication and interaction between organizations so that a pattern of cooperation is created according to (Bughin et al. 2011).²⁰

3.3.2. The Role of Social Media in the Knowledge Creation Process

Based on the results of testing the third hypothesis in quantitative research, social media orientation has a strong, positive and significant influence on knowledge creation or it can be said that this variable has an influence to increase knowledge creation. This is evidenced by the results of the path coefficient which has a significant positive value. Based on the results of the analysis, it states that the role of social media is important for the process of creating knowledge in UKM. Where the role of social media for fashion UKM is a place to create new knowledge. The form of knowledge carried out through social media such as the creation of a learning by doing process or an initiative to learn independently carried out by fashion SME actors by observing the social media of other UKM to create ideas that will ultimately create a process of creating knowledge. The results of this study are in accordance with previous research conducted by (Elefant, 2011) that social media is a digital platform that provides facilities for creating information, user-generated content (can be ideas, images, videos, and audio-video), and collaboration between humans through a network.

The results of this study are supported by qualitative research where fashion UKM often observe other UKM' social media accounts to obtain various information needed for the sustainability of SME businesses. Like the answer of the UKM Gaia.shop resource person who stated "I often observe other UKM' social media accounts, because by observing other people's social media accounts we can observe trends in fashion models that are currently popular as reference material for making models, so we can also see the needs of the market share that is being sought by other customers. ". In addition, there is a role for social media as a place to express for UKM to always innovate through social media such as the answer of the UKM Tracegoods resource person "by looking at social media we can also imitate, maybe around 40-50% to carry out the product innovation process so that it is more different from

¹⁹Macnamara, J., & Zeffass, A. (2012). Social Media Communication in Organizations: The Challenges of Balancing Openness, Strategy, and Management. *Journal of Strategic Communication*, 6, 287–308.

²⁰Moulin, Max .(2007). Performance measurement definitions Linking performance measurement and organisational excellence. *International Journal of Health Care Quality Assurance* Vol. 20 No. 3, 2007 p.181-183.

other UKM while the rest we modify according to what we want, for example in terms of color, motif or material, so it will be more diverse".²¹

3.3.3. Collaborative Relationships to Improve SME Performance

Based on the results of testing the fourth hypothesis in the quantitative method, knowledge creation has a strong, positive and significant influence on organizational performance or it can be said that this variable has an influence to improve organizational performance. This is evidenced by the results of the path coefficient which has a significant positive value. It can be concluded that fashion UKM have awareness, confidence and the courage to establish virtual/online cooperation with consumers or suppliers in the Covid-19 pandemic era to improve SME performance. The results of this study support previous studies where (Andrews, 2010) argues that structural social capital facilitates accessibility conditions to various parties to exchange and transfer knowledge and to increase exchange opportunities so that this provides an opportunity for people to gain access to relevant colleagues with the desired knowledge or expertise assets so that creating new ideas and repeated bilateral interactions between members can increase the level of cooperation which in turn can have a beneficial effect on profits that have an impact on organizational performance.²²

The results of this study are in accordance with the answers to the interview results where fashion SME actors have utilized social media to interact directly with consumers during the Covid-19 pandemic online so that a communication pattern is established between SME actors and consumers. The better the communication carried out by UKM, the more opportunities for cooperation will increase, so that this has an impact on expanding market share so that it can improve organizational performance.²³

3.3.4. The Role of Knowledge Creation in Improving SME Performance

Based on the results of testing the fifth hypothesis in quantitative method research, knowledge creation has a strong, positive and significant influence on organizational performance or it can be said that this variable has an influence on improving organizational performance. This is evidenced by the results of the path coefficient which has a significant positive value. Which means that fashion UKM are able to create new ideas for product development. The process of creating knowledge makes a very valuable asset in an organization, especially in UKM to develop competencies in processing new ideas through social media such as Instagram, Facebook and TikTok. This is in line with previous research according to (Hislop, 2013) which argues that it is important for

²¹Nonaka, I., & Takeuchi, P. (1995). *The knowledge creating company: How Japanese companies create the dynamics of innovation*. (New York, NY: Oxford University Press).

²²Parveen, F., Jaafar, N. I., and Ainin, S. (2015). Social media usage and organizational performance: Reflections of Malaysian social media managers. *Telematics and Informatics*, Vol. 32 No. 1, p.67-78.

²³Samaddar, Subhashish & Kadiyala, Savitha S., (2006). "An analysis of interorganizational resource sharing decisions in collaborative knowledge creation," *European Journal of Operational Research*, Elsevier, vol. 170(1), pages 192-210, April.

organizations to develop competencies in creating knowledge in order to survive in competition where companies must continuously produce new and useful ideas to achieve and maintain their competitive advantage over time (Parent, et,al, 2000).²⁴

The results of this study are supported by the results of qualitative research where the informant stated that the process of creating knowledge in the organization through a learning process carried out by learning by doing by observing social media in the form of Instagram, TikTok and Facebook, this will increase the ability of an organization to always learn to produce ideas as reference material for releasing new products according to current trends so that product development can be carried out in a way that has an impact on increasing market share expansion and increasing company profits to improve organizational performance.²⁵

4. Conclusion

The implementation of social media has an important role in the continuity of SME business operational activities to improve organizational performance. The use of social media in the form of Instagram, Facebook, TikTok is applied as a medium for virtual promotional showcases, emotional bonding with consumers, a place for self-existence through communities and as a medium for selling so as to improve organizational performance. The intensity of the use of social media in the form of Instagram, Facebook and TikTok is able to open up awareness, confidence and dare to collaborate with members and consumers online. Where social media is an access to always be connected with consumers or suppliers easily anywhere and anytime without being hindered by distance and time. Social media is likened to a bridge or connector to always be connected with consumers or suppliers in a wide scope online. The role of social media is an important role as a container for the process of creating new knowledge. Through social media, fashion SME actors can manage knowledge with social media such as observing other SME social media accounts and the high learning by doing process carried out by UKM to always explore social media so that information is implied to create new ideas to always innovate. In an SME, it is important to build cooperative relationships to improve SME performance. The more often UKM cooperate with consumers or suppliers of networking relationships that can improve performance with a wide network coverage. The role of building cooperation is important for UKM to exchange knowledge and skills with colleagues so as to produce many new ideas and concepts to improve organizational creativity in creating new products periodically for market share needs so that it will create profit. Knowledge is used as a very valuable asset in UKM in the fashion sector which must continuously produce new and useful ideas to achieve and maintain their competitive advantage over time. New knowledge comes from knowledge that has been

²⁴Scupola, A., and Nicolajsen, P. W. (2013). Using social media for service innovations: challenges and pitfalls. *International Journal of E-Business Research*, Vol. 9 No. 3, p.27-37.

²⁵Scott AJ. (1999). The cultural economy: geography and the creative field. *Media, Culture & Society*. <https://doi:10.1177/016344399021006006>.

processed, they always make the latest innovations to get new product breakthroughs so that they are required to have a high creative spirit so that they are able to carry out product development periodically which will improve performance.

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