The Influence of Social Media Use on Knowledge Creation by Small and Medium Sized Enterprise Owners in the Culinary Sector in Jakarta

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Small and medium sized enterprises (SMEs) have an important role in driving the economic growth of Indonesia. With the existence of the SME sector, unemployment is reduced. In this era of globalisation, technology continues to grow rapidly, including the presence of social media. Social media is a new form of Information and Communication Technology (ICT) that is used to create active content by employees. Employees can use social media as effectively as possible to generate benefits for businesses by using knowledge creation methods that consist of four dimensions: socialisation, externalisation, combination and internalisation. Of various business sectors, food and beverage businesses will never die, so this research uses the culinary sector. This research was conducted to analyse the influence of social media use in socialisation, externalisation, combination and internalisation by small and medium sized businesses (SMEs) in the culinary sector in Jakarta. The technique used was purposive sampling and the hypothesis test involved simple regression analysis. Methods of data collection involved questionnaires distributed to small and medium sized enterprise owner’s (SME owners) in the culinary sector in Jakarta with 194 respondents.

Key words: Small and medium enterprise (SMEs), social media use, socialisation, externalisation, combination, internalisation.

Introduction

We are entering the era of globalisation where the development of technology is rapid and unstoppable. This has resulted in the birth of today's technology. Technological developments, followed by the mindset of society, are increasingly critical. The changes
simply enter the life of modern society. Today's modern society is very dependent on technology. The country of Indonesia is no exception. It has experienced the decline of mastery of technology and science. As a developing country, Indonesia is considered not too advanced in mastering science and technology (Commoner, B. 2020).

However, the Indonesian people love using social media. This is proven by research conducted by We are Social and Hootsuite, which states that there are around 130 million Indonesians who are active on various social media platforms, including Facebook, Twitter, Instagram and others. The data also shows that there are around 120 million users, or 92 percent of the total population, using social media on mobile devices. With this evidence, there is a need for community coaching on the use of social media and the development of good knowledge for businesses (Susilo, D., & Putranto, T. D., 2017).

Social media is a new form of ICT that is used by employees to create active content (Papa et al., 2018). In this globalisation era, social media use has begun to spread to the business world. The amount of entrepreneurial data in Indonesia in June 2018 was 7% of the total population of Indonesia (previously only 3% in March 2018).

If managed properly, social media use can be utilised by employees of SMEs for the continuity of business due to low costs and minimal requirements. They can be directly connected to social media without any additional resources (Ahmad et al., 2018).

Social media is a tool that allows for the exchange of information and knowledge between employees of a company and customers online. The knowledge exchange process uses knowledge creation theory, which shows four different modes, according to Nonaka and Takeuchi (1995). ICT allows for the knowledge creation process because technology provides opportunities for more strategic learning. The ICT knowledge creation process makes it easy for employees to do business, such as sharing tacit experiences between employees (socialisation). Tacit knowledge gained from sharing experiences among employees is changed in the form of explicit, systematic externalisation. This then combines prior explicit knowledge with knowledge explicitly owned by each employee (combination). In the end, adjustments are made to the two forms of explicit knowledge, which is then understood and discussed by employees so as to produce tacit knowledge for each employee (internalisation) (Papa et al., 2018).

SMEs have an important role in the Indonesian economy. They contributed 60.34% to the GDP. It is known that as of July 2018, the number of small businesses was 93.4%, followed by medium businesses at 5.1% and 1% for large businesses (Hussein, A. S., Rosita, N. H., & Ayuni, R. F. 2019). The businesses consist of various sectors, but the culinary sector has dominated Indonesia, including the city of Jakarta. This is proven by a non-ministerial
government agency, the Creative Economy Agency (Bekraf), which said that of the 16 existing sectors, the culinary sector contributed 41% to the Gross Domestic Product (GDP) obtained from SMEs. Jakarta, which is a centre of business and community activity that is very up to date, likes something new and unique. Hence, there are many entrepreneurs who combine social media use in business and create new things in the culinary sector. Based on this, this research discusses the following question: "Is there a social media use influence on the dimensions of knowledge creation by SMEs in the culinary sector in Jakarta?"

**Literature Review**

**Social media use**

Social media use is a collection of online services that support social interaction between users and makes it possible to create, find, share and evaluate information online (Chua and Banerjee, 2013). This new business model that is driven by social media can be used for connectivity and interaction with customers. Content that is accompanied by technology will produce broad effects for marketing and can affect customers or prospective customers (Hanna et al., 2011). Social media use is a part of Web 2.0 that is experiencing a revolution, so it is necessary to use websites for social commerce. This is becoming a new extension of e-commerce (Jamali & Nafees, 2017).

**Advantages of social media use**

Social media use provides an opportunity to deal directly with customers through the many forms of media available. The interactive nature of digital media is not only used to share and exchange information between customers and sellers but can also be used between the customers (Tsimonis and Dimitriadis, 2014).

Through social media use, such as online discussion forums and business communities, people can discuss with each other (Tench and Jones, 2015). The use of social media can complement or update organisational communication channels so as to enable organisations to improve channel efficiency and manage customer service quality well (Dootson et al., 2016).

**Knowledge creation**

Knowledge creation is the first stage in the knowledge cycle. The process then develops and produces motivation and inspiration, which plays an important role in knowledge creation (Kaba and Ramaiah, 2017). Knowledge creation processes, as modelled by Nonaka and Takeuchi (1995), led to the development of new knowledge in organisations. This is then used by individuals and organisations (Little and Deokar, 2016). Knowledge creation is a social process involving one individual and another unlimited individual (Chatterjee et al., 2018). Knowledge creation is the extent to which a company has successfully developed
technology, new products and knowledge of market conditions and can collaborate with partners (Wang et al., 2017).

**Dimensions of knowledge creation**

According to Chatterjee et al., (2018) knowledge creation has four dimensions, consisting of 1) socialisation, 2) externalisation, 3) combination and 4) internalisation (SECI), which is a proposal from Nonaka (1994) and Nonaka and Takeuchi (1995) as part of the epistemology dimension of knowledge creation (Chatterjee et al., 2018).

1. **Socialisation (tacit to tacit)**
   This process occurs when individuals share tacit knowledge through structured meetings, such as face to face meetings, sharing experiences, teleconferences and brainstorming. It may also occur through unstructured meetings, such as when supervisors reprimand or give advice, get advice from co-workers, or when co-workers accept and reject new ideas because they have learned from personal experience.

2. **Externalisation (tacit to explicit)**
   This process involves the transformation of tacit knowledge into explicit knowledge, making it possible to communicate. Changes occur when individuals have tacit knowledge to share with others, so that it becomes the basis of new knowledge. This includes the issuance of new concepts and interactions in the form of drawings or written documents.

3. **Combination (explicit to explicit)**
   This process involves the incorporation of explicit knowledge. Various knowledge gained is then collected either from outside or within an organisation. It is then combined, fixed and processed to generate new knowledge. This new explicit knowledge is then disseminated to members of the organisation.

4. **Internalisation (explicit to tacit)**
   The process of learning itself is the case when the individual absorbing explicit knowledge then uses it as part of their own internal knowledge. These activities include the ability to see opportunities, recognise patterns, and understand new fields, ideas and concepts.

**Hypothesis formulation**

Social media use is an interactive communication medium that is used among individuals to exchange information and share knowledge. Knowledge comes from various forms and sources spread all over. It is important for employees to learn it. In line with the existing literature, knowledge needs to be acquired, stored and distributed among employees through ICT in order to become new knowledge (Papa et al., 2018). Therefore, ICT allows for the
process of knowledge creation because technology provides an opportunity for more strategic employee learning.

Nonaka (1991) and Nonaka, Takeuchi (1995) state knowledge creation is based on a theoretical framework. The process of knowledge creation can take place and knowledge can be shared through interactive processes including socialisation (namely the transfer of tacit knowledge to new tacit knowledge), externalisation (namely changes in tacit knowledge to explicit knowledge), and combination (which combines explicit knowledge and internalisation, namely the change of explicit knowledge into tacit knowledge) (Berraies and Chaher, 2014). Hence, companies are aware that the presence of social media in a virtual environment can be used to interact with customers, exchange information, discuss and stimulate socialisation and leads to externalisation, combination, and internalisation among employees of a company. Penelitian ini didukung oleh peneliti sebelumnya yang menyatakan bahwa social media use mempengaruhi keempat proses knowledge creation hasil rerangka teoritis Nonaka dan Takeuchi (1995); (Papa et al., 2018).

Based on these explanations, the following research hypotheses are produced:

**Hypothesis 1:** There is a positive influence of social media use on socialisation.

**Hypothesis 2:** Towards a positive influence of social media use on externalisation.

**Hypothesis 3:** There is a positive influence of social media use on combination.

**Hypothesis 4:** There is a positive influence of social media use on internalisation.
According to Sekaran and Bougie (2010), primary data refers to information obtained directly by researchers by adjusting the variables studied with the research objectives. This study used a questionnaire, which adopts variable use of social media, socialisation, externalisation, combination and internalisation. The statement was distributed to SME owners in the food sector in Jakarta online and offline using the following characteristics: (1) gender, (2) age, (3) last education, (4) number of employees, (5) use of social media in the company, (6) social media used, and (7) business location. Data collection methods in this study are non-probability sampling (Sekaran and Bougie, 2010).

**Data analysis**

The validity of the data in this study saw factor loadings results in olahdata SPSS version 25 with a simple regression model.
Table 1

Factor loadings are based on samples

<table>
<thead>
<tr>
<th>Factor loadings</th>
<th>Sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.30</td>
<td>350</td>
</tr>
<tr>
<td>0.35</td>
<td>250</td>
</tr>
<tr>
<td>0.40</td>
<td>200</td>
</tr>
<tr>
<td>0.45</td>
<td>150</td>
</tr>
<tr>
<td>0.50</td>
<td>120</td>
</tr>
<tr>
<td>0.55</td>
<td>100</td>
</tr>
<tr>
<td>0.60</td>
<td>85</td>
</tr>
<tr>
<td>0.65</td>
<td>70</td>
</tr>
<tr>
<td>0.70</td>
<td>60</td>
</tr>
<tr>
<td>0.75</td>
<td>50</td>
</tr>
</tbody>
</table>

Source: Hair et al., (2010).

Reliability analysis

A reliability test is a measurement of the extent of consistency of each of the questionnaire statements if tested more than once. In this study, the reliability test involved consistency reliability by looking at Cronbach's Alpha Coefficient (Sekaran and Bougie, 2010).

Table 2

Reliability of results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Pernyataan</th>
<th>Cronbach’s Alpha</th>
<th>Keputusan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social media use</td>
<td>6</td>
<td>0.767</td>
<td>Reliable</td>
</tr>
<tr>
<td>Socialisation</td>
<td>5</td>
<td>0.752</td>
<td>Reliable</td>
</tr>
<tr>
<td>Externalisation</td>
<td>5</td>
<td>0.798</td>
<td>Reliable</td>
</tr>
<tr>
<td>Combination</td>
<td>5</td>
<td>0.830</td>
<td>Reliable</td>
</tr>
<tr>
<td>Internalisation</td>
<td>4</td>
<td>0.674</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

Source: Data was processed using SPSS version 25 (SPSS software version 25).

Results and Findings

The results of data processing in this study will be of characteristics that have defined previous research consisting of gender, age, education, past, number of employees, social media used, the use of social media and location of business.

This study took a sample of 194 respondents who were owners of SMEs. Total statements in this study are 25 items adjusted according to the formula for calculating the respondents (a
lower limit of 125 respondents and an upper limit of 250 respondents). A total of 215 questionnaires were distributed online using Google forms and offline by distributing directly to SME employees who are in Jakarta. However, only 194 respondents could proceed to the next process, namely processing data with details. 98 respondents were obtained from online questionnaires and 96 respondents were obtained offline.

**Table 3**

*Frequency findings*

<table>
<thead>
<tr>
<th>Demographics</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>95</td>
<td>49,0%</td>
</tr>
<tr>
<td>Female</td>
<td>94</td>
<td>51,0%</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21 – 30</td>
<td>84</td>
<td>43,3%</td>
</tr>
<tr>
<td>31 – 40</td>
<td>65</td>
<td>33,5%</td>
</tr>
<tr>
<td>41 – 50</td>
<td>45</td>
<td>23,2%</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior high school</td>
<td>51</td>
<td>26,3%</td>
</tr>
<tr>
<td>Diploma</td>
<td>50</td>
<td>25,8%</td>
</tr>
<tr>
<td>Bachelor</td>
<td>70</td>
<td>36,1%</td>
</tr>
<tr>
<td>Postgraduate</td>
<td>23</td>
<td>11,9%</td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 – 9</td>
<td>77</td>
<td>39,7%</td>
</tr>
<tr>
<td>10 – 49</td>
<td>74</td>
<td>38,1%</td>
</tr>
<tr>
<td>50 – 99</td>
<td>35</td>
<td>18,0%</td>
</tr>
<tr>
<td>&gt; 100</td>
<td>8</td>
<td>4,1%</td>
</tr>
<tr>
<td><strong>Social media use</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LinkedIn</td>
<td>6</td>
<td>3,1%</td>
</tr>
<tr>
<td>Facebook</td>
<td>32</td>
<td>16,5%</td>
</tr>
<tr>
<td>Twitter</td>
<td>14</td>
<td>7,2%</td>
</tr>
<tr>
<td>Instagram</td>
<td>82</td>
<td>42,3%</td>
</tr>
<tr>
<td>Youtube</td>
<td>8</td>
<td>4,1%</td>
</tr>
<tr>
<td>Google+</td>
<td>11</td>
<td>5,7%</td>
</tr>
<tr>
<td>Pinterest</td>
<td>3</td>
<td>1,5%</td>
</tr>
<tr>
<td>Blog</td>
<td>12</td>
<td>6,2%</td>
</tr>
<tr>
<td>WhatsApp</td>
<td>26</td>
<td>13,4%</td>
</tr>
</tbody>
</table>

**Utilisation of the use of social media**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum</td>
<td>2</td>
<td>1,0%</td>
</tr>
<tr>
<td>Basic</td>
<td>62</td>
<td>32,0%</td>
</tr>
</tbody>
</table>
This data produced the following findings (Papa et al., 2018):

**H1**: Social media use has a positive impact on socialisation

Hypothesis 1’s test results, namely the effect of social media use on socialisation, achieved results with a sig value of 0.000 ≤ 0.05 and a standardised coefficient beta (β) value of 0.309. Ho is rejected and Ha is accepted. From this explanation, it can be seen that there is a positive effect of social media use by SME owners on socialisation. The higher the use of social media in a business, the higher the application of socialisation. This is supported by previous research conducted by Papa et al., (2018), which shows that social media use stimulates knowledge creation at least in the processes of socialisation, externalisation, combination through ideas and knowledge obtained from customers online. This is because the application of social media offers an opportunity for SMEs to identify current problems by using more practical tools. This shows that social media use helps employees’ and owners of SMEs in the culinary sector in Jakarta in the development of new knowledge through the socialisation dimension through the process of knowledge creation.

**H2**: Social media use has a positive impact on externalisation.

Hypothesis 2’s test results, namely the effect of social media use on externalisation, achieved results with a sig value of 0.000 ≤ 0.05 and a standardised coefficient beta (β) value of 0.474. Ho is rejected and Ha is accepted. From this explanation, it can be seen that there is a positive effect of social media use by SME owners on externalisation. The higher the use of social media in a business, the higher the externalisation implementation. This is supported by previous research conducted by Papa et al., (2018), which shows that social media stimulates knowledge creation at least in the processes of socialisation, externalisation, combination through ideas and knowledge obtained from customers online. This is because the application of social media offers an opportunity for SMEs to identify current problems by using more practical tools. This shows that social media use aids SME owners in the culinary sector in
Jakarta in the development of new knowledge through the dimension of externalisation in the process of knowledge creation.

**H3**: Social media use has a positive impact on combination.

Hypothesis 3’s test results show that the influence of social media use on combination achieved results with a sig value of $0.000 \leq 0.05$ and a standardised coefficient beta ($\beta$) value of 0.410. Ho is rejected and Ha is accepted. From this explanation, it can be seen that there is a positive effect of social media use by SME owners on combination. The higher the use of social media in a business, the greater the extent to which combination will be applied. This is supported by previous research conducted by Papa et al., (2018), which shows that social media stimulates knowledge creation at least in the process of socialisation, externalisation, and combination through ideas and knowledge obtained from customers online. This is because application in social media offers an opportunity for SMEs to identify current problems by using more practical tools. This shows that social media use aids SME owners in the culinary sector in Jakarta in the development of new knowledge through the combination of dimensions in the knowledge creation process (Papa et al., 2018).

**H4**: Social media use has a positive impact on internalisation.

Hypothesis 4’s test results regarding the effect of social media use on internalisation achieved results with a sig value of $0.000 \leq 0.05$ and a standardised coefficient beta ($\beta$) value of 0.281. Ho is rejected and Ha is accepted. From the explanation, it is known that there is a positive effect on the use of social media in the internalisation of SME owners. The higher the use of social media in a business, the higher the internalisation. This is supported by previous research conducted by Lopez-Nicolas & Soto-Acosta, (2010) which shows that internalisation is knowledge gained from explicit knowledge, which is then converted into explicit and tacit knowledge and then made into knowledge for new technologies. It gives birth to ICT-oriented strategies in an automated process. This regards a significant positive finding in terms of the internalisation of ICT workflow (Lopez-Nicolas and Soto-Acosta, 2010).

**Conclusion**

Based on the results, the following can be concluded:

1. The average value of the overall variable use of social media was 4.35, which means that the owners of SMEs in the culinary sector in Jakarta agree with applying the use of social media in business. If seen based on the statement indicator, the perception of respondents’
lowest value is 4.19, which means that owners of SMEs agree use of social media is applied to SMEs.

2. The overall average value for the socialisation variable is 3.96, which means that culinary SME owners in Jakarta agree with implementing the socialisation process, which is the dimension of knowledge creation. If seen based on the statement indicator, the perception of respondents’ lowest value is 3.43. This means that owners of SMEs agree with their conversations with competitors due to seeing business opportunities to set them apart from competitors.

3. The average value of the overall variable externalisation was 4.29, which means that the respondents agreed to implement the externalisation process. This involved the dimension of knowledge creation. When viewed based on the statement indicators, the perception of the lowest respondent's answer value is 3.93. This means that the SME owners agree with applying subjective thinking because in making decisions, subjective and objective thinking is needed.

4. The average value of the overall variable combination was 4.37, which means that the respondents agree with applying the combination process, which is a dimension of knowledge creation. When viewed in terms of the statement indicators, the lowest respondent's answer value is 4.13. This means that SME owners agree to make material from technical information obtained internally.

5. The overall average value for the internalisation variable was 4.02, which means that the respondents agree with implementing the internalisation process, which is a dimension of knowledge creation. If seen based on the statement indicator, the perception of respondents’ lowest values is 3.76. This means that owners of SMEs agree on organising activities between functional departments. This is done so that employees know each other and there is cohesiveness in advancing business.

6. In the results of testing the first hypothesis, it is known that the influence of social media use on socialisation obtained a significant value of 0.000 ≤ and alpha coefficients of 0.05 with a value standardised beta (β) of 0.309. It can be concluded that Ho is rejected and Ha accepted. There is a positive influence on the use of social media socialisation. The higher use of social media in a business, the higher the implementation of socialisation.

7. According to hypothesis 2’s test results, it is known that the influence of social media use on externalisation obtained a significant value of 0.000 ≤ and alpha of 0.05 with a standardised coefficient beta (β) value of 0.474. It can be concluded that Ho is rejected and Ha accepted. There is a positive influence on the use of social media externalisation. The higher use of social media in a business, the higher the implementation of externalisation.

8. According to the results of testing the hypothesis 3, it is known that the effect of the combination of social media use gained a significant value of 0.000 ≤ and alpha coefficients of 0.05 with a value standardised beta (β) of 0.410. It can be concluded that Ho is rejected and Ha accepted. There is a positive effect of the combination of social
media use. The higher the use of social media in a business, the greater the extent to which combination will be applied.

9. According to hypothesis 4’s test results, it is known that the influence of social media use on internalisation obtained a significant value of $0,000 \leq$ and alpha of 0.05 with a standardised coefficient beta ($\beta$) value of 0.281. It can be concluded that Ho is rejected and Ha accepted. There is a positive influence on the internalisation of social media use. The higher use of social media in a business, the greater the application of internalisation.
REFERENCE


