International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Analysis Of Ponorogo Msme Sustainability Through Social Media Adoption Reveals The Role Of Organizational Factors (Employee Competence And Leadership Support)

Annisa Istikhomariah[1], Hadi Sumarsono[2],Dwi Warni Wahyuningsih[3]

[1,2,3]Management Study Program, Muhammadiyah University of Ponorogo

Abstract

Digital transformation encourages micro, small, and medium enterprises (MSMEs) to utilize social media to improve business sustainability, but the adoption rate in Ponorogo Regency is still relatively low due to limited organizational factors. This study aims to analyze the influence of employee competence and leadership support on MSME sustainability through social media adoption as a mediating variable. The study used a quantitative approach with an explanatory design. The study population was MSMEs in Ponorogo Regency, with a sample of 139 respondents selected using simple random sampling. Data were collected through a five-point Likert scale questionnaire and analyzed using Structural Equation Modeling Partial Least Squares (SEM-PLS). The results showed that employee competence, leadership support, and social media adoption had a positive and significant effect on MSME sustainability. Leadership support also had a significant effect on social media adoption, while employee competence had no significant effect. In addition, social media adoption mediated the influence of leadership support on MSME sustainability, but did not mediate the influence of employee competence. This study concluded that the success of MSME digital transformation is more determined by leadership commitment in encouraging the use of social media than employee competence.

Keywords: Social Media Adoption, Leadership Support, MSME Sustainability, Employee Competence, Technology-Organization-Environment

INTRODUCTION

Digital transformation has propelled social media into a primary marketing and business communication tool. The increasing number of social media users globally and

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

in Indonesia presents significant opportunities for MSMEs to expand their markets, enhance customer interactions, and strengthen business sustainability. As a sector that contributes significantly to the national economy, MSMEs are required to leverage social media to remain competitive amidst changing consumer behavior and digital competition (Amoah et al., 2023; Patma et al., 2021; Fu et al., 2024).

Ponorogo Regency has seen a year-on-year increase in the number of MSMEs, yet the use of social media as a marketing tool remains suboptimal. Some businesses have yet to utilize digital platforms like Google Maps or marketplaces, limiting their market reach. This situation demonstrates that the sustainability of MSMEs depends not only on business growth but also on their ability to adapt to digital transformation (Patma et al., 2021; Elvina & Wardhana, 2024; Sary & Ws, 2025).

The low adoption of social media among MSMEs in Ponorogo is primarily influenced by organizational factors, such as limited employee digital competency and minimal support from business owners. The Technology-Organization-Environment (TOE) framework emphasizes that organizational readiness is a critical factor in successful technology adoption. Research findings in Ponorogo also indicate that low digital literacy and internal capacity remain major barriers to MSME digital transformation (Abed, 2020; Abbasi et al., 2022; Zulkarnain et al., 2023).

Previous research has shown that employee competence and leadership support play a role in driving social media adoption, but the results are inconsistent. Furthermore, most studies examine TOE in general and have not specifically explained the role of organizational factors in the sustainability of MSMEs through social media adoption, particularly in a regional context such as Ponorogo Regency (Amoah et al., 2023; Qalati et al., 2022; Fu et al., 2024).

This study aims to analyze the influence of employee competence and leadership support on the sustainability of MSMEs through social media adoption as a mediating variable in MSMEs in Ponorogo Regency. This research is significant because it provides empirical evidence regarding the role of organizational factors in the digital transformation of MSMEs. The novelty of this research lies in the integration of employee competence and leadership support within the TOE framework with social media adoption as a mediating variable in the context of local MSMEs in Ponorogo Regency (Abbasi et al., 2022; Amoah et al., 2023; Fu et al., 2024).

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

METHOD

This study uses a quantitative approach with an explanatory design to examine the influence of employee competence and leadership support on MSME sustainability through social media adoption as a mediating variable in MSMEs in Ponorogo Regency. This approach was chosen because it can objectively test the relationship between variables through statistical analysis based on the Technology-Organization-Environment (TOE) framework (Creswell & Creswell, 2023; Sugiyono, 2023; Amoah et al., 2023).

The research instrument was a five-point Likert-scale questionnaire compiled based on indicators for each variable from previous research. Data were analyzed using Structural Equation Modeling-Partial Least Squares (SEM-PLS) with SmartPLS through validity, reliability, structural model testing, and mediation effects to examine direct and indirect relationships between variables (Ghozali, 2021; Hair et al., 2022; Sugiyono, 2023).

The study population comprised all MSMEs in Ponorogo Regency. The sample size was determined using the Cochran formula to obtain a minimum of 96 respondents. Simple random sampling was used to ensure each member of the population had an equal chance of becoming a respondent (Sugiyono, 2023; Sudaryono, 2021).

The research procedure began with a literature review, instrument development, online and offline questionnaire distribution, and data processing using SmartPLS. The analysis results were used to test the research hypotheses and explain the role of employee competency, leadership support, and social media adoption in improving the sustainability of MSMEs in Ponorogo Regency (Creswell & Creswell, 2023; Ghozali, 2021; Amoah et al., 2023).

RESULTS AND DISCUSSION

Respondent characteristics

Table 1 Respondent Characteristics Based on Gender

No	Gender	Amount	Percentage
1	Man	63	45%
2	Woman	76	55%
	Total	**139**	

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Based on Table 1, the majority of respondents were female, 76 (55%), while 63 (45%) were male out of a total of 139 respondents. These results indicate that MSMEs in Ponorogo Regency are predominantly female, reflecting their important role in managing and developing businesses, including adapting to the use of social media as a marketing tool.

Table 2 Respondent Characteristics Based on Age

No	information	Age (Years)
1	Min	20
2	Max	60
3	Mean	38.13
4	Standard Deviation	10.38

Based on Table 2, the majority of respondents were aged 36–50 (63 people), followed by those aged 20–35 (60 people), and those aged 51–60 (16 people), with an average age of 38.14 years. This indicates that most MSMEs are of productive age, possessing business experience and the ability to adapt to technological developments.

Table 3 Respondent Characteristics Based on Education

No	Education	Amount	Percentage
1	JUNIOR HIGH SCHOOL	9	6%
2	High School/Vocational School	110	79%
3	Diploma	1	1%
4	Bachelor	19	14%
	Total	**139**	

Based on Table 4.3, the majority of respondents (110 respondents) had a high school/vocational high school education, followed by 19 (14%) with a bachelor's degree, 9 (6%) with a junior high school degree, and 1 (1%) with a diploma. This indicates that the majority of MSMEs in Ponorogo Regency have a secondary education and rely more on experience and skills in running their businesses.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Table 4 Respondent Characteristics Based on Position

No	Position	Amount	Percentage
1	Owner	120	86%
2	Leader/Manager	19	14%
	Total	**139**	

Based on Table 4, the majority of respondents (120 people) were business owners or proprietors, while 19 (14%) were business leaders or managers. This indicates that most of the data was obtained directly from business owners, who play the primary decision-making role in the management and sustainability of MSMEs.

Business characteristics

Table 5 Characteristics of MSMEs Based on Business Type

No	Type of business	Amount	Percentage
1	Shop	79	57%
2	Culinary	32	23%
3	Clothes	9	6%
4	Handycrafts	5	4%
5	Other	14	10%
	Total	**139**	

Based on Table 5, the majority of respondents operate in shops (79 businesses (57%), followed by culinary businesses (32 businesses (23%), clothing businesses (9 businesses (6%), handicraft businesses (5 businesses (4%), and other businesses (14 businesses (10%). These results indicate that the trade sector still dominates MSMEs in Ponorogo Regency, despite the diversity of businesses in the service, production, and other sectors.

Table 6 Characteristics of MSMEs Based on Number of Employees

No	information	Number of employees
1	Min	1
2	Max	8
3	Mean	1.99

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

4	Standard Deviation	1.40

Based on Table 6, the number of MSME employees ranges from 1 to 8, with an average of 1.99 employees. A total of 128 businesses (92.1%) are categorized as micro-enterprises, and 11 businesses (7.9%) are categorized as small-enterprises. These results indicate that MSMEs in Ponorogo Regency are dominated by micro-enterprises, thus, business owners play a key role in business operations and decision-making.

Table 7 Characteristics of MSMEs Based on Length of Business

No	information	Length of Business
1	Min	1
2	Max	35
3	Mean	8.23
4	Standard Deviation	7.43

Based on Table 7, the majority of MSMEs have been operating for 1–12 years (104 businesses), with an average business age of 8.23 years. This indicates that the majority of MSMEs in Ponorogo Regency are still in the business development stage.

Respondent's Answer Description

Table 8 Employee Competencies

Statement	SS	S	N	TS	STS	Total	core	Average	Information
Ability to learn technology									
Employees are able to learn new technologies	71	64	4	0	0	139	621	4.46	Very high
Social media application capabilities									
Employees are willing to use social media for marketing purposes	66	65	8	0	0	139	611	4.39	Very high

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Innovation and creativity orientation									
Employees are willing to embrace innovation and generate new ideas.	59	64	16	0	0	139	597	4.29	Very high
Digital communication skills									
Employees are able to use social media to communicate with our customers.	59	70	10	0	0	139	602	4.33	Very high

Table 9 Leadership Support

Statement	SS	S	N	TS	STS	Total	Score	Average	Information
Support for the adoption of digital innovation (social media)									
Leaders / Owners support the implementation of social media	59	62	17	1	0	139	594	4.72	Very high
Appreciation for digital initiatives									
Leaders / Owners assess social media adoption	61	54	23	1	0	139	590	4.24	Very high
Openness to feedback and new ideas									
Leaders/Owners are open to criticism,	48	70	20	1	0	139	579	4.16	Tall

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

feedback, and new ideas.									
Recognition of employee innovation and competence									
Leaders/Owners recognize innovation by identifying individual employee competencies and contacts.	49	73	17	0	0	139	587	4.22	Tall

Table 10 Social Media Adoption

Statement	SS	S	N	TS	STS	Total	Score	Average	Information
Digital market research									
Adoption of social media helps in conducting marketing research	51	69	18	1	0	139	587	4.22	Tall
Online promotion and advertising									
Adopting social media makes it easier for MSMEs to promote products or services.	55	62	22	0	0	139	590	4.24	Tall
Customer service									
Social media adoption helps customer service through easier and more efficient responses.	53	62	23	1	0	139	582	4.18	Tall
Building brand and company reputation									
Social media helps build brand and business reputation	44	67	25	3	0	139	581	4.09	Tall
Customer relationship development									

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

MSMEs use social media to develop customer relationships	49	66	24	0	0	139	591	4.18	Tall
Customer communication									
MSMEs communicate with customers using social media	58	58	23	0	0	139	636	4.25	Very high

Table 11 Sustainability of MSMEs

Statement	SS	S	N	TS	STS	Total	Score	Average	Information
***Brand awareness*and market share**									
My business has seen an increase in brand awareness and market share expansion.	50	73	16	0	0	139	590	4.24	Very high
Increased business productivity									
My business shows continuous improvement in productivity.	51	66	22	0	0	139	586	4.21	Tall
Understanding customer needs									
My business is able to meet customer needs and demands consistently.	53	62	23	1	0	139	585	4.20	Tall

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Improving the quality of customer service									
My business is able to improve the quality of service to customers.	44	72	23	0	0	139	577	4.15	Tall
Increased profits									
My business is experiencing continuous sales growth.	48	73	16	2	0	139	583	4.19	Tall
Competitive advantage									
My business is able to gain and maintain a competitive advantage.	52	68	18	1	0	139	587	4.22	Tall

PLS-SEM Results

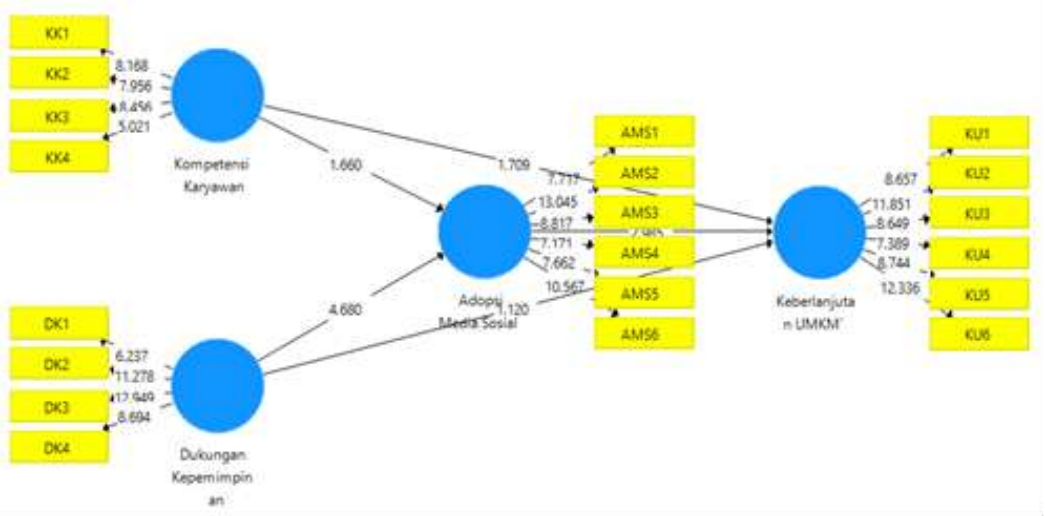


Figure 1 Partial Least Square Model Schematic

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Table 12 Outer Loading

	Social Media Adoption	Leadership Support	Sustainability of MSMEs	Employee Competence
AMS1	0.641			
AMS2	0.722			
AMS3	0.655			
AMS4	0.612			
AMS5	0.600			
AMS6	0.682			
DK1		0.644		
DK2		0.734		
DK3		0.725		
DK4		0.641		
KU1			0.632	
KU2			0.706	
KU3			0.644	
KU4			0.635	
KU5			0.680	
KU6			0.728	
KK1				0.727
KK2				0.722
KK3				0.707
KK4				0.594

Based on Table 12, all indicators have outer loading values above 0.5, with the highest value in indicator DK2 (0.734) and the lowest in indicator KK4 (0.594). These results indicate that all indicators meet convergent validity and are suitable for use in further analysis.

Table 12 Fornell-Larcker

	Social Media Adoption	Leadership Support	Sustainability of MSMEs	Employee Competence
Social Media	0.653			

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Adoption				
Leadership Support	0.485	0.687		
Sustainability of MSMEs	0.397	0.330	0.672	
Employee Competence	0.336	0.441	0.309	0.690

Based on Table 12, the square root of the AVE value for all constructs is greater than the correlation with other constructs. These results indicate that all variables have met the discriminant validity criteria based on the Fornell-Larcker method, thus the measurement model is declared valid and suitable for further analysis.

Table 13 Cronbach's alpha and composite reliability

	Cronbach's Alpha	Composite Reliability
Social Media Adoption	0.732	0.816
Leadership Support	0.630	0.781
Sustainability of MSMEs	0.759	0.831
Employee Competence	0.631	0.783

Based on Table 13, all variables had Cronbach's alpha and composite reliability values above 0.60. These results indicate that all constructs met reliability criteria, thus declaring the research instrument consistent and suitable for further analysis.

Table 14 R-Square

	R Square	R Square Adjusted
Social Media Adoption	0.254	0.243
Sustainability of MSMEs	0.202	0.185

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Based on Table 14, the valueThe R-Square was 0.254 for Social Media Adoption and 0.202 for MSME Sustainability. These results indicate that the model's ability to explain both variables is still relatively weak according to Chin's (1998) criteria, suggesting that other factors outside the model influence both variables.

Table 15 Direct Effect

	Original Sample (O)	*Sample Mean (M)*	*Standard Deviation (STDEV)*	*T Statistics (|O/STDEV|)*	*P Values*	Information
Social Media Adoption -> MSME Sustainability	0.284	0.297	0.102	2,779	0.006	Significant
Leadership Support -> Social Media Adoption	0.419	0.430	0.088	4,768	0,000	Significant
Leadership Support -> MSME Sustainability	0.241	0.249	0.098	2,447	0.015	Significant
Employee Competence -> Social Media Adoption	0.151	0.161	0.094	1,608	0.109	Not Significant
Employee Competence -> MSME Sustainability	0.203	0.218	0.090	2,261	0.024	Significant

Based on Table 15, there are four relationships that have a positive and significant influence: Social Media Adoption on MSME Sustainability, Leadership Support on Social Media Adoption, Leadership Support on MSME Sustainability, and Employee Competence on MSME Sustainability. Meanwhile, Employee Competence does not have a significant influence on Social Media Adoption.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Table 16 Indirect Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values	Information
Leadership Support -> Social Media Adoption -> MSME Sustainability	0.119	0.126	0.048	2,482	0.013	Significant
Employee Competence -> Social Media Adoption -> MSME Sustainability	0.043	0.050	0.037	1,175	0.241	Not Significant

Based on Table 16,Social Media Adoption was shown to significantly mediate the relationship between Leadership Support and MSME Sustainability (β = 0.119; p = 0.013). Conversely, Social Media Adoption was unable to mediate the relationship between Employee Competence and MSME Sustainability (β = 0.043; p = 0.241).

Hypothesis Testing

Table 17 Hypothesis

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values	Information
Social Media Adoption -> MSME Sustainability	0.284	0.297	0.102	2,779	0.006	Significant
Leadership Support -> Social Media Adoption	0.419	0.430	0.088	4,768	0,000	Significant
Leadership Support ->	0.241	0.249	0.098	2,447	0.015	Significant

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

MSME Sustainability						
Employee Competence -> Social Media Adoption	0.151	0.161	0.094	1,608	0.109	Not Significant
Employee Competence -> MSME Sustainability	0.203	0.218	0.090	2,261	0.024	Significant
Leadership Support -> Social Media Adoption -> MSME Sustainability	0.119	0.126	0.048	2,482	0.013	Significant
Employee Competence -> Social Media Adoption -> MSME Sustainability	0.043	0.050	0.037	1,175	0.241	Not Significant

Based on Table 4.21, the results of the path coefficient estimation above, the results of the hypothesis test are as follows:

1. Hypothesis Test 1

The first hypothesis states that employee competence influences the sustainability of MSMEs in Micro, Small, and Medium Enterprises (MSMEs) in Ponorogo. The test results show a p-value of 0.024 < 0.05 and a t-statistic of 2.261 > 1.96. Thus, the first hypothesis is accepted. This means that employee competence has a positive and significant influence on the sustainability of MSMEs.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

2. **Hypothesis Test 2**

The second hypothesis proposed in this study is that leadership support has a positive and significant impact on business sustainability in Micro, Small, and Medium Enterprises in Ponorogo. This result is evident from the p-value of 0.014 < 0.05 and the t-statistic of 2.468 > 1.96. This means that the second hypothesis in this study can be concluded as accepted.

3. **Hypothesis Test 3**

The third hypothesis proposed in this study is that social media adoption has a positive and significant impact on business sustainability in Micro, Small, and Medium Enterprises in Ponorogo. This result is evident from the p-value of 0.000 < 0.05 and the t-statistic of 4.756 > 1.96. This means that the third hypothesis in this study can be concluded as accepted.

4. **Hypothesis Test 4**

The fourth hypothesis proposed in this study is that employee competency influences social media adoption in Micro, Small, and Medium Enterprises in Ponorogo. This result is evident from the p-value of 0.315 > 0.05 and the t-statistic of 1.007 < 1.96. This means that the fourth hypothesis in this study is rejected.

5. **Hypothesis Test 5**

The fifth hypothesis proposed in this study is that leadership support has a positive and significant influence on social media adoption in Micro, Small, and Medium Enterprises in Ponorogo. This result is evident from the p-value of 0.000 < 0.05 and the t-statistic of 3.996 > 1.96. This means that the fifth hypothesis in this study can be concluded as accepted.

6. **Hypothesis Test 6**

The sixth hypothesis proposed in this study is that employee competency influences business sustainability through social media adoption as a mediating variable in Micro, Small, and Medium Enterprises in Ponorogo. These results are evident from the p-value of 0.362 > 0.05 and the t-statistic of 0.913 < 1.96. This means that the sixth hypothesis in this study is rejected.

7. **Hypothesis Test 7**

The seventh hypothesis proposed in this study is that leadership support has a positive and significant influence on business sustainability through the adoption of social media as a mediating variable in Micro, Small, and Medium Enterprises in Ponorogo. These results are evident from the p-value of 0.000 < 0.05 and the t-

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

statistic of 3.683 > 1.96. This means that the seventh hypothesis in this study can be concluded as accepted.

DISCUSSION

1. **The influence of employee competence on business sustainability in Micro, Small, and Medium Enterprises in Ponorogo**

   Employee competence has a positive and significant effect on the sustainability of MSMEs (p = 0.024; t = 2.261). Higher employee competence leads to higher business sustainability. This finding supports the TOE theory that competence as an organizational factor enhances adaptability, innovation, and technology utilization. In Ponorogo MSMEs, employees capable of supporting digital services and marketing contribute to increased sales and customer loyalty. These results align with Amoah et al. (2023).

2. **The Influence of Leadership Support on Business Sustainability**

   Leadership support has a positive and significant effect on the sustainability of MSMEs (p = 0.015; t = 2.447). Leaders who provide direction, motivation, and are open to change can increase competitiveness and business sustainability. In Ponorogo MSMEs, the active involvement of owners in decision-making and innovation supports business success. These findings align with Amoah et al. (2023) and Chatterjee et al. (2021).

3. **The Impact of Social Media Adoption on Business Sustainability**

   Social media adoption has a positive and significant impact on MSME sustainability (p = 0.006; t = 2.779). Social media helps expand markets, improve communication with customers, and support digital marketing. In Ponorogo, WhatsApp, Instagram, and Facebook are used as promotional and customer service tools. These results support the TOE theory and align with Amoah et al. (2023), Chatterjee et al. (2021), Ahmad et al. (2017), Vrontis et al. (2022), and Fu et al. (2024).

4. **The Influence of Employee Competence on Social Media Adoption**

   Employee competence did not significantly influence social media adoption (p = 0.109; t = 1.608). Social media management in Ponorogo MSMEs is still dominated by business owners, resulting in employee competence not being utilized in digital marketing. This finding differs from Abbasi et al. (2022), Eze and Chinedu-eze (2020), Amoah et al. (2023), and Fu et al. (2024).

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

5. **The Influence of Leadership Support on Social Media Adoption**

Leadership support has a positive and significant effect on social media adoption (p = 0.000; t = 4.768). Leaders who support innovation and technology adoption can accelerate the adoption of social media as a marketing tool. In Ponorogo MSMEs, owner commitment is a key factor in successful digitalization. This finding aligns with Abbasi et al. (2022), Amoah et al. (2023), Fu et al. (2024), and Qalati et al. (2022).

6. **The Influence of Employee Competence on Business Sustainability through Social Media Adoption**

Employee competence did not significantly influence business sustainability through social media adoption (p = 0.241; t = 1.175). Social media adoption was unable to mediate this relationship because social media management remains in the hands of business owners. This finding differs from Amoah et al. (2023), who found a mediating effect of technology.

7. **The Influence of Leadership Support on Business Sustainability through Social Media Adoption**

Leadership support has a positive and significant effect on business sustainability through social media adoption (p = 0.013; t = 2.482). Social media adoption successfully mediated this relationship, indicating that leadership that supports digitalization can improve business sustainability. In Ponorogo MSMEs, the use of WhatsApp, Instagram, and TikTok strengthens customer relationships and increases competitiveness. These findings align with Amoah et al. (2023).

CONCLUSION

This study demonstrates that employee competency, leadership support, and social media adoption have a positive and significant impact on the sustainability of MSMEs in Ponorogo Regency. Leadership support has also been shown to increase social media adoption, while employee competency has no significant impact on social media adoption. Furthermore, social media adoption mediates the influence of leadership support on MSME sustainability, but not employee competency. These findings suggest that in the context of MSMEs in Ponorogo, the success of digital transformation is more influenced by the commitment and support of business owners than employee competency, as most social media decisions and management remain with business owners. These findings reinforce the Technology-Organization-

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Environment framework by emphasizing the importance of organizational factors in driving business sustainability through the use of social media.

This study has limitations because it only covers MSMEs in Ponorogo Regency and is dominated by micro-enterprises. Therefore, the results cannot be generalized to all MSME characteristics. Furthermore, the relatively low coefficient of determination indicates that there are still other factors outside the model that influence social media adoption and MSME sustainability. Practically, the results indicate that MSME owners need to strengthen leadership capabilities, increase support for digital innovation, and optimize the use of social media as a marketing strategy and to strengthen customer relationships. Future research is recommended to expand the research area, involve MSMEs with more diverse business scales, and add variables such as digital literacy, technological readiness, environmental pressures, entrepreneurial orientation, or innovation capabilities to be able to produce a more comprehensive model to explain MSME sustainability.

REFERENCES

Abbasi, G. A., Fareen, N., Rahim, A., Wu, H., Iranmanesh, M., Ng, B., & Keong, C. (2022). Determinants of SME's social media marketing adoption: Competitive industry as a moderator. SAGE Open, 12(1).https://doi.org/10.1177/21582440211067220

Abed, S.S. (2020). Social commerce adoption using the Technology–Organization–Environment (TOE) framework: An empirical investigation of Saudi Arabian SMEs. International Journal of Information Management, 53, 102118.https://doi.org/10.1016/j.ijinfomgt.2020.102118

Ahmad, SZ, Ahmad, N., Rahim, A., & Bakar, A. (2017). The adoption of social media marketing for SMEs: Reflections from entrepreneurs. Telematics and Informatics. https://doi.org/10.1016/j.tele.2017.09.006

Amoah, J., Bruce, E., Shurong, Z., & Egala, S. B. (2023). Social media adoption in SMEs sustainability: Evidence from an emerging economy. Cogent Business & Management, 10(1).https://doi.org/10.1080/23311975.2023.2183573

Chatterjee, S., Chaudhuri, R., Sakka, G., Grandhi, B., Galati, A., Siachou, E., & Vrontis, D. (2021). Adoption of social media marketing for sustainable business growth of SMEs in emerging economies: The moderating role of leadership support.

Creswell, J. W., & Creswell, J. D. (2023). Research design: Qualitative, quantitative, and mixed methods approaches (6th ed.). SAGE Publications.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Elvina, & Wardhana, A. (2024). Performance improvement strategies through social media adoption. Journal of Business, Administration and Management, 17(1), 55–68. https://doi.org/10.30813/jbam.v17i1.5149

Eze, S.C., & Chinedu-Eze, V.C. (2020). Some antecedent factors that shape SMEs adoption of social media marketing applications: A hybrid approach. Journal of Science and Technology Policy Management.https://doi.org/10.1108/JSTPM-06-2019-0063

Fu, C.-J., Silalahi, ADK, Yang, L.-W., & Javanisa, I. (2024). Advancing SME performance: A novel application of the Technology–Organization–Environment framework in social media marketing adoption. Cogent Business & Management, 11(1).https://doi.org/10.1080/23311975.2024.2360509

Ghozali, I. (2021). Partial least squares: Concepts, techniques, and applications using SmartPLS (Latest edition). Diponegoro University Publishing Agency.

Hair, J.F., Hult, G.T.M., Ringle, C.M., & Sarstedt, M. (2022). A primer on partial least squares structural equation modeling (PLS-SEM) (3rd ed.). SAGE Publications.

Patma, TS, Wardana, LW, Wibowo, A., & Akbarina, F. (2021). The impact of social media marketing for Indonesian SMEs sustainability: Lessons from the COVID-19 pandemic. Cogent Business & Management, 8(1).https://doi.org/10.1080/23311975.2021.1953679

Qalati, S.A., Ostic, D., Ali, M., Gopang, A.A., & Khan, A. (2022). Social media and SMEs' performance in developing countries: Effects of technological, organizational, and environmental factors on the adoption of social media. SAGE Open.https://doi.org/10.1177/21582440221094594

Sary, KA, & Ws, JA (2025). The influence of organizational context on social media adoption and its impact on the performance of travel agencies in East Kalimantan. Journal of Management, 6(4), 7468–7481.

Sudaryono. (2021). Quantitative, qualitative, and mixed method research methodology (2nd ed.). Rajawali Pers.

Sugiyono. (2023). Quantitative, qualitative, and R&D research methods (2nd edition). Alfabeta.

Vrontis, D., Chaudhuri, R., & Chatterjee, S. (2022). Adoption of digital technologies by SMEs for sustainability and value creation: Moderating role of entrepreneurial orientation.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Zulkarnain, IA, Az-Zahra, RR, & Astuti, AY (2023). Digital marketing training for MSME products by optimizing social media and AdSense in Slahung District, Ponorogo Regency. Journal of Community Service, 8(4), 687–694.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.