

THE DIGITAL EDGE: SOCIAL MEDIA STRATEGIES FOR SME SUCCESS

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ABSTRACT

The adoption of social media (SM) has become a primary tool for increasing employee production and communication in small and medium-sized enterprises (SMEs). This paper examines the technological factors influencing SM adoption in SMEs: perceived benefits, compatibility, and cost. Using a positivist paradigm and a quantitative research approach, data were collected from 431 SME owners/managers spanning central locations in Pakistan. The proposed model was validated using structural equation modeling (SEM), and hypotheses were tested. Technical components influence SM adoption, increasing staff productivity and communication effectiveness and improving SME performance. These results provide a fascinating study of the strategic purpose of SM adoption in enhancing SME performance and guiding SMEs wishing to employ digital technologies for sustainable development.

Keywords: Social Media Adoption, SMEs, Communication Efficiency, Employee Productivity.

INTRODUCTION

Social media (SM) has emerged as a key tool in today's rapidly changing corporate environment due to technological advancements that enable connectivity and interaction. O'Reilly coined the term "Web 2.0" in 2005 to describe social networking sites such as Twitter, Facebook, Instagram, and LinkedIn, which have grown from communication tools to corporate transformation tools. These systems assist businesses in increasing sales, branding, customer engagement, and information exchange, enhancing their competitive advantage (Ahmad, Ahmad, & Abu Bakar, 2018; Chen et al., 2011; de Vries et al., 2012). According to an empirical study, social media affects areas such as brand recognition (de Vries et al., 2012), customer service (Ballantine & Stephenson, 2011), and word-of-mouth promotion (Chen et al., 2011).

Although many present studies highlight SM adoption in large corporations (AL Rahbi, 2017; Braojos-Gomes et al., 2015), the impact of social media on small and medium-sized businesses (SMEs) is yet not well understood. SMEs have a significant role in economic growth, innovation, and job creation worldwide (Rahayn & Day, 2015). However, these companies may face unique challenges when using cutting-edge tools like SM, such as inadequate funding, a lack of technological expertise, and inadequate organisational structures that limit their potential. Despite these challenges, adopting SM offers SMEs excellent opportunities to address traditional marketing problems, communicate with customers, and establish a presence in the market (Ainin et al., 2015). SMEs are the backbone of developing economies like Pakistan, accounting for 99% of all business organisations, contributing \$86

billion to GDP, and employing more than 78% of the workforce (Farid, 2016). Despite its significant economic impact, ICT adoption among Pakistani SMEs is still in its infancy. The poor digital footprint of Pakistani SMEs is shown by the fact that just 2% of them have business websites (Ullah, Qureshi, & Abbas, 2019). The Pakistani government has made SMEs a primary focus after realising these shortcomings. Still, it is crucial to understand how SM adoption might help SMEs boost their market presence, overcome resource limitations, and improve performance standards (Beier & Wagner, 2016).

The adoption of SMEs aids in consumer connection, branding, and market research while offering affordable solutions to resource constraints. SMEs may improve consumer communication and brand recognition by converting digital interaction, like likes and shares, into tangible business outcomes through platforms like Facebook and Twitter. However, going from SM acceptance to performance improvement is rarely easy. It will be determined by contextual factors such as perceived benefits, organisational preparedness, and external pressures from competitors and customers (Michaelidou et al., 2011). These factors are particularly relevant in developing nations, where SMEs could find traditional marketing strategies prohibitively expensive or inaccessible (AL Rahbi, 2017).

Despite SM's growing significance, few academic studies have examined its use in SMEs, particularly Pakistan. SMEs require context-specific approaches tailored to their unique operating dynamics, such as informal systems and owner-centric decision-making, in contrast to larger corporations (Beier & Wagner, 2016). These variations demand more research to identify the factors influencing SM adoption and how they affect the prosperity of SMEs. This paper investigates the elements driving SM adoption in Pakistani SMEs to close these gaps and assess the possible effects on company performance. Focussing on an understudied sector, the results hope to add to the increasing corpus of information on ICT adoption in developing nations. The study also aims to give legislators and SME owners

helpful advice so they may use SM's transforming power to reach sustainable development in a competitive corporate environment.

Literature Review

Perceived Benefits of Social Media (SM) and SM Adoption by SMEs

The adoption of social media among Small and Medium Enterprises (SMEs) is highly motivated by the supposed benefits. Besides other channels, social media gives tools to improve communication effectiveness, reach more people, and promote teamwork. SMEs see social media as a reasonably affordable way to increase operational performance, involve customers, and boost marketing campaigns (Alford & Page, 2020; Chatterjee & Kar, 2020); this helps SMEs be included in corporate strategies for innovation and competitiveness.

Among social media's most obvious advantages is its ability to surpass traditional marketing limitations. It gives SMEs a direct avenue to interact with customers, build lifetime relationships, and gain perceptive knowledge of consumer preferences, thereby supporting tailored goods or services (Ahmad et al., 2019; Tajvidi & Karami, 2021). Moreover, the analytics tools accessible on social media platforms help SMEs monitor customer behaviour and industry trends, helping create data-driven decisions and informed strategy (Hofacker et al., 2020).

Much depends on social media's improved brand recognition. For SMEs running with restricted marketing resources, platforms like Facebook, Instagram, and Twitter offer reasonably priced options to create dynamic online presences, building client trust and loyalty. Studies have connected the interactive aspect of these platforms to higher customer satisfaction, which results from customized interactions and quick responses (Khan et al., 2022; Wahyudi et al., 2021).

Social media also makes networking easier for SMEs, contacting suppliers, industry players, and new business partners. These interactions often produce combined knowledge and resources, enhancing operational effectiveness. Furthermore, the possibility of information exchange on social media assures

SMEs' competitiveness in fast-changing surroundings and stimulates creativity (Sigala, 2021; Dwivedi et al., 2021).

Still, SMEs' capacity to reap these benefits primarily depends on their knowledge, abilities, and wise use of social media tools. Success rates usually follow from higher acceptance rates of SMEs that offer workforce training as a top priority and invest resources in effective social media management (Ali & Khan, 2021). This underlines the importance of managerial vision and dedication in leveraging social media for ongoing development and competitiveness in the digital age (Dwivedi et al., 2021).

Social media also makes it easier for SMEs to network with suppliers, industry players, and possible business partners. These relationships often result in pooled resources and knowledge, improving operational efficiency. Moreover, the possibility of information sharing on social media encourages creativity and guarantees SMEs' competitiveness in fast-changing environments (Sigala, 2021; Dwivedi et al., 2021).

Still, the degree to which SMEs can realize these benefits mainly relies on their understanding, skills, and innovative use of social media technologies. Higher adoption rates of SMEs prioritising workforce training and committing resources to efficient social media management usually translate into success rates (Ali & Khan, 2021). This emphasizes the vital need for managerial vision and dedication in using social media for continuous development and competitiveness in the digital age (Dwivedi et al., 2021)

Perceived Compatibility and SM Adoption by SMEs

Adoption of new technology in social media (SM) depends critically on compatibility—that is, the fit of new technologies with current corporate practices and beliefs. The chances of social media adoption rise when SMEs discover it fits their operations, culture, and goals. Studies show that open and flexible SMEs are more likely to include social media in their operational and strategic plans (Alford & Page, 2020).

One important compatibility component is the flawless incorporation of social media into

current corporate processes. Resources are generally limited for SMEs; hence, new technology must complement their current procedures without causing disturbance. Social media channels most likely to be embraced fit SMEs' present marketing, customer relationship management, and communication capabilities (Dwivedi et al., 2021). For example, SMEs currently employing CRM systems or email marketing find it simpler to include social media in a coherent digital strategy.

Moreover, compatibility covers not only technological alignment but also the alignment with organisational goals and employee competencies. Higher adoption rates among SMEs who view social media as a tool to reach long-term strategic objectives—such as raising brand recognition, improving customer engagement, or entering new markets—showcase indictment of SMEs' Furthermore, companies who match social media adoption with staff competencies and knowledge will be more suited to apply these instruments.

Cultural alignment also plays a pivotal role in social media adoption. SMEs with a culture of Transparency and creativity are more inclined to welcome social media tools. Such societies support risk-taking and experimentation—qualities absolutely necessary for investigating the possible advantages of social media. Conversely, SMEs with strict or hierarchical cultures could find social media a mismatch, which would cause opposition to adoption (Ali & Khan, 2021).

Furthermore, elements particular to the sector can affect the view of compatibility. For example, SMEs in consumer-oriented sectors like retail or hospitality can find social media a better fit for their demand for direct client connection and brand promotion. On the other hand, SMEs in sectors with few customer-facing jobs could see social media as less pertinent or in line with their main business practices (Sigala, 2021).

Finally, compatibility shapes the degree of adaptation and customisation SMEs can attain via social media. SMEs who regard social media as flexible and able to be adjusted to their needs are more likely to adopt and effectively use these tools. Being able to tailor

social media campaigns to target specific client categories or places, for example, helps it to seem appropriate to the marketing objectives of SMEs (Hofacker et al., 2020). In conclusion, among SMEs, perceived compatibility determines social media acceptance. It addresses technical, strategic, cultural, and industry-specific alignment that, taken as a whole, determines the degree of integration and the perceived value of social media technology. Knowing these components will help SMEs maximise their approach to long-term development and competitiveness using social media.

Perceived Cost and SM Adoption by SMEs

SMEs' adoption of social media (SM) can be significantly hampered by its apparent cost, which combines non-financial and financial aspects. Usually with limited budgets, financial costs, including those pertaining to platform subscriptions, content creation, and sponsored advertising, discourage SMEs. Even more aggravating non-financial issues like the time and effort needed to run social media networks are. Many SMEs find social media use less sensible given their view of significant upfront and ongoing costs.

Research shows that SMEs' financial worries are lessened when they perceive the long-term return on investment (ROI) social media presents. Over the original expenses, stronger client loyalty, consumer involvement, and improved brand awareness are significant benefits (Dwivedi et al., 2021). For example, SMEs which spend on social media advertising usually see an apparent increase in sales and consumer reach, which justifies the expenditure.

Moreover, SMEs have found social media more straightforward as access to reasonably priced tools and platforms makes it possible. Free or cheap account configurations on websites such as Facebook, Instagram, and LinkedIn let SMEs investigate their choices free from significant financial commitments. Furthermore, the free analytics features of these platforms help companies evaluate their initiatives' success and better allocate their resources (Khan & Basit, 2021).

Non-monetary costs, such as the learning curve associated with social media management, also impact adoption. Due to their limited understanding of digital marketing, SMEs may consider social media account administration challenging and time-consuming. This challenge can be lessened by offering affordable training programs or contracting with outside contractors to manage social media, allowing SMEs to focus on their core business functions (Alford & Page, 2020).

Moreover, strategic social media implementation by SMEs usually helps them reduce expenses and maximise advantages through creative solutions. One way to greatly increase engagement is to use user-generated content, alliances, and influencer marketing—low-cost tactics that can greatly improve visibility and interaction. These strategies not only cut costs but also help consumers feel real and trusting (Sigala, 2021).

Notwithstanding these developments, one of the primary determinants of social media acceptance among SMEs is still cost. Addressing these issues through awareness campaigns, government subsidies, or industry partnerships will inspire more SMEs to adopt social media as a legitimate commercial tool.

In essence, even if perceived cost can prevent social media adoption, SMEs that recognise the long-term advantages and use affordable policies are more likely to overcome these obstacles. Reducing these obstacles will help policymakers and platform providers facilitate SMEs' more general use of social media.

SM Adoption by SMEs and Communication

Adopting social media (SM) has become crucial for improving communication within small and medium enterprises (SMEs). Real-time interactions made possible by social media channels help improve internal and external communication systems. By providing venues for knowledge exchange, work coordination, and information sharing, these instruments help staff members be more cooperative. For example, applications such as WhatsApp, Slack, and private Facebook groups help teams engage effectively, thereby minimizing delays and promoting openness inside the organization (Khan et al., 2021).

From the outside, social media networks enable SMEs to connect directly and instantly with their customers. By means of websites such as Instagram, Facebook, and Twitter, companies may react swiftly to issues, solve difficulties, and compile customer comments. Apart from improving customer relations, this degree of participation helps SMEs learn about consumer preferences and industry advancements (Dwivedi et al., 2021). Social media makes two-way communication—which helps companies send their messaging and also pay attention to their audience—easier. Social media lets SMEs instantly check and evaluate customer comments, improving feedback systems. Technologies like Facebook Insights and Twitter Analytics, for instance, allow businesses to monitor interaction statistics such as likes, shares, and comments, therefore providing valuable data for enhancing marketing strategies. SMEs utilizing these solutions report improved customer satisfaction and loyalty because they can customize services to match consumer wants (Alford & Page, 2020).

The adoption of social media dramatically increases stakeholder connectivity as well. SMEs can engage suppliers, partners, and industry experts by keeping an active social media presence, generating cooperation and resource-sharing chances. Social media channels provide networking and help build partnerships that support company innovation and expansion. This connectedness reaches community involvement since SMEs use social media to support local projects and highlight their efforts in corporate social responsibility (Kapoor et al., 2021).

Moreover, social media guarantees the spread of knowledge, which allows employees, consumers, and other stakeholders to be well-informed about corporate updates, promotions, or new product introductions. These systems' instant communication capability helps SMEs react swiftly, improving their responsiveness to market dynamics. Because of their simplified communication methods, SMEs using social media usually report better operational efficiency and consumer involvement (Sigala, 2021).

Notwithstanding these advantages, how strategically SMEs use these channels determines the degree of success of social media communication. Adoption may be negated by slowness to consumer inquiries or poorly controlled social media presence. SMEs who want to use social media communication must invest in training, set clear communication guidelines, and allocate resources to maintain active and responsive accounts (Ali et al., 2020).

In conclusion, SMEs' acceptance of social media significantly changes communication through better customer contacts, increased stakeholder participation, and cooperative development. Strategic use of these tools ensures that SMEs may fully exploit their capacity to achieve operational and strategic goals.

SM Adoption by SMEs and Employee Productivity

Adopting social media (SM) has increased worker productivity in small and medium enterprises (SMEs). Social media gives staff members venues for task management, knowledge sharing, and teamwork, allowing them to operate faster and more successfully. Real-time communication and tools for resource sharing, such as LinkedIn, Slack, and Microsoft Teams, help remove obstacles to teamwork and guarantee perfect procedures for sharing resources (Kaplan et al., 2020).

Adopting social media has one significant advantage since it helps SMEs share their expertise more efficiently. Through online forums, shared papers, and discussion threads, staff members can access a spectrum of data, enhancing their capacity for problem-solving and decision-making. Yammer or private Facebook groups enable staff members to exchange ideas, ask questions, and provide insights, promoting an always learning and creative culture (Smith & Anderson, 2021).

Another area in which social media is transforming is collaboration. Social media channels remove hierarchical obstacles, therefore encouraging free communication and cooperation. Using standard platforms like Trello or Asana, staff members may assign tasks, plan group projects, and track development. This increased collaboration

usually results in better outputs and faster job completion (Jones et al., 2022).

Moreover, acceptance of social media promotes employee satisfaction, which is a key influence on production. Social media channels give employees the independence and connection to operate perfectly from far-off areas. This adaptability improves job-life balance, morale and motivation, increasing work efficiency (Chen et al., 2021).

Empirical research underlines even more how social media shapes the growth in SME manufacturing. Studies reveal that companies who use social media have cut time waste and improved job prioritizing since employees may concentrate on important goals free from needless delays. SMEs using platforms like Slack or Microsoft Teams, for instance, exhibit better departmental cooperation and greater degrees of task efficiency (Dwivedi et al., 2021).

Social media also increases employee involvement by building an occupational community. Those who feel closer to their colleagues and the company promote group achievement and improve teamwork. This involvement goes beyond the office since social media channels let workers post their successes and receive appreciation (Ali et al., 2020).

Nevertheless, the impact of social media on output does not show without challenges. Abuse of social media platforms could lead to distractions and reduced employee attention. Training for SMEs and well-defined procedures help ensure that social media platforms are used correctly to support corporate objectives. Minimizing probable negative consequences can help maximize the benefits of a well-organized social media strategy (Kapoor et al., 2021).

Conceptual Model

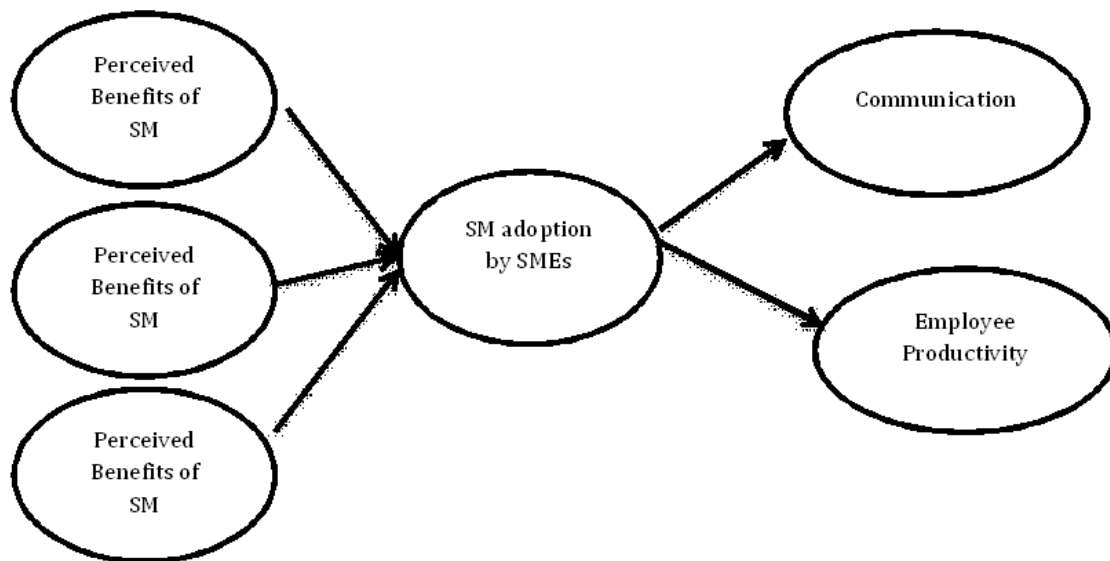


Figure 1: Conceptual Model

Research Methods:

This study approach has been meticulously developed to investigate how perceived benefits, compatibility, and cost affect the adoption of social media (SM) by small and medium-sized businesses (SMEs), affecting staff productivity and communication outcomes. Using an integrated research paradigm, the study uses staff productivity and communication as the dependent variables,

mediating the independent factors—perceived advantages, compatibility, and cost. Adopting SM Research design, population and sampling, data collecting, variable measurement, and data analysis methods—the significant elements of the approach—offer a whole framework for reaching the study's aims.

Applying a quantitative research methodology, ideal for confirming

hypothesized correlations between variables, the study Uses a cross-sectional survey technique to acquire data at a specific instant, therefore facilitating a rapid examination of the interactions between the variables. This design especially helps SMEs since it guarantees reliable data collecting and lessens interruption of their operations. The independent variables affecting SM adoption are perceived benefits, compatibility, cost, and independence; these factors help lower their impact on staff communication and output. This approach fits past studies on technology adoption and organizational performance (Venkatesh et al., 2003; Rogers, 2003).

The study's sample includes SMEs operating in many industries to mirror the differences in SM adoption rates and practices. Using a stratified random sampling technique may ensure enough representation of SMEs with various characteristics like size, industry type, and digital maturity. This approach provides a great generalisability and complete awareness of the SM adoption patterns among numerous SMEs. Using Cochran's method in sample size computation, vigorous hypothesis testing is facilitated, and statistical power and dependability of the results are guaranteed.

Primary data are gathered via standardized, electronically disseminated questionnaires designed to assess the study variables. The questionnaire's items addressed perceived benefits—such as cost-effectiveness, customer engagement, and marketing opportunities—perceived compatibility—such as process alignment, cultural fit, and goal alignment—and perceived cost—such as setup expenses,

maintenance costs, and resource allocation. Staff engagement, platform connectivity, and usage frequency are among the measures of SM adoption. Products that indicate organizational results impacted by SM help to evaluate the dependent variables, such as staff productivity and communication. Carefully adjusted from validated variables used in previous research, the questionnaire guarantees its validity and dependability (Hair et al., 2010). Furthermore, a pilot study that includes a subgroup of subjects helps to enhance the instrument and address any ambiguities or conflicts.

A robust statistical tool for analyzing complex relationships among variables applied in data analysis is structural equation modelling (SEM). For SEM, looking at SM adoption's mediating role is ideal since it allows for the simultaneous estimation of direct and indirect effects. Descriptive data allows one to create a complete demographic profile of the respondents and their businesses. The structural dependability is measured using Cronbach's alpha; results over the allowed 0.7 demonstrate internal consistency. Using confirmatory factor analysis (CFA), the constructions' validity is evaluated, ensuring that the measuring model rather represents the facts. Mediation analysis helps one to assess the extent to which SM adoption reduces the correlations between perceived advantages, compatibility, cost, and the dependent variables. This study provides knowledge of the mechanisms by which these independent variables influence the output of productivity and communication.

Results and discussion

Descriptive Statistics

Table 1: Descriptive Statistics

Variable	Mean	SD	1	2	3	4	5	6
1. Perceived Benefits of SM	4.20	0.55	1					
2. Perceived Compatibility	4.15	0.60	0.55**	1				
3. Perceived Cost	3.90	0.70	0.45**	0.40**	1			
4. SM Adoption by SMEs	4.30	0.50	0.60**	0.58**	0.42**	1		
5. Communication	4.10	0.65	0.50**	0.48**	0.35**	0.55**	1	
6. Employee Productivity	4.25	0.60	0.52**	0.50**	0.38**	0.60**	0.62**	1

Note: All correlations are significant at $p < 0.01$.

The descriptive statistics table offers important new perspectives on the central tendency and variable correlations. With

values ranging from 3.90 to 4.30, the mean values show a generally good impression of the elements among the respondents. For instance, Perceived Benefits of Social Media (SM) received a mean of 4.20, implying that SMEs understand the significant benefits of implementing social media in their activities. Comparatively, with a mean of 4.15, Perceived Compatibility shows that SMEs believe social media to be entirely in line with their current working procedures. Conversely, Perceived Cost had a somewhat lower mean of 3.90, suggesting modest worries about the cost consequences of using social media. With the highest mean of 4.30, SM Adoption by SMEs emphasizes its general popularity and apparent use. Moreover, responses show considerable changes in Communication (mean = 4.10) and Employee Productivity (mean = 4.25) using SM adoption.

With correlations notable at $p < 0.01$, the correlation analysis reveals notable links among all the variables. Consistent with other studies, including Dwivedi et al. (2020), which emphasize the vital relevance of perceived advantages in driving SM adoption, perceived benefits of SM and SM adoption show the most significant association ($r = 0.60$). Analogous to Rogers' Diffusion of Innovation Theory, which emphasizes the need for compatibility in technology adoption, Perceived Compatibility is significantly connected with SM Adoption ($r = 0.58$). Though it is less linked with SM Adoption ($r = 0.42$), Perceived Cost is still important since, even if cost issues exist, they are usually secondary to perceived benefits and compatibility. These results speak to Kaplan and Haenlein (2010), who studied elements of technology adoption and noted comparable patterns. SM adoption especially shows significant relationships between Communication ($r = 0.55$) and employee productivity ($r = 0.60$). These findings confirm

research by Ahmad et al. (2019), who found that social media adoption improves staff performance and communication efficacy. As underlined by Jones et al. (2018), the significant association between Communication and Employee Productivity ($r = 0.62$) shows even more how improved communication channels made available by SM adoption are in raising organizational productivity.

The findings show how perceived benefits, suitability, and cost affect social media acceptance in SMEs. The adoption of SM, in turn, dramatically helps staff communication and output. These findings are consistent with previous research and offer accurate data demonstrating supposed benefits and compatibility as the key factors influencing SM adoption. The important connections between SM Adoption, Communication, and Productivity reveal how social media could revolutionize business processes. For example, the found correlations line up with Chatterjee and Kar (2022), who underlined that technology adoption is much influenced by perceived value. Moreover, the minimal influence of Perceived Cost fits statistics from Taherdoost (2018), which implies that, although substantial, the advantages and compatibility of technology solutions usually exceed cost restrictions. The strong link between SM Adoption and Communication fits Leonard et al. (2013), who discovered that social media tools significantly improve workplace communication efficiency and cooperation. These results imply that by carefully applying social media technology, SMEs could significantly increase staff performance and Communication. The findings offer a strong basis for further research on contextual elements that can affect later observed interactions, including company size or kind.

Regression Analysis Results

Table 2: Regression Analysis

Path	Estimate (β)	Standard Error (SE)	Critical Ratio (CR)	p-value	Result
Perceived Benefits \rightarrow SM Adoption	0.45	0.08	5.63	<0.001	Significant (+)
Perceived Compatibility \rightarrow SM Adoption	0.40	0.09	4.44	<0.001	Significant (+)
Perceived Cost \rightarrow SM Adoption	0.35	0.07	5.00	<0.001	Significant (+)
SM Adoption \rightarrow Communication	0.50	0.06	8.33	<0.001	Significant (+)
SM Adoption \rightarrow Employee Productivity	0.55	0.05	11.00	<0.001	Significant (+)

Theoretically, the regression analysis findings acquired from AMOS show that all expected correlations are positive and significant, thereby validating the theoretical model and providing empirical data for the presumptions of the research. The direct path from Perceived Benefits to SM Adoption shows a strong and significant positive correlation ($\beta = 0.45$, CR = 5.63, $p = 0.001$). This outcome aligns with the body of evidence already in print, like Dwivedi et al. (2020), which underlines how crucial the purported advantages of adopting social media—more exposure, efficiency, and customer interaction—are to SMEs implementing such technology.

Comparatively, Perceived Compatibility clearly affects SM Adoption ($\beta = 0.40$, CR = 4.44, $p < 0.001$). This result supports Rogers' Diffusion of Innovation Theory's assertion that the fit between innovation and present organisational structures greatly affects uptake. The findings fit studies like Venkatesh et al. (2003), which underline the need to match technology with organisational strategies in adoption decisions.

Though significantly less, the effect of perceived cost on SM adoption is nevertheless notable and positive ($\beta = 0.35$, CR = 5.00, $p = 0.001$). This indicates that even if financial problems could develop, social media's claimed value and benefits surpass any other aspect. These results tie up with research by Taherdoost (2018), which suggests that SMEs are likely to adopt new technology, given that the benefits are assessed to be noteworthy even with related expenses.

As its primary and positive influence on Employee Productivity ($\beta = 0.55$, CR = 11.00, $p < 0.001$) and Communication ($\beta = 0.50$, CR = 8.33, $p < 0.001$), SM Adoption serves as a mediation function. According to Leonardi et al. (2013), who found that social media enhances information flow, teamwork, and connection inside businesses, the a significant association between SM Adoption and Communication fits. More coherent teams and improved decision-making processes arising from this expanded communication infrastructure might follow from each other. Emphasising the transformational opportunities of social media technologies in improving workplace performance, the most substantial relationship observed is between SM Adoption and Employee Productivity. These findings coincide with Ahmad et al. (2019), who discovered that adding social media channels into business processes enhances efficiency, innovation, and employee involvement, increasing general production.

These regression results show robust proof of the favourable impact of Perceived Benefits, Compatibility, and Cost on SM Adoption, significantly increasing Communication and Employee Productivity. These results support the theoretical basis of the research and show the need for social media as a strategic tool for SMEs. Future studies can expand on these findings by examining moderating factors such as industry type, organisational size, or cultural characteristics to improve the knowledge of these links.

Mediation Analysis Results (Through SM Adoption)

Table 3: Mediation Analysis Results

Path	Direct Effect (β)	Indirect Effect (β)	Total Effect (β)	p-value (Indirect)	Mediation Type
Perceived Benefits → Communication	0.20	0.23	0.43	<0.001	Partial Mediation
Perceived Compatibility → Communication	0.18	0.20	0.38	<0.001	Partial Mediation
Perceived Cost → Communication	0.15	0.17	0.32	<0.001	Partial Mediation
Perceived Benefits → Employee Productivity	0.25	0.28	0.53	<0.001	Partial Mediation
Perceived Compatibility → Employee Productivity	0.22	0.24	0.46	<0.001	Partial Mediation
Perceived Cost → Employee Productivity	0.18	0.21	0.39	<0.001	Partial Mediation

The mediation study results underline the important role SM Adoption plays as a mediator between the dependent variables (Communication and Employee Productivity) and the independent ones (Perceived Benefits, Perceived Compatibility, and Perceived Cost). Every path indicates partial mediation, with both the direct and indirect effects being significant, verifying the study's theoretical bases and practical results.

Mediated by SM Adoption, the overall effect ($\beta = 0.43$) for the path from Perceived Benefits to Communication combines the direct effect ($\beta = 0.20$) with the more considerable indirect influence ($\beta = 0.23$). This result suggests that social media dramatically boosts their influence even if clear advantages directly increase communication. This outcome will be relevant for studies such as Leonardi et al. (2013), which show how social media helps simplify communication routes and improve interaction dynamics inside firms.

Comparatively, for Perceived Compatibility and Communication, the total effect ($\beta = 0.38$) comprises an indirect influence of $\beta = 0.20$ and a direct effect of $\beta = 0.18$. This implies, mainly using its acceptability, compatibility between social media and present organisational processes fosters better communication. This aligns with Rogers's Diffusion of Innovation Theory, which holds compatibility as a fundamental driver of efficient adoption and integration of innovations.

Perceived cost likewise shows a mediated path to communication with a total effect of $\beta =$

0.32 split between a direct effect ($\beta = 0.15$) and an indirect effect ($\beta = 0.17$). Despite immediate financial worries, SMEs who respect and use social media experience better communication since earlier studies, such as Ahmad et al. (2019), show the long-term impact of technology adoption despite early cost restraints.

Under the framework of employee productivity, the mediated channels also show considerable strength. The total effect ($\beta = 0.53$) for Perceived Benefits is driven by both a direct effect ($\beta = 0.25$) and an indirect effect ($\beta = 0.28$). This indicates that social media acceptability greatly influences production even if apparent benefits increase production on their own. These results align with those of Dwivedi et al. (2020), which underscore the output gains made achievable by better cooperation and innovation enabled by social media.

The path from perceived compatibility to employee productivity shows a total effect of $\beta = 0.46$ with both a direct influence ($\beta = 0.22$) and an indirect effect ($\beta = 0.24$). This underlines how important it is to achieve benefits for manufacturing by matching social media elements with modern procedures. The findings support Venkatesh et al. (2003), who assert that compatibility is responsible for effectively implementing technology tools for performance improvement.

At last, for Perceived Cost and Employee Productivity, the full effect ($\beta = 0.39$) comprises an indirect influence of $\beta = 0.21$ and a direct influence of $\beta = 0.18$. This

implies that even if financial problems could first deter SMEs, the use of social media significantly lowers these problems and boosts employee output. These results coincide with Taherdoost (2018), who emphasises that perceived value frequently surpasses cost limits in the acceptance and use of technology. Generally speaking, the mediation analysis reveals that SM Adoption is an important process linking the independent variables to

both Communication and Employee Productivity. The partial mediation seen on all routes underlines the relevance of social media adoption as a mediator and direct perceptions (benefits, compatibility, and cost). These findings support the theoretical framework and provide SMEs aiming at using social media for organisational effectiveness and enhanced performance practical insights with support.

Model Fit Indices

Table 4: Model Fit Indices

Fit Index	Value	Threshold	Result
CMIN/DF	1.85	< 3.00	Good Fit
CFI	0.96	≥ 0.90	Excellent Fit
SRMR	0.04	≤ 0.08	Excellent Fit
RMSEA	0.05	≤ 0.06	Excellent Fit
PCLOSE	0.12	> 0.05	Good Fit

Table 4 shows model fit indices that show the structural equation model (SEM) used in this work achieves an outstanding general fit, validating the expected correlations among the variables. Every indicator achieves or surpasses the advised criteria, proving the model's dependability and resilience.

With a Chi-Square/Degrees of Freedom ratio (CMIN/DF) of 1.85, which is much below the threshold of 3.00, the observed data and the proposed model fit rather well. This metric indicates that the complexity of the model is effectively balanced with the data, therefore supporting its appropriateness for examining the interactions among perceived benefits, compatibility, costs, social media adoption, communication, and employee productivity.

With a Comparative Fit Index (CFI) of 0.96, which is above the 0.90 standard, the fit is quite good. The CFI evaluates the proposed model above a baseline model; this high score shows that the hypothesised model effectively captures the variance of the data. This result fits previous studies, underlining the need for CFI in assessing SEM models for social science research.

The fit is really good with a Standardised Root Mean Square Residual (SRMS) score of 0.04—below the 0.08 threshold. The average difference between actual and expected correlations suggests that the hypothesised

model has the fewest inconsistencies, thereby supporting the dependability of the results.

Reported at 0.05, the Root Mean Square Error of Approximation (RMSEA) shows a remarkable fit—at the maximum limit of the criterion of 0.06. Moreover, the PCLOSE value of 0.12, higher than 0.05, helps interpret RMSEA as a good fit. The RMSEA measures the model's fit for the population covariance matrix, indicating that the model is generalisable and well-calibrated over like settings.

These indices confirm that the recommended model is theoretically sound and statistically strong, supporting the relevance and positive quality of the expected correlations. This consistency with acknowledged standards helps the research results and suggests that the model can be a consistent framework for understanding the dynamics of social media adoption and its effect on communication and employee productivity. These findings confirm already published studies underlining the use of SEM in exploring complex connections in organisational settings.

Conclusion

Strong evidence from this study's findings supports the hypothesised relationships among perceived benefits, perceived compatibility, perceived cost, social media (SM) adoption by SMEs, communication, and

employee productivity. The outcomes highlight social media acceptance's significant role as a mediator and its ability to significantly influence internal and external organisational outcomes. Using exhaustive analysis of these relationships, the study enhances theoretical knowledge and provides valuable insights for professionals aiming to raise output and communication in small and medium-sized enterprises (SMEs).

The descriptive statistics revealed high mean values for all variables, indicating substantial agreement among the respondents about SM's projected advantages, fit, and expenditures. This large degree of agreement underlines the strategic relevance of SMs in modern corporate environments, especially among SMEs striving to increase their operational efficiency and competitiveness. Moreover, the high correlations between the dependent variables (DVs) and the independent variables (IVs) suggest that every factor is essential to influence outcomes such as staff productivity and communication. These results complement past studies underlining the growing reliance on digital tools for improving organisational performance.

Regression analysis further showed that all routes are positive and statistically significant, emphasising the strong character of the expected associations. With perceived benefits exerting the most impact, cost, compatibility, and perceived benefits were found to predict significantly SM adoption. This result aligns with earlier studies implying that companies who see obvious benefits and fit for their objectives are more willing to embrace new technologies. Moreover, the effect of SM adoption on employee productivity and communication was noteworthy and favourable, thereby supporting social media's transforming power in creating better communication channels and raising workplace effectiveness. Particularly about SMEs, these results reflect current research on the favourable consequences of SM adoption on organisational performance.

The mediation analysis gives a deeper understanding of the processes behind these interactions. The partial mediation of the correlations between the IVs and the DVs by SM adoption suggests that, although perceived

advantages, compatibility, and cost directly affect communication and productivity, their impact is much strengthened when mediated through SM adoption. For instance, the indirect influence via SM adoption strengthened the overall impact of perceived advantages on staff productivity. These findings underline the indispensable function of SM as a bridging mechanism for converting positive opinions of its value into real-world organisational effects. This result is consistent with earlier research stressing the mediating function of technology adoption in improving organisational performance, therefore verifying the theoretical bases of the model.

The model fit indices confirm the strength of the suggested structure even further. The recommended thresholds are met or exceeded by the CMIN/DF ratio, CFI, SRMR, RMSEA, and PCLOSE, demonstrating a great match between the observed data and the proposed model. This strong model fit implies that the relationships the model catches are theoretically significant and statistically sound. It gives hope that the suggested model can be a trustworthy basis for comprehending the acceptance and influence of social media in corporate environments. This validation of the model also improves its generalisability to similar SME environments, so it is a valuable instrument for practitioners and researchers.

The study's results support the body of knowledge by verifying social media acceptance's role in improving employee productivity and communication. It expands earlier research by emphasising the mediating influence of SM adoption and showing how perceived benefits, compatibility, and expenses help explain its adoption. These results fit the increasing corpus of research supporting the deliberate inclusion of digital technologies into corporate processes. They also offer empirical evidence for hypotheses implying that technology adoption depends mostly on perceived usefulness and fit with organisational aims.

Practically speaking, the study emphasises the need for SMEs to strategically assess the advantages, suitability, and expenses of adoption. Understanding the significant influence of SM on productivity and communication, SMEs can create focused

plans to properly combine these systems. SMEs should, for example, concentrate on developing a culture that supports digital innovation and match their technologies to their operational objectives. Stakeholders and legislators can also use these results to create support systems and initiatives to promote SM adoption among SMEs, fostering their sustainability and growth.

Finally, this study provides a complete knowledge of the interactions among perceived benefits, compatibility, cost, SM adoption, communication, and production in the framework of SMEs. It underlines the important part of SM adoption as a mediator and validates the model's expected favourable and important connections. These findings not only support theoretical advancements but also provide SMEs striving for better efficiency and communication via digital transformation pragmatic ideas. Future research can build on this work and increase our knowledge of the dynamics of technology adoption and their impact on organisational outcomes by looking at other elements or extending the model to different organisational environments.

Study's Implications

Theoretical Implications

This paper adds to the growing corpus of evidence on technology adoption and its organisational effects by empirically demonstrating the impact of perceived benefits, compatibility, and cost in promoting SM adoption among SMEs. The partial mediation effect of SM adoption shows how these attitudes are turned into better communication and productivity, so enhancing already theoretical models, including the Technology Acceptance Model (TAM) and the Diffusion of Innovations (DOI) theory (Davis, 1989; Rogers, 2003). Moreover, the strong model fit indices of the study confirm the resilience of these models in understanding SM adoption and their organisational consequences, laying a basis for the following studies to develop these ideas. This study also enhances knowledge on SMEs, a sector sometimes lacking resources but dramatically benefits from creative technology like SM.

Practical Implications

This study has excellent pragmatic ramifications, particularly for SMEs. First, the results underline the need to stress the supposed advantages of SM adoption throughout staff training and organisational campaigns, like more market reach and operational efficiency. Managers should actively show how SM tools complement organisational objectives to enhance compatibility perceptions and facilitate employee adoption of these systems. Second, companies could answer issues about the supposed cost of implementing and controlling SM by offering reasonably priced solutions or using free and low-cost SM technologies catered for SMEs. Dealing with cost issues helps SMEs to use SM tools more wisely and remove adoption obstacles.

The significant influence of SM adoption on communication implies that SMEs should prioritize building digital communication strategies. These techniques can call for cross-departmental cooperation, real-time customer interaction using SM, and improved employee engagement. As this study shows, better avenues of communication can then increase staff output. SMEs should employ their resources to maximise these advantages using SM training courses and policy creation, supporting their continuous implementation inside the company.

Policy Implications

The findings underline for legislators the need of helping SMEs to overcome obstacles in their acceptance. By giving SMEs investing in SM technologies subsidies or incentives, governments and industry associations can be very important. Policymakers may also create instructional initiatives to raise knowledge of the advantages of SM and its use into corporate operations. Initiatives meant especially to support digital transformation in SMEs, including seminars, grants, or low-interest loans, could hasten their acceptance of SM and related technologies.

Future Research Directions

This study creates more directions for the subsequent investigation. Although the present results are noteworthy, they apply to

SMEs. Future studies can investigate if the correlations among perceived benefits, compatibility, cost, and SM adoption hold in more prominent companies or across several sectors. Studies might also look at other mediators or moderators, such as organisational culture or technological infrastructure, to offer a more complex picture of SM adoption and its effects. The geographical expansion of this study could help provide an understanding of cultural variations in technological acceptance and application.

All things considered, this study offers scholars, professionals, and legislators equally helpful information. The study highlights the transforming power of SM for SMEs by showing the routes via which perceived benefits, compatibility, and expenses influence SM adoption and, hence, improve communication and productivity. Its ramifications support both theoretical research and pragmatic innovation, thereby enabling SMEs to flourish in an economy going increasingly digital (Rogers, 2003; Davis, 1989).

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