SHARING KNOWLEDGE OF CREATIVITY OF SMALL AND MEDIUM BUSINESSES
FACING THE CHALLENGES OF THE CONDITION OF COVID-19

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Abstract: The main objective of this study is to find out and resolve the issues of Small and Medium-Sized Enterprises (SMEs) in Indonesia, particularly those located in Central Java's industrial sector, the northern sub-section. Primary and secondary data are used, and thereby a combination of data analysis techniques is used. The SMEs criteria are based on the Republic of Indonesia's Law No. 20 of 2008 on Micro, Small, and Medium-Sized Enterprises. According to the study's findings, SME owners were able to thrive by repackaging products, redesigning packaging, and establishing new marketing relations. This study developed the concepts of the creative knowledge sharing model, which is a synthesis of two theories, namely knowledge sharing and social identity.

Keywords: Knowledge Sharing, Creativity, Social Identity, SMEs.

1. Introduction
Knowledge is a valuable asset in the digital age. Internally and externally, the process of sharing knowledge seems to have its own management. Internal knowledge sharing management can help employees perform better. Study of (Mohajan 2019) regarding knowledge sharing among employees, there are obstacles caused by lack of trust among employees, influence of organizational culture, inappropriate leadership, inappropriate rewards, lack or unclear network connections. Research result by (Alyafie and Al-Mubarak 2016) specifically, the findings highlight the challenges to internal knowledge sharing among employees of Small and Medium Enterprises (SMEs) in the manufacturing sector. Internal barriers contain lack of knowledge to seek and assess markets, insufficient human resource management, budgetary constraints, and challenges in determining price strategies. Further, (Islam and Hossain 2018) conducted research in the service, business, and industrial sectors and discovered that SMEs face challenges to growth due to inadequate infrastructure and electrical supply, which are the primary reasons for their development. Meanwhile, there are also other difficulties such as a lack of credit, a lack of knowledge and effective business planning, increase in competition in the local market, a shortage of experienced personnel and technology, as well as high raw material and equipment costs. Furthermore, a study on SMEs in the construction industry sector found that SMEs in the construction industry sector had five barriers to business performance, including occupational health and safety, human resources, leadership style, workplace communication, and resource allocation (Mafundu & Mafini, 2019). In a nutshell, the numerous challenges to developing SMEs
include insufficient resources, limitations to knowledge sharing, a slow learning process, and poor employee performance.

Learning and achievement can be accomplished collaboratively by groups of employees to maximize results. Employee learning and achievement, on the other hand, are constrained by grouping those who agree with those who disagree, those who are willing to change with those who prefer the status quo, and those who identify with one group (in-group) with those who are outside the group / disagree with the group (out-group). A study on in-group and in-group conflict with a case study model was conducted by (De Dreu et al. 2016) the group that wants to remain in the status quo (out-group) takes aggressive action by influencing policy makers more effectively than those (in-group) who only take action but do not take action on the substance of the problem and do not influence policy makers. Conflicts between groups (in-group, out-group) also occur in competition for influence in a team, when individuals work together in the same group (team) they do not compare statuses and there is no hostility between individuals, but when the team is divided into two parts, then the competition occurs which team is good and compares team members (in-group) with non-team members (out-group) resulting in a decrease in overall performance (Lam & Seaton, 2016). (Lam and Seaton 2016) result are supported by (Abbink and Id 2019) in the social and political fields with the result of the research that competition will cause conflict between individuals who are in one group (in-group). Therefore, research on conflicts that occur in groups (in-groups) will basically reduce the performance of individuals in a group starting from the different interests of each individual, but actually having the same goal for the organization. Moreover, according to (Weisel and Böhm 2015) games that emphasize cooperation rather than competition might reduce conflict in groups.

The level of collaboration in SMEs influences the long-term sustainability of the commercial enterprise in question. When faced with unpredictability and competitive rivalry from local and international factors, SMEs must work together to succeed. Research by (Vanags and Zvirgzdiņa 2018) analyzed a partnership model consisting of three components: a partnership context component, an external partner network component, and an internal environment component. The findings indicate that competition and collaboration are both significant factors in ensuring the effective development and competitiveness of SMEs in their respective markets. Based on a number of case studies on SMEs, (Zeiller and Schauer 2011) analyze the adoption and implementation, the motivation of team members and their benefits, and the success factors of using social media for team collaboration. The results of this study explain that to improve performance, SMEs need to collaborate with other SMEs like a team without looking at each other's weaknesses. The motive for collaborating between SMEs is also studied in the (Batista Franco 2003) argue that SMEs have a collaborative motive caused by a common interest to innovate to create a product, SMEs adopt collaborative agreements because it allows them to carry out the necessary innovative activities, knowledge, and exploitation opportunities, which they cannot achieve alone, this study examines the motives for forming collaborative agreements in the SME industry.

Good collaboration can motivate work between individuals in groups. Employees who are able to collaborate in a group feel empowered both physically and mentally, feel valued and recognized, this can build bonds between employees so that work motivation can increase. Research conducted in four communication companies tested between empowered and non-empowered employees and the impact on their work motivation with self-determination theory, as
a consequence whenever an organization empowers its employees, employee work motivation will raise, whereas employees who are not empowered will have low work motivation since they feel that they are not respected by their group members (Osborne & Hammoud, 2017). (Owens et al. 2016) examining the leader-member exchange relationship (LMX), the results show that employees get positive energy from their leaders’ experiences because they are involved in project work time. However, according to the findings of study conducted in family-owned businesses, when intrinsic motivation is low, collaboration in family-owned enterprises leads in a low level of energy (Menges et al., 2017).

At the moment, organizations face obstacles that can be overcome by leveraging the power of communities to exchange knowledge, experiences, and skills in order to achieve common goals (Jamshed et al., 2018). Previous research has shown that the community, which consists of groups that have the same activity, has a number of benefits for the organization and its members. Previous research has found that knowledge sharing has an influence on performance at the individual level (Attar, Kang, and Sohaib 2019)), at the organizational level and at the group level. Knowledge sharing in groups occurs when individuals help and learn from the ideas, facts, expertise, and judgments of others to develop new skills (Naicker et al., 2017). Thus knowledge sharing by fellow community members is considered important for organizational performance (Jamshed et al., 2018).

However, several previous studies have raised doubts about the role of knowledge transfer through knowledge management (Jayasingam et al., 2009). Organizations can use internal organizational knowledge to share with their communities (Yalabik et al., 2015). Knowledge that can be shared with the community can be through explicit knowledge or tacit knowledge ((Straw 2016). Explicit knowledge is a type of knowledge that is mainly stored in documents, publications, reports, and databases. Meanwhile, tacit knowledge is purely personal in nature, relatively difficult to codify or communicate so that the consequences are relatively not easy to share with others (Straw 2016)).

People that possess knowledge are considered to be valuable and competitive. There are some people who believe that sharing their knowledge with others is a competitive advantage and a source of additional value for their employer. As a result, many people are reluctant to share their skills and information with others. According to the existing literature, (Gourlay and Hill 2017)) team members exhibit three individual behaviors for knowledge exchange. Behavior is categorized as provision, socialization, and externalization(Akcinar & Baydar, 2016). Such behavior to share knowledge within the team remains with the person who created it or owns it and is mainly shared by personal contacts.

2. Literature Review

Knowledge sharing

Small and Medium Enterprises (SMEs) need to share knowledge. There have been various strategies to affect the amount of knowledge exchange, however SMEs are not pursuing the methods that have been shown to be valuable and effective in achieving information exchange (Berends & Debackere, 2003). Sharing knowledge by (Aliakbar, Yusoff, and Mahmood 2012) stated that Knowledge sharing is comprised of three interconnected key elements: first, the object, which refers to the type of shared knowledge; second, the direction of sharing, which includes
face-to-face meetings, conferences, knowledge networking, and organizational learning; and third, the level of sharing, which includes involving individuals, teams, or organizations. The object, the direction of sharing, and the level of sharing are all interconnected key elements. Knowledge is recognized as a vital asset in business as a means of surviving and sustaining the market. They are knowledgeable, highly skilled, experienced, and immensely talented persons with regard to small business management (SME) (Razak et al., 2016). The role of knowledge workers in SMEs facilitates business operations to make decisions, strategize the direction of SMEs and increase competition among other SMEs.

In order to keep up with the ever-changing competitive market, organizations must improve their ability to handle knowledge. Change also necessitates the ability to learn, create, and share new information, and this in turn necessitates a level of psychological and structural preparedness (Kisumano, 2020). Although investment in technology and infrastructure is important, the leaders of Southeast Asian countries acknowledged that the willingness and dedication of employees to participate in knowledge management initiatives is the most important factor in ensuring success of KM (ASEAN SUMMIT, 2019). In addition, with successful knowledge sharing practices, creative businesses can respond to a changing environment to improve performance. Therefore, the knowledge held by employees should be disseminated and shared with others as a strategy to retain knowledge and minimize employees who intend to leave the business (Daghfous et al., 2013). Knowledge sharing is an important part and challenge of knowledge management. According to (Abusweilem and Abualoush 2019), that knowledge sharing is one of the main elements in the knowledge management process in SMEs.

In principle, knowledge sharing is a process with the aim of obtaining and sharing experiences from others. Sharing knowledge according to (MOHAJAN 2019), is referring to the preparation of task information, knowledge to collaborate with others to facilitate people, problem solving, implementing policies, or developing new ideas. Recent research states that, knowledge sharing is a process in knowledge management used to create, harvest, and maintain business processes (ASIAN PRODUCTIVITY ORGANIZATION (APO) 2020). Therefore, the conclusion drawn is, knowledge sharing is the practice of exchanging and disseminating ideas, experiences, and knowledge with others to ensure that knowledge is continued, sustainable, and maintained in business.

Social Identity Theory

Social identity theory (SIT) was first introduced by Tajfel and further developed by (Henri Tajfel & John C 1979). Social identity theory proposes that individuals categorize themselves as belonging to various groups. Social categorization implies that people are defined and understood not only as individuals, but also as belonging to certain social categories such as age categories (e.g., children or adults), economic categories (e.g., high or low economic status), or cultural categories (e.g., Asian or Caucasian) (Trepte & Loy, 2017). In addition to self-categorization, individuals also make comparisons by evaluating groups they consider to be part of their members (in-group) and groups they do not consider to be members (out-group). Social identity is a characteristic that distinguishes between someone who is a member of a group and one that is not based on similarities in culture, lifestyle, ideology. This process is called self-categorization in social identity theory (Scheepers & Ellemers, 2019). In identity theory, it is called identification (Seering et al., 2018). Social identity is a person's knowledge that he belongs to a social category.
or group (Hogg et al., 2004). Through the process of social comparison, people are categorized by self and labeled in-group; out-group. Social identity includes emotional, evaluative, and classification in groups (Stets & Burke, 2000). Meanwhile, components of self-categorization of self-esteem (evaluative) and commitment (psychological) components to empirically investigate the relationship of self-esteem and commitment to work in groups (Stroessner, Steven J., Carpinella et al., 2017).

Two important processes are involved in the formation of social identity, namely self-categorization and social comparison (Dominic Abrams and Michael A. Hogg 9, 2012). In particular, a person's self-esteem is increased by evaluating the in-group and out-group on the dimensions that make the in-group rated positively and the out-group rated negatively, because the in-group has a higher score than the out-group (Johnson et al., 2012). In – group defined as a collection of individuals focused on a specific goal or task. In in-group there will be a pattern of teamwork, collaboration and creativity (Paulus et al., 2012).

A team is a collection of people who have a long-term relationship, are integrated in the company, and collaborate on a specific mission or purpose. These groups can differ in size, composition, and structure. Because these team members are typically assigned to teams by superiors, there is no guarantee that the qualities of different teams will be comparable (as is the case with random assignments). As a consequence, determining whether the differences in performance between teams are due to method or team composition may be difficult. In this chapter, we shall justify the distinction between groups and teams depending on whether they are short-term task groups or long-term teams for empirical and theoretical clarity. However, creative groups and teams go through a similar collaborative process in both circumstances.

Collaboration is a process that involves some level of interaction and coordination with other people or members of other groups or teams. Collaboration does not require a special group or team, because the two people who coordinate their task activities are collaborators. Collaboration is also popular in educational settings because students work together on various projects (Brindley et al., 2009). Therefore, we will highlight the collaborative processes involved in group creativity and team innovation.

Creativity is the generation or production of a new product or idea. Often differs from innovation in that it involves the actual implementation of an idea. Creativity is seen as an exploratory process in which one considers alternatives, whereas innovation is more of an exploitation process in which one tries to implement ideas effectively. Most research on group creativity focuses on exploring alternatives. Initial research and innovation maintenance focused on implementation issues, but overall research on team innovation has examined exploration and exploitation (Hülsheger et al., 2009). Often there is no clear distinction between creativity and implementation, so it is not surprising that many factors are considered important in groups.

3. Research Method

The research method used in this study is a descriptive quantitative research method to measure the population or sample of SMEs, the number of SMEs affected by the crisis, and the researchers must map which SMEs are most affected and find solutions to avoid business closures through pre-analysis within a time span of 3 – 4 months how many SMEs have closed their businesses, what types of SMEs have closed their businesses the most, and how much impact has
the closure of SMEs. Meanwhile, grounded qualitative requires researchers to make descriptions, theories about processes, actions, or pure interactions of SMEs.

The research target focuses on Small and Medium Enterprises located along the National main route (Pantura) which has industrial areas for SMEs. Industrial estates are the object of research because of the ease of data collection, research permits, the completeness of the types of SMEs, limited access when carried out outside industrial areas due to COVID-19, the same problems faced by SMEs in times of crisis, so that industrial areas can be an overview of what is happening in other areas.

The data collected consists of primary and secondary data. Primary data in the form of observations, questionnaires and interviews that were directly conducted in the industrial area by considering the time owned by each SME, while secondary data was obtained from the cooperative and SME services in the industrial area where the SMEs are located.

Data collection of a research conducted by various research methods such as observation, interviews, literature study and documentation, requires a tool as an instrument. The instruments are camera, id card, gift, recorder. Limited permits granted for each visit to the industrial area require a camera and recorder to document the results of observations and interviews, an id card is required to enter the industrial area while gifts are given to those who follow the process of filling out the questionnaire.

Furthermore, Qualitative Data Analysis Techniques are used to discuss conceptually about model concept resulting from the integration of two social identity theories and knowledge sharing theory.

4. Results and Discussion

4.1. Results

The research conducted by (Zaim, Siti Noratisah, and Zahari 2012) reveals in detail the repacking issues that affect SMEs. While there is sufficient evidence to demonstrate that the products produced by SME entrepreneurs are of good standard and marketable, the lack of proper packaging prevents them from transitioning from small medium to large scale manufacturers. Apart from that, proper packaging labels along with other benefits will shape the brand in the market. Therefore, SME entrepreneurs need to have the right packaging because the information displayed about the product and producer is known and then it will benefit consumers widely to make the right purchase decision. Re-packing also allows SMEs to penetrate the export market, the results of the study explained by (Manalili, Dorado, and Otterdijk 2014) which explains that of the three sub-sectors of the packaging industry (manufacturing, machinery and services), there appears to be the greatest potential for developing package manufacturing in developing countries. Regarding repacking machines, creativity in producing locally designed equipment that suits local needs and conditions will help drive the development of the packaging industry. Re-packing is also a major issue in the research conducted by (Daniel 2019) which carries the concept of Green Marketing (eco label and branding) because consumers are starting to become aware of the environment, where repacking carried out by SMEs must be environmentally friendly. Furthermore, this research discusses environmental issues which have become a very passionate subject lately because almost everyone, the government and the community are starting to become more aware of the problem of repacking from environmentally friendly materials. This leads to
the trend of green marketing being used by companies as one of the strategies to gain profits and protect the green marketing mix marketing tools.

Research result by (Wahab et al. 2008) emphasizes the re-design guidelines with a focus on three components in the main product module namely the base cover, spray unit and filter opening cover. The results of the study show that considering the re-design modularity and maintenance requirements at an early stage of product design, has enabled product services to be identified and planned in a more systematic and effective manner. The proposed design certainly improves product maintenance as well as reliability. Furthermore, (E. D. Georgakoudis 2017) shows that packaging redesign has cost savings for most of the supply chain links such as industrial customers, retailers, wholesalers and end consumers. In addition, applied case studies will be used which aim to provide evidence that the redesign process can provide further weight and transportation benefits, provide better environmental performance and ultimately offer better protection for packaged products.

The new network/new-link owned by SMEs will determine business development, the results of research conducted by (Abubakar and Isa Mohammad 2019) on the new network/new-link owned by SMEs stated that there is a significant correlation between seeking New-link strategy and competitive advantage. Companies that adopt the New-link expansion strategy will experience a significant increase in their competitive advantage. Moreover, the company's competitive advantage will be significantly affected by New-link's modernization strategy. New-link product line trimming strategy will have a significant effect on the company's competitive advantage. Companies usually adopt a strategy known as target marketing seeking new links. This strategy involves dividing the market into segments and developing products or services for those segments. Research result by (Gazzola et al. 2020) states that marketing managers who might consider looking for new links will typically break the market into groups and target the most profitable segments. They can modify components of their marketing mix, including as items, prices, channels, and promotional strategies, to meet the specific needs of each consumer.

Sharing knowledge of individual creativity in an SME is the creativity possessed by an individual to pack (re-packaging) products (change size, taste, form), redesign packaging and look for new networks in marketing products produced during crisis situations. Besides, previous research has investigated knowledge sharing outcomes at three levels: individual, team, and organizational. Research result by (Ahmad and Karim 2019) explained that the factors influenced by knowledge sharing were creativity, learning, and performance. A further finding is that the utilization of collective knowledge and expert opinion enabled by knowledge sharing increases efficiency in task completion, problem solving and decision making, leading to improved employee performance.

Simply put, in a crisis, SMEs need steps to save how to repackage (size, price, composition, etc.) of SME products, redesign the resulting products (color, shape, etc.) and find new networks to market SME products, so that consumers are more interested and affordable consumer purchasing power, then the concept that can be run by SMEs is the sharing of creative knowledge. The grand design can be described as follows;
Because activities that have not been carried out for a long time since the status of the COVID-19 pandemic and many regions are in lockdown status, social distancing, and SMEs are starting from scratch for the process of finding consumers, re-packing product sizes from normal conditions will increase the ability to buy while redesigning product packaging is interesting to look at and interest in buying and looking for new market networks must be carried out.

Knowledge sharing creativity is an integrated model concept of knowledge sharing theory with social identity theory. SMEs in facing the challenges of the COVID-19 pandemic require the creativity of each individual because new breakthroughs are needed in making products, marketing and improving performance to survive, SME owners (organizations) cannot limit creativity and share knowledge between individuals, teams and other SMEs, if needed can share creativity among SMEs. As a result, Figure 2 depicts a more in-depth explanation.
4.2. Discussion

The COVID-19 pandemic has had a detrimental effect on all spheres of life, especially on the economy of small and medium enterprises (SMEs). This is in contrast to the 1998 crisis in Indonesia, where SMEs continued to operate due to the absence of physical restrictions, allowing small communities' activities to be regulated, whereas in COVID-19, which occurred in February 2020, the SME sector was completely shocked due to problems with production, raw material supply, and distribution of SMEs' products; in short, the impact of COVID-19 against SMEs were classified into operational issues (i.e. disruption of operations; supply chain disruption; looking ahead to the future direction of the business) and financial issues (i.e. cash flow imbalances; access to stimulus packages; risk of bankruptcy). Meanwhile, currently existing SMEs only use survival strategies from financial and marketing strategies (Omar et al., 2020). SMEs have not used a knowledge sharing strategy with other SMEs that have similar products, they still consider other SMEs to be competitors. Sharing knowledge according to what is stated by (Aliakbar et al. 2012) consists of three parts; the first is the object of knowledge, the second is the direction of knowledge and the third is the level of knowledge sharing.

The level of knowledge sharing at the organizational level can become organizational learning, so that goals can be achieved together. The effectiveness of knowledge sharing activities in organizations has the potential to improve customer service, create new products and reduce business operating costs. In knowledge management, effective knowledge sharing is considered as one of the most important components of successful knowledge management. However, some research results disagree with each other about embedding knowledge sharing practices in the workplace (Rusuli & Tasmin, 2010). The reason is that knowledge sharing is practiced in organizations that costs a lot and reduces employee work time while the organization's goal is to achieve targets and share knowledge between employees is difficult because they will always protect the professional knowledge they have. Sharing knowledge at the team level is useful in building cohesiveness and agility in the team because all members have understood each other's behavior as team members, however, the weaknesses of each individual in the team are free to enter and leave, so they will continue to start from the beginning sharing knowledge (Dunn et al., 2019). Individuals are the key to sharing knowledge, but research by (Yeşil and Hırlak 2018) show that the organization is an individual constraint to share knowledge with other individuals.

Individuals in organizations and teams reflect the social identity they have in a group. Social identity theory proposes that individuals categorize themselves and their comparisons as belonging to various groups ((Henri Tajfel & John C 1979). Social categorization implies that people are defined and understood not only as individuals, but also as belonging to certain social categories such as age categories, economic categories or cultural categories (e.g., Asian or Caucasian) (Trepte & Loy, 2017). Comparison by evaluating the groups they consider to be part of their members (in-group) and groups they do not consider to be members (out-group). Individuals have different creativity, individual creativity is an additional value that becomes the competitive advantage of an organization (Adhikari, 2012).

5. Conclusion

Small and medium-sized enterprises (SMEs) proved to be the backbone of the economy and helped it to survive the crisis that occurred in 1998, but the crisis conditions that occurred in 2020 as a result of the outbreak of the COVID-19 disease were different in terms of environmental
conditions and social status. There were no lockdown or social distancing restrictions in place during the 1998 crisis. Small and medium-sized enterprises (SMEs) will have a difficult challenge during the 2020 crisis, and in order to survive, all employees and SME owners will need to be creative, as will the sharing of knowledge about how to be creative in order to overcome the crisis. Future research should examine the impact of the knowledge-sharing dimension of creativity on all segments of SMEs as well as family-owned firms outside of SMEs in order to better understand the phenomenon.

Reference


