Chapter 25
Determinants of Social Media Impact in Local Government

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ABSTRACT

Limited attention has been directed towards understanding the impact of social media in the public sector, particularly in local government organisations. Although social media offer substantial benefits and opportunities to local government, research into the impact of social media remains scant. To address this gap, the authors draw on the technology, organisation, and environment (TOE) framework and propose a model of the determinants of social media impact in local government. The model is tested with data collected via a survey with 173 Australian local government organisations using social media. Data were analysed using the partial least squares-structural equation modelling (PLS-SEM) technique. The results indicate that TOE factors including perceived benefits, perceived security risks, compatibility, and degree of formalisation are important predictors of social media impact in local government.

INTRODUCTION

The use of social media applications is growing rapidly. As of April 2014, the total number of active Facebook users exceeded 1,310,000,000 (Statistic Brain Research Institute, 2014). In Australia\(^1\), an estimated 12 million individuals actively use Facebook and YouTube, while other social media such as Wordpress, Blogspot, Twitter, Instagram and Flickr, have between one and five million active users in a given month (Cowling, 2013). Driven by this growth, many Australian public sector organisations are adopting social media for various purposes including business, education, health and administration (Culnan, McHugh & Zubillaga, 2010; Saldanha & Krishnan, 2012) with early evidence emerging that

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social media can help these organisations to improve their service performance, engage with the public and promote accountability and transparency, community relationships and information exchanges and dissemination (Accenture, 2009; Alam & Walker, 2011; Anttiroiko, 2010; Aral, Dellarocas & Godes, 2013; Eggers, 2007; Herriman, 2011; Howard, 2012; Purser, 2012; Sharif, Troshani & Davidson, 2014; Singh & Peszynski, 2013).

Nevertheless, despite the rapid growth and the espoused social media benefits, research available in this domain remains limited (Ellison & Hardey, 2012; Steward, 2012). Specifically, although various studies (Chang & Kannan, 2008; Howard, 2012; Meijer & Thaens, 2010; Osimo, 2008; Purser, 2012; Wigand, 2010) exist concerning social media use for enhancing service delivery and the many benefits they can offer, there is agreement among scholars that their adoption across public sector organisations and local government in particular remains under-researched (Millard, 2010; Nah & Saxton, 2012; Wigand, 2010).

Specifically, only limited studies have been found examining social media impact in local government. Notable examples include the work of James & Clarke (2010) who explored the factors for designing social media applications for Australian local government while Purser (2012) focused on exploring the benefits, risks and barriers of using social media in Australian local government and identified areas where social media could be used effectively. In Japan, Schellong (2008) explored the effect of online social networking services in improving and re-building communities during natural disasters, including emergency management during earthquakes.

While these studies have contributed in understanding how to design social media applications, their benefits as well as challenges in social media use, the determinants of social media impact in local government organisations remain under-searched (Sivarajah, Irani & Jones, 2014). For example, whilst Steinhuser, Smolnik & Hoppe (2011) have uncovered significant positive impacts to organisations that use social media applications such as increased capacity in handling transactions, cost reductions and overall productivity improvements, other studies (Ajjan, Hartshorne & Buechler, 2012; Andriole 2010) have argued that the manner in which the positive impacts of social media unfold needs further attention. Specifically, in the context of local government organisations, the impact of social media can vary. Some argue that social media can help in improving engagement with the community whilst others have argued that social media applications can contribute to generate savings and create a better image of local government organisations in their community (Bonsón et al., 2012; Sharif, Troshani & Davidson, 2014). Given the unique nature of social media (O’Reilly, 2007), its differences to ICTs and Web technologies generally (Cormode & Krishnamurthy, 2008; Sharif, Troshani & Davidson, 2015), further research is required to advance current understanding of the determinants of social media impact in local government.

Known also as councils, cities, shires, towns or municipalities, local government organisations are public sector entities that address community needs including public relations, town planning, and waste collection. As public sector entities, local government organisations are characterised by many stark differences with private sector firms. First, local government and private sector organisations have different strategic, economic and operational goals. The primary goal of private sector firms is profit maximisation while local government organisations generally have multiple goals including providing better public services (Boyne, 2002; Kamal 2006).

Local government organisations operate in an environment with little or no competitive pressure relative to private sector firms. Consequently, the former may face less pressure to be efficient than the latter. Managers in the private sector may be motivated by direct monetary incentives (e.g. performance-based bonuses) which may not necessarily be provided to managers in local government (Boyne, 2002). Others have confirmed that private sector organisations invest more resources into ICTs compared to