

Improving Organizational Culture to Increase Job Satisfaction and Performance in Operational Management of MSMEs

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Abstract: *This community service program aims to strengthen organizational culture, increase job satisfaction, and improve the performance of operational managers in Micro, Small, and Medium Enterprises (MSMEs). Using a qualitative empowerment approach, the program was implemented through a series of workshops and training sessions designed to develop leadership, communication, teamwork, and conflict resolution skills among MSME managers. Program participants, consisting of 25 operational managers from various sectors such as food processing, retail, and small-scale manufacturing, were selected based on their role in day-to-day operations and their potential to influence organizational culture. The program was evaluated through pre and post assessments, interviews, and observations, which showed significant improvements in organizational culture awareness, leadership skills, communication, and overall job satisfaction. Participants also demonstrated improved teamwork and problem-solving abilities. These improvements contributed to higher operational efficiency, which in turn improved business performance. These findings suggest that empowering operational managers with the necessary tools to create a positive work environment is key to the success and sustainability of MSMEs.*

Keywords:

Community Service Programs, Job Satisfaction, MSMEs, Operational Managers, Organizational Culture

Introduction

Micro, Small, and Medium Enterprises (MSMEs) play an important role in the economic development of many countries, including Indonesia. They contribute significantly in job creation, economic growth, and promotion of entrepreneurial culture (N. A. D. P. Tambunan, 2023). Despite their importance, MSMEs often face challenges in achieving optimal performance due to various internal and external

factors. Among these factors, organizational culture emerges as a critical determinant of operational efficiency and sustainability (Amri et al., 2020; Tomalá & Olives, 2022). A strong and cohesive organizational culture can serve as the cornerstone of MSME operations, promote alignment with organizational goals, and increase employee motivation (Fauzan & Syara, 2025).

Operational managers, as key decision-makers in MSMEs, are responsible for the smooth operation of the business (Riyadi & Mujanah, 2021). Their performance and job satisfaction significantly affect the overall productivity of the company (Tyofyana & Tjahjonob, 2022). However, many operational managers in MSMEs face issues such as unclear organizational values, inadequate support systems, and limited professional development opportunities (Hayatie et al., 2021). These challenges often lead to high turnover rates, decreased morale, and suboptimal performance (Lestari et al., 2021). Addressing these issues requires a systematic approach to strengthening organizational culture, aligning with the values and aspirations of the workforce.

This community service program is designed to address the gap in organizational culture in MSMEs through targeted interventions. By fostering a culture of collaboration, accountability, and innovation, the program aims to equip operational managers with the tools they need to excel in their roles (T. Tambunan et al., 2021). Organizational culture not only serves as a framework to direct behavior, but also as a catalyst for job satisfaction, which in turn impacts performance (Pratikto, 2023). Building an inclusive and dynamic organizational culture can transform MSMEs into resilient and adaptive enterprises (Wahyu et al., 2024).

In addition to increasing individual job satisfaction, strengthening organizational culture contributes to the overall performance of MSMEs by creating an environment conducive to employee engagement and productivity (Tyofyana & Tjahjonob, 2022). Studies (Subyantoro & Hartati, 2022), show that a positive organizational culture is related to increased commitment, reduced conflict, and better decision-making. For MSMEs, these results are particularly significant as they operate in a competitive and resource-constrained environment. The success of MSMEs often depends on the ability of operational managers to effectively address these challenges.

This community service initiative is based on the premise that improving organizational culture is an important step in empowering operational managers. The program involves a series of workshops and training sessions that focus on developing core competencies related to leadership, communication, and team building. These activities aim to create a shared understanding of the organization's

values, as well as foster a sense of ownership and purpose among employees. Such initiatives are critical to ensuring MSMEs remain competitive in an increasingly dynamic market landscape.

This paper provides an overview of the design, implementation and outcomes of a community service program aimed at strengthening organizational culture in MSMEs. By highlighting the relationship between organizational culture, job satisfaction, and performance, this study contributes to the growing literature on MSME development and community engagement. It is hoped that the insights gained from this program can be a valuable resource for policymakers, educators, and practitioners working to support the growth and sustainability of MSMEs.

Research Methods

The research method used in this community service program is based on a qualitative approach that focuses on empowerment, aiming to strengthen organizational culture, increase job satisfaction, and improve the performance of operational managers in MSMEs. Using a participatory action research (PAR) model, the program involved 25 operational managers from sectors such as food processing, retail, and small-scale manufacturing. The methodology was implemented in three phases: preparation, implementation and evaluation. In the preparation phase, participants were selected based on their operational influence and willingness to participate. A comprehensive needs assessment, involving interviews and observations, identified gaps in leadership, communication, and teamwork. These findings formed the basis for formulating clear objectives that guided the intervention, particularly leadership training and team-building strategies.

The implementation phase focused on interactive workshops, practical activities, and action learning projects that encouraged collaboration and application of new concepts in real work environments. Topics covered include defining organizational culture, improving leadership and communication, strengthening teamwork, and conflict management. Facilitators provide ongoing guidance and encourage reflective practice. The evaluation phase emphasizes qualitative insights through reflection sessions, in-depth interviews, follow-up observations, and participatory evaluation methods. These tools capture participants' experiences, organizational improvements, and personal growth, while identifying the sustainability and overall impact of the program.

Results and Discussion

These results are based on data collected through various qualitative methods, including in-depth interviews, group reflections, observations, and feedback sessions during and after the intervention.



Figure 1. Material Delivery

Organizational Culture and Leadership Development

One of the key outcomes of the program was a significant increase in participants' understanding of organizational culture. Prior to the program, many operational managers expressed limited awareness of the extent to which organizational culture affects business operations and team dynamics. Through the workshops and trainings, participants gained a deeper understanding of the importance of fostering a positive and supportive work culture.

In post-program interviews, some participants noted that they have begun to actively evaluate and reshape the culture in their organizations. For example, a participant from the food processing sector said, "I never realized how much our team's attitude towards each other affects our productivity. Now, I encourage open discussions and celebrate small successes." These changes suggest that the intervention was successful in introducing a new way of thinking about organizational culture, which was previously an underappreciated factor in the day-to-day operations of MSMEs.

In terms of leadership development, participants showed significant improvements in their leadership skills. Initially, many managers reported challenges in motivating teams and managing diverse personalities. Following the training, they

became more confident in their leadership roles. Feedback from participants highlighted that they now see themselves not just as managers, but as leaders who influence and guide their teams. A manager in the retail sector shared, "In the past, I focused only on tasks. Now, I pay more attention to how I communicate and interact with my team to motivate them."

Improved Communication and Teamwork

Another key finding was the improvement in communication and teamwork within the participating MSMEs. Prior to the intervention, many organizations experienced constraints in communication between operational managers and their teams. The inability to communicate effectively led to misunderstandings, delays, and conflicts in the workplace. Training on communication strategies, which included role simulations and case studies, helped participants identify their communication strengths and weaknesses.

Post-program evaluations showed that managers had implemented regular team meetings and feedback sessions, where they practiced communicating more openly and transparently. As a result, teams became more aligned in their goals and expectations, leading to improved cooperation and productivity. In a follow-up interview, a participant from the small-scale manufacturing sector mentioned, "We now have weekly meetings to discuss project progress, which was never done before. This has greatly improved the way we collaborate and solve problems quickly."

In terms of teamwork, participants reported significant changes in the way they approached team building. Through team-building exercises during the workshop, operational managers learned to build stronger interpersonal relationships and encourage collaboration among their staff. One participant reflected, "The team building exercise helped me understand how important it is to invest in relationships within the team. We are now much better at working together, solving problems, and supporting each other."

Conflict Resolution and Problem Solving

The program also made a significant impact on the way operational managers handle conflict resolution and problem solving in their organizations. Prior to the intervention, many participants admitted that they tended to avoid conflict or handle conflict reactively, which often led to unresolved tensions and dissatisfaction in the workplace. However, through conflict resolution training involving practical

exercises and role-playing, participants learned proactive strategies to handle conflict constructively.

Post-program interviews indicated that participants felt better equipped to manage conflict and use problem-solving techniques to address challenges in their operations. A participant from the retail sector explained, "In the past, we avoided difficult conversations, but now we use a structured approach to solve problems. This has improved the work environment, and people are more comfortable sharing concerns."



Figure 2. Discussion Room in Conflict Resolution

Job Satisfaction and Performance Improvement

Another significant outcome of the program was increased job satisfaction among operational managers. Most participants reported feeling more confident in their roles and more satisfied with their jobs. In the pre-program assessment, many participants expressed dissatisfaction with their leadership skills, communication with the team, and the overall organizational environment. Upon completion of the intervention, these concerns were addressed, and participants reported higher levels of job satisfaction.

In addition, there were significant improvements in performance indicators. Managers reported better operational efficiency, with fewer communication problems and better teamwork. Some participants stated that they are now able to manage their teams more effectively, leading to improved product quality, customer service, and overall operational efficiency.

One participant shared, "Since this program, we have been able to optimize operations more effectively. There are fewer misunderstandings, and everyone is clear about their roles. We can now deliver orders on time, and our customer satisfaction levels have improved." These observations show that the program not only empowered operational managers with new skills but also resulted in tangible improvements in business performance.

Sustainability of Change

The evaluation phase also aimed to assess the sustainability of the changes introduced during the program. Initial observations showed that improvements in organizational culture, communication, teamwork, and conflict resolution were maintained in the participating MSMEs. Operational managers reported that they have integrated the practices learned during the intervention into their daily routines. Managers' commitment to continuous improvement was evident in their plans to continue implementing the strategies and seeking further development opportunities for themselves and their teams.

As one manager concluded, "This program is just the beginning. We now have a clear roadmap for improving our work culture, and I am committed to continuing this work with my team."

Discussion

The results of this community service program demonstrate the critical role that empowering operational managers through targeted training can play in strengthening organizational culture, increasing job satisfaction, and improving overall performance in MSMEs. With a focus on leadership, communication, teamwork, and conflict resolution, the program successfully addressed some of the core challenges MSMEs face and fostered a culture of collaboration and continuous improvement. The positive results observed from both qualitative feedback and workplace dynamics confirm the importance of this kind of intervention for small businesses seeking sustainable growth and a positive organizational climate.



Figure 3. MSME products that participated

Conclusion

This community service program successfully demonstrated the transformative impact of strengthening organizational culture on the job satisfaction and performance of MSME operational managers. By focusing on key aspects such as leadership, communication, teamwork and conflict resolution, the intervention empowered managers to overhaul their organizational practices, leading to improved operational efficiency and team dynamics. The qualitative approach enabled a deeper understanding of the challenges faced by MSMEs, while the customized intervention provided managers with practical tools to address the issues. Positive feedback and significant improvements in job satisfaction and performance highlight the importance of this kind of empowerment initiative for the growth and sustainability of MSMEs. Furthermore, the success of this program suggests that similar interventions, designed to improve managerial skills and organizational culture, can have a lasting impact on the MSME sector as a whole.

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