

The Influence of Organizational Environment, Welfare and Entrepreneurship on Productivity of SMEs in Makassar City**Amiruddin Mise¹; Andi Pallawagau²; Asyari³**Nasional University, Jakarta – Indonesia¹²³Email: amiruddin_aman@yahoo.com , andipallawagau@civitas.unas.ac.id,
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Abstract

This research aims to determine the influence of the organizational environment, employee welfare and entrepreneurial orientation on productivity in MSMEs in Makassar City. The method used is quantitative descriptive research. The sampling technique was carried out randomly and proportionally to 100 MSMEs. Data collection techniques use observation, interviews, documentation and questionnaires. Test data analysis using multiple linear regression tests. Partial T test and F Model test and R Square coefficient of determination test. Based on the research results, it shows partially that the organizational environment influences work productivity, employee welfare influences work productivity, and entrepreneurial orientation influences work productivity, simultaneously influencing work productivity. The magnitude of the influence of the organizational environment, welfare and entrepreneurial orientation on work productivity is 70 %, while the remainder is contributed by other variables outside the independent variables used in this research.

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1. Introduction

Businesspeople cannot control the surrounding environment, but by understanding market orientation and entrepreneurial orientation, then creating strategies to achieve them, companies have moved in the right direction to improve their performance (Mustari et al., 2021). SMEs that seek to improve their company's performance need to pay attention to two things, namely entrepreneurial orientation and business strategy. Entrepreneurial orientation is a creative and innovative ability that is used as the basis, tips and resources for seeking opportunities for success. Meanwhile, business strategy is the company's way of winning the competition.

Small and Medium Enterprises (SMEs) in Indonesia have difficulty developing quality in the market because they face several internal problems, namely the low quality of human resources such as lack of skilled human resources, lack of entrepreneurial orientation, low mastery of technology and management, lack of information. There is intense competitive pressure which directly or indirectly affects the work productivity of SMEs. To increase the productivity of SMEs, two things need to be considered by the actors, namely market orientation and entrepreneurial orientation (Mustari et al., 2021). The digitization scheme is by utilizing a marketplace (intermediary) and using social media as a marketing technique. In addition, digital MSME actors must be able to synergize with netizens in marketing products and services (Auliya, et al; 2022).

The South Sulawesi Province Department of Cooperatives and MSMEs reports that Small and Medium Enterprises (MSMEs) have established 5 (five) main sectors, namely: industry in terms of processing; agriculture and trade and restaurants; mining; and buildings. MSMEs face 10 (ten) characteristics and challenges, namely: (1) Commercial participants always strive to survive; (2) low income; (3) lack of commercial legality; (4) unclear market location; (5) poor entrepreneurial skills; (6) low competitiveness; (7) low productivity; (8) Basic commodity packaging; (9) Halal certification; (10) SNI certification.

The success of small and medium-sized businesses in Makassar City can be seen as a source of income for the majority of the country's population. However, there are various problems faced by MSME players. Some MSME traders are reluctant or unwilling to fully increase their profits so they cannot meet their living and company needs properly. Business income is very necessary for entrepreneurship, but business actors must be willing to consolidate their respective business income to support the success of MSMEs.

Work productivity is not a result that is created by itself but must be sought by employees involved in organizational programs so that they can know what the organization needs from the work they have done and are willing to complete it (Manoppo 2021). According to Aziz et al., (2022) work productivity is an effort to increase maximum results in an effective manner but still maintain high quality. This will not be achieved without paying attention to workers, such as their income, education and training, self-development, health, and work discipline.

Meanwhile, according to Busro (2018), productivity is the comparison between output (results) and input (input). If productivity increases, this will have an impact on efficiency (time, materials and energy), as well as improvements to work systems, production techniques and increased workforce skills.

Previous research by Lydia Puspitasari (2020), Edwin Faisal (2020), Kurnia Putri (2021) explained that the organizational environment influences productivity. Reksohadiprojo and Gitosudarmo (2015), stated that the work environment or organizational environment is the condition or condition of the workplace that needs to be regulated so that it does not interfere with the work of employees and so that productivity increases and production costs are reduced each year.

According to Sihaloho and Siregar (2019), the work environment includes all the things or elements around the employee while working, both physical and non-physical, directly or indirectly, which can affect him or his work while working.

The work environment is the facilities around employees that can influence their job satisfaction in carrying out their duties, resulting in maximum performance. In a work environment that is equipped with supporting facilities, employees can complete the assigned tasks more effectively, which in turn can improve their performance in the company. (Enny, 2019).

According to Sedarmayanti (2017), work environment indicators:

- a. Physical Work Environment Indicators include cleanliness, facilities, room size, room design, security, lighting and air circulation.
- b. Non-physical work environment indicators include relationships with superiors, relationships with colleagues, work structure and responsibilities, teamwork, work life balance, awards or rewards.

Research by Edwin Faisal, (2020), Nurul Islam (2024) and Syifa Abdillah (2024) explains the results of their research that the welfare of employees has an influence on productivity. The welfare provided plays a big role in meeting the physical and mental needs of employees and their families, and influences job satisfaction, dedication, discipline and employee loyalty to the company. Employee welfare is a form of reward, both material and non-material, provided based on company policy. A fair and appropriate level of welfare can motivate employees to improve their performance, with the aim of maintaining and improving the physical and mental condition of employees so that their work performance increases. (Subardjono, 2017).

Based on the explanation of employee welfare theory above, the following aspects Relevant employee welfare aspects are as follows:

- a. Security, which includes a sense of security in the workplace, insurance coverage, and business health services.
- b. Fun means giving everyone time to relax, take time off, and other things.
- c. Welfare, including providing fair wages to workers, providing allowances or canteens for employees, and providing work uniforms to employees.

Well-being is influenced by many characteristics, including family income, responsibilities, age, savings, debt burden, and where you live. One of the findings of this research shows that wages and income have a significant and beneficial influence on the level of employee welfare.

Every company or organization must try to maintain its human resources. The company will foster and develop employees' careers, so that they can become a disciplined and productive workforce. Thus, employee work productivity will increase, which contributes to achieving company goals. To maintain employees who have high discipline and increase their productivity, companies can provide welfare in the form of certain programs, known as employee welfare programs. (Pratiwi et al., 2019). Likewise, the results of Li Nuh's research

at Sanglah Hospital, Bali, show that the welfare of nurses influences employee productivity in serving patients.

Human resources are something that is really needed to increase productivity. In general, productivity means the comparison between the results achieved (output) and the overall resources used (input) (Indrayani, 2017). To achieve productivity targets, training is needed first to increase the productivity of human resources.

Entrepreneurship training is currently very much needed by Micro, Small and Medium Enterprises. Entrepreneurship training is a process of helping training participants acquire entrepreneurial skills so that they can achieve effectiveness in carrying out certain tasks, especially in entrepreneurship, through developing thought processes, attitudes, knowledge, skills and abilities (Azizah et al., 2019).

Training on entrepreneurship aims to provide learning space and increase capacity, especially in the field of entrepreneurship, with a variety of adequate materials, including growing business ideas, solving problems in starting a business, increasing motivation and self-confidence in starting a business (Ubaidillah et al., 2021). Therefore, entrepreneurial knowledge and skills are really needed by MSMEs in carrying out entrepreneurial activities. Research explains that entrepreneurial motivation influences MSME productivity. (Ubadillah 2021).

Endang Widiastuti's research (2016) illustrates that entrepreneurial orientation has a positive effect on the productivity performance of MSMEs. Likewise, Lestingsih and Widodo (2022) provide an explanation of the influence of entrepreneurship on productivity.

Formulation of Research Problems

- a. How does the organizational environment influence the productivity of MSMEs in Makassar City.
- b. How does employee welfare affect the productivity of MSMEs in Makasar City.
- c. How does entrepreneurial orientation influence the productivity of MSMEs in Makasar City.

2. Research Methodology

This research uses a quantitative approach with multiple regression analysis. This research was conducted on SMEs in Makasar City. Sampling was carried out randomly and proportionally to a population of 160 SMEs. The sample taken in this research was 100 UKM owners. The data collection technique used in this research was by observing or observing accompanied by recording the condition or behavior of the target object, namely the UKM owner. The observation technique used by researchers is direct observation and giving questionnaires.

Hypothesis Testing

Testing of research instruments uses validity tests and reliability tests using the help of the Statistical Package of Social Science (SPSS) 20.0 program as follows.

1) Validity test

Validity testing is testing research instruments as a degree of accuracy of research measuring instruments regarding the essence or true meaning of what is being measured. The minimum

requirement for data to meet validity is if the correlation between the items and the total score is positive and the value is greater than 0.3.

The validity test is used to measure whether a questionnaire is valid or not. The significance test is carried out by comparing the calculated r value with the table r value for degree of freedom (df) = $n-k$, in this case n is the number of samples and k is the number of constructs. If the calculated r (for r for each data item seen in the Corrected Item-Total Correlation column) is greater than the r table and the r value is positive, then the item or question is declared valid.

Normality Test

The normality test aims to test whether data is normally distributed or not. Determining whether the data distribution is normal or not can be tested using Kolmogorov-Smirnov statistics. The test results show that the Asymp. Sig. 0.074. Because of the value of Asymp. Sig. greater than alpha 5 percent, it can be stated that the test model has met the requirements for data normality.

3. Results and Discussion

Linear regression test results.

Regression analysis is used to find out how the independent variable affects the dependent variable. If X is the independent variable and Y is the dependent variable, then there is a relationship between variables X and Y , where variations in The multiple regression

Model		Standardized Coefficients	T	Sig.
		Beta		
1	(Constant)		6.135	.010
	Organizational environment	.452	3.140	.000
	Welfare	.271	2.982	.005
	Entrepreneurial	.200	2.607	.002

a. Dependent Variable: Productivity

The multiple regression equation above can be used as a reference for interpretation as follows:

- The organizational environment variable (X_1) has a positive regression coefficient, which indicates that every increase in the organizational environment by 1 unit will increase productivity by 0.452, assuming other variables do not change.
- The Welfare variable (X_2) also has a positive regression coefficient, which means that every increase in Welfare by 1 unit will increase Productivity by 0.271, assuming other variables do not change.
- The entrepreneurial orientation variable (X_3) shows a positive regression coefficient, which indicates that every increase in Entrepreneurship by 1 unit will increase Productivity by 0.200, assuming that other variables do not change.

The t test was carried out to show how much influence an independent variable individually has in explaining variations in the dependent variable (Ghozali, 2022: 85). The statistical hypothesis of this test is: If t count $>$ t table or sig value $<$ 0.05, it means H_0 is rejected,

Ha is accepted, meaning there is an influence between the exogenous variable and the endogenous variable. If $t_{count} < t_{table}$ or $sig\ value < 0.05$, it means H_0 is accepted, it means H_a is rejected, meaning there is no influence between exogenous variables on endogenous variables.

The results of the t-count hypothesis test show 3.140 or $>$ from t table 1.679, which means that the organizational environment partially influences the productivity of MSMEs in Makassar City. The greater the value in the organizational environment, the higher the productivity.

The results of the t-count hypothesis test show 2.982 or $>$ from the t table 1.679, which means that partially employee welfare influences the productivity of MSMEs in Makassar City. The greater the welfare value, the higher the productivity.

The results of the t-count hypothesis test show 2.607 or $>$ from the t table 1.679, which means that partially entrepreneurial influences the productivity of MSMEs in Makassar City. The greater the entrepreneurial value, the higher the productivity
Simultaneous R (Square) test.

The Multiple Determination Coefficient (R Square or R^2) is used to measure the contribution of the independent variables (organizational environment, welfare, entrepreneurship) studied to the dependent variable (productivity). The coefficient of multiple determination (R^2) is between 0 and 1 or $0 < R^2 < 1$. The results of Multiple Determination Coefficient:

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.810 ^a	.703	.682	2.29814
a. Predictors: (Constant), entrepreneurship, organizational environment, welfare				

The results of the R^2 determination test can be seen in the table above, showing that the Adjusted R^2 value shown in the table above is 0.703, meaning that the variables of the organizational environment, employee welfare and entrepreneurship are able to explain 70.3% of the variation in the productivity variable. the remaining 29.7% are other variables not studied.

Model F Test

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1323.980	3	441.327	26.561	.000 ^b
	Residual	507.020	96	5.281		
	Total	1831.000	99			
a. Dependent Variable: Productivity						
b. Predictors: (Constant), entrepreneurship, organizational environment, welfare						

The Work Environment has a positive and significant influence on work productivity. This shows that the Work Environment indicator has the highest value. This indicator includes the physical condition of the work space, supporting work infrastructure, relationships between employees, and work atmosphere. Comfortable physical conditions of

the work space, such as adequate lighting, low noise levels, and good air circulation, are important factors in creating comfort for employees while working. Apart from that, adequate work infrastructure, such as the availability of work equipment, supporting technology, and access to needed resources, also contributes to increasing efficiency and smooth running of tasks. Apart from physical factors, relationships between employees also have an important role in the work environment. Harmonious.

Employee Welfare has a positive and significant influence on Productivity. This shows that the Welfare indicator has the highest value. This indicator includes economic welfare, facility welfare, and service welfare. Employee welfare plays an important role in increasing motivation, performance and loyalty to the company.

Employees who feel prosperous tend to be more motivated. Employee welfare also has a significant impact on organizational performance and productivity. When employees feel appreciated and supported by the company, they will be more enthusiastic in carrying out their duties, have high loyalty, and contribute more to achieving company goals. The better the level of welfare provided by the company, the higher the contribution of employees in improving their performance.

The welfare of employees in a company or organization is very important to achieve company goals. The welfare provided plays a big role in meeting the physical and mental needs of employees and their families, and influences job satisfaction, dedication, discipline and employee loyalty to the company. Employee welfare is a form of reward, both material and non-material, provided based on company policy.

Entrepreneurship has a positive and significant influence on Productivity. This shows that the entrepreneurial indicator has the highest value. This indicator includes behavior, cultural,, facility of marketing, and service to customer. entrepreneurship plays an important role in increasing motivation, performance and bussiness loyalty.

4. Conclusion

Entrepreneurship has a big role in fulfilling business behavior and business mentality as well as sensitivity to reading opportunities and marketing strategies, as well as influencing employee productivity.

Entrepreneurship is a philosophy based on a view of life as business values which are the characteristics, habits and driving force for doing business and doing business, in the life of a community group or organization is then reflected in attitudes become behavior, beliefs, ideals, opinions and actions that manifest as "work" or "work". So entrepreneurship contains something that can be done or should not be done so it can be said to be a guideline. Implementing a work culture has a very deep meaning, because it will changing the attitudes and behavior of human resources to achieve work productivity higher level in facing future challenges.

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