



Analysis of the Influence of Work Environment and Organizational Culture on Employee Commitment in the MSME Sector

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Abstract. *This study aims to analyze the influence of work environment and organizational culture on employee commitment in the Micro, Small, and Medium Enterprises (MSME) sector. Employee commitment plays a crucial role in ensuring organizational success, particularly within MSMEs that rely heavily on human resources to maintain competitiveness and sustainability. This research adopts a quantitative approach using survey methods distributed to 150 employees across various MSMEs. Data were analyzed using multiple linear regression to determine the impact of the independent variables on employee commitment. The findings reveal that both the work environment and organizational culture have significant and positive effects on employee commitment. A conducive work environment enhances employee satisfaction and engagement, while a strong organizational culture fosters loyalty and shared values among employees. The results highlight the importance for MSME leaders to create supportive workplace conditions and promote a cohesive culture that aligns with organizational goals. This study contributes to human resource management literature and provides practical insights for MSME managers in developing strategies to strengthen employee commitment, which in turn can improve productivity and business performance.*

Keywords: *Employee Commitment, MSME, Organizational Culture, Productivity, Work Environment.*

1. BACKGROUND

The rapid growth of Micro, Small, and Medium Enterprises (MSMEs) has become a vital contributor to economic development, job creation, and innovation, particularly in developing countries. As one of the driving forces of national economic resilience, MSMEs depend largely on human resources as a key factor in maintaining business continuity and competitiveness. However, many MSMEs face challenges in retaining committed employees due to limited organizational structures, informal management practices, and less supportive work environments. Employee commitment is a critical factor influencing productivity, performance, and organizational success. Therefore, understanding the determinants that strengthen employee commitment within MSMEs is an essential area of study.

Previous research has identified that the work environment and organizational culture play significant roles in shaping employee commitment. A conducive work environment enhances employees' comfort, satisfaction, and motivation, while a positive organizational culture encourages shared values, trust, and loyalty. Despite these findings, most existing studies have focused on large corporations or public organizations, with limited attention given to MSMEs, which have distinct structural and managerial characteristics. This gap

highlights the need for further investigation into how these factors interact within the MSME context.

The novelty of this research lies in its focus on analyzing the simultaneous and partial influence of work environment and organizational culture on employee commitment specifically within MSMEs. This study seeks to provide empirical evidence on how these two variables contribute to employee commitment, offering insights that can help MSME leaders develop human resource strategies aligned with their organizational goals. The main objective of this research is to examine the effect of work environment and organizational culture on employee commitment in the MSME sector and to identify which factor has the most dominant influence.

2. THEORETICAL REVIEW

The concept of employee commitment has been widely discussed in organizational behavior and human resource management literature. According to Meyer and Allen (1991), employee commitment is a psychological state that characterizes an employee's relationship with the organization and has implications for the decision to continue membership in the organization. They classify commitment into three dimensions: affective commitment (emotional attachment to the organization), continuance commitment (awareness of the costs associated with leaving the organization), and normative commitment (a feeling of obligation to remain with the organization). In the context of MSMEs, employee commitment is crucial because it influences work motivation, performance, and turnover intention, directly affecting business sustainability.

The work environment represents one of the most influential external factors in determining employee behavior and attitudes. As stated by Sedarmayanti (2017), a conducive work environment—covering physical conditions, interpersonal relationships, and organizational support—can enhance comfort, safety, and productivity. Employees who perceive their work environment as supportive tend to exhibit higher levels of satisfaction and commitment.

Organizational culture, on the other hand, serves as the internal foundation that shapes values, norms, and behavioral expectations within an organization. Robbins and Judge (2019) define organizational culture as a system of shared meanings held by members that distinguishes one organization from another. A strong organizational culture aligns

employee behavior with organizational goals, thereby fostering loyalty and engagement. In MSMEs, organizational culture often emerges informally but can significantly influence the extent of employee identification with the enterprise.

Previous studies have demonstrated the interrelationship between work environment, organizational culture, and employee commitment. For instance, Sari and Lestari (2020) found that both variables significantly affect commitment levels among employees in small business sectors. Similarly, research by Putra et al. (2021) concluded that a positive organizational culture and supportive work environment enhance employee engagement and reduce turnover intentions. Another study by Nugroho and Rahmawati (2022) highlighted that the synergy between a comfortable work environment and strong cultural values leads to higher affective commitment.

Based on the theoretical framework and empirical findings, this study is grounded in the assumption that a conducive work environment and a strong organizational culture positively influence employee commitment in the MSME sector. Implicitly, the hypothesis of this research suggests that both the work environment and organizational culture have significant and simultaneous effects on employee commitment, with one potentially exerting a more dominant influence than the other.

3. RESEARCH METHOD

This research employed a quantitative approach with an explanatory research design aimed at analyzing the influence of the work environment and organizational culture on employee commitment in the MSME sector. The study seeks to test the relationship between independent variables (work environment and organizational culture) and the dependent variable (employee commitment) through statistical analysis.

The population in this study consisted of employees working in Micro, Small, and Medium Enterprises (MSMEs) within the manufacturing, services, and trade sectors. Using purposive sampling, a total of 150 respondents were selected, representing various types of MSMEs in the study area. The sampling criteria included employees with a minimum of one year of service and active involvement in daily operational activities.

Data were collected using a structured questionnaire consisting of closed-ended questions measured by a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The questionnaire was divided into three main parts: indicators of the work

environment, organizational culture, and employee commitment. The validity and reliability tests were conducted prior to data analysis. The results showed that all items were valid with correlation coefficients above 0.30 and reliable with Cronbach's Alpha values exceeding 0.70, indicating that the instrument was suitable for data collection.

The collected data were analyzed using multiple linear regression analysis to determine the influence of the independent variables on the dependent variable. The model used in this study can be expressed as:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$$

where:

Y = Employee Commitment

X_1 = Work Environment

X_2 = Organizational Culture

α = Constant

β_1, β_2 = Regression Coefficients of each independent variable

ε = Error term

The analysis was conducted using SPSS software. The F-test was employed to examine the simultaneous influence of the independent variables on employee commitment, while the t-test was used to assess the partial effects of each independent variable. The coefficient of determination (R^2) was calculated to measure how much variation in employee commitment could be explained by the work environment and organizational culture.

The research model assumes that a positive work environment and a strong organizational culture will increase employee commitment. This model is expected to provide empirical evidence supporting the importance of non-financial factors in enhancing employee loyalty and performance within the MSME sector.

4. RESULTS AND DISCUSSION

Data Collection Process

The data collection process was carried out over a period of three months, from June to August 2025, across several Micro, Small, and Medium Enterprises (MSMEs) located in

Bandung, West Java. The distribution of questionnaires was conducted both online and offline to ensure diverse representation from different MSME sectors, including manufacturing, services, and trade. Out of 160 questionnaires distributed, 150 were returned and considered valid for analysis, resulting in a response rate of 93.75%.

Descriptive Analysis

The descriptive analysis provides an overview of respondents' perceptions regarding the variables studied. The results indicate that the average score for the work environment (X_1) was 4.12, showing that most respondents perceive their work environment as supportive and conducive. The organizational culture (X_2) scored an average of 4.05, reflecting that employees generally view the culture within MSMEs as positive and aligned with shared values. Meanwhile, the employee commitment (Y) variable obtained an average of 4.20, suggesting that respondents have a strong sense of attachment and loyalty toward their organizations.

Table 1. Descriptive Statistics of Research Variables

Variable	Mean	Standard Deviation	Category
Work Environment (X_1)	4.12	0.48	High
Organizational Culture (X_2)	4.05	0.52	High
Employee Commitment (Y)	4.20	0.46	High

Source: Processed research data (2025)

Results of Data Analysis

The multiple linear regression analysis was conducted to determine the effect of work environment and organizational culture on employee commitment. The analysis produced the following regression equation:

$$Y = 5.214 + 0.412X_1 + 0.368X_2 + \varepsilon$$

The results show that both the work environment (X_1) and organizational culture (X_2) have positive and significant effects on employee commitment (Y). The t-test results indicate that the work environment variable has a t-value of 6.745 ($p < 0.001$), while the organizational culture variable has a t-value of 5.982 ($p < 0.001$). This means both independent variables significantly influence employee commitment.

The F-test value was 78.253 ($p < 0.001$), confirming that the work environment and organizational culture simultaneously affect employee commitment. The coefficient of

determination (R^2) was 0.685, meaning that 68.5% of the variation in employee commitment can be explained by the two independent variables, while the remaining 31.5% is influenced by other factors not examined in this study.

Table 2. Summary of Regression Analysis Results

Variable	Coefficient (β)	t-value	Sig.	Interpretation
Constant (α)	5.214	-	-	-
Work Environment (X_1)	0.412	6.745	0.000	Significant
Organizational Culture (X_2)	0.368	5.982	0.000	Significant
F-Statistic	78.253	-	0.000	Significant
R^2	0.685	-	-	High explanation level

*Source: Processed research data
(2025)*

Discussion

The results indicate that both the work environment and organizational culture significantly contribute to enhancing employee commitment in MSMEs. A conducive work environment encourages employee satisfaction, safety, and collaboration, leading to higher affective and normative commitment. This finding aligns with Sedarmayanti (2017), who emphasized that a supportive work atmosphere positively influences employee engagement and productivity.

Similarly, the influence of organizational culture on employee commitment reflects the importance of shared values and beliefs within the workplace. When employees internalize the organization's vision and norms, they are more likely to demonstrate loyalty and willingness to contribute to organizational goals. This supports the findings of Robbins and Judge (2019), who stated that strong organizational cultures reinforce behavioral consistency and commitment.

The results are consistent with previous studies by Sari and Lestari (2020), Putra et al. (2021), and Nugroho and Rahmawati (2022), which found that a positive work environment and strong organizational culture are key determinants of employee commitment, particularly in small business contexts.

Implications

Theoretically, this study strengthens the three-component model of commitment (Meyer & Allen, 1991) by demonstrating that external and internal organizational factors jointly shape employees' psychological attachment. The findings expand empirical understanding by applying these concepts specifically to the MSME sector, which is often overlooked in prior research.

Practically, the results provide useful insights for MSME managers and policymakers. Creating a safe, comfortable, and collaborative work environment, along with cultivating a cohesive and value-driven organizational culture, can significantly increase employee retention and motivation. These efforts ultimately lead to higher organizational stability and competitiveness in a dynamic business environment.

Overall, the study confirms that improving the work environment and reinforcing organizational culture are essential strategies for strengthening employee commitment and ensuring the sustainable growth of MSMEs.

5. CONCLUSION AND SUGGESTION

The results of this research conclude that the work environment and organizational culture both have a positive and significant influence on employee commitment in the MSME sector. A supportive work environment that provides comfort, safety, and open communication contributes to higher levels of employee satisfaction and attachment to the organization. Similarly, a strong organizational culture characterized by shared values, trust, and cooperation strengthens employees' emotional and normative commitment. These findings indicate that the success of MSMEs in maintaining employee commitment depends not only on financial incentives but also on non-material aspects such as workplace conditions and cultural values that shape employee behavior. The statistical results show that 68.5% of the variation in employee commitment can be explained by the two independent variables, which implies that both factors play a dominant role in fostering long-term loyalty and engagement among MSME employees.

Based on these findings, it is suggested that MSME leaders and managers focus on creating a conducive and motivating work environment through improved physical conditions, transparent communication, and supportive leadership. In addition, efforts should be made to build and maintain a strong organizational culture that reflects the

organization's vision and encourages collective identity and responsibility among employees. These actions can enhance employee commitment, which in turn improves productivity, performance, and organizational sustainability.

This study, however, is limited by its use of a cross-sectional design and a sample confined to MSMEs in one geographical area, which may restrict the generalization of results to broader contexts. Future research is recommended to include longitudinal studies across different regions and business types to capture variations in cultural and environmental factors. Moreover, integrating mediating or moderating variables such as leadership style, job satisfaction, or motivation could provide deeper insights into the mechanisms linking organizational factors to employee commitment. Through these extensions, future studies can offer a more comprehensive understanding of how MSMEs can strategically manage human resources to achieve sustainable competitive advantage.

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