



(Research) Article

Development of a Human Resource Readiness Framework Model Based on Innovative Leadership on Organizational Culture on The Performance of MSMEs Mediating Role Work Motivation

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Abstract: Balikpapan City, as one of the economic centers in East Kalimantan, plays an important role in the development of Micro, Small, and Medium Enterprises (MSMEs). The Goetji, as one of the MSMEs engaged in the beverage industry, faces significant challenges and opportunities in improving its performance and competitiveness. This study aims to analyze the influence of employee work motivation, corporate culture, and corporate atmosphere on business production and economic growth in Balikpapan City. The research method used is a quantitative approach with statistical analysis to measure the relationship between the variables studied. Data was collected through a survey involving The Goetji employees and analyzed using regression analysis to identify the significance of each factor's influence. The results show that employee motivation has a significant effect on the development of The Goetji SMEs, with a significance value of 0.000, indicating a strong relationship. In addition, a positive corporate culture and a supportive corporate atmosphere also contribute to increased productivity and product quality. This positive impact is not only seen in The Goetji's internal performance but also contributes to local economic growth by creating jobs and increasing regional income. This study concludes that strengthening work motivation and a positive corporate culture are key to improving the performance of MSMEs, which in turn contributes to the economic growth of Balikpapan City. Recommendations are provided to continue developing strategies that support these two aspects in order to achieve greater sustainability and growth

Keywords: Corporate Atmosphere; Corporate Culture; MSME Performance; Productivity; Work Motivation

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1. Introduction

In an era of technological disruption and increasingly fierce global competition, MSMEs face complex challenges to maintain their existence and increase their competitiveness. MSMEs serve an essential part in the Indonesian economy, accounting for more than 60% of GDP and employing about 97% of the labor force. Recent data shows that MSMEs contribute Rp9,580 trillion to Indonesia's GDP. However, this significant contribution is often hampered by limited resources, suboptimal innovation, and slow adaptation to market changes. Therefore, improving MSME performance is a crucial agenda for national economic development. One key to improving MSME performance is developing competent and adaptive Human Resources (HR). Effective HR development requires a holistic approach that considers various factors, including the use of digital technology (Zein et al., 2025), the development of innovative leadership (Munir et al., 2025), (Gunawan et al., 2024), and the

establishment of an organizational culture that supports performance. Digitalization offers opportunities for MSMEs to improve operational efficiency, expand market reach (Harianto, 2025), and enhance the quality of products and services. Machine learning and data analytics enable MSMEs to understand customer behavior, market trends, and their business performance. Innovative leadership plays a crucial role in encouraging creativity, measured risk-taking, and the implementation of new ideas that can enhance MSME competitiveness (Anggraini & Kstyanto, 2021). At this point, a solid and beneficial corporate atmosphere can produce an inviting place to work (Agustisn, 2020), increase employee motivation (Kho & Sri, 2023), and strengthen commitment to organizational goals.

In this context, Fore Coffee, as an MSME operating in the culinary sector, is an interesting research object. Fore Coffee has successfully combined the cafe concept with digital technology, offering online ordering services and a unique customer experience. Their success in leveraging digitalization and innovation in leadership demonstrates the potential for a positive impact on MSME performance in this sector. This study aims to explore how digitalization, innovative leadership, and organizational culture at Fore Coffee can improve business performance through the mediation of employee work motivation.

Employee work motivation is a crucial mediating factor linking digitalization, innovative leadership, and organizational culture to MSME performance (Kusuma & Munawaroh, 2025). Inspired individuals are more likely to be productive, imaginative, and dedicated to their jobs. Work motivation can be influenced by a variety of variables such as fair salary, acknowledgment for accomplishment, professional growth possibilities, and an enjoyable place to work. Therefore, it is important to understand how digitalization, innovative leadership, and organizational culture can influence Fore Coffee's employee work motivation and ultimately improve MSME performance. This research aims to develop a human resource readiness framework model based on digitalization, innovative leadership, and organizational culture that can improve MSME performance, using Fore Coffee as a case study. This model is expected to provide practical guidance for MSMEs, policymakers, and academics in efforts to increase MSME competitiveness in the digital era.

2. Preliminaries or Related Work or Literature Review

This section must contain a state-of-the-art explanation. It can be explained in several ways. First, you can discuss several related papers, both about objects, methods, and their results. From there, you can explain and emphasize gaps or differences between your research and previous research. The second way is to combine theory with related literature and explain each theory in one sub-chapter.

2.1. MSME Performance in the Digital Era

Micro, Small, and Medium Enterprises (MSMEs) play a vital role in the Indonesian economy (Indah et al., 2025). However, MSMEs often face challenges in improving their competitiveness and performance, especially in the digital era. Digitalization offers opportunities for MSMEs to improve operational efficiency, expand market reach, and enhance product and service quality. Research shows that adopting digital technology can increase productivity, profitability, and sustainability of MSME businesses.

2.2 Innovative Leadership in MSMEs

Innovative leadership plays a crucial role in fostering creativity, measured risk-taking, and the implementation of new ideas that can enhance the competitiveness of MSMEs (Erylasari, 2025). Innovative leaders are able to create a clear vision, inspire employees, and facilitate collaboration to achieve organizational goals (Kurniawan & Veri, 2024). In the context of digitalization, innovative leadership is crucial to help MSMEs adapt to technological changes and capitalize on new opportunities.

2.3 Organizational Culture and Employee Performance

A powerful and pleasant workplace culture may foster a favorable job atmosphere, enhance employee motivation, and strengthen dedication to corporate objectives (Sentanu et al., 2023), (Ismartaya et al., 2024). An organizational culture that supports innovation, collaboration, and accountability can improve employee performance and the competitiveness of MSMEs. MSME business owners need to recognize the importance of a strong organizational culture and play a key role in building a culture that supports superior employee performance.

2.4 Work Motivation as a Mediator of MSME Performance

Employee work motivation is a crucial mediating factor in linking digitalization, innovative leadership, and organizational culture with MSME performance (Mufidah, 2019). Passionate individuals are inclined to be efficient, imaginative, and dedicated to their jobs. Work motivation can be influenced by a variety of variables, like fair salary, success praise, career advancement chances, and an encouraging work setting. Study evidence indicates that work motivation has a good and considerable effects on the profitability of gourmet smaller businesses.

2.5 Conceptual Framework

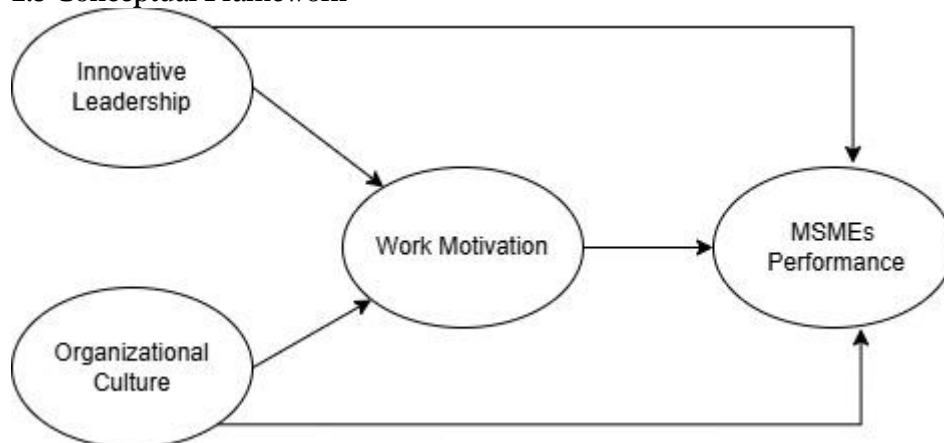


Figure 1. Conceptual Framework

In an era of technological disruption and increasingly fierce global competition, Micro, Small, and Medium Enterprises (MSMEs) face the challenge of maintaining their existence and increasing their competitiveness. MSMEs, particularly in the culinary sector, have significant potential to contribute to the national economy, but often struggle to optimize their performance. Digitalization, innovative leadership, and a strong organizational culture are crucial factors in improving MSME performance. This study aims to explore the relationship between these three elements and how employee work motivation can act as a mediator in the context of Teh Goetji.

H1: Innovative Leadership improves MSMEs Performance.

H2: Organizational Culture change improves Business profitability.

H3: Workers Motivation for work mediates the impact of Innovative Leadership on MSME Performance.

H4: Employee work motivation mediates the impact of Organizational Culture on MSME Performance.

3. Method

The present research takes an analytical approach, with the goal of quantitatively measuring and analyzing the connection among parameters. This strategy enables academics to obtain numerical data that can be properly assessed, allowing the study's findings to be applied to more people. Regression as well as correlation analyses were employed in the study. The purpose of the current research is to look at how digitalization, innovative leadership, and organizational culture affect MSMEs' productivity, with employer motivation serving as a mediator factor. The population in this study were all employees and management of Fore Coffee in Balikpapan. This population was chosen because Fore Coffee is an example of an MSME that has successfully integrated digitalization into its operations. The sample was taken using a purposive sampling technique, where employees who have experience and knowledge related to digitalization, leadership, organizational culture, and work motivation will be the respondents. Data will be collected through questionnaires, a questionnaire on digitalization, innovative leadership, and organizational culture using a Likert scale of 1-5 (strongly disagree to strongly agree), a questionnaire on employee work motivation, and a questionnaire on MSME performance. The collected data will be analyzed using SPSS software. Before beginning the regression analysis, validity and reliability tests will be performed to confirm sure the tool being used properly measures the variables. Multiple regression tests will be run to

determine the impact of digitalization, innovative leadership, and organizational culture on MSME performance, with work motivation serving as a mediating variable.

3.1 Multiple Linear Regression

Multiple linear regression is a statistical technique that employs a single variable that is dependent and many independent variables. The multiple linear regression analysis approach is utilized to assess the impact of each independent variable on the dependent variable and determine which variable has the greatest influence. Sembiring (2003) defines a multiple linear regression model with a dependent variable (Y) as a function of k distinct variables (X_1, X_2, \dots, X_k) as multiple regression formula: $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_k X_k + \varepsilon$ (1)

Y : Dependent variable

β_j : Regression coefficient on variable X_j , ($j = 1, 2, \dots, k$)

X_j : Independent variable, ($j = 1, 2, \dots, k$)

ε : Error

3.2 Partial Test

Partial tests are used in research data processing to assess how much influence the independent variables have on the dependent variable in explaining variation. The estimated t -value is used to form conclusions. If the estimated t -value is less than the t -table or the p -value is $> \alpha$, then H_0 is not rejected, indicating no significant impact on the dependent variable, and vice versa. (Ghozali, 2011:98). Hypotheses in a partial test can be expressed as follows:

H_0 : $\beta_j = 0$ for $j = 0, 1, 2, \dots, k$. (The j th independent variable has no meaningful effect on the dependent variable).

H_1 : $\beta_j \neq 0$ for $j = 0, 1, 2, \dots, k$ (i -th independent variable significantly affects the dependent variable)

3.3. Coefficient of Determination

The coefficient of determination is used in research data processing to assess the capacity of the X independent variable in the model to predict variation in the dependent variable (Y). The coefficient of determination is typically indicated by R^2 . This suggests that the independent variable can explain R^2 of the variance in the dependent variable, while the rest is explained by other factors outside the model that influence the dependent variable. (Kurniawan & Yuniarto, 2016). The following is the formula for finding R^2 : (Sinambela et al., 2014)

$$R^2 = \frac{b_1 \sum X_1 Y + b_2 \sum X_2 Y + \dots + b_k \sum X_k Y}{\sum Y^2} \quad (3)$$

where,

R^2 : coefficient of determination

X_j : k th independent variable

Y : dependent variable

Algorithm 1. Algorithm Title

INPUT: xxx, yyy

OUTPUT: zzz

1: Step 1

2: Step 2

3: Step 3

4: Step n

3.4. Classical Assumption Test

3.4.1. Normality Test

A normality test is used in research data processing to see if the residual values from the standardized regression model are normally distributed. The normalcy test is critical for assuring the accuracy of the hypothesis test results. The Kolmogorov-Smirnov method is used to assess normalcy. In a normalcy test, the hypothesis is phrased as follows (Cruz, 2013):

H0: The data is normally distributed.

H1: The data are not regularly distributed.

3.4.2. Heteroscedasticity Test

A heteroscedasticity test is performed in research data processing to determine deviations from the classical assumptions and to determine whether the residual variances surrounding the regression model are not equal for all variable values. If the residual variance is constant, the residuals are homogeneous or homoscedastic (Marita, 2015). The heteroscedasticity test used is the Bamset test. The hypotheses used in the Bamset test are as follows:

H0: The premise that the remaining range is homogeneous has not been met (heteroscedasticity occurs).

H1: The presumption of equality of residual variation is met (heteroscedasticity does not occur).

Multicollinearity Test

A test for multicollinearity is performed when there is a significant or perfect correlation between variables in a regression model (Arum & Anie, 2012). To determine multicollinearity in a regression model, researchers might examine the variance inflation factor (VIF) and allowance values. The VIF formula is as follows:

$$1 \text{ VIF} = \text{Tolerance} \quad (6)$$

The tolerance value assesses the variability of selected independent variables that cannot be explained by other factors. If the tolerance is low, the VIF value will be large ($\text{VIF} = 1/\text{tolerance}$), suggesting a high degree of collinearity. Multicollinearity can develop when the tolerance value is less than 0.1 and the VIF value exceeds 10 (Primadasa & Muharam, 2015). Following the regression analysis, hypothesis testing will be performed to establish the value of the relationship between the researched variables. The p-value is used to determine significance, with a threshold of $\alpha = 0.05$. The study's technique is expected to improve understanding of the link between digitization, innovative leadership, organizational culture, work motivation, and MSME performance at Fore Coffee. The findings of the investigation are expected to provide practical recommendations for boosting MSME productivity in modern times.

4. Results and Discussion

This section will present the results of research and analysis on the development of a human resource readiness framework model based on innovative leadership and organizational culture, as well as its impact on the performance of MSMEs with work motivation as a mediating variable.

4.1. Result

Normality Test

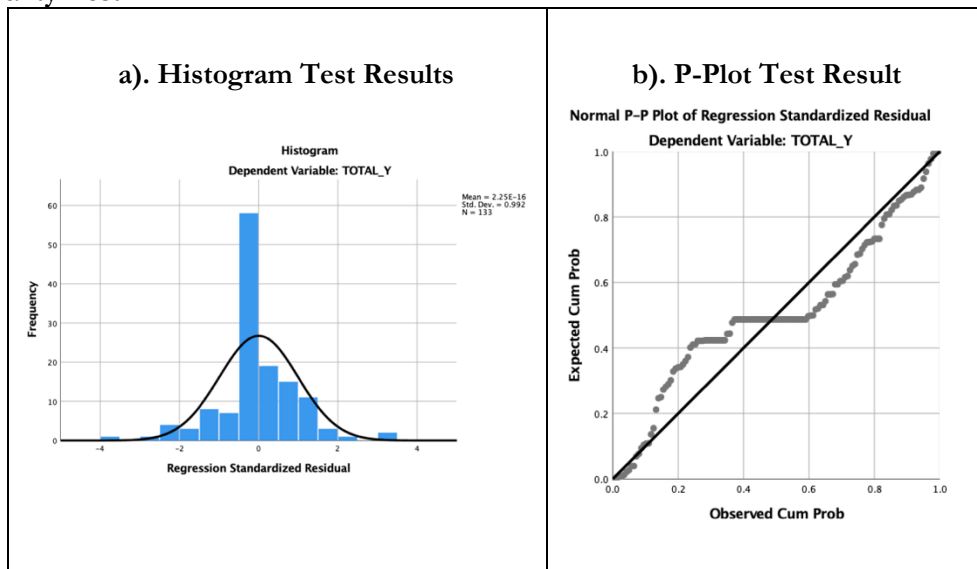


Figure 2. Normality Test Results

Based on the normality test, the data obtained are normal health awareness, social influence, healthy food preferences, and healthy food purchasing decisions. This is because the significance value of 0.200 is greater than 0.05. Furthermore, the histogram graph tends to be convex in the middle, forming a bell shape, and the graph does not deviate to the left or right, indicating that the data is normally distributed. The data is also normally distributed because the data spread around the diagonal line in the P-P plot graph.

Multicollinearity Test

Table 2. Multicollinearity Test Result

Variable	VIF
Innovative Leadership (X1)	4.877
Organizational Culture (X2)	4.136

Source: Data processed by Researchers, 2025

From the results of the analysis that has been carried out, the Innovative Leadership variable (X1) has a VIF value of 4.877, which is below the threshold of 5. This indicates that the correlation between the Innovative Leadership variable and other independent variables is low and does not cause serious multicollinearity problems. Furthermore, the Organizational Culture variable (X2) has a VIF value of 4.136, which is the same as X1. This value is also below 5. This indicates that the correlation between Organizational Culture and other variables is low and acceptable. Based on the VIF test results for both independent variables, the regression model does not have serious multicollinearity issues. Both VIF values are below the threshold of 5, indicating that there is no excessive correlation between the Innovative Leadership and Organizational Culture variables. Thus, the regression coefficient estimates for these two variables can be considered stable and valid.

Heteroscedasticity Test

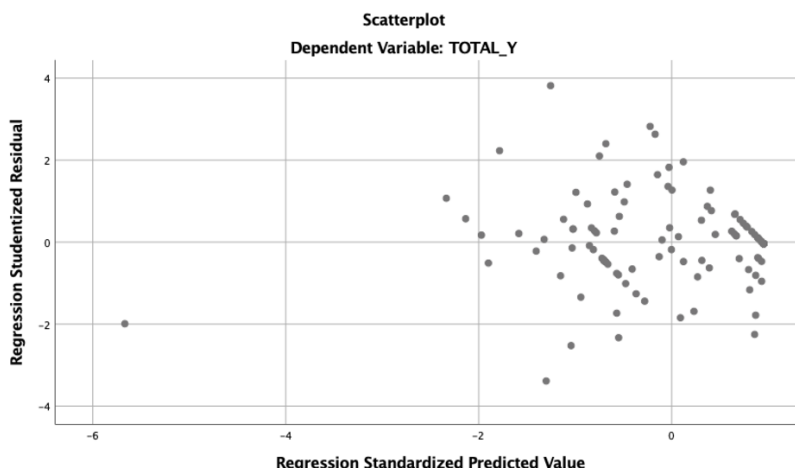


Figure 2. Heteroscedasticity Test Result

The points are scattered randomly above and below the zero line (horizontal line) and form a constant pattern, neither widening nor narrowing. The distribution of points looks like a cloud or a straight line, without any clear shape. This indicates that the residual variance is constant across the entire range of predicted values. This condition is ideal and the assumption of homoscedasticity is satisfied, which means that the regression model is valid.

Coefficient of Determination Test

Table 3. Results of the Determination Coefficient Test

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.922 ^a	.850	.847	2.09239

a. Predictors: (Constant), Work Motivation (Z), Organizational Culture (X2), Innovative Leadership (X1)

b. Dependent Variable: SME Performance

Source: Data processed by Researchers, 2025

The coefficient of determination test showed that the independent variables and mediation variable (Work Motivation (Z), Organizational Culture (X2), Innovative Leadership (X1)) had an influence of 0.850 (85%) on the dependent variable (Work Motivation (Z), Organizational Culture (X2), Innovative Leadership (X1)). The remaining 15% was influenced by factors not included in this study.

Linear Regression Analysis Results

Table 4. ANOVA Test Results

		ANOVA ^a				
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3212.672	3	1070.891	244.603	.0000 ^b
	Residual	564.772	129	4.378		
	Total	3777.444	132			

- a. Dependent Variable: SME Performance
- b. Predictors: (Constant), Work Motivation (Z), Organizational Culture (X2), Innovative Leadership (X1)

Source: Data processed by Researchers, 2025

Table 5. Coefficients Test Results

Model		Unstandar	Standardiz			Collineari		
		dized	ed		ty			
		Coefficien	Coefficient		Statistics			
		ts	s					
1		B	Std.	Beta	t	Sig.	Tolerance	VIF
		Error						
1	(Constant)	4.260	1.525		2.79	.00		
					3	6		
	Innovative Leadership (X1)	.101	.072	.105	2.93	.00	.205	4.87
					9	4		7
	Organization al Culture (X2)	.051	.062	.057	4.82	.00	.242	4.13
					2	2		6
	Work Motivation (Z)	.738	.086	.777	8.632	.000	.143	6.998

Source: Data processed by Researchers, 2025

Based on the linear regression test, the results indicate that Healthy Food Preferences, Health Awareness, and Social Influence influence the Healthy Food Purchasing Decision. This is evident from the significance value of less than 0.05, which is 0.00.

Regression Equation: SME Performance (Y) = 4.260 (Constant) + 0.101 (nnovative Leadership X1) + 0.51 (Organizational Culture X2) + 0.739 (Work Motivation Z) + e₂

4.2. Discussion

The Effect of Innovative Leadership on the Development of Micro, Small, and Medium Enterprises (MSMEs) through Employee Work Motivation The Goetji Balikpapan

The results of the study demonstrate that innovative leadership has a positive and significant impact on the expansion of MSMEs, with a significance value of 0.004 (p < 0.05). This implies that the assertion that innovative leadership has a positive effect on MSME development is accurate. This outcome is in line with several previous studies that emphasize the importance of innovative leadership to MSMEs' growth and sustainability in the contemporary digital and competitive economy (Yulianti et al., 2023). Budiarti (2024) defines

innovative leadership as a leader's ability to encourage innovation, take calculated risks, and implement novel ideas that can boost an organization's competitiveness. Because MSMEs often face limited resources and intense competition, innovative leadership is essential. In order to accomplish corporate objectives, innovative leaders can foster teamwork, inspire staff to think creatively, and establish a clear vision.

Numerous mechanisms that promote product and service innovation can account for the beneficial effects of innovative leadership on MSME development. Innovative leaders motivate their groups to create cutting-edge goods and services that satisfy the constantly shifting demands of the market (Anggraini, 2021). These advancements might set MSMEs apart from rivals and make them more appealing to consumers. In the Goetji Tea Beverages case study, innovative leadership is demonstrated by the proprietor's bravery in developing distinctive tea flavors and adhering to market trends, such as tea with a combination of regional fruits or modern toppings. Additionally, innovative leadership promotes the adoption of new procedures and technologies that could increase MSMEs' operational effectiveness (Ranto, 2017). This can expedite delivery, lower production costs, and increase product quality. The use of modern technology in the tea-making process and the establishment of an online ordering system via social media and instant messaging applications are two instances of how innovative leadership boosts productivity at Goetji Tea Drink.

Innovative leadership is critical in creating an adaptive organizational culture that encourages change, experimentation, and learning in the setting of Micro, Small, and Medium Enterprises (MSMEs), as demonstrated by Minuman Teh Goetji in Balikpapan. This leadership approach emphasizes on fostering a transparent and cooperative workplace where staff members are actively encouraged to take part in brainstorming sessions and offer fresh concepts for menu creation or marketing tactics. Goetji Tea's leaders successfully increase employee motivation and engagement, creating a sense of ownership, by including workers in decision-making, offering training, and recognizing their achievements. This culture is closely linked to ongoing innovation, which helps MSMEs take advantage of digital opportunities and swiftly adjust to changes in the market.

Additionally, Goetji Tea's creative leadership plays a major role in developing the human capital preparation needed to handle the challenges of the digital age. This preparedness includes the staff members' aptitude for using digital technologies for customer service, inventory control, and marketing, as well as their ability to remain adaptable. Goetji's executives actively teach staff members in internet marketing and technology, which not only improves their technical proficiency but also fosters their creativity. This dedication produces a team that can come up with fresh concepts and enhance current procedures, making human resources a crucial advantage in the MSME's digital transformation. The Goetji Tea MSME's total performance improvement is clearly the result of creative leadership and strong human capital readiness. Product Quality Improvement (via more inventive products), Operational Efficiency (through greater use of technology in inventory management and order processing), and Customer Satisfaction (through better service delivery) are all impacted by enhanced staff skills and motivation. Goetji Tea's executives have effectively developed a passionate and creative workforce by establishing a clear vision, motivating staff, and encouraging cooperation. This case study demonstrates that the expansion and viability of MSMEs in a cutthroat market depend on making investments in staff training and cultivating an innovative culture through capable leadership.

The influence of corporate culture through work motivation on the development of MSMEs The Goetji

Corporate culture plays a crucial role in shaping employee behavior and motivation, which in turn affects the performance and development of MSMEs. The Goetji, as an MSME in Balikpapan City, is no exception to this dynamic. The results of data analysis show that corporate culture has a significant influence on employee work motivation ($\text{sig } 0.002 < 0.05$), thus accepting the second hypothesis. This indicates that a strong and positive corporate culture can be the foundation for increasing work motivation and, subsequently, for the development of The Goetji. Corporate culture is a set of values, beliefs, norms, and behaviors that guide the way a business operates. A positive corporate culture can improve employee performance, retain employees, build brand image, encourage innovation, and strengthen collaboration between teams. In the context of MSMEs, organizational culture includes the values, norms, and behaviors applied in daily activities by business owners and employees.

Several elements of corporate culture that can affect work motivation include Open and Transparent Communication with a culture that encourages open communication at all levels of the organization makes employees feel comfortable sharing ideas, problems, and feedback. Accountability, employees are responsible for their actions and actively participate in achieving organizational goals. Recognition and Rewards, The Goetji SME regularly values and recognizes employee contributions, whether through formal awards, public appreciation, or other incentives. Individual Development: An emphasis on individual development increases employee satisfaction and motivation. MSMEs that provide opportunities for employees to develop themselves through training and skills improvement create a dynamic work environment (Sentanu et al, 2023). Work-Life Balance: Companies that support a positive culture pay attention to their employees' work-life balance, for example by offering flexible working hours or remote work options.

Work motivation is the willingness to exert a high level of effort toward organizational goals, conditioned by the ability of that effort to meet one's needs (Barat, 2022). High work motivation will encourage employees to be more productive, consistent, and able to work beyond their targets (Ridho et al, 2025). In this context, work motivation acts as a mediator between corporate culture and the development of The Goetji MSMEs. A positive corporate culture creates an environment that motivates employees, which in turn improves their performance and contribution to the company.

With a positive corporate culture and high work motivation, The Goetji can experience various positive impacts, including (1) Increased Employee Performance, as motivated employees tend to be more productive, innovative, and committed to their work. (2) Improved Product and Service Quality: Motivated employees will strive to give their best in their work, which in turn improves the quality of The Goetji's products and services. (3) Increased Customer Loyalty: Good service from motivated employees can increase customer satisfaction and loyalty. (4) Increased Competitiveness: With good performance and quality products, The Goetji can compete more effectively in the market. And, (5) Business Growth: Improved performance, customer loyalty, and competitiveness will contribute to the overall growth of The Goetji's business.

In Balikpapan City, The Goetji has become one of the examples of MSMEs that have successfully adapted and grown amid increasingly fierce market competition. One of the keys to The Goetji's success lies in its strong and positive corporate culture. This culture creates a work environment that supports innovation, creativity, and collaboration among employees. The corporate culture at The Goetji is rooted in core values that encourage each individual to think creatively and contribute. Company leaders actively encourage employees to share new ideas, creating an atmosphere where every opinion is valued. In this kind of environment, employees feel more involved and motivated to give their best. They don't just work to fulfill their responsibilities, but also feel that they have a role in the company's development. One concrete example of this innovative culture is the launch of new tea flavors that were the result of employee ideas. By giving employees room to innovate, The Goetji has succeeded in introducing attractive products that are in line with market trends. These new products have not only increased sales but also attracted new customers, expanding The Goetji's customer base. When employees feel valued and involved, the quality of service they provide also improves. Enthusiastic employees tend to provide better service, creating a positive experience for customers. This contributes to customer loyalty, which is very important for the growth of MSMEs. Satisfied customers will return and recommend products to others, which directly impacts sales and business growth.

The positive impact of The Goetji's corporate culture is not only felt within the organization, but also contributes significantly to the economic growth of Balikpapan City. As a growing MSME, The Goetji contributes to the region's Gross Regional Domestic Product (GRDP). With increased sales and business expansion, The Goetji has created new jobs, which has helped reduce unemployment in the city. Furthermore, the development of MSMEs such as The Goetji encourages other economic activities. Raw material suppliers, distributors, and other service sectors also feel the impact of this growth. As The Goetji grows, they drive overall economic growth, creating a mutually supportive ecosystem in which various sectors can develop together. With a corporate culture that supports innovation and collaboration, The Goetji not only focuses on short-term profits but is also committed to sustainable development. They have begun to consider more environmentally friendly business practices, which are in line with global trends. This not only enhances the company's image in the eyes of consumers but also promotes awareness of the importance of

sustainability in business. Overall, the influence of corporate culture on The Goetji's development has created a positive domino effect on Balikpapan's economic growth. By encouraging innovation, improving service quality, and creating new jobs, The Goetji has become an integral part of the local economy. This success shows that a strong corporate culture can be a major driver in creating sustainable and inclusive economic growth.

The Influence Of Employee Motivation At The Goetji MSME Mediates The Impact Of Corporate Atmosphere On Business Production

One of the main elements influencing worker productivity and performance in a business, particularly MSMEs, is work motivation. As an MSME in Balikpapan City, The Goetji is also greatly impacted by worker motivation in terms of company growth. The hypothesis is accepted because the data analysis results demonstrate that work motivation significantly influences the growth of The Goetji MSME ($\text{sig } 0.000 < 0.05$). The Goetji's development is strongly and statistically significantly impacted by work motivation, as indicated by the significance value of 0.000. A psychological drive that guides an individual's conduct to accomplish organizational objectives is known as work motivation. Employees that are highly motivated will work harder, more intelligently, and more efficiently, which will benefit the business (Barat, 2022).

Robbins and Judge (2020) define work motivation as the readiness to put forth a high level of effort toward organizational goals, contingent on that effort's capacity to satisfy one's needs. Employee job motivation can be influenced by a number of internal and external factors. The need for success, self-actualization, accountability, and job happiness are examples of intrinsic elements that come from within an employee. Extrinsic variables include things like pay, bonuses, incentives, recognition, the workplace, and connections with coworkers that come from outside the employee. High levels of work motivation can benefit The Goetji MSMEs in a number of ways, including increased productivity since motivated workers are typically more efficient and productive at work, producing more and better-quality output (Mochklas et al, 2023). Better Product and Service Quality: Inspired workers will work hard to deliver their best work, which will raise the caliber of goods and services that The Goetji provides (Makkuradde et al., 2022). Enhanced Customer Loyalty: Motivated staff members that provide excellent customer service will boost customer satisfaction and loyalty, which will boost The Goetji's sales and business expansion. Increased Innovation: When it comes to solving issues and coming up with fresh concepts to enhance The Goetji's operations, motivated staff members are typically more inventive and creative. Enhanced Employee Retention: Motivated and appreciated workers are more likely to stick with a company and are less likely to leave, which lowers the expense of hiring and onboarding new staff (Muplihat, 2024).

A number of tactics, such as offering competitive pay and benefits, can be used to boost employee enthusiasm at The Goetji. Pay and perks that are commensurate with industry norms can boost employee motivation and give them a sense of worth. Giving Awards and Recognition: Employees can feel more motivated and valued when they receive awards and recognition for their hard work. Offering Opportunities for Career Development: Giving workers the chance to advance their professions and skill sets can boost their loyalty and motivation. Establishing a Positive Work atmosphere: Providing a welcoming, secure, and encouraging work atmosphere can boost employee motivation and make them feel at home. Giving Helpful Criticism, Giving employees frank and helpful feedback can help them feel encouraged and perform better. Including Workers in the Making of Decisions Employees' sense of ownership and accountability to the organization can grow when they participate in decision-making.

MSMEs like The Goetji are crucial to boosting local production and generating jobs in Balikpapan City's economic dynamics. However, internal elements like corporate culture and staff engagement are just as important to MSMEs' success as external ones like the market and governmental regulations. A nice work environment can boost employee engagement, which has an impact on economic growth and business productivity. The term "corporate atmosphere" describes the characteristics of the workplace, which include the company's ideals, employee relations, and organizational culture. A welcoming company culture fosters a cooperative and comfortable work environment at The Goetji. This involves open communication, which allows staff members to freely share their thoughts and opinions and fosters improved teamwork. Acknowledgment and gratitude: Workers who feel appreciated are

typically more driven and dedicated to their jobs. Job satisfaction will rise in an environment that offers chances for professional and skill growth.

At The Goetji, employee motivation is a major factor in raising production. In addition to working effectively, motivated staff members innovate to raise the caliber of their goods and services. A number of factors might lead to work motivation, such as job satisfaction. Workers who are happy with their jobs are typically more dedicated and productive. Development Opportunities Giving workers the chance to learn and develop increases their level of engagement. Positive Work Environment Motivation and morale are increased in a supportive business environment.

Corporate culture and company output are moderated by work motivation. Employee motivation at work will rise when The Goetji has a pleasant corporate environment. Under these circumstances, workers will aim for better outcomes in addition to meeting goals. Among the favorable effects that result are Enhanced Quality of Production Motivated workers are typically more meticulous and creative, which raises the caliber of the tea products made. Effectiveness of Operations The time and expenses needed in the production process might be decreased by highly motivated workers. Balikpapan City's economic growth is positively impacted by The Goetji's increased business production as a result of high employee engagement. These are a some of the identifiable contributions. Creation of Jobs The expansion of MSMEs like The Goetji increases local employment prospects and lowers unemployment. A rise in regional revenue SMEs boost the community's purchasing power by contributing to the Regional Domestic Product (RDP) through increased output and sales. Stimulation of the Local Economy A mutually beneficial economic ecosystem will be created as a result of increased economic activity stimulating other industries like commerce and distribution. The Goetji SME employees motivation at work is crucial in reducing the negative effects of the corporate environment on business output. Employee motivation will rise in a favorable and encouraging work environment, which directly affects production quality and efficiency. As a result, MSMEs support Balikpapan City's overall economic growth in addition to internal business growth. In order to attain greater sustainability and growth, The Goetji must thus continue to foster a healthy work environment and encourage employee enthusiasm.

5. Comparison

This study adds to earlier research that typically only evaluated the direct impact of innovative leadership or organizational culture on MSMEs' performance. In contrast to earlier studies, this study provides more thorough empirical data by combining innovative leadership, organizational culture, and work motivation into a unified model using mediation analysis. Our knowledge of the internal mechanisms of SME performance improvement is strengthened by the discovery that work motivation is the most important aspect, especially when considering Teh Goetji SMEs in the digital age.

6. Conclusion

Internal factors including company culture, atmosphere, and employee work motivation are critical for fostering business growth, as demonstrated by the Goetji SME in Balikpapan City. The results of the analysis show a strong relationship between work motivation and performance and productivity, with a significant value of 0.000.

A collaborative and creative work atmosphere is fostered by the distinctive and positive company culture of Goetji. This increases employee enthusiasm and engagement, which has a direct impact on the quality of the products and services offered. If workers feel valued and have room to be creative, they will be more motivated to give the company their all. Employee job motivation is the main factor increasing output quality and productivity. Because they are more creative and productive, motivated workers usually create high-quality products that can meet customer requests. A positive work environment increases employee motivation, which drives the growth of MSME firms.

Influence on the expansion of the economy, Both internal business growth and the economic growth of Balikpapan City are impacted by the Goetji's success in increasing output and product quality. Increased MSME activity stimulates other local economic sectors, creates additional jobs, and increases regional revenue. This proves that MSMEs can boost the local economy. To attain sustainability and further growth, the Goetji must continue to improve its positive corporate culture, increase employee excitement, and create a welcoming workplace. This strategy will significantly advance Balikpapan City's overall economic growth in addition to enhancing The Goetji's reputation in the marketplace.

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