



## Qualitative Digital Analysis Using SWOT to Identify Relationship Between Leadership and Employee Commitment of Chinese Restaurant in East Java, Indonesia

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### Abstract

This study attempts to give MSMEs a general understanding of the advantages, disadvantages, opportunities, and dangers that businesses face while developing and putting into practice a strategy. A case study research design was used by researchers to study MSMEs in Xia Dimsum Malang. Both primary and secondary data, including performance reports and questionnaires, are used in the study. To choose the best course of action, use the SWOT analysis to identify your strengths, weaknesses, opportunities, and threats. Based on the findings of the SWOT analysis, Xia Dimsum Malang need a leadership role plan in order to boost employee loyalty.

**Keywords:** Commitment, Leadership, Employee, SWOT, Case Study.

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### 1. Introduction

Enhancing organizational commitment has been demonstrated to be significantly influenced by leadership (Dick, 2011; Jackson et al., 2013; Kim, 2012). Avolio et al. (2004) suggest that leaders have the ability to impact their subordinates' affective commitment through the reinforcement of their intrinsic motivation, the establishment of a connection between their efforts and goal attainment, and the strengthening of their personal commitment to the organization's vision. Several research conducted in commercial environments (e.g., Bass and Riggio, 2006; Kim, 2014; Koh et al., 1995; Lee et al., 2017) empirically established the relationship between leadership and commitment.

Xia Dimsum Malang is one of the MSMEs in the food and beverage sector in the city of Malang which is famous for its dimsum dishes. In the midst of intense culinary business competition, Xia Dimsum Malang experiences several challenges to achieve long-term success, so it is important for them to have an effective strategy based on proper analysis. Finding internal and external elements that affect strategy can be done with the use of the SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) tool. By using SWOT analysis, a corporation can gain a thorough grasp of its internal and external environments and develop plans that work.

The case study at Xia Dimsum Malang will provide a concrete example of how leadership role strategies can be applied in a real context. Through this case study, it will be explained how Xia Dimsum Malang succeeded in increasing the commitment of their employees through various effective leadership strategies. By combining SWOT analysis and case studies on Xia Dimsum Malang, this research aims to provide comprehensive insight into the importance of leadership strategies in increasing employee commitment in MSMEs, as well as providing practical guidance for leaders and managers in developing and implementing effective strategies.

## **2. Research Methods**

This study used case studies and descriptive qualitative research methodology with the goal of presenting a SWOT analysis-based summary of the leadership role. SWOT analysis is a strategic planning technique that is used to assess a project's or business speculation's opportunities, threats, and weaknesses. This is according to Rangkuti (2019:10). This research data includes quantitative and qualitative data. Quantitative data comes from Xia Dimsum Malang employee performance reports including attendance reports, production target reports and performance evaluation reports. Meanwhile, qualitative data was obtained from interviews with informants, including Owners and 9 employees.

## **3. Results and Discussion**

The 1960s are when SWOT analysis first appeared (Learned et al., 1965). Furthermore, the main instrument currently employed in the planning of the country's sustainable development is the Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis. This technique was first introduced by public administration in the 1980s in areas like municipal planning and regional development, and it comes from the literature on business management (Markovska, N., Taseska, V., and Pop-Jordanov, 2009). A popular method for methodically analyzing strategic scenarios and determining an organization's level from both its internal and external contexts is the SWOT analysis, a crucial tool for supporting decision-making (Gao, C-Y., 2011).

These are SWOT analysis of Xia Dimsum Malang and some strategies:

### **Strengths**

Strength is a quality that increases the value of something. He will be more special than the others. Strength means having superiority over something else. In this context, strength refers to active, creative, and productive qualities. Organizational strengths include the characteristics and capabilities that make an organization stronger. The advantages obtained from the results of the analysis compared with other organizations and competitors in their own internal environment indicate the strength of the organization that determines its characteristics and conditions. Based on five factors situation, appropriate financial structure, appropriate production and technical capabilities, appropriate potential for research and development, human capabilities, and adequate management effectiveness an organization can be classified as strong, equal, or weak if it is more efficient and effective than its rivals (Dincer, 2007: 145).

What a company is good at is its strength. He gained valuable skills as a result (Thompson and Strickland, 1989: 109). Within this particular context, an organization's strengths encompass its resources, competencies, and other competitive advantages in terms of meeting or anticipating market demands. Pearce and Robinson (1991: 182) list a number of specific attributes that provide a firm a competitive edge, such as financial stability, brand recognition, market leadership, buyer-supplier connections, and others. The strength of an organization lies in its organizational ability to achieve goals. An organization needs to know its potential and what sets it apart from the competition before it can tackle an issue or seize an opportunity. For a company to be able to take advantage of the chances provided by the external environment, it is imperative that they possess strength and power. Organizations also need to cope with external challenges promptly by utilizing their strengths. The significance of organizational capabilities is highlighted by each of these subjects (Julgen and Mirze, 2010: 161).

First strength of Xia Dimsum Malang is the owner as a leader. She has good and open communication between leaders and employees. Leaders have the ability to offer a conducive work environment. Xia Dimsum also implements clear but flexible work arrangements in scheduling tasks and working hours so that employees get enough rest time. Leaders also provide support in developing employee abilities and skills through training. To maintain product quality, leaders also provide support to their employees to maintain their health and ensure their welfare.

### **Weaknesses**

According to Thompson and Strickland (1989: 109), a weakness is something that an organization lacks or does poorly in comparison to others. It can also be a circumstance that disadvantages the organization. Weaknesses in this sense are defined as constraints or shortfalls in resources, competencies, and aptitudes that materially impair an organization's capacity to function effectively. Sources of vulnerability include things like infrastructure, funds, managerial prowess, marketing prowess, and brand image (Pearce and Robinson, 1991: 182).

Understanding weaknesses is just as crucial for businesses as understanding strengths since solutions may be developed to address problems. Weaknesses within the organization that could result in losses need to be found and fixed. It is essential to anticipate future issues and find solutions to current ones in order to achieve organizational goals quickly and effectively.

As a newly developing start-up company, Xia Dimsum often participates in bazaars so that its products become better known to consumers. This causes sudden overtime hours and pressure to work outside working hours. Even though employees receive compensation in the form of overtime pay, employees feel they don't have enough time to carry out activities outside of work. The small number of employees also causes limited working time arrangements. As a micro, small and medium enterprise, Xia Dimsum Malang also does not provide a clear career path, so the employees' families do not support them working there for a long time.

### **Opportunities**

An opportunity is a circumstance or state that is appropriate for an activity. Opportunities are benefits and inducements to engage in an activity that will result in favorable and profitable outcomes. Opportunity, in the context of organizational management, is the window of opportunity created by the external environment to accomplish organizational objectives. Opportunities are items that, when examined in the context of an organization's surroundings, will yield favorable results. Organizations can benefit much from competition and hard work. According to Harrison and St. John (2004: 164), opportunities are actually circumstancing in the external environment that let an organization take use of its strengths, overcome its shortcomings, or neutralize environmental dangers.

As a business operating in the food and beverage sector, Xia Dimsum Malang has the opportunity to get quite high customer demand. The uniqueness of the food served requires special skills, causing intense competition in the job market. The employee's skill in making mentai dim sum with a distinctive taste made it go viral on social media, so that customer demand increased rapidly. Rapid technological changes provide opportunities for employees to develop their creativity as content creators and provide online services. The large number of served orders, it can influence changes in the socio-cultural environment, price fluctuations, and family welfare.

### **Threats**

Threats are situations or conditions that threaten the realization of an activity. This refers to an unfavorable situation. Therefore, threats have negative characteristics that must be avoided.

For organizational management, threats are elements that make achieving organizational goals difficult or impossible. Threats are circumstances brought about by shifts in the nearby or distant environment that could make it difficult for an organization to continue operating or could cause it to lose its competitive edge (Ulgen and Mirze, 2010: 161). Threats have the potential to do irreversible harm and act as a barrier to organizational performance. Threats are any external elements that have the potential to undermine an organization's efficacy and efficiency.

The uncertainty of the company's economy and the relatively small amount of time outside of working hours can result in a lack of career development opportunities, so that employees feel insecure about their future. Employees' families also often want more stable and secure employment for their family members. Increased work pressure can contribute to stress which can ultimately affect employee health and dissatisfaction at work.

### **Strategies**

According to Hitt et al. (2004), strategy is a set of coordinated and integrated commitments and actions intended to capitalize on key skills and create a competitive advantage. This approach will serve as the foundation for the company's larger plan for achieving its goals (Wheelan et al., 2017: 12). A firm's

strategy is a cohesive, all-encompassing, and integrated plan that connects its competitive advantages with environmental issues. Its main goal is to guarantee that the company can accomplish its objectives through effective implementation on its own.

Johnson et al. (2020:29) define strategy as an organization's long-term direction and scope that generates benefits for the business through resource configuration in a demanding environment, to fulfill stakeholder expectations and market demands. According to Siagian (2017:29), strategy is a set of basic choices and actions that upper management makes and all organizational levels carry out in order to accomplish the organization's objectives.

The methods of leadership change with the times. Today's leadership takes a different approach due to digitization. Due to the widespread use of digitalization in the workplace, leaders are no longer able to function in a traditional manner. In addition, in order to stay up to date with technology advancements, a company needs executives that can minimize the negative attitudes of their workforce and maximize the positive potential of their millennial workforce. A leader will be viewed as adaptive if he does not make an effort to digitize his work in the modern day. Most millennial workers prefer employers who are accommodating when it comes to their work schedules and locations. Naturally, this is a result of how advanced technology has become, enabling people to work whenever and wherever they choose. Individuals no longer have limited access to communication since an increasing number of people own cellphones. Digital meeting rooms are replacing physical ones. It is imperative for leaders in the millennial age to leverage technological advancements to establish productive and well-oiled work processes within their organizations. For instance, by using Zoom or Google Meet for meetings, email or Telegram for invitations instead of printed ones, and WA for product knowledge sharing.

In the millennial age, leaders also need to be keen observers and engaged listeners to their staff. Encouraging open communication and involving staff in decision-making will boost their sense of loyalty and ownership for the company, especially if millennials make up the bulk of the workforce. The reason for this is that millennials developed an attention-seeking addiction as a result of growing up with social media. If given the chance to talk, express themselves, and have their thoughts taken into consideration, they will be highly appreciative and driven. They enjoy sharing their experiences and have a strong desire to learn new things.

Executives in small and medium-sized enterprises must cultivate inclusive leadership competencies, including proficient communication, considerate delegation, and the capacity to offer valuable criticism. In order to support workers as members of a group, Randel and colleagues defined inclusive leadership as having an emphasis on promoting different contributions, guaranteeing justice and equity, and offering chances for shared decision-making (Randel et al., 2018). The millennial era demands inclusive leaders since people's viewpoints are becoming more and more complex. This is a result of the abundance of knowledge that is becoming more widely available to everyone, everywhere, and at any time, resulting in the emergence of diverse thought patterns among people. It is expected of inclusive leaders to value all points of view and use them to the accomplishment of company objectives. The importance of the company's values, culture, vision, mission, and goals must also be communicated to the workforce by the leader. His efforts will elicit greater enthusiasm from millennial employees when they are meaningful.

Providing opportunities for employee training and development can also increase employees' sense of involvement and commitment to the organization. By providing ongoing and relevant training programs, employees can update and improve their skills, thereby adapting to changes and evolving job demands. This not only helps employees feel valued and supported in their professional growth, but also has a positive impact on their productivity. Skilled and knowledgeable employees tend to work more effectively and efficiently, thereby contributing more to achieving organizational goals. Additionally, good training and development can reduce employee turnover rates, as they see opportunities to develop and advance in their careers within the organization.

It is important for leaders to recognize and appreciate employee contributions. This can be done through verbal appreciation, formal awards, or other appropriate incentives. Verbal recognition involves direct praise and sincere thanks, which can increase motivation and a sense of appreciation among employees. Formal awards, such as certificates, bonuses, or promotions, provide more formal recognition and can be a strong incentive for employees to continue performing well. Other incentives, such as extra vacation days or training opportunities, can also show appreciation and provide

additional encouragement for employees. By providing appropriate recognition and rewards, leaders can increase employee morale, productivity and commitment.

By implementing these strategies, leaders in SMEs can strengthen their employees' commitment, improve organizational performance, and achieve long-term success.

#### **4. Conclusion**

It is clear from the SWOT analysis of the leadership role plan that there are a number of opportunities and strengths that can be used to accomplish these objectives. These strengths include good and open communication between leaders and employees, as well as the ability to offer a conducive work environment for employees. Based on the SWOT analysis, strategies can be used to gain employee commitment through leadership skills development especially develop inclusive leadership skills, such as facilitating open dialogue and involvement of employees in decision making will increase their sense of ownership and commitment to the organization, effective communication, thoughtful delegation, and the ability to provide constructive feedback.

Recognition and rewards also important to provide recognition and appreciation for employee contributions. This can be done through verbal appreciation, formal rewards, or other appropriate incentives.

Providing opportunities for employee training and development will increase their sense of involvement and commitment to the organization. This will also help improve employee skills and productivity. By implementing these strategies, leaders in SMEs can strengthen their employees' commitment, improve organizational performance, and achieve long-term success.

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