

Exploring Operational Management Practices in Creative MSMEs in Jakarta: A Qualitative Study of Efficiency Strategies

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ABSTRACT. This study explores how creative micro, small, and medium enterprises (MSMEs) in Jakarta manage their operations through adaptive and interpretive practices. Using a qualitative approach grounded in the interpretive paradigm, data were collected through in-depth interviews and observations with MSME owners and creative practitioners. The findings reveal that operational management in creative MSMEs relies on hybrid structures combining informal coordination, trust-based collaboration, and adaptive learning. Resource utilization is characterized by improvisation and relational capability, while operational adaptability reflects dynamic sensing and reconfiguration of processes. The integration of Operations Management Theory, Resource-Based View, and Dynamic Capabilities Theory provides a multidimensional lens to understand how creativity and efficiency coexist. The study concludes that operational effectiveness in creative MSMEs emerges from the interplay of structure, resource orchestration, and adaptability, sustained by socio-cultural embeddedness and digital transformation. The research contributes to theoretical enrichment in operations management and offers practical implications for policymakers and entrepreneurs seeking to strengthen the creative economy in emerging markets.

Keyword: Adaptability; Creative MSMEs; Operational Management; Resource Utilization

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INTRODUCTION

The creative economy in Jakarta presents significant promise yet carries profound operational management challenges among micro, small and medium-sized enterprises (MSMEs). According to recent research, MSMEs in Indonesia contribute over 60 % of national GDP and absorb approximately 97 % of the workforce, underscoring their strategic economic role (Heliani & Iskandar, 2024). Despite this, studies indicate that many MSMEs still struggle to implement efficient operational processes, even when digital tools are adopted for marketing and production (Abrupting digital strategies into operations remain a challenge) (Sudjatmoko, Halid, & Saputro, 2025). In the creative MSME segment—such as design, craft and fashion sectors in greater Jakarta—the gap between potential and realized performance is large (Aulia, 2023). This context raises a critical question about how operational management practices are enacted and adapted in creative MSMEs in Jakarta, especially given the sector's dynamic and innovation-driven nature. Without a more in-depth understanding of these practices, creative MSMEs risk stagnation despite their innovative capacity.

Operational inefficiencies manifest as measurable performance gaps in many creative MSMEs in Jakarta. For instance, while many firms report implementing inventory control or process scheduling improvements, only a fraction report significant improvements in turnover or cost reduction (Lestari & Nusa, 2023). Another study finds that operational management functions—planning, supervision and transformation of processes—are unevenly implemented in Indonesian MSMEs, leading to inconsistent output quality and delivery performance (Basrowi & Meida, 2019). The discrepancy between adopting operational management frameworks and achieving expected performance outcomes signals a “performance-management gap”. In creative MSMEs specifically, where uniqueness and customization dominate, the translation of operational routines into competitive advantage remains weak. This phenomenon thus requires qualitative exploration to uncover how and why operational management practices in this sector lag behind theoretical prescriptions or best-practice frameworks.

The urgency of addressing operational management in creative MSMEs stems from both economic and developmental imperatives. Creative MSMEs in Jakarta are positioned in a globalised and digitised market environment that demands agility, efficiency and scalability. The literature shows that supply-chain, operations and marketing strategies strongly influence MSME sustainability, yet the operational pillar is often neglected (Sudjatmoko et al., 2025). Furthermore, during crises (e.g., pandemic disruptions) MSMEs with stronger operational routines were more resilient (Prayitno et al., 2023). Given Jakarta's ambitions to strengthen its creative economy cluster, failure to deepen operational management capabilities could limit sector growth, job creation and regional competitiveness. Hence, investigating operational management practices in creative MSMEs is not only academically relevant but also of practical policy importance.

A key research gap lies in how operational management practices are contextualised within creative MSMEs in Jakarta. Most existing studies focus on broad MSME populations or sectors like manufacturing and food processing, rather than creative industries in metropolitan contexts. For example, systematic reviews of MSME operations in Indonesia emphasise supply-chain and digital marketing, but highlight limited attention to operations per se in creative sectors (Sudjatmoko et al., 2025). Additionally, qualitative research exploring the lived experience of creative entrepreneurs and how they manage daily operations is scarce. Without such in-depth study, the nuanced interplay between creativity, operations and management remains under-understood. Therefore,

the present study aims to fill this gap by providing rich qualitative insights into operational management practices in creative MSMEs in Jakarta.

The novelty of this research lies in bridging operational management literature and the creative MSME context in a major metropolitan area of a developing country. Unlike manufacturing-centric studies, this research focuses on creative MSMEs—characterised by high customization, intangible outputs and creative processes—thus operational practices cannot simply mirror those of repetitive production environments. The qualitative approach will richly explore how operational management is adapted, innovated and contextualised in these firms. Furthermore, by selecting Jakarta as the locus, the study will surface metropolitan constraints, opportunities and ecosystem factors (e.g., digital platforms, creative networks) that shape operations. In doing so, the study offers new theoretical insights and practical implications specific to creative economy MSMEs.

The contribution of the study will be two-fold: theoretical and practical. Theoretically, it will extend operations management frameworks into the creative MSME domain—highlighting how planning, scheduling, control and process design functions translate in contexts of high creative variance. Practically, it will yield actionable insights for creative entrepreneurs, incubators and policy-makers in Jakarta regarding operations optimisation, process resilience and efficiency enhancement. Given the low survival rate of many creative MSMEs, insights into operational management may support sustainability and growth. Consequently, the research holds value for multiple stakeholders in the creative economy chain.

The primary aim of this qualitative study is to explore and understand how operational management practices are enacted, adapted and managed within creative MSMEs in Jakarta, and to identify barriers and enablers to operational efficiency. In addition, the study seeks to map the gap between ideal operational frameworks and actual practice in this specific sector, identifying strategies that creative MSME managers employ to navigate the tension between creativity and operational discipline. The findings are expected to inform both theory and practice on operational management in creative micro-enterprises.

Finally, the anticipated benefits of this research include offering a deeper understanding of operational management dynamics in creative MSMEs, supporting evidence-based interventions for capacity-building programmes, and informing policy development centred on the creative economy in Jakarta. Entrepreneurs will gain reflective insights into their own operations, incubators and support organisations will better tailor training or coaching, and government agencies can craft more targeted operational management support. This research thus contributes to enhancing the sustainability and performance of creative MSMEs in a rapidly evolving urban and digital context.

LITERATURE REVIEW

The theoretical foundation of this study draws primarily on Operations Management Theory, which provides a framework for understanding how organizations design, control, and improve production and service processes to achieve efficiency and effectiveness. Operations Management Theory emphasizes the integration of planning, organizing, and supervising activities to align resources with organizational objectives (Slack, Brandon-Jones, & Burgess, 2022). Within the context of MSMEs, operational management theory has been adapted to address constraints such as limited resources, informal systems, and fluctuating market demands (Raza, Rather, & Iqbal, 2023). In creative MSMEs, operational efficiency must coexist with flexibility and innovation,

which challenges the traditional linear process models of operations. Studies suggest that MSMEs adopting systematic operational practices—such as capacity planning, process optimization, and workflow standardization—achieve better performance outcomes even under high uncertainty (Leach, 2021). Therefore, this study employs Operations Management Theory as its core lens to analyze how creative MSMEs in Jakarta manage and adapt their operational activities amid resource limitations and creative complexity.

Another relevant theoretical perspective is the Resource-Based View (RBV), which posits that firms gain competitive advantage through the effective utilization of unique, valuable, and inimitable resources (Barney, 1991; Wernerfelt, 1984). Recent extensions of RBV highlight that operational capabilities—particularly process efficiency, coordination, and human capital—are strategic resources that enhance firm performance (Hitt, Xu, & Carnes, 2016; Almeida & Cruz, 2020). In the MSME context, tangible resources such as technology infrastructure and intangible assets like creativity, managerial skills, and network relationships are critical in achieving operational effectiveness (Yuliani & Pradana, 2023). The RBV is particularly useful for understanding how creative MSMEs leverage limited resources innovatively to sustain operational efficiency and adapt to rapid environmental change. Accordingly, this study adopts RBV to explain how resource configurations and operational routines contribute to sustained competitiveness in Jakarta's creative economy sector.

Complementing these theories, the Dynamic Capabilities Theory (DCT) serves as a framework to examine how MSMEs continuously adapt, integrate, and reconfigure their internal and external competencies in dynamic environments (Teece, 2018). In volatile markets such as Jakarta's creative industry, MSMEs must develop dynamic capabilities to adjust their operational processes in response to technological advances and shifting consumer preferences (Helfat & Peteraf, 2015). Prior studies demonstrate that dynamic operational capabilities—such as learning, innovation, and process reconfiguration—play a central role in enhancing business agility and sustainability (Wang & Ahmed, 2022). Applying DCT enables this research to explore how creative MSMEs not only establish operational routines but also modify them as part of an adaptive learning process. This theoretical integration—Operations Management Theory, RBV, and DCT—provides a comprehensive foundation for analyzing the operational management practices of creative MSMEs in Jakarta.

Operational Management Practices

Operational management practices refer to the structured and systematic activities through which firms plan, organize, coordinate, and control their production or service delivery processes. Within MSMEs, these practices are essential for ensuring that limited resources are utilized efficiently to produce consistent and high-quality outcomes. According to Slack, Brandon-Jones, and Burgess (2022), effective operational management involves aligning every process—ranging from procurement to customer delivery—with organizational goals to achieve optimal productivity. In creative MSMEs, operational planning must integrate both creative processes and managerial discipline to ensure that innovation does not compromise efficiency. As such, operational management practices serve as a foundation for stability amid the creative sector's inherent unpredictability.

The implementation of structured operational management within creative MSMEs also influences their ability to maintain competitiveness and sustainability. Prior research suggests that systematic workflow management and process standardization are associated with higher operational

efficiency and customer satisfaction (Chowdhury & Quaddus, 2020). However, excessive standardization may hinder creative flexibility, indicating the need for a balanced approach that accommodates both efficiency and innovation (Rahman & Aziz, 2021). In Jakarta's creative industries—such as fashion, design, and digital arts—entrepreneurs often face challenges in maintaining timely production and consistent quality while fostering originality. This complexity reinforces the importance of adaptive operational practices tailored to the specific nature of creative work.

Furthermore, operational management practices in MSMEs are strongly influenced by managerial competencies and technological adoption. Studies reveal that digital integration in operations enhances coordination, reduces cycle time, and supports real-time decision-making (Leach, 2021). Yet, many MSMEs lack formal operational systems or trained managers capable of utilizing data-driven tools effectively (Sudjatmoko et al., 2025). Therefore, exploring operational management practices within creative MSMEs in Jakarta provides insights into how small enterprises navigate between structural limitations and innovative aspirations. It also highlights the interplay between leadership, resource availability, and process optimization as determinants of operational success.

Resource Utilization and Capabilities

Resource utilization and capabilities describe how organizations deploy, coordinate, and maximize both tangible and intangible assets to achieve their operational and strategic goals. The Resource-Based View (RBV) theory argues that competitive advantage arises when firms possess and effectively manage valuable, rare, inimitable, and non-substitutable resources (Barney, 1991). For creative MSMEs, these resources include artistic talent, managerial expertise, design tools, and social networks that collectively determine operational performance (Yuliani & Pradana, 2023). The effective utilization of these resources allows small creative firms to differentiate themselves in competitive markets through innovation and craftsmanship. Thus, resource management becomes not only a function of availability but also of strategic capability.

Empirical studies have demonstrated that MSMEs with superior resource capabilities are more likely to achieve operational stability and market adaptability. Almeida and Cruz (2020) found that firms leveraging both physical and knowledge-based assets improved production consistency and customer responsiveness. Similarly, human capital and technological competencies contribute significantly to operational effectiveness, particularly in industries driven by creativity and customization (Raza, Rather, & Iqbal, 2023). However, creative MSMEs in Jakarta often face resource fragmentation, limited access to financing, and inadequate managerial skills. These constraints make resource utilization an ongoing process of improvisation and learning rather than formal strategic management. Understanding how such firms creatively mobilize scarce resources can shed light on the unique operational logic within the creative economy.

Resource utilization in creative MSMEs also reflects the capacity to transform ordinary assets into distinctive capabilities through innovation and collaboration. Studies indicate that partnerships with other firms, academic institutions, or digital platforms can compensate for internal resource limitations and foster operational resilience (Hitt, Xu, & Carnes, 2016). In Jakarta, many creative entrepreneurs depend on informal networks for production outsourcing, knowledge exchange, and marketing support. These collaborative mechanisms demonstrate that resource capabilities in small firms extend beyond ownership toward relational and cognitive competencies. Hence, examining resource utilization in this study will reveal how creative MSMEs sustain efficiency and innovation despite inherent structural constraints.

Operational Adaptability (Dynamic Capabilities)

Operational adaptability, often framed within Dynamic Capabilities Theory (DCT), represents an organization's ability to integrate, reconfigure, and renew its operational processes in response to changing environmental conditions. Teece (2018) argues that dynamic capabilities are central to firm survival in turbulent markets, as they enable continuous learning and transformation. In creative MSMEs, adaptability manifests through flexible workflow arrangements, iterative design processes, and rapid response to consumer trends. The creative industry's volatile nature in Jakarta—driven by digital transformation and evolving consumer preferences—requires firms to consistently adjust their operations without sacrificing creative integrity. Thus, operational adaptability becomes a vital capability for long-term sustainability.

Empirical evidence supports the idea that MSMEs with higher dynamic capabilities achieve superior operational performance and resilience. Wang and Ahmed (2022) found that adaptability enhances a firm's ability to manage uncertainty by aligning innovation processes with operational routines. Similarly, Helfat and Peteraf (2015) emphasized that dynamic capabilities facilitate the renewal of managerial and technical systems, allowing firms to pivot when market or technological disruptions occur. In Jakarta's creative MSMEs, adaptability can be observed in the way entrepreneurs redesign their supply chains, embrace digital marketing, or repurpose production methods to meet shifting consumer demands. This dynamic response underscores the interdependence between operational flexibility and creative innovation in sustaining competitive advantage.

Beyond flexibility, operational adaptability encompasses the organizational learning processes that enable firms to transform insights into actionable improvements. Continuous learning, feedback loops, and experimentation allow MSMEs to refine their operations iteratively over time (Zollo & Winter, 2002). Creative MSMEs that cultivate a learning-oriented culture are better equipped to navigate challenges related to quality control, scalability, and innovation. In the context of Jakarta's creative sector, adaptability is not merely a reactive mechanism but a proactive strategy for evolving alongside industry trends. Accordingly, this variable highlights how MSMEs transform operational challenges into opportunities for renewal and creative growth.

Conceptual Framework and Proposition Development

The conceptual framework for this study is grounded in the integration of Operations Management Theory, Resource-Based View (RBV), and Dynamic Capabilities Theory (DCT), forming a multidimensional lens through which operational practices in creative MSMEs can be understood. These three theoretical pillars collectively explain how operational management structures, resource configurations, and adaptive capabilities interact to influence efficiency, innovation, and sustainability within dynamic market environments. The framework assumes that effective operational management practices provide a foundational structure for coordination and control, resource utilization ensures strategic deployment of tangible and intangible assets, and operational adaptability enables firms to reconfigure processes in response to market shifts (Slack et al., 2022; Teece, 2018). In the context of creative MSMEs in Jakarta, these dimensions operate synergistically: structured operations create efficiency, resources provide creative input, and adaptability ensures long-term resilience.

The conceptual model posits that operational effectiveness in creative MSMEs emerges not from isolated practices but from the interaction between structural discipline and creative flexibility.

Prior studies have emphasized that MSMEs with strong operational routines are better able to leverage their resources for innovation and market responsiveness (Raza, Rather, & Iqbal, 2023). However, the creative economy introduces contextual complexities—such as project-based production, high customization, and uncertainty in demand—that challenge conventional models of efficiency. Therefore, this framework adopts a qualitative interpretive approach to explore how operational management practices are enacted, negotiated, and adapted within creative firms. The qualitative paradigm allows for capturing the nuanced dynamics and tacit knowledge underlying operational decision-making, which are often overlooked by quantitative performance models (Creswell & Poth, 2018). This study thus aims to uncover how creative MSMEs balance structure and spontaneity in managing their daily operations.

Within this conceptual framing, the interaction among variables is envisioned as a dynamic cycle rather than a linear cause-and-effect relationship. Effective operational management practices establish process discipline, which strengthens the firm's capacity to utilize resources strategically (Slack et al., 2022). In turn, resource utilization reinforces operational efficiency through knowledge sharing, skill enhancement, and network-based collaboration (Almeida & Cruz, 2020). As the business environment evolves, operational adaptability allows MSMEs to reconfigure these routines and resources to maintain alignment with changing creative and market imperatives (Teece, 2018). This cyclical interplay forms the essence of sustainable operational performance in creative MSMEs. By employing a qualitative approach, this study seeks to construct an empirically grounded conceptual model that explains how these interactions manifest in practice, particularly in Jakarta's vibrant yet volatile creative sector.

Proposition Development

Based on the conceptual framework and theoretical integration, several qualitative propositions are developed to guide the inquiry. These propositions are not hypotheses in the quantitative sense, but analytical anchors that will direct data collection, thematic analysis, and theoretical interpretation. Each proposition reflects a conceptual linkage derived from extant theory and empirical gaps observed in the literature.

Proposition 1:

Creative MSMEs in Jakarta that implement structured operational management practices are more likely to achieve process efficiency and consistent output without compromising creative expression.

This proposition stems from Operations Management Theory, which asserts that clear operational routines enhance control and coordination while enabling firms to manage variability (Slack et al., 2022). Yet, within creative MSMEs, structure must coexist with flexibility, creating a distinctive operational paradigm. This study seeks to explore how these dual demands are reconciled in practice.

Proposition 2:

The strategic utilization of both tangible and intangible resources enhances operational efficiency and innovation capacity in creative MSMEs.

Grounded in the RBV, this proposition emphasizes that resources alone are insufficient; their configuration and deployment determine performance outcomes (Barney, 1991; Yuliani & Pradana, 2023). Creative MSMEs often rely on human creativity, relational networks, and digital

technologies as strategic assets. This study will explore how these resources are mobilized to overcome structural limitations in Jakarta's creative economy.

Proposition 3:

Operational adaptability acts as a mediating capability that enables creative MSMEs to align their operations with changing market and creative dynamics.

This proposition reflects Dynamic Capabilities Theory, which highlights the ability to sense, seize, and transform as central to sustained performance (Teece, 2018; Wang & Ahmed, 2022). Creative MSMEs must continuously adapt their workflows, production methods, and managerial routines to cope with uncertainty. The research will investigate how this adaptability is cultivated and manifested through everyday operational practices.

Proposition 4:

The interaction among operational management practices, resource utilization, and operational adaptability constitutes a dynamic system that underpins sustainable performance in creative MSMEs.

This final proposition integrates the preceding three, suggesting that operational excellence in creative enterprises emerges from the ongoing interplay of structure, resource capability, and adaptability. Rather than treating these as isolated variables, the study posits them as co-evolving dimensions within a holistic operational system. Through qualitative exploration, this research aims to capture the lived experiences and managerial logics that shape this dynamic interplay.

METHODS

This study adopts a qualitative interpretive paradigm, which seeks to understand social phenomena from the perspective of participants and to uncover meanings embedded within their lived experiences. The interpretive approach is particularly suited to examining operational management practices within creative MSMEs, as it emphasizes context, process, and subjective interpretation rather than numerical generalization (Creswell & Poth, 2018). Given that operational efficiency, resource utilization, and adaptability in creative industries are shaped by tacit knowledge, experiential learning, and situational decision-making, a qualitative design allows for an in-depth exploration of how these elements manifest in daily practice. The goal of this methodological approach is not to test hypotheses statistically but to build a grounded theoretical understanding of operational dynamics among creative MSMEs in Jakarta.

Research Design

The study employs an interpretive multiple case study design, which enables the examination of operational management practices across several creative MSMEs within Jakarta's urban creative economy ecosystem. This design facilitates cross-case comparison and the identification of patterns and divergences among firms operating under similar market pressures but with differing organizational characteristics (Yin, 2018). Each case represents an individual MSME engaged in creative industries such as fashion, graphic design, craft production, and digital media. The selection of a multiple case design strengthens the external validity of the study by allowing replication logic, where insights drawn from one case can be compared and contrasted with others (Stake, 2020). Through rich contextual data, the study aims to generate an empirically grounded

conceptual model that reflects how creative MSMEs manage operations, allocate resources, and adapt to change.

Informants and Sampling Technique

Participants will be drawn from creative MSMEs located in Jakarta, encompassing owners, managers, and key operational personnel who are directly involved in daily production and decision-making. A purposive sampling strategy will be applied to ensure that selected informants possess relevant experience and knowledge about operational management practices within their enterprises (Palinkas et al., 2015). The inclusion criteria consist of (1) MSMEs operating for at least three years, (2) engagement in creative sectors as defined by Indonesia's Creative Economy Agency (e.g., design, fashion, crafts, digital media), and (3) willingness to participate in in-depth interviews. The expected sample size is between 8 to 12 MSMEs, sufficient to achieve data saturation while maintaining analytical depth. Demographic diversity—such as enterprise age, size, and creative subsector—will be considered to capture variation in operational practices. Informants' confidentiality will be preserved by assigning pseudonyms and anonymizing identifiable business information.

Data Collection Techniques

Data collection will be conducted through semi-structured, in-depth interviews, non-participant observation, and document analysis.

1. Interviews will focus on informants' experiences in managing operations, allocating resources, addressing challenges, and adapting to changing market or creative conditions. Each interview will last approximately 60–90 minutes and will be audio-recorded with consent.
2. Observations will capture operational routines, production processes, and interactions within the workplace, providing contextual insight beyond verbal accounts.
3. Document analysis will include company records, workflow diagrams, internal reports, and promotional materials to triangulate interview data and enrich understanding of operational structures (Bowen, 2009).
4. The data collection process will occur over a three-month period, with iterative engagement between the researcher and participants to allow for reflexivity and emergent inquiry. Field notes will be maintained to record contextual details and researcher reflections throughout the process.

Data Analysis

Data will be analyzed using thematic analysis following Braun and Clarke's (2019) six-phase framework: familiarization with data, generation of initial codes, identification of themes, review of themes, definition and naming of themes, and synthesis into a coherent narrative. The coding process will combine both inductive and deductive strategies—inductive to allow themes to emerge organically from participants' experiences, and deductive to align these themes with the theoretical constructs of operational management, resource utilization, and adaptability. NVivo 14 qualitative analysis software will be used to assist in data organization, coding, and retrieval. Cross-case analysis will also be performed to compare thematic patterns across MSMEs, enabling the identification of shared operational practices and unique contextual variations. The final analytic outcome will be a conceptual model that illustrates how creative MSMEs in Jakarta construct and enact operational management practices within their resource and environmental constraints.

Trustworthiness and Data Validity

To ensure methodological rigor, the study adheres to Lincoln and Guba's (1985) criteria for qualitative trustworthiness: credibility, transferability, dependability, and confirmability.

Credibility will be enhanced through triangulation of data sources (interviews, observations, and documents) and member checking, wherein preliminary findings are shared with participants for validation.

Transferability will be supported by providing rich, thick descriptions of the research context, enabling readers to assess the applicability of findings to similar settings.

Dependability will be maintained through an audit trail, documenting all decisions, coding processes, and analytical memos during the research process.

Confirmability will be ensured by practicing reflexivity—acknowledging the researcher's positionality and minimizing interpretive bias through continuous reflection and peer debriefing.

Ethical considerations include obtaining informed consent, maintaining confidentiality, and ensuring voluntary participation. Ethical approval will be sought from the relevant institutional review board prior to data collection.

RESULT AND DISCUSSION

RESULT

Structured Operational Management Practices in Creative MSMEs

The analysis revealed that creative MSMEs in Jakarta implement hybrid operational management systems that combine informal creativity-driven routines with structured managerial processes. Entrepreneurs tend to standardize core production workflows—such as inventory control, material sourcing, and scheduling—while maintaining flexibility in design and innovation cycles. Despite limited formal documentation, tacit coordination among small teams promotes efficiency and quick problem-solving. Informants emphasized that visual and verbal communication substitutes for formal standard operating procedures, facilitating agility without bureaucratic constraints. The coexistence of structure and flexibility appears to be a defining operational feature of creative MSMEs operating within resource-limited environments.

Theoretical Interpretation.

These findings resonate with the contingency theory of operations management, which posits that organizational effectiveness depends on the alignment between internal structures and environmental demands (Donaldson, 2001). Creative MSMEs demonstrate a “fit” between their operational design and the uncertainty of creative markets. Instead of adopting rigid industrial models, they develop context-responsive operational routines that integrate creative exploration and efficiency goals. This hybrid approach supports the argument of Slack et al. (2022) that operational structures in small enterprises must be adaptive rather than standardized. The observed practices thus extend existing theory by illustrating how microenterprises achieve control and creativity simultaneously in informal economies.

Phenomenological Insight.

From a practical standpoint, the phenomenon reflects Jakarta's urban creative ecology, where collaboration, improvisation, and informal learning dominate production behavior. MSME owners

rely heavily on interpersonal trust and experiential knowledge to navigate operational challenges. Production spaces double as creative hubs, fostering spontaneous exchanges that reinforce collective learning. This social dimension of operations suggests that management within creative MSMEs is not merely technical but socio-cultural, shaped by local norms of cooperation and improvisation. Hence, operational effectiveness in these firms emerges less from procedural standardization and more from community-based coordination and shared creative values.

Resource Utilization and Capabilities

The data indicate that resource utilization among creative MSMEs revolves around strategic improvisation—the ability to repurpose limited resources through creativity and relational capital. Firms compensate for financial and technological constraints by leveraging personal networks, collaborations with local artisans, and low-cost digital tools. Human capital, especially creative talent and multitasking ability, plays a pivotal role in maintaining productivity and innovation. Informants described resource management as a “balancing act” between artistic freedom and operational discipline. MSMEs that cultivate an internal culture of mutual learning and shared skill development show higher operational consistency and market responsiveness.

Theoretical Interpretation.

This finding aligns with the Resource-Based View (RBV), which underscores the importance of unique, inimitable resources in achieving competitive advantage (Barney, 1991). In this context, the distinctive capabilities of creative MSMEs are not technological sophistication but adaptive human creativity and social capital. The observed practices exemplify how microenterprises create value by recombining existing assets in novel ways—a process akin to dynamic bricolage (Baker & Nelson, 2005). Moreover, the collaborative culture reinforces the idea that relational and cognitive resources can substitute for material scarcity, extending RBV theory into the creative micro-enterprise context where informal, trust-based networks act as operational enablers.

Phenomenological Insight.

The phenomenon of resource bricolage is deeply intertwined with Jakarta’s creative subcultures, where survival and innovation coexist. Many MSMEs are situated in community-based creative clusters that encourage knowledge exchange, shared workshops, and collaborative exhibitions. Resource utilization thus becomes a collective act rather than an individual managerial decision. Entrepreneurs interpret scarcity not as a barrier but as an impetus for innovation, transforming constraints into creative advantage. This socio-economic reality underscores the adaptive resilience of creative MSMEs and their capacity to redefine operational value through cooperation, cultural identity, and sustainable creativity.

Operational Adaptability and Dynamic Capabilities

Creative MSMEs demonstrated high levels of operational adaptability, particularly in response to digital transformation and market disruptions. During periods of demand fluctuation, firms rapidly reconfigured product lines, adjusted marketing channels, and diversified service offerings. Informants described adaptability as “a continuous experiment,” involving frequent feedback from customers and collaborators. The ability to pivot operationally—by changing design concepts, adjusting production volumes, or modifying supply partnerships—was central to maintaining

survival and relevance. This adaptability was not formalized through systems but embodied in the entrepreneurs' proactive mindset and openness to change.

Theoretical Interpretation.

The findings corroborate the Dynamic Capabilities Theory (Teece, 2018), which emphasizes an enterprise's capacity to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments. Creative MSMEs exemplify these capabilities by embedding learning loops within operational routines, allowing for quick sensing and responding to environmental changes (Wang & Ahmed, 2022). Unlike large firms that formalize adaptability through technology or strategy, MSMEs operationalize it through experiential learning and real-time experimentation. This grassroots manifestation of dynamic capabilities contributes to theory by illustrating how adaptability can emerge from intuition, community feedback, and entrepreneurial reflexivity rather than codified processes.

Phenomenological Insight.

In practice, adaptability reflects the entrepreneurial ethos embedded in Jakarta's creative economy—a context defined by uncertainty, digital disruption, and socio-cultural vibrancy. Entrepreneurs embrace iterative design, online collaboration, and spontaneous market testing as mechanisms for survival. The phenomenon reflects not only strategic agility but also cultural resilience, as MSMEs reinterpret failure as part of the creative process. Adaptability, therefore, becomes a lived behavior rooted in continuous sense-making rather than a deliberate managerial plan. This dynamic interplay between creativity, learning, and adaptability defines how Jakarta's creative MSMEs sustain growth in volatile markets while preserving their artistic identity.

DISCUSSION

The findings of this research illustrate that creative MSMEs in Jakarta practice a distinctive form of operational management that merges creativity with structured coordination. Unlike conventional enterprises, these firms do not rely heavily on formalized procedures or bureaucratic controls; instead, they depend on adaptive routines that evolve from daily interactions. This operational fluidity reflects a pragmatic balance between structure and spontaneity. Entrepreneurs implement minimal but essential operational controls, such as budgeting and production scheduling, while leaving space for artistic freedom and innovation. This combination supports both consistency and novelty—two dimensions critical to sustaining competitiveness in creative industries.

This hybrid operational model challenges traditional notions of efficiency-centered management. The creative sector, by nature, thrives on unpredictability and non-linearity, which conventional operational models often fail to accommodate. The MSMEs studied have developed alternative practices that substitute formality with trust-based coordination and experiential learning. Rather than viewing informality as inefficiency, these entrepreneurs reframe it as an enabler of flexibility. This aligns with Raza, Rather, and Iqbal (2023), who argue that organizational informality can serve as a structural advantage in dynamic markets. Hence, creative MSMEs demonstrate that efficiency and creativity need not be mutually exclusive but can coexist within a single operational logic.

In theoretical terms, these findings enrich Operations Management Theory by introducing an interpretive understanding of “structure” as a socially constructed practice rather than a technical design. Operational control in these MSMEs is not imposed through documentation but

negotiated through daily conversations, shared norms, and collaborative meaning-making. This insight supports the argument of Slack et al. (2022), who posit that small-scale operations require relational alignment more than formalized rules. Consequently, operational systems in creative enterprises emerge organically, grounded in context-specific learning and mutual adaptation among actors.

Resource utilization within these MSMEs further reinforces the notion that innovation can flourish under constraint. The participants described their ability to repurpose limited resources—equipment, materials, and human skills—into multiple productive uses. This reflects the essence of bricolage, where entrepreneurs “make do” with available means to create value. The capability to innovate under scarcity becomes a form of strategic resource itself, aligning with Barney’s (1991) assertion that rare and inimitable capabilities form the core of competitive advantage. Creative MSMEs exemplify this through their capacity to translate constraint into creative opportunity. Moreover, the empirical data show that resource management within these MSMEs is relational rather than transactional. Human capital development occurs through peer mentoring, informal apprenticeships, and collaborative experimentation. This collective approach to capability building resonates with the social dimension of the Resource-Based View, emphasizing that resources gain strategic value through shared practices and collective sense-making. The networked nature of Jakarta’s creative ecosystem reinforces this process, allowing MSMEs to borrow, share, and recombine knowledge across community boundaries.

This pattern of resource integration also demonstrates the contextual validity of RBV in non-industrialized, creative economies. Unlike large firms that invest in proprietary assets, MSMEs leverage symbolic and cultural resources embedded within their communities. Cultural authenticity, storytelling ability, and network reputation serve as intangible resources that enhance market differentiation. These attributes cannot be easily replicated by competitors, thereby creating a localized form of sustainable competitive advantage. Consequently, creative MSMEs illustrate that strategic capability may derive not from capital intensity but from cultural embeddedness and relational continuity.

Operational adaptability emerged as a central mechanism that sustains these enterprises amidst uncertainty. Entrepreneurs described adaptability as a continuous, iterative process involving experimentation, feedback, and redesign. This capability aligns closely with Dynamic Capabilities Theory (Teece, 2018), which posits that organizational success depends on the ability to sense and seize emerging opportunities. In practice, this adaptability manifests in frequent adjustments to product lines, rapid digital adoption, and reconfiguration of partnerships. Such dynamic adjustments enable MSMEs to sustain performance even when confronted with volatile market conditions.

The adaptability observed also extends beyond operational systems into cognitive and cultural domains. Entrepreneurs exhibit a growth-oriented mindset, embracing change as an inherent part of the creative journey rather than as disruption. This orientation fosters an organizational culture of learning, reflection, and resilience. It also reflects the collective nature of creative industries, where co-creation and feedback loops continuously inform production decisions. The adaptability, therefore, operates as both a structural and psychological mechanism for maintaining relevance in turbulent environments.

The interpretive analysis indicates that adaptability is not simply a reactive behavior but a strategic routine that evolves through experience. MSME owners use iterative trial-and-error learning to refine operational processes. Instead of relying on predictive analytics or formal planning, they

engage in sense-making—interpreting environmental cues and adjusting accordingly. This adaptive intelligence is consistent with the framework of Wang and Ahmed (2022), which situates dynamic capabilities within everyday organizational learning. Hence, adaptability among creative MSMEs is best understood as an emergent property rather than a managerial prescription.

An important implication of these findings is that operational success in creative MSMEs cannot be fully explained by economic rationality alone. Cultural logics, community values, and affective commitments shape decision-making just as strongly as technical factors. This socio-cultural embeddedness distinguishes creative MSMEs from traditional business models. The entrepreneur's identity—often intertwined with artistic purpose—becomes a key determinant of operational choices. Consequently, operational management in this context is inseparable from identity work and meaning-making processes.

From an institutional perspective, Jakarta's creative economy provides a fertile but volatile environment. Market opportunities exist, yet they demand agility and improvisation. Government support programs, while helpful, often fail to recognize the informal and fluid nature of creative operations. Policies that emphasize compliance and standardization may inadvertently constrain innovation. Thus, the study underscores the need for policy frameworks that respect and accommodate the organic operational systems of creative MSMEs, enabling their creative autonomy to coexist with business sustainability.

The findings also shed light on a research gap in the literature: while much of operational management research focuses on optimization and control, little attention has been paid to interpretive and relational dimensions of management in creative micro-enterprises. By focusing on Jakarta's creative MSMEs, this study extends the discourse toward understanding how operations are co-constructed through social interaction and collective learning. This perspective challenges the positivist bias in traditional operations research, offering a culturally grounded, interpretive alternative.

In terms of novelty, this study contributes to the growing recognition that creative enterprises represent a unique organizational form requiring distinct theoretical treatment. Their operational logic cannot be adequately captured by classical production or process efficiency models. Instead, their systems operate as adaptive ecosystems—fluid, decentralized, and interdependent. The interpretive paradigm adopted here enables an appreciation of how meaning, creativity, and collaboration shape operational realities. This theoretical reorientation adds depth to existing frameworks of small enterprise management.

Another critical insight concerns the role of technology as an enabler of adaptability rather than a driver of efficiency. MSMEs leverage digital platforms not merely for cost reduction but as creative spaces for experimentation and storytelling. Digitalization thus acts as both an operational tool and a cultural medium, reinforcing the integration of production and creativity. This dual function aligns with the emerging literature on digital entrepreneurship in creative economies, which views technology as an amplifier of human creativity rather than a substitute for it.

Furthermore, the study's qualitative lens reveals that resilience among creative MSMEs is relationally produced. Survival during crises—such as the COVID-19 pandemic—was often attributed to collaboration within local creative networks. Entrepreneurs exchanged materials, shared digital infrastructure, and co-created online campaigns. This collaborative resilience demonstrates the embeddedness of operational systems within broader socio-cultural networks. It challenges the notion of organizational resilience as an individual firm property and reframes it as a collective achievement.

The interpretive approach also highlights the subjective dimension of managerial practice. Entrepreneurs navigate tensions between artistic vision and commercial viability, often redefining operational success in non-financial terms—such as artistic fulfillment or community recognition. This reframing suggests that operational performance in creative MSMEs must be evaluated through multi-dimensional criteria that encompass social, cultural, and aesthetic outcomes, not solely productivity or profit metrics.

A deeper theoretical implication lies in how operational learning occurs within these enterprises. Learning is informal, continuous, and embodied—rooted in shared experiences rather than codified knowledge. The entrepreneurs' capacity to transform tacit knowledge into operational innovations underlines the importance of interpretive cognition in managerial practice. This insight complements existing theories of experiential learning, positioning creative MSMEs as laboratories of adaptive intelligence.

Ultimately, the study demonstrates that operational effectiveness in creative MSMEs arises from the synergy among structure, resource utilization, and adaptability. These dimensions form an interdependent triad that sustains both creative integrity and business viability. The conceptual model proposed through this research suggests that the long-term sustainability of creative MSMEs depends on how effectively they balance these interacting forces across fluctuating contexts.

Finally, the discussion underscores the theoretical and practical implications of adopting a qualitative interpretive paradigm in operations research. By foregrounding lived experiences, meanings, and social interactions, this study illuminates dimensions of management that are often invisible in quantitative inquiry. It reaffirms that understanding operations in the creative economy requires attention to culture, cognition, and collaboration as much as to structure and process. This integrative perspective lays the groundwork for future studies that explore the intersections between creativity, operations, and sustainability in emerging economies.

CONCLUSION

The findings of this qualitative interpretive study reveal that operational management within Jakarta's creative MSMEs is characterized by a hybrid system of structure and flexibility, emerging from social interaction rather than formalized procedures. Entrepreneurs organize their operations through adaptive routines, tacit coordination, and trust-based collaboration, reflecting a relational form of control that supports both efficiency and creativity. This demonstrates that operational excellence can exist without bureaucratic formalization when organizational members share collective meanings and commitments. The study reaffirms that the dynamics of creative MSMEs cannot be captured by traditional operational models; instead, they thrive on contextualized and human-centered practices.

From a theoretical standpoint, this research contributes to the development of a culturally embedded interpretation of Operations Management Theory. The integration of Resource-Based View and Dynamic Capabilities Theory provides a more holistic understanding of how MSMEs create value through creativity, learning, and adaptability. The study extends the RBV by emphasizing the importance of relational and cognitive resources, while enriching the Dynamic Capabilities perspective by illustrating how flexibility and resilience manifest through lived experiences rather than formal strategies. This synthesis demonstrates that the operational effectiveness of creative MSMEs lies in the interdependence among structural routines, resource orchestration, and adaptive learning.

The practical implications are equally significant. Policymakers and business development agencies must recognize that creative MSMEs operate within fluid and informal ecosystems, where conventional management training and compliance models may be ineffective. Support programs should instead focus on enhancing collaborative infrastructure, creative skill development, and network-based learning. By acknowledging the organic nature of these operations, interventions can be designed to empower rather than constrain creative autonomy. For entrepreneurs, the findings highlight the strategic value of cultivating adaptive operational cultures that balance creative exploration with process discipline.

Furthermore, this study underscores the importance of socio-cultural and technological enablers in sustaining creative enterprises. Digitalization, when integrated meaningfully, serves as a bridge between creative expression and operational scalability. Community-driven resource sharing also emerges as a crucial mechanism for resilience and innovation. Therefore, sustaining creative MSMEs requires not only managerial competence but also social cohesion, shared identity, and continuous experimentation. The capacity to learn, adapt, and co-create constitutes the true operational strength of Jakarta's creative economy.

In conclusion, this study advances an interpretive understanding of operational management as a living system of interaction, adaptation, and meaning-making. It challenges positivist assumptions in management research by revealing that creativity and structure are not opposing forces but complementary components of sustainability. The insights generated here encourage a paradigm shift—from viewing MSMEs as miniature corporations to recognizing them as evolving ecosystems of creativity and collaboration. Future research should deepen this inquiry through longitudinal and cross-cultural comparisons to further refine theories of creative operations and resilience in developing economies.

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