

Participatory Action Research in Developing a Simple Wage Standard Operating Procedure for CV.Pawonoxoz

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Abstract

CV. Pawonoxoz has operated since 2009. Prior to its formal establishment as a limited partnership, wage procedures were inadequately implemented, causing inefficiencies and overlap with household financial management. To address this issue, a dissemination and assistance program was conducted to develop a simplified Standard Operating Procedure (SOP), focusing on strategies to enhance efficiency and effectiveness. The implementation particularly in the production division, where adaptation capacity and educational background were limited. In addition, no dedicated administrative personnel were available to manage payroll and human resources. Following the program, direct and consistent supervision and control were applied, with the expectation that wage management would become more practical and operational efficiency would improve. Within core operations, control mechanisms were introduced to improve employees' ability to manage administrative and production tasks, which influence product quality. CV. Pawonoxoz was selected due to its transition from a personally initiated business into a growing firm with increasing orders, while still lacking adequate control over procedures, strategies, and wage management.

Keywords: *SOP, Wages, Efficiency, CV.Pawonoxoz*

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INTRODUCTION

The food industry plays a significant role in the economy, particularly in reducing unemployment within a region [1]. To achieve this optimally, the professional management of MSMEs must be emphasized and effectively implemented in practice. Accordingly, MSMEs are expected to attain high competitiveness and contribute more broadly to society [2]. This largely depends on the capability of business managers to motivate employees to work more intensively and remain committed to achieving organizational goals.

CV Pawonoxoz operates in the food industry, where its operations require high and optimal performance. As the business expands, the owner is expected to ensure efficiency in financial resources, human resources, and facilities. For production employees, specific work control mechanisms are necessary to enhance performance in the production process and improve cost efficiency. The implementation of effective employee work control directly influences the output and quality of the products produced.

Human resources are the primary asset of CV Pawonoxoz and must be effectively managed by the owner to enhance business efficiency and effectiveness, thereby creating a competitive advantage. Without well-managed human resources, other resources will not perform optimally or contribute significantly to the achievement of organizational goals. At CV Pawonoxoz, production constitutes the core operational activity. In this area, employee control is applied intensively to ensure professionalism in task completion, which directly affects product outcomes. The business, initially established independently, has experienced rapid growth in orders. However, challenges have emerged in the employee wage system, leading to numerous complaints. Therefore, training and assistance programs aimed at improving the human resource structure at CV Pawonoxoz are essential.

METHODS

Efforts to improve the human resource structure at CV Pawonoxoz were based on an experiential learning approach. As noted by [3], learning through experience is more effective because it enables both owners and employees to reflect on real workplace situations and identify practical solutions. Since production employees play a critical role in the company's snack food business, the initial stage focused on identifying factors influencing employee performance as the basis for developing more systematic human resource management policies.

This community service program was conducted at CV Pawonoxoz over a period of 2 months, from January - February, 2026. The participants consisted of 6 individuals, including the business owner and 5 production employees who were directly involved in daily production and administrative activities. Participants were selected purposively based on their active involvement in operational processes and their relevance to the objectives of the program. According to [4], direct observation is a data collection method that involves observing, examining, and recording objects or phenomena directly at the site without intermediaries.

The community service activity was conducted at CV Pawonoxoz, a company operating in the food catering sector. The service team implemented several stages of Participatory Action Research (PAR), as outlined by [5]: (1) problem diagnosis; (2) action planning; (3) action implementation; and (4) evaluation and reflection. Problem diagnosis in this activity was carried out through: (a) observation of existing employee wage practices; (b) interviews with the owner and employees; and (c) identification of key issues, namely the absence of written SOPs and inconsistent administrative practices.

The action planning stage was carried out through several activities: (a) participatory discussions with partners; (b) preparation of a draft simplified wage SOP; (c) determination of wage components, including base salary, incentives, and payment mechanisms; and (d) development of administrative formats, attendance records, and wage calculation systems.

Based on this plan, the action implementation stage included: (a) dissemination of the SOP to employees; (b) training on the use of administrative formats; (c) simulation of wage calculations; and (d) pilot implementation of the SOP in production activities. Following the implementation, evaluation and reflection were conducted through: (a) monitoring the execution of the SOP; (b) identifying field-level constraints; (c) evaluation discussions with the partner, namely the owner of CV Pawonoxoz; and (d) revision of the SOP based on implementation outcomes.

The problem diagnosis stage involved direct workplace observations and semi-structured interviews. Observations were conducted during production and administrative activities using an observation checklist to examine employee work procedures, wage administration practices, work discipline, communication patterns, and the availability of standard operating procedures (SOPs). The observations were carried out on several working days to obtain a comprehensive understanding of routine operational practices.

Semi-structured interviews were conducted with the business owner and selected employees. Each interview lasted approximately 30–45 minutes and explored participants' experiences regarding work procedures, wage administration, perceived challenges, communication among employees, and expectations for improving human resource management. Interview responses were documented through field notes and audio recordings with participants' consent [6].

Based on the findings from the diagnosis stage, the action planning phase focused on developing improvement strategies, including the preparation of written SOPs, the standardization of administrative procedures, and recommendations for a more structured employee management system. These plans were discussed jointly with the owner to ensure their feasibility and suitability for the company's operational conditions.

During the implementation stage, the service team provided structured mentoring and technical assistance in drafting and introducing the SOPs, improving administrative documentation, and explaining the proposed procedures to employees. Practical demonstrations and discussions were conducted to ensure that both the owner and employees understood and were able to apply the new procedures consistently.

The evaluation and reflection stage assessed both the implementation process and program outcomes. Evaluation was conducted through follow-up observations, post-implementation interviews, and discussions with participants. Program success was measured using the following indicators: (1) the availability of written SOPs for key operational activities; (2) improved consistency in wage and administrative documentation; (3) increased employee understanding of standardized work procedures, as reflected in interview responses; (4) positive feedback from the owner and employees regarding the usefulness of the assistance; and (5) the owner's commitment to implementing the developed human resource management practices on a sustainable basis.

Activity documentation was an essential component of this community service program. The collection of documentation serves as formal evidence of program implementation, a basis for evaluation, material for accountability reports, and a means of archiving information for future reference [7]. The documentation collected consisted of photographs taken during assistance and dissemination activities at CV Pawonoxoz. These materials were coded and selectively curated to include the most relevant items for reporting. The key documentation highlighted includes photographs that capture existing problems or important activities undertaken to address them, such as discussion sessions, interviews, and assistance and dissemination activities.

RESULT AND DISCUSSION

A. Design of a Simple Data Recording and Payroll System

a. Design of a Simple Payroll Application

The purpose of developing a simple payroll application is to facilitate learning and improve the operational performance of CV. Pawonoxoz in an educational, efficient, and practical manner.

The simple payroll application developed has the following specifications:

1. It is designed as a learning tool.
2. It provides an easy-to-read visual interface, enabling faster data analysis and supporting quicker decision-making.
3. It enhances work efficiency and effectiveness by simplifying payroll data management and reporting processes.



Figure 1. Mentoring and learning process for developing SOPs with the owner of CV. Pawonoxoz.

Source: personal data (2026)

The result of this simple payroll application design is the use of manual record-keeping in a general ledger combined with Microsoft Excel as the primary platform. The application consists of several worksheets that are integrated and used as learning modules. The worksheets included in this learning application are described in Table 1 below.

Table 1. Data Recording Using Manual Methods and Microsoft Excel Application

No.	Data Category	Function
1	Employee Data	To improve employee records for both internal and external purposes
2	Working Hours	To serve as a reference for calculating working hours
3	Performance Evaluation	To provide data for work evaluation and support policies on contracts, wages, and benefits
4	Electricity Bill Realization	To record monthly electricity expenses, analyze averages, calculate cost of goods sold, and support external data needs
5	PDAM Water Bill Realization	To record monthly water expenses, analyze averages, calculate cost of goods sold, and support external data needs
6	Gas Bill Realization	To record monthly gas expenses, analyze averages, calculate cost of goods sold, and support external data needs
7	Fuel Expense Realization	To record monthly fuel expenses, analyze averages, calculate cost of goods sold, and support external data needs
8	Other Transportation Expenses	To record monthly transportation expenses, analyze averages, calculate cost of goods sold, and support external data needs
9	Advertising and	To provide data for analyzing advertising and promotional activities

	Promotion	for internal and external purposes and support future promotion trends
10	Tax	To record monthly tax expenses and support policies related to tax and financial reporting
11	Waste Collection Fees, etc	To record waste collection and other miscellaneous expenses
12	Daily Wages	To collect daily wage data, analyze totals for monthly wages, and support internal and external reporting
13	Monthly Wages	To collect monthly wage data, analyze totals for annual wages, and support internal and external reporting
14	Holiday Allowance Installment Payments	To support financial management by allocating specific funds for holiday allowances and easing financial needs during festive periods
15	Employee Health Savings	To support financial management by allocating specific funds for employee health and easing financial needs during illness

Source: personal data (2026)

B. Design of a Simple Filing System

The purpose of designing a simple filing system is to facilitate the recording, organization, and storage of work-related documents at CV Pawonoxoz.

The simple filing system was developed with the following specifications:

1. It is designed as a learning tool.
2. It provides a clear and user-friendly system that simplifies document recording and retrieval, thereby supporting faster decision-making.
3. It improves work efficiency and effectiveness through better document management practices.

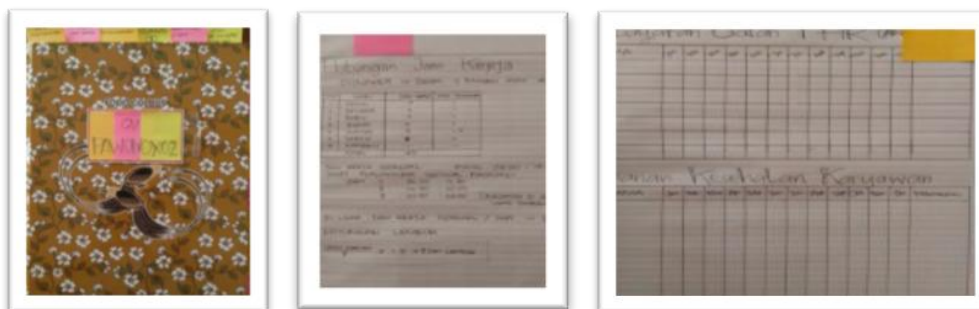


Figure 2. Design output for simple wage data collection via manual recording

Source: personal data (2026)

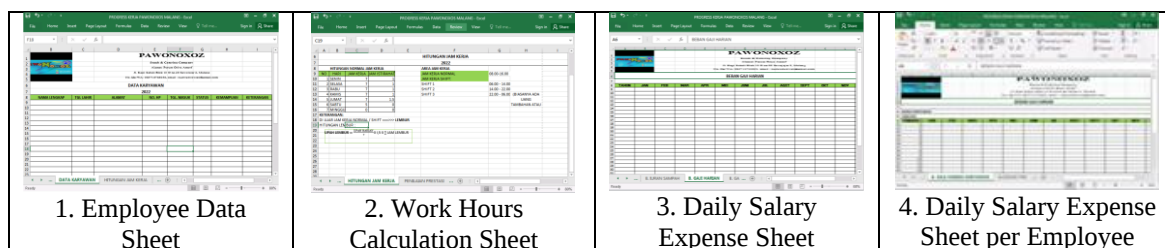


Figure 3. Several Data collection and wage design results in Microsoft Excel

Source: personal data (2026)

The outcome of this simple filing system design is the implementation of plastic business file binders and Microsoft Excel as the primary tools. The system consists of several worksheets that are organized and used as learning materials. The worksheets included in this learning system are presented in Table 2 below.

Table 2. Data File name and their functions

No	File Name	Function
1	Order Management File	a) control of order intake b) minimization of order errors c) easier order tracking d) improved inventory management
2	Delivery Management File	a) planning and fulfillment of warehouse needs for raw materials and finished goods b) material cost budgeting c) procurement of goods d) storage and distribution e) disposal of expired or unused materials or goods f) inventory control
3	Recipe File (R&D)	a) standardization of food recipes b) recipe components c) portion standardization d) calculation and management of materials and cost of goods produced
4	Human Resources and Payroll File	a) employee recruitment and data management b) job descriptions and positions c) performance evaluation and appraisal d) compensation and wages e) employee health program records f) employee holiday allowance program records
5	Production File	a) handling of demand and product quantities b) task assignment, performance, and wages c) production efficiency and yield d) fuel (BBM) data recording e) gas fuel data recording f) quality recording of raw materials and finished goods

Source: personal data (2026)

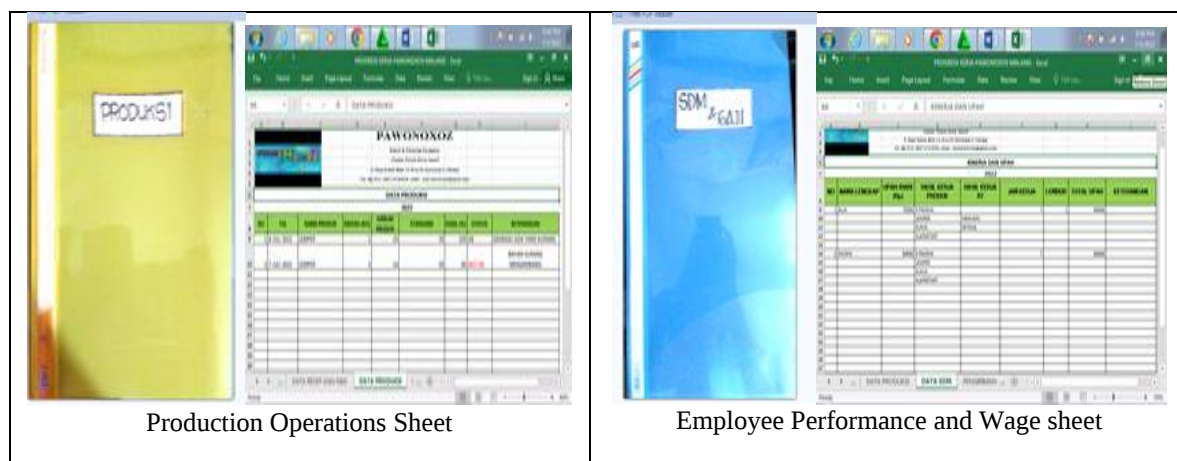


Figure 4. Several Simple filing design using plastic business file binders.

Source: personal data (2026)

In the management domain, the program involved training and assistance activities as follows. **First**, assistance was provided in learning and developing simple recording systems and easily traceable archiving to improve efficiency and effectiveness. The materials delivered included: (a) assistance in creating simple wage-recording files, both manually in general ledgers and through computer-based applications such as Microsoft Excel; (b) assistance in designing SOPs in the human resources function to ensure measurable and efficient performance; and (c) assistance in developing human resource management strategies, covering employee recruitment, data management, training, wage administration,

performance evaluation, and work efficiency. **Second**, standards for operational activities were designed and presented to serve as references in the learning process. The establishment of such standards provides several benefits, including making learning-related activities more measurable and efficient.

The community service program resulted in several improvements in the human resource management practices at CV Pawonoxoz, particularly in wage administration, documentation, and work standardization. These improvements were evaluated using observations, interviews, and a comparison of organizational practices before and after the intervention.

Before the program, employee wage records were maintained manually without a standardized format, resulting in inconsistencies in documentation and making historical records difficult to retrieve. In addition, the company had no written Standard Operating Procedures (SOPs), causing work practices to vary among employees. Following the mentoring activities, CV Pawonoxoz successfully implemented a simplified wage-recording system using Microsoft Excel and developed written SOPs for key human resource and wage administration processes. Administrative records became more systematic and easier to access, reducing the time required to retrieve employee wage information from approximately 20 minutes to 30 minutes per record.

The training and mentoring activities also improved participants' understanding of wage administration procedures and standardized work practices. Based on the post-training evaluation, 70% of participants demonstrated improved understanding of wage-recording procedures compared with the pre-training assessment, while interview findings indicated that employees perceived the new recording system as easier to use and more transparent. The business owner also reported that the availability of standardized records facilitated monitoring employee attendance, wage calculations, and administrative documentation.

Qualitative findings further supported these results. Employees stated that the simplified recording format reduced confusion during wage calculations and enabled them to verify administrative records more easily. The owner emphasized that written SOPs clarified employee responsibilities and reduced dependence on verbal instructions. These findings are consistent with the experiential learning approach proposed by [3], suggesting that practical, experience-based learning facilitates better understanding and adoption of new management practices.

Overall, the program improved administrative efficiency, strengthened documentation practices, enhanced the consistency of operational procedures, and supported more informed managerial decision-making. These findings indicate that the integration of simplified digital recording systems with standardized operating procedures can contribute to more effective human resource management in small and medium-sized enterprises.

The standards are documented in the form of Standard Operating Procedures (SOPs), including:

- 1) SOP for Working Hours Management
- 2) SOP for Payroll Preparation
- 3) SOP for Employee Attendance Management
- 4) SOP for Weekly Wage Payment Management
- 5) SOP for Monthly Salary Payment Management
- 6) SOP for Overtime Payment Management
- 7) SOP for Employee Leave Management
- 8) SOP for Work Permit/Leave of Absence Management
- 9) SOP for Employee Benefits Management
- 10) SOP for Holiday Allowance (THR) Management
- 11) SOP for Employee Healthcare Management
- 12) SOP for Employment Social Security (JHT) Benefits Administration
- 13) SOP for Employee Recognition and Awards
- 14) SOP for Employee Bonus Administration
- 15) SOP for Severance Pay Administration
- 16) SOP for Employee Performance Evaluation

SOP for Working Hours Management	SOP for Payroll Preparation
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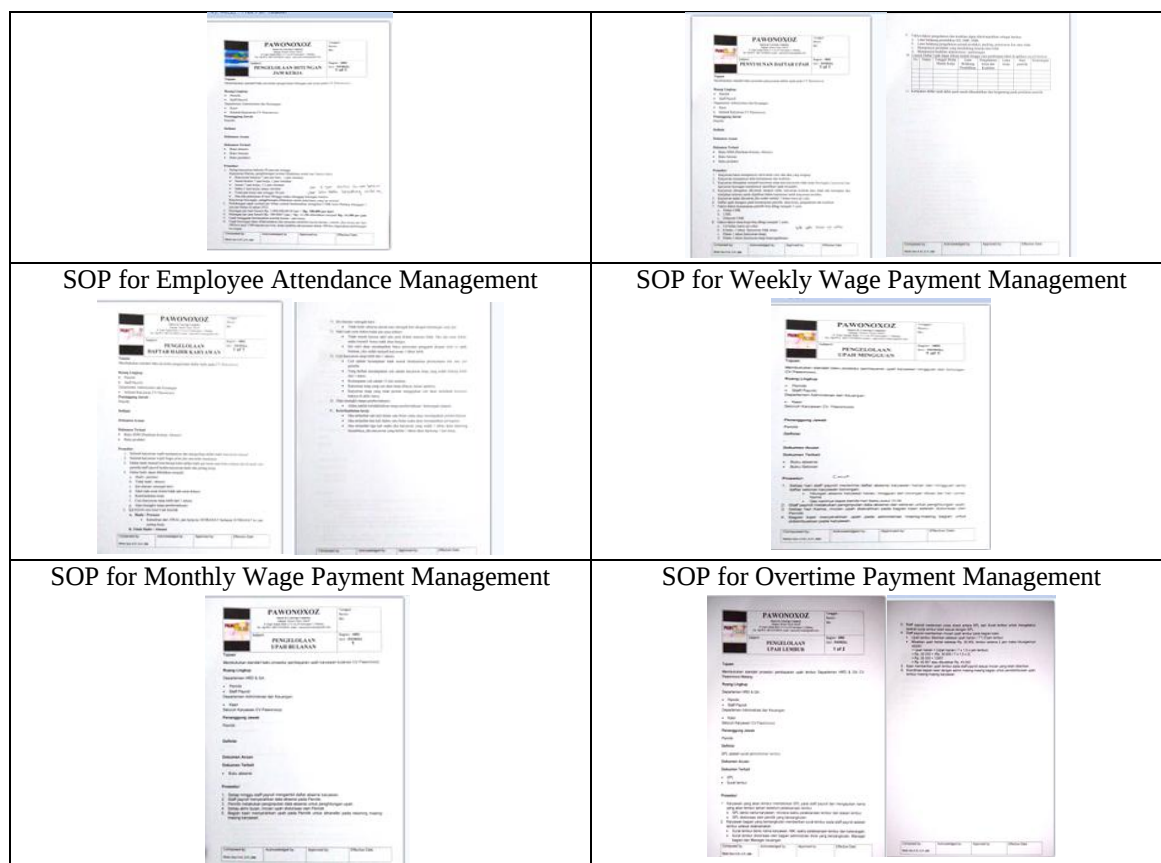


Figure 5. Several SOPs that have been designed
Source: personal data (2026)

This community service activity did not immediately receive a positive response or outcomes, as several constraints hindered the continuous improvement process. These constraints included: (a) limited understanding among the owner and employees regarding the definition, importance, and benefits of simplified wage procedures and strategies; (b) the absence of administrative personnel; (c) employees' tendency to forget administrative procedures; (d) a strong focus on outcomes rather than processes; (e) limited teamwork; and (f) insufficient management support. Accordingly, this community service program provides benefits by supporting opportunities to improve company performance and serves as an important initiative for enhancing production quality and overall performance in a sustainable manner. This activity also contributes to the "Career Acceleration" process for facilitators and, indirectly, for employees as recipients of the training.

Guidance is provided on learning processes, the creation of simple records, and the implementation of easily traceable filing systems to enhance efficiency and effectiveness. The material to be covered includes:

- 1) Guidance on creating simple manual records for payroll items (using a general ledger) or digital records (using Microsoft Excel).
- 2) Guidance on designing Standard Operating Procedures (SOPs) for the HR department to ensure performance is measurable and efficient.
- 3) Guidance on developing HR management strategies, covering recruitment, employee data management, training, payroll, performance evaluation, and work efficiency.
- 4) Designing and presenting standardized operational procedures for CV Pawonoxos to serve as a reference for activities within the learning process. Establishing standardization offers numerous benefits, one of which is making the service delivery within the learning process more measurable and efficient.

CONCLUSION

The community service activity titled “Participatory Action Research in Developing a Simple Wage Standard Operating Procedure for CV.Pawonoxoz” provides significant benefits in supporting opportunities to improve the company’s performance. It also serves as an important program to enhance production quality and overall performance in a sustainable manner. Furthermore, this activity contributes to the “Career Acceleration” process for facilitators. The program can be extended to include further community service activities focused on the evaluation, monitoring, and control of the SOPs that have been developed.

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