

Enhancing the Resilience of Wood Souvenir SMEs through Financial Management Improvement and Occupational Health and Safety (OHS) Implementation

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ARTICLE INFO

Keywords: Financial Management, Occupational Health and Safety (OHS), Wooden Souvenir Craftsmen, Community Empowerment, SMEs

Received : 18, April

Revised : 20, June

Accepted: 22, August

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ABSTRACT

The wooden souvenir artisan group faces challenges in managing finances and implementing Occupational Safety and Health (OSH), which affects productivity and business sustainability. This Community Service Program (PKM) aims to strengthen the partners' capacity through training and mentoring in financial management and OSH implementation. The methods used include counseling, training, hands-on practice, and participatory mentoring. The materials cover simple bookkeeping, separating business and personal finances, using Personal Protective Equipment (PPE), and safe work procedures. The results show that participants' understanding of financial management and OSH increased by at least 20%. Partners are also able to prepare simple bookkeeping, apply safer work practices, and boost their business revenue targets by around 30%. This program contributes to improving the capacity, productivity, and competitiveness of the wooden souvenir artisan group.

INTRODUCTION

Wood souvenir craftsmen play an essential role in Bali's tourism sector, supporting the local economy while also preserving cultural heritage (Arsha et al.). Woodcraft significantly contributes to job creation and boosts regional exports beyond the direct tourism sector (Swara et al., 2025). However, most tourist souvenir business groups are still run simply with limited managerial and operational capacity (Farhaeni et al., 2024). In their business operations, Micro, Small, and Medium Enterprises, including woodcraft businesses, face various problems. These include a lack of understanding of business financial management, a lack of capital sources, using traditional marketing methods, and operating without paying attention to health and safety at work (Zulfiar, 2023; Ningsih et al., 2024).

The implementation of Occupational Safety and Health (OSH) is a systematic effort to create a safe and healthy work environment for workers to prevent workplace accidents (Cahyawati et al., 2022) and work-related illnesses (Cahyawati et al., 2023). In the context of artisan groups, the culture of mutual cooperation and volunteer spirit often overlooks safety aspects at work, so structured OSH education and training are needed (Zulfiar, 2023). Consistent OSH implementation not only fulfills regulatory obligations but also serves as a strategic investment to reduce accident costs and keep production running smoothly (Amsyir et al., 2025).

In business operations that use sharp and dangerous tools, workplace safety and health are priorities that must be taken care of. Ignoring workplace safety and health can have serious consequences, like work accidents. Identifying the causes of work accident risks, the two biggest human errors that lead to accidents are: first, workers not wearing personal protective equipment, and second, workers making small mistakes like falling, slipping, tripping, and so on (Zulfiar, 2023). OHS management shouldn't just be seen as a cost burden, but rather as a strategic investment that supports achieving sustainable operational performance (Wahyani et al., 2023). Good OHS implementation directly supports smooth production processes because machines and labor can operate optimally without unexpected downtime. In the long run, a safe work environment encourages workforce stability and reduces costs arising from employee turnover or accident compensation (Cahyawati et al., 2022; Cahyawati et al., 2023).

Wood craftsmen face limitations in financial management rooted in low financial literacy, minimal banking access, and informal record-keeping practices (Ningsih et al., 2024; Nugraha et al., 2020; Widjayanti et al., 2025). This situation hampers the optimization of capital and profitability for micro and small businesses in the woodcraft sector (Top & Özbek, 2022). Most artisans don't have a basic understanding of cash flow management and formal financial record-keeping. Working capital management is still dominated by informal practices, like manually tracking inventory and estimating cash flow (Mville et al., 2026). This lack of financial knowledge makes decision-makers prone to mistakes, like inefficient use of credit (Top & Özbek, 2022). Basic bookkeeping training has been

shown to increase awareness of the importance of financial statements for business development (Ningsih et al., 2024; Cahyadi & Suryantari, 2024).

The partner for this Community Service Program activity is a wooden souvenir business group in Peguyangan Village, Bali.



Figure. 1 Partners Work in Simple Places With Limited Tools and Manual Processes

The main problem partners face is that their business finances are not well organized. Partners generally haven't implemented regular and systematic financial record-keeping, making it hard to track cash flow, calculate profits accurately, and evaluate how business capital is used. On top of that, business finances are often mixed with the owner's personal finances, which leads to financial decisions that aren't based on data and could potentially hinder the business's sustainability.

On the other hand, the implementation of Occupational Health and Safety (OHS) among wood souvenir craftsmen is still very limited. Craft production activities involve various work risks, such as using sharp tools, exposure to chemicals (glue, paint, and varnish), dust, and non-ergonomic working positions. However, partners still lack adequate understanding of OHS principles, don't consistently use personal protective equipment, and haven't applied safe working procedures. This situation increases the risk of work accidents and health problems, which can ultimately lower productivity and the quality of the products.



Figure 2. The Craftsman Didn't Use Personal Protective Equipment (PPE)

IMPLEMENTATION AND METHODS

Preparation activities for community service include socializing the process of the activities and preparing tools and materials for the service. This step is carried out by coordinating with the partners, namely the wooden souvenir craft group in Peguyangan village, led by Mr. I Nyoman Adi, regarding the implementation of this program. To make this event more effective and efficient, coordination will be done.



Figure 3. Education on Financial Management and Health and Safety for Partners

The implementation methods used for partners are lectures, training, and the provision of appropriate technology equipment,

- 1) Education on financial management for businesses so that partners understand and can record and book cash flows, and distinguish between personal needs and business management needs.
- 2) Education about the meaning of occupational health and safety (OHS)

Providing education on the meaning and importance of Occupational Health and Safety (OHS) to groups of wooden souvenir craftsmen to raise awareness about work risks in the production process. The education focuses on identifying potential workplace hazards, the importance of safe work behavior, and the benefits of applying OHS in maintaining health, preventing accidents, and supporting smooth and sustainable production processes.

The method of delivering community service is shown in the following figure:

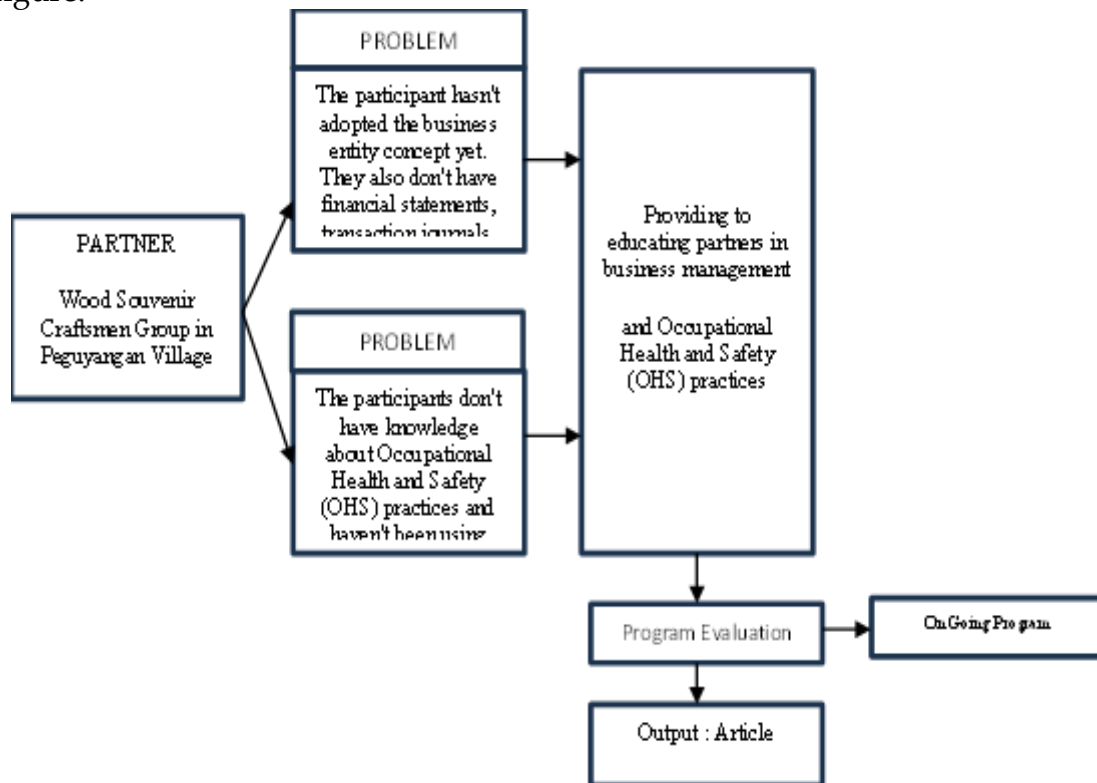


Figure 4. How The Community Service Program is Carried Out

RESULTS AND DISCUSSION

The Community Service Program (PKM) carried out with a group of wooden souvenir craftsmen aims to enhance the partners' capacity in financial management and the implementation of Occupational Health and Safety (OHS). The activities are conducted through counseling, training, hands-on practice, and direct mentoring, so participants not only gain theoretical knowledge but can also apply the material to their businesses.



Figure 5. Delivery of Aid Equipment, Including a Drill Machine, Grinder, Snail Fan, Work Gloves, and a First Aid Kit Box to Partners

Improving Financial Management

Prior to the implementation of the program, business financial management was still done in a basic and poorly documented manner. Partners were unable to distinguish between corporate and personal funds and did not recognise the need of documenting financial transactions. Due to this circumstance, business owners found it challenging to assess their company's financial state and determine their earnings. Through training and mentoring activities, participants are provided with material on basic financial management, which includes recording cash inflows and outflows, preparing simple bookkeeping, and separating business and personal finances. After participating in the activities, there is an improvement in participants' understanding of basic financial recording, with a target increase of at least 20% compared to the initial condition. In addition, participants are able to prepare simple bookkeeping as a basis for evaluating and making business decisions.

The impact of improved financial management skills is also reflected in the increase in business turnover. Before the program was implemented, partners' average turnover was around IDR 3–4 million per month, while after the program it was targeted to increase to IDR 5–8 million per month, a rise of about 30%. This increase shows that better financial management can support operational efficiency and business growth. In the financial aspect, not only does the program provide education in financial management, but this community partnership program also gives capital goods assistance to partners in the form of production equipment, and personal protective gear (gloves) and first aid kits, so they can maximize the production process and increase production capacity, which will boost business turnover.

Table 1. Community Service Activity Achievements

No	Aspect	Indicator	Baseline	Outcome (Level 2)
A. Quantitative Outcomes				
1.	Financial Management	Increase in Business Revenue	IDR 3-4 million per month	IDR 5-8 million per month (30% increase)
		Improvement in business entity concept, cash basis, and journal entry	The participant hasn't adopted the business entity concept yet. They also don't have financial statements, transaction journals, or income reports.	at least a 20% improvement in applying the business entity concept. Participants have financial statements, transaction journals, and income reports.
2.	Occupational Health and	Improvement in OHS knowledge	The participants don't have knowledge about Occupational	There was a 20% increase in OHS knowledge.

	Safety (OHS)		Health and Safety (OHS) practices and haven't been using Personal Protective Equipment (PPE)	
B. Quantitative Outcomes				
1.	Financial Managem ent	The ability to record daily business transactions	there are no daily transaction records	Participants record daily business transactions and adopt the business entity principle.
2.	Occupati onal Health and Safety (OHS)	Implementation of OHS principles	There aren't any consistent Health and Safety (K3) standards being applied in the production process.	Participants apply basic Occupational Health and Safety (OHS) standards at the workplace.

Source: Community Service Activities (2026)

Improving the Implementation of Occupational Safety and Health (OSH)

Another aspect that is the focus of the activities is improving the implementation of Occupational Safety and Health (OSH). Based on the initial identification results, most of the craftsmen do not yet understand the basic principles of OSH and have not been using Personal Protective Equipment (PPE) consistently during the production process. This situation increases the risk of work accidents due to the use of various carpentry **tools**.

Through socialization activities and practical use of PPE, participants gained an understanding of potential hazards in the workplace, the importance of using PPE, and the implementation of safe work procedures. The results of the activities showed an increase in understanding of occupational health and safety, with a minimum target of 20% improvement compared to before the training. In addition, participants started to apply the use of PPE and get used to safer work procedures during the production process.

Applying occupational health and safety principles not only protects workers' safety but also contributes to increased productivity because work processes become safer, more comfortable, and efficient. In this way, the risk of workplace accidents can be minimized, ensuring the continuity of the business.

CONCLUSIONS AND RECOMMENDATIONS

The implementation of this community service program shows that strengthening financial management and Occupational Health and Safety (OHS) practices can effectively boost managerial capacity and operational sustainability of wood souvenir SMEs. Participants showed improvements in skills like keeping simple financial records, separating business and personal finances, and applying basic OHS principles, including the proper use of Personal Protective Equipment (PPE). These improvements contribute to better financial discipline, safer working conditions, and stronger business resilience. The findings highlight the importance of integrating managerial and safety interventions as a holistic strategy to support the sustainable development of micro and small businesses.

The next program should prioritize long-term mentoring to ensure that financial management practices and occupational health and safety standards are consistently applied. Integrating digital bookkeeping systems, digital marketing, product diversification, and business networking is also recommended to strengthen the competitiveness of woodcraft SMEs. Moreover, stronger partnerships between universities, government agencies, and industry stakeholders are crucial to provide sustainable capacity-building initiatives and to promote the development of sustainable SMEs. This integrated approach is expected to bring lasting economic and social benefits to artisan communities.

ACKNOWLEDGMENT

The authors would like to express their sincere gratitude to the Directorate of Research and Community Service (DPPM), Universitas Warmadewa, for providing financial support for this community service project. The authors also express their appreciation to the wood souvenir artisan group for their active participation, enthusiasm, and cooperation throughout the implementation of the program. Finally, the authors acknowledge Universitas Warmadewa for its institutional support, which contributed significantly to the successful completion of this project and the dissemination of its outcomes.

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