CHAPTER I
INTRODUCTION

1.1 Background of the problem

Increasing business competition and economic resources are forcing business organizations and various forms of business to survive in difficult circumstances. These changes also have an impact on handling the lack of quality human resources. Micro, Small and Medium Enterprises can potentially drive economic activities in the present so that MSMEs should get the widest possible development as a community economic booster. Small and medium enterprises SME's as one of the structural business scale categories that have a very important role in the Indonesian economy.

As in Jepara Regency, which is quite famous for the existence of various kinds of industries and is an important contributor to the Gross Regional Domestic Revenue (GRDP) of Jepara Regency, especially the number of small and medium enterprises which continues to increase every year, indicating that MSMEs in Jepara Regency are progressing and thus become regional potential that should be considered by the local government (Kustanti, 2022). In addition to the form of business and the quality of human resources, what needs to be considered are the factors that influence the increase in work productivity.

As in the monel SME's center in Kalinyamatan District, it started with the creativity of the local community who wanted to try to process monel metal waste, then increasingly developed into a monel handicraft business. In addition to having many economic sectors, Jepara Regency also has various types of centers, the following is data on Jepara Regency SME's centers.

Table 1. 1
Jepara Regency SME's Center for 2021 - 2023

No	Type of Sentra	Number of Centers	Production Volume			Problem of Sentra
			2021	2022	2023	
1.	Rattan Center	150	54.000 pcs	56.700 pcs	32.720 pcs	Raw Materials
2.	Weaving Center	360	172.000 pcs	163.440 pcs	155.160 pcs	Raw Materials
3.	Relief Center	36	2.160 pcs	2.203 pcs	1.980 pcs	Marketing
4.	Pottery Center	63	3.780 pcs	3.700 pcs	3.420 pcs	Marketing
5.	Bread and Cake Center	65	65.000 pcs	78.000 pcs	123.500 pcs	Marketing
6.	Children's Toy Center	100	42.000 pcs	42.840 pcs	40.000 pcs	Competitive Price Marketing
7.	Veil Center	150	2.700.000pcs	2.551.500 pcs	2.430.000 pcs	Labor
8.	**Monel Center**	**31**	**372.000 pcs**	**282.875 pcs**	**226.300 pcs**	**Labor**
9.	Convection Center	85	204.000 pcs	208.080 pcs	224.400 pcs	Labor
10.	Sclupture and Carving Center	153	61.000 pcs	64.100 pcs	67.152 pcs	Labor

Sources: diskopumkmnakertrans Jepara Regency that have been processed, 2023

In the data presented in Table 1.1, it can be seen that in 2021-2023 Jepara Regency has ten types of Small and Medium Enterprises centers spread across various sub-districts with various types of problems. For example, the Rattan

Center and Weaving Center have problems with raw materials. The Relief Center, Pottery Center, Bread and Cake Center, and Children's Toy Center have problems with marketing. The Veil Center, Monel Center, Convection Center, Sculpture and Carving Center have problems with labor. From this data, it can be concluded that the number of center actors is experiencing various problems. Especially the Monel Center in Jepara Regency has problems with labor. This triggers a lack of work productivity.

Work Productivity according to Kustini & Sari (2020:306) is the ability of an employee to increase their work output to the maximum. Good employee work productivity will produce large quantities of production with good quality in accordance with the standards set by the company within a certain period of time, so that employee work productivity can benefit the company Khoirul Ulum et al., 2018 in (Putra & Martha, 2022). Work productivity can be influenced by several factors either directly related to labor or other factors. In the monel SME's Center in Jepara Regency, the work productivity of workers has decreased, with the rise of large factories in the industrial area of Jepara Regency, this has caused a lack of interest in further workers to pursue the art of monel handicrafts, and the retirement of several monel experts has caused the manufacture of limited monel handicrafts so that it cannot meet the demand for production volume.

Table 1. 2
**Recapitulation of Data on Total Production by Business Name, and Working
Hours in Monel Businesses in Jepara Regency
Year 2021 - 2023**

No	Name of bussines	Working Hours/day	Total Production		
			2021	2022	2023
1.	Aji Soko	8 hours/day	12.000 pcs	9.000 pcs	7.000 pcs
2.	Teras Monel	7 hours/day	10.000 pcs	8.000 pcs	6.300 pcs
3.	Sali Monel Aksesoris	6 hours/day	9.000 pcs	6.000 pcs	3.500 pcs
4.	Toko Monel UD	5 hours/day	3.000 pcs	1.200 pcs	1.000 pcs
5.	Toko Adhesi Monel	7 hours/day	12.000 pcs	9.150 pcs	7.000 pcs
6.	Kalingga Monel	6 hours/day	12.000 pcs	9.000 pcs	4.100 pcs
7.	Seni Sakti	8 hours/day	25.000 pcs	24.700 pcs	23.900 pcs
8.	Cahaya Indah	hours/day	54.000 pcs	53.550 pcs	52.300 pcs
9.	Kiswah Jewelery	7 hours/day	12.000 pcs	9.100 pcs	7.000 pcs
10.	Mbang Mbeng Store	6 hours/day	10.000 pcs	6.000 pcs	3.000 pcs
11.	RF Jewelery	7 hours/day	12.000 pcs	8.000 pcs	7.200 pcs
12.	Hand Creative ID	5 hours/day	4.500 pcs	2.000 pcs	1.500 pcs
13.	Kharisma Monel	5 hours/day	3.500 pcs	1.100 pcs	1.000 pcs
14.	Sultan Official Store	6 hours/day	5.000 pcs	3.000 pcs	2.000 pcs
15.	Al – Firdaus	7 hours/day	9.000 pcs	5.000 pcs	3.100 pcs
16.	Bosemonel	7 hours/day	6.000 pcs	3.120 pcs	2.000 pcs
17.	Zedd Jewelery	5 hours/day	6.000 pcs	3.000 pcs	1.600 pcs
18.	Aqila Monel and Craft	8 hours/day	26.000 pcs	25.290 pcs	23.300 pcs
19.	Wijaya Store	7 hours/day	12.000 pcs	10.250 pcs	7.600 pcs
20.	Amin Fatah Store	7 hours/day	9.000 pcs	7.000 pcs	3.500 pcs
21.	Naonao Aksesoris	6 hours/day	15.000 pcs	10.250 pcs	8.500 pcs
22.	Belimbing Keris	7 hours/day	12.000 pcs	9.000 pcs	7.300 pcs
23.	Arjuna Permata	5 hours/day	4.000 pcs	1.000 pcs	1.000 pcs
24.	Monel Jepara Project	5 hours/day	5.000 pcs	1.125 pcs	1.000 pcs
25.	Dinar Aksesoris	7 hours/day	9.000 pcs	5.000 pcs	3.000 pcs
26.	Maheer	7 hours/day	9.000 pcs	8.000 pcs	4.300 pcs
27.	Bintang Monel	5 hours/day	6.000 pcs	4.500 pcs	2.100 pcs
28.	Trisna Monel	7 hours/day	18.000 pcs	10.000 pcs	8.000 pcs
29.	Samba Jepara	6 hours/day	15.000 pcs	9.250 pcs	5.500 pcs
30.	Kenari Jaya Monel	7 hours/day	12.000 pcs	8.260 pcs	7.200 pcs
31.	Griya Monel Rini	7 hours/day	15.000 pcs	10.000 pcs	6.500 pcs
	TOTAL		**372.000 pcs**	**282.875 pcs**	**226.300 pcs**

Sources: diskopumkmnakertrans Jepara Regency that have been processed, 2023

Table 1.2 explains that business name and working hours affect the volume of monel production in monel businesses in Jepara Regency. We can see the highest volume of production in the monel business Cahya Indah with working hours of 8 hours/day can annually produce 54,000pcs of monel crafts in 2021, 53,550pcs in 2022, and 53,300pcs in 2023. While the lowest volume of

production results is in the monel business Toko Monel UD with working hours of 5 hours/day each year can only produce 3,000 pcs of monel crafts in 2021, 1,200 pcs in 2022, and 1,000 pcs in 2023. This explains that if the working hours of the workers are high, the work productivity is also high which will affect the amount of production.

Working hours are the time to do work, which can be done during the day or at night. These working hours can also affect work productivity. According to Yeni & Okmaida, (2021), there is a connection between the company's working hours and the work performed by the workers. Workers' working hours are usually agreed with the company at the start of work. In addition, the working hours factor can affect monel workers. The higher the working hours, the more the production of handicrafts produced by the workers.

Wages according to Muhi. S, (2023:15) is remuneration given to employees or workers for the work they do. According to Puspasari, (2020), If the receipt of labor wages is high then he will be able to meet his minimum physical needs so that if physical needs have been met, it will have an impact on the condition of the workforce when working. Given the increasingly small number of monel craftsmen labor and most of them are elderly, the wages earned are based on how many crafts are produced in one day, the less crafts produced, the less wages will be earned. Because of the uncertain wage results, the younger generation now prefers to work in the factory industry where the wages are certain.

Table 1. 3
Data on the Highest and Lowest Wages of Monel Workers in Jepara Regency
in 2021 - 2023

NO.	By Year	UMR Jepara Regency	Highest Wages	Lowest Wages	Percent (%)
1.	2021	Rp 2.108.403	Rp 1.200.000	Rp 600.000	28,5%
2.	2022	Rp 2.272.626	Rp 1.800.000	Rp 600.000	52,8%
3.	2023	Rp 2.450.915	Rp 1.800.000	Rp 1.050.000	30,6%

Sources: diskopukmnaakertrans Jepara Regency that have been processed, 2023

Based on Table 1.3, it is explained that in 2022 with the Jepara Regency minimum wage of Rp 2.108.403, the difference between the UMR of Jepara Regency and the wage range of workers in the monel business is equal to 28,5%. In 2023 with a Jepara Regency minimum wage of Rp 2.272.626, the difference between the UMR of Jepara Regency and the wage range of workers in the monel business is equal to 52,8%. In 2024 with a Jepara Regency minimum wage of Rp 2.450.915, the difference between the UMR of Jepara Regency and the wage range of workers in the monel business is equal to 30,6%. This explains that the wages of monel business workers are still below the Jepara Regency minimum wage.

Tabel 1.4
Recapitulation of Average Education Data by Business Name, Number of
Workers, and Work Experience in Monel Businesses in Jepara Regency

No	Nama Usaha	Jml TK	Rata – rata Pendidikan Pekerja
1.	Aji Soko	4	SHS
2.	Teras Monel	4	JHS
3.	Sali Monel Aksesoris	3	SHS
4.	Toko Monel UD	2	JHS
5.	Toko Adhesi Monel	4	SHS
6.	Kalingga Monel	4	JHS
7.	Seni Sakti	9	SHS
8.	Cahaya Indah	15	SHS
9.	Kiswah Jewelery	4	JHS
10.	Mbang Mbeng Store	4	JHS
11.	RF Jewelery	4	JHS
12.	Hand Creative ID	2	SHS
13.	Kharisma Monel	2	JHS
14.	Sultan Official Store	2	SHS
15.	Al – Firdaus	3	JHS
16.	Bosemonel	2	SHS
17.	Zedd Jewelery	2	JHS
18.	Aqila Monel and Craft	7	SHS
19.	Wijaya Store	4	JHS
20.	Amin Fatah Store	3	JHS
21.	Naonao Aksesoris	5	SHS
22.	Belimbing Keris	4	SHS
23.	Arjuna Permata	2	SHS
24.	Monel Jepara Project	2	SHS
25.	Dinar Aksesoris	3	JHS
26.	Maheer	3	JHS
27.	Bintang Monel	2	JHS
28.	Trisna Monel	6	SHS
29.	Samba Jepara	4	SHS
30.	Kenari Jaya Monel	4	SHS
31.	Griya Monel Rini	5	JHS

Sources: diskopumkmnakertrans Jepara Regency that have been processed, 2023

Based on Table 1.4, it can be seen that the name of the business, the number of workers, and the average education of workers affect work productivity. We can see that, monel businesses with a large number of workers such as Seni Sakti, Cahaya Indah, Aqila Monel and Craft, and Trisna Monel have workers with an average high school education. While monel businesses with quite a few workers such as Toko Monel UD, Hand Creative ID, Kharisma Monel, Sultan Official Store, Bosemonel, Zedd Jewelry, Arjuna permata, Monel

jepara project, and Bintang monel has workers with an average junior high school education. This also affects productivity, the higher the education of workers, the higher their work productivity.

Education according to Vivi. N. S (2019: 101) is a process of developing abilities towards the desired direction by the organization concerned. Education is also a factor that affects work productivity. According to Hasbullah in Pitriyani & Halim, (2020), Education is strictly defined as human efforts to develop their characteristics in accordance with prevailing cultural and social values in order to create a better character than before. The lack of education obtained by older craftsmen has delayed the development of monel SME's. The lack of interest in young workers who are freer to access all kinds of education should trigger creativity and efficiency in developing monel SME's in Jepara Regency. However, it is unfortunate that the younger generation who have access to higher education prefer to work in industry rather than become the successors of monel SME's.

Work Experience is knowledge that a person acquires directly through the daily work process in accordance with the type of work Muslim et al., (2020). With adequate work experience of the craftsmen, the mastery in completing monel crafts can be said to be more flexible in completing the work, in contrast to less experienced workers it will be difficult to adapt, then tend to be rigid in completing the work. But unfortunately, many young people are not even interested in learning the process of making monel crafts, so now there are inexperienced craftsmen in the end it hampers productivity.

According to Law No. 20/2008 on MSMEs, Micro Enterprises are productive businesses owned by individuals and/or individual business entities that meet the criteria of Micro Enterprises as stipulated in the Law. Small Businesses are stand-alone productive economic businesses, conducted by individuals or business entities that are not subsidiaries or branches of companies owned, controlled, or part of either directly or indirectly by Medium Enterprises or Large Enterprises that meet the criteria of Small Businesses as referred to in this Law. Medium Enterprises are productive economic businesses that stand alone, conducted by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or are part of either directly or indirectly with Small Enterprises or Large Enterprises with a total net worth or annual sales as stipulated in this Law. Micro Business criteria are having a net worth of at most Rp50,000,000.00 (fifty million rupiah) excluding land and building of the business premises; or having annual sales revenue of at most Rp300,000,000.00 (three hundred million rupiah). The criteria of a Small Business is having a net worth of more than Rp50,000,000.00 (fifty million rupiah) up to a maximum of Rp500,000,000.00 (five hundred million rupiah) excluding land and building of the business premises; or having annual sales proceeds of more than Rp300,000,000.00 (three hundred million rupiah) up to a maximum of Rp2,500,000,000.00 (two billion five hundred million rupiah). The criteria for Medium Enterprises are having a net worth of more than Rp500,000,000,000.00 (five hundred million rupiah) up to a maximum of Rp10,000,000,000.00 (ten billion rupiah) excluding land and buildings of the

place of business; or having annual sales proceeds of more than Rp2,500,000,000.00 (two billion five hundred million rupiah) up to a maximum of Rp50,000,000,000.00 (fifty billion rupiah).

Research gap in this study, the research conducted by Adiyanti & Sari (2024) stated that working hours affect work productivity. However, in contrast to research Nuraeni & Irawati, (2021) Working Hours (X4) has no effect on employee work productivity (Y).

The research by Fahrezi & Bo (2023) stated that wages affect work productivity. However, it is different from the research conducted by Cahya et al., (2021) variable Wages (X1) has no significant effect on work productivity (Y).

As we know, education plays an important role in employee productivity. Like the research conducted Wakhidi, (2020) states that the variable level of education (X1) effect on work productivity (Y). In contrast to the research conducted by Arifin et al., (2024) states that the level of education (X2) has no effect on employee work productivity (Y).

Research conducted by Kumbadewi et al., (2021) states that there is an influence between the work experience variable (X2) on the employee productivity variable (Y). However, in contrast to research conducted by Puspita et al.,(2023) states that work experience (X1) has no effect on work productivity (Y).

Based on several studies that have been conducted above, they show different results regarding the influence between variables. Various kinds of

differences in knowledge, utilization is also one of the factors causing differences between these studies.

Based on the background, the author takes the title "**THE INFLUENCE OF WORKING HOURS, WAGE, EDUCATION, AND WORK EXPERIENCE ON WORK PRODUCTIVITY (CASE STUDY ON MONEL SME'S CENTRE IN JEPARA REGENCY)**".

1.2   Scope

This research limits the problems that will be discussed as follows:

1.   This study uses independent variables, namely working hours, wages, education, and work experience. As well as the Dependent Variable, namely Work Productivity.

2.   The object studied in this research is the monel SME's center in Jepara Regency.

3.   Respondents are workers of monel SME's in Jepara Regency.

4.   The author conducted the research for six months, after the proposal was approved.

1.3   Formulation of the problem

Based on the background that has been described, the problem formulation at the Monel SME's center in Jepara Regency is as follows:

1.   Work hours of workers vary, 4 - 8 hours per day.

2.   Workers' wages vary but are still below the minimum wage.

3.   The average worker has a high school education history.

4. Workers' work experience is still minimal, most of them are new to working in the Monel business.

Based on the formulation of the problem that has been stated above, this research question can be formulated, namely:

1. How does the Effect of Working Hours on Work Productivity of Workers in Monel SME's Centers in Jepara Regency?

2. How does the effect of wages on labor productivity among workers at the Monel SME's Center in Jepara Regency?

3. How does education affect work productivity among workers in monel SME's centers in Jepara Regency?

4. How does work experience affect work productivity among workers in monel SME's centers in Jepara Regency?

5. How do working hours, wages, education, and work experience affect work productivity among workers in monel SME's centers in Jepara Regency?

1.4 Research Objective

Based on the background that has been described, the problem formulation at the Monel SME's center in Jepara Regency is as follows:

1. Analyze the effect of working hours on work productivity of workers in Jepara Regency in Monel SME's Center?

2. Analyze the effect of wages on work productivity of workers in the Jepara Regency Monel SME's center?

3. Analyze the effect of education on work productivity of workers in Jepara Regency monel SME's center?

4. Analyzing the effect of work experience on work productivity of workers in Jepara Regency monel SME's center?

5. Analyze the effect of working hours, wages, education, and work experience on work productivity of workers in Jepara Regency's monel SME's center?

1.5   Research Benefit

1. Theoretical Benefits

    The results of this study are expected to add to the reference/theory of Human Resource Management (HRM) in monel crafts related to the Effect of Working Hours, Wages, Education and Work Experience on Work Productivity on Workers in Monel SME's Center in Jepara Regency.

2. Practical Benefit

    The results of this study are expected to describe the reality in the field, especially regarding the influence of working hours, wages, education and work experience on work productivity of workers in the Monel SME's Center in Jepara Regency.