# Analysis of Religiosity Level and Other Factors in Determining of Labor Income Level

ADE KOMALUDIN*, NANANG RUSLIANA, JUMRI JUMRI, IRMAN FIRMANSYAH
Faculty of Economics and Business,
Siliwangi University,
INDONESIA

**Corresponding Author*

*Abstract:* - The main objective of this research is to find out how the level of religiosity influences work skills and wages (labor income) in the Embroidery Home Industry in Sukaraja District, Tasikmalaya Regency, West Java, Indonesia. By using multivariate analysis with PLS-SEM and multigroup analysis (MGA), the research concluded that the level of religiosity has a significant positive effect on work skills and wages (labor income) both directly and indirectly. This happens to both male and female labor groups, in the Home Embroidery Industry which uses manual or simple technology. This research provides implications for government policy materials in developing countries, especially for Muslim-majority populations, as well as filling research gaps that currently have not been targeted by many researchers.

*Key-Words:* - Level of religiosity, work skills, wages (labor income), manual technology, home industry, multigroup analysis (MGA).

JEL Classification: J16, J24, J31, J39.

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## 1 Introduction

Sukaraja Sub-district of Tasikmalaya Regency, West Java Province, is one of the sub-districts directly bordering Tasikmlaya City in the south, which is bordered by the Papayan River. Sukaraja sub-district has 8 villages, in which there are many home industries (340 units) and an estimated labor force of around 1,700 people. Home Industry data is shown in Table 1.

Table 1. Number of Home Industries (Business Units)

| No. | Name of Villages | Business Units |
|---|---|---|
| 1 | Janggala | 0 |
| 2 | Leuwibudah | 20 |
| 3 | Linggaraja | 0 |
| 4 | Margalaksana | 0 |
| 5 | Mekarjaya | 8 |
| 6 | Sirnajaya | 6 |
| 7 | Sukapura | 6 |
| 8 | Tarunajaya | 300 |
| | **Total** | **340** |

*Source: CBS of Tasikmalaya Regency 2021*

It can be seen that the distribution of business units is not evenly distributed in each village. Business units are concentrated in Tarunajaya Village. So that in this way more workers will be absorbed in the village. In line with labor absorption which is more concentrated in Tarunajaya Village, the research objects will be more focused on that village. The main research object is related to the level of wages of Home Industry Embroidery workers (employees) and several other influencing factors.

Several studies state that the level of wages that workers can receive usually depends on several factors, for example the length of working hours used, the worker's own work skills, level of education, work experiences, type of work completed (level of work difficulty), business scale, other factors. technology applied in the company [1], [2], [3], [4], [5], and of course many other factors that cannot all be included in the research model [6], [7], [8], [9], [10]. The new factor that we want to observe in this research is the religiosity factor of workers. How does this factor influence the level of wages he receives? That is the research gap that we want to know the answer to. After knowing the nature of the relationship between the level of religiosity and other factors and the level of wages received, of course there will be further steps (follow-up) as an effort to respond to research results both by the company (Home Industry) and the government. Efforts that can be made by the local government

are how to utilize the results of this research in an effort to build a better Home Industry in accordance with regional development programs in order to improve the welfare of workers (society) in general.

This research tries to use the religiosity variable as an independent variable, in relation to determining wages for Home Industry Embroidery workers in Sukaraja District, Tasikmalaya Regency, which has never been done before. This aspect prompted us to conduct research on the topic of labor (employee) wages. Technically operational (statistical), and by adding several other important factors to the model used, we will try to analyze labor wages. What factors determine labor wages, especially at the Home Industry level. Based on the results of this research, policy recommendations can later be formulated that can be followed up by industry and regional governments. So, in turn this research can be useful for society, especially in efforts to improve the welfare of workers themselves.

The aim of this research is to determine and analyze the influence of (1) level of religiosity, working hours, work experiences, number of family members, and level of education on work skills and wages (labor income); (2) the work skills on wages (labor income); and (3) level of religiosity, working hours, work experiences, number of family members, and level of education on wages (labor income) through work skills; (4) the gender differences and the use of technology on work skills and wages (labor income) of workers in the Embroidery Home Industry in Sukaraja District, Tasikmalaya Regency.

## 2 Theoretical Underpinning and Hypothesis

Work-life balance (WLB) is essentially a concept that combines real life with the work a person is engaged in. In practice, it is necessary to find the ideal balance point so that a harmonious, ideal domestic life atmosphere is created and ultimately this will create a l evel of welfare for workers (employees) or families in general, [11], [12], [13]. Of course, welfare will be formed when there is job satisfaction previously felt by employees (laborers), [11], [12], [13], [14].

WLB itself is a b alance between work and life, as w ell as a f eeling of comfort and satisfaction with commitment to the dual roles carried out, namely work and family, which is based on the employee's perception of his ability to carry out his responsibilities at work, at home and in society with very minimal role conflict, [12], [13], [15], [16]. In the economic concept of employment, welfare is often reflected in the level of satisfaction (utility) felt by a person (employee), and it will depend on the level of income earned and the rest time that can be felt.

Mathematically, it c an be written using the following equation model: U = f (Y, L), where U is the level of satisfaction (welfare), Y is the level of income and L is rest time (leisure time) [17]. The income of workers (employees) can theoretically be formulated as: Y = r W, where r is the wage rate and W is working hours. Working hours are: W = T – L, so the form of the income equation becomes: Y = r (T - L), where T is the total time each day, namely 24 hours, [17], [18], [19], [20], [21]**.** If it is assumed that the U value is constant, then the equation of income and working time can be depicted in the Figure 1.

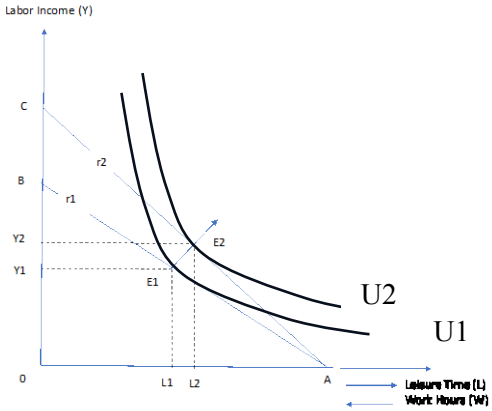


Fig. 1: Relationship between work hours and income

The vertical axis depicts the level of income earned by a w orker (employee), while the horizontal line reflects rest time (L) and also work hours (W). Rest time runs from left to right, while working time runs from right to left (note the direction of the arrow on the horizontal axis). The amount of income and time off is a trade-off. This means that if a worker wants to get a relatively high income, then he has to sacrifice his rest time, and vice versa. From this figure, it can be seen that initially the worker works using AL1 of working time with an income of Y1 = r1 (AL1), and the worker's balance point is at point E1 (satisfaction/well-being is reflected by the U1 curve). This situation is depicted by the budget line AB. Then, with certain policies (circumstances) suddenly the wage rate increases to r2. The increase in wage rates is reflected in the new budget line, namely AC. This condition has implications for an increase in workers' income, namely Y2 = r2 (AL2). The income earned by workers has increased, because it appears that Y2 is above Y1. It is also welfare is higher, because

the U2 curve is to the right of U1. However, we find that in this case g reater income can be obtained by using less work time (AL2 is smaller than AL1). This means that workers prefer longer rest periods than working (income effect is dominated). From the description above, it can be concluded that the income of workers (employees) is essentially determined directly by the size of the working hours spent. In reality, at the industry or company level there are many factors that determine workers' wages (labor income). Several studies conducted in several countries have shown that income levels (wages/salaries) are also influenced by other factors such as age, gender, work experiences, work location, type of industry, inflation rate, language work skills, etc., [1], [22], [23], [24], [25], [26], [27].

If the level of labor wages is an indicator of a person's welfare, several studies state that it turns out that a p erson's level of welfare (individual welfare/well-being) is also determined by the aspect of his or her religiosity. This means that understanding religious doctrines, carrying out daily worship (prayer), involvement in religious activities, meditation and so on ha ve an influence on the level of well-being, [28], [29], [30], [31]. In this way, the religiosity factor becomes one of the important factors (variables) that influence the level of employee wages (labor income).

From theoretical studies and several empirical studies as m entioned above, and by selecting several variables that are relevant to conditions in the field, the research framework can be described as follows.


Fig. 2: Theoretical Framework

From the framework of Figure 2, the research hypothesis is formulated as follows. It is suspected that: (1) level of religiosity, working hours, work experiences, number of family members, and level of education have an influence on work skills and wages (income) of workers, (2) work skills have an influence on workers' wages (labor income), (3) level of religiosity, working hours, work experiences, number of family members, and level of education influence workers' wages (labor income) through work skills, and (4) differences in gender and technology influence work skills and wages (labor income) in the Embroidery Home Industry.

# 3 Research Methods

The research method used is a correlational and comparative descriptive method which is completed using the multivariate Partial Least Squares Structural Equation Model (PLS-SEM). The comparative method (Multigroup Analysis-MGA) is used to analyze the influence of gender differences and the technology applied on wages (labor income), [32], [33], [34], [35], [36]. The object of this research is the wage level of Home Industry Embroidery workers and the factors that influence it. The research location is Sukaraja District, Tasikmalaya Regency, West Java, Indonesia.

## 3.1 Population and Sample

The target population is all Embroidery Home Industry workers, estimated at 1,700 p eople. Sample members to be surveyed are determined using the Slovin formula, [37], [38]:

$$n = \frac{N}{1 + N\,e^2}$$

If the margin of error (e) used is 10%, then the sample size is obtained is as much as:

$n = \frac{1700}{1+1700\ (0.10)^2}$ = 94.44 (minimum 95 people). For the sake of better representation, a sample size of 233 workers was used. The selection of sample members used a si mple random sampling method with random numbers.

## 3.2 Research Variables

Explanation of the research variables is shown in Table 2 (Appendix).

## 3.3 Data Analysis Technique

The analytical tool used is the Partial Least Square Structural Equation Model (PLS-SEM). This

method has practicalities, including that the data does not need to be normally distributed, the measurement scale does not have to be an interval or ratio, indirect effects can be automatically identified and does not require large sample members. There is a very principle difference between the PLS-SEM and SEM methods, namely that PLS-SEM is more of a predictive model, while SEM must have a strong theoretical basis (testing causality/theory), [40], [41], [42], [43], [44]. Evaluation of the PLS-SEM model is an outer model evaluation and an inner model evaluation. Evaluation of the outer model uses several evaluation techniques, including the PLS-SEM model with multigroup analysis (MGA), [32], [34], [35], [36], [45]. For this research, gender groups and the type of technology were used. The work skills variable is treated as an intervening variable. This variable functions to mediate the influence of all independent latent variables on the dependent latent variable (wages/labor income).

# 4 Results

After several invalid latent variable indicators were removed from the model, the structural model formed looks like Figure 3 (Appendix).

To evaluate the model, two rules are used, namely the measurement model and the structural model (inner model), [42].

## 4.1 Assessment of Measurement Model

By using SmartPLS calculations, figures were obtained to match the measurement model requirements (reliability). The outer loadings values for overall (complete) and for men and women have reached numbers above 0.7. Likewise, the AVE value is above 0.5; the composite reliability value is also above 0.7, and the VIF values are all below 10. Thus, the variables and indicators used have met the expected validity and reliability requirements. Results from the evaluation using measurement models can be seen in Table 3 (Appendix).

## 4.2 Assessment of the Inner Model (Structural Model)

After all rules of thumb are fulfilled, this section will present the results of data processing and interpretation (assessment of the inner model). Systematically, in the initial section the direct and indirect relationships between the independent variables, the intervening variables and the dependent variable are presented. After that, the results of data processing using multigroup analysis (MGA) are presented which are based on gender grouping and the type of technology used. Next, we will see how gender differences influence workers' income levels (wages).

### 4.2.1 Direct Relationship (Complete)

The simultaneous direct influence (Table 4) between the level of religiosity (X1), working hours (X2), work experiences (X4), number of family members (X5), and level of education (X6) on work skills (X3) is 35.10%, while on the level of income (wages) of workers is only 10%.

Table 4. Determination Coefficient Values

| Dependent Variables | $R^2$ | $R^2$-Adjusted |
|---|---|---|
| X3 | 0.350 | 0.337 |
| Y | 0.097 | 0.077 |

The model used in this research has a fairly good predictive value, because it has a $Q^2$-predict value that is greater than zero (Table 5).

Table 5. The Value of Predictive Relevance

| Var | $Q^2$predict | RMSE | MAE |
|---|---|---|---|
| X3 | 0.323 | 0.83 | 0.675 |
| Y | 0.011 | 1.581 | 0.459 |

Furthermore, the level of significance of the relationship between the level of religiosity (X1), working hours (X2), work experiences (X4), number of family members (X5), and level of education (X6) with the intervening variable (work skills) (X3) and also income (wages) of workers (Y) can be seen from the significance values of direct and indirect relationships as illustrated in Table 6 (Appendix).

### 4.2.2 Indirect relationship (complete)

The relationship between the level of religiosity (X1), working hours (X2), work experiences (X4), number of family members (X5), and level of education (X6) on labor wages (labor income) which is mediated by work skills (X3) can be seen in Table 7 (Appendix).

### 4.2.3 Multigroup analysis (MGA)

This section intends to analyze (test) how the categorical variables gender and technology used influence the income of Home Industry Embroidery workers in Sukaraja District.

**(a) Gender**

Before discussing the influence of gender on workers' income, we first look at the $Q^2$-predict value as a parameter that can be used to see whether the model used is good or not. The $Q^2$-predict values for both male and female groups all look positive. This means that the model used is

correct and suitable (good). Take a look at the Table 8.

Table 8. The Value of Predictive Relevance

| Var | $Q^2$-predict | |
|---|---|---|
| | Male | Female |
| X3 | 0.272 | 0.353 |
| Y | 0.030 | 0.039 |

Furthermore, the magnitude of the influence of variables X1, X2, X4, X5 and X6 simultaneously on the level of work skills (X3) and labor income (Y) in the male and female gender groups can be seen in Table 10 (Appendix).

Table 9. Differences in Determination Coefficients for Men and Women

| No | Gender | $R^2$ | |
|---|---|---|---|
| | | X3 | Y |
| 1 | Man | 0.320 | 0.299 |
| 2 | Woman | 0.154 | 0.123 |

From Table 9, it appears that the relationship between the independent variable and the dependent variable is stronger for men than for women, because the $R^2$ value is higher for men's work skills and income levels.

The results of data processing using MGA analysis between men and women produced the Table 10 (Appendix).

**(b) Type of technology used**

The $Q^2$-predict values for each model for both the manual and simple technology groups are all positive. This means that the model used is correct and suitable. Pay attention to the Table 11.

Table 11. The Value Predictive Relevance

| | **$Q^2$-predict** | |
|---|---|---|
| | **Manual** | **Simple** |
| X3 | 0.372 | 0.275 |
| Y | 0.162 | 0.016 |

The magnitude of the influence of variables X1, X2, X4, X5 and X6 together on the level of work skills (X3) and laboor income (Y) in the manual and simple technology group can be seen in Table 12.

Table 12. Difference in Determination Coefficient for Technology Group

| **No** | **Tecnology** | **$R^2$** | |
|---|---|---|---|
| | | **X3** | **Y** |
| 1 | Manual | 0.584 | 0.482 |
| 2 | Simple | 0.362 | 0.163 |

In the manual technology group, it appears that variations in work skills and labor income are explained more by the independent variables than in the simple technology group. This means that the influence of variables X1, X2, X4, X5 and X6 is more dominant in the manual technology group. To see the influence of differences in the use of technology on workers' work skills and income, you can see Table 13 (Appendix).

The work skills and income of employees in the embroidery MSME sector are more influenced by factors such as religiosity level (X1), working hours (X2), work skills (X4), Number of Family Members (X5), and education level (X6), compared to differences in manual technology groups used. The level of religiosity, for example, can shape an employee's work ethic and discipline, which in turn affects their productivity and skills. Longer working hours allow employees to practice more and hone their embroidery skills. Longer work experience also provides employees with the opportunity to understand various more complex embroidery techniques and patterns, which can improve the quality of their work. Number of Family members can motivate employees to work harder to meet the family's economic needs. Although level of education also plays a role, in many cases, more formal education can open up opportunities for further training or access to information that can improve job skills. Meanwhile, the use of manual technology or more advanced technology may not make a significant difference to skills and income if personal factors such as those mentioned above are more dominant in determining employee work results.

# 5 Discussions

From the calculation obtained all of the coefficients of determination are low (below than 0.5). It turns out that the influence of other factors outside the variables studied is more dominant. Seeing conditions like these, further analysis is still needed to explore other factors that can influence work skills and income levels in the Embroidery Home Industry.

A Q2-predict value greater than zero indicates that the model being built not only fits the data used to form it, but can also provide accurate predictions on new data or data that was not used in developing the model. This means that the model has good predictive validity, which is an important indicator in assessing the quality of a prediction model.

In the context of this research, a positive Q2-predict value indicates that factors such as level of

religiosity, working hours, work experience, number of family members, and level of education can be effectively used as predictors of work skills and income levels of workers in the Home Embroidery Industry. In other words, this model is able to accurately identify and predict the relationship between these variables and the desired outcome, even when applied to data that has never been seen before. This statement is in line with the basic principles in multivariate analysis using the Partial Least Squares Structural Equation Modeling (PLS-SEM) model, [40], [41], [44], which suggests that a good model must have high predictive ability, not just fit the existing data.

The direct relationship (complete) between the level of religiosity (X1) with work skills (X3) and workers' income (wages) (Y) is positive and very significant. This can be seen from the P-values, both of which are 0. This means that a good understanding of the level of religiosity has a positive impact on work skills and income, [28], [30], [31], [39]. Likewise, the relationship between the use of working hours (X2) and work skills (X3) is significantly positive (P-values of 0.013).

The relationship between work skills (X3) and income level (Y) is positive and very significant. This can be seen from the P-values of 0.007. This means that the higher the level of work skills, the higher the income that can be obtained. Likewise, work experiences (X4) have a significant positive relationship (influence) with work skills (X3). The last significant positive relationship is the level of education (X6) with labor income. This is indicated by the P-values of 0.025. This relationship is in line with the positive relationship that occurs between work skills and labor income.

Meanwhile, working hours (X2) have no effect on labor income. This is caused by several factors, including the nature of the work which prioritizes skill and quality of embroidery results rather than the number of hours spent working. Employees with higher skills tend to produce better quality products more quickly, so their income is influenced more by efficiency and quality of work than by the length of time spent. In addition, the payment system applied to embroidery MSMEs is often based on production results or orders completed, not on the number of hours worked, so that employee income is more related to productivity and quality of work rather than the duration of their work. Likewise, work experience (X4) does not have a significant effect on employee income. Embroidery MSMEs tend to value practical skills and real work results rather than length of work experience. In addition, the operational flexibility that is characteristic of MSMEs allows them to provide equal opportunities to new and experienced employees. Therefore, although work experience has value, it does not directly increase the income of employees in this sector.

On the other hand, the number of family members (X5) also has no effect on labor income. This shows that although the number of dependents in a family may have an impact on household expenses, it does not directly affect the income earned by employees in the embroidery MSME sector. Therefore, a more appropriate policy in increasing the income of embroidery MSME employees should focus on i ncreasing work capacity and productivity.

Another finding is that the level of education (X6) does not have a si gnificant effect on work skills (X3). The characteristics of the embroidery industry are that it relies more on practical skills and direct experience in the field rather than theory obtained from formal education. Many employees are able to develop their skills through hands-on training, internships, and daily work experience. This hands-on learning process allows them to master complex and specific embroidery techniques according to industry needs

From the results of the data processing shown above, it appears that the most dominant direct influence on workers' income levels is the level of religiosity of the workers themselves. This is a new finding, that a person's level of religiosity is able to increase the level of workers' income at the Home Industry level. A person's level of religiosity can influence work ethic values and dedication to work. This means that it can be said that people who are more religious can have a higher motivation to work diligently and responsibly, which in turn will have an impact on their income level. Likewise, high work skills can increase productivity and quality of work, which can ultimately contribute to income. Education can improve a person's work skills. Higher levels of education often correlate positively with greater mastery of work skills and knowledge. Work skills acquired through formal education or training can open the door to better jobs and potentially lead to higher incomes.

If we look at the results of the data processing for indirect relationship (complete), it turns out that the level of work skills (X3) is able to mediate the influence of the level of religiosity (X1) and work experiences (X4) on w orkers' income (Y) in a significantly positive way. This means that work skills (X3) have a very important role in encouraging (mediating) a better level of

workers' income. The level of religiosity can influence worker behavior and values. Individuals with high levels of religiosity may have strong values of work ethics, social responsibility, and involvement in work done in good faith. Religiosity can also motivate individuals to seek justice, integrity and honesty in all aspects of life, including work. Likewise, greater work experiences tend to bring deeper knowledge, work skills, and understanding in carrying out job duties. With increasing experience, workers can become more skilled and efficient in doing work, which in turn can increase productivity and quality of work results. Work skills are an important factor that can mediate the relationship between the level of religiosity and work experiences and labor income. The level of religiosity and work experiences can motivate individuals to develop and improve their work skills. Higher work skills can open the door to higher-quality jobs, which can ultimately increase workers' incomes. Thus, through the intermediary of work skills, individuals who have a high level of religiosity and sufficient work experience can achieve higher incomes in the Embroidery Home Industry.

MGA-Gender. If we compare the significance level of the influence of independent variables (X1, X2, X4, X5, and X6) on the level of work skills (X3) and income (Y) for the male and female workforce, it turns out that in the male workforce group, the influence is more dominant. This is indicated by the number of variables that are significant in the male group compared to the female worker group. This means that the higher the level of religiosity, working hours and work experiences, the possibility of men's work skills in the Embroidery Home Industry will increase significantly. This can be interpreted that these factors positively influence the improvement of work skills in men. Likewise, the significant positive relationship between work skills and workers' income levels can be interpreted as meaning that the higher the work skills level, the higher the income level of male workers. This shows that there is a positive correlation between work skills and income levels in the male workforce group. Meanwhile, in the female group, only the level of religiosity has a significant effect on work skills. This means that the higher the level of religiosity in women, the possibility of their work skills in the Embroidery Home Industry will increase significantly. This shows that, of all the variables considered, only the level of religiosity has a significant relationship with work skills in women.

MGA-Technology. There is a significant positive relationship between the level of religiosity and work skills in the manual technology group. This means that individuals with higher levels of religiosity tend to have better work skills in the context of manual technology. This could be due to work ethic values instilled by religious beliefs or because of additional motivation to achieve excellence in manual work. A significant relationship was also found between working hours and labor income. This shows that the longer someone works, the higher the income they can earn. This relationship can reflect the hard work efforts of workers or the existence of a wage system that is related to working hours.

A significant positive relationship was also found between the level of religiosity and work experiences on work skills in the simple technology group. This shows that in a simple technology context, the level of religiosity and work experiences contribute positively to the level of work skills. There is also a significant positive relationship between work skills and labor income. This means that individuals with better work skills in the simple technology group have the opportunity to earn greater income.

# 6 Conclusion

The research results show that: (1) level of religiosity, working hours and work experiences have a significant positive effect on work skills, while the number of family members and level of education do not have a significant effect on work skills; (2) level of religiosity and level of education have a significant positive effect on wages (labor income), while working hours, work experiences and number of family members have no effect on wages (labor income); (3) Work skills have a significant positive effect on wages (labor income); (4) Work skills were able to mediate a significant positive relationship between the level of religiosity and work experiences on wages (labor income), but work skills were not able to significantly mediate the relationship between working hours, number of family members and level of education on wages (labor income); (5) level of religiosity has a significant effect on work skills in both the male and female groups, while working hours and work experiences have a positive effect on work skills only in the male group, not in the female group. Work skills have a positive effect on wages (labor income) only in the male group; (6) The level of religiosity has a significant effect on work skills in both the manual technology and simple technology groups. Likewise, work experiences

influence work skills in the simple technology group. Meanwhile, working hours and work skills have a si gnificant influence on wages (labor income), both in groups that use manual technology and simple technology. This shows that regardless of the type of technology used, whether it is more traditional manual technology or more modern simple technology, working hours and skills remain the most important and main factors that a worker must have. Longer working hours allow workers to allocate more time to completing their tasks, which can increase productivity and work output. Meanwhile, qualified work skills ensure that workers can do their work efficiently and produce high-quality products, which can ultimately increase their income. Thus, in any context, whether in a work environment that still uses manual technology or one that has adopted simple technology, adequate working hours and high work skills remain the main keys in determining the level of wages received by laborer.

The new finding in this study is that the level of religiosity has a significant positive effect on the work skills and income (wages) of labourers both directly and indirectly. This occurs in both male and female labor groups, in embroidery Home Industries that use manual or simple technology.

For future research, it is recommended that researchers deepen the analysis of the role of the level of religiosity, working hours, and work experience on labor skills and income, by considering additional variables that might influence the results. Researchers can further explore how these factors interact in different industry contexts, as well as how they impact different gender groups. In addition, given the finding that the level of religiosity has a significant influence on skills and income, it i s important to examine in more depth the mechanisms behind this influence. Research could also be expanded to consider more advanced technologies and see how the adoption of more modern technologies may impact the relationship between hours worked, skills and earnings. By understanding these dynamics better, research results can provide more appropriate recommendations for improving the skills and welfare of workers in the home embroidery sector and other industries.

## 6.1 Contributions

This research makes significant contributions both academically and practically. Academically, this research enriches the literature regarding factors that influence work skills and income in the embroidery MSME sector. The finding that the level of religiosity, working hours, and work experience have a significant effect on work skills adds new insight into the importance of spiritual aspects and time invested in work. In addition, the finding that the level of religiosity and level of education have a si gnificant positive effect on wages, while hours worked and work experience do not, provides new insights into how these factors interact in the cottage industry context. The result that job skills mediate the relationship between levels of religiosity and work experience with wages adds a new dimension to the understanding of the mechanisms linking these variables.

Practically, this research provides guidance for stakeholders in the home embroidery industry. The finding that job skills and hours worked are key factors influencing workers' wages, regardless of the type of technology used, provides a basis for designing more effective training programs and employment policies. Improving work skills through training and providing adequate flexibility in working hours can be an effective strategy for increasing worker productivity and income. In addition, the recognition that the level of religiosity has a significant impact on work skills and income shows the importance of paying attention to spiritual aspects in human resource management in this sector. Thus, this research not only provides theoretical contributions, but also offers practical solutions to improve worker welfare in the home embroidery industry.

## 6.2 Recommendations

1. Recommendations for the Government
   a. Encouraging training and education programs that are integrated with religious values can improve work skills and work ethics. The government can provide incentives and support to institutions that provide such training.
   b. Facilitating partnerships between the government and religious institutions can help create training programs that are in line with religious values, so that workers can experience a p ositive impact holistically.
   c. Ensure that training programs do not favor one particular religion, but rather support religious diversity. This will create an inclusive environment and ensure that all workers benefit from the program.
   d. Carry out continuous monitoring and evaluation of the impact of the above programs on workers' work skills and

income. This allows the government to measure its effectiveness and make changes if necessary.

2. Recommendations for Entrepreneurs
   a. Employers can create a work environment that supports religious values, including work ethics, integrity, and social responsibility.
   b. Facilitating places of worship and prayer times in the workplace can increase worker comfort and satisfaction, which in turn can increase productivity.
   c. Organizing work skills training that is integrated with religious values can motivate workers and improve the overall quality of work.
   d. Providing rewards and incentives to workers who demonstrate commitment to work and religious values can provide additional motivation.

It is important to note that this approach must be inclusive and respectful of the diversity of society. In addition, the government and employers must work together to create a balanced and fair work environment for all workers, without discrimination based on religion or belief.

**Declaration of Generative AI and AI-assisted Technologies in the Writing Process**

During the preparation of this work, the authors used ChatGPT to assist in drafting the writing outline, as well as improving the structure and clarity of the language. Generative AI technology was used as an aid to increase the efficiency of constructing arguments, as well as ensuring better readability. After using this tool/service, the authors reviewed and edited the content as necessary to ensure accuracy, originality, and conformity to academic standards. Therefore, the authors takes full responsibility for the content and quality of this publication.

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**Contribution of Individual Authors to the Creation of a Scientific Article (Ghostwriting Policy)**

- Ade Komaludin was responsible for determining supervision, methodology and discussion.
- Nanang Rusliana prepared data, carried out data analysis and software.
- Jumri Jumri wrote the original draft.
- Irman Firmansyah played a role in determining reference sources and writing the review article.

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**Conflict of Interest**

The authors have no conflict of interest to declare.

# APPENDIX

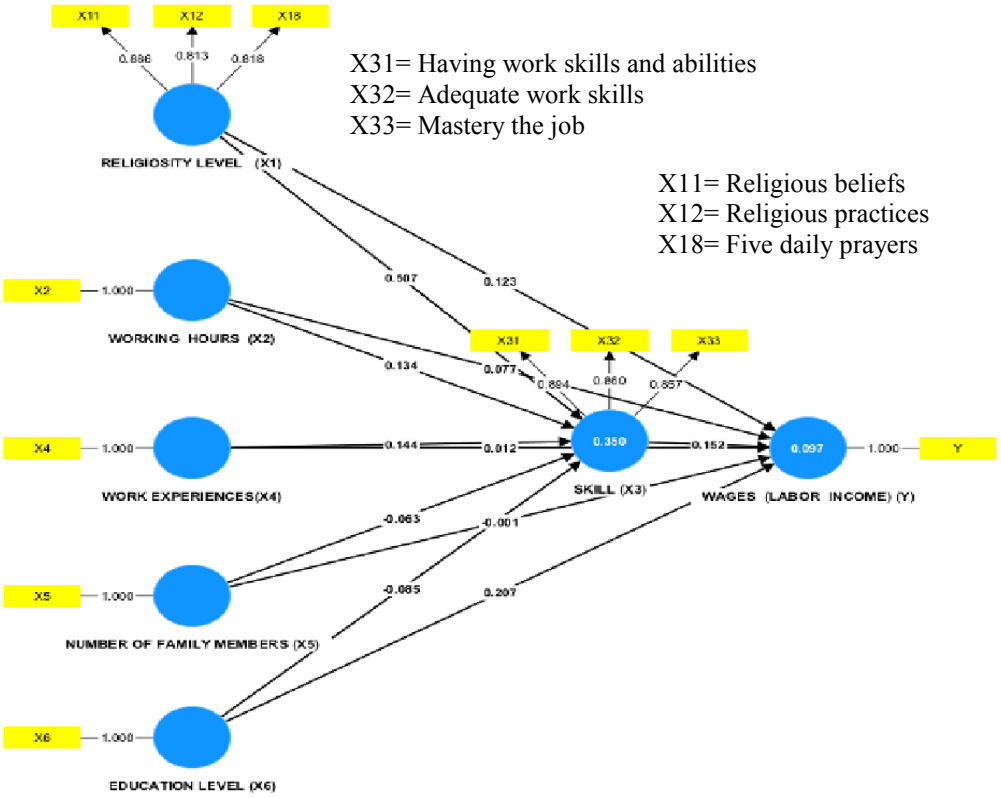


Fig. 3: Structural relationship model of factors that influence wages (labor income)

Table 2. Research Variables

| No | Variables | Definition | Indicators | Scale |
|---|---|---|---|---|
| 1 | Wages (Labor Income) (Y) | The amount of income workers receive every month | Rp/month | Ratio |
| 2 | Religiosity Level (X1) | Understanding religious doctrines, daily worship (prayer), involvement in religious activities, meditation and so on have an influence on the level of well-being [28], [30], [31], [39]. | 1. Confidence<br>2. Religious Practices<br>3. Experience<br>4. Religious Knowledge<br>5. Consequences | Ordinal |
| 3 | Working Hours (X2) | The difference between all available time each day (24 hours) and rest time each day | Hours/person/day | Ratio |
| 4 | Work skills (X3) | Ability or expertise to do something work that is only obtained in practice. | 1. Ability to determine how to complete work;<br>2. Ability to determine the best procedures for carrying out tasks/work;<br>3. Ability to complete tasks well;<br>4. Ability to determine the size/volume of tasks. | Ordinal |
| 5 | Work experiences (X4) | The length of time a worker works in a home industry | Year | Ratio |
| 6 | Number of Family Members (X5) | The number of family members per head of family | Number of people per family | Ratio |
| 7 | Education Level (X6) | Average length of school (RLS) | Year | Ratio |
| 8 | Gender (Dummy) | Male = 1<br>Female = 0 | | Nominal |
| 11 | Technology (Dummy) | Technology used:<br>- Manual = 1, otherwise = 0<br>- Simple = 1, otherwise =0 | | Nominal |

Table 3. Assessment of measurement model

| Item | Man | | | | Woman | | | | Overall (Complete) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | OL | AVE | CR | VIF | OL | AVE | CR | VIF | OL | AVE | CR | VIF |
| X1: | | 0.678 | 0.746 | | | 0.772 | 0.871 | | | 0.705 | 0.878 | |
| X11 | 0.890 | | | 1.424 | 0.931 | | | 2.841 | 0.886 | | | 1.579 |
| X12 | 0.796 | | | 1.880 | 0.838 | | | 1.971 | 0.813 | | | 1.823 |
| X18 | 0.778 | | | 1.835 | 0.863 | | | 2.096 | 0.818 | | | 1.809 |
| X2 | 1.000 | F | F | 1.000 | 1.000 | | | 1.000 | 1.000 | | | 1.000 |
| X3: | | 0.746 | 0.835 | | | 0.783 | 0.874 | | | 0.758 | 0.851 | |
| X31 | 0.867 | | | 2.131 | 0.947 | | | 4.290 | 0.894 | | | 2.496 |
| X32 | 0.872 | | | 2.180 | 0.850 | | | 2.890 | 0.860 | | | 2.280 |
| X33 | 0.852 | | | 1.652 | 0.855 | | | 2.048 | 0.857 | | | 1.683 |
| X4 | 1.000 | F | F | 1.000 | 1.000 | F | F | 1.000 | 1.000 | F | F | 1.000 |
| X5 | 1.000 | F | F | 1.000 | 1.000 | F | F | 1.000 | 1.000 | F | F | 1.000 |
| X6 | 1.000 | F | F | 1.000 | 1.000 | F | F | 1.000 | 1.000 | F | F | 1.000 |
| Y | 1.000 | F | F | 1.000 | 1.000 | F | F | 1.000 | 1.000 | F | F | 1.000 |

*Notes: OL = Outer loadings, AVE = Average Variance Extract, CR = Composite reliability, VIF = Variance Inflation Factor, F = Variables with a ratio scale (formative indicators)*

Table 6. Direct Relationship

| Relationship | Original sample (O) | T-statistics | P values |
|---|---|---|---|
| X1 -> X3 | 0.505 | 11.841 | 0 |
| X1 -> Y | 0.208 | 4.575 | 0 |
| X2 -> X3 | 0.136 | 2.492 | 0.013 |
| X2 -> Y | 0.096 | 0.796 | 0.426 |
| X3 -> Y | 0.141 | 2.709 | 0.007 |
| X4 -> X3 | 0.141 | 2.7 | 0.007 |
| X4 -> Y | 0.034 | 0.538 | 0.59 |
| X5 -> X3 | -0.073 | 1.225 | 0.22 |
| X5 -> Y | -0.01 | 0.215 | 0.83 |
| X6 -> X3 | -0.076 | 1.447 | 0.148 |
| X6 -> Y | 0.195 | 2.235 | 0.025 |

Table 7. Indirect relationship

| | Original sample (O) | Sample mean (M) | lard deviation (STtistics (\|O/STD | P values |
|---|---|---|---|---|
| X1 -> X3 -> Y | 0.085 | 0.089 | 0.024 | 3.527 | 0 |
| X6 -> X3 -> Y | -0.013 | -0.014 | 0.011 | 1.105 | 0.269 |
| X2 -> X3 -> Y | 0.023 | 0.024 | 0.012 | 1.851 | 0.064 |
| X5 -> X3 -> Y | -0.012 | -0.013 | 0.011 | 1.124 | 0.261 |
| X4 -> X3 -> Y | 0.028 | 0.03 | 0.013 | 2.236 | 0.025 |

Table 10. Differences in the effect of gender on labor income

| Relationship | Man | Woman | t value (Man) | t value (Woman) | p value (Man) | p value (Woman) |
|---|---|---|---|---|---|---|
| X1 -> X3 | 0.457 | 0.616 | 8.156 | 7.508 | 0 | 0 |
| X1 -> Y | 0.11 | 0.142 | 1.425 | 1.48 | 0.154 | 0.139 |
| X2 -> X3 | 0.135 | 0.101 | 2.154 | 0.831 | 0.031 | 0.406 |
| X2 -> Y | 0.225 | 0 | 1.858 | 0.001 | 0.063 | 0.999 |
| X3 -> Y | 0.182 | 0.204 | 2.75 | 1.781 | 0.006 | 0.075 |
| X4 -> X3 | 0.162 | 0.197 | 2.873 | 1.697 | 0.004 | 0.09 |
| X4 -> Y | 0.108 | -0.028 | 1.303 | 0.249 | 0.193 | 0.803 |
| X5 -> X3 | -0.111 | -0.015 | 1.788 | 0.125 | 0.074 | 0.901 |
| X5 -> Y | 0.016 | -0.094 | 0.307 | 0.789 | 0.759 | 0.43 |
| X6 -> X3 | -0.097 | -0.012 | 1.535 | 0.104 | 0.125 | 0.917 |
| X6 -> Y | 0.083 | 0.394 | 1.343 | 1.898 | 0.179 | 0.058 |

Table 13. The effect of differential use of technology

| Relations | Manual | Simple | t value (Manual) | t value (Simple) | p value (Manual) | p value (Simple) |
|---|---|---|---|---|---|---|
| X1 -> X3 | 0.614 | 0.471 | 3.152 | 5.956 | **0.002** | **0** |
| X1 -> Y | -0.259 | 0.116 | 0.962 | 0.985 | 0.336 | 0.325 |
| X2 -> X3 | 0.135 | 0.12 | 0.818 | 1.319 | 0.414 | 0.187 |
| X2 -> Y | 0.542 | 0.152 | 3.052 | 1.283 | **0.002** | 0.199 |
| X3 -> Y | 0.486 | 0.286 | 1.706 | 2.501 | 0.088 | **0.012** |
| X4 -> X3 | -0.03 | 0.194 | 0.168 | 1.988 | 0.866 | **0.047** |
| X4 -> Y | 0.246 | -0.105 | 1.277 | 1.253 | 0.202 | 0.21 |
| X5 -> X3 | -0.131 | -0.045 | 0.771 | 0.48 | 0.44 | 0.631 |
| X5 -> Y | 0.043 | -0.073 | 0.209 | 1.135 | 0.834 | 0.257 |
| X6 -> X3 | -0.251 | -0.074 | 1.624 | 0.882 | 0.104 | 0.378 |
| X6 -> Y | 0.317 | 0.112 | 1.785 | 1.293 | 0.074 | 0.196 |