



Why Many Indonesians Are Underproductive

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ABSTRACT

Productivity is one of the key indicators in measuring a nation's progress. Despite Indonesia's demographic advantage, data shows that the productivity level of its citizens remains low compared to other Southeast Asian countries. This study aims to identify the main factors contributing to low productivity in Indonesia using a descriptive qualitative approach through literature review. The data was collected from 15 national scientific journals discussing issues related to work culture, financial and digital literacy, time management, quality of education and training, and government policies. The findings reveal that low productivity is caused by a combination of structural and cultural factors, such as undisciplined work behavior, poor time management, limited work skills, and the lack of comprehensive policies supporting human resource development. The lack of integration between education, vocational training, and industrial needs further exacerbates the productivity gap. Therefore, improving productivity requires a collaborative cross-sectoral approach, including the formation of a productive work culture, strengthening literacy, reforming educational policies, and enhancing infrastructure support. This study is expected to serve as a reference for academics, policymakers, and industry stakeholders in formulating sustainable and contextual national productivity enhancement strategies.

INTRODUCTION

Productivity is one of the main indicators in assessing a country's performance, especially in terms of economic competitiveness, social welfare, and sustainable development capacity. High labor productivity can increase the efficiency of resource use, accelerate economic growth, and create social stability. Conversely, low productivity will have various negative impacts such as slow economic growth, low per capita income, and high social inequality (Fitri, Susena, & Yanti, 2023; Suwarni, Susena, & Gusti, 2018). In the midst of the demographic bonus that Indonesia is currently experiencing, productivity is actually a major challenge. Despite having a large productive age population, Indonesia still lags behind neighboring countries such as Malaysia, Thailand, and Vietnam in terms of labor productivity (Waruwu, Susena, & Noviantoro, 2021). National performance reports also show that Indonesia's labor efficiency is still low, both in the formal and informal sectors. This low productivity reflects structural problems that need to be identified immediately and addressed comprehensively. The factors causing the low productivity of the Indonesian people are multidimensional. First, in terms of work culture, many workers still do not have a high awareness of the importance of time discipline, work ethic, and professional responsibility (Saputri, Susena, & Putri, 2025). The culture of "rubber time", the habit of postponing work, and the lack of enthusiasm for achievement are fundamental problems in the Indonesian workforce. Second, in terms of education and training, the national education system has not fully prepared graduates who are ready to work and highly competitive. The lack of vocational training and the lack of digital and technological skills among the workforce have caused a gap between workforce competencies and industry needs (Erdawati et al., 2025; Adinata et al., 2023). Third, time management and financial literacy also affect productivity. Individuals who are unable to plan and utilize their time effectively tend to experience decreased performance. Likewise, the low understanding of personal resource management can hinder work efficiency (Nurjama, Susena, & Putri, 2023). Fourth, in terms of policy support, the government is considered not optimal in creating a productive ecosystem that supports the development of human resources evenly and sustainably. There is still a gap in access to training, facilities, and

technology, especially in non-urban areas (Tarigan, Susena, & Abi, 2025). Previous studies have discussed productivity more from the perspective of organizational performance (Irwanto, Susena, & Tusadiyah, 2020) or the financial and macroeconomic sectors (Ilahi, Susena, & Wagini, 2021). Therefore, this study is important because it tries to explore the causes of the low productivity of the Indonesian people more broadly and comprehensively, covering social, cultural, economic, and public policy aspects. Based on this background, the formulation of the problem in this study is: Why is the productivity of the Indonesian people still relatively low, and what are the main causes? Meanwhile, the purpose of this study is to identify the factors causing the low productivity of the Indonesian people and provide strategic recommendations to increase national competitiveness in the future.

LITERATURE REVIEW

Productivity is a measure of efficiency that compares the output produced with the input used in the production process, both individually and organizationally. According to Suwarni, Susena, & Gusti (2018), productivity not only reflects the performance of the workforce, but also reflects the quality of management, technology, and work values adopted in a work environment. From an economic and management perspective, productivity is greatly influenced by various factors, including: organizational culture, financial literacy, technical skills, training systems, and government policies (Saputri, Susena, & Tarigan, 2024). A strong organizational culture, for example, will encourage the formation of a high work ethic, discipline, and sense of responsibility in completing tasks (Handayani, Susena, & Fitriano, 2025).

Work Culture

Work culture is a set of values, norms, and habits that shape individual behavior in the work environment. This culture influences how individuals use their time, interact, and respond to work responsibilities. Saputri, Susena, & Putri (2025) stated that the work culture in Indonesia is still characterized by the practice of "rubber hours", low discipline, and a tendency to postpone work. This is in line with the findings of Irwanto, Susena, & Tusadiyah (2020) which show that an unproductive work culture will reduce employee motivation and productivity.

Education and Skills

The quality of education and job training greatly affects productivity. Formal education that is not relevant to the needs of the labor market and the lack of vocational training are some of the causes of the low technical skills of the Indonesian workforce (Erdawati et al., 2025). Isa et al. (2018) added that the use of technology such as business intelligence is also not evenly distributed, especially in the public and MSME sectors, so that innovation and work efficiency are still low.

Financial Literacy and Time Management

Adinata, Susena, & Wagini (2023) explained that financial literacy plays an important role in managing personal expenses and investments, which indirectly impacts mental stability and individual productivity. Meanwhile, time management skills are closely related to work efficiency. Individuals who are able to manage their time well will be more productive than those who do not have a clear work plan (Nurjama, Susena, & Putri, 2023).

Government Policy and Infrastructure

Community productivity is also greatly influenced by government policy support. The government has a strategic role in creating a relevant education system, workforce training programs, and incentives for the private sector to improve the quality of human resources. However, as stated by Tarigan, Susena, & Abi (2025), many policies have not touched the root of the problem and tend to be administrative in nature. In addition, access to technology and productive infrastructure such as fast internet and adequate work facilities is still limited in many parts of Indonesia (Waruwu, Susena, & Noviantoro, 2021).

Motivation and Work Welfare

Work motivation is a psychological factor that determines how much effort an individual puts into completing a job. According to Ilahi, Susena, & Wagini (2021), factors such as compensation, job security, and career opportunities can increase motivation and productivity. In the Indonesian context, there are still many workers who do not feel properly appreciated for their contributions, so their performance decreases (Nurjama et al., 2023).

METHODS

Data Analysis Techniques

The data were analyzed using content analysis techniques. This technique is used to identify recurring themes, categorize variables that cause low productivity, and draw relationships between concepts. Each piece of information obtained is compared and synthesized to gain a comprehensive understanding of the factors that cause low productivity in Indonesian society.

The analysis steps include:

- a. Data reduction: selecting relevant data from scientific articles.
- b. Data presentation: summarizing causal factors and their relationships.
- c. Drawing conclusions: compiling patterns, relationships, and implications from literature study findings.

This method is considered relevant and appropriate because it can explore theoretical knowledge as well as empirical practices that have been published through previous research.

RESULT AND DISCUSSION

Result

Based on the results of the analysis of 15 relevant scientific journal articles, it was found that the low productivity of Indonesian people is caused by the following five main factors:

Lack of Discipline in Work Culture

Many studies have revealed that the work culture of Indonesian people is still characterized by the practice of "rubber hours", low discipline, and a permissive attitude towards delays and low work quality. This is emphasized by Saputri, Susena, & Tarigan (2024) who stated that the transformation of organizational culture in local companies in Bengkulu still experiences obstacles in forming long-term work commitments.

Low Financial and Technological Literacy

Lack of knowledge in managing personal finances and the use of technology causes work efficiency to decrease. Adinata, Susena, & Wagini (2023) explain that low financial literacy has a direct impact on employee financial planning and appropriate decision making. This is also reflected in the low utilization of digital applications in the work process.

Limitations of Vocational Education and Training

Erdawati et al. (2025) emphasized that the majority of Indonesian workers still do not have specific skills according to industry needs. The education system is not fully oriented towards mastering practical work skills, so many graduates are not ready to work. This condition is exacerbated by the lack of ongoing technology-based training.

Poor Time Management

Nurjama, Susena, & Putri (2023) revealed that time management is still a major weakness in the work behavior of Indonesian people. Many workers do not prioritize work in a planned manner, so that work is delayed and targets are not achieved.

Government Policies That Have Not Focused on Human Resources

Tarigan, Susena, & Abi (2025) noted that there is still a gap between government policies and their implementation in the field, especially in programs to improve the quality of human resources and economic empowerment. Job training infrastructure is not evenly distributed and productivity incentives are still minimally provided by the state.

Discussion

The findings of this study indicate that low productivity in Indonesia cannot be viewed solely from an economic perspective, but needs to be understood as a systemic problem that includes culture, literacy, education, and public policy. A work culture that is permissive of delays and minimal orientation

towards results are major obstacles in forming a competitive work ethic. This is in line with the results of research by Irwanto, Susena, & Tusadiyah (2020) which found that low internal supervision and lack of motivation have a negative impact on employee performance. In terms of literacy and technology, Indonesian society is still lagging behind in terms of digital adoption and personal financial management skills. As explained by Isa et al. (2018), the use of business intelligence which should support work efficiency has not been evenly applied even in the formal sector. Meanwhile, vocational education that has not been optimally integrated with industry needs causes a mismatch between the supply and demand of the workforce. Waruwu, Susena, & Noviantoro (2021) highlighted that companies often have to retrain workers due to the lack of technical skills from formal education graduates. Weaknesses in time management also indicate the need for basic training on work efficiency, prioritization, and personal target setting. This is important because productivity is closely related to how individuals use their time for value-added activities (Handayani, Susena, & Fitriano, 2025).

CONCLUSION

Based on the results of a literature review of 15 relevant scientific journals, this study concludes that the low productivity of Indonesian society is a multidimensional problem influenced by a combination of cultural, educational, economic, and institutional factors. A work culture that is permissive of delays and low performance standards are the root of the problem that is still deeply rooted in society. The absence of a good time management system for individuals also exacerbates inefficiency in carrying out daily tasks, both in formal and informal contexts. Furthermore, low financial literacy and use of technology also hinder work efficiency and productive decision-making. Limitations in the education and job training system have created a skills gap between graduates and industry needs, resulting in low absorption and productivity of the workforce. On the other hand, government policies in the field of human resource development have not fully reached the levels of society that require intervention, both in terms of training facilities, work incentives, and equal distribution of digital infrastructure. Therefore, the problem of productivity cannot be solved with a sectoral approach alone, but requires a cross-sectoral and cross-field approach that involves the active role of all stakeholders: government, educational institutions, the private sector, and society at large.

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