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Analysis Of The Determinants Of Labor Productivity In Dompu District NTB Province

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ABSTRACT
This study aims to analyze the determinants of labor productivity in Dompu Regency, West Nusa Tenggara Province. The study employed a quantitative approach with an associative research design. The data used were secondary time-series data covering the period 1993–2025, obtained from Statistics Indonesia (BPS) and other official publications. Data were analyzed using multiple linear regression with the assistance of SPSS, preceded by classical assumption tests. The results indicate that the Human Development Index, Minimum Wage, and Economic Growth each have a positive and statistically significant effect on labor productivity. Simultaneously, these three independent variables also have a significant effect on labor productivity in Dompu Regency. These findings suggest that improving human resource quality, implementing adequate wage policies, and promoting sustainable economic growth play important roles in enhancing labor productivity. Therefore, these aspects should be prioritized in the formulation of regional development policies.

Keywords : Labor Productivity, Human Development Index, Minimum Wage, Economic Growth, Dompu Regency

INTRODUCTION

Human Resources (HR) are a valuable asset for every organization. Humans are an irreplaceable resource . Even if an organization has substantial funds and modern technology, without good human resources, it will be meaningless (Anderson, *et al. al* ., 2021). Therefore, to support organizational goals, it must be supported by quality human resource performance. A good organization must be supported by good workforce productivity (Anthony, 2020). Ambile and Counti (2020) state that workforce productivity is the result of the implementation of tasks and activities.

Productivity in the workplace is considered an essential prerequisite for the survival of an organization. Labor productivity refers to the ability to create an idea that original , using work results as a potential idea and implementing new ideas into work practices (Mangkunegara and Waris, 2020). Previous research found a number of factors that can influence labor productivity, namely minimum wages and economic growth (Nanda, *et al.*, 2019). *al* , 2020) and the human development index (Liu, 2020). According to Richie (2020), labor productivity has the following indicators: work quantity, work quality, and timeliness.

Competent and qualified human resources are crucial in supporting productivity and activities, ensuring the successful achievement of national goals. The two most important factors of production are capital and labor. Human resources, as labor, play a crucial role in the production and development process. Therefore, human resources are a valuable tool in labor productivity. The level of labor productivity in a region is influenced by labor supply, education, as measured by workers' *primary education. education* , *secondary education* , and *tertiary education* , and health as proxied by life expectancy figures expectancy or life expectancy, all of which are components of the Human Development Index (Putri & Kusreni , 2017).

Labor productivity is influenced by many variables, both internal and external to the employee (Nanda, 2020). Research conducted by Mangkunegara & Waris (2021) on the human development index and minimum wages, and Adnan (2022) found that economic productivity is a key factor influencing labor productivity.

According to Solow , labor productivity is influenced by increases in labor quality and quantity (through population growth and improved education), capital accumulation (through savings and investment), and technological improvements (Suryandari, 2017). Improving labor quality, which also refers to labor productivity, can be achieved by improving the human development index, which consists of health, technological knowledge, and education (Askenaz, 2023).

The first factor influencing labor productivity is the human development index (Becker, 2024). The HDI is a composite indicator that describes the quality of human resources through three main dimensions: health, education, and a decent standard of living. These three dimensions play a crucial role in improving an individual's ability to work effectively, efficiently, and productively. Workers with better education tend to have the knowledge, skills, and ability to adapt to technological developments, while good health allows workers to perform their work activities optimally with lower absenteeism rates.

Theoretically, an increase in the HDI will impact the quality of human capital. *According* to the *Human Capital theory* proposed by Becker (2024), investment in education and health is an investment that can increase individual productivity, ultimately contributing to economic growth. Therefore, regions with a high HDI generally have a more competent, innovative workforce and are able to produce greater output than regions with a low HDI.

Several studies on labor productivity have been conducted by several researchers. Afrooz (2020) examined the influence of the HDI. on labor productivity in the food industry in Iran and shows that educated workers and skilled workers as proxies of education, and also *capital-labor ratio* has a positive and significant effect on labor productivity. Another study conducted by Umoru and Yaqub (2013) examined the influence of health capital, education, and *capital-labor. ratio* on labor productivity and shows that health has a positive effect on labor productivity. Bancin and Usman (2020) stated that the human development index has a partial negative and insignificant effect on labor productivity in Aceh Province. Suryandari *et al. al* (2017) also stated that there is a positive relationship between the human development index and labor productivity in Indonesia from 2017 to 2021. Research by Firman (2021); Kartini (2017); Mahawati (2021); and Mustikaningsih (2021) also indicates a positive relationship between the human development index and labor productivity. However, this is inversely related to the research findings of Permatasari & Damayanti (2017); Sari *et al. al* (2022); Suyono & Hermawan (2023); Utami (2020); Widiastuti (2024), and Wulandari & Sultan (2024), found a negative and insignificant relationship between the human development index and labor productivity.

The second factor influencing labor productivity is the minimum wage (Adisasmita , 2020). According to economic theory, wages can be defined as payments made to workers for physical and mental services provided by employers, and the total amount determined as compensation for services rendered by workers over a specific period or under certain conditions (Hasanah & Suryanto, 2024). The mechanism for setting the minimum wage is the most important mechanism for determining wages. Determining the amount of wages can encourage workers to work better, which is indicated by increased labor productivity. On the other hand, wages received can also reflect the level of welfare (Herrick & Kindleberger , 2024).

One factor believed to influence labor productivity is the minimum wage. Minimum wage policies aim to protect workers from exploitation and ensure a minimum standard of living. However, the relationship between minimum wages and productivity remains controversial. Several studies suggest that increasing the minimum wage can boost productivity by improving the human development index and reducing *turnover.* (Álvarez & Fuentes, 2018). On the other hand, there are concerns that wage increases without accompanying improvements in skills and efficiency could burden business actors, especially in labor-intensive sectors (Putri & Kusreni , 2017). Research results from Saepudin, (2023); Saraswati & Cahyono (2024); Skuras (2015); and Wijaya & Soelistianingsih (2024) indicate that the relationship between real wages and labor productivity is linear and positive. Previous research conducted by Winarto *et al* (2022), indicated that the human development index and regional minimum wage levels have a positive impact on economic growth in the manufacturing sector in Central Java Province. However, the research results of Adriyanto *et al. al*., (2020); Anwar (2019); Arifin & Fadllan (2021); Dewi & Sutrisna (2015); Fitriani *et al* (2018), and Hanifah & Hanifa (2021) state that wage increases do not always boost productivity. Initially , real wage increases will increase productivity because workers tend to prefer work over rest. At this point, the substitution effect outweighs the income effect. However, at a certain point, when real wages reach their maximum, productivity begins to decline because workers feel financially secure enough to allocate more time to leisure. In this case, the income effect outweighs the substitution effect.

Another factor influencing labor productivity is economic growth (Teguh, 2021). In addition to the human development index and minimum wages, economic growth is also believed to influence labor productivity (Parluhutan *et al., 2019). al* (2022). According to Parluhutan *et al* (2022), economic growth can be used as an indicator for analyzing economic conditions in a region or area and can serve as a reference for information regarding economic conditions and the sectors that generate additional income in a given period. In addition to analyzing the success rate of economic development, economic growth can also be used to determine the direction of future development periods.

Economic growth and productivity have a close positive relationship, with increased productivity (output per worker/hour worked) being a key driver of long-term economic growth. High productivity increases national output (GDP), per capita income, and encourages investment and efficiency. Research results from Wahyudi (2019); Lestari *et al. al* (2023); Himannudin *et al* (2023); Anggarini (2021); Marina *et al* (2021); Mukaromah *et al* (2023); Dahliah & Nirwana (2021); and Aisyaturridho *et al* (2021) concluded that there is a significant influence between economic growth and labor productivity. However, this contrasts with the research findings of Husada & Yuhan (2022); Najiya & Diah (2023); and Wiraja & Marwan (2023), which found no significant influence between economic growth and labor productivity.

Based on the explanation above, the human development index, minimum wage, and economic growth influence labor productivity because all three directly improve the quality, motivation, and capabilities of the workforce. The human development index improves skills, the minimum wage boosts morale and purchasing power, while economic growth creates a more favorable and efficient business environment.

Labor productivity in Dompu Regency, West Nusa Tenggara Province, shows quite positive developments in terms of labor participation, but still faces various challenges that affect productivity levels. Based on data from the Central Statistics Agency (BPS), the workforce in Dompu Regency has increased from year to year. In 2023, the working-age population reached 186,461 people, with 131,940 people, or 70.76%, included in the labor force. The Labor Force Participation Rate (TPAK) increased from 67.56% in 2024 to 70.76% in 2025, indicating that more productive-age residents are involved in economic activities.

Despite increasing labor force participation, labor productivity in Dompu Regency remains suboptimal. One reason is the dominance of the agricultural, forestry, and fisheries sector, which still uses simple technology and has relatively low added value. Furthermore, a large portion of the workforce remains in the informal sector, with limited income and job protection. This situation means that the increase in the labor force has not been fully accompanied by increases in productivity or worker welfare.

The Human Development Index (HDI) of Dompu Regency shows an upward trend from year to year. This increase indicates that the quality of human development in Dompu Regency, as measured by the dimensions of health, education, and a decent standard of living, continues to improve. However, the rate of increase in the HDI still faces various challenges and has not yet fully driven optimal improvements in the quality of human resources. Data from the Central Statistics Agency (BPS) of Dompu Regency shows that Dompu's HDI continues to improve annually, but still requires ongoing efforts to improve the competitiveness of the workforce through improvements in the quality of education, health services, and community welfare.

This phenomenon is reflected in the persistence of several issues within the components of the HDI. In the education sector, the average length of schooling remains relatively limited compared to regions with higher HDI. This situation indicates that some workers enter the job market with suboptimal levels of education and skills. Furthermore, although life expectancy continues to increase, indicating improving public health, the quality of health services and equitable access to healthcare facilities remain challenges in several areas of Dompu Regency. Furthermore, a decent standard of living, as measured by real per capita expenditure, is still influenced by the income level of the community, which is largely dependent on agriculture and the informal sector, which are vulnerable to economic fluctuations.

This situation has implications for labor productivity. Workers with low levels of education tend to have limited skills, thus suboptimally adopting technology, increasing work efficiency, and producing high output . Similarly, unequal health and well-being can impact the physical and mental abilities of workers to carry out productive activities.

Human Capital theory proposed by Becker (2024), investment in education and health is a key factor in increasing individual productivity. Therefore, an increase in the Human Development Index (HDI) in Dompu Regency is expected to produce higher-quality, more competitive, and more productive human resources. However, the fact that the increase in the HDI has not been fully accompanied by an increase in labor productivity indicates the need for further research into the effect of the HDI on labor productivity in Dompu Regency. The results of this study are expected to provide input for the local government in formulating more effective human development policies to increase labor productivity and regional economic growth.

The minimum wage is a labor policy instrument aimed at protecting workers while simultaneously encouraging increased labor productivity. In theory, providing a decent wage can increase work motivation, job satisfaction, loyalty, and employee enthusiasm in carrying out their duties. Conversely, wages that fall short of meeting workers' living needs have the potential to decrease motivation, increase absenteeism, increase turnover , and ultimately lead to decreased labor productivity.

In Dompu Regency, the Regency Minimum Wage (UMK) has continued to increase in recent years. Based on the Decree of the Governor of West Nusa Tenggara, the Dompu Regency UMK was set at Rp2,446,699 per month in 2024, then increased to Rp2,605,734 per month in 2025. This increase is a government effort to maintain workers' purchasing power while adjusting to economic developments and inflation.

However, increasing the minimum wage does not necessarily automatically increase labor productivity. Productivity is also influenced by other factors such as the quality of human resources, work experience, competence, workload, work environment, leadership, and the organization's reward system. Therefore, wage increases need to be accompanied by workforce competency development to achieve more effective and efficient performance.

Based on this phenomenon, the minimum wage and compensation system play a crucial role in supporting labor productivity. However, increased productivity depends not only on the wage level but also on the quality of the human development index, workload management, opportunities for competency development, and a conducive work environment. Therefore, the minimum wage variable deserves analysis as a determinant of labor productivity, particularly in Dompu Regency.

Labor productivity is closely linked to economic growth, as increased productivity is a key factor driving output , efficiency, and competitiveness in a region. High economic growth is generally accompanied by increased production activity, investment, and demand for a qualified workforce. Conversely, low labor productivity tends to slow economic growth because the ability to produce goods and services is less than optimal.

In Dompu Regency, economic growth fluctuates from year to year, influenced by conditions in the agriculture, trade, services, and public services sectors. These fluctuations also impact employment opportunities, community income levels, and the local government's ability to improve the quality of public services, including the health sector. When economic growth increases, the government has greater fiscal space to finance infrastructure development, improve human resource quality, and improve health care facilities and infrastructure. This can create a more conducive work environment, thereby increasing labor productivity.

Conversely, slowing economic growth can result in limited development budgets, limited investment in human resource development, and reduced organizational capacity to provide work facilities, training, and incentives to workers. Consequently, labor productivity can decline due to limited support for improving competency and work effectiveness.

Based on this phenomenon, it can be understood that economic growth and labor productivity have a mutually influential relationship. Sustainable economic growth can create conditions that support improvements in labor quality and productivity, while a productive workforce will increase efficiency, service quality, and added value, ultimately contributing to regional economic growth. Therefore, economic growth is a crucial variable that needs to be analyzed in research on the determinants of labor productivity.

RESEARCH METHODS

Study This use approach quantitative with type study purposeful associative For analyze the influence of human capital, minimum wages , and growth economy to productivity power work in the Regency Dompu, West Nusa Tenggara Province. Data used is secondary data shaped sequential time (*time series*) during period 1993–2025, so that obtained as many as 33 observations annually. All data is collected through technique documentation archives (*administrative records*) sourced from from documents and publications official Central Statistics Agency (BPS), Ministry of Manpower of the Republic of Indonesia, and various reports and references relevant scientific.

Population study covering all related annual data with productivity power employment , human capital , minimum wages , and growth economy during period research. Considering amount observation relatively limited research This use technique sample saturated (census), so that all over member population made into sample study.

Variables dependent in study This is productivity power work , while variables its independence includes human capital , minimum wages , and growth economy . Productivity power Work measured based on ratio Product Gross Regional Domestic Product (GRDP) base price constant to amount working population . Human capital measured use The Human Development Index (HDI) is published by the Central Statistics Agency and includes dimensions health , education , and standard life decent . Minimum wages are measured use the applicable District Minimum Wage (UMK) value every year , whereas growth economy measured based on rate growth Product Gross Regional Domestic Product (GRDP) base price constant.

Instrument study in the form of sheet documentation and data tabulation format used For inventory , record , and grouping data according to with variables research . The data that has been collected Then analyzed use device soft *Statistical Package for the Social Sciences* (SPSS). Before done testing hypothesis, especially formerly assumption testing was carried out classic which includes normality test, multicollinearity test, and heteroscedasticity test For ensure that the regression model fulfil assumptions statistics.

Testing hypothesis done use analysis multiple linear regression For know the influence of human capital, minimum wages , and growth economy to productivity power work. Next, a coefficient test is carried out determination (R^2) for measure model capabilities in explain variation productivity power work, F test for know influence variables independent in a way simultaneous, as well as t-test for test the influence of each variable independent in a way partial at the level significance 5%.

RESULTS AND DISCUSSION

Overview of Research Object

Dompu Regency is a regency in West Nusa Tenggara (NTB) Province located in the central part of Sumbawa Island. Geographically, Dompu Regency is located at coordinates around 117°42'-118°30' East Longitude (BT) and 8°06'-9°05' South Latitude (S). Dompu Regency covers an area of approximately 2,324.55 km² and consists of eight sub-districts: Hu'u, Kempo, Kilo, Manggelewa, Dompu, Pajo, Pekat, and Woja.

Data Description

The data used in this study is secondary data. Secondary data were obtained using documentation methods using panel data related to labor productivity, education, minimum wages, and economic growth from 1993 to 2025.

Descriptive Analysis of Variable Categories

Labor Productivity (Y)

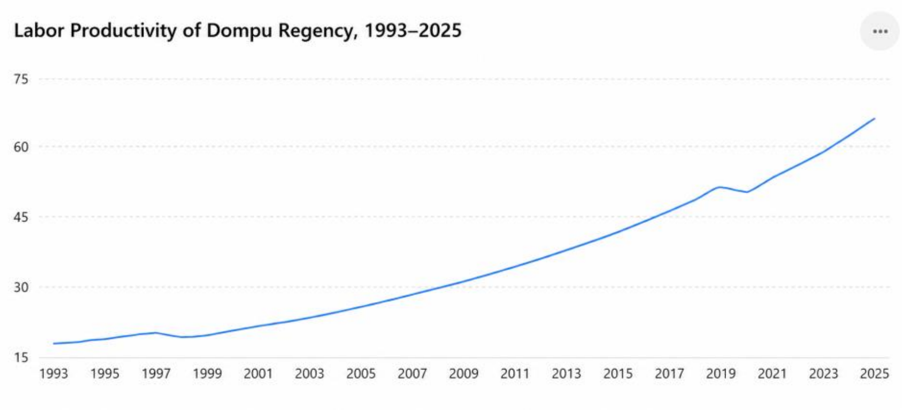

Figure 1. Labor Productivity Data

Based on the graph above, the overall graph shows that labor productivity in Dompu Regency has a long-term increasing trend, despite fluctuations between 1998 and 2020. This pattern indicates that labor productivity is influenced by various factors, such as the quality of the human development index, wage levels, economic growth conditions, technological developments, and economic stability. Therefore, increasing labor productivity requires policies that support human resource development, improving worker welfare, and sustainable economic growth.

Human Development Index (X_1)

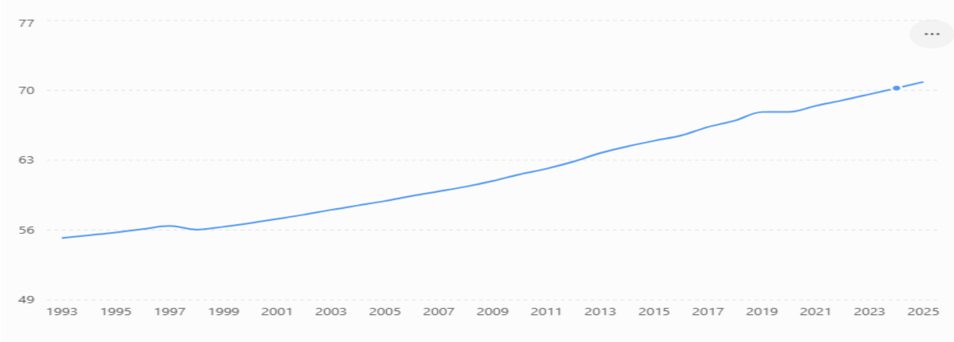

Figure 2. Human Development Index Data

Based on Figure 2, the overall graph shows a positive trend with a relatively stable rate of increase. This condition indicates that human development in Dompu Regency has progressed over time. Based on *Human Capital theory* , improving the quality of human resources through education, health, and welfare is expected to improve the abilities, skills, and productivity of the workforce. Therefore, an increase in the HDI value has the potential to positively influence labor productivity in Dompu Regency.

Minimum Wage (X_2)

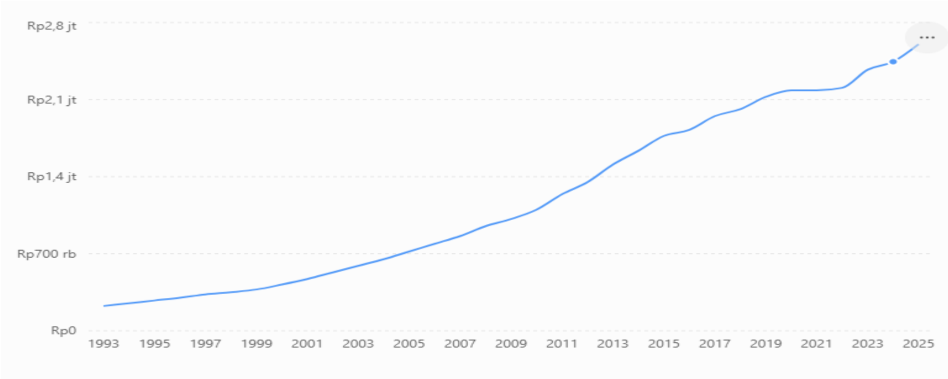

Figure 3. Minimum Wage Data

Based on the figure above, the minimum wage in Dompu Regency has experienced a consistent upward trend from 1993 to 2025. Because Dompu Regency does not set a Regency Minimum Wage (UMK), the applicable minimum wage follows the West Nusa Tenggara Provincial Minimum Wage (UMP). In 1993, the minimum wage was recorded at IDR 225,000 per month. This value increased gradually to IDR 950,000 in 2008, reflecting wage policy adjustments to economic developments and inflation.

Economic growth (X_3)

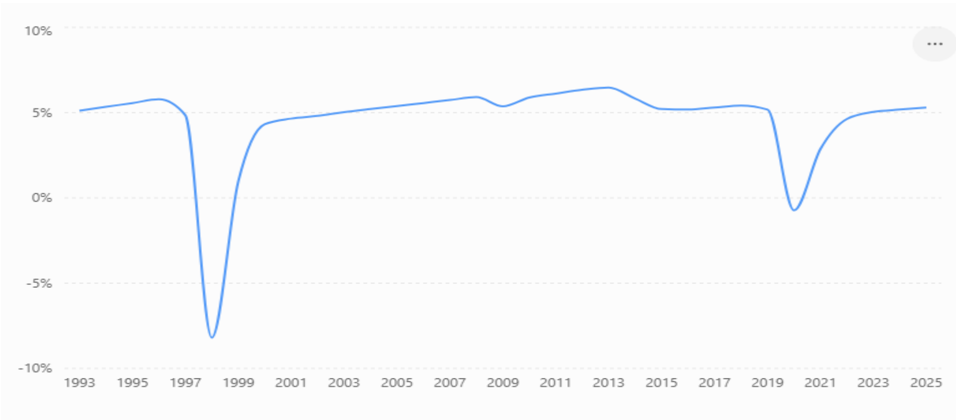

Figure 4. Data on Economic Growth of Labor

Based on the figure above, Dompu Regency's economic growth fluctuated during the 1993-2025 period, but generally followed a positive trend. At the beginning of the study period (1993-1997), economic growth increased gradually from 5.12% to 5.78%, before declining slightly to 4.85% in 1997.

Assumption Test Classic

Normality Test

normality test using *the Kolmogorov-Smirnov method* significant at 0.548 > 0.05, it can be concluded that the regression method in this study has fulfilled the normality assumption .

Multicollinearity Test

multicollinearity test aims to determine whether a perfect correlation exists between independent variables in the regression model. A good regression model should not have multicollinearity . This can be detected by analyzing the variance value. Inflation Factor (VIF) and tolerance value . If the tolerance value is above 0.1 and the VIF is below 10, then multicollinearity does not occur . The test results can be concluded that multicollinearity does not occur in this regression model .

Heteroscedasticity Test

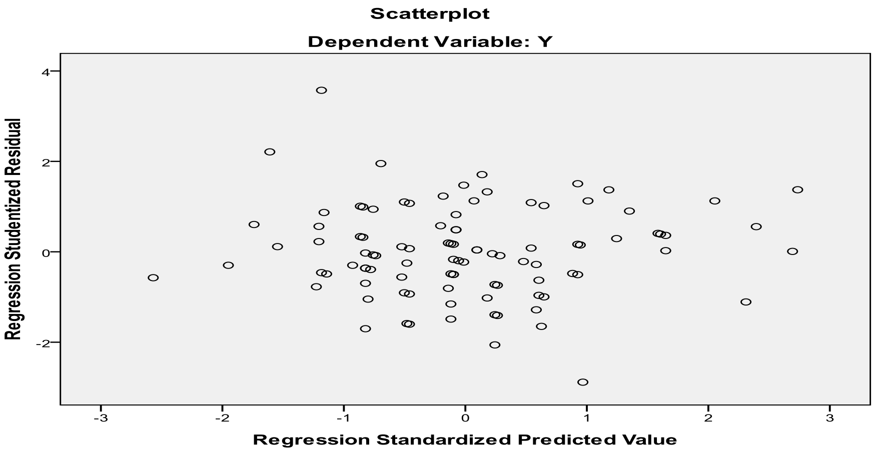

Figure 5. Heteroscedasticity Test Results (Appendix 6)

Based on the figure above, it can be seen that the points are randomly distributed and do not form any specific or irregular pattern. This indicates that there is no heteroscedasticity in the regression model, making it suitable for use.

Analysis Regression Multiple

Multiple regression analysis was conducted to determine the influence between variables. The following table shows the results of the multiple regression analysis using IBM SPSS version 24:

Table 1. Results of Multiple Regression Analysis

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig .
		B	Std . Error	Beta		
1	(Constant)	3.132	2,560		2,786	.000
	Human development index (X_1)	.041	.116	.035	4,357	.000
	Minimum Wage (X_2)	.710	.122	.565	5,819	.000
	Economic Growth (X_3)	.543	.211	.422	5,736	.000

Dependent Variable : Y

$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$

$Y = 3.132 + 0.041 X_1 + 0.710 X_2 + 0.543 X_3$

Based on this equation, it can be explained as follows:

The constant value of 3.132 can be interpreted as if the variables of human development index, minimum wage, and economic growth are considered zero, then productivity becomes 3.132.

The beta coefficient value for the human development index variable is 0.041, meaning that every change in the human development index variable (X1) by one unit will result in a change in productivity of 0.041, with other assumptions remaining constant. A one-unit increase in the human development index variable (X1) will result in a change in productivity of 0.041, with other assumptions remaining constant. human development index will increase productivity by 0.041 units, and vice versa, a decrease of one unit in the human development index variable will decrease productivity of 0.041 units.

The beta coefficient value on the minimum wage variable is 0.710, meaning that every change in the minimum wage variable (X2) by one unit will result in a change in productivity of 0.710, with other assumptions remaining constant. A one-unit increase in the minimum wage variable (X2) will result in a change in productivity of 0.710, with other assumptions remaining constant. minimum wage will increase productivity by 0.710 units, and vice versa, a decrease of one unit of the minimum wage variable will decrease productivity of 0.710 units.

The beta coefficient value for the economic growth variable is 0.543, meaning that every change in the economic growth variable (X3) by one unit will result in a change in productivity of 0.543, with other assumptions remaining constant. A one-unit increase in the economic growth variable (X3) will result in a change in productivity of 0.543, with other assumptions remaining constant. economic growth will increase productivity by 0.543 units, and vice versa, a decrease of one unit in the economic growth variable will decrease productivity of 0.543 units.

Hypothesis Testing

t-test

Testing by comparing probability values t_{count} with a probability of 0.05, if the probability value $t_{count} < 0.05$ then the hypothesis is accepted, with the t value $_{in\ Table}$ searched using the formula df = Nk = 33-4 = 29, which is 1.943. Based on considerations in Table 4.6, the following conclusions are obtained:

In the human development index variable , the $_{calculated}$ t value (4.357) > t_{Table} (1.943) and the significance value is (0.000) < 0.05. This shows that the human development index has a significant effect on productivity .

In the minimum wage variable , the $_{calculated}$ t value (5.819) > t_{Table} (1.943) and the significance value is (0.000) < 0.05. This shows that the minimum wage has a significant effect on productivity.

minimum wage variable , the $_{calculated}$ t value (5.736) > t_{Table} (1.943) and the significance value is (0.000) < 0.05. This shows that economic growth has a significant effect on productivity.

F test

The F-test results are used to determine the strength of the relationship. The results of the simultaneous regression test, or F-test, can be seen in Table 2 as follows:

Table 2. Simultaneous Test Results (F Test)

ANOVA [b]					
Model		Sum of Squares	Mean Square	F	Sig .
1	Regression	372,861	186,430	6,547	.000 [a]
	Residual	861,955	9,073		
	Total	1234,816			
a. Predictors : (Constant), human development index , minimum wage, and economic growth					
b. Dependent Variable : Y					

The results of the hypothesis testing show that the $_{calculated}$ F value (6.547) > F_{Table} (3.09) with significance. (0.00) < 0.05, so the variables of human development index , minimum wage, and economic growth have a high relationship with productivity .

Adjusted R^2

The results of the coefficient of determination (R2) test [in] this study can be seen in the following table.

Table 3. Results of the Determination Coefficient Test (^{R2})

Model Summary [b]				
Model	R	R Square	Adjusted R Square	Std . Error of the Estimate
1	.550 [a]	.502	.587	3,012
a. Predictors : (Constant), human development index , minimum wage, and economic growth				
b. Dependent Variable : productivity (Appendix 8)				

Adjusted R2 test in this study obtained an adjusted R2 value of 0.502, which means that the magnitude of the influence of the human development index, minimum wage, and economic growth variables on productivity is 50.2%, while the remaining 49.8% is influenced by other factors not included in this study.

Relationship between Human Development Index and with Labor Productivity

Hypothesis 1 proposed in this study is that the human development index has a significant effect on labor productivity in Dompu Regency, West Nusa Tenggara Province with a $_{\text{calculated}}$ t value (4.357) > t $_{\text{Table}}$ (1.943). Thus, it can be concluded that the Human Development Index has a positive and significant effect on labor productivity in Dompu Regency, West Nusa Tenggara Province.

The results of this study indicate that improving the quality of human development, as reflected in the increase in the HDI value, can increase labor productivity. This is because the HDI is an indicator that describes the quality of human resources through three main dimensions: health, education, and a decent standard of living. These three dimensions are interrelated in forming a workforce that possesses competence, skills, thinking abilities, physical health, and high work motivation. Workers with a good level of education will more easily understand technology, adapt to changes in the work environment, and be able to complete their work more effectively and efficiently. Furthermore, good health conditions enable workers to work optimally with low absenteeism rates, while adequate welfare levels will increase motivation and work enthusiasm, thereby increasing productivity.

The results of this study are also supported by the economic development theory proposed by Todaro and Smith (2021), which states that development is measured not only by income growth but also by improvements in human quality. Better education will improve the quality of the workforce, better health will enhance work capacity, and increased well-being will boost motivation and productivity. Therefore, improving the quality of human development is a crucial factor in increasing labor productivity and economic growth.

This study's findings align with various previous studies. Research conducted by Sari and Hadi (2022) showed that the Human Development Index (HDI) has a positive and significant impact on labor productivity in Indonesia. Improvements in the quality of education, health, and public welfare have been shown to increase the workforce's ability to produce higher output . Similarly, research by Prasetyo and Nugroho (2021) found that regions with higher HDI values tend to have better labor productivity due to the higher quality of their human resources. Research by Rahman (2023) also showed that an increase in the HDI positively contributes to labor productivity through improvements in the quality of education and public health.

A number of studies about productivity power Work has done by some researchers. Afrooz (2020), research about influence Human development index to productivity power Work on industry food in Iran and show that worker educated And worker skilled as proxy from the human development index, And Also *capital-labor ratio* own effect Which positive And significantly influence productivity power Work. Study other Which done by Umoru And Jacob (2013) research How influence capital health, human development index, And *capital-labor ratio* to productivity power Work and show that health influential positive to productivity workforce . B ancin And Usman (2020) Which to state that human development index in a way partial influential negative and No significant to work productivity in Province Aceh. Suryandari *et al* (2017) Which state Also that there is a relationship that positive between human development index with work productivity in Indonesia year 2017-2021. Research results by Firman (2021); Kartini (2017); Mahawati (2021); and Mustikaningsih (2021), stated Also that there is a relationship that positive between human development index with work productivity. However, this is inversely proportional to the research results of Permatasari & Damayanti (2017); Sari *et al.* (2022); Suyono & Hermawan (2023); Utami (2020); Widiastuti (2024), and Wulandari & Sultan (2024), which show a negative and insignificant relationship . between human development index with work productivity.

Based on the analysis, the theory used, and previous research, it can be concluded that the Human Development Index is an important determinant in increasing labor productivity in Dompu Regency. The higher the quality of human development, as reflected in the increase in the Human Development Index (HDI), the higher the workforce's ability to produce output effectively and efficiently. Therefore, the local government needs to continue to increase investment in the education, health, and community welfare sectors to improve the quality of human resources and be able to encourage increased labor productivity and sustainable regional economic growth.

Minimum Wage Relationship with Labor Productivity

Hypothesis 2 proposed in this study is that the minimum wage has a significant effect on labor productivity in Dompu Regency, West Nusa Tenggara Province, with a $_{\text{calculated}}$ t value (5.819) > t $_{\text{Table}}$ (1.943). Thus, the hypothesis stating that the minimum wage has a significant effect on labor productivity is accepted. This finding indicates that changes in the minimum wage level are followed by changes in labor productivity, so that the minimum wage is one of the factors contributing to increasing labor productivity in Dompu Regency.

The results of this study are also in line with Fair Wage- Effort A hypothesis proposed by Akerlof and Yellen (1986). According to this theory, workers will exert greater effort *if* they perceive they are receiving fair wages commensurate with their contributions.

Conversely, if wages are perceived as inadequate, motivation and work enthusiasm tend to decline, resulting in lower productivity. Therefore, a minimum wage policy that provides a better level of welfare can increase job satisfaction, organizational commitment, and workforce productivity.

Furthermore, the findings of this study support the view of Todaro and Smith (2021), who stated that increased labor income enables workers to better meet their basic needs, such as nutritious food, education, and healthcare. Fulfilling these needs will improve the quality of human resources, improving the physical and mental abilities of the workforce. This ultimately leads to increased productivity, enabling workers to work more effectively, efficiently, and sustainably.

The results of this study are also consistent with those of Doucouliagos and Stanley (2009), who, through a meta-analysis, found that wage increases tend to have a positive impact on labor productivity by increasing worker motivation, loyalty, and performance quality. These findings are reinforced by Pfeifer (2018), who stated that a competitive wage system can increase productivity by enhancing job satisfaction, organizational commitment, and employee retention. Thus, wages are viewed not only as a production cost but also as an investment that can generate increased productivity.

A number of study previously consider that connection between wages real and productivity power Work nature linear And positive. However, there is study that state that improvement wages No always push productivity (Brown, Levin, and Ulph 1976; Gneezy And Rustichini 2000). Based on theory allocation time And *trade- off* theory , connection the precisely nature non-linear Because existence two influence Which contradictory: effect substitution Which push Work And effect income Which encourage consumption time free time (Moses 1962; Becker 1965; Williams 1970). With thus, theory this estimates existence connection shaped Inverted U between wages real And productivity.

Policy wages minimum aim to protect worker from exploitation And ensure standard life minimum. However, the relationship between minimum wage And productivity Still become debate. A number of studies show that increase wages minimum can push improvement productivity through improvement human development index And subtraction *turnover* (Álvarez & Fuentes, 2018). In side other, there are concern that increase wages without accompanied by improvement skills and efficiency can burdensome perpetrator business, especially in sector congested work (Putri & Kusreni, 2017). The results of Saepudin's research, (2023); Saraswati & Cahyono (2024); Skuras (2015); and Wijaya & Soelistianingsih (2024), that there is that connection between wages real and productivity power Work nature linear And positive. Study previously Which already implemented by Winarto *et al* (2022), indicates that human development index and regional minimum wage levels have a positive impact to growth economy in industrial sector processing in Province Java Middle. However, the results research by Adriyanto *et al* ., (2020); Anwar (2019); Arifin & Fadllan (2021); Dewi & Sutrisna (2015); Fitriani *et al* (2018), and Hanifah

& Hanifa (2021) stated that wage increases do not always boost productivity, where in the initial stages, real wage increases will increase productivity. Because workers tend to more choose Work than Rest.

The relationship between Economic Growth and Labor Productivity

Hypothesis 3 proposed in this study is that economic growth has a significant effect on labor productivity in Dompu Regency, West Nusa Tenggara Province with a $_{calculated}$ t value (5.736) > t $_{Table}$ (1.943). Thus, the third hypothesis is accepted, which means that economic growth has a positive and significant effect on labor productivity in Dompu Regency, West Nusa Tenggara Province.

This is because economic growth reflects increased production activity, investment, and employment opportunities, which ultimately drive increased labor productivity. When a regional economy experiences growth, businesses tend to increase production capacity, expand investment, adopt more modern technology, and improve production processes. These conditions create a more productive work environment, enabling workers to produce greater output with higher levels of efficiency.

According to Solow (1956) in Neoclassical Growth Theory, economic growth is influenced by capital accumulation, workforce growth, and technological progress (*technological progress). progress*). Among these three factors, technological progress is the main factor driving long-term increases in labor productivity. As the economy grows, investment in technology and capital increases, enabling workers to work more effectively and efficiently. Thus, economic growth not only increases output but also increases the productivity of each worker.

This view is reinforced by Romer (1990) through his Endogenous Growth Theory, which states that economic growth stems from improvements in the quality of human resources, innovation, research, and technological development. According to Romer , investments in education, research, and innovation result in sustainable productivity gains because knowledge can continue to develop and be utilized by all economic actors. Therefore, economic growth and labor productivity have a mutually reinforcing relationship.

The positive relationship between economic growth and labor productivity is also supported by various empirical studies. Prescott (1998) shows that differences in labor productivity between countries are largely influenced by the level of economic growth, capital accumulation, and the efficiency of technology use. Countries or regions with higher economic growth generally have better labor productivity because they are able to create a more productive business environment.

Syverson's (2011) research also shows that labor productivity increases when companies operate in a growing economic environment. Economic growth encourages companies to innovate, improve operational efficiency, and allocate resources more optimally. Thus, economic growth not only increases national output but also improves the efficiency of the use of production factors, including labor.

Economic growth and productivity have a close positive relationship, with increased productivity (output per worker/hour worked) being a key driver of long-term economic growth . High productivity increases national output (GDP), per capita income, and encourages investment and efficiency. Wahyudi's research findings (2019); Lestari *et al* (2023); Himannudin *et al* (2023); Anggarini (2021); Marina *et al* (2021); Mukaromah *et al* (2023); Dahliah & Nirvana (2021); and Aisyaturridho *et al* (2021), concluded that there is a significant influence between economic growth and work productivity.

However, this is in contrast to the research results of Husada & Yuhan. (2022); Najiya & Diah (2023); Wiraja & Marwan (2023), found no significant effect between economic growth and labor productivity. Economic growth has no significant effect on labor productivity. This may occur because increased economic growth is not always accompanied by improvements in the quality of health services or worker welfare. The benefits of economic growth may be more concentrated in certain sectors, thus not having a direct impact on labor productivity.

In the context of Dompu Regency, West Nusa Tenggara Province, the significant influence of economic growth on labor productivity demonstrates that increased regional economic activity significantly impacts labor performance. Growth in key sectors, such as agriculture, trade, services, and others, increases labor demand, expands investment, and encourages the use of technology in production processes. These conditions enable workers to work more productively and produce higher output . Therefore, efforts to maintain stable and high-quality economic growth are a crucial strategy for increasing labor productivity and encouraging sustainable regional economic development.

Based on theory and previous research, economic growth can essentially be a supporting factor in increasing labor productivity through increased investment, facilities, and the quality of health services. However, its impact is often indirect and requires the support of other factors, such as an increase in the human development index, adequate wage policies, and the provision of adequate health facilities and infrastructure. Therefore, increasing labor productivity requires synergy between economic growth, human resource development, and health policies oriented towards improving service quality.

CONCLUSION AND SUGGESTIONS

Based on the analysis and results, the following conclusions can be drawn:

The Human Development Index (HDI) significantly influences labor productivity in Dompu Regency , West Nusa Tenggara Province. This is thought to be because the HDI reflects the quality of human resources through three main dimensions: health, education, and a decent standard of living. Improving the quality of education will enhance the knowledge, skills, competencies, and abilities of workers to master technology and complete work effectively and efficiently. Furthermore, good health enables workers to maintain optimal physical and mental capabilities, enabling them to work productively with lower absenteeism rates. Furthermore, improving the decent standard of living will boost motivation, work enthusiasm, and employee well-being, thus enabling them to produce higher output .

The minimum wage has a significant impact on labor productivity in Dompu Regency, West Nusa Tenggara Province. This is thought to be because wages play a major role in fulfilling basic needs, a motive Job satisfaction and reduced mental stress. Increasing the minimum wage directly impacts income, where a decent wage (in accordance with the regional minimum wage/regional minimum wage) improves well-being and, indirectly, improves the focus and quality of patient care.

Economic growth has a significant impact on labor productivity in Dompu Regency, West Nusa Tenggara Province, because a growing economy creates a positive cycle between funding, facilities, and labor welfare.

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