

# Finance of Ulos Fabric Craftsmen in Pematang Siantar City: A Review of Work-Life Balance, Skills, and Culture

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## Abstract

Finance is a crucial aspect in the sustainability of ulos fabric artisan businesses in Pematang Siantar. This study aims to analyze how work-life balance, skills, and culture affect the financial management of artisans. The research approach used is qualitative with in-depth interview methods, observations, and financial record analysis conducted by craftsmen. The results of the study show that work-life balance affects the productivity of craftsmen, where the balance between work and personal life has an impact on the financial stability of the business. Skills in production and financial management are also an important factor, where craftsmen who have a simple accounting understanding tend to be better able to manage capital and record transactions well. Meanwhile, cultural identity in the manufacture and marketing of ulos fabric is an added value in business strategies, but the limitations of adaptation to the modern market and the lack of systematic financial records are still obstacles in business sustainability. This research recommends increasing financial literacy for artisans and the use of a neater recording system to ensure the financial stability of their business. In addition, training in culture-based business management and marketing digitalization can be a solution to increase the competitiveness of ulos fabric craftsmen in the wider market

## Keywords

Finance, Work-Life Balance, Skills, Cultural Identity

## Introduction

Indonesia is rich in culture and ancestral heritage, one of which is Ulos, a traditional Batak fabric that deserves to be preserved. Recognizing its cultural and economic significance, Kota Pematang Siantar has inaugurated Kampung Ulos, attracting 2,300 artisans and positioning it as a center for production, training, and promotion of Ulos. This initiative aims not only to preserve Ulos as a cultural heritage but also to enhance artisans' welfare through market expansion and product innovation (Magribi, 2023).

Ulos fabric artisans in Pematang Siantar play a crucial role in preserving Batak cultural heritage while also contributing to the local economy. In the development of Batak ulos weaving products, various efforts are made to enhance product quality and quantity, expand market reach, and increase the economic value of these products. Batak ulos weaving holds significant economic potential, as it can be marketed at a relatively high price. Additionally, this product has the opportunity to be exported to international markets and compete in the modern textile industry, thereby contributing to the increase in national foreign exchange earnings. The development of Batak ulos weaving has a positive impact on economic growth and sustainable development. However, in the process of its development, it is crucial to consider cultural and environmental preservation to ensure that the traditional values embedded in Batak ulos remain intact and are not eroded by modernization (Meylinda et al., 2023). Ulos fabric is not only culturally valuable but also holds significant economic potential if managed effectively. However, many artisans face various challenges in managing their business finances. One of the primary obstacles is the lack of a systematic financial recording system, a low level of accounting literacy, and an imbalance between work and personal life (work-life balance).

The Work-Life Balance Theory proposed by Greenhaus & Beutell, (1985) explains that maintaining a balance between work and personal life can enhance productivity and overall well-being. In the context of ulos fabric artisans, an imbalance between these two aspects can negatively impact work efficiency and financial stability. Artisans who experience excessive workload pressure tend to suffer from fatigue and struggle to manage their business finances optimally (Jackson, 2023).

Furthermore, the Financial Accounting Theory (Weygandt et al., 2019) emphasizes the importance of recording and reporting business transactions as a foundation for rational financial decision-making. Many artisans still rely on manual bookkeeping methods, which are prone to errors and can lead to financial instability in their businesses. With proper financial recording, artisans can gain a clearer understanding of their financial position and manage financial resources more effectively (Shukla, 2021).

Additionally, the Resource-Based View (RBV) Theory, introduced by (Barney, 1991), states that the skills and resources possessed by a business can serve as a competitive advantage. In the ulos fabric industry, expertise in production, marketing, and financial management is essential for business sustainability. Artisans with strong financial management skills are more capable of managing capital, setting competitive prices, and increasing their business profitability (Ugwoke, 2023).

Beyond skills and financial management, the Cultural Identity Theory Hall, (1990) also plays a crucial role in traditional product marketing strategies. Ulos fabric holds significant cultural value, making it a key attraction in both local and international markets. However, while

culture provides a competitive advantage, a lack of adaptation to modern business strategies can hinder the growth of artisan businesses. Therefore, an approach that integrates cultural elements with marketing strategies and financial management is necessary to ensure long-term business sustainability.

Work-life balance is an essential factor in the productivity and financial stability of artisans. Artisans who struggle to balance their work and personal lives tend to experience stress and exhaustion, which negatively impacts both the quality and quantity of their production. Additionally, financial management skills and business operations play a crucial role in the success of ulos fabric artisans. Skills in production management, cost calculation, and marketing are necessary to ensure business sustainability. Cultural identity also serves as an important aspect of business continuity, as the cultural value embedded in ulos fabric can serve as a unique selling point in marketing strategies (Pawlicka, 2020).

However, a recurring issue is the artisans' limited adaptation to market developments and the lack of utilization of financial technology. Many artisans still rely on manual bookkeeping systems, which are prone to errors, and they do not fully understand the importance of financial reports in business management. Therefore, this study aims to examine how work-life balance, skills, and cultural identity influence the financial management of ulos fabric artisans in Pematang Siantar (Gao, 2024).

In efforts to increase the income of ulos fabric artisans in Pematang Siantar, product innovation plays a crucial role in enhancing competitiveness and boosting artisans' earnings (Subrata & Damanik, 2019). The development of designs, the use of more efficient production technology, and adaptation to market trends are key factors in driving the growth of the ulos weaving industry. With sustainable innovation, artisans can expand their market reach, both nationally and internationally.

Additionally, the role of women in the traditional craft industry provides a significant perspective on skills and gender roles in the handicraft sector (Prakoso, 2020). In the ulos weaving industry, women often serve not only as artisans but also as business managers, production planners, and product marketers. Their skills in production processes, financial management, and marketing play a crucial role in the success of the ulos weaving business (Warren, 2024). Therefore, empowering women in this industry can enhance business sustainability while contributing significantly to family and community economic development.

Several previous studies have examined various aspects related to Ulos fabric craftsmen in Pematangsiantar City, including factors influencing income, product innovation, and the role of culture. A study by Subrata & Damanik, (2019) analyzed the impact of age, working capital, working hours, and product innovation on the income of household-scale Ulos weaving craftsmen in Pematangsiantar City. The study found that working capital, working hours, and product innovation significantly influenced the craftsmen's income, while age had no significant effect. Product innovation played a crucial role in increasing the income of Ulos weaving craftsmen in the city (Kenny, 2020).

Additionally, a study by (Supriyanto, 2024) highlighted the role of the government and the adaptation strategies of Ulos fabric MSME entrepreneurs in Pematangsiantar following the 1998 monetary crisis. This research emphasized the importance of innovation and adaptation in overcoming economic challenges, as well as how cultural values and the identity of the Batak community have been preserved through the trade of Ulos fabric.

However, research specifically examining work-life balance, skills, and culture among Ulos fabric craftsmen in Pematangsiantar City remains limited. Studies on the relationship between social support, job satisfaction, and employee happiness indicate that social support and job satisfaction are positively correlated with employee well-being. These findings can serve as a foundation for further research on work-life balance and other factors influencing the well-being of Ulos fabric craftsmen in Pematangsiantar.

This study differs from previous research as it integrates three key aspects—work-life balance, skills, and cultural identity—into a single study focusing on the financial recording practices of ulos fabric artisans. Therefore, this research is expected to contribute to improving artisans' financial literacy while also providing relevant recommendations for the government and related stakeholders in supporting the sustainability of the ulos fabric industry in Pematang Siantar (Singh, 2024).

## **Methods**

This study employs a qualitative approach using a case study method to understand how work-life balance, skills, and culture influence the financial management of ulos fabric artisans in Pematang Siantar. This approach was chosen to gain an in-depth understanding of the financial practices of artisans and the challenges they face in managing their businesses effectively (Yusuf, 2016).

The data used in this research consists of primary and secondary data sources. Primary data is collected through interviews with 10 key informants, including Ulos fabric craftsmen, business owners, local government representatives, and cultural experts. The selection of informants follows a purposive sampling technique to ensure diverse perspectives and relevant insights. Meanwhile, secondary data is collected from books, scientific journals, research reports, articles, and other reliable sources that discuss financial management, work-life balance, skills, and cultural aspects in the ulos fabric industry.

Data collection is conducted through three main methods: in-depth interviews, field observations, and documentation analysis. In-depth interviews aim to explore how artisans manage their business finances, the challenges they face in financial record-keeping, and how work-life balance, skills, and cultural values impact their financial stability. Field observations involve direct monitoring of artisans' production activities, business management practices, and financial recording methods. Documentation analysis includes gathering supporting documents such as simple financial reports, transaction records, and policies or regulations related to the ulos fabric industry.

The collected data is analyzed using a qualitative descriptive analysis, which involves data reduction, data presentation, and conclusion drawing. Data reduction is conducted by filtering and categorizing relevant data based on key research themes, namely financial management, work-life balance, skills, and culture. Data presentation is arranged in descriptive narratives, tables, or diagrams to enhance clarity and understanding. Finally, conclusions are drawn by analyzing the relationship between work-life balance, skills, and cultural factors in the financial management of ulos artisans, while also formulating recommendations for the sustainability of their businesses.

To ensure the validity of the data, this study applies source triangulation, which involves cross-verifying information obtained from interviews, observations, and documentation. This triangulation method enhances the accuracy and reliability of the research findings

## **Results and Discussion**

### **1. Financial Management of Ulos Artisans in Pematang Siantar**

The research reveals that the financial management practices among ulos artisans in Pematang Siantar remain largely informal and unstructured. Most artisans do not maintain proper financial records, such as income statements, profit-loss reports, or expense tracking systems. Instead, they rely on basic manual bookkeeping or, in many cases, keep no records at all. This lack of structured financial documentation makes it difficult for artisans to assess business profitability, control costs, or plan long-term investments. Dilham & Putra, (2016) examines the social and economic conditions of the community, including Ulos craftsmen, which can serve as a foundation for policymaking and empowerment programs.

Similarly, Weygandt et al., (2019) emphasized the importance of financial recording in business decision-making, suggesting that artisans with better financial literacy are more likely to sustain their businesses and increase their income.

Another common challenge identified in this study is the overlap between personal and business finances. Many artisans use business funds for household expenses, which leads to financial instability and difficulty in growing their businesses. This issue has also been observed in other micro-enterprises, where a lack of financial separation weakens long-term financial planning and investment strategies.

Despite these challenges, artisans who have received basic financial training or mentorship tend to exhibit better financial management skills, such as budgeting, expense monitoring, and investment planning. This highlights the importance of financial education programs in empowering artisans to manage their finances effectively.

### **2. Work-Life Balance and Its Impact on Financial Stability**

The study found a strong connection between work-life balance and financial stability among ulos artisans. Many artisans struggle to balance their work with family responsibilities, leading to stress, fatigue, and decreased productivity. Artisans who work long hours without proper rest often experience lower efficiency in production and inconsistent income.

This finding supports Nasution, (2020) whose study provides insights into the working conditions and health of Ulos craftsmen, which can impact their work-life balance and productivity. Nasution's research highlights that poor working conditions and health issues among craftsmen can lead to decreased productivity and overall well-being. These findings emphasize the need for improved workplace policies, better healthcare support, and sustainable practices to enhance the livelihoods of Ulos craftsmen while preserving their cultural heritage.

Furthermore, female artisans face additional challenges in balancing household duties with weaving activities. Many women artisans in this study reported that domestic responsibilities limit their working hours, affecting their productivity and earnings. Prakoso, (2020) highlights the significant role of women in traditional craft industries, emphasizing that women's empowerment through flexible work arrangements and business support programs can enhance both financial stability and overall well-being.

Artisans who successfully maintain a balanced lifestyle were found to be more financially organized, allowing them to allocate time for financial planning, skill development, and market expansion, all of which contribute to sustainable business growth.

### **3. The Role of Skills in Financial Management**

This study highlights that skills in financial literacy, production, and marketing are critical factors in determining the financial success of ulos artisans. Artisans with higher financial literacy tend to set realistic pricing strategies, monitor expenses, and reinvest profits into their businesses, whereas those lacking these skills often struggle with cash flow and underpricing their products.

This finding is in line with Barney (1991) Resource-Based View (RBV) Theory, which states that skills and resources serve as key competitive advantages. The study found that artisans who attended financial training programs or business workshops were better able to manage their finances, identify market opportunities, and sustain their businesses.

Additionally, marketing and digital literacy play a crucial role in expanding artisans' financial potential. Artisans who utilize social media, e-commerce platforms, and branding strategies reported higher revenues and market reach compared to those relying solely on traditional selling methods.

However, many artisans still lack the knowledge or access to digital marketing tools, limiting their ability to compete in broader markets. Therefore, providing training in digital marketing, e-commerce, and business planning can significantly improve the financial stability of ulos artisans.

### **4. Cultural Identity as a Competitive Advantage**

Cultural identity plays a significant role in the marketability and financial sustainability of ulos fabric. Many artisans take pride in preserving traditional weaving techniques and cultural motifs, which differentiate ulos fabric from other textile products.

The study found that artisans who emphasize the cultural heritage of ulos in their branding and marketing strategies attract a niche market of collectors, cultural enthusiasts, and high-value customers. This aligns with Hall, (1990) Cultural Identity Theory, which emphasizes the importance of cultural authenticity in product branding.

However, a major challenge is the limited adaptation to modern consumer preferences. Some artisans resist innovation, fearing that modernization may dilute the authenticity of ulos fabric. While tradition is essential, a balanced approach that integrates cultural heritage with contemporary design trends can enhance market appeal and financial profitability.

Another finding is that collaborating with designers, influencers, and export businesses can help artisans expand their customer base. Previous research by a study by (Supriyanto, 2024) also emphasized the importance of innovation and adaptation in overcoming economic challenges, as well as how cultural values and the identity of the Batak community have been preserved through the trade of Ulos fabric.

### **5. Challenges and Opportunities for Sustainable Financial Growth**

Despite the challenges, the findings suggest that there are significant opportunities for artisans to enhance their financial management and business sustainability. The main challenges identified in this study include: 1) Lack of financial education and training, which results in poor budgeting, pricing, and financial decision-making. 2) Limited access to formal financial

institutions, making it difficult for artisans to secure business loans or investments. 3) Market saturation in local sales, requiring artisans to explore digital platforms and export opportunities.

However, several opportunities exist for artisans to overcome these obstacles, including: Financial literacy programs tailored for artisans to improve their financial planning and business management skills, Collaboration with government and private sectors to provide financial support, access to capital, and training in digital marketing, Utilization of e-commerce platforms to expand market reach beyond traditional buyers and increase profitability.

## **6. Recommendations for Sustainable Financial Management**

Based on the findings, this study recommends several strategies to improve financial stability and business sustainability among ulos artisans in Pematang Siantar:

- a. Implementation of Basic Financial Training Programs – Artisans should be educated on financial planning, record-keeping, and pricing strategies to ensure better business management.
- b. Adoption of Digital and E-Commerce Platforms – Selling ulos fabric online can increase exposure and open up new revenue streams beyond the local market.
- c. Strengthening Work-Life Balance Practices – Encouraging artisans to implement structured work schedules and proper financial separation between personal and business expenses.
- d. Preserving Cultural Heritage While Innovating – Artisans should explore ways to modernize ulos fabric while maintaining its cultural significance, ensuring that it remains attractive to both traditional and contemporary markets.

Access to Microfinance and Business Support Programs – Government and financial institutions should provide micro-loans, grants, and business development programs to support artisans in expanding their businesses sustainably

## **Conclusion**

The results of this study demonstrate that work-life balance, skills, and cultural identity play a critical role in the financial management of ulos artisans in Pematang Siantar. While financial literacy and business skills significantly impact profitability, artisans also face structural challenges such as limited market access, lack of financial planning, and work-life imbalance. However, with proper financial education, digital marketing adoption, and market expansion strategies, artisans can strengthen their financial sustainability and ensure the long-term growth of the ulos weaving industry. This study provides valuable insights into the financial challenges faced by ulos artisans and suggests actionable solutions to improve their economic resilience. Future research could explore the impact of government interventions, technology adoption, and financial policies in supporting artisans and enhancing the sustainability of Indonesia's traditional textile industry.

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