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Influence of Capital, Working Hours and Number of Labor on Ladrang Business Income in Marga District Tabanan Regency, Bali Indonesia

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Abstract

The Covid-19 pandemic is a terrible thing for the whole world, both humans and the economy, it is undeniable that the pandemic has destroyed the economy, not many businesses can survive and eventually go bankrupt. In Marga District, Tabanan Regency, several MSMEs can still survive in the midst of the pandemic, although the turnover generated has decreased, they can still survive, Ladrang Business is a snack food that has been able to survive so far.

The results of the study conducted with the variables of capital, working hours and number of labors, that capital has a partial effect, while the variables of working hours and number of labors do not have a partial effect.

The results of the study conducted simultaneously showed that capital, working hours and number of labors have a simultaneous or joint effect with a calculated f value of 51,575 and a significance of 0.000. It is hoped that entrepreneurs will pay more attention to working hours and optimizing the number of labors so that production activities are more effective.

Keywords: Capital, Working Hour, Number of Labor

Introduction

1. Research Background

The high population in Indonesia is not directly proportional to the availability of jobs. This encourages Indonesians to compete to make new breakthroughs to create jobs to advance their respective economies. Micro, Small and Medium Enterprises (MSMEs) are the right breakthrough for the Indonesian people because Micro, Small and Medium Enterprises (MSMEs) can provide potential job opportunities. Micro, Small and Medium Enterprises (MSMEs) have an important role in the Indonesian economy. Because Micro, Small and Medium Enterprises (MSMEs) can reduce the number of unemployed in Indonesia. In addition to being an alternative for new jobs, Micro, Small and Medium Enterprises (MSMEs) also play a role in driving the rate of economic growth after the 1998 monetary crisis when large companies had difficulty developing their businesses. Currently, Micro, Small and Medium Enterprises (MSMEs) have contributed greatly to regional and state revenues. Micro, Small and Medium Enterprises (MSMEs) are also good at developing the business world in Indonesia (Kwartono: 2007 <http://eprints.walisongo.ac.id>). According to Law No. 20 of 2008 that small businesses are independent productive economic enterprises, carried out by individuals or business entities that are not subsidiaries or branches of companies owned, controlled, or become part of either directly or indirectly of medium-sized or large businesses that meet the criteria for small businesses as referred to in this law.

Given the increasingly rapid development of the business world, every company always improves its ability to achieve its goals. Every company aims to make a profit, where the profit can be used to develop the company, this is determined by production factors such as capital, working hours and labor.

The efficient application of production factors can determine the success of the company. The role of production management is to plan and supervise so that it can overcome problems that arise due to negligence of errors made in the production process. Companies engaged in the industrial sector try to maximize the profits obtained by using the minimum possible costs for the continuity of the company. Every company generally aims to make a profit, where the profit is used to develop the company.

It can be seen from the development of various food industries, such as food industry companies that are already common, professional, to non-profit companies. Because along with the development of science and technology (IPTEK) and increasing the welfare of society, it has a great influence on the globalization of the world economy. In increasing a production supported by good resources and running according to the system, then the appropriate income will be obtained from the level of production. The amount of income obtained by various production factors used to produce something is the same as the price of the goods. Income is the most important element in a company or financial institution because income will be able to determine the progress or decline of a company.

2. Problem Formulation

Based on the background description above, the problem formulation that can be submitted is as follows:

1. Do capital, working hours and number of labors have a partial effect on the income of the Ladrang Business in Marga District?
2. Do capital, working hours and number of labors have a simultaneous effect on the income of the Ladrang Business in Marga District.

Literature Review

Income

The goal of trade in a simple sense is to gain profit or income, in pure economics a simple assumption states that an industry in running its production aims to maximize profit (profit) in a halal way and sources. Then the income can be used to meet the needs of life and the survival of its trading business. Income received in the form of money, where money is a means of payment or exchange. Income is the result of the sale of goods. Sales arise because there is a transaction of buying and selling goods between the seller and the buyer. It does not matter whether the transaction is made with cash, credit, or partly cash or partly credit. As long as the goods have been handed over by the seller to the buyer, the results of the sale are included as income

Capital

The definition of business capital is something that is used to establish or run a business. This capital can be in the form of money and manpower (expertise). Money capital is usually used to finance various business needs, such as pre-investment costs, permit processing, investment costs to purchase assets, to working capital. While expertise capital is a person's expertise in running a business.

Working hour

Working hour are part of the four organizational factors that are potential sources of employee stress in the workplace (Robbins, 2006:796). Davis and Newstrom (in Imatama, 2006:4) stated that there are several characteristics of work and work environments that contain work stress, one of which is limited time to do work. "Normal" working hours are generally interpreted as work days with hours left for recreation and rest. Rest is a nighttime activity, while work is a daytime activity. This relates to those who work with

unusual schedules, either on work shifts or with hours that are extended beyond the day, working at night, and working during sleep patterns.

Working hours are the time specified to do work. Harrington (2001). Also stated that excessive working hours can increase human error or work errors due to increased fatigue and reduced sleep hours. This is also supported by Berger's research in Maurits and Widodo (2008) which states that additional duration on a work shift will increase the error rate. Five times the additional shift duration per month will increase fatigue and have fatal consequences. Employees usually have normal abilities to complete office or company tasks assigned to them, abilities related to expertise, experience, and time available. In certain conditions, superiors often give tasks with limited time. As a result, employees are chased by time to complete tasks on time as determined by their superiors. Employees can become workaholics, namely people who always want to be perfect and high energy. Employees who have the ability to control stress levels, but they burden other employees with demands that cannot be achieved. Like alcohol addiction, workaholism is also difficult to cure. Fathoni (2006:176) said that working hours are a factor causing work stress by saying that there are six factors causing employee work stress, including difficult, excessive workloads, and pressure.

Labor

Labor is any person who is able to do work to produce goods and/or services either to meet their own needs or for the community. Broadly speaking, the population of a country is divided into two groups, namely labor and non-labor. Meanwhile, according to Simanjuntak (2020) in his book "Introduction to Human Resource Economics", labor is the population who have or are working, who are looking for work, and who carry out other activities such as going to school and taking care of the household. In practice, the definition of labor and non-labor according to him is only distinguished by age limits. So what is meant by labor is an individual who is looking for or has done work that produces goods or services that have met the requirements or age limits set by law which aim to obtain results or wages for daily living needs.

Framework Conceptual

Framework conceptual is a form framework think Which can used as approach in Conceptual framework is a form of thinking framework that can be used as an approach in solving problems. Usually this research framework uses a scientific approach and shows the relationship between variables in the analysis process. In this study, the conceptual framework is compiled based on previous empirical results. Empirically there is a basis for the partial relationship between variables for the research model. Based on the relationship between the variables observed in this study, it has been empirically proven in several previous studies. The research model framework that is built based on the description in theoretical and empirical studies and describes the overall hypothesis of this study is shown in the following figure:

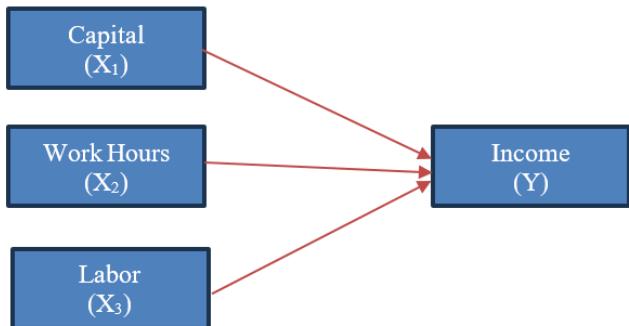


Fig 1: Conceptual Framework

Result and Discussion

Result

Multiple linear regression analysis

This multiple linear regression analysis is used to determine the causal relationship or influence of Capital (X1), Working hours (X2) and Number of Labors (X3) on the income of Ladrang Business in Marga District (Y). From table 4.5 above, a multiple linear regression equation model can be made as follows:

$$Y = 56045.335 + 0.406 X_1 + 11659.085 X_2 + 4311.368 X_3$$

The multiple linear regression equation above shows the direction of the influence of each independent variable on the dependent variable indicated by the coefficient of each independent variable. The regression coefficients b_1 , b_2 and b_3 are positive, meaning that capital, working hours and number of labors have a positive effect on the income of Ladrang Business in Marga District. To see the significance of the influence of each of these factors, it is necessary to conduct tests both partially and simultaneously on the influence of these factors on the income of Ladrang Business in Marga District which can be described as follows:

1. The value of a (constant) of 56045.335 means that the average income of Ladrang Business in Marga District is 56,045.335 rupiah, assuming the capital variables (X1), working hours (X2) and the number of labors (X3) are considered constant or fixed.
2. The value of b_1 (regression coefficient X1) of 0.406 means that an increase in capital of one million rupiah will increase the income of Ladrang Business in Marga District by an average of 0.406 rupiah, assuming the variable working hours (X2) is considered constant or fixed.
3. The b_2 value (regression coefficient X2) of 11659.085 means that an increase in working hours by one hour will increase the income of Ladrang Business in Marga District by an average of 11,659.085 rupiah, assuming the capital variable (X1) is considered constant or fixed.
4. The b_3 value (regression coefficient X3) of 4311.368 means that an increase in the number of labors by one person will increase the income of Ladrang Business in Marga District by an average of 4,311.368 rupiah, assuming the capital variables (X1) and working hours (X2) are considered constant or fixed.

Discussion

The Influence of Capital on Ladrang Business Income in Marga District

The statistical test that has been conducted shows that there is an influence of capital (X1) on income (Y) in Ladrang Business in Marga District. This is obtained from the results

of the regression test statistics with a calculated t value of 6.366 and a significant t value of 0.000 less than 0.05 (0.000 < 0.05) and a regression coefficient of (Unstandardized Coefficients B) positive of 0.406. Thus, the hypothesis that states that capital has a partial effect on Ladrang Business income in Marga District is proven and can be accepted. In accordance with previous research conducted by Husaeni and Fadhalani (2017) which states that the greater the capital used, the greater the income that will be generated and the more strategic the location in doing business, the greater the income that will be generated.

The Effect of Working Hours on the Income of Ladrang Business in Marga District

The results of the statistical test that has been conducted show a negative effect of working hours (X2) on income (Y) in Ladrang Business in Marga District. This is obtained from the results of the regression test statistics with a t-value of 2,331 and a significant value of 0.028 greater than 0.05 (0.028 > 0.05) and a regression coefficient of (Unstandardized Coefficients B) positive of 11659.085. Thus, the hypothesis that states that working hours have a partial effect on the income of Ladrang Business in Marga District is not proven and cannot be accepted. Judging from the data above, entrepreneurs are still lacking in maximizing production time so that a lot of time is spent in one production.

The Effect of the Number of Labors on the Income of Ladrang Business in Marga District

The results of the statistical test that has been conducted show a negative effect of the number of labors (X3) on income (Y) in Ladrang Business in Marga District. This is obtained from the statistical results of the regression test with a t-value of 0.396 and a significant value of 0.696 greater than 0.05 (0.696 > 0.05) and a positive regression coefficient (Unstandardized Coefficients B) of 4311.368. Thus, the hypothesis that states that the number of labors has a partial effect on the income of the Ladrang Business in Marga District is not proven and cannot be accepted. Judging from the data above, the less than optimal number of labors makes production not in accordance with expectations.

The Effect of Capital, Working Hours and Number of Labors Simultaneously on Ladrang Business Income in Marga District.

The statistical test that has been conducted shows a positive effect of capital, working hours and number of labors simultaneously on ladrang business income in Marga District. This is obtained from the statistical results of the regression test with a calculated F value of 51,575 and a significant F value of 0.000 less than 0.05 (0.000 < 0.05) and from the regression equation, a positive effect of capital, working hours and number of labors on ladrang business income in Marga District is obtained. Thus, the hypothesis that states that capital, working hours and number of labors simultaneously have an effect on ladrang business income in Marga District is proven and can be accepted. In accordance with previous research conducted by Lesmana (2014) entitled The Effect of Capital, Labors and Length of Business on Glass Bead Craft Production (Case study of small industry centers for glass bead crafts in Plumbon Gambang, Gudo District, Jombang Regency) which stated that the research showed that together the production factors of capital, labor and length of business had a significant influence on the production of Glass Beads.

Conclusions and Suggestions

Conclusions

Based on the results of the data analysis found above, the following conclusions can be drawn:

1. Capital has a partial effect on the income of the ladrang business in the Marga sub-district.
2. Working hours and the number of labors do not have a partial effect on the income of the ladrang business in the Marga sub-district.
3. Capital, Working Hours and the number of labors have a simultaneous effect on the income of the ladrang business in the Marga sub-district.

Suggestions

Based on the conclusions above, the following suggestions can be put forward:

1. It is hoped that entrepreneurs will pay more attention to their business capital so that income can increase, by adding capital in each of their productions. Through taking credit at a trusted bank or non-bank for additional business capital.
2. It is hoped that entrepreneurs can maximize working hours and the need for the number of labors used so that production is even more optimal.
3. Because capital, working hours and the number of labors have a simultaneous or joint effect on income, it is hoped that entrepreneurs will maximize capital, working hours and the number of labors. Such as increasing the amount of capital accompanied by increasing maximum working hours and the need for labor needs to be reviewed according to the level of production carried out.

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