The Influence of Working Capital and Labor on Income Levels at Anny Kebaya Boutique

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Abstract

This study aims to examine the effect of working capital and labor on the level of income at Anny Kebaya Boutique in Palembang City. Data obtained from documentation, literature study, and surveys. The data were then analyzed using multiple linear regression. The results showed that both working capital and labor had a positive effect on the income level of Anny Kebaya boutique in Palembang City.

Keywords: working capital, labor, income

Introduction

Micro, Small and Medium Enterprises (MSMEs) are an important business sector and are one of the main supporting businesses that can absorb labor. In 1998, many large-scale businesses in various sectors, including the trade and service industries, experienced stagnation and even stopped their activities. However, Micro, Small and Medium Enterprises (MSMEs) can survive and become economic recoverers amidst the downturn caused by the crisis. This makes Micro, Small and Medium Enterprises (MSMEs) a lifeline in the recovery process (Gonibala et al., 2019).

The Textile and Textile Products (TPT) industry is part of the sector that is prioritized for development because of its role as a foreign exchange contributor and absorbing a large workforce. Therefore, the Textile and Textile Products (TPT) industry is included in the seven sectors on the Making Indonesia 4.0 road map. The structure of the Textile and Textile Products (TPT) industry includes the upstream sector (fiber industry), the intermediate sector (yarn and fabric industry), and the downstream sector (apparel industry). In the downstream sector in the Textile and Textile Products (TPT) industry, Indonesia has has a high capacity with the potential for a number of large-scale and export-oriented garment factories, even small and medium industries (IKM) in this sector are able to become suppliers of domestic needs. Apart from encouraging the substitution of imported raw materials and protecting domestic industry, improving the quality of human resources is also the focus of the Ministry of Industry in developing the Textile and Textile Products (TPT) industry (Sofuroh, 2020).

The boutique business is a promising business where the government through the Ministry of Trade in 2008 declared the creative and fashion industry to be one of 14 sub-sectors of the creative industry. A boutique business will run smoothly as expected if it is managed with good and correct management (Fitria, 2015).

One of the MSMEs operating in the clothing sector is the Anny Kebaya Boutique business. This business operates in the Kebaya type clothing sector. This clothing is still very popular with almost all women, especially mothers and young women. The development of this clothing business has experienced quite rapid development along with the progress of the ready-to-wear clothing industry. In the business world, the term income is no longer strange to hear. Revenue is income arising from company activities which is usually known by
different names such as sales, sales of services (fees), interest, dividends, royalties and rent. Income is very important, because income is the object of the company's activities. In Indonesia, there is quite a lot of terminology associated with income. Examples are family income, community income, regional income, state income, and per capita income. Income greatly influences the continuity of a business. The greater the income earned, the greater the business's ability to finance all expenses or daily operational costs that will be carried out. Income is an element that must be carried out in running a business because income can be a measure of success. The meaning of income varies, depending on from which perspective we look at the meaning (Utami, 2019).

The amount of capital for each business is a very significant problem, capital that is very large than what is required will increase the financing burden, especially if the capital is not your own capital. However, very little capital (from what is needed) will also make it difficult to run the business you want to do. To do something, you always need labor. In line with the increase in the number of work activities of a business, entrepreneurs need extra energy from other people, namely laborers, employees and employees. The aspect of the workforce working in small businesses cannot be ignored. They are the implementing staff who enable entrepreneurial goals to be achieved. There are several factors that influence the income of an industry, such as the amount of capital, labor and number of sales.

Table. 1 income, labor and capital report

<table>
<thead>
<tr>
<th>Variable</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>286,400,000</td>
<td>339,100,000</td>
<td>432,300,000</td>
</tr>
<tr>
<td>Labor</td>
<td>72,000,000</td>
<td>86,000,000</td>
<td>184,500,000</td>
</tr>
<tr>
<td>Working capital</td>
<td>115,000,000</td>
<td>149,000,000</td>
<td>139,000,000</td>
</tr>
</tbody>
</table>

From the initial data that the author obtained, it can be seen that the boutique's income increases from year to year, then the number of workers per year also increases from year to year. The visible phenomenon is that in 2019 there was a decrease in working capital of IDR. 10,000,000,- and there was also an increase in the number of workers but there was not a high increase in income.

2. Method

Data collection techniques in this research are through documentation and literature study. Documentation is tracking and obtaining the required data through available data. Usually in the form of statistical data, activity agendas, decision or policy products, history and other things related to research (Hikmat, 2011). Literature study is a data collection technique that takes references from several reading books. The data in this research are financial reports for 3 years (36 months) at the Anny Kebaya Boutique in Palembang City. The data analysis technique used in this research is Descriptive Statistics, then the Classical Assumption Test which includes the Normality Test, Multicollinearity Test, Heteroscedasticity Test, and Hypothesis Test which includes the Multiple Linear Regression Analysis Test, Coefficient of Determination Test (R 2), t test and t test. F.
3. Results and Discussions

The results of multiple linear regression in this study are presented in the following table:

Table 1. Multiple Linear Regression Test Results

<table>
<thead>
<tr>
<th>Model</th>
<th>B</th>
<th>Std. Error</th>
<th>Beta</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Constant)</td>
<td>7386393.057</td>
<td>1330783.349</td>
<td>5.550</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>MK</td>
<td>1.204</td>
<td>.106</td>
<td>.554</td>
<td>11.398</td>
</tr>
<tr>
<td></td>
<td>Kindergarten</td>
<td>.941</td>
<td>.059</td>
<td>.774</td>
<td>15.919</td>
</tr>
</tbody>
</table>

a. Dependent Variable: TP

Based on the table above, the multiple linear regression model is obtained as follows:

\[ TP = 7386393.057 + 1.204 \text{MK} + 0.941 \text{TK} + e \]

The constant value \( (\alpha) = 7386393.057 \), this shows that if the working capital and labor variables are considered constant (0), then the income level value of Anny Kebaya Boutique in the city of Palembang is 7386393.057.

The regression coefficient for the working capital variable is 1,204, this shows that if working capital increases by 1%, provided that if the labor variable is considered constant (0), then the income level of Anny Kebaya Boutique in the city of Palembang will increase by 1,204. This shows that working capital has a positive relationship with income levels.

The regression coefficient for the labor variable is 0.941, this shows that if labor increases by 1%, provided that if the working capital variable is considered constant (0), then the income level of Anny Kebaya Boutique in the city of Palembang will increase by 0.941. This shows that labor has a positive relationship with income levels.

The value \( R^2 \) shows how much influence the value of the independent variable has in determining or explaining the dependent variable. And how strong the relationship between these two variables is.

Table 2. Determination Coefficient Test (\( R^2 \))

Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The table shows that the Adjusted R Square value is 0.917 or 91.7%. This means the ability of the independent or independent variables consisting of working capital and labor to explain the dependent or dependent variable, namely the income level of Anny Kebaya Boutique in the city of Palembang of 91.7%. Meanwhile, the remainder (100% - 91.7% = 8.3%) is influenced by other variables not included in this research model.

The F test is used to find out whether the independent or independent variables have an influence together or simultaneously on the dependent variable.

Table 3. F test

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>70</td>
<td>600,500</td>
<td>195,217</td>
<td>.000 b</td>
</tr>
<tr>
<td></td>
<td>12129291356</td>
<td>2</td>
<td>60646456783</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>60646456783</td>
<td></td>
<td>00.200</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residual</td>
<td>10251836432</td>
<td>93</td>
<td>99,600</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10251836432</td>
<td>33</td>
<td>31066171008</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>99,600</td>
<td></td>
<td>90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>13154475000</td>
<td>35</td>
<td>000,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The results of this research show that the calculated F value is 195.217 and the F table is 3.28 with a significance level of 0.000. Because F count > F table (195.217 > 3.28), and the significance value is smaller than the significance level (0.000 < 0.05), this research has succeeded in proving the third hypothesis (H3) which states that there is a simultaneous positive and significant influence between working capital, workforce to income level at Anny Kebaya Boutique in the city of Palembang. This is in accordance with research conducted (Rauf et al., 2020).

The t test is used to find out whether each independent variable has a partial (one by one) effect on the dependent variable. This test uses a significance level of 5% or 0.05.

Table 4. T test
The results of this research showed that there was a positive and significant influence between working capital and the level of income at the Anny Kebaya Boutique in the city of Palembang. This is shown by the calculated t value of 11.398 with a beta coefficient value of 0.554 and a significance value of 0.000 < 0.05. The H1 statement is accepted. This is in accordance with research conducted by (Lestari, 2018) and (Nayaka & Kartika, 2018).

The results of this research showed that there was a positive and significant influence between workers (TK) on the income level at the Anny Kebaya Boutique in the city of Palembang. This is shown by the calculated t value of 15.919 with a beta coefficient value of 0.774 and a significance value of 0.000 < 0.05. The H2 statement is accepted. This is in accordance with research conducted by (Sari & Dewi, 2017) and (Wiguna & Widanta, 2016).

4. Conclusion

1. There is a positive and significant influence between working capital and the level of income at the Anny Kebaya Boutique in the city of Palembang.
2. There is a positive and significant influence between the workforce on the income level at the Anny Kebaya Boutique in the city of Palembang.
3. There is a simultaneous positive and significant influence between working capital and labor on the level of income at the Anny Kebaya Boutique in the city of Palembang.

References


