

The Impact Of Home Industry Development On Community Revenue In Dairi Regency (Case Studies: Tofu Making Home Industry)

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ABSTRACT

The aim of this study was to analyze the effect of capital, labor and production costs on community income in the Dairi regency development. In collecting data, researchers use library research and field research. The researcher conducted a descriptive analysis and also multiple linear regression analysis techniques using the formula and using the SPSS application to process data. The results of the study show that the description of home industry owners in making knowledge is of productive age, 15-64 years with the highest level of education in high school and elementary school. The results of the regression analysis show that simultaneously the factors of capital, labor, and production costs have a positive effect on the income of home industry owners making tofu in Dairi regency. In other words, with tofu making home industry in Dairi Regency has made 109 people have jobs and have income.

Keywords: Tofu making home industry, Welfare Level, Economic Development

Introduction

Dairi Regency is one of the regions that has good market prospects in tofu making home industry. This is due to the high demand on tofu in Dairi regency. This is

probably because of the ability of the people to buy their daily needs.

The phenomenon of industrial owners is doubt in developing their industries by increasing their workforce. This additional workforce not only adds to the amount of industrial production but also increases the salary expenditure of the workforce. So it is necessary to balance between the amount of production and the amount of labor so that the capital is not used up only to pay labor while the income obtained from the sale of tofu is not able to cover it.

Another phenomenon that occurs is that industrial owners have not been able to harmonize additional production costs with the addition of tofu demand so that there is additional income. When the price of raw materials rises, industrial owners cannot reduce tofu production just like that, and vice versa, industrial owners cannot add production if the price of raw materials falls because it will affect demand from the community so that industrial owners must be prepared to benefit or lose. Industrial development as well as renewal in technology and plant development needs to be done so that more workers are absorbed so that people's income will increase as well.

According to Financial Accounting Standards [1], "income is defined as what remains after expenses and taxes are subtracted from revenue. Revenue is the total amount of money the business receives from its customers for its products and services. According to Wild, revenue is specifically measured as cash flow plus changes in the net value of assets. According to Rosyidi [2] "revenue must be obtained from productive activities". Revenue for the community (wages, interest, rent and profits) arises as a result of productive services provided to the business.

According to the Central Bureau of Statistics [3] defines processing industries (including industrial services) is an activity of converting finished / semi-finished goods or from less value into goods with higher selling value

According to Hubeis [4], the development of small, medium and cooperative businesses (UKMK) depends on several factors, as follows:

- a. The ability of UKMK to be the main force of local-based economic development that relies on local resources;
- b. UKMK's ability to increase productivity, efficiency and competitiveness;
- c. Produce quality and market-oriented products (domestic and export);
- d. Based on local raw materials;
- e. Import substitution.

According to Robert C [5], production is the activity of converting component materials (products) into finished goods. These definitions are operationally practical, theoretically with "economic concepts", production is defined as a material or goods. The objects and services needed by humans are always produced

with the help of "factors of production", including labor, nature, capital, management.

According to Soekartawi [6], the theory of production costs about opportunity costs is the value of resources in the best use. Costs can be classified based on reviews, such as [6]: indirect material costs, indirect labor costs, sales costs, fixed costs, variable costs, budgetary costs, standard cost of goods.

Labor is identical to the term personnel, which includes laborers. Workers in question are those who work on individual businesses and receive employee benefits on a daily or bulk basis in accordance with the agreement of both parties, usually the employee benefits are given daily [7].

Bilas [8] states that capital is very influential on the operation of a company so capital must always be available and constantly needed for smooth business, with sufficient capital that will produce optimal production and if capital is added then production will increase

In Law Number 26 of 2007 [9] concerning Spatial Planning, a region is a space which is a geographical unit along with all elements related to it whose boundaries and systems are determined based on administrative aspects and / or functional aspects. According to Rustiadi, et al. [10], the region can be defined as a geographical unit with certain specific boundaries where the components of the region interact with each other functionally. According to Anwar [11], regional development is carried out to achieve regional development goals which cover aspects of growth, equity and sustainability that are location-based and related to the socio-economic aspects of the region.



In the national development plan, regional development emphasizes more on the preparation of integrated regional development packages by recognizing strategic (potential) sectors that need to be developed in an area [12]. While regional development is strongly influenced by certain components such as: local resources, market, labor, investment, government capability, transportation and communication, technology.

Statement of the problem

Does the factor of capital, labor and production costs have a positive and significant influence on the revenue of the Dairi regency community?

Material and Method

The source of research data is data obtained by researchers from the field with interview methods and questionnaires. In addition, it is also supported by secondary data from the publications of the relevant agencies. The population of this study included all household owners of tofu industry in Dairi Regency. The researchers determined a sample of 32 people who knew the Tofu Making Industry in the Dairi regency based on the Roscoe criteria threshold, a minimum limit of 30 people [13]. In this study to analyze factors that affect community revenue, multiple linear regression analysis was used.

Result

Table 1 Table of Characteristics of Tofu Making Home Industry in Dairi Regency

Respondent	Workforce (person)	Currency	Capital (in million)	Raw Material	Level of Educatio	Length of business	Age	Production Cost	Revenue/day (in million)	Sub-district
1	3	IDR	IDR 15.000	Lokal dan Impor (Toke)	SMA	2 Tahun	40 Tahun	IDR. 600.000	IDR. 3.500.000	Sidikalang
2	4	IDR	IDR 16.000	Lokal dan Impor (Toke)	SD	10 Tahun	67 Tahun	IDR. 900.000	IDR. 4.000	
3	4	IDR	IDR 15.000	Impor (Toke)	SMP	30 Tahun	50 Tahun	IDR. 900.000	IDR. 4.000	
4	2	IDR	IDR 8.000	Lokal dan Impor (Toke)	SMA	2 Tahun	45 Tahun	IDR. 350.000	IDR. 2.000	
5	3	IDR	IDR 10.000	Impor (Toke)	Tidak Tamat SD	2 Tahun	56 Tahun	IDR. 700.000	IDR. 3.000	
6	2	IDR	IDR 8.000	Impor (Toke)	Diploma III	1 Tahun	48 Tahun	IDR. 350.000	IDR. 2.000	
7	3	IDR	IDR 10.000	Impor (Toke)	SMA	2 Tahun	52 Tahun	IDR. 350.000	IDR. 2.000	
8	2	IDR	IDR 9.000	Impor (Toke)	SD	2 Tahun	50 Tahun	IDR. 350.000	IDR. 2.000	
9	2	IDR	IDR 8.000	Impor (Toke)	SMA	0,5 Tahun	45 Tahun	IDR. 350.000	IDR. 1.500.000	
10	2	IDR	IDR 7.000	Impor (Toke)	SMP	2 Tahun	39 Tahun	IDR. 300.000	IDR. 1.500.000	
11	2	IDR	IDR 8.000	Impor	SMA	3 Tahun	42	IDR.	IDR.	



					(Toke)			Tahun	300.000	1.500.000	
12	3	IDR	IDR 10.000	Impor (Toke)	Lokal dan Diploma III	8 Tahun	45 Tahun	IDR. 700.000	IDR. 3.500.000		
13	2	IDR	IDR 6.000	Impor (Toke)	SD	2 Tahun	48 Tahun	IDR. 400.000	IDR. 1.800.000	Tigalingga	
14	2	IDR	IDR 8.000	Impor (Toke)	SD	1 Tahun	39 Tahun	IDR. 400.000	IDR. 2.300.000		
15	2	IDR	IDR 8.000	Impor (Toke)	SD	3 Tahun	39 Tahun	IDR. 400.000	IDR. 1.500.000	Lae Parira	
16	2	IDR	IDR 9.000	Impor (Toke)	SD	2 Tahun	41 Tahun	IDR. 400.000	IDR. 1.500.000		
17	2	IDR	IDR 9.000	Impor (Toke)	SMA	2 Tahun	48 Tahun	IDR. 800.000	IDR. 1.500.000	Tanah Pinem	
18	3	IDR	IDR 10.000	Impor (Toke)	SMA	1 Tahun	45 Tahun	IDR. 800.000	IDR. 2.000		
19	3	IDR	IDR 8.000	Impor (Toke)	SMP	5 Tahun	40 Tahun	IDR. 400.000	IDR. 2.000	Silima Pungga-pungga	
20	3	IDR	IDR 8.000	Impor (Toke)	SMA	3 Tahun	42 Tahun	IDR. 400.000	IDR. 1.800.000		
21	2	IDR	IDR 6.000	Impor (Toke)	SMA	5 Tahun	53 Tahun	IDR. 400.000	IDR. 1.500.000	Siempat Nempu Hulu	
22	2	IDR	IDR 7.000	Impor (Toke)	SD	2 Tahun	58 Tahun	IDR. 400.000	IDR. 1.500.000		
23	2	IDR	IDR 7.000	Impor (Toke)	SMA	5 Tahun	43 Tahun	IDR. 350.000	IDR. 2.000	Sumbul	
24	3	IDR	IDR 8.000	Impor (Toke)	SMA	1 Tahun	40 Tahun	IDR. 700.000	IDR. 2.000		
25	2	IDR	IDR 4.500.000	Impor (Toke)	SD	1 Tahun	40 Tahun	IDR. 350.000	IDR. 1.500.000	Berampu	
26	2	IDR	IDR 4.000	Impor	Tidak	4 Tahun	39 Tahun	IDR.	IDR.	Sinehi	



					(Toke)	Tamat SD		Tahun	400.000	1.500.000	
27	2	IDR	IDR	4.000	Impor (Toke)	Tidak Tamat SD	5 Tahun	38 Tahun	IDR. 400.000	IDR. 1.000	Siempat Nempu
28	2	IDR	IDR	5.000	Impor (Toke)	SD	6 Tahun	48 Tahun	IDR. 400.000	IDR. 1.000	G. Sitember
29	3	IDR	IDR	7.000	Impor (Toke)	SMP	8 Tahun	55 Tahun	IDR. 400.000	IDR. 1.500.000	Silahisabungan
30	3	IDR	IDR	8.000	Impor (Toke)	SMA	6 Tahun	50 Tahun	IDR. 400.000	IDR. 1.500.000	
31	2	IDR	IDR	8.000	Impor (Toke)	SD	5 Tahun	48 Tahun	IDR.350.000	IDR. 1.000	Parbuluan
32	1	IDR	IDR	3.000	Impor (Toke)	Tidak Tamat SD	2 Tahun	52 Tahun	IDR. 400.000	IDR. 800.000	Pegagan Hilir

Source: Primary Data Processed 2018

Normality test

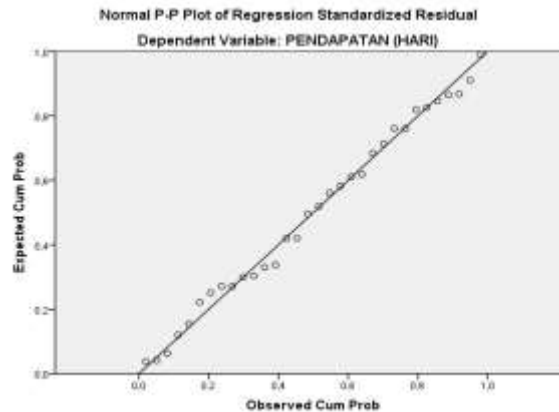


Figure 1. Results of Normality Revenue Test for Tofu Industry Owners

In figure 1, we can see the results that all collected data can be processed with the following methods. This can be proven by considering the spread of data around the diagonal line in "Normal P-P Plot of

Regression Standardized Residual" in accordance with the picture above, so that it can be said that the regression model in this study is normally distributed.

Multicollinearity Test

Table 2 Results of Analysis of Multicollinearity Assumption Test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	-359433,845	275810,963		-1,303	,203		
MODAL USAHA	,167	,041	,599	4,066	,000	,368	2,721
JUMLAH TENAGA KERJA (ORANG)	230648,257	183222,946	,187	1,259	,218	,363	2,757
BIAYA PRODUKSI (hari)	,784	,586	,172	1,338	,192	,485	2,064

a. Dependent Variable: PENDAPATAN (HARI)

Source: Primary Data Processed 2018

The results of the analysis show that the VIF and tolerance values are as follows: Business capital variable (X1) has a VIF value of 2.721 and tolerance is 0.368. The

variable number of labor (X2) has a VIF value of 2.757 and tolerance of 0.363. Production Cost Variable (X3) has a VIF value of 2.064 and tolerance of 0.485.

Heteroscedasticity Test

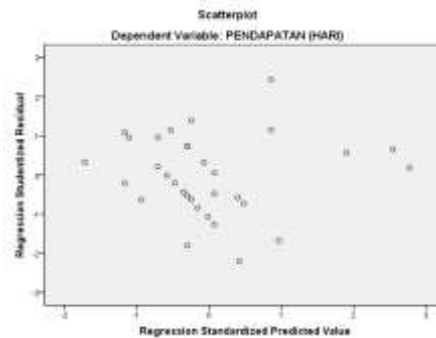


Figure 4.3. Heteroked Test of Revenue Capacity of Tofu Making Industry Owner

Based on the output of the ScatteIDRlot, it can be seen that the points spread and did not form a clear pattern. So it can be concluded that there is no problem in the heterocycle capacity test. Then it can be stated as a whole that the regression model meets the classical assumption test requirements.

By using multiple regression equations, the function of the equation of the factors that affect the income of the owner of the Tofu Manufacture Industry, as follows: Capital (X₁), Labor (X₂), Production Costs (X₃)

$$Y = -359.433,845 + 0,167 (X_1) + 230.648,257 (X_2) + 0,784 (X_3)$$

Table 3 Results of Multiple Linear Regression Analysis
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	-359433,845	275810,963		-1,303	,203		
MODAL USAHA	,167	,041	,599	4,066	,000	,368	2,721
JUMLAH TENAGA KERJA (ORANG)	230648,257	183222,946	,187	1,259	,218	,363	2,757
BIAYA PRODUKSI (hari)	,784	,586	,172	1,338	,192	,485	2,064

a. Dependent Variable: PENDAPATAN (HARI)

Sumber: Data Primer Diolah 2018

R² : 0,753
t-tabel : 2,04841
F-tabel : 2,95
F-count : 32,455

From table 3 data can be interpreted multiple regression statistical models, the values obtained from F-count > F-table (32.455 > 2.95), this shows that the variable capital, labor, and production costs on average give a positive influence on income of the tofu industry owner.

Because of the fundamental weaknesses of using the determination coefficient (R Square), the Adjusted R Squared value is used when evaluating the best regression model. Based on the results obtained, the value of Adjusted R Squared (R²) is 0.753, meaning that independent variable variations include capital, labor and production costs together able to explain variations in the dependent variable income of tofu industry owners by 75.3% while the rest 24.7% are influenced by variables or other factors outside the research. This coefficient of determination has a range value between 0 and 1, the closer to number 1, the better the suitability. Regression constant (a) = -359,433,845, which means that if there is no independent variable value, in this case capital, labor and production costs or equal to zero, the income value of the tofu industry owner is IDR -359,433,845.

Discussion

1. Business Capital (X_1) = 0.167 for the independent variable of business capital that has a positive sign means to have a direct effect, meaning that every addition or increase in capital of IDR. 1 will increase the income value of the tofu industry owner of IDR. 0.167 per day. Capital gives a positive and significant influence on testing α 5% on income of the owner of the tofu industry, where the t-count value is greater than t-table (4.066 > 2,048). Thus, it means that capital has a positive and significant effect on the income of tofu industry owners. According

to Todaro (2000) the main problem faced by informal sector workers concerns the limitations of working capital. Therefore, providing soft loans will greatly help more units, so that in the end it will create more income and employment. To be able to increase capital, informal sector workers get the ease of soft credit from financial or banking institutions.

2. Number of Workers (X_2) = 230,648,257, for the independent variable the number of workers with a positive sign means having a direct influence which means that each addition or increase in the number of workers 1 person will increase the income of the tofu industry owner of IDR 230,648, 257 per day. Workers have a positive but not significant effect on testing α 5% on the income of tofu industry owners, this can be seen from the t-count value smaller than t-table (1,259 < 2,048). When viewed from the average workforce owned by industrial owners, which is equal to 2 or 3 people, it is necessary to evaluate the number of workers so that an effective number of workers is known to have a significant positive effect on the income of the tofu industry owner.

3. Production Costs (X_3) = 0.784 for the independent variable of production costs which are positive means to have a direct influence which means that every change in production costs is IDR. 1 per day it will change the income of the owner of the tofu industry by IDR. 0.784 per day. These changes are not about operational costs but changes in the amount of raw materials which results in increased expenditure to purchase these raw materials. Production costs have a positive but not significant effect on testing α 5% of the income of the tofu industry owner, where the t-count value is smaller than t-table (1,338

<2,048). The thing that makes the variable production costs not significant is the unit price of raw materials determined by the market so that they can change at any time.

Conclusions

The factors that influence the development of the tofu industry in Dairi Regency are capital, labor and production costs. These three factors influence industrial development. Capital has a positive and significant influence on people's income, meaning that with the increase in capital, it will certainly affect the increase in people's income. The same is the case with labor and production costs. These two factors also have a positive influence on people's income. But the influence of these two factors is not significant. This happens because these two factors are still influenced by other factors outside of this research ...

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