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by PDTI Master Turnitin

Submission date: 04-Jan-2024 09:51AM (UTC+0800)

Submission ID: 2266556750

File name: 5958-Article_Text-16398-1-10-20231227.pdf (520.99K)

Word count: 6864

Character count: 38414

Wage Rates, Sales Turnover, and Working Capital in Makassar's Culinary Creative Economy Employment Absorption

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Abstract

"Labor absorption" describes how much of a firm's workforce is used, which is a measure of how many people the organization employs. An organization's internal and external employment is influenced by two types of circumstances. The purpose of this study is to ascertain how working capital and sales turnover affect labor absorption in Makassar City's creative economy sector, with a focus on the culinary subsector. Additionally, the study aims to investigate the potential moderating influence of wage rates on the correlation between labor absorption and working capital as well as the relationship between labor absorption and sales turnover in this industry. To accomplish these goals, a quantitative research strategy was used, drawing on primary and secondary data sources. In order to investigate the correlations between variables and moderating factors, regression moderation analysis (RMA) was performed after classical assumption testing and regression analysis. Questionnaires were sent, and documentary research was used to gather data. The results showed that sales turnover has a favorable direct and indirect impact on employment, just as working capital does. The moderating component, wage rates, was found to intensify the effects of working capital and sales turnover on labor absorption within Makassar City's culinary sub-sector in the comprehensive model examined with MRA. The results of this study provide an overview of the complex relationships that shape employment patterns in the creative economy sector, especially in the Makassar City culinary subsector; between the Wage Level as a moderator; Working Capital, and Sales Turnover.

Keywords: Labor Absorption; Creative Economy Sector; Culinary Sub-Sector; Working Capital; Sales Turnover; Wage Rates; Moderation Analysis.

Introduction

The number of workers a company employs is referred to as labor absorption. In other words, labor refers to the total number of individuals a business employs. Two variables influence employment: internal variables and external variables. Economic expansion, inflation, unemployment, and interest rates are external variables. Wage rates, output levels, and other internal factors are also included. Since changing these conditions in the business world is complex, only the government can manage and impact external issues. In this case, the development of small industries can be influenced by internal factors, such as labor productivity, capital costs, and labor costs. The expansion and development of the creative

industry, which explores opportunities in the sub-sectors of the creative industry, is supported by the development of an industrial sector comprising 80% small-scale industries (Cahyadi, 2018). The hope is that these small and medium-sized enterprises (SMEs) will continue to grow and remain competitive, thus contributing to an economy based on the national economy in the future.

Micro, Small, and Medium Enterprises (MSMEs), particularly in the fields of Agriculture, Livestock, Crafts, Culinary, and others, are referred to as the national economy when they are business activities managed by communities who independently utilize and control all available economic resources (Tohir, 2019). The fundamental goal is to meet their basic needs without causing harm to others' interests. Currently, the creative sector is predominantly composed of small and medium-sized enterprises that significantly contribute to the expansion of the national economy. The culinary business is one of the sub-sectors of Indonesia's creative industry experiencing rapid growth. With the integration of the culinary industry into the creative economy, products created by culinary entrepreneurs gain added value through creativity in production methods, recipes, and presentation styles. Data from the Indonesian Creative Economy Agency (Bekraf) shows that the food and beverage sector accounted for 41.4% of the creative industry's GDP, amounting to Rp 922 trillion in 2016. In Makassar, the creative industry and employment absorption vary across different sectors, offering great potential for increasing employment opportunities and reducing unemployment rates. The culinary industry is closely intertwined with tourism as they mutually support each other.

Table 1. Number of Employees in the Creative Industry (Culinary Sub-Sector in Trade, Restaurants, and Hospitality) in Makassar City from 2017 to 2021

Years	2017	2018	2019	2020	2021
Employement-Absorption	195.155	215.417	205.862	205.115	206.964

Source: Manpower Office of Makassar City, 2022

Currently, there are great enticing possibilities for those interested in the food industry in Makassar City. By paying attention to our surroundings and being aware of our environment, we can observe the significant number of people working in the food industry, particularly in traditional Indonesian cuisine, ranging from small businesses to restaurants. The growth of culinary tourism also presents opportunities for the residents of Makassar City to develop local traditional foods and beverages, making them known to the broader community and enhancing their appeal to tourists (Jannah, 2018). However, despite the vast potential of the creative industry, there is a simultaneous increase in the number of job seekers. Factors influencing employment include capital, wages, and sales turnover. Capital can be considered a critical factor that drives industrial development. The more money invested, even if other production aspects remain the same, the higher the demand for labor (Yasbi, 2021).

Wages, the total comparison between the cost of employing individuals and the amount desired by an organization, are also considered one of the main aspects influencing employment opportunities (Sukirno, 2006). Additionally, among the factors that affect employment, sales income plays a significant role. The higher the company's sales income, the more motivated the company or business entity becomes to increase labor demand, thus generating more output to enhance sales revenue (Istiqomah, 2018). Based on the abovementioned problem, the purpose of this study is formulated: (1) Does Working Capital affect Employment Absorption in the creative economy sector (culinary sub-sector) in Makassar City? (2) Does Sales Turnover affect Employment Absorption in the creative economy sector (culinary sub-sector) in Makassar City? (3) Does Wage Rates Affect Employment Absorption in the creative economy sector (culinary sub-sector) in Makassar City? (4) Can Wage Rates moderate the effect of Working Capital on Employment

Absorption in the creative economy sector (culinary sub-sector) in Makassar City? Moreover, (5) Can Wage Rates moderate the effect of Sales Turnover on Employment Absorption in the creative economy sector (culinary sub-sector) in Makassar City?

The objectives of this study are as follows: (1) To determine the effect of Working Capital on employment absorption in the creative economy sector (culinary sub-sector) in Makassar City, (2) To determine the effect of Sales Turnover on employment absorption in the creative economy sector (culinary sub-sector) in Makassar City, (3) To determine the effect of Wage Rates on Employment Absorption in the creative economy sector (culinary sub-sector) in Makassar City, (4) To determine the moderating effect of Wage Rates on Working Capital on Employment Absorption in the creative economy sector (culinary sub-sector) in Makassar City, and also (5) To determine the moderating effect of Wage Rates on Sales Turnover on Employment Absorption in the creative economy sector (culinary sub-sector) in Makassar City.

This study refers to the findings conducted by (Ahir, 2019) in the food and beverage industry in Makassar City, which concluded that the capital variable has a positive and significant influence on labor absorption. Conversely, wage levels have a negative and significant effect, while sales turnover has a positive but insignificant impact on employment. (Yasbi, 2021) research on the publishing sector in the creative industry found that wage levels and capital positively influence labor absorption. In addition, (Trihatmojo, 2021) study on the creative industry sector in Indonesia revealed that real wages in the creative industry sector do not affect labor absorption.

Literature Review

The Creative Economy

It is a term in this modern economic world that combines the idea of creativity and science which is the first benchmark in economic development. The creative economy is regulated in Presidential Instruction Number 6 of 2009 concerning the development of the creative economy in 2009-2015. For this reason, in order to create jobs and eradicate poverty, it is necessary to develop a creative economy in order to overcome the increasing number of poverty. The emergence of the term creative economy is due to changes in the economic mindset of this modern era, which used to be based on natural resources turning to human resources (Yasbi, 2021).

Creativity Industry

The definition of industry in the Law of the Republic of Indonesia Number 3 of 2014 concerning Industry article one that industry is all forms of economic activity that process raw materials and or utilize industrial resources so as to produce goods that have added value or higher benefits, including industrial services. Here are some definitions of industry: (a) According to the Ministry of Trade of the Republic of Indonesia, an industry that comes from the utilization of creativity, creativity of skills and talents of individuals to create prosperity and as well as employment through the creation and utilization of the creative power and creative power of stray individuals (Rahayu & Avista, 2019). (b) According to Kartasapoetra (1987), industry is an economic activity that processes raw materials, raw materials, semi-finished or finished goods into high-value goods (Darus, 2021). (c) According to (Maryani et al., 2022), industry is one of the important human economic activities. It produces various necessities of human life from food, drinks, clothing, and household equipment to housing and other necessities of life (Darus, 2021).

Working Capital

Working capital is a current asset companies use to mark production activities, such as purchasing raw materials, paying debts, etc. Working capital consists of goods used in the production process, not including machinery, land, and buildings owned by the company.

The higher the capital the industry owns, the higher the labor absorption (Yasbi, 2021). In practice, the factors of production, both human resources and non-human resources such as capital, cannot be separated in producing goods or services. In an industry, assuming other factors of production are constant, the greater the capital invested, the greater the demand for labor (Yasbi, 2021). Working capital is a company's investment in the short term, also known as current assets, including cash/bank, inventory, accounts receivable, short-term investments, and prepaid expenses. There is an accounting convention that current assets are company assets converted to cash/bank in less than one year. The total of current assets is called gross working capital. The source of funds for investment in the company's assets comes from current liabilities, such as current debt, short-term bank debt, income tax payable, customer advances, etc. Current debt is a company obligation to fulfill in less than one year. Meanwhile, networking capital is the difference between current assets and current liabilities; for this reason, net working capital is funded by long-term debt sources and part of own capital (Yasbi, 2021).

Sales Turnover

Sales turnover is the total amount of revenue earned from the sale of ² good/service within a certain period of time. Meanwhile, in another sense, sales turnover is the accumulation of sales activities of a product of goods and services that are calculated as a whole over a certain period of time continuously or in an accounting process. From the above definition, it can be concluded that Sales Turnover is the total amount of sales of goods/services within a certain period of time, which is calculated based on the amount of money earned. Production is related to how resources (inputs) are used to produce products (outputs). Production is the end result of a process or economic activity by utilizing several inputs. Furthermore, production or producing adds to the usefulness (use value) of an item. The usefulness of an item will increase if it provides new or more benefits than the original form. More specifically, production is a company activity by combining various inputs to produce outputs at a minimum cost.

Wages Rate

According to Law of the Republic of Indonesia Number 13 of 2003 concerning Manpower, Chapter I Article 1 number 30 explains that wages are the rights of workers/laborers who are received and expressed in the form of money as compensation from employers or employers who are determined and paid by work agreements, agreements, or applicable laws and regulations, including benefits for workers/laborers and their families, for the work they have done (Sadikin, 2018). In economic theory, wages are payments for physical and mental services labor provides to employers. Thus, in economic theory, there is no distinction between payments to permanent employees and payments for the services of manual and non-permanent workers. In economic theory, both types of labor income are called wages. Economists distinguish the notion of wages into two, namely, money wages and real wages. Money wages are the amount that workers receive from employers as payment for the mental or physical labor of workers used in the production process. Real wages are the level of workers' wages measured in terms of the ability of these wages to buy goods and services needed to meet the needs of workers (Sadikin, 2018).

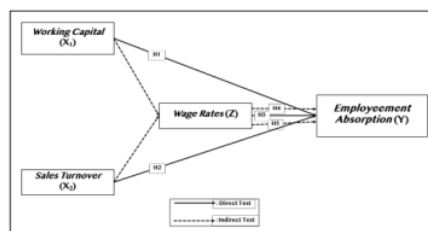


Figure 1 Theoretical Framework

Methods

The research was conducted at the Manpower Office and Tourism Office of Makassar City, utilizing the data collection method of documentation to obtain information on the workforce in the creative economy sector, specifically the culinary sub-sector in Makassar City. Subsequently, a questionnaire was distributed to the informants, with a sample size of 30 individuals. In this study, data analysis was carried out using multiple linear regression analysis techniques, namely analytical methods that use more than one variable. Later researchers used the SPSS (Statistical Program For Social Science) application, where the initial equation that had been formulated was as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 \dots \dots (1)$$

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 M + \beta_4 X_1 * M + \beta_5 X_2 * M \dots \dots (2)$$

Where is,

Y = Labor Absorption (Person)

X₁ = Capital (Rp)

X₂ = Wages (Rp)

X₃ = Sales Turnover (Rp)

$\beta_1 \beta_2 \beta_3 \beta_4 \beta_5$ = Coefficient of the variables

M = Moderating Variables

To evaluate the validity of the research hypotheses, the data will undergo several testing stages, including tests for normality, multicollinearity, autocorrelation, and heteroscedasticity. In order to assess the assumptions proposed in this study, the data will be analyzed using multiple regression analysis, along with tests for coefficient of determination, F-test, and t-test.

Results and Discussion

From the characteristics of the respondents below, it can be observed that the number of workers based on educational level is as follows: 3 individuals (10%) have completed junior high school, 26 individuals (87%) have completed senior high school/vocational school, and one individual (3%) holds a bachelor's degree. Based on the table, the number of workers in the culinary industry can be seen according to gender: 20 male workers (67%) and ten female workers (33%). Furthermore, based on the table, the employment status of the workers is as follows: 25 individuals (83%) are employees, three individuals (10%) are owners, and two individuals (7%) have dual roles as employees and owners. Capital is measured by the amount invested by culinary industry practitioners to produce food and beverages that will be processed into ready-to-eat meals for one month. The utilization of capital varies among business practitioners.

Table 1. Respondent Characteristics

Recent Education	Frequency	Percentage (%)
Junior High School	3	10
High School / Vocational School	26	87
Bachelor Degree	1	3
Total	30	100

Gender	Frequency	Percentage (%)
Man	20	67
Woman	10	33
Total	30	100
Labor Status	Frequency	Percentage (%)
Employee	25	83
Owner	3	10
Employees and Owners	2	7
Total	30	100
Capital	Frequency	Percentage (%)
Rp. 1.950.000	5	16,7
Rp. 2.000.000	1	3,3
Rp. 2.600.000	4	13,3
Rp. 3.250.000	5	16,7
Rp. 3.640.000	1	3,3
Rp. 4.550.000	2	6,7
Rp. 4.680.000	1	3,3
Rp. 5.850.000	1	3,3
Rp. 7.150.000	10	33,3
Total	30	100

According to Table 1, out of the 30 respondents, the distribution of capital utilization among business practitioners is as follows: 5 practitioners (16.7%) utilize an amount of Rp 1,950,000, 1 practitioner (3.3%) utilizes Rp 2,000,000, 4 practitioners (13.3%) utilize an amount of Rp 2,600,000, 5 practitioners (16.7%) utilize Rp 3,250,000, 1 practitioner (3.3%) utilizes an amount of Rp 3,640,000, 2 practitioners (6.7%) utilize an amount of Rp 4,550,000, 1 practitioner (3.3%) utilizes an amount of Rp 4,680,000, 1 practitioner (3.3%) utilizes an amount of Rp 5,850,000, and 10 practitioners (33.3%) utilize an amount of Rp 7,150,000. These findings provide insights into the varying levels of capital investment within the culinary industry, highlighting the different financial resources employed by business owners.

Meanwhile, when examining the data obtained from the questionnaire distribution based on wages, sales turnover, and Workforce, the following information was gathered:

Table 2. Wages, Sales, and Workforce

Wages	Frequency	Percentage (%)
Rp. 1.000.000	8	26,7
Rp. 1.250.000	7	23,3
Rp. 1.500.000	3	10

Rp. 1.750.000	5	16,7
Rp. 2.000.000	7	23,3
Total	30	100
Sales	Frequency	Percentage (%)
Rp. 9.750.000	2	6,7
Rp. 13.000.000	9	30
Rp. 16.250.000	5	16,7
Rp. 18.200.000	2	6,7
Rp. 23.400.000	1	3,3
Rp. 29.250.000	2	6,7
Workforce	Frequency	Percentage (%)
5 – 10	21	70
10 – 15	5	16,7
15 – 20	4	13,3
Total	30	100

The wages business owners pay include monthly payments as compensation for the labor employees provide to run the business. Based on the Table from the survey conducted with 30 respondents, the following data on wages were obtained: 8 individuals, accounting for 26.7%, paid their employees Rp. 1,000,000; furthermore, seven individuals, representing 23.3%, paid their employees Rp. 1,250,000; 3 individuals, amounting to 10.0%, paid their employees Rp. 1,500,000; and 5 individuals, comprising 16.7%, paid their employees Rp. 1,750,000. Additionally, seven individuals, making up 23.3%, paid their employees Rp. 2,000,000. Based on the Table, out of 30 respondents, two business owners, accounting for 6.7%, reported sales revenues of Rp. 9,750,000. Additionally, nine business owners, representing 30.0%, reported sales revenues of Rp. 13,000,000. Furthermore, five business owners, comprising 16.7%, achieved sales revenues of Rp. 16,250,000. Moreover, two business owners, amounting to 6.7%, generated sales revenues of Rp. 18,200,000. In addition, one business owner, accounting for 3.3%, obtained sales revenues of Rp. 23,400,000. Furthermore, two business owners, representing 6.7%, achieved sales revenues of Rp. 29,250,000. Moreover, five business owners, comprising 16.7%, reported sales revenues of Rp. 35,750,000. Lastly, four business owners, accounting for 13.3%, attained sales revenues of Rp. 97,500,000. Labor absorption refers to the number of workers employed within a business unit. According to the data table, there are 21 culinary business owners in Makassar City. Out of this total, 70.0% of the business owners employ 5 to 10 workers. Additionally, five business owners employ 10 to 15 workers, representing a percentage of 16.7%. Furthermore, four business owners employ 15 to 20 workers, accounting for 13.3%.

Classical Assumption Test

Normality Test

The normality test is used to determine whether the research data follows a normal distribution or not. In this study, the Kolmogorov-Smirnov test was employed with the assistance of the SPSS program.

Table 3. Normality Testing

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		30
Normal Parameters ^{a, b}	Mean	.0000000
	Std. Deviation	.16721767
Most Extreme Differences	Absolute	.147
	Positive	.147
	Negative	-.087
Test Statistic		.147
Asymp. Sig. (2-tailed)		.096c
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

Based on the table above, it is known that the value of Asymp. Sig (2-tailed) is 0.096 is bigger than 0.05, which means that the data is normally distributed.

Multicollinearity Test

The multicollinearity test is used to determine whether there is a relationship between each independent variable within the Multicollinearity regression model. It is done by examining the values of Tolerance and VIF (Variance Inflation Factor) to detect the presence of multicollinearity. The decision criteria are as follows: if the Tolerance value > 0.10 and VIF value < 10, it indicates the absence of multicollinearity. Here are the results of the Multicollinearity test.

Table 4. Multicollinearity Test

Coefficients ^a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Capital	.257	3.897
	Wage Rate	.338	2.956
	Sales Turnover	.268	3.730
a. Dependent Variable: Employment			

The results of the multicollinearity test analysis in Table reveal valuable insights. The calculated VIF values for X₁, X₂, and X₃ are 3.897, 2.956, and 3.730, respectively. Additionally, the tolerance values for X₁, X₂, and X₃ are determined as 0.257, 0.338, and 0.268, respectively. These findings demonstrate that each variable has a tolerance value exceeding 0.10, indicating a low level of collinearity. Moreover, the VIF values, which are below 10.00, confirm that there is no substantial multicollinearity issue within the dataset. Considering both the tolerance and VIF values, it can be confidently concluded that no symptoms of multicollinearity are present among the independent variables. This

outcome is encouraging as it ensures the robustness and reliability of the regression model. The absence of multicollinearity enables accurate analysis and interpretation of the relationships between the independent variables, contributing to the overall validity of the study's findings.

Heteroscedasticity Test

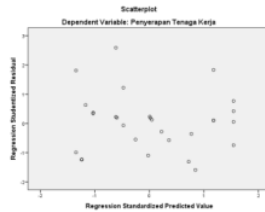


Figure 1. Heteroscedasticity Test by SPSS 22 Data Processing Results

Based on the scatterplot graph above, it can be observed that the data points are scattered randomly without forming a distinct pattern, and they are distributed both above and below the 0 value on the Y-axis. This indicates the absence of heteroscedasticity in the regression model. Consequently, the regression model is deemed suitable for analyzing labor absorption based on its independent variables. The lack of heteroscedasticity ensures that the model's assumptions regarding the variability of errors are satisfied, enhancing the reliability and validity of the regression analysis.

Regression Test

Table 5. Regression Result

Coefficient a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-5.890	.948		-6.211	.000
WorkingCapital (X ₁)	.374	.078	.669	4.763	.000
Sales Turnover (X ₂)	.147	.083	.251	1.784	.086
a. Dependent Variable: Employment Absorption					

Based on the above analysis, the equation is: $Y = (5.890) + 0.374 X_1 + 0.147 X_2 + 0.948$. The regression coefficient of Capital (X₁) is 0.374 with a significance level of 0.000, assuming other variables remain constant. This indicates that the capital variable has a positive and statistically significant effect on employee absorption, meaning that a 1% increase in capital affects employee absorption. Next, the regression coefficient of Sales Turnover (X₂) is 0.147 with a significance level of 0.086, assuming other variables remain constant. This demonstrates that the Sales Turnover level variable has a positive but insignificant impact on employee absorption. It means that a 1% increase in the wage level will not increase employment absorption.

Furthermore, if we analyzed more deeply using partial testing, The Sig. value for the influence of X₁ on Y is 0.375 on the significance level of 0.05, indicating that 0.000 is lower than 0.05. The calculated t-value of 4.763 is more significant than the t-value table of 1.7056, suggesting that there is a positive and significant effect of variable X₁ on Y. This implies that working capital has a significant impact on employee absorption in the creative economy sector in the culinary sub-sector, on Makassar City. This finding aligns with the

research conducted by Huda (2019). The Sig. value for the influence of X_2 on Y is 0.000 at a significance level of 0.05, indicating that $0.000 < 0.05$. The calculated t-value of 1.784 is lower than the tabulated t-value of 1.7056, suggesting no Y variable is affected. This implies that the Sales Turnover does not significantly affect employment absorption in the creative economy sector (culinary sub-sector) in Makassar City. In other words, the higher Sales Turnover generated by the business owner will not increase the absorption of employees working in the industry. This finding differs from the research conducted by (Putri & Kesumajaya, 2017) and (Yasbi, 2021).

Furthermore, after conducting the simultaneous test, the coefficient of determination test is performed in linear regression, which is often interpreted as the measure of how well all independent variables explain the variance of the dependent variable. The coefficient of determination, often denoted as R^2 , indicates the proportion of the dependent variable's total variation that the regression model's independent variables can explain. It represents the goodness-of-fit of the regression model, showing the extent to which, the independent variables collectively contribute to explaining the variations in the dependent variable. A higher value of the coefficient of determination indicates that the independent variables account for a more significant proportion of the dependent variable's variability. This implies that the regression model, with the given set of independent variables, is more effective in explaining and predicting the variations observed in the dependent variable. By performing the coefficient of determination test, we can assess the overall explanatory power of the regression model and gain insights into how well the combination of independent variables explains the variability in the dependent variable. This information is crucial for understanding the relationship between the independent and dependent variables and evaluating the regression model's effectiveness in capturing the studied phenomenon's underlying dynamics. Analysis was carried out on the research data, as shown in the follow

Table 6. Test R^2 (Coefficient of Determination) before MRA analysis

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.871 ^a	.758	.741	.203	2.554
a. Dependent Variable: Labor Absorption					
b. Predictors: (Constant), Sales Turnover (X_2), Working Capital (X_1)					

Based on the SPSS calculation results, it is obtained that the adjusted R^2 value is 75.8%. This can be interpreted as the extent of the influence of the independent variables on the dependent variable is 75.8%, while the remaining 24.2% is influenced by other factors outside of this study.

Moderated Regression Analysis (MRA)

The next analysis is continued using the MRA technique, this is done to see how the indirect effect tested in this study, namely seeing the indirect effect of Working Capital (X_1) and Sales Turnover (X_2) on Employee Absorption (Y) through Wage Rates (Z), the following MRA results;

Table 7. Moderating Regression Result

Coefficient α						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-59.096	42.12		-.378	.709
	Working Capital (X ₁)	3.056	.787	.545	3.882	.001
	Sales Turnover (X ₂)	7.113	1.702	-.11.812	-4.178	.000
	Working Capital * WageRate	.008	.002	.705	3.757	.001
	Sales Turnover * WageRate	.426	.104	20.587	4.093	.000
a. Dependent Variable: Employment Absorption						

It is known that the significance value of the interaction variable between Working Capital (X₁) and Wage Rate (Z) is .001 (<0.05), it is concluded that the Wage Rates (Z) variable is able to moderate Working Capital (X₁) on Employment Absorption (Y). It is known that the significance value of the interaction variable between Sales Turnover (X₂) and Wage Rate (Z) is .000 (<0.05), it is concluded that the Wage Rates (Z) variable is able to moderate Sales Turnover (X₂) on Employment Absorption (Y).

Then next for the model summary table seen from the application of the moderating variable Wage Rates (Z) is shown in table 8 below;

Table 8. Test R² after MRA analysis

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.906 ^a	.820	.792	1.82846
a. Predictors: (Constant), Sales Turnover*Wage Rates,				
Working Capital (X ₁), Sales Turnover (X ₂), Wage Rates (Z)				

It is known that the R Square value of 0.820 means that the contribution of the influence of the Working Capital (X₁) and Sales Turnover (X₂) variables to the Employment Absorption (Y) variable after the moderation variable Wage Rates (Z) is 82.0%. So it can be concluded that after the moderation variable Wage Rates can strengthen the influence of Working Capital and Sales Turnover on Employment Absorption.

Discussion

Based on the problem formulation addressed in this study, we will discuss how capital, wage levels, and sales turnover affect employment absorption in the creative economy sector (culinary sub-sector) in Makassar City, both partially and simultaneously, as follows: In accordance with the problem statement raised in this research, we will examine the influence of capital, wage levels, and sales turnover on employment absorption in the creative economy sector (culinary sub-sector) in Makassar City, both individually and collectively, as follows: Working capital is a current asset used by companies to facilitate

production activities, such as purchasing raw materials, paying debts, and others. Working capital consists of goods that will be used in the production process and does not include machinery, land, and buildings owned by the company. According to Yasbi (2021), the higher the capital possessed by the industry, the higher the employment absorption rate. In practice, both human and non-human resources, such as capital, are inseparable factors in producing goods or services. In an industry, assuming other factors of production are constant, a higher investment in capital will result in greater demand for labor (Yasbi, 2021). Based on the results of the analysis conducted, capital has a positive but insignificant influence on employment absorption in the creative economy sector (culinary sub-sector) in Makassar City. This indicates that the amount of capital invested by business owners does not affect the increase in employment. The findings of this study align with the research conducted by (Prasetyo & Huda, 2019), which states that capital does not significantly affect employment absorption. In practice, production factors, including both human and non-human resources such as capital, are inseparable in the process of generating goods or services. Therefore, capital can also be seen as a key component that can influence the level of employment absorption in the creative economy sector.

According to the Republic of Indonesia Law Number 13 of 2003 concerning Employment, Chapter I Article 1 number 30 states that wages are the rights of workers received and expressed in the form of money as compensation from employers or employers determined and paid in accordance with employment agreements, agreements, or applicable legislation, including allowances for workers and their families, for the work they have performed (Sadikin, 2018). In economic theory, wages are payments for the physical and mental services provided by labor to employers. Thus, in economic theory, there is no distinction between payments to permanent employees and payments for the services of temporary or casual workers. Both types of worker income are referred to as wages. Economists differentiate the concept of wages into two categories: nominal wages and real wages. Nominal wages represent the amount of money received by workers from employers as payment for their mental or physical labor used in the production process. Real wages, on the other hand, measure the level of workers' wages from the perspective of their ability to purchase goods and services necessary to meet their needs.

The analysis conducted revealed that wage levels have a significant and positive influence on employment absorption in the culinary sector in Makassar City. This implies that an increase in the number of employees is closely associated with the magnitude of wages offered by employers. The findings of this study align with previous research conducted by Kesumaya (2017) and Yasbi (2021), which also concluded that wage levels play a crucial role in positively and significantly affecting employment absorption in the creative economy sector in Makassar City. The positive relationship between wage levels and employment absorption can be explained by the fact that higher wages incentivize individuals to seek employment opportunities in the culinary sector. When wages are attractive, it encourages more people to enter the workforce, resulting in increased labor supply and consequently higher employment rates. Furthermore, higher wages can contribute to the overall well-being of workers, improving their living standards and purchasing power. This, in turn, can drive local economic growth by stimulating consumer spending and supporting other related businesses in the culinary sector. The findings of this study underscore the importance of considering wage policies and their impact on employment dynamics in the creative economy sector, particularly in the culinary sub-sector in Makassar City. Adequate attention should be given to balancing wage levels that are both fair for workers and sustainable for businesses, ultimately fostering a conducive environment for employment growth and economic development.

Sales turnover represents the total income generated from the sale of goods or services within a specific period. It serves as an indicator of the overall amount of goods or services sold, measured by the total amount of money received. On the other hand, production involves utilizing resources to generate outputs and increasing the utility of products. The

effectiveness of production processes can contribute to the success and profitability of a company. The role of marketing in achieving company goals is crucial, as it directly impacts profitability, which is determined by the level of sales. Failing to meet targeted sales volume can result in lower-than-planned revenue and hinder the achievement of desired profits. To attain company objectives, a coordinated collaboration between various functions within the company and distributors is necessary, with company leaders playing a vital role in overseeing and coordinating these efforts. Overall, companies aim to achieve specific sales volumes, generate profits, and support the growth of the organization. These objectives are essential for the overall success and sustainability of the company's operations, requiring effective coordination and alignment of all functions within the company. By effectively managing sales, production, and marketing efforts, companies can work towards achieving their goals and driving long-term success.

Based on the analysis, it was found that the influence of sales turnover on employment absorption in the culinary sector in Kota Makassar is positive but not statistically significant. This means that although there is a positive relationship between sales turnover and employment absorption, the magnitude of sales turnover received by business owners does not have a significant influence on the level of employment absorption in the sector. These findings align with the studies conducted by Tohir (2019) and Huda (2019), which also concluded that there is no significant influence between sales turnover and employment absorption. Although no significant influence was found between sales turnover and employment absorption in the context of this study, it is important to continuously monitor and analyze the factors influencing the labor market in the creative economy sector. With a deeper understanding of the relationship between sales turnover, business capital, wage levels, and other factors, more effective strategies can be developed to stimulate economic growth and sustainable employment absorption in the culinary sector of Kota Makassar.

Conclusion

Based on the research findings and discussions presented, it can be concluded that capital does not have a significant influence on employment absorption in the creative economy sector (specifically the culinary sub-sector) in Kota Makassar. On the other hand, wage levels have a positive and significant influence on employment absorption in the creative economy sector (culinary sub-sector) in Kota Makassar. Similarly, sales turnover does not have a significant influence on employment absorption in the creative economy sector (culinary sub-sector) in Kota Makassar. These findings have important implications for local government policymakers in shaping policies related to the creative industry, creative economy, sub-sectors within the creative economy, and labor demand and supply in Kota Makassar. It is evident that focusing solely on capital investment may not necessarily lead to a substantial increase in employment opportunities in the creative economy sector. Instead, attention should be given to the determination of appropriate wage levels that can incentivize labor force participation and attract skilled workers to the culinary sub-sector.

Furthermore, it is crucial to recognize that sales turnover alone is not a determining factor in employment absorption in the creative economy sector. While generating higher sales can contribute to business growth, it does not guarantee a direct impact on employment generation. Therefore, policymakers should consider a comprehensive approach that incorporates multiple factors such as skills development, training programs, and targeted support for entrepreneurship in the culinary sector to enhance employment absorption. The local government is encouraged to utilize the insights from this study to inform their decision-making process and formulate policies that foster the growth of the creative industry and effectively address the dynamics of labor demand and supply in Kota Makassar. By considering the interplay between capital, wage levels, sales turnover, and other pertinent factors, policymakers can create an enabling environment that stimulates

the expansion of the creative economy and promotes sustainable employment opportunities in the culinary sub-sector.

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