

Analysis of the covid-19 pandemic impact on the Mebel Jepara Entrepreneur's Income

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Abstract. *The impact of Covid-19 on the economy has a broad impact throughout Indonesia, the economy of each region is threatened coupled with worse regional conditions than before. This research examines the impact of Covid-19 on the income of Jepara furniture entrepreneurs with variable X capital, labor and raw materials and variable Y is income. This research uses quantitative methods. The sample in this study were 88 respondents representing furniture entrepreneurs in Jepara. The results showed that the variables of capital and raw materials had a positive and significant effect on the income of Jepara furniture entrepreneurs. Whereas the Labor variable has no significant positive effect on the income of Jepara furniture entrepreneurs.*

Keywords: *Capital, Labor, Raw Materials, Income.*

Intraduction

The state of the Indonesian economy has been declining since the existence of Covid-19 caused by SARS-COV2 or commonly known as acute respiratory syndrome coronavirus 2. The Covid-19 virus itself originated in Wuhan, Hubai Province, China, Covid-19 is an infectious disease and affects humans and animals, the impact of the Covid-19 virus on humans is the occurrence of infections in the respiratory tract including the flu, Middle-East Respiratory Syndrome (MERS) and also Severe Acute Respiratory (SARS) which occurred in 2003 which distinguishes only the rate of spread where Covid-19 is faster in its spread compared to SARS but for SARS death rate is higher by 9.6% compared to Covid-19 which itself is less than 5% (Kemkes RI, 2020).



March 11, 2020 The World Health Organization (WHO) has determined that Covid-19 is a pandemic. In history, only a few diseases have been designated as pandemics, therefore Covid-19 cannot be underestimated because the spread of Covid-19 itself is fairly fast in various countries (Lubis, 2020). To reduce the spread of Covid-19 in Indonesia in mid-March 2022, the government itself announced a new regulation, namely encouraging people to stay at home and do work from home. However, there is a problem with this regulation because Indonesia itself as a developing country there are 760 thousand entrepreneurs who must continue to enrich outside the home if their business scope is limited, it will indirectly have an impact on the income of these entrepreneurs (Setyawan & Lestari, 2020). Not only entrepreneurs, the community also feels the impact of the enactment of government policies and not a few people violate government policies, as evidenced by the increasing number of Covid-19 cases (Carten & Martino M, 2020)

Covid-19 has a broad impact on the economy in all regions of Indonesia, the economy of each region is threatened coupled with worse regional conditions than before, therefore the government is taking aggressive actions so that the spread rate can be suppressed as much as possible. Indonesia itself prefers social distancing rather than lockdown, namely locking access in and out of the territory for anyone to do this to prevent the spread of the Covid-19 virus. Social distancing itself is to stay away from all social activities directly with others. Meanwhile, the lockdown itself means that an area will be isolated and there will be a complete cessation of all activities in the region. With such a government policy, not a few entrepreneurs have closed their businesses because they are unable to survive during the pandemic, therefore entrepreneurs have to rack their brains so that the business they run continues to run even though there are many obstacles faced. Such as furniture entrepreneurs in Jepara regency who also feel the impact of the Covid-19 pandemic on the income received from the furniture business run.

Covid-19 has also had a bad impact on the income of furniture entrepreneurs in Jepara. Income itself has the meaning of rewards or services that we receive from others for the energy or thoughts that have been devoted to other people or organizational bodies either in the form of



money, material goods or services for a certain period of time. The factors affecting income of the first are capital. Own capital is the entire current assets owned by the company or as funds that must be available to finance the company's daily operational activities (Yudav & Pradhana, 2018). Capital is a factor of production that has a strong influence in obtaining productivity or output, in the macro capital is considered as a big driver to increase investment directly in the production process directly or indirectly so as to increase productivity and output (Umar, 2000). Capital is often interpreted differently as in accounting capital is defined as net worth or owner's equity in a business. While capital in management is defined as all assets so that it consists of equity and business debt (Firdaus, 2008). While the notion of own capital is something that is used to establish or run a business. Own capital can be in the form of money used to finance various business needs and can be in the form of labor or expertise used to run the business (Sadono, 2006). Therefore, capital is the main part of a business without capital, so the business will not run smoothly. Just like furniture entrepreneurs without capital, the furniture business cannot run properly but with the Covid-19 pandemic, there are various problems that can be obtained from the impact of Covid-19 itself, as well as capital that is issued for costs. Raw materials, labor salaries and other operations cannot rotate properly because finished and ready-to-send goods cannot be sent to consumers, this situation is different from before the Covid-19 pandemic where finished goods can be directly distributed to constituents, which is caused by government regulations to limit crowds in various regions which have an impact on the accumulation of goods in warehouses.

Not only labor capital also affects the income of Jepara furniture entrepreneurs because the workforce itself is a group of working-age residents who are able to work or who are able to carry out economic activities in producing goods and services to meet the needs of the community (Abduli S, 2013). concerning Manpower article 1, explains that labor is every person who is able to carry out work both inside and outside the employment relationship in order to produce goods or services that are used to meet community needs. (Undang - Undang RI. No. 13, 2003). As for Simanjuntak's opinion, the workforce itself is defined as a group of residents of working age



where they are able to work or carry out economic activities and produce goods or services to meet the needs of society (Tumbunan, 2002).

Workforce is the population who are of working age, namely 15 to 64 years or it can also be interpreted that the workforce is the total population in a country that can produce goods or services if they get requests from consumers and they play a role in these activities (Hanum, 2017). There is an opinion which explains that if many products are sold, the entrepreneur will increase the amount of production which will also have an impact on increasing the required workforce so that indirectly the income will also increase (Sumarsono, 2013). Labor can also be interpreted as human labor, both physical and spiritual, and is used in the production process and is usually referred to as human resources.

Humans not only use physical energy but also use spiritual energy. . Physical labor itself is a workforce that relies on the physical body in production while for spiritual energy itself is energy that uses the mind to carry out production activities (Suroso, 2004). In the description above, it can be concluded that the workforce is someone who has entered working age, namely 16 to 64 years and can produce goods or services to meet consumer demand. Therefore, indirectly, labor is an important part of the establishment of a Jepara furniture business because if there is no workforce, the raw materials that are already owned cannot be processed into finished goods such as tables, chairs, cabinets etc. However, since the Covid-19 pandemic, not a few employees have been sent home because employers cannot provide salaries or wages to the working workforce because finished goods cannot be sent to consumers, in contrast to before the Covid-19 pandemic occurred where workers Jepara furniture entrepreneurs can provide salaries or wages in accordance with the provisions that have been prohibited.

Raw materials are also an obstacle that must be experienced by furniture entrepreneurs in Jepara because raw materials themselves are a production factor needed in every production process, the greater the amount owned by entrepreneurs, the greater the number of products produced, the raw materials themselves are the materials used in the process of making finished goods and of course sticking together with the finished goods (Hanggana, 2006). Raw materials



are one of the factors that have an important role in determining the level of cost of goods and the smooth production process in a business (Wibowo, 2014). The opinion that explains the more raw materials owned, the greater the number of products produced so that indirectly income will also increase (Suartawan et al., 2017). because of that, if raw materials are not available, Jepara furniture entrepreneurs will not be able to produce and produce various crafts such as chairs, tables, cupboards, couches, etc. according to consumer demand.

However, during the Covid -19 pandemic, to obtain raw materials, Jepara furniture entrepreneurs experienced problems because to purchase the raw materials themselves, they had to go through the Pre-order system, where in this system, the buyer had to place an order for the goods purchased because the goods were not yet available. the raw materials used by Jepara furniture entrepreneurs were obtained from the area around Jepara, so in the process of sending raw materials to Jepara, they experienced disturbances so they could not arrive on time and indirectly also had an impact on the price of raw materials which had increased, this was different when compared to the period before the covid-19 pandemic where in the past when entrepreneurs wanted to buy raw materials for the furniture business they could be immediately available and sent directly to the place of business.

The covid-19 pandemic condition has had an extreme impact on mebel jepara, where the covid-19 pandemic has resulted in a dramatic decline in demand for local and non-local mebel businesses. This is especially true of many Japanese furniture companies that have lost their omnises, even falling out of doors, and thus falling out of business. So that the economy does business so the steel industry is paralyzed. However, there are still a number of jobs employed despite high oppairies due to high price of raw materials and soaring prices, with insufficient capital from entrepreneurs that result in modest labor to minimize and minimise expense. Therefore, researchers want to know and see how much the covid pandemic has affected mebel jepara in order to survive because mebel jepara is the typical city of jeda. if furniture manufacturers go bankrupt and close their furniture business, then the number of furniture

manufacturers will be reduced and even rarely seen. So it fears the stylus' signature will gradually fade away.

As for research carried out by (Meilani, 2018) with research results that the raw materials of the labor force significantly affected the output of production while capital affected positive but insignificant the output of production. The results are the same as those carried out by (Rhaudah, 2018), with labor and raw materials research having a significant impact on the production of the convection.

As for research conducted by (Irawan, 2016) in his research using quantitative research and the technique used is a regression analysis technique with the results of venture capital there is a significant influence on rice processing business in Lomanan, this is in contrast to research conducted by (Rahmawati & Madris, 2018) which using the SEM technical analysis with a result of 0.433, it can be concluded that any increase in working capital of 0.443 million rupiah with a significant level of 1 percent means that business capital does not have a significant effect on the operating profits of MSMEs in Palopo City.

Research conducted by (Budiwan, 2013) in his research used primary data where by distributing questionnaires to 75 businesses that were used as samples using regression analysis techniques and obtained the result that labor had a significant effect on the business profits of MSME fish processing in Demak Regency. inversely proportional to research conducted by (Rahmawati & Madris, 2018) in their research using the SEM technique where the results were 0.863 which means that an increase in the number of workers of 1 person with an increase in operating profit of 0.863 million rupiah. The impact is that the workforce has a positive but not significant effect on the business profits of MSMEs in Palopo City.

Research conducted by (Priatna & Trisnawa, 2016) used multiple linear regression analysis techniques which explained that raw material inventory has a significant effect on net income at CV. CISATEX Majalaya, this is inversely proportional to research conducted by (Maria E & Iriyadi, 2014) who used a simple linear regression analysis technique which found that the supply of raw materials did not have a significant effect on company profitability. Based on the above

issues, researchers raised the title "covid-19 pandemic impact analysis on furniture jepra 'income"

Research Method

On this kind of field research. This type of field research is research that involves jumping directly into the research scene to get real and concrete data (Surahmd, 1999) The data used in this study is quantitative data. A stamp taken from the representative population. The omissions in this study are 88 individuals taken from furniture manufacturers. Tests of methods used in the study are validity, religious tests, normality tests, multicolonization tests, heterosity tests, determinations and t tests.

Results and Discussion

Validity Test

On this research, a valid test is conducted using a 16.0 SPSS program with a significant tariff of 5% (0.05). Valid question item if results R.H.I.G. And otherwise invalid a statmen item if r results count < r tables. In research this may be conducted with a significant test comparing the r tally and r table for degree of freedom (df) = n-2, n being the total amount of amount used. Can be counted df = 88-2 or df -86 with alpha 5% (0.05) at table r results 0.2096. Analysis results can be seen from these tables.

Table 1. Validity test results

Variable	Item	R ^{tabel}	R ^{hitung}	Description
Capital (X1)	X.1.1	0,2096	0,830	Valid
	X.1.2	0,2096	0,807	Valid
	X.1.3	0,2096	0,727	Valid
	X.1.4	0,2096	0,745	Valid
	X.1.5	0,2096	0,751	Valid
	X.1.6	0,2096	0,724	Valid

Labour (X2)	X.2.1	0,2096	0,751	Valid
	X.2.2	0,2096	0,754	Valid
	X.2.3	0,2096	0,730	Valid
	X.2.4	0,2096	0,773	Valid
	X.2.5	0,2096	0,781	Valid
Raw Materia(X3)	X.3.1	0,2096	0,726	Valid
	X.3.2	0,2096	0,734	Valid
	X.3.3	0,2096	0,749	Valid
	X.3.4	0,2096	0,745	Valid
	X.3.5	0,2096	0,706	Valid
	X.3.6	0,2096	0,620	Valid
	X.3.7	0,2096	0,740	Valid
	X.3.8	0,2096	0,763	Valid
	X.3.9	0,2096	0,758	Valid
Income(Y)	Y1	0,2096	0,673	Valid
	Y2	0,2096	0,770	Valid
	Y3	0,2096	0,616	Valid
	Y4	0,2096	0,686	Valid
	Y5	0,2096	0,616	Valid
	Y6	0,2096	0,686	Valid
	Y7	0,2096	0,733	Valid
	Y8	0,2096	0,660	Valid

Source : Primary data processed, 2022

Based on table 1 can be known r value count that all the pieces for r's value count the total indicators that at tests are positive and larger than r tables for significant alpha 5% (0.05) and (df) 88-2

atay (df) = 86 with a double-sided test on a table of 0.2096 which means each question item in four x1 variables x2, x2, x3 and y are valid.

Reliability Test

A questionnaire is declared religiously if the respondent's answer to a statement is constant or stable from time to time. The SPSS program provides facilities to measure a data of religious ability with a statistical test of cronbach alpha (α). A variable could be said to be religious if it scores an alpha over 0.60. In this study the results of religious testing can be looked at at the chart below.

Tabel 2. Realibility test results

Variable	Reability Coefficients	Cronbach's Alpha	Keterangan
X1 Capitl	6 item	0,835	Reliabel
X2 labour	5 item	0,899	Reliabel
X3 Raw Material	7 item	0,815	Reliabel
Y Income	8 item	0,848	Reliabel

Source : Primary data processed, 2022

Based on table 2 it can be seen that each variable has a Cronbach's Alpha value of more than 0.60. Where the capital variable is 0.835, the labor variable is 0.899, the raw material variable is 0.815 and the income variable is 0.848 which means that all X and Y variables (Capital, Labor, Raw Materials and Income) are reliable.

Normality Test

A regression model is regarded as good if it has a normal or near normal residual distribution. The residual normality test results used by SPSS in this study are as follows.

Tabel 3. Normality test results

		Unstandardized Residual
N		88
Normal Parameters²	Mean	.0000000
	Std. Deviation	3.14865691
Most Extreme Difference	Absolute	.075
	Positive	.072
	Negative	-.075
Kolmogorov-Sminov Z		.707
Asymp. Sig. (2-tailed)		.699

Source : Primary data processed, 2022

The normal test results based on table 3 show a n-value of 0699 greater than 0.05, which means that a residual value of regression model in the study is normally distribution.

Multicollinearity Test

A good regression model is a regression model that doesn't occur in the relationship between the independent variables. Here are the results of multicollinearity tests in this study.

Tabel 4. Multicollinearity test results

Model	Unstandardized Coefficients		Standardized Coefficients Beta	T	Sig.	Collinearity Statistics	
	B	Std. Error				Tolerance	VIF
1 (Constant)	4.235	1.407		3.010	.003		
Capital	.266	.125	.224	2.129	.036	.377	2.652
Labour	.034	.121	.024	.285	.777	.594	1.683
Raw Material	.662	.113	.605	5.838	.000	.391	2.559

Source : Primary data processed, 2022

A good regression model is an undamaged regression model between the independent variabe. Based on the results of the multicollinearity tests that can be said, the value of tolerance acquired from individual variables is > 0.1 . The large tolerance that such variables have is a

capital variable (x1) of 0.377, an x2) of 0.594 and a raw material variable (x3) of 0.391. Such a value may qualify that in order for any independent variables to correlation, the value of tolerance by the individual has to be < 1.00 .

Heteroscedsticity Test

A regression model is said to be appropriate if homosities are homophobic and not heterosity can be done by using glejser tests.

Tabel 5. Glejser test results

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.010	1.409		.007	.994
Capital	.012	.126	.017	.094	.925
Labour	-.006	.121	-.007	-.049	.961
Raw Material	-.003	.114	-.005	-.030	.976

Source : Primary data processed, 2022

On the upper glejser test table, the significant value derived from the test was 0.925 for the capital variable, whereas the labor variable of 0.961 and the raw materials variable of 0.976. From the chart above it can be deduced that the values-values acquired by all variables already qualify statistics that a significant value in the test must be above 0.05. It could mean that regression models in the study do not contain heterosity

Determination Effect Test (R^2)

From the calculation results, the coefficient values are obtained as follows

Tabel 6. Test results of the effect of determination(R^2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
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1 .807^a .651 .638 3.209

Source : Primary data processed, 2022

It is known that the value of coefficient determinations by 0651 or by 61.1%. That means the variable of income can be explained by a variation of daari in all three independent variables of capital, labor, and raw materials of 65.1% while the remaining 34 (100% - 65.1% = 34.9%) is explained by other causes beyond the model or outside the study's variables.

Partial Test (Uji t)

Tabel 7. Partial t test results (Uji t)

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	4.235	1.407		3.010	.003
Capital	.266	.125	.234	2.129	.036
Labour	.034	.121	.024	.285	.777
Raw Material	.662	.113	.605	5.838	.000

Source : Primary data processed, 2022

The permissions (the t) aim to know how much independent (free) variables affect individual dependent (bound) variables. Here processing data for test t is as follows: a) if the value is significant.05 or t count > t table then there is the variable X impact on Y. b) if value is significant > 0.05 or t count the table there is no variable X impact on Y.

The following is the test results of the t-test from the treated data: 1) A. t test of capital variables, Q magnitude t counts 2,129 less than t table (1,662) and its significant value 0036 below 0.05 (0036 < 05.05), it is thus concluded that capital variables affect significantly significantly the income of mebel jepara. 2) Test t the employment variable, Q magnitude t counts 0285 less than t tables (1,662) and a significant value 0.777 above 0.05 (0777 > 0.05).

Thus, it may be concluded that employment variables do not significantly affect the income of furniture manufacturers. 3) variable test ingredients, Q magnitude t counts 5,838 less than t tables (1,662) and significant value 0,000 below 0.05 (0,000 0.05). Then it may be concluded that variables of raw materials have significant positive effects on the income of furniture manufacturers.

Conclusion

This research is aimed at understanding the impact of capital, labor, and raw materials on mebel jepara 'income during the covid-19 pandemic. Its source in the tests already done can be known that the capital variable (x1) affects significantly the income (y). It is proven by the significant value of the Capital variables are perchance affected positive and significant against variable variables with an impact coefficient of (0.266). So it has come to the conclusion that each increase in capital variables would be an increase of 26.6% toward income.

Sources in the tests already done may be known that the employment variable (x2) does not significantly affect income (y). It is proven by the significant value of regression variables of labor (x2) toward income (y). $0.0815 > 0.05$. Employment variables do not significantly affect positive as well as significant to variable incomes with an impact coefficient (+0.034). It has been suggested that any increase in employment variables would have an increase of 0.34%; it would not have affected the income of furniture jepara during the covid-19 pandemic.

Its source in the testing may be known that the variable raw materials (x3) significantly affects income (y). It is proven by the significant value of the coefficient regression of raw materials (x3) to income (y) of 0,000 0.05. Variable raw materials jinxes both positively and significantly affect income variables with an impact coefficient of (0.662). It has come to the conclusion that each variable variable in raw materials will have an increase of 6.62%, of the furniture jepara income during the covid-19 pandemic.

The assessment suggests that capital and raw materials significantly affect the income of mebel jepara during the covid-19 pandemic and labor variables have no significant impact on mebel jepara 'income during the covid-19 pandemic. That is because during the covid-19 pandemic there are government-implemented policies such as social distaff where there are social restrictions: self-imposed restrictions on direct contact and outside interaction and activities involving many people. Thus, the supply of raw materials that impact the raw materials becomes expensive, making it difficult for furniture manufacturers to purchase raw materials because of the very small amounts of money they have.

Thank – You Note

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