Analysis of the Effect of Labour and Capital Availability on The Competitiveness of MSME Processed Fish in Rembang Regency

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ABSTRACT
Coronavirus Disease 2019 (COVID-19) poses serious problems in the development of MSMEs, including Processed Fish MSMEs which are the leading sector in Rembang Regency. Problems that arise include the decline in sales, capital and distribution is hampered. This will lead to a decrease in the competitiveness of processed fish MSMEs. This study aims to determine the effect of the availability of labour and capital on the competitiveness of processed fish SMEs in Rembang Regency. This study used a questionnaire to obtain data. The sampling technique used purposive sampling method using the criteria for MSMEs to be established for more than two years and have a permanent workforce. The instrument test was carried out using validity and reliability tests. Data analysis using multiple linear regression test, data processing using SPSS. The results of the study prove that the workforce has a significant positive effect on competitiveness, and the availability of capital has no effect on the competitiveness of MSMEs processed fish in Rembang Regency.

Keywords: *Competitiveness; Covid-19; Availability of Capital; Labor*

1. INTRODUCTION

Coronavirus Disease 2019 (COVID-19) in 2020 affects many countries including Indonesia. This pandemic has implications in various sectors including social, economic and political. In a press release, the Coordinating Ministry for Economic Affairs of the Republic of Indonesia said that there were about 48.6% of MSMEs temporarily closed, around 30.5% of MSME domestic demand fell, 14.1% cancelled contracts with MSMEs, and 13.1% MSMEs experienced obstacles. delivery. Meanwhile, according to the Analysis of the Impact of the Covid-19 Survey on Business Actors by BPS [6] it also shows that most MSMEs or as much as 69.02% need an injection of business capital assistance.

The economic impact of Covid-19 was also felt by Rembang Regency. Based on data from the Rembang Regency BPS, in general the economic growth of Rembang Regency in 2020 experienced a contraction of -1.49% due to the Covid-19 pandemic. Of course, this also has an impact on the growth rate of MSMEs in Rembang Regency, including processed fish MSMEs.

As the leading sector in Rembang Regency, fish processing SMEs are expected to have strong competitiveness in the face of the Covid-19 pandemic. General problems of MSMEs such as decreased sales, capital, hampered distribution, difficulty in raw materials, decreased production and layoffs of workers, this is also a threat to MSMEs processed fish. This general problem will lead to a decrease in the competitiveness of fish processing SMEs if it is not responded to properly.

The development of the competitiveness of fish-processed SMEs must consider internal and external factors as the basis for determining strategy. Internal factors have a big role in controlling MSME activities. Internal factors can be found by digging deeper into the strengths and weaknesses of MSMEs using a SWOT analysis. The results of research conducted by Sari and Suprapto [7] found that the dominant internal factors in the activities of MSMEs processed fish in Rembang Regency include labor, place of business, product packaging, raw materials, business location, production equipment and supply of raw materials. Haq [4] suggests that internal factors that influence the competitiveness of MSMEs include human resources, product excellence,

Z. B. Pambuko et al. (Eds.): BIS-HSS 2021, ASSEHR 667, pp. 888–891, 2023.
https://doi.org/10.2991/978-2-494069-49-7_150

innovation and marketing by utilizing information technology. The four independent variables have a significant positive effect on the competitiveness of SMEs. Meanwhile, according to Tambunan the determinants of competitiveness are the skills or education level of workers, employers' skills, availability of capital, good organizational and management systems (according to business needs), availability of technology, availability of information, and availability of other inputs such as energy, raw materials, etc. In the research conducted using internal factors in the form of labor and the availability of capital.

Departing from the above, it is necessary to conduct research on the effect of labor and the availability of capital for processed fish SMEs on their competitiveness. The urgency of the research to be carried out is to find a strategy to increase the competitiveness of fish-based SMEs and to formulate local government policies to encourage processed fish-processed MSME products to become icons of Rembang Regency.

2. METHOD

2.1. Population and Sample

The population in this study is the owner of MSME processed fish in Rembang Regency whose numbers are very dynamic from time to time, so the population is non-probability. In this study using a sample with purposive random sampling technique with the criteria that MSMEs have managed their business for more than 3 years, have employees and are able to answer questions from researchers.

2.2. Data Analysis Techniques

The types of data used in this research are primary data and secondary data. The data collection needed to support this research used a questionnaire survey method.

The instrument test was carried out first to determine whether the instrument used was valid and reliable or not. The instrument test in this study was tested on 30 respondents which included reliability testing and validity testing. Reliability test using Cronbach's Alpha. A question/statement item is said to be reliable if the Cronbach's Alpha value obtained is greater than 0.7 [5]. The higher the Cronbach's Alpha value, the higher the level of reliability of the measuring instrument used.

The validity test in this study used the confirmatory factor analysis method. The significance criteria of the question items in this study are based on practical significance with a factor loading greater than 0.40. The greater the factor loading, the better the indicator in interpreting a factor.

In this study, the effect of labor and capital availability on processed fish SMEs was measured by means of multiple linear regression analysis. Multiple linear regression equation model is as follows;

Comp = a + b1L + b2CA+e

Description

Comp = Competitiveness
L = Labor
CA = Capital Availability
e = Error
a = Constant

Hypothesis testing is done by t-test (partial). T test is used to determine how far the influence of one independent variable individually in explaining the variation of the dependent variable. The decision-making criteria in this test according to Ghozali [5] is if the significance value is <0.05, then Ha is accepted. On the other hand, if the significance is 0.05, then Ha is rejected.

3. RESULT AND DISCUSSION

3.1. Results

The research conducted planned to use 70 respondents of Processed Fish SMEs. In the process of obtaining respondents until this report was carried out, the Research Team obtained 54 respondents consisting of 45 offline respondents and 9 online respondents.

3.1.1. Test Instrument

The first instrument test conducted by the researcher used 30 samples, because the results were not reliable and valid, the researchers increased the number of samples to 40. The results of reliability test with 40 samples produced the following output.

From Table 1, it can be concluded that all variables are said to be reliable because they have a Cronbach alpha > 0.70. This is in accordance with Nunnally's criteria [3] which states that a construct or variable is said to be reliable if it gives a Cronbach alpha > 0.70.

The validity test was carried out using 40 samples as follows:

a. Variable Competitiveness (Cmp)

From Table 2, it shows that statements 1, 3, 4, 5, and 6 have sig values. <0.05, so it is declared valid. Item 2 statement value sig. > 0.05 then it is declared invalid. For further data processing, the second item statement was omitted by the researcher.

b. Labor (L) Variables

From Table 3, it shows that all statements have a sig value. <0.05, so it is declared valid.

c. Capital Availability (CA) Variable

From Table 4, it shows that all statements have a sig value. <0.05, so it is declared valid.

Table 1 Reliability Test Results

No	Variable	Cronbach's Alpha Value	Description	Results
1	Competitiveness (Comp)	0.849	> 0.70	Reliable
2	Labor (L)	0.859	> 0.70	Reliable
3	Capital Availability (CA)	0.757	> 0.70	Reliable

Table 2 Competitiveness (Cmp)Variable Validity Test Results

No	Statement Items	Sig. Value	Results
1	Comp 1	0.000	Valid
2	Comp 2	0.145	Invalid
3	Comp 3	0.000	Valid
4	Comp 4	0.000	Valid
5	Comp 5	0.000	Valid
6	Comp 6	0.000	Valid

Table 3 Labor (L) Variable Validity Test Results

No	Statement Items	Sig. Value	Results
1	L 1	0.001	Valid
2	L 2	0.000	Valid
3	L 3	0.000	Valid
4	L 4	0.000	Valid
5	L 5	0.000	Valid
6	L 6	0.000	Valid

Table 4 Capital Availability (KM) Variable Validity Test Results

No	Statement Items	Sig. Value	Results
1	CA 1	0.000	Valid
2	CA 2	0.000	Valid
3	CA 3	0.000	Valid
4	CA 4	0.000	Valid
6	CA 5	0.000	Valid

3.1.2. Multiple Linear Regression Test

In this study, the effect of labour and availability of capital on processed fish SMEs was measured by means of multiple linear regression analysis. The results of the SPSS output that have been processed show the following results (Table 5).

From Table 5, it can be formulated multiple linear regression with the following formula:

Comp = 9,540+0,426L-0,231CA+e

3.1.3. Hypothesis Testing

Hypothesis testing in this study is presented in Table 6.

Table 5 Multiple Linear Regression Test Results

Model	B
Constant	9.540
L	0.426
CA	-0.231

Table 6 Hypothesis Test Results

Variable	B	t	Sig	Result
(Constant)	9.540	2.869	0.006	
L	0.426	2.930	0.005	H1 Received
CA	-0.231	-1.474	0.147	H2 Rejected

3.2. Discussion

The first hypothesis in this study is that it is suspected that the workforce has a positive and significant effect on the competitiveness of MSMEs processed fish in Rembang Regency. Based on Table IV.10 the coefficient value is 0.426 with a significance value of 0.005 <0.05. The smaller significance level is 0.05 and the coefficient value is positive, it can be concluded that the workforce has a positive and significant impact on the competitiveness of MSMEs processed fish in Rembang Regency, so H1 is accepted.

The second hypothesis in this study is that the availability of capital has a positive and significant effect on the competitiveness of MSMEs processed fish in Rembang Regency. Based on Table IV.10 the coefficient value is -0.231 with a significance value of 0.147>0.05. The significance level is greater than 0.05 and the coefficient value is positive, so it is concluded that the availability of capital has a negative and insignificant effect on the competitiveness of MSMEs processed fish in Rembang Regency, so H2 is rejected.

4. CONCLUSION

The impact of the workforce affects the competitiveness of SMEs in the processed fish of the Rembang Regency. Based on the results of the hypothesis, it is concluded that the workforce has a positive and significant impact on the competitiveness of SMEs in the processed fish of the Rembang Regency. This shows that the workforce of fishery processing SMEs can increase the sales of fishery processing SMEs. High sales indicate that MSMEs processed fish can fully meet market demand and make MSME processed fish more competitive.

The impact of Capital Availability will affect the Competitiveness of MSME Processed Fish of the Rembang Regency, based on the results of the hypothesis, it was concluded that labor adversely affected the competitiveness of MSMEs processed fish in the Rembang Regency, with little impact. This shows that the availability of capital does not have the effect of processed fish SMEs. In carrying out the production process, MSMEs processed fish have a simple process, so that the availability of capital used by MSMEs processed fish is only a little. Plus, the factor that MSMEs processed fish have a fixed supplier of raw materials so that they can buy raw materials by way of credit.

ACKNOWLEDGMENT

The author would like to thank the journal reviewers and conference committee for their critiques, suggestions, and constructive feedback. In addition, I would like to acknowledge the contributions of Dr. Riskin Hidayat and Nurma Gupita in the preparation of this manuscript.

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