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Research Paper

Effect of capital and labor on income in food restaurants

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ABSTRACT

Everyone tries in this case to work, nothing but hoping for income, the higher a person's income, the higher the level of welfare of his family members and the more needs and desires can be achieved. Thus, today's community members are competing to increase their level of income. Therefore, the community is trying as optimally as possible to fulfill their needs and desires. In achieving these needs and desires, it is carried out with various businesses, such as working in the government sector, private companies, construction workers, farming, trading and other businesses. This study aims to determine and analyze effect of capital and labor on income in food restaurants. This type of research used is quantitative research. Population used for this study is restaurant entrepreneurs in DKI Jakarta Province. Sampling technique uses snowball technique. Hypothesis testing using partial (t) test. The results show that capital has a positive and significant effect on income in food restaurants. Labor has a positive and significant effect on income in food restaurants.

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1. INTRODUCTION

One of the developments currently being carried out by the government is economic development. Economic development refers to policies taken by the government in order to achieve employment

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opportunities and sustainable economic growth. The goal of economic development itself includes controlling the inflation rate and also people's living standards. However, the main problem in economic development, in general, is the unequal distribution of income. Economic development is a process that causes people's income to increase over a long period of time. There are three important characteristics of economic development, namely a process of continuous change, efforts to attract people's per capita income, and an increase in people's per capita income in the long term [1].

Government policy in development is aimed at changing the way of thinking in order to understand the importance of investment in development. The development will increase the nation's cultural values, namely the creation of a better standard of living, mutual respect for each other, and avoiding arbitrary actions. There are two stages of development goals. The first stage is to eradicate poverty and when this goal begins to be achieved, it will be continued in the second stage, namely creating opportunities for its citizens to be able to live happily and have all their needs met [2].

Everyone tries in this case to work, nothing but hoping for income, the higher a person's income, the higher the level of welfare of his family members and the more needs and desires can be achieved. Thus, today's community members are competing to increase their level of income. Therefore, the community is trying as optimally as possible to fulfill their needs and desires. In achieving these needs and desires, it is carried out with various businesses, such as working in the government sector, private companies, construction workers, farming, trading and other businesses.

Signaling theory is an action taken by the management of a company that provides guidance to investors about how management views the company's prospects. Companies with profitable prospects will try to avoid selling shares and seek any new capital needed in other ways including the use of debt [3]. Signals can be in the form of promotions or other information stating that the company is better than other companies. Signal theory explains that signaling is done by managers to reduce information asymmetry. Managers provide information through financial reports that they apply conservatism accounting policies that produce higher quality profits because this principle prevents companies from taking actions to exaggerate profits and helps users of financial statements by presenting quality profits and assets.

In economic development in Indonesia, micro, small and medium enterprises are always described as a sector that has an important role, because most of the population has low education and lives in small business activities in both the traditional and modern sectors. The development of micro, small and medium enterprises is one of the activities carried out by the government in improving the people's economy. The development of micro, small and medium enterprises is essentially a shared responsibility between the government and the community. Therefore, the role of government and society is very important in increasing the development of micro, small and medium enterprises [4]. Restaurant business activities are increasingly developing because of the very promising prospects for entrepreneurs. However, there is still a need for research in developing restaurants so that they can increase the income of the restaurant entrepreneur.

In general, restaurants will go out of business if the turnover obtained is not as expected. That means this is due to problems regarding the income of the restaurant entrepreneur himself. One that affects the income of restaurant entrepreneurs is the lack of capital. Capital is needed to increase the income of restaurant entrepreneurs. However, there are still many restaurant entrepreneurs experiencing capital problems. This can also be caused by the government's attention, which is less responsive to the needs of entrepreneurs. The lack of capital certainly affects the results and innovations carried out by entrepreneurs. Another thing can be the number of appropriate and qualified workforce. The number of workers in accordance with what is needed makes the performance maximal. Qualified human resources also play a role in increasing the development of restaurant businesses. In the end, it will increase the income of restaurant entrepreneurs.

Studies on the income of restaurant entrepreneurs are needed as a tool or knowledge base that can be applied for consideration as well as taking policy steps to increase the income of restaurant entrepreneurs. It is hoped that with more and more research on the study of the restaurant business sector, this can contribute to the development of the restaurant business. This study aims to determine and analyze effect of capital and labor on income in food restaurants.

2. METHODOLOGY

This type of research used is quantitative research. Quantitative research involves collecting data to test hypotheses or answer questions about people's opinions on an issue or topic [5]. Quantitative research is based on collecting and analyzing data in the form of numbers to explain, predict, and control the phenomena of interest. Quantitative research emphasizes its analysis of numerical data processed by statistical methods. Quantitative research will be obtained to the significance of the relationship between variables.

Population is a generalization area consisting of objects or subjects that have certain qualities and characteristics determined by the researcher to be studied and then conclusions drawn [6]. Population used for this study is restaurant entrepreneurs in DKI Jakarta Province. Sampling technique uses snowball technique. Snowball technique is a technique for taking data sources that are initially small in number and then enlarging, this is because the small data sources have not been able to provide satisfactory data, so look for other informants who are used as data sources. Sample used in this study is 75 respondents.

Hypothesis testing using partial (t) test. T test comes from the test of goodness of fit, testing the compatibility between the results of a certain frequency of observations with the frequency obtained based on the expected value. t test is carried out to partially test whether the independent variable partially has a significant effect on the dependent variable [7].

3. RESULT AND DISCUSSION

3.1 General Description

The economic growth of the province group on Java Island will still make the largest contribution to Indonesia's economic performance, including in 2022. The Central Bureau of Statistics recorded that Java Island's economic growth in 2022 is 5.31 percent year of year with a 56.48 percent contribution to Indonesia's 2022 economic growth which is also 5.31 percent year of year.

Aggregate demand from both domestic and overseas has increased. This is driven by an increase in community activity and mobility in line with the relaxation of the implementation of restrictions on community activities. Then later, it became a trigger for the growth of the DKI Jakarta Province economy. Increased activities of religious institutions and political parties ahead of the 2024 democratic party also contributed to this economic growth. However, on the other hand, the global economic slowdown and rising commodity prices are still holding back the pace of economic acceleration.

In the fourth quarter of 2022, the DKI Jakarta Province's economy grew by 4.85 percent compared to the fourth quarter of 2021. Meanwhile, when compared to the third quarter of 2022 it grew by 2.69 percent. The economic conditions in 2022 will grow 5.25 percent compared to 2021. This will provide a positive signal for the development of the economic conditions of the DKI Jakarta Province.

The economic growth of DKI Jakarta Province in the fourth quarter of 2022 on a year-on-year basis is driven by the positive performance of most components from the expenditure side. The highest growth occurred in the export component as seen from the increase in exports of goods and services. In addition, the component of consumption expenditure for non-profit institutions serving households also grew along with the increase in institutional activity, which is also reflected in the increase in the volume of electricity sales for the social category. On the other hand, from the business field, other services grew 14.77 percent driven by increased community mobility which can be seen from the increase in the number of visitors to recreational areas.

Economic growth in 2022 versus 2021 will be driven by all components from the expenditure side, except for the government consumption expenditure component. The export component grew the highest, followed by the consumption expenditure component for non-profit institutions serving households. The household consumption expenditure component also grew positively due to an increase in people's socio-economic activities compared to the previous year. In terms of business sector, cloth services grew the highest, followed by the provision of accommodation and food and drink supported by an increase in the occupancy rate of hotel rooms in Jakarta and restaurant visitors.

3.2 Partial (t) Test Results

Partial(t) test is conducted to test the research hypothesis regarding the effect of each independent variable partially on the dependent variable.

Table 1. Partial (T) Test Results

Variable	Coefficient	Prob.
Capital	3.411	0.027
Labor	2.566	0.018

Dependent Variable: Income

The results show that capital has a positive and significant effect on income in food restaurants. An increase in capital such as an increase in the number of traded goods or products owned by a trader can increase the level of income. The income received by each individual or community group is highly dependent on the ownership of the factors of production. The greater the capital or factors of production owned, the higher the income received tends to be [8]. Almost all of the working capital owned by restaurant entrepreneurs comes from their own capital. The development of restaurant entrepreneurs in DKI Jakarta Province is quite good considering there are many restaurants spread across DKI Jakarta Province; this is because restaurants are a human need to fulfill their food needs. This problem is an obstacle for restaurant entrepreneurs to obtain additional credit capital in an effort to develop their restaurant business. It can be said that this is very insufficient to support and improve the family's economy because business development has become stagnant because it is constrained by business capital.

Labor has a positive and significant effect on income in food restaurants. Labor is a very important factor in production, because labor is a driving factor for other input factors, without labor, other production factors will be meaningless. With the increase in labor productivity will encourage an increase in income production will also increase [9]. Labor has a significant effect on income. The more workers, the greater the opportunities for informal businesses to earn income.

4. CONCLUSION

The results show that capital has a positive and significant effect on income in food restaurants. Labor has a positive and significant effect on income in food restaurants.

From the results of the research, the suggestions taken were given as follows:

1. Based on the results of interviews conducted with restaurant entrepreneurs, information is obtained that restaurant entrepreneurs still use their own capital in running their business and restaurant entrepreneurs have difficulty obtaining additional capital besides their own capital, restaurant entrepreneurs should be able to seek maximum capital by making capital loans through banks, cooperatives, and people's credit banks.
2. Labor has a positive and significant effect on income. It is suggested to restaurant entrepreneurs be able to maintain the existing workforce considering they work very long hours under the pretext of increasing labor wages.

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Stellamaris Metekohy		✓	✓	✓		✓	✓	✓			✓	✓		✓
Anggita Permata Yakup	✓	✓	✓	✓		✓	✓		✓				✓	
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Helmi Ali	✓	✓	✓			✓	✓				✓	✓	✓	

C : **C**onceptualization
M : **M**ethodology
So : **So**ftware
Va : **Va**lidation
Fo : **Fo**rmal analysis
I : **I**nvestigation
R : **R**esources
D : **D**ata Curation
O : Writing - **O**riginal Draft
E : Writing - Review & **E**diting
Vi : **Vi**sualization
Su : **Su**pervision
P : **P**roject administration
Fu : **Fu**nding acquisition

Conflict of Interest Statement

The authors declare that there are no conflicts of interest regarding the publication of this paper.

Informed Consent

All participants were informed about the purpose of the study, and their voluntary consent was obtained prior to data collection.

Ethical Approval

Not Applicable.

Data Availability

The data that support the findings of this study are available from the corresponding author upon reasonable request.

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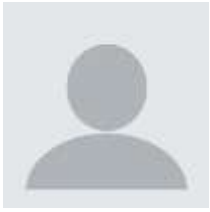
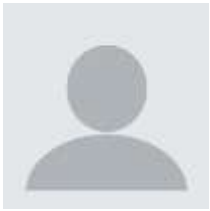
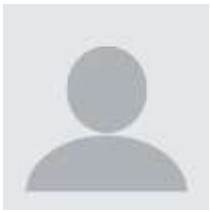
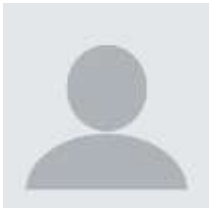
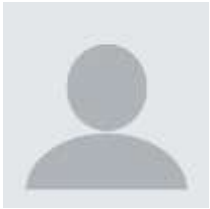
	**Nyoman Tri Sutaguna**, is a lecturer and researcher at Universitas Udayana, Indonesia. His academic interests focus on education, management, and interdisciplinary research that supports sustainable development. He has contributed to various national and international publications and actively participates in academic collaborations, conferences, and community engagement programs. Through his research and teaching, he is committed to advancing knowledge, fostering innovation, and improving the quality of higher education. Email: trisutaguna@unud.ac.id
	**Stellamaris Metekohy,** is a lecturer and researcher at Universitas Pattimura, Indonesia. Her research interests include education, social sciences, and community development. She has been involved in numerous academic research projects and scholarly publications at both national and international levels. She is dedicated to promoting quality education, collaborative research, and community empowerment through innovative approaches that address contemporary challenges in higher education and society. Email: stellametekohy5@gmail.com
	**Anggita Permata Yakup**, is a lecturer and researcher at Universitas Gorontalo, Indonesia. Her academic work focuses on education, management, and applied social research. She actively engages in research collaborations, scientific publications, and community service initiatives that contribute to regional and national development. Her commitment to academic excellence is reflected in her efforts to integrate research, teaching, and innovation to support sustainable educational progress. Email: anggitapermatayakup@gmail.com
	**Ismail A. Ibrahim**, is a lecturer and researcher at Universitas Gorontalo, Indonesia. His research interests include management, education, and interdisciplinary studies with practical applications for community development. He has published research in national and international journals and actively participates in academic conferences and collaborative projects. His professional commitment emphasizes evidence-based research, innovation, and the continuous improvement of higher education and public service. Email: ismailibrahim1066@gmail.com
	**Helmi Ali**, is a lecturer and researcher at Institut Teknologi dan Bisnis Haji Agus Salim Bukittinggi, Indonesia. His academic interests include business, management, education, and sustainable development. He has contributed to various research publications and academic collaborations while actively participating in community engagement activities. Through his teaching, research, and professional service, he is committed to fostering innovation, academic excellence, and meaningful contributions to higher education and society. Email: helmi_akbary@yahoo.com