ANALYSIS THE INFLUENCE OF PRODUCTION FACTORS ON THE LEVEL OF INCOME AT HANDICRAFT INDUSTRY AT PANTAI JOHOR VILLAGE DATUK BANDAR SUB-DISTRICT IN TANJUNG BALAI

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Abstract

To accelerate the economy, Industrialization is required as a must because it ensures the continuity of the process of economic development with the pace of high economic growth and sustainable income-generating per capita each year. Industrialization is the root principle of national and regional development, which aims to create an advanced society and independent as well as prosperous and unseen. This study aims to determine the Factors of Production that affect the Level of Income On the Industrial Crafts in Pantai johor Village of Datuk Bandar subdistrict, Tanjung Balai. This study uses to approach the quantitative data with the model of multiple regression analysis. The results showed that the Independent Variables are Material Raw materials, Labor, Capital, Entrepreneurship in partial effect significant to the Dependent Variable i.e. the Level of Income on The Craft Industry. The next Variables simultaneously Independent, namely Raw Materials, Labor, Capital, Entrepreneurship significant effect on the Dependent Variable namely the Level of Income on the Industrial Crafts. The results of this research will be published in the scientific through Scientific journals Abdi Ilmu and the Journal of Accounting and Business that have the ISSN, as well as held a seminar on the implementation of the results of the study. It's also the making of the book as a material of teaching of additional subjects Public Sector Accounting, Financial Management, and Taxation.

Said Key: Level Of Revenue Industrial Crafts, Raw Materials, Labor, Capital, and Entrepreneurship.

I. INTRODUCTION

A. Background of The Problems

The main phenomenon of this study is to see how the relationship between one production factor with the other including determining what is more important and which first plays a role in the production. How big is the level of income in the handicraft industry at Pantai Johor Village in Datuk Bandar Tanjung Balai? Program crafts can improve the lives of the poor by its mission to empower the poor, then it can unemployment/poverty reduced when they have been aware of the process implementation and evaluation of the handicrafts program.

Industry craft is expected to develop into a business independent and able to create jobs in the countryside. The researchers wanted to see whether the Factors of Production the effect on the Income Level of the Craft Industry on the Village of Pantai Johor Subdistrict Datuk Bandar Tanjung Balai. Related to this, Erdinia Puspita Widyastuti (2014) conducts research that aims to determine whether The factors of Production influence the Level of Income on the LeatherCraft Industry In the Village Selosari District Magetan Magetan. Previous research shows that partial the variables a significant effect the income of developers of industrial craft the skin in the Village Selosari, District Magetan, Regency Magetan among others, capital, level of education, labor, long effort, training, access institutional financial, and craftsmen.

Previous researcher has a limitation where the use of the independent variable the research is only limited to the factors of production that are not analyzed entrepreneurship, therefore the limitations of the research previous make researchers feel interested to do research replication with the use of variable

factors of production, namely raw materials, labor, capital, and entrepreneurship to the level of income on handcraft industry in the village of beach in Johor kecamatan Datuk Bandar Tanjung Balai.

B. The formulation of the The problem

"Do Production factors significantly influence the Level of Income on Hand Craft Industry in the Village of Beach in Johor Kecamatan Datuk Bandar tanjungbalai either partially or simultaneous?"

C. The purpose of Research

"Analyze about the Factors of Production significantly affect The level of Income in the Handicraft Industry in the Village Beach Johor Subdistrict Datuk Bandar tanjungbalai either partially or simultaneous".

II LITERATURE REVIEW

A. Level Revenue Industrial Crafts

According to Sadono, Sukirno (2006: 47), "Income is the amount of income received by a resident upon his achievements during a certain period, either daily, weekly, monthly or annual. Some of the classification of income, among others: 1) Income personally, that is; all kinds of income obtained without providing any activity that is acceptable to the population of a Country. 2) Income disposable, namely; personal income tax to be paid by the recipient of the income, residual income ready to spend this is called the income disposable. 3) National income, namely; the value of all finished goods and services produced by a country in one year.

Income per capita can be interpreted also as a receipt obtained households that they can spend on consumption, namely that issued for the purchase of consumer goods and services, which it takes household for the fulfillment of their needs (Sumardi, 2005: 83).

Level Income can be calculated by three approaches (S. Sukirno, 2006: 37), namely:

1. Approach Income, by way of summing up all income (wages, rent, interest, and profits) received by households consumption during one a certain period as a reward for factors of production given to the company.

   The formula:

   $Y = W + r + i + P$

   Where:

Y = Income

W = Wage (Wage/salary) is earned income of owners of factors production labor.

r = Rent (Lease) is the income received owner factors the produce of the land, buildings, and property other fixed.

i = Interest (Interest) is earned income of owners of factors the production of capital.

P = Profit (Profit) is earned income of owners of factors the production of entrepreneurship.

2. Approach The production, by way of summing up the values of all products resulting from the industry during a specific period. The value of the product is calculated with this approach is the value goods so (not raw materials or semi-finished goods).

   The formula: $Y = \{(P1 \times Q1) + (P2 \times Q2) + (P3 \times Q3) + ... + (Pn \times Qn)\}$

   Where:

Y = Income

P = Price (Price/Unit)

Q = Quantities (Number Of Items)

3. Approach Expenditure, by calculating the amount of the whole expenditure for the purchase of goods and services produced in a specific period.

The formula: Y = C+I+G+(X-M)

Where:
Y = Income
C = Consumption by households
I = Investment by the company
G = Government Spending
X-M= Export Net (Export Value – Value Import)

B. Factors Production

1. **Material Raw**

Material raw is a factor of production required in each process the production, which are grouped into two, namely:

a. Material direct materials: All the raw materials which are a part of the goods so that is produced and have a close relationship and comparable with the number of finished goods produced so that the cost of raw materials a direct variable cost for the company.
b. Material raw materials indirect Materials raw materials that play a role in the process production is not immediately apparent on the goods so that produced.

Material raw is the most important element in the operational activities and the use of raw materials with the lowest cost will increase the contribution of greater profits. The problem of material inventory raw is a matter of spending active, where the company finds the funds held in the stock raw materials as effectively as possible.

The formula:
The cost of Raw materials = Price/Unit x Units of Raw Material

Craft is a term for an object human artworks. Said 'craft' comes from the word 'diligent' that this means that the item/object that is produced by the skill of the hand. The craft consists of 2 types namely:

1. The craft of natural materials such as natural fibers, bamboo, rattan.
2. Craft artificial ingredients such as plastic, gypsum, soap, candles, and others.
3. Craft from soft materials: A product of craft using basic materials that are soft, some soft materials used in the manufacture of craft products, such as the following:
   a. Material Soft Natural: soft Materials obtained from the nature around and the way processing is also naturally not mixed or combined with artificial materials. Examples of materials software natural we know are clay, natural fibers, and leather.
   b. Material Software Artificial: Ingredients for works of craft that are processed into the software. Diverse works of craft from soft materials made can be made based on the materials used. The materials used can be paper, plaster, fiberglass, wax, soap, sponge, and so on.

2. **The most Work**

The most work is the individual who offers the skills and ability to produce goods or services that the company can benefit and for that these individuals will earn wages or salaries by the skills that he possesses. Expected by the company, that labor is a team of reliable work in support of the company's performance to achieve the objectives that have been set. Labor is also a group of people who can do the job, both inside and outside the employment relationship, it can be concluded that the labor is all people involved in production activities on a business. Such products can be either goods or services.

On basically in a company there are two kinds of labor, namely:

a. The most the executive, which has two main tasks is to take a variety of the decision and carry out the functions of the organic management that is the plan, organize, direct, coordinate and keep an eye on.
b. The most operative, are skilled workers who master the fieldwork so that every task assigned to him can be implemented well.

Based on the amount of labor used, the industry can be divided into:

a. Households Industry small, for example the tile industry, industry bricks, and rattan processing industry.
b. Industry currently, for example industrial convection, embroidery industry, and ceramic industry.
c. Great Industry, for example the textile industry, automobile industry, steel industry, and the industry the plane flying.

Based on the quality of manpower consists of:

a. The most educated labor, for examples lawyer, doctor, teacher, and others.
b. The most work trained, for example pharmacist, experts surgery, mechanical, and others.
c. The most work is not educated and not trained: is labor-rough who just rely on power alone. Example: laborers, porters, domestics, and so on.

C. Hypothesis Research

"Factors Production significantly influences the Level of Income on the Hand Craft Industry in the Pantai Johor Village, District of Datuk Bandar in Tanjung Balai either partially or simultaneously".

III RESEARCH METHODS

A. Definition Operations and Methods of Measurement of the Variable

1. **Material Raw**

Material raw is a factor of production required in each process the production, which are grouped into two, namely:

a. Material direct materials: All the raw materials which are a part of the goods so that is produced and have a close relationship and comparable with the number of finished goods produced so that the cost of raw materials a direct variable cost for the company.
b. Material raw materials indirect Materials raw materials that play a role in the process production is not immediately apparent on the goods so that produced.

2. Labor

The most work is the individual who offers the skills and ability to produce goods or services that the company can benefit and for that these individuals will earn wages or salaries by the skills that he possesses. Expected by the company, that labor is a team of reliable work in support of the company's performance to achieve the objectives that have been set.

Table 4.5 Definition of Operations and Methods of Measurement of the Variable

No.	Variable	Definition	Parameters	Scale
1	Independent : Material Raw (X1)	Material raw is a factor of production required in each process the production,of the Raw Material of theratio of consisting of direct materials and rawyear 2012 s/d 2016 materials not directly.	The realization of The cost	The
2	Independent : The most Work (X2)	The most work is the individual who offersThe realization of The costThe the skills and ability to produce goods orof labor from 2012 s/d 2016 ratio of services that the company can achieve an advantage.		
3	The dependent :	Level Income can be calculated by threeThe realization of theThe		

Level Income (Y)	approaches: Approach Income, Production Approach, Spending Approach.	Income, Production, andratio of Expenditure of the year 2012 s/d 2016	

B. The population and Samples

The population in this study is the Handicraft Industry In the Village Beach Johor Subdistrict Datuk Bandar Tanjung Balai period of observation in 2012 s/d 2016, namely Small and Medium Industries (SMEs) and Handicrafts. Techniques sampling was done by purposive sampling to get samples representing by the criteria specified.

As for the specified criteria to select the sample of this research is as follows :

1. Subdistrict/Village Office/Village is in the Government of the City of Tanjung Balai in the Province of North Sumatra of the year 2012 until 2016.
2. Subsdistrict/Village Office/Village is in the Government of the City of Tanjung Balai in the Province of North Sumatra is not divided in the period from 2012 until 2016.
3. Company Small and Medium Industry (IKM) Hand-crafted in the Village of Pantai Johor Datuk Bandar Tanjung Balai of the year 2012 until 2016.

Table 3.1 List Of Sampling

No.	**CRAFT HAND**	**Criteria**			**Sample**
		Criteria 1	**Criteria 2**	**Criteria 3**	
1	Tree of paper Newspaper	√	√	√	Sample 1
2	Flowers of paper	√	√	√	Sample 2
3	Flowers of straw plastic	√	√	√	Sample 3
4	Flowers from a plastic bag	√	√	√	Sample 4
5	Flowers from plastic bottles	√	√	√	Sample 5
6	Bracelet from plastic bottles	√	√	√	Sample 6
7	Necklace from plastic bottles	√	√	√	Sample 7
8	Place Jewelry from plastic bottles	√	√	√	Sample 8
9	Pot Flowers from plastic bottles	√	√	√	Sample 9
10	Bag of banana	√	√	√	Sample 10
11	Wallet of banana	√	√	√	Sample 11
12	Sandals of banana	√	√	√	Sample 12
13	Box Tissue from banana	√	√	√	Sample 13
14	Box Pencil of banana	√	√	√	Sample 14
15	Place Jewelry from banana	√	√	√	Sample 15
16	Box Tissue from the tin	√	√	√	Sample 16
17	Box A pencil from the tin	√	√	√	Sample 17
18	Pot Flowers from cans	√	√	√	Sample 18
19	Place Jewelry from the tin	√	√	√	Sample 19
20	Piggybank from the tin	√	√	√	Sample 20

Based on the criteria that have been determined then there are 20 hand-crafted located in the Village of Pantai Johor Datuk Bandar Tanjung Balai from 2012 until 2016 that meet the requirements as a sample in this study.

C. **Techniques Data Collection**

Data used in this study is primary data with conduct interviews and secondary data with data collection methods secondary manually based on the location of the external. Data collected in the form

of quantitative data obtained from the Realization of The Income level of the Handicraft Industry, the Number of Factors the products used in the production process in the area of the Fiscal year 2012 until 2016, with the income approach, the approach the production approach and the expenditure Budget Year 2012 until 2016. The type of data used in this research is the Data Time Series that provides information about the value of a variable from period to period and Cross Section data, namely the comparison of the 2 (two) years: 2012/2013, 2013/2014, 2014/2015, 2015/2016, then the period of data observations into 4 (four) years and number of samples 20 (a poll data) so that the sample amounted to 80. The secondary data obtained from the Central Statistics Agency (BPS) of the Government of the City of Tanjung Balai.

D. Techniques of Data Analysis

1. Testing The Classical Assumption

a. Test Normality by using the Test Normal P-Plot

Aims to determine the distribution of the data in a variable that is good and decent used to have a normal distribution, with a significant value of each variable is > 0.05 then the mean data distribution normal.

b. Test Multicollinearity by using the Variance Inflation Factor (VIF)

Aims to determine whether there is a high correlation between the independent variables in a multiple linear regression model, with a value of VIF < 10 and values of tolerance > 0.1 thus the model can be said to be free from multicollinearity.

c. Test Autocorrelation

Aims to determine whether there is a correlation between the data in the cascading time (times series) or space data (cross-section), if the value is located between -2 to 2 then it means there is no autocorrelation.

d. Test Heteroscedasticity

Aims to test occurs whether or not the difference in the variance of the residual of an observation period to the period of observation of others or picture the relationship between the values predicted by the Studentized Delete The Residual value. The spread of the data points should not pattern as well as the dots spread above and below the number 0 on the Y-axis then it does not happen heteroscedasticity.

IV THE RESULTS OF RESEARCH AND DISCUSSION

A. Results Research

Before testing the hypothesis through testing the model, especially prior testing of the quality of the data used. Testing is used to ensure the fulfillment of the assumption required in the testing of the regression model multiple.

1. Statistics Descriptive

Statistics descriptive provides a general overview of the object of research the research sample. Explanation of the data through statistics descriptive expected to provide an initial overview of the problem studied.

Statistics descriptive research is focused on:

a. The value of the minimum, the function to determine the lowest value of the variable Raw materials, Labor and Income Level. According To Sumardi (2008), the standard minimum value of < 50%.
b. The value of the maximum, function to determine the highest value of the variable Raw materials, Labor and Income Level. According To Sumardi (2008), the standard minimum value of > 50%.
c. The value of the on average, its function is to determine the sum of all numbers in the data divided by the number of data in each variable.
d. The value of the standard deviation, the function to measure the deviation. If its value is small then the data are used clustered around the value average.

Statistics descriptive as contained in Table 5.1 as follows:

Table 4.1 Descriptive Statistics

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
RAW MATERIAL	80	1,620,000	57,000,000	25,714,500.00	15,646,516.165
LABOR	80	10,800,000	25,200,000	17,460,000.00	3,846,734.601
INCOME LEVEL	80	21,375,000	95,250,000	53,968,125.00	20,209,776.419
Valid N (listwise)	80				

Source: Results Of The Study, 2017 (Data Processed)

Based on the results of the descriptive statistics in Table 5.1 it can be seen that data that will be used in this study vary greatly with estimates so far. This indicates that the data this research is normally distributed and is an event that has predicted earlier as typical research in Pantai Johor Village Subdistrict Datuk Bandar Tanjung Balai.

From the results of the processed data in Table 5.1, it is known that the Value of the Raw Material The Minimum is Rp. 1,620,000 or 2.76% means that the Raw Material that needed in every process of the production of 2.76% with attention to quality raw materials to finance expenditure hand-crafted in order income increase industrial production. There are hand-crafted that have Raw Material Costs to the Minimum, namely: the Bag of the Midrib Banana. While the Value of Raw Material the Maximum is equal to Rp.57,000,000 or 97.24% means that the Raw Materials needed in every process of the production of 97.24% with attention to quality raw materials to finance expenditure hand-crafted in order income increase industrial production. There are hand-crafted that has the Cost of Raw Materials the Maximum, namely: Flowers of Straws Plastic. The average of Raw Material is Rp. 25,714,500.00 or 45.11% with standard deviation Rp.15,646,516.165 or 27.45%. This shows that the condition of the Raw Materials of Handicrafts in the village of Pantai Johor Subdistrict Datuk Bandar Tanjung Balai very fluctuate, the average distance between the Raw Material Maximum Material The raw Minimum is far enough.

From the results of the processed data in Table 5.1, it is known that the Value of Labor The Minimum is Rp. 10,800,000, or 0.3 percent, meaning the Labor that needed to make the process of production of 30% concerning performance labor to produce hand-crafted in order income increase industrial production. There are hand-crafted that has the Cost of Labor Maximum, namely: Flowers of Straws Plastic, Flowers from Plastic Bags, Flowers from Plastic Bottles, Bracelets from Plastic Bottles, Necklace from Plastic Bottles, Flower Pots from Cans, Place the Jewelry from the Tin and Piggybank from the Tin. While The Labor value of the Maximum is Rp.25,200,000 or 70% of that is Labor needed to make the process of production of 70% concerning performance labor to produce hand-crafted in order income increase industrial production. There are hand-crafted that has the Cost of Labor Maximum, namely: Tree of Paper Newspapers, Flowers from Paper, Purses from Banana, Sandals from Banana, and the Box of Tissues from the Stem of Banana leaf. The average of the Labor is Rp. 17,460,000.00 or 69.29% with standard deviation Rp. 3,846,734.601 or 15.26%. This shows that the condition of the Labor Crafts in the Village of Pantai Johor Subdistrict Datuk Bandar Tanjung Balai very fluctuates, the average distance between the Labor of the Maximum with Labor Minimum is far enough.

From the results of the processed data in Table 5.1, it is known that the Value of the Level Minimum income is Rp. 21,375,000 or 18.33%, it means that the Level of Income shows that the level achievement of income from a result of the production of handicrafts 18.33%, and some crafts have the Value of the Income The Minimum, namely: a Flower from Plastic Bags. While The Value Level The income Maximum is Rp. Ninety-five million two hundred fifty thousand or 81.67%, it means that the Level of Income shows the better the level of achievement of an outcome the production of a craft that 81.67% and there are crafts that have the Value of the Level of Income Maximum ie: Tree of Paper Newspapers and Flowers out of Paper. The average of the Level of Income is Rp.53,968,125.00 or 56.66% with standard deviation Rp. 20,209,776.419 or 21.22%. This shows that the condition of the

Level of Income is very fluctuating, the average distance between the Income Level Maximum with the Minimum Level of Income far enough.

2. Testing The Classical Assumption

To produce a good regression model, the regression analysis requires the classical assumption test before testing the hypothesis. If a deviation occurs in the classical assumption test need to be repaired first.

a. Test Normality

test Normality is useful to know whether the dependent variable and the independent variables used in the study have a normal distribution or not. The Regression Model that is good and decent used in research is a model that has a distribution normal or near normal. The results of normality test data with the normal *Probability The Plot* in this research can be shown in figure 5.1 below:

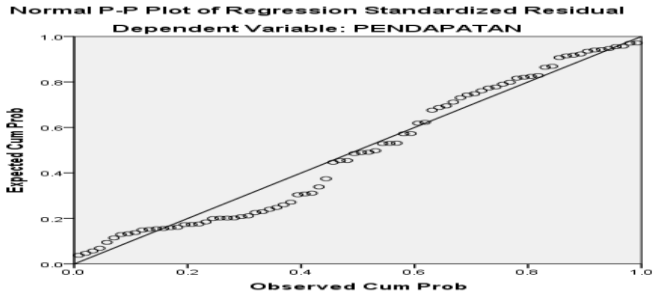

Image 4.1 Normality Test Results

Source: Results Of The Study, 2017 (Data Processed)

From chart normal *Probability The Plot* on figure 5.1 shows that the graph of P-P Plots show points spread around the diagonal line and follow the direction of the diagonal line that shows the pattern of normal distribution. To assure that the research data is truly normal, then the testing will be conducted a statistical test of nonparametric using the Kolmogorov-Smirnov (K-S) as contained in table 5.2 below:

Table 4.2 The Kolmogorov-Smirnov Test

One-Sample Kolmogorov-Smirnov Test

		BAHAN_BAKU	TENAGA_KERJA	INCOME
N		80	80	80
Normal Parameters[a,b]	Mean	528.50	4.35	2,602,500.00
	Std. Deviation	165.584	.943	1,224,328.801
Most Extreme Differences	Absolute	.064	.220	.094
	Positive	.057	.220	.094
	Negative	-.064	-.180	-.083
Test Statistics		.064	.220	.094
Asymp. Sig. (2-tailed)		.200[c,d]	.000[c]	.074[c]

a. Test distribution is Normal.
b. Calculated from the data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

Source: Results Of The Study, 2017 (Data Processed)

From the results of the Kolmogorov-Smirnov Test in table 5.2, it can be seen that all the data variable that is tested to be normal with a significance value of each variable is greater than 0.05 thus it can be concluded that the data had a normal distribution.

b. **Test Multicollinearity**

Test Multicollinearity is used to test whether in the regression model found a correlation between the independent variable (independent), regression model that better should not happen correlation between the variables smoke. To detect the presence or absence of multicollinearity, namely with see *Tolerance Value and Variance Inflation Factor* (VIF). Multicollinearity occurs if the value of tolerance less than 0.10 and VIF is greater than 10, or if between the independent variables their high correlation is generally above 0.9.

Table 4.3 Test Of Multicollinearity

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta	Tolerance			VIF	
1 (Constant)	940468.538	764232.352		1.231	.222			
BAHAN_BAKU	-569.745	787.516	-.077	-.723	.472	.996	1.004	
TENAGA_KERJA	451296.885	138331.778	.347	3.262	.002	.996	1.004	

a. Dependent Variable: INCOME

Source: Results Of The Study, 2016 (Data Processed)

Based on the results of testing the multicollinearity in table 5.3 it can be seen that figure *tolerance* and VIF in the variable Raw Materials and Labor above 0.10 and VIF under 10. This indicates that there occurs a correlation among the independent variables that did not happen multicollinearity.

c. **Test Autocorrelation**

Test Autocorrelation is used to determine whether there is a correlation between the error a distraction at a certain period with the error of the bully in the previous period. A good regression Model is a regression free from the autocorrelation. An autocorrelation test can be done with the testing of Durbin Watson (DW). The results of the autocorrelation test can be seen in table 5.4 the following:

Table 4.4 Autocorrelation Test

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.361[a]	.130	.108	1,156,649.933	1.726

a. Predictors: (Constant), TENAGA_KERJA, BAHAN_BAKU

b. Dependent Variable: INCOME

Source: Results Of The Study, 2017 (Data Processed)

From table 5.4 it can be seen that the value of Durbin Watson in the research amounted to 1.726.The value of Durbin Watson is between -2 up to +2 means there is no autocorrelation in the regression model used.

d. **Test Heteroscedasticity**

Test heteroscedasticity in this research, with a view chart *scatterplot* between the predictive value of variables related to the (ZPRED) with the residual (SRESID). If there is a specific pattern such as the dots that there is formed a pattern a certain regular then it indicates has happened heteroscedasticity and if there is not a clear pattern as well as the dots spread above and below the number 0 on the Y-axis then no heteroscedasticity, where Y is the residual value and X is the value that has been predicted. The results of the heteroscedasticity test can be seen on the chart *scatter the plot* the following:

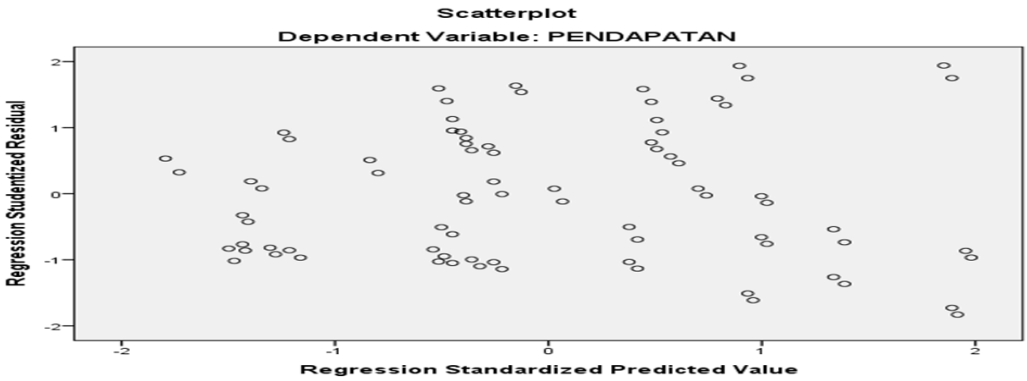

Image 4.2 Heteroscedasticity Test
Source: Results Of The Study, 2017 (Data Processed)

From chart *scatter the plot* in figure 5.2 it can be seen that there is no clear pattern as well as the dots spread above and below the number 0 on the axis Y. this concludes that there is heteroscedasticity in the model regression so that the regression model is proper to use.

3. **Results of Data Analysis**

From the results of testing the classical assumptions, it is concluded that the regression model used in this study has been meeting model estimation *Best Linear Unbiased Estimator* (BLUE) and feasible to do regression analysis.

a. **The equation Regression**

In data processing using linear regression, I performed some stages to find the influence between the independent variables and the dependent variable. The results of the linear regression equation in the study this can be seen in Table 5.5 below:

Table 4.5 Regression Analysis

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	940468.538	764232.352		1.231	.222
	BAHAN_BAKU	-569.745	787.516	-.077	-.723	.472
	TENAGA_KERJA	451296.885	138331.778	.347	3.262	.002

a. Dependent Variable: INCOME

Source: Results Of The Study, 2016 (Data Processed)

From table 5.5, then the multiple regression model between the variable independent (X) dependent variable (Y) can be formulated in the model equations as follows:

INCOME = 940468.538 + (-569.745)RAW MATERIALS +
451296.885 LABOR + e

Based on the results of the equation of the multiple regression, each of these independent variables can interpret its influence on the Level of Income of the Handicraft Industry as the following:

1. a = 940468.538

The value of the constant (a) = 940468.538, shows that if the value of the variable independent Raw Material (X_1) and Labor (X_2) equal to zero then the value of the Income Level of the Craft Industry Hand (Y) of 940468.538.

2. b_1 = -569.745

Coefficient regression b_1 by -569.745, indicating that any increase in Raw Materials amounted to 1% will be followed by a rise in the Income Level of the Craft Industry The hands of -56974.5% assuming the value of the coefficient of the variable independent other is considered to be fixed or equal to zero. This means that that between the Raw Material with the Income Level of the Craft Industry The hands show the influence means that every increase of Raw Materials will be followed by a rise in the Income Level of the Craft Industry and on the contrary decrease in Raw Material will result in a decrease The Income Level Of The Craft Industry.

3. b_2 = 451296.885

Coefficient regression b_2 by 451296.885, indicating that any increase in Labor of 1% will be followed by a rise in the Income Level of the Industry Hand-crafted by 45129688.5% assuming the value of the coefficient the independent variable is fixed or equal to zero. This means that between the Labor with the Income Level of the Industry Crafts show the influence that any increase in Power The work will be followed by a rise in the Income Level of the Industry Hand-crafted and on the contrary the decline in Employment will result in a decrease in the Income Level of the Craft Industry.

b. **Testing Hypothesis**

Testing the hypothesis conducted to determine whether the independent variables affect the dependent variable either simultaneously or partially.

1. **Test Statistics F**

Test The F statistic was conducted to determine whether the independent variables that are included in the model have an influence simultaneously on the dependent variable. The results of the F test in this study can be seen in Table 5.6 below:

Table 4.6 Statistical Test F

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15405891791296.586	2	7702945895648.293	5.758	.005[b]
	Residual	103013608208703.400	77	1337839067645.499		
	Total	118419500000000.000	79			

a. Dependent Variable: INCOME

b. Predictors: (Constant), TENAGA_KERJA, BAHAN_BAKU

Source: Results Of The Study, 2016 (Data Processed)

Based on the results of the test statistic F in table 5.6 it is known that the value of F count by 5.758 with a significant value of 0.005. The value of significance is 0.005< 0.05 means that the independent variable i.e. Material Raw materials and Direct Labor simultaneously affects the dependent variable is the Income Level of the Craft Industry.

2. **Test Statistics t**

Test Statistics t conducted to test the influence of partial variable independent against the dependent variable with the assumption that the variable the other is considered constant. The results of the Statistical Test t in this study can be seen in Table 5.7 below:

Table 4.7 Test Statistics t

Coefficients

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.

		B	Std. Error	Beta		
1	(Constant)	940468.538	764232.352		1.231	.222
	BAHAN_BAKU	-569.745	787.516	-.077	-.723	.472
	TENAGA_KERJA	451296.885	138331.778	.347	3.262	.002

a. Dependent Variable: INCOME

Source: Results Of The Study, 2016 (Data Processed)

From the results of the t-test are contained in table 5.7 can be seen as the influence of each of the independent variables on the dependent variable as the following:

a. Variable Raw materials negative value at t of -0.723 with a significant value of 0.472. Because of the significant value of the Raw Materials namely 0.472 greater than 0.05 it can be concluded that variable Material Bakutidak significantly influences The Income Level Of The Craft Industry.
b. Variable Labor has a positive value at t of 3.262 with a significance value of 0.002. Because the value of significance Labor that is 0.002 is smaller than 0.05 then it can be concluded that the Employment effect is significantly on the Level of Income of the Handicraft Industry.

3. **Coefficient Of Determination (R^2)**

Results test the hypothesis that states that the Raw Materials and Labor influence the Income Level of the Craft Industry Hand, to convince or rate the strength of influence between the variables can be seen in the table coefficient of determination the following:

Table 4.8 Coefficient Of Determination (R^2)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.361[a]	.130	.108	1,156,649.933

a. Predictors: (Constant), TENAGA_KERJA, BAHAN_BAKU

b. Dependent Variable: INCOME

Source: Results Of The Study, 2016 (Data Processed)

From table 5.8 can be seen that the value of the *Adjusted R Square* of 0.108 or 10.8%, which means that independent variable i.e. Material Raw materials and Labor can explain the dependent variable i.e. The level of Income Hand Craft Industry by 10.8% and the rest of 89.2% described other variables that are not included in the research model. This suggests that the influence between the independent variables, namely Raw Material and Labor with a variable the dependent the Income Level of the Craft Industry is a small influence or less influence because it is below 50%.

B. **Discussion**

From the results of the statistical test, F is carried out to be aware that the value of F by 5.758 with a significance value of 0.005. Based on these results it can be concluded that the independent variables namely Raw Materials and Labor simultaneously affect the Level of Income The Craft industry because of the significance value 0.005< 0.05. This means accepting the hypothesis which states that the Raw Material and Labor simultaneously affect the Level of Revenue Industrial Crafts in Pantai Johor Village of Datuk Bandar District, Tanjung Balai. The magnitude of the influence of Raw Materials and Energy Work (independent variable) against the Level of Income the Industry Crafts (the dependent variable) is indicated by the value of *Adjusted R Square* of 0.108 or 10.8%. Thus the magnitude of the contribution the independent variable against the dependent variable of 10.8% and the rest of 89.2% explained independent variables other than the model summarized in *error*. This suggests that the influence of the independent variable i.e. Material Raw materials and Labor simultaneously affects the Level of Income

Hand Craft Industry by 10.8%. Even though large the influence of such a little but can still increase the Level of Revenue Industrial Crafts in Pantai Johor Village of Datuk Bandar District Tanjung Balai.

From partial test results be aware of the influence of each the independent variable on the dependent variable as follows:

1. The influence of Raw material on the Income Level of the Craft Industry.

   From the results of research done in partial, it is known that variable Raw Material has a figure of the significance of 0.472 greater than 0.05. Variable Raw Material has a coefficient of regression negative value of -0.077 variable means the Raw Material does not affect the Level of Income of the Handicraft Industry.

2. The influence of Labor against the Income Level of the Craft Industry.

   In partial results of statistical testing for the influence of Labor on the Level of Revenue Industrial Crafts show significance of 0.002 is smaller than 0.05 so it can be interpreted that labor influence on the Level of Income The Craft Industry. Variable Labor has a coefficient of regression positive value of 0.347 meaning that it happens to increase in variable Labor by 1% will increase the Level of Income Hand Craft Industry by 0.347 or 34.7%. Results this indicates that among the Workers with the Level of Revenue Industrial Crafts show the influence of insignificant meaning that any gains in employment will be followed by the increase in the Income Level of the Handicraft Industry and on the contrary the decline in Employment will result in a decrease The Income Level Of The Craft Industry.

V CONCLUSION AND SUGGESTIONS

A. **Conclusion**

From the results of the hypothesis testing that has been done, can be drawn some conclusions like the following:

1. Results this study shows that simultaneous Raw Materials and Labor has a positive and significant effect on the Level of Revenue Industrial Crafts in Pantai Johor Village of Datuk Bandar District Tanjung Balai. This shows that the higher the Raw material and Labor it will be the better Level Revenue Industrial Crafts in Pantai Johor Village Datuk Bandar Tanjung Balai.
2. Results of this study showed that partial Raw Material is not positive and significant effect on Income Level The Handicraft industry in Pantai Johor Village of Datuk Bandar Tanjung Balai and Labor has a positive and significant impact on the Income Level of the Craft Industry in The Village of Pantai Johor at Datuk Bandar Tanjung Balai.
3. In the theory of the influence of Raw Materials and Labor to the Level of Revenue Industrial Crafts in the Village of Pantai Johor in the of District Datuk Bandar Tanjung Balai, namely: the higher The Raw Material shows the level of the potential production of handicrafts and the Most Work to produce the craft hands increasingly high then the good Level of Income Hand Craft Industry in the Village of Pantai Johor Subdistrict Datuk Bandar in Tanjung Balai.

B. Suggestions

Based on the results of this study, the researcher tries to advise researchers furthermore, as the following:

1. Research furthermore, it is suggested that examining other variables outside of Raw materials and Labor.
2. Period observation preferably 10 years because the period of observation longer expected to provide the results of research better.
3. Researchers furthermore, it is recommended to research other areas to get a comparison with the area of the Village of Pantai Johor at Datuk Bandar District in Tanjung Balai.
4. Based on research to increase revenue, the entrepreneur crafts hand it is recommended to increase the level of education and add labor as well as maintain the quality of handicraft products to survive with so many competitors in the business world crafts.

5. Based on research, entrepreneurs who have artisans themselves produce the increase in revenue is greater than the entrepreneurs that do not have the craftsman himself. It is expected that entrepreneurs always employing craftsmen who have the skill level and high expertise to produce a craft that variegated in terms of design.
6. As with the development of the craft of hand very rapidly as well as the amount of competition that occurred, the government should be more enable the association and the training is a very good role for the further strengthen ties and exchange information between handicraft entrepreneur so that the entrepreneur can utilizing the association and the training to enrich the insights, skills and access the latest information about the crafts.

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