

The Influence of Company Capital, Wage Levels, and Production Value on Increasing the Availability of Employment in Makassar City

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Abstract

This study aims to determine the effect of increasing the availability of employment in Makassar City, especially at the pharmacy company partner blessing light. The method used is a qualitative method. Data collection techniques are by conducting interviews, direct observation, and literature/literature studies. Data analysis was carried out by describing the results of interviews and analyzing the findings. From the results of this study, it was found that the effects of company capital, wage levels, and production value on increasing the availability of employment at partner pharmacies, blessing light

Keywords: Influence, Capital, Wages, Production and Labor.

INTRODUCTION

Employment is without a doubt one of the serious challenges in development. This field functions as a central means for placing one's progress. Work is a source of income for the working population. The amount of money a family earns at work impacts their financial situation. Furthermore, work gives HR the opportunity to see the results of their work as someone who makes a product. Work is a means of providing services to the individuals involved and an activity that allows people to express their creativity and talents. On the other hand, if a society has no jobs, it means that part of the approved capital is wasted and there are few options available. The impact is that even if unemployment reaches a critical level, it can damage the economic stability of a society (Hasibuan, 2009).

Capital is an element that influences the availability of labor. Capital seeks to increase production and productivity, generating a larger surplus and thus influencing the investment process in one or more sectors. As a result, job opportunities will become wider which will have

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an impact on the availability of labor opportunities. In a business, the more capital that is spent assuming all other factors of production remain the same, the more labor that will be used, the more working capital has a positive influence on labor. (Haryani, 2009).

Working capital refers to the amount of money invested in the production process to create sales revenue. Working capital is generally used to cover labor costs, workers' rights, production costs and other costs (Pratama, 2005). The purpose of working capital is: to support production and includes fixed capital or expenses that are not related to production or sales. The use of the amount of money will affect the amount of production made and the level of process use needed to increase production.

Wage levels are important in the smooth running of a company because one of the variables that drives maximum productivity is a good wage system. Wages affect a person's ability to finance manufacturing; As a result, the selling price rises, forcing buyers to react quickly by refusing to buy the item again. This study makes a company reduce demand for labor due to a decrease in production volume. The reduction in the number of workers due to changes in production capacity is known as the production scale effect. Wage levels in claims increase, while other capital remains unchanged, allowing firms to replace workers with more capital-intensive technology (substitution effect).

In addition, production value has an important influence in increasing labor availability. Total production refers to the level of production, or the total amount of goods and services produced in an industry. An increase in output also requires an increase in input, labor is needed in this situation. The greater the amount of output, the higher the productivity of the workforce, and vice versa. The company's products will be affected by fluctuations in market demand. Producers will tend to increase their production capacity if demand for the company's goods increases. As a result, manufacturers will make better use of their employees (Sumarsono, 2003).

Both the government and society must contribute to a country's economic development, and the capital market is one part of alternative government and private funding sources. Governments that need cash can issue bonds or debt instruments and sell the shares on the stock exchange to the general public. Likewise for the private sector, in this situation companies that need capital can issue securities in the form of shares or bonds and sell them to the public on the stock exchange.

Based on the explanation that has been described in this study, the formulation of the problem in this study is: (1) what is the influence of company capital on the availability of labor,



(2) what is the influence of production value on the availability of labor, and (3) what the influence of wage levels on labor availability. This study was conducted at one of the pharmaceutical companies in the city of Makassar, namely PT. Blessing of Light Partners.

The purpose of this study is to determine the influences on company capital, wage levels and production values on increasing the availability of jobs in the city of Makassar, especially in pharmacies. Therefore, a good and correct study structure is needed according to its objectives.

RESEARCH METHODS

This type of research is descriptive qualitative, namely a technique for describing and interpreting the meaning of data collected by observing and recording aspects of the situation being studied at that time to obtain a broad and comprehensive picture of the actual situation. (Kriyantono, 2007). According to Moleong (2010), descriptive techniques require assessing data collected in the form of words, visuals and not numbers. Data can be found in interview scripts, field notes, photos, video recordings, personal notes, notes or memos and other official documents.

This study was carried out at one of the companies in the city of Makassar, namely the pharmaceutical company PT. Mitra Berkah Cahaya which is located on Jl. Abdullah Daeng Sirua No.63, Tamamaung, Kec. Panakkukang, Makassar City, South Sulawesi.

This research uses a purposive sampling technique, a technique for determining sources who will be interviewed. The criteria for informants are employees of the pharmaceutical company PT. Blessing of Light Partners. To maintain the confidentiality of the respondent's name, the researcher only gave the initials to the respondent's name.

Based on these criteria, the research information can be seen in the following table:

Table 1. Research Informant

Respondent	Education	Age (years)	Position
A	S.Si	22	Responsible pharmacist
B	Amd. Farm	22	Pharmacist assistant
C	Amd. Farm	22	Pharmacist assistant

Source: data processing results, 2023

The data collection technique that will be used is conducting research by interviewing and



library/literature studies. Data analysis was carried out by describing the results of interviews and analyzing things and carried out using coding techniques. Coding technique is a data coding process or data coding used to facilitate the data analysis process.

RESULTS AND DISCUSSION

Results

This study focuses on the influence and factors of company capital, production value and wage levels on labor availability. In this study, researchers attempted to collect data and information from employee informants at PT. Mitra Berkah Cahaya related to (1) company capital influences the availability of labor; (2) increasing production value will also increase the capital spent; (3) Increasing production value affects labor availability; (4) a company's profits affect employee wages; (5) the basis for determining wages and (6) the level of wages given is in accordance with the wage levels set by the government.

Furthermore, to clarify the answers from informants regarding the questions in this study, they can be seen in the following table.

Table 2. Interview result

Question	Answer
Does company capital have an effect on labor availability?	In effect, the greater the capital, the amount of production or the number of goods available requires more labor (A1)
Will increasing production value also increase the capital spent?	Very influential because the greater the amount of production, the more basic materials needed (A2)
Does increasing production value affect labor availability?	Very much so because the value or quantity of production is related to greater distribution (B3)
Does a company's profits affect employee wages?	Very influential, especially based on rewards from a target. So, the greater the profits of a company, the greater the rewards employees get (C4).
What is the basis for determining wages?	There are 2 basic things in determining wages,



	namely: 1. Workload 2. Work benefits (C5).
Is the wage level provided in accordance with the wage levels set by the government?	Yes, according to Makassar's UMR as of January 1, it is IDR 3,100,000 (C6).

Source: Data Processing Results (2023)

Thus, coding was carried out on the interviewees' answers regarding factors that influence labor availability. For more clarity, it can be seen in the following table.

Table 3. Factors influencing labor availability

Answer Transcript	Verbatim	Technical Code (Coding)	Fact Condensation	Substantive Code (Coding)
Company capital has an effect on the availability of labor because the greater the capital, the more production or quantity of goods available requires more labor.	Company capital influences the availability of labor	1.A.1	Pengaruh modal	1.A1-A
The increase in production value greatly influences the increase in capital issued because the greater the amount of production, the more basic materials needed	The increase in production value has an effect on additional capital	1.A.2	Effect of additional capital	1.A2-B

Increasing the value of production will affect the availability of labor because the value or quantity of production is related to greater distribution	Increasing production value affects labor availability	1.B.3	Effect of production value	1.B3-C
A company's profits affect employee wages because the company applies rewards from a target. So, the greater the profits of a company, the greater the rewards employees get	A company's profits affect employee wages	1.C.4	Influence of company profits	1.C4-D
The basic things for determining wages are workload and work benefits	Basis for determining wages	1.C.5	Wage determination	1.C5-E
The wage levels provided are in accordance with the wage levels set by the government	Wage levels are in accordance with government regulations	1.C.6	Wage level	1.C6-F

Source: Data Processing Results (2023)

From the results of the coding data above, it can be found in this study the factors that have an influence on labor availability. Things that influence the availability of labor are company capital, production value and wage levels.



DISCUSSION

The Effect of Capital on Increasing the Availability of Employment

Business capital is all the funds spent in the production process to generate sales income. This money is used to pay for labor, workers' rights, production and other needs (Pratama, 2005). Working capital has 2 purposes: to help support production and to help pay fixed funds or expenses that are not related to production or sales. The amount of capital that has been used will affect the amount of output produced and the level of utilization of the production process will increase.

Lack of business capital may make it difficult to develop, capital will affect the company's productivity, which will affect its profitability, as one of the determinants of production. According to the Cobb-Douglas theory, capital has an impact on output. More capital will be able to increase output because the production process involves human labor as well as the acquisition of raw materials and equipment (Sulistiana, 2013). Capital and labor costs will increase as productivity and income increase (Frabdorf, 2008).

According to this study, the amount of capital issued by PT Mitra Berkah Cahaya has a significant impact on the availability of employment because the number of products produced grows in line with the amount of capital issued by the company, requires a large amount of effort to manage inventory and requires more labor.

For a company, assuming all other production factors remain constant, the more capital invested in an industry, the more labor it needs (Haryani, 2009). Company PT. Mitra Berkah Cahaya already has 6 branches spread across the city of Makassar, located on Jl. By arrangement, Jl. Abdesir, Jl. Perintis, Jl. Poros Maros Mks, Jl. Antang Raya, Jl. Greater Sudiang. This means that a lot of workers are needed to manage the company.

The Effect of Wage Levels on Increasing the Availability of Employment

Wages are a sum of money that is prepared or issued to be given to workers as wages for carrying out their work, namely producing a product. An increase in wages will have a direct significant impact on the supply of employment, because with an increase in the wage level the number of business units in a company will try to be increased and increased so that by adding business units, the company will also increase its workforce.

Wages are a form of remuneration paid by business owners to employees or work that has been carried out. The demand for labor is determined by the wage level, the higher the wage



level, the lower the entrepreneur's demand for workers. An increase in wage levels will be accompanied by a reduction in the number of workers needed, resulting in an increase in the number of unemployed people. On the other hand, a decrease in the wage level follows an increase in demand for workers, so the demand for labor is said to be inversely proportional to the wage level. Production costs in a company will be influenced by wage levels. An increase in wages for workers will result in greater production costs, increasing the price per unit of goods produced. In labor, wages play an important role, one of the factors that influences the availability of jobs when viewed from the supply side.

The wage system is a system for regulating and deciding wages in order to improve workers' welfare. Wages in Indonesia have a remuneration function, namely: a) ensuring a good life for employees and their families; b) provide rewards for workers' hard work; and c) providing incentives to increase worker productivity. Furthermore, some economists argue that implementing a minimum wage will hinder job creation. According to Sumarsono (2009), another group of economists used data to show that imposing a minimum wage does not automatically mean reducing employment opportunities; in fact, it may even aid economic recovery.

The basis for determining wages at the Blessing Light Pharmacy is two things, namely workload and work allowances. The wage level given is in accordance with the wage level set by the government, namely in accordance with the Makassar UMR as of January 1.

At the PT Mitra Berkah Cahaya company, increasing company profits affect employee wages because the company is based on rewards from a target. So, the greater the profits obtained, the greater the rewards employees will get. Moreover, since the Covid-19 pandemic, pharmaceutical companies have experienced an increase in sales because people need medicines, this has also been experienced by the Berkah Cahaya partner pharmacies.

The Influence of Production Value on Increasing the Availability of Employment

Production value refers to the amount of output or the total number of goods produced in a particular industry. The company's products will be affected by changes in market demand. When demand for a company's goods increases, producers tend to increase production capacity. As a result, manufacturers will be able to make better use of their personnel (Sumarsono, 2003).

According to research, more dispersion increases the value or quantity of a product, which requires a lot of labor. The number of commodities produced by labor influences the level of demand for companies. Consumer demand determines the quantity of goods produced. As the



number of goods produced increases, companies demand more employees (Simanjuntak, 2010). Based on the theory which states that growth requires an increase in the input that will be used, in this situation what is needed is the role of labor. As a result, the more goods produced, the better labor productivity. Production value will increase if all other production parameters remain constant.

Labor has an impact on the level of output, according to production theory and this important relationship between labor and production supports this argument. Because labor has such a big influence on production, it is proven that its role is very big in determining the company's output.

At PT. Mitra Blessing Light can see that increasing the production value has an effect on capital because the greater the amount of production, the more basic materials needed. The value of production also influences the availability of labor, where the value or quantity of production is related to greater distribution, so labor is required. These findings are relevant to work carried out at PT Mitra Berkah Cahaya on the impact of production value on workforce expansion and they show that production value is a factor that influences labor availability.

CONCLUSION

From the study it can be concluded that the influence of capital, wage levels and production value greatly influences the availability of employment opportunities at PT Mitra Berkah Cahaya. The more capital that is spent, the production value or goods available will also increase, thus requiring a lot of labor. The number of commodities produced by labor influences the level of company demand. Consumer demand determines the number of goods produced. The PT Mitra Berkah Cahaya company itself already has 6 branches located on Jl. By arrangement, Jl. Abdesir, Jl. Perintis, Jl. Poros Maros Mks, Jl. Antang Raya, Jl. Greater Sudiang. And already has a lot of workforce to help build its business to progress further.

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