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ANALYSIS OF FACTORS AFFECTING EMPLOYMENT OPPORTUNITY AND BUSINESS EXISTENCE OF WOOD SCULPTORS

Dewi I Gusti Ayu Yuliantari, Marhaeni A.A.I.N.

Faculty of Economics and Business, University of Udayana, Bali, Indonesia

*E-mail: yuliantaridewi94@gmail.com

ABSTRACT

The wages received by wood sculpture craftsmen are relatively low. The lack of skills possessed by young people causes a shortage of skilled labor. People who switch professions cause this industry to lose experienced workers in making wooden sculptures. The purpose of this research is 1) to analyze the effect of wages, skills, and work experience on employment opportunities for wood sculpture craftsmen in Ubud District, Gianyar Regency, 2) to analyze the effect of wages, skills, work experience, and employment opportunities on the existence of a wood sculpture craftsman business in Ubud District, Gianyar Regency, 3) to analyze the indirect effect of wages, skills, and work experience on business existence through the employment opportunities of wood sculpture craftsmen in Ubud District, Gianyar Regency. This study uses primary data and the respondents in this study are MSMEs business owners of wooden sculptures in Ubud District, Gianyar Regency with a total of 118 respondents. The data analysis technique used in this research is path analysis. The results of this study indicate that wages have a negative and significant effect on employment opportunities, while skills and work experience have a positive and significant effect on employment opportunities. Wages, skills, work experience, and employment opportunities have a positive and significant impact on business existence. Wages, skills, and work experience have an indirect effect on the existence of the business through employment opportunities for wood sculpture craftsmen in Ubud District, Gianyar Regency. The implication of this research is to be a reference in making strategic decisions to improve the quality of wooden sculpture craftsmen in Bali by conducting labor trainings on making wooden sculptures.

KEY WORDS

Wages, skills, work experience, employment opportunities, business existence.

The tourism sector became one of the biggest foreign exchange earner in Indonesia. The island of Bali is one of the tourist destinations that contribute to the country's foreign exchange contribution. Bali is the most popular tourism object in Indonesia that is famous to foreign countries with it makes Bali as an icon of world tourism. Based on data from the Central Bureau of Statistics of Bali Province, foreign tourist visits in 2019 increased by 3.4 percent when compared to the previous year. The number of foreign tourists who came to Bali during 2018 reached 6,070,473 people, while in 2019 it increased by 6,275,210 people. The island of Bali as a tourist attraction is rich in natural beauty and potential in the arts and culture that can have a positive impact on the Balinese economy. This condition provides good opportunities for the tourism sector, especially in the wood sculpture carving craft industry (Tessa Prastika, 2015).

The wood sculpture industry in Bali, located in Gianyar Regency, is well known to foreign countries. Gianyar Regency is designated by the World Craft Council as the first world craft city in Indonesia. Gianyar Regency has 7 Districts consisting of Sukawati, Gianyar, Ubud, Blahbatuh, Tegallalang, Payangan, and Tampak Siring Districts. Apart from being a tourist destination, Gianyar Regency also has great potential in the trade of the wooden sculpture industry, where this craft has contributed to the provision of more jobs. Wood sculpture handicraft industry in Gianyar regency potential spread in every District in Gianyar.

According to Travel & Leisure magazine, which is a magazine based in New York,

Ubud District is one of the tourist villages that received the title of the 6th best city in the world in 2019. As a tourist village in the Ubud District, which has 7 villages and 1 urban village, it must still exist in attracting the attention of tourists through wooden sculpture crafts, where this craft was once a magnet to attract tourists to visit Ubud. One of the villages in Ubud District, Mas Ubud Village, has adopted the concept of tourism with local wisdom which is well known as a place for producing and producing statues and carvings, so that this village is a prima donna for tourists.

Currently, the profession as a wood sculpture craftsman is no longer the main source of income and is no longer a profession that people in Ubud District can rely on. Currently, people in Ubud District, who previously worked as wood sculpture craftsmen, have switched professions to other tourism industry sectors such as being gardeners in villas and freeland drivers, in addition there are also those who have switched professions to construction workers, while the younger generation is currently more interested in working in the tourism and office sectors rather than pursuing a profession as a wood sculpture craftsman (Wijana, 2015).

The low participation of young people in the profession as wood sculpture craftsmen in Ubud District is very concerning. Gradually, this wooden sculpture industry will become extinct if there is no youth workforce that is absorbed as regeneration. Currently the owner of a wooden sculpture business in Ubud District is being faced with problems that can reduce the existence of the business, including the rising price of raw materials and difficult to obtain so that it can affect the selling price of the statue, while the current consumer attractiveness to buy wooden statues is low, besides the lack of marketing activities carried out by industrial owners to promote their products. In addition, there are other important factors that can reduce the existence of a business, namely the lack of availability of skilled and experienced workers as wood sculpture craftsmen.

The obstacle faced in terms of employment opportunities in the wood sculpture industry today is the scarcity of qualified and skilled workers as wood sculpture craftsmen caused by the low wages received by craftsmen causing high employment opportunities as wood sculpture craftsmen, the number of craftsmen who are elderly causes industrial owners to have to look for new workers who have sculpting skills, as well as the number of people in Ubud District who change professions causing the wood sculpture industry to lose workers who are experienced in carving wooden sculptures, which in this case causes the owner of the industry to have to find new workers who have work experience as craftsmen. Increased employment opportunities that occur will lead to increased business existence, the increase in employment opportunities that occur will lead to increased business existence, this is because the more workers who are involved in a business, the more output that can be produced and able to increase the existence of the business. Currently, there are still entrepreneurs who lack manpower so that they are unable to meet market demand and then decide to close their business (Miyatun, 2016).

Wages are a form of fair and proper remuneration given to workers for their services in achieving organizational goals. Wages are paid to workers based on hours worked, the number of goods produced or the number of services provided (Rivai, 2004:376). According to Ransom and Sims (2010) wages have a negative and significant effect on employment. This means that when there is an increase in the level of wages, the absorption of labor in an industry will also decrease.

According to Bambang Wahyudi (2002:33) skills are competence or expertise to do a job that is only obtained in practice. According to Nadler (1986:73) skills are activities that require practice or can be interpreted as implications of activities. Skills can be demonstrated through activities or training and development is carried out as an effort to increase work knowledge. According to Marco Vivarelli (2012) skills will affect employment opportunities and also business existence.

Work experience is a measure of the length of time or period that a person has taken to understand the tasks of a job and have carried it out well (Ranupandojo, 1984:71). Someone who already has work experience at least knows how to do a good job. The more work experience a person has, the faster he will complete the tasks that are his responsibility.

More output is produced, so more people who have work experience are recruited as employees, which will increase business stability. The longer the work experience that the workforce has, it indicates the increasing ability of the workforce (Widiastuti, 2018). Work experience has a positive and significant effect on employment opportunities (Ferdyna, 2019).

In large industries are likely already using the technology or tools are sophisticated, so that in producing wooden sculptures it is more practical, efficient and does not require a lot of manpower, because from the design process to finishing using technology assistance, unless there are several stages that must use human power. The impact of this technological development is the reduced employment opportunities for craftsmen who have special skills and will ultimately have an impact on the decline in the existence of MSMEs, most of which still use manual equipment. Besides, there is a shift in cultural values to preserve this wooden sculpture, because if it is done manually it will produce a work of high artistic value and *taksu* that animates each of his works. The objectives to be achieved in this research are: first, to analyze the effect of wages, skills, and work experience on the employment opportunities of wood sculpture craftsmen in Ubud District, Gianyar Regency. Second, to analyze the effect of wages, skills, work experience, and employment opportunities on the existence of a wood sculpture craftsman business in Ubud District, Gianyar Regency. Third, to analyze the indirect effect of wages, skills, and work experience on the existence of a business through employment opportunities for wood sculpture craftsmen in Ubud District, Gianyar Regency.

LITERATURE REVIEW

Business Existence

According to Siti (2016) the existence of a business is a business condition, in which there are ways to maintain, develop and protect resources and meet the needs that exist in a business (industry). The factors that influence the existence of the business are raw materials, labor, and marketing. Industrial development will cause production capacity to increase so that it can create employment opportunities (Divianto, 2014). Currently, there are still entrepreneurs who lack manpower so that they are unable to meet market demand and then decide to close their business (Miyatun, 2016). The theory of business existence used in this research is the Theory of Business Resilience. Business resilience is an approach that moves local communities towards the realization of tough and reliable conditions in the face of various pressures, threats, or any vulnerable situation (Justika Baharsyah, 1999: 34). Business sustainability is an important point because a business that continues for a long period of time is a form of business resilience. Business resilience is also seen from how long the small entrepreneur has run his business.

Employment opportunities

Employment opportunities in general is a situation that reflects the amount of the total work force that can be absorbed or actively participate in economic activities. According to Tambunan (2003), employment opportunities are the number of people who can be accommodated to work for a company or an agency. According to Yuni Asril (2012) several things need to be considered in the supply of labor according to certain specifications, namely:

First, the availability of manpower with certain skills and specifications is not always available based on need. The less available labor available, the more difficult it is to meet their needs. The production process requires adequate manpower. Second, quality labor who has a certain job specialization is needed to produce a higher quality product in accordance with its capabilities. The theory of employment opportunities used in this study is the theory of labor demand. Labor demand theory is a theory that explains how much a business field will employ workers with various levels of wages in a certain period. Entrepreneurs who employ someone aim to help produce goods and services for sale to the public. In other words, the increase in employers' demand for labor depends on the increase

in public demand for the goods they produce. Labor demand theory is used to explain the relationship between employment opportunities and business existence. The increase in employers' demand for labor depends on the increase in public demand for the goods they produce. If entrepreneurs increase their demand for labor, it means that there is an increase in production due to an increase in demand from the community. The increasing demand for labor will cause business existence to also increase, because to improve business existence, it is necessary to have workers who have skills and work experience so that they are able to produce creative and innovative products according to market demand. With the increase in production, the existence of the business will also increase.

Wage

According to Sibarani (2002:77) wages are direct financial rewards paid to workers based on hours worked, the number of goods produced or the number of services provided. So unlike salaries which are relatively fixed, the amount of wages can fluctuate. According to Muchdarsyah Sinungan (2000:90) wages are money received by workers in accordance with the amount and quality that is devoted to the manufacture of a product. According to Rivai (2004:357) compensation is something that employees receive as a substitute for their service contribution to the company. The level of wages plays an important role in the smooth running of the company because a good wage system is one of the factors driving productivity to be optimal as well as providing satisfaction to workers. Where the direction of the relationship between the wage level and employment opportunities is negative, meaning that the higher the wage level, the lower the employment opportunities in an industry because it is related to the efficiency of production costs (Umar, 2010; Sulistiawati, 2012). This statement is supported by the results of research conducted by Ransom and Sims (2010) which shows that the wage level variable has a negative and significant effect on employment. This means that when there is an increase in the level of wages, the absorption of labor in an industry will also decrease. The wage theory used in this research is the wage fund theory proposed by John Stuart Mill, he argues that the level of wages is determined by the demand and supply of labor. The demand for labor is influenced by the demand for a product or sales. While the supply of labor depends on the amount of capital provided by the company for payment of wages.

The wage fund theory is used to explain the relationship between wages and employment opportunities. The wage fund theory suggests that employers pay wages to their workers based on the demand and supply of labor. The demand for labor is influenced by the demand for a product or sales. If the wages given to workers increase, the lower the availability of labor and the quality of labor needed by the company, because if wages increase, the company will reduce the demand for workers who have special skills, where high wages are given to workers who have high skills so that they can suppress the demand for labor. This means that if the wages given to workers increase, the employment opportunities opened by the company decrease. The wage fund theory is used to explain the relationship between wages and business existence. The demand for labor is influenced by the demand for a product or sales. Wages given by the company to workers are calculated from the amount of output produced by workers. So if workers want to get more wages, workers must produce more output, so that they can increase company productivity which has an impact on increasing business existence. This means that the higher the wage, the higher the existence of the business.

Skills

Skills when associated with art will produce creativity. According to Probosiwi (2017) creativity is an activity that produces a work by going through the production process, so skills are the process of creating works of art. It can be concluded that skills are special skills possessed by someone to do something, where these skills are obtained through the stages of learning or training in order to do a job easily and carefully. Skills can only be demonstrated through activities or training and development is carried out as an effort to increase work knowledge. For workers who have good work skills, they will be able to

produce creative and innovative works so that they can support business existence. Research conducted by Hidayat (2016) states that skills show an increase in the acquisition of employment opportunities.

According to Humar Sahman (1993: 55) there are several stages in making wooden sculptures including, first, Preparation Stage. The preparatory stage where a sculptor prepares the design, sculpture materials, and prepares the necessary tools. Second, Implementation Stage. The implementation stage, namely the actual sculpture-making stage activities. There are 2 main stages that are carried out at the time of making the statue, namely The Basic Stage, which is to make the basic shape of the statue in outline and still rough, and Detailing stage, namely the formation of the statue carefully to the most common form (face, body, feet and hands), to the special (clothing and accessories). If this stage has produced the desired shape, then the statue is fully formed. The last, Completion Stage. The completion stage is the final stage of making the statue. After the statue has reached the detailing stage and is perfect in shape, then all that remains is drying, polishing and coloring (if needed). The theory of skills used in this study is the theory of human capital. Human capital is a term that economists often use for education, health, and the human capacities that can increase productivity if they are improved. Human capital theory is used to explain the relationship between the ability of the workforce (skills) with the existence of businesses and employment opportunities. Human capital theory explains the strategy to increase productivity, where increasing productivity requires skilled human resources. With an increase in productivity, entrepreneurs can survive in the midst of competition (business existence) and can open up employment opportunities.

Work Experience

Ranupandojo (1984:71) argues that work experience is a measure of the length of time or period that a person has taken in understanding the tasks of a job and has carried it out well. Work experience is knowledge that has been known and controlled by someone as a result of actions or work that has been done for some time (Marwan, 2006:71). A person's work experience shows the types of work that a person has done and provides a great opportunity for someone to do a better job. The wider a person's work experience, the faster they do work and the more perfect the pattern of thinking and attitude in acting to achieve the goals that have been set (Abriyani Puspaningsih, 2004). A person's work experience greatly supports skills and speed in completing his work so that the error rate will decrease. Purnamasari (2005) in Asih (2006) concludes that an employee who has high work experience will have advantages in several ways including detecting errors, understanding errors, and looking for causes of errors. The theory of work experience used in this study is the theory of human capital. Human capital is a term that economists often use for education, health, and the human capacities that can increase productivity if they are improved. Human capital theory is used to explain the relationship between the ability of the workforce (work experience) with the existence of businesses and employment opportunities. Human capital theory explains the strategy to increase productivity, where increasing productivity requires human resources who have adequate work experience. With an increase in productivity, entrepreneurs can survive in the midst of competition (business existence) and can open up employment opportunities.

METHODS OF RESEARCH

This study uses quantitative methods that aim to test the established hypotheses (Sugiyono, 2012:13), besides that this research uses descriptive analysis to see the tendency of respondents' perceptions of the variables used. This research is in the form of associative research, namely research that aims to determine the relationship between two or more variables. The paradigm of this research is the deductive-inductive paradigm. The deductive paradigm uses instruments to obtain quantitative data, while the inductive paradigm uses qualitative data through observation. The research location chosen in this study is Ubud District, Gianyar Regency because the majority of the population in Ubud

District work as wood sculpture craftsmen. The population in this study is 118 owners of MSMEs wooden sculptures in Ubud District, where Ubud District consists of 7 villages and 1 district. It is known that the population of this study amounted to 118 people based on data from the Department of Industry and Trade of Gianyar Regency in 2017. The sampling technique used in this study was a saturated sample, so the entire population was used as a sample. So the total sample used in this study was 118 respondents. The method of determining the sample with the criteria that all respondents used as a sample are companies that have workers, while companies that do not have workers are not referred to as samples. Data collection methods used are observation, interviews and in-depth interviews. The data analysis technique used is path analysis.

RESULTS AND DISCUSSION

Overview of Research Sites

Ubud District is known as a world tourist destination that offers the natural beauty of the countryside that is still well preserved and as a center for high-value arts and cultural crafts. One of the crafts that attracts the attention of tourists is wood sculpture, because Ubud District is one of the producing areas and production of wood sculpture carvings that are well known to foreign countries. Ubud District has 7 Villages and 1 Urban Village with 32 Traditional Villages and 80 Banjars. The population in Ubud District in 2018 was 73,830 people, so the population density reached 1,742 people per km² (in 2018). The area of Ubud District is 42.38 km² or about 11.52 percent of the Gianyar Regency area. The people of Ubud sub-district are more dominant by profession as entrepreneurs or traders, as many as 12,991 people. Mas Village is the largest number of people who work as entrepreneurs or traders.

Table 1 – Industry Characteristics

No.	Villages in Ubud District	Total		Total Industry Based Industries Group		
		Industry (units)	Labor (person)	Micro	Small	Medium
1	Kedewatan Village	2	11	1	1	-
2	Lodtunduh Village	8	85	2	5	1
3	Mas Village	54	809	9	29	16
4	Peliatan Village	21	267	4	11	6
5	Petulu Village	18	226	3	10	5
6	Sayan Village	2	22	-	2	-
7	Singakerta Village	1	24	-	-	1
8	Ubud Village	12	124	1	9	2
Total		118	1.568	20	67	31

Source: Gianyar Regency Central Statistics Agency, 2020.

Industrial Development in Ubud District

Law No. 3 of 2014 concerning industry, what is meant by industry is all forms of economic activity that process raw materials and utilize industrial resources so that they are able to produce goods that have added value or higher benefits, including industrial services. According to the Central Statistics Agency of Gianyar Regency (2017: 5) the manufacturing (processing) industry is an economic activity that carries out activities to change a basic item mechanically, chemically or by hand, so that they become finished goods, and or from goods of less value to goods of higher value, and their nature becomes closer to the end user. Manufacturing industry companies can be grouped into 4 types, namely: large industries have a workforce of 100 people or more, medium industries have a workforce of 20-99 people. Small industries have a workforce of 5-19 people, while micro industries have a workforce of 1-4 people. In Diagram 1 it can be seen that Ubud District has 22 types of industries with a total of 200 industries and 4,527 workers. The most dominant industry in Ubud District is the wooden sculpture industry as many as 122 industries with 3,267 workers. After that, it was followed by another craft industry which had 29 industrial units with 396

workers. According to data from the Department of Industry and Trade of Gianyar Regency, the wood sculpture industry in Ubud District amounts to 122 industries with 3,267 workers. Of the 122 industrial units, there are 20 micro industries, 67 small industries, 31 medium industries, and 4 large industries. This study uses 3 industrial categories, namely micro, small and medium industries with a total of 118 industries and 2,207 workers. The existence of these 118 industries spread across every village in Ubud District can be seen in Table 1.

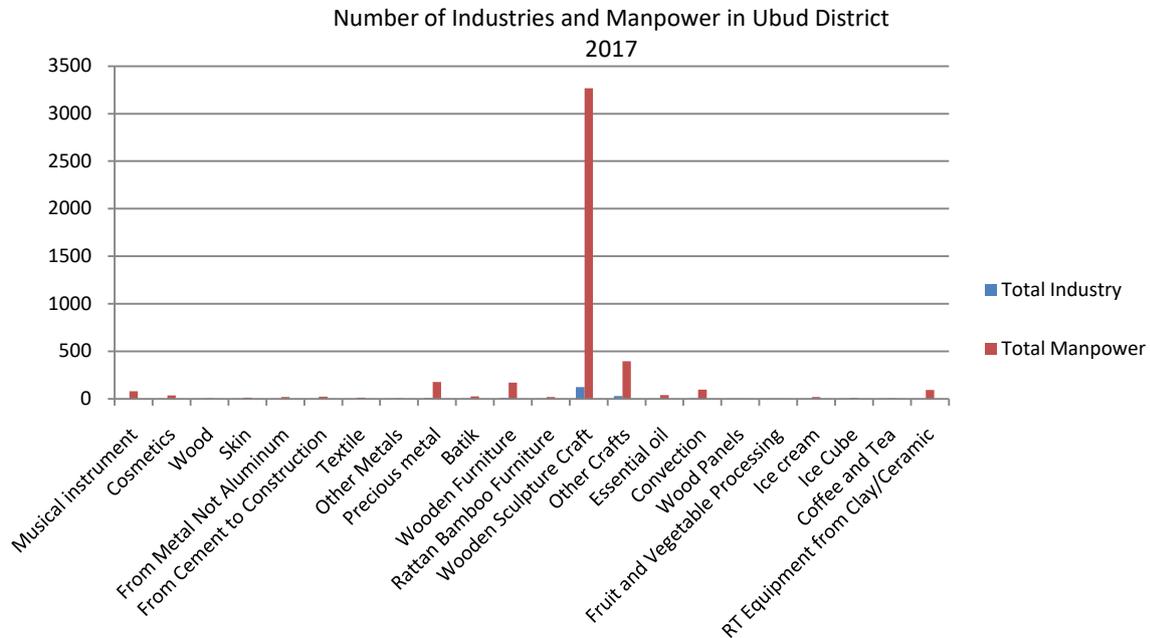


Figure 1 – Number of Industries and Manpower in Ubud District 2017

The characteristics of the respondents studied included age, gender, last education, marital status, number of dependents, income and length of business of the respondent. Characteristics of respondents can be seen in Diagram 2 below.

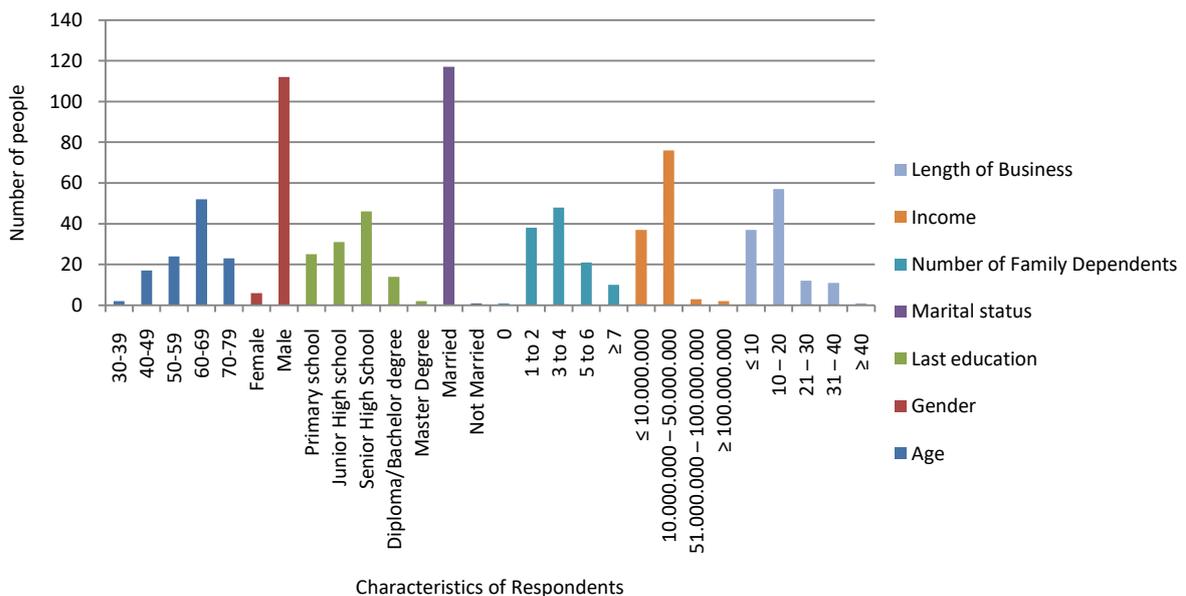


Figure 2 – Characteristics of Respondents

The effect of wages, skills, and work experience on the employment opportunities of wood sculpture craftsmen in Ubud District, Gianyar Regency

To answer the hypothesis in this study, a test was conducted on the value of 0.05 between the variables of wages, skills, and work experience on employment opportunities. The feasibility test of the model or more popularly referred to as the F test (simultaneous test) is the initial stage to identify the estimated regression model that is feasible or not. Feasibility means that the estimated model is feasible or appropriate to be used to explain the effect of independent variables on the dependent variable. The results of the feasibility test of the structural model 1 are presented in the ANOVA table to show the magnitude of the probability or significance number in the ANOVA calculation. The stated value is used to test the feasibility of the analytical model provided that if it is significant < 0.05 , then the analysis model is considered feasible. The results of the model feasibility test on structure 1 are presented in Table 2 below:

Table 2 – Structural Model Feasibility Test Results 1

ANOVA ^a					
Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	143.000	3	47.667	25.301	.000 ^b
Residual	214.771	114	1.884		
Total	357.771	117			

a. Dependent Variable: employment opportunity
 b. Predictors: (Constant), work experience, skills, wages

Source: Processed data results, 2020.

Table 2 shows a significant value of 0.000 which is smaller than the value of $= 0.05$ with a calculated F value of 25.301, then the model used in this study is feasible. These results indicate that wages, skills and work experience are able to predict or explain employment opportunities, this means that the model in structure 1 can be used for further analysis. The structural equation test 1 was conducted to analyze the effect of wages, skills and work experience on employment opportunities directly, the results of the regression test are presented in Table 3.

Table 3 - Results of the Regression of Wages, Skills and Work Experience on Employment Opportunities

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	25.704	3.403		7.554	.000
Wages	-.451	.177	-.220	-2.556	.012
Skills	.269	.039	.544	6.913	.000
work experience	.045	.015	.246	3.045	.003

a. Dependent Variable: employment opportunity

Source: Processed data results, 2020.

- Wage variable (X1) with a value of sig. $0.012 < 0.05$, this means that wages (X1) have a negative and significant effect on employment opportunities (Y1).
- Skill variable (X2) with a value of sig. $0.000 < 0.05$, this means that skills (X2) have a positive and significant effect on employment opportunities (Y1).
- Work experience variable (X3) with a value of sig. $0.003 < 0.05$, this means that work experience (X3) has a positive and significant effect on employment opportunities (Y1).

Based on the results of hypothesis testing, it shows that wages have a negative and significant effect on employment opportunities for wood sculpture craftsmen in Ubud District, Gianyar Regency. This shows that the higher the wages received by the wooden sculpture

craftsmen, the lower the employment opportunities as sculpture craftsmen, because if the wages are high, the employment opportunities will be lower. These results are supported by research conducted by Ransom and Sims (2010) which shows that the variable wage level has a negative and significant effect on employment. This means that when there is an increase in the level of wages, the absorption of labor in an industry will also decrease. The results of this study are in accordance with the Neo Classical theory which explains that employers employ a number of employees in such a way that the added value of a person's marginal product is equal to the wages received by that person. This means that the higher the wages received by the workforce, the lower the employment opportunities, because changes in the level of wages will affect the level of production costs of the company. An increase in the wage rate will increase the company's production costs, which in turn will increase the price per unit of production. With the increase in the price of the product, the demand for the product will decrease. As a result, many products are not sold and producers reduce the amount of production. The decrease in production targets resulted in a reduction in the required workforce. So the higher the wages given, the lower the level of employment opportunities.

Based on the results of hypothesis testing, it shows that skills have a positive and significant effect on employment opportunities for wood sculpture craftsmen in Ubud District, Gianyar Regency. This shows that the higher the skills possessed by the workforce, the higher the employment opportunities as sculpture craftsmen, because if prospective workers have skills in carving wooden sculptures, they will have more opportunities to get jobs. Skills training that is carried out regularly and periodically can generate stimulation and provide knowledge for local communities, especially the younger generation to want to know and explore wood sculpture crafts, with this skill training, it is hoped that it can be a place for young people to interact with each other and can generate new enthusiasm to see the opportunities that exist as wood sculpture craftsmen. Where with skills training a person can increase their potential which will make it easier to enter the job market. These results are supported by research conducted by Hidayat (2017) the impact of skills training shows the opening of employment opportunities. Besides, the same opinion was also conveyed by Marco Vivarelli (2012) skills will affect employment opportunities and also business existence. In addition, research conducted by Mohammed Raja Abulraheem Salah (2016) states that skills have a positive and significant effect on existing employment opportunities. The results of this study are in accordance with the theory of human capital which explains the strategy to increase productivity, where increasing productivity requires skilled human resources and has adequate work experience. With an increase in productivity, entrepreneurs can survive in the midst of competition (business existence) and can open up employment opportunities. To increase productivity, entrepreneurs open employment opportunities for workers who have high skills to be able to increase the value of business productivity through creative and innovative work. So the higher the skills a person has, it will be a supporting factor to more easily get a job.

Based on the results of hypothesis testing, it shows that work experience has a positive and significant effect on employment opportunities for wood sculpture craftsmen in Ubud District, Gianyar Regency. These results are supported by research conducted by Weiss, F, Klein, M & Grauenhorst (2015) which states that work experience affects employment opportunities. This means that the higher a person's work experience, the higher the employment opportunities that will be obtained when entering the job market. The same opinion was also conveyed by Sutomo, et al. (1999) which stated that by having work experience, the workforce will have more opportunities to get a job. In addition, the same opinion was also conveyed by Ellis Ferdyna (2019) which stated that work experience had a positive and significant effect on employment opportunities. The results of this study are in accordance with the theory of human capital which explains the strategy to increase productivity, where increasing productivity requires skilled human resources and has adequate work experience. With an increase in productivity, entrepreneurs can survive in the midst of competition (business existence) and can open up employment opportunities. To increase business productivity, employment opportunities are opened for workers who have

work experience. Where workers who have work experience as wood sculpture craftsmen will be faster and more alert in doing their jobs. So the higher the work experience a person has, it will be a supporting factor to make it easier to get a job.

The influence of wages, skills, work experience, and employment opportunities on the existence of a wood sculpture craftsman business in Ubud District, Gianyar Regency

To answer the hypothesis in this study, a test was carried out on the value of α 0.05 between the variables of wages, skills, work experience and employment opportunities on business existence. The feasibility test of the model or more popularly referred to as the F test (simultaneous test) is the initial stage to identify the estimated regression model that is feasible or not. Feasibility means that the estimated model is feasible or appropriate to be used to explain the effect of independent variables on the dependent variable. The results of the feasibility test of the structural model 2 are presented in the ANOVA table to show the magnitude of the probability or significance number in the ANOVA calculation. The stated value is used to test the feasibility of the analytical model provided that if it is significant < 0.05 , then the analysis model is considered feasible. The results of the model feasibility test on structure 2 are presented in Table 4 below:

Table 4 – Result of Feasibility Test of Structural Model 2

ANOVA ^a					
Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	622.407	4	155.602	21.101	.000 ^b
Residual	833.288	113	7.374		
Total	1455.695	117			

a. Dependent Variable: business existence

b. Predictors: (Constant), employment opportunities, work experience, wages, skills

Source: Processed data results, 2020.

Table 4 shows a significant value of 0.000 which is smaller than the value of $\alpha = 0.05$ with a calculated F value of 21.101, so the model used in this study is feasible. This result means that wages, skills, work experience and employment opportunities are able to predict or explain the existence of a business, this means that the model in structure 2 can be used for further analysis. The structural equation test 2 was conducted to analyze the effect of wages, skills, work experience, and employment opportunities on the existence of a business directly, the results of the regression test are presented in Table 5.

Table 5 – Results of the Regression of Wages, Skills, Work Experience, and Employment opportunities on Business Existence

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	6.777	8.247		.822	.413
Wages	.872	.359	.211	2.427	.017
Skills	.732	.092	.734	7.979	.000
Work experience	.084	.030	.230	2.783	.006
Employment opportunity	.938	.185	.465	5.063	.000

a. Dependent Variable: business existence

Source: Processed data results, 2020.

- a. Wage variable (X1) with a value of sig. 0.017 < 0.05 , this means that wages (X1) have a positive and significant effect on business existence (Y2).
- b. Skill variable (X2) with a value of sig. 0.000 < 0.05 , this means that skills (X2) have a positive and significant effect on business existence (Y2).
- c. Work experience variable (X3) with a value of sig. 0.006 < 0.05 , this means that work

- experience (X3) has a positive and significant effect on business existence (Y2).
- d. Employment opportunity variable (Y1) with sig. 0.000 <0.05, this means that employment opportunities (Y1) have a positive and significant effect on business existence (Y2).

Based on the results of hypothesis testing, it shows that wages have a positive and significant effect on the existence of wood sculpture craftsmen in Ubud District, Gianyar Regency. This shows that the higher the wages given to the workforce, the more existence of this wooden sculpture business will increase. If the wages received by the workforce are high and in accordance with the output that has been done to the company, it will support business productivity which will affect the existence of the business. As for entrepreneurs who provide an increase in the amount of wages or wages that are in accordance with the services they have contributed to the company, will not make the workforce leave this job or switch professions, it will make the workforce feel satisfied at work so that it will increase business productivity which will have an impact on increasing business existence.

These results are supported by research conducted by Marian Rizov, Richard Croucher and Thomas Lange (2016) which shows that wages affect business productivity and also directly impact the existence of businesses, because the workforce as the driver of the business and if the worker is not satisfied with the wages received with the workload taken, the worker will leave the business organization. The results of this study are in accordance with the neo-classical wage theory, which states that in order to maximize profits, each entrepreneur uses production factors. The entrepreneur employs a number of employees in such a way that the value added to a person's marginal product is equal to the wages received by that person. The wages given by the company to workers are calculated based on the marginal value added rate of the existing factors of production. So the more wages workers receive, the more output is produced, so that it can increase company activities which have an impact on increasing business existence. This means that the higher the wage, the higher the existence of the business.

Based on the results of hypothesis testing, it shows that skills have a positive and significant effect on the existence of wood sculpture craftsmen in Ubud District, Gianyar Regency. This shows that the higher the skills possessed by the workforce, the higher the existence of this wooden sculpture business. If the skills possessed by the workforce are high, it will support productivity by creating works of art that have high value which will affect the existence of the business to continue to grow. These results are supported by research conducted by Marco Vivarelli (2012) which states that skills will affect employment opportunities and also business existence. In addition, the same opinion was also conveyed by Michael R. Wade and Michael Parent (2002) which stated that skills affect organizational performance and the ability to survive in the midst of competition. The results of this study are in accordance with the theory of human capital which explains the strategy to increase productivity, where in increasing productivity, skilled human resources are needed to be able to create new creative works. With an increase in productivity, entrepreneurs can increase their business extension and survive in the midst of competition.

Based on the results of hypothesis testing, it shows that work experience has a positive and significant effect on the existence of wood sculpture craftsmen in Ubud District, Gianyar Regency. This shows that the higher the work experience possessed by the workforce, the business existence will also increase. Where if a person's work experience is high then that person has potential value that can support business productivity, where this will make the business survive in the midst of competition. In order to maintain labor productivity, giving an appreciation to wood sculpture craftsmen is necessary because an appreciation, for example in the form of a contribution, can increase the spirit to continue working so that later it can increase employment opportunities.

These results are supported by research conducted by Hermawan (2017) to achieve work productivity for employees, companies need to pay attention to the level of education and work experience of employees in order to ensure the survival of the company. Meanwhile, Nano Ismanto (2005) in achieving optimal results, companies need workers who have work experience so that they can increase productivity, thus the continuity of the

company can be guaranteed and can develop its businesses. The results of this study are in accordance with the theory of human capital which explains the strategy to increase productivity, where increasing productivity requires human resources who have adequate work experience. Where workers who have work experience will be faster and responsive in doing a job, so that it can support business productivity. With an increase in productivity, entrepreneurs can increase their business extension and survive in the midst of competition.

Based on the results of hypothesis testing, it shows that employment opportunities have a positive and significant effect on the existence of wood sculpture craftsmen in Ubud District, Gianyar Regency. This shows that the higher the available employment opportunities, the business existence also increases. If employment opportunities increase, this indicates that a company or organization is making an effort to maintain a business. This result is supported by research conducted by Divianto (2014) where industrial development will cause production capacity to increase so as to create employment opportunities. Parameswara (2017) stated that industrial development in Bali needs to get attention and be improved so that later it can increase employment opportunities. The same opinion was also conveyed by Meiditya (2015) that the more business units that are established, the more workers will be added.

The results of this study are in accordance with the theory of labor demand which states that employment opportunities are created when there is a demand for labor in the labor market, so that employment opportunities indicate a demand for labor. The theory of labor demand is a theory that explains how much a business field will employ workers. Employers' demand for labor is different from society's demand for goods and services. People buy goods because these goods provide benefits to consumers. However, entrepreneurs who employ someone aim to help produce goods and services for sale to the public. If entrepreneurs increase their demand for labor, it means that there is an increase in the production of a product which is due to an increase in demand from the community. With an increase in production, entrepreneurs can increase their business existence.

The indirect effect of wages, skills, and work experience on business existence through the employment opportunities of wood sculpture craftsmen in Ubud District, Gianyar Regency

Indirect effect is used to see the indirect effect of wages, skills, and work experience on business existence through employment opportunities. Testing the mediation hypothesis in this study used the Sobel test statistic. The Sobel test is carried out by testing the strength of the indirect influence of the independent variable on the dependent variable through the mediating variable (Suyana Utama, 2008). The t-count value is compared with the t-table value, if the t-count value > the t-table value, it can be concluded that there is a mediation effect. To test the significance of the indirect effect, calculate the t value of the coefficient ab. The results of the analysis of the indirect effect of wages, skills, and work experience, on the existence of businesses through employment opportunities can be described as follows:

Indirect Effect of Wages on Business Existence through Employment Opportunities

Test Statistics:

$$S\beta_1\beta_7 = \sqrt{\beta_7^2 S\beta_1^2 + \beta_1^2 S\beta_7^2} = 2,299$$

Therefore, Z count is 2.299 > 1.96. This means that wages (X1) indirectly affect the existence of the business (Y2) through employment opportunities (Y1).

Indirect Effect of Skills on Business Existence through Employment opportunities

Test Statistics:

$$S\beta_2\beta_7 = \sqrt{\beta_7^2 S\beta_2^2 + \beta_2^2 S\beta_7^2} = 0,053$$

$$Z = \frac{\beta_2\beta_7}{S\beta_2\beta_7} = 4,760$$

Therefore, Z count is $4.760 > 1.96$. This means that skills (X2) indirectly affect the existence of businesses (Y2) through employment opportunities (Y1).

Indirect Effect of Work Experience on Business Existence through Employment opportunities

$$\begin{aligned} \text{Test Statistics:} \\ S\beta_3\beta_7 &= \frac{\beta_3\beta_7}{\sqrt{\beta_7^2 S\beta_3^2 + \beta_3^2 S\beta_7^2}} = 0,013 \\ Z &= \frac{\beta_3\beta_7}{S\beta_3\beta_7} = 3,247 \end{aligned}$$

Therefore, Z count is $3.247 > 1.96$. This means that work experience (X3) indirectly affects the existence of a business (Y2) through employment opportunities (Y1).

Based on the results of the indirect effect test, it shows that Z count is $2.299 > 1.96$. This means that wages indirectly affect the existence of the business through employment opportunities. These results are in accordance with John Stuart Mill's wage theory which explains that employers in providing wages to their employees depend on the demand and supply of labor. If the wages given to workers increase, the lower the availability of labor and the quality of labor needed by the company, because if wages increase, the company will reduce the demand for workers who have special skills, where workers who are given high wages are ensured that these workers have high skills so that they can suppress the demand for labor. If the wages given to workers increase, the employment opportunities opened by the company decrease. Workers who are given high wages and have high skills will increase company productivity which will also increase business existence. Workers who are given high wages and have high skills will increase company productivity which will also increase business existence.

Based on the results of the indirect effect test, it shows that Z count is $4.760 > 1.96$. This means that skills indirectly affect the existence of the business through employment opportunities. This result is in accordance with the human capital theory which explains the strategy of increasing productivity, where in increasing productivity, skilled human resources are needed to be able to create new creative works. The opening of employment opportunities is one way to attract workers who have good work quality so that they can increase business productivity. With an increase in productivity, entrepreneurs can improve their business existence and survive in the midst of competition. These results are supported by research conducted by Marco Vivarelli (2012) which states that skills will affect employment opportunities and also business existence.

Based on the results of the indirect effect test, it shows that Z count is $3.247 > 1.96$. This means that work experience indirectly affects the existence of the business through employment opportunities. This result is in accordance with the human capital theory which explains the strategy to increase productivity, where in increasing productivity, human resources are needed who have adequate work experience. With the opening of employment opportunities, employers hope to get workers who have adequate work experience. Where workers who have work experience will be faster and responsive in doing a job, so that it can support business productivity. With an increase in productivity, entrepreneurs can improve their business existence and survive in the midst of competition.

CONCLUSION

Based on the discussion that has been carried out, the conclusions from this study are first, wages have a negative and significant effect on employment opportunities for wood sculpture craftsmen in Ubud District, Gianyar Regency. Meanwhile, skills and work experience have a positive and significant impact on the employment opportunities of wood sculpture craftsmen in Ubud District, Gianyar Regency. Second, wages, skills, work experience, and employment opportunities have a positive and significant impact on the existence of wood sculpture craftsmen in Ubud District, Gianyar Regency. Third, Wages,

skills, and work experience have an indirect effect on the existence of the business through employment opportunities for wood sculpture craftsmen in Ubud District, Gianyar Regency.

The advice given to the government is to provide labor training on making wooden sculptures, especially for young people so that there is regeneration as wooden sculpture craftsmen. For business owners of wooden sculptures, they are encouraged to start selling wooden sculptures online. For industry owners to improve business existence and workforce skills so that they are able to create creative products and can carry out good promotional strategies so as to increase business existence. For industrial owners to improve the skills of the workforce (craftsmen), utilize existing technology and human resources, so that they do not require more workers and are able to reduce the scarcity of skilled workers.

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