

# Analysis of the Determinants of Revenue in Ornamental Plant Businesses in the East Denpasar District of Denpasar City

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## Abstract

Ornamental plants are a category of horticultural crops used for their beauty and function, unlike other agricultural commodities used for food production. Denpasar City, in Bali Province, is a prominent producer of ornamental plants, particularly in the East Denpasar District, the city's epicenter. The district specializes in two kinds of ornamental plants: cut orchids and tuberose. The demand for ornamental plants is resilient and driven by new trends. The environment is challenging for ornamental plant business performers in Denpasar City. The objective of this research is to examine the simultaneous and partial influence of business capital, labor, working hours, income level, and regional origins on the revenue of ornamental plant business performers in East Denpasar District. A sample of 80 respondents was utilized, and multiple regression analysis techniques were employed. The research's findings that business capital, labor, working hours, education level, and region origin have a significant effect when considered simultaneously (f). While the partial test results (t) state that business capital and labor have a positive and significant effect on revenue, while working hours and education level partially have no positive effect and are unable to significantly increase revenue, and regional origins partially is statistically insignificant to increase the revenue of ornamental plant businesses in East Denpasar District of Denpasar City.

**Keywords:** Ornamental Plants, Revenue, Business Capital, Labor, Work Hours, Level of Education, Regional Origins.

## 1. Introduction

Indonesia is a country with a predominantly agrarian economy. is characterized by its abundant natural resources and geographical features that are conducive to agricultural activities. The agricultural sector is a primary economic driver for Indonesia, contributing significantly to the nation's overall GDP.

**Table 1. Growth Rate of Gross Domestic Product at 2010 Constant Market Prices by Industry (percent) in Indonesia, 2020–2023**

	Industry	2020	2021	2022	2023
A	Agriculture, Forestry, and Fishing	1,77	1,87	2,25	1,30
B	Mining and Quarrying	-1,95	4,00	4,38	6,12
C	Manufacturing	-2,93	3,39	4,89	4,64
G	Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	-3,78	4,63	5,52	4,85
F	Construction	-3,26	2,81	2,01	4,91
H	Transportation and Storage	-15,05	3,24	19,87	13,96



	Industry	2020	2021	2022	2023
I	Accommodation and Food Service Activities	-10,26	3,89	11,94	10,01
J	Information and Communication	10,61	6,82	7,73	7,59
P	Human Health and Social Work Activities	11,56	10,46	2,75	4,66
	Gross Domestic Product	-2,07	3,70	5,31	5,05

Source: BPS Indonesia, 2024

As illustrated in Table 1, which details the Growth Rate of Gross Domestic Product in Indonesia at 2010 Constant Market Price by Industry from 2020 to 2023, there exist 17 economic sectors that collectively contribute to Indonesia's GDP. The agricultural sector in Indonesia based on data indicates that fluctuations in the growth rate during the 2020-2023 period based on data shown in Table 1. The agricultural sector exhibited a growth rate of 1.77% in 2020, which subsequently increased to 1.84% in 2021 and 2.25% in 2022. However, in 2023, a decline of 1.30% was recorded, indicating a shift in the sector's growth trajectory.

The agricultural sector of Bali Province is similarly affected. Despite the unique characteristics and economic conditions of Bali Province compared to other Indonesian provinces, the preponderance of economic activities in Bali Province is directly and indirectly linked to the tourism sector. However, it is crucial to recognize the indispensable role of the agricultural sector in Bali's economy. This is primarily due to the long-standing involvement of the Balinese people in agriculture, which predates the development of the tourism sector and has become an integral part of their way of life (Adnyana, 2021).

The evolution of agricultural activities has been characterized by a transition from the cultivation of food crops exclusively for food production to the utilization of natural resources found in the surrounding environment. This expansion has not been limited to agricultural products for food crops. However, the development of other horticultural products, including ornamental plants, has also been observed. Ornamental plants, in contrast to other agricultural commodities that serve the function of raw materials for food or products, primarily serve the purpose of decoration. The ornamental plant's primary function is to enhance the aesthetic appeal of its surroundings (Widyastuti, 2018).

**Table 2. Ornamental Plant Production According to District and Plant Type (stalk) in Denpasar City, 2023**

District	Plant Type (stalk)	
	Cut Orchid	Tuberose
South Denpasar	4.936	-
East Denpasar	2.025	28.700
West Denpasar	3.900	-
North Denpasar	18.180	-
Denpasar City	76.371	28.700

Source: BPS Denpasar City, 2024

As illustrated in Table 2, the production of ornamental plants in Denpasar City in 2023 is documented. Two types of ornamental plant products are produced in Denpasar City: cut orchids and tuberose. According to the Denpasar City Government Website (2016), East Denpasar District has been a prominent ornamental plant business center in Denpasar City for decades. The predominant ornamental plant business in this area is the sale of ornamental

plants in pots who is produced in there, along with ancillary products such as planting media, fertilizers, pots, and gardening equipment.

The ornamental plant business in urban areas, particularly in the East Denpasar District, exhibits considerable promise. The demand for ornamental plants is persistent, with a constant emergence of new trends that supersede their predecessors. However, the ornamental plant farming business in East Denpasar District is not without its challenges and strategic issues. One of these challenges is the revenue of ornamental plant businesses, which tends to fluctuate due to the ever-changing trends in the ornamental plant industry and various other conditions that influence the revenue of the business. This aspect of revenue is of importance to business, as it is directly tied to the future development of their respective business.

Business's revenue is contingent on a multitude of factors, with business capital being a salient one. Business capital functions as a production factor, thereby contributing to the generation of output. According to Soekartawi et al (1986), capital in agriculture can generally be classified into two types: (1) capital that is not exhausted in a single production cycle, such as land, buildings, and agricultural equipment; and (2) capital that is consumed immediately in the production process, such as fertilizers, insecticides, and seeds. Research by Suminah et al (2022) further highlights that business capital has a positive and significant impact on revenue.

According to Soekartawi et al (1986), when measuring the labor force of an agricultural business, two factors must be considered. First, the labor force must be defined. The amount of labor used is the labor that is actually used in production activities. If labor is calculated as work quality, it is calculated based on units. Labor, a critical component of production, serves as a catalyst for the generation of output. Concurrent with this assertion, research conducted by Junior (2020) substantiates the notion that labor has a positive and significant influence on revenue.

Working hours refer to the time allocated to specific activities in the production process that are intended to generate production output. According to Arifin & Nasrum (2015), the agricultural business needs a distinct allocation of working time in comparison to other business entities. Research conducted by Bick et al (2018) indicates that in low-income countries exhibit a higher average working hours compared to high-income countries, primarily due to disparities in the receipt of salaries, wages, or revenue.

According to Becker (1994), education (training) constitutes a significant investment in human capital, which in turn a substantial influence on the probability of attaining elevated levels of income. Mankiw (2019) define that education stands as a pivotal form of investment in humans, whereby a higher level of education enables individuals to attain a higher average revenue. Research conducted by Irawan & Ayuningsasi (2017) examined the influence of education level on the revenue of Kreneng Market traders in Denpasar City, concluding that, partially, the level of education had an effect on the revenue of traders at this market.

North (1990) stated, that informal institutions or defined as culture has a function as a structural element that shapes individual economic behavior. Consequently, these institutions influence an individual's economic outcomes, which are determined by the cultural and traditions that shape their economic decisions. Bali is a province where Hinduism is predominantly practiced, and it is characterized by the concept of *Yadnya*, which refers to a form of religious ritual. The performance of *Yadnya* as a local culture activity has a significant impact on the daily economic activities of the Balinese populace. Research by Marhaeni et al. (2014) conducted that the impact of religious rituals performed by the Hindu Community of Badung Regency, Bali Province, on community welfare. These rituals have a multiplier effect,

which is believed to influence community employment opportunities and, consequently, community welfare, either directly or indirectly. Research study also was conducted by Astawa & Sudika (2014) on the impact of local culture on financial performance in Bali's property firms. The results of this study indicate that cultural factors possessed by the Balinese people affect the financial performance of the property business.

The objective of this study was to determine the effect of business capital, labor, working hours, education level, and regional origin (simultaneously and partially) on the revenue of ornamental plant businesses in East Denpasar District, Denpasar City. The objective of this study also to provide benefits for the development of science, especially in the domain of literature studies and references for similar studies, with the application of relevant theories regarding the factors affecting income. It is expected that this research will provide information, especially for the ornamental plant businesses in East Denpasar District, Denpasar City, to help provide information regarding the factors affecting their business revenue.

## 2. Literature Review

### 2.1. Revenue

According to Boediono (1982), revenue is the result of sales of production output received by producers. Mankiw (2019) asserts that the primary objective of a business entity is to generate a return on the production activities undertaken by said entity. Returns on production activities are received in the form of revenue, which is defined as the total sales proceeds derived from the sale of production outputs received by producers. The return is in the form of revenue, which is the overall result of the sale of output. According to Ely & Anggadani (2009), revenue is defined as the gross increase or addition in the capital of a business resulting from the sale of merchandise or the implementation of services performed according to the type of business that aims to increase revenue. Revenue for an agricultural business is defined as the revenue derived from production. This production can be calculated by multiplying the amount produced by the price, thereby indicating a direct correlation with the productivity of an agricultural enterprise (Saragih, 2017). Revenue or income for an agricultural business is a critical factor, as it is one of the indicators in assessing the success or failure of the business undertaken (Soekartawi, 1995). According to Soekartawi (1995), the income of an agricultural businesses can be calculated by multiplying production ( $Y$ ) by the selling price ( $Py$ ).

### 2.2. Business Capital

According to Nicholson (2002), capital can be defined as all means of production, buildings, and all owned resources utilized in the production process in the future. According to Mankiw (2019), capital, also referred to as capital, encompasses all the tools and structures (buildings) employed in the production process. These structures and tools are utilized in the production process of goods and services. Suparmoko (2002) posit that capital, or business capital, is all forms of wealth that can be used, either directly or indirectly, in the production process to increase output consisting of goods and services, or to increase output consisting of goods made for use in the production process in the future. According to Soekartawi et al. (1986), capital in an agricultural business can generally be classified into two types: fixed capital and working capital. Fixed capital refers to assets that are not consumed in a single production cycle, such as land, buildings, and agricultural equipment. In contrast, working

capital consists of resources that are fully utilized during the production process, including fertilizers, insecticides, seeds, etc.

### 2.3. Labor

The labor force, also known as manpower, refers to the human resources employed in the production of goods and services (Sudja'i & Mardikaningsih, 2021). This factor plays a pivotal role, particularly within the context of agricultural businesses, given its significance in the production of goods and services. This is due to the fact that the role of labor in agriculture cannot be fully supplanted by machinery. Labor in agriculture possesses characteristics that differentiate it from other fields. According to Soekartawi et al. (1986), two crucial factors must be considered when assessing labor productivity in an agricultural business. First, the labor involved in production activities must be identified and measured. Then, if labor is assessed based on work quality, it is quantified in specific units.

### 2.4. Work Hours (Labor-Leisure Choice Theory)

The theory of labor-leisure choice is an economic concept that explores the relationship between an individual's time allocation and their economic decisions. According to Becker (1994), this leisure concept can influence an individual's income level. Becker further elaborates on the concept, asserting that an individual's level of income is contingent on their employment status, providing an example of how an individual's income is influenced by factors such as vacation time or educational enrollment. Mankiw (2019) elucidates that the notion of labor-leisure choice is influenced by the increase in the level of income or a person's acceptance of the decisions they have makes. Increase in income level or a person's acceptance of the decision he or she makes to work or enjoy leisure. Decision to work or enjoy his leisure time. Arifin & Nasrum (2015) states that agricultural businesses require a different allocation of working time compared to other forms of business. Soekartawi et al. (1986) also state that farmers aim to obtain a level of income with limited resources. They are influenced by various factors that impact their production activities, one of which is the farmer's decision to either engage in agricultural activities or allocate their leisure time.

### 2.5. Level of Education (Human Capital Theory)

According to Becker (1994), education (training) constitutes a significant investment in human capital. This form of investment, in turn, exerts a substantial influence on the quality of life. The opportunity to obtain a higher level of income is predicated on this investment in human capital. Mankiw (2019) asserts that education stands as a pivotal form of human capital investment, underscoring its significance in enhancing individual capabilities and consequently, the potential for higher earnings. A higher level of education, therefore, implies a higher average income.

### 2.6. Regional Origins

North (1990) stated that informal institutions or defined as culture has a function as a structural element that shapes individual economic behavior. Consequently, these institutions influence an individual's economic outcomes, which are determined by the cultural and traditions that shape their economic decisions. Gorodnichenko & Roland (2017) proposed that culture constitutes a set of beliefs and values held by humans concerning nature and their own identity, which facilitates coexistence. This concept has the potential to influence not only social behavior but also economic activities. Bali is known for its strong culture and religious rituals, which are rooted in the understanding of the island's predominant religion, Hinduism. The concept of *yadnya*, which can be interpreted as a sacred ceremony or sacrifice based on holiness and sincerity, is deeply ingrained in the Balinese cultural fabric. This ceremony or

sacred sacrifice is believed to be a means of expressing purity and sincerity to the divine. The concept of *yadnya* is deeply ingrained in the behavioral guidelines of Hindus in Bali, which are based on the teachings of Hinduism that have been transmitted since birth. This cultural practice exerts a significant influence on the behavior of Hindus in society, including their economic activities (Nurwardani, 2016).

### 3. Methods

This research examined the impact of business capital, labor, working hours, education level, and regional origin on the revenue of ornamental plant businesses in East Denpasar District, Denpasar City. The study's sample size was determined using a non-probability sampling method, specifically quota sampling, which involved selecting 80 ornamental plant business owners who's operating their business in East Denpasar district. The data collection methods used in this research were observation, structured interviews, and in-depth interviews with research respondents (research samples). The research instrument used in this research is in the form of a list of questions in the form of a questionnaire which is prepared based on the variables studied in this research. The data that has been collected through the questionnaire will be analyzed using the multiple linear regression analysis method.

In this research, the dependent variable is represented by (Y), which is defined as the revenue of individuals engaged in the ornamental plant business. This revenue is measured in Rupiah units and represents the gross monthly income that is calculated by Total Revenue (TR). The independent variable is represented by (X), which is defined as business capital ( $X_1$ ). This capital is calculated based on the amount of capital goods purchased, such as plant seeds, fertilizer, and insecticides, in Million Rupiah units. The labor ( $X_2$ ) is calculated based on the number of workers or man power possessed in carrying out business activities in person units. The working hours variable ( $X_3$ ) is calculated based on the average operational time of the ornamental plant businesses per month in hours. Education Level ( $X_4$ ) is determined by the level of education of the ornamental plants business owners has been completed, measured in years. The regional origins variable ( $X_5$ ) indicates the characteristics of ornamental plant business performers based on their respective demographics. In this study, the regional origin variable is represented as a dummy variable. A value of 1 is assigned if the owner of the ornamental plant business is from Bali Province, while a value of 0 is assigned if the owner is from outside Bali Province.

The data analysis model that was utilized is the multiple linear regression analysis method, and the following regression model equation was employed:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \mu \quad (1)$$

Explanation:

$Y$	= Revenue
$\beta_0$	= <i>Intercept</i>
$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$	= Regression Coefficient for Each Independent Variable
$X_1$	= Business Capital
$X_2$	= Labor
$X_3$	= Working Hours
$X_4$	= Education Level
$X_5$	= Regional Origins (Dummy Variable)
$\mu$	= <i>error</i>

## 4. Results and Discussion

### 4.1. Respondent Characteristic

**Table 3. Respondent Characteristic Based on Regional Origins (Province)**

No	Regional Origins (Province)	Total (Person)	Percentage (%)
1	Bali	37	46,25
2	East Java	37	46,25
3	Central Java	3	3,75
4	West Nusa Tenggara	2	2,50
5	West Sumatera	1	1,25
Total		80	100

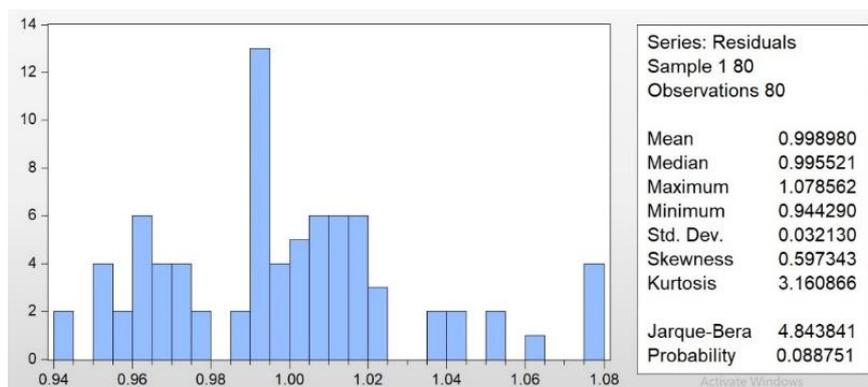
Source: Data Collected, 2024

The data collected from respondents in this study indicate that 37 respondents (46.25% of the total sample) are from Bali. The remaining respondents are from four other provinces: 1) East Java, with 37 respondents (46.25%); 2) Central Java, with three respondents (3.75%); 3) West Nusa Tenggara, with two respondents (2.50%); and 4) West Sumatra, with one respondent (1.25%).

### 4.2. Regression Analysis

#### 4.2.1. Classical Assumption Test Result

##### A. Normality Test Result



**Figure 1. Normality Test Result (Jarque-Berra test)**

Source: Eviews 10 Output, Data Processed, 2024

A thorough examination of the data presented in Figure 1, reveals that the probability value is 0.088, which is significant given  $\alpha 5\% = 0.05$ . This indicates that the P-value of 0.088 exceeds the critical value of  $\alpha 5\% = 0.05$ . Furthermore, the data in this study appears to be normally distributed, suggesting that it is suitable for further analysis and hypothesis testing.

## B. Multicollinearity Test Result

**Table 4. Multicollinearity Test Result (VIF)**

Variance Inflation Factors  
Date: 12/23/24 Time: 16:12  
Sample: 1 80  
Included observations: 80

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	437.1877	305.3765	NA
X1	0.012195	1.783199	1.079497
X2	0.835102	7.510250	1.061279
X3	0.004580	271.7170	1.159978
X4	0.132192	9.547552	1.126269
X5	6.328705	2.044534	1.098937

Source: Eviews 10 Output, Data Processed, 2024

Preliminary analysis of the data in Table 4, indicates that the independent variables do not exhibit symptoms of multicollinearity. This conclusion is supported by the observation that the centered VIF values for each independent variable (X) are greater than 0.10. Therefore, it can be concluded that there is no multicollinearity between the independent variables in the regression model.

## C. Heteroscedasticity Test Results

**Table 5. Heteroscedasticity Test Results (Glejser Test)**

Heteroskedasticity Test: Glejser

F-statistic	0.547753	Prob. F(5,74)	0.7395
Obs*R-squared	2.855157	Prob. Chi-Square(5)	0.7223
Scaled explained SS	3.391424	Prob. Chi-Square(5)	0.6399

Source: Eviews 10 Output, Data Processed, 2024

As demonstrated in the table, the Glejser test results are reflected in the probability value, which is represented by the chi-square (5) value of 0.7223. When considering a significance level of  $\alpha 5\% = 0.05$ , the probability value of 0.7223 is greater than the threshold, indicating that there is an absence of evidence indicative of heteroscedasticity in the regression model.

### 4.2.2. Coefficient of Determination (R<sup>2</sup>) and Simultaneous Test (F test) Result

**Table 6. R Square (R<sup>2</sup>) and F-statistic Output Analysis**

Observation	R Square (R <sup>2</sup> )	Std. Error of Regression	F-Statistic	Prob. (F-statistic)
80	0.659	10.701	28.639	0.000000

Source: Eviews 10 Output, Data Processed, 2024

Based on data presented in Table 6, which shows that the value of the coefficient of determination or R Square (R<sup>2</sup>) is 0.659 which means that 65.9 percent of the income of

ornamental plant business actors in East Denpasar District, Denpasar City is influenced by variables or factors of business capital, labor, working hours, education level, and regional origin. While the remaining 34.1 percent is influenced by other factors or variables not examined in this research.

The Simultaneous Test (F test) Results based on Table 6 shows that the F-statistic value is 28.639, which exceeds the F table value of 2.75 ( $\alpha = 0.05$ ). Indicating that the F-statistic value  $28.639 > 2.75$  ( $\alpha = 0.05$ ) F table value. The Prob. (F-statistic) value is  $0.00 < 0.05$  ( $\alpha = 5\%$ ), indicating that business capital, labor, working hours, education level, and regional origin simultaneously exert a significant impact on the income of ornamental plant businesses in East Denpasar District, Denpasar City.

### 4.2.3. Multiple Linier Regression Analysis Result

**Table 7. Regression Analysis Output**

Observation	Variable	Coefficient	Std. Error	t-Statistic	Prob.
80	(Constant)	47.973	20.909	2.294	0.0246
	Business Capital ( $X_1$ )	1.223	0.110	11.075	0.0000
	Labor ( $X_2$ )	1.961	0.913	2.145	0.0352
	Working Hours ( $X_3$ )	-0.149	0.067	-2.212	0.0300
	Level of Education ( $X_4$ )	-0.780	0.363	-2.146	0.0351
	Regional Origins ( $X_5$ )	2.290	2.515	0.910	0.3655

Source: Eviews 10 Ouput, Data Processed, 2024

Based on the data presented in Table 7, the multiple linear regression equation can be formulated below:

$$\hat{Y} = 47,973 (\beta_0) + 1,223 (X_1) + 1,961 (X_2) - 0,149 (X_3) - 0,780 (X_4) + 2,290 (X_5)$$

### 4.2.4. Partial Test Results (t test)

A review of the output data analysis presented in Table 7, reveals the following partial test (t test) results for this research:

#### A. Effect of Business Capital ( $X_1$ ) on Revenue (Y)

The t-statistic value of Business Capital ( $X_1$ ) is 11.075 (positive)  $> 1.671$  t table value and Prob value. The p-value of 0.000 is less than the 0.05 ( $\alpha = 5\%$ ). This suggests that the business capital variable exerts a partial positive and significant influence on the revenue of ornamental plant businesses in East Denpasar District, Denpasar City. The regression coefficient value of Business Capital ( $X_1$ ) is 1.223, indicating that a one million Rupiah increase in business capital will result in a 1.223 million Rupiah rise in revenue, under the assumption that the other independent variables (X) remain constant.

These results are in line with those stated by Rita (2010) who states that capital will affect the development of an agricultural business, especially in the production activities carried out which are expected to affect revenue. This research supports the result of research from Sudarsani (2019) who conducted that business capital partially has a positive and significant effect on the revenue of the ornamental plant business in Petiga Village, Marga District, Tabanan Regency, and research from Ritonga et al. (2022) who conducted that business capital has a positive and significant effect on the revenue of oil palm farmers in the Tanjung Medan district of Rokan Hilir Regency, Riau Province. Business capital plays a critical role in the productivity of an agricultural enterprise. The integration of business capital has been demonstrated to influence the nature of production activities, thereby affecting the level of revenue generated.

## B. Effect of Labor ( $X_2$ ) on Revenue (Y)

The t-statistic value of Labor ( $X_2$ ) is 2.145 (positive) > 1.671 t table and Prob value. The p-value of 0.0352 is less than 0.05 ( $\alpha = 5\%$ ), indicating that the labor variable exerts a partial positive and significant influence on the income of ornamental plant businesses in East Denpasar District, Denpasar City. The regression coefficient of Labor ( $X_2$ ) is 1.961, indicating that the addition of one laborer to an ornamental plant businesses will result in an increase in income of 1.961 million Rupiah, under the assumption that all other independent variables (X) remain constant.

The results of this research align with findings from the research conducted by Emran & Shilpi (2016), which indicates that labor has a positive effect on the productivity of the agricultural sector in Bangladesh. This suggests that an increase in productivity in the agricultural sector will also affect the absorption of labor in the sector. Research conducted by Mahayasa & Yuliarmi (2017) found a positive relationship between labor and the productivity of wood carving handicraftsmen in Tembuku District, Bangli Regency. The study indicated that an increase in labor leads to an increase in the productivity and revenue of wood carving handicraftsmen. Research conducted by Meilinda & Mahmud (2020) also found the positive and significant effect of labor on the revenue of Creative Economy Micro, Small, and Medium Enterprises (MSMEs) in Semarang City, Central Java. Labor constitutes a fundamental production factor for ornamental plant businesses. It functions as a catalyst, facilitating the operation of other production factors and thereby enabling the execution of production activities. Consequently, labor exerts a significant influence on the augmentation of revenue for ornamental plant businesses in East Denpasar District, Denpasar City.

## C. Effect of Working Hours ( $X_3$ ) on Revenue (Y)

The t-statistic value of Working Hours ( $X_3$ ) is -2.212 (negative) < 1.671 t table and Prob value.  $0.0300 < 0.05$  ( $\alpha = 5\%$ ), indicating that the working hours variable does not have a significant impact on income for ornamental plant businesses in East Denpasar District, Denpasar City. The regression coefficient value of Working Hours ( $X_3$ ) is -0.149, indicating that an additional hours of work does not result in a significant increase in income for ornamental plant businesses. According to Arifin & Nasrum (2015), agricultural businesses require a different allocation of working time compared to other forms of business. According to Soekartawi et al. (1986), a farmer basically aims to obtain a level of income with the limited resources they have with various other factors that affect their production activities, one of which is the decision of the farmer to work or enjoy his free time.

Based on the results of interviews conducted, working hours or business operating hours of ornamental plant business actors in East Denpasar District can be said to be unpredictable and can even exceed the average working hours based on Law of The Republic Indonesia Number 11 of 2020 on Job Creation (Omnibus Law), which is 40 hours a week. In addition, the results of the interview also explained that ornamental plant sales activities depend on buyers or consumers who come or visit ornamental plant businesses, there are certain times and days for buyers or consumers of ornamental plants to visit to obtain ornamental plant products.

The results of the study support the results of research conducted by Darmawan (2021) which states that, working hours partially have a negative and significant effect on the income of offset printing business actors in the Bungur Kota area, Central Jakarta. Another study conducted by Liswatin (2022) also stated that working hours had no effect on increasing the revenue of clothing shop entrepreneurs in Unaaha District, Konawe Regency, Southeast Sulawesi Province. There is another research conducted by Ananda & Purbadharmaja (2024) which also states that working hours have a negative effect on the income of roof tile

businesses in Darmasaba Village, Badung Regency, Bali Province. The addition of working hours in the roof tile industry is thought to have an effect on the decline in roof tile business revenue.

#### **D. Effect of Education Level ( $X_4$ ) on Revenue (Y)**

The t-statistic value of the Education Level ( $X_4$ ) is -2.146 (negative) < 1.671 t table and the Prob value. The p-value of 0.0351 exceeds the 0.05 threshold ( $\alpha = 5\%$ ), indicating that the variable of education level ( $X_4$ ) exhibits a non-significant impact on the income of ornamental plant businesses in East Denpasar District, Denpasar City. The regression coefficient value of the level of education ( $X_4$ ) is -0.780, indicating that an increase in the year of the level of education possessed by business owners is unable to increase their revenue.

Arifin & Nasrum (2015) asserts that the educational attainment of farmers and agricultural business actors does influence their managerial skills, particularly those pertaining to the production process and income levels. Nevertheless, additional factors, including business experience, organizational membership, the scale of agricultural business, and any others, also contribute to the farmers' ability to manage their business. The findings of this research support the conclusions of Maheswara et al (2016) study, which asserts that the educational attainment of farmers has a negative impact on the income of MSMEs in Denpasar City. Research by Padmisari & Rosdiantini (2021) indicates that farmer training through non-formal education affects income and production. Furthermore, research conducted by Permatasari & Satriani (2024) asserts that the impact of non-formal education, measured in terms of training duration and business experience, on the income of rice farmers in Bulakpacing Village, Dukuhwaru District, Tegal Regency, Central Java, is significant.

Based on a series of in-depth interviews conducted for this study, indicates that individuals engaged in the ornamental plant business possess a set of capabilities related to the maintenance and execution of operational activities within their business. These competencies are largely informed by the respondents' accumulated experience (informal education), suggesting that skills not necessarily obtained through formal educational programs can nevertheless influence the efficacy with which these businesses are managed.

#### **E. Effect of Regional Origins ( $X_5$ ) on Revenue (Y)**

The t-statistic value of Regional Origin ( $X_5$ ) is 0.910 (positive) < 1.671 t table and the Prob value. The p-value of 0.3655 is greater than 0.05 ( $\alpha = 5\%$ ), This suggests that the regional origin variable ( $X_5$ ) has a non-significant effect on the income of ornamental plant business actors in East Denpasar District, Denpasar City. The regression coefficient value of regional origin ( $X_5$ ) is 2.290, indicating that ornamental plant business owners originating from Bali have a higher income level of 2.290 million Rupiah compared to ornamental plant business owners from the other regions. The test results indicate a positive relationship between regional origin and income, though the effect is not statistically significant. While the mean income of ornamental plant businesses from Bali exceeds that of those from other regions, the impact of regional origin is deemed statistically insignificant.

Sinaga et al. (2022) research study makes a comparison between the income levels of local and non-local fishermen in Payum Village, Samkai Village, Merauke District, Merauke Regency. The results of the study indicate that, on average, local fishermen have higher annual incomes than non-local fishermen. This disparity in income levels can be attributed to the fact that local fishermen are able to engage in fishing activities four to five days a week, whereas non-local fishermen only do so one day a week. Research conducted by Raux (2023) examined the disparities in income levels between migrant workers in Germany. The study's findings indicated that income disparities among migrant workers in Germany are attributable to their

geographical origins. Specifically, migrant workers from certain regions or countries are often confronted with lower income levels due to cultural differences.

According to the results of the study, regional origin does not exert a statistically significant influence on the income of ornamental plant business owners. The intensity of yadnya or religious activities among ornamental plant business owners from Bali, who are expected to allocate time to their business operations, does not have a substantial impact on the business activities they engage in.

## 5. Conclusion

Business Capital, Labor, Working Hours, Education Level, and Regional Origin collectively have a significant impact on the income of ornamental plant businesses in East Denpasar District, Denpasar City. Partially, Business Capital and Labor exhibit a positive and significant influence on income.

Conversely, Working Hours and Education Level do not have a positive effect and do not significantly contribute to increasing income. Regional Origin shows a positive relationship in partial testing but does not have a statistically significant impact on income. While the average income of ornamental plant business owners from Bali is higher than those from outside Bali, the effect of Regional Origin remains statistically insignificant.

Future research is expected to further refine the comprehension of the factors that influence revenue. This will be achieved by exploring other variables that were not examined in the present study. Additionally, although the regional origins variable did not demonstrate a statistically significant effect, further research can examine different methods of measuring these regional origins variable.

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