

The Effect Of Hotel Occupancy Rates, Tourist Visits, And Length Of Stay Of Tourists On Labor Absorption And Local Revenue Of Regency / City In Bali Province

Ni Komang Triana Agustini¹, Putu Ayu Pramitha Purwanti²

¹ Department of Economics, Udayana University,
Denpasar, Bali, Indonesia

² Department of Economics, Udayana University,
Denpasar, Bali, Indonesia

Abstract

Bali Province is one of the most well-known tourist destinations both domestically and abroad. Along with the large number of tourists who come to visit, it will trigger people to open businesses that support tourism activities such as hotels, restaurants, transportation services and others. The purpose of this study is to determine the effect of hotel occupancy rates, tourist visits and length of stay of tourists on labor absorption and local revenue in the Regency / City of Bali Province. This study used non-participant techniques with a total of 45 observations. The data analysis techniques used in this study were path analysis and sobel test. The results of the study found that hotel occupancy rates, tourist visits, and length of stay of tourists directly had a positive and significant effect on employment in the Regency / City of Bali Province. Hotel occupancy rates directly have a positive and significant effect on local revenue in the Regency / City of Bali Province. Tourist visits directly have a negative effect on local revenue in the Regency / City of the Province of Bali. The length of stay of tourists directly has a positive and significant effect on local revenue in the Regency / City of the Province of Bali. Absorption of labor directly has a positive and significant effect on local revenue in the Regency / City of the Province of Bali. Absorption of labor is not an intervening variable of hotel occupancy rates and local revenue. Labor absorption as an intervening variable of the effect of tourist visits on local revenue. Labor absorption is not an intervening variable of the length of stay of tourists and local revenue.

Keywords: *Labor Absorption, Local Revenue, Hotel Occupancy Rates, Tourist Visits, Length of Stay of Tourists.*

1. Introduction

The development of the tourism industry can increase regional income, besides that the tourism sector can also stimulate new infrastructure investment to support the sustainability of tourism in an area. The tourism sector is a business activity that can be carried out to increase local revenue, therefore the regional tourism potential development program is expected to contribute to economic development. With the rapid development of tourism, it will have a direct impact on the trade, hotel and restaurant sector so that it can increase local revenue and regional economic growth (Cahaya and Ayuningsasi, 2020). In addition to increasing local revenue, the tourism sector can also increase the income of the national community, reduce unemployment, create jobs and improve people's welfare (Udayantini, et al. 2015). Bali is a tourist destination which is famous for its natural beauty in the world and nationally so it is very interesting to visit. Starting from the customs, culture and habits of the Balinese people that make this area different from Indonesian society in general so that it attracts tourist arrivals.

According to Purwanti and Dewi (2014), the influence of the number of tourist visits contributes to the development of the tourism industry and local revenue so that domestic and foreign tourists are attracted to visit. Regarding the length of stay of foreign tourists in regencies / cities in Bali Province, it varies widely, the factor of length of stay of tourists is indeed one of the factors that determine the size of the income received for countries that rely on foreign exchange from the tourism industry. From an economic perspective, tourism activities can contribute to regional revenues from taxes, parking fees and tickets or can bring in foreign exchange for the country from foreign tourist visits (Fatmawati, 2016).

In line with the increase in tourist visits, it will trigger people to open businesses that support tourism activities such as hotels, restaurants, transportation services and others. This will increase local revenue through taxes and fees from tourism businesses run by the government. Indirectly, the existence of this tourism business will increase employment opportunities for the community around the tourist area. Sustainable tourism is defined as tourism development that can meet the needs of tourists and host communities by conserving and increasing opportunities for the future. The concept of sustainable tourism development is an ideal concept in developing countries (Ananta et al, 2020). The development of the tourism industry has a positive effect on the expansion of job opportunities, although in particular the hospitality sector is labor intensive (Spillane, 2002). It can be concluded that if there is an increase in the number of hotels and the number of rooms in an area, the employment will increase. The large number of tourist visits causes the tourism sector to have the potential to increase local revenue. Local revenue is one indicator of the independence of regional autonomy in exploring the potential to increase revenue sources. The greater the regional original income, the region will be independent in determining development decisions and policies. The large contribution of government spending to regional economic growth should be an opportunity that can be optimally utilized to boost the regional economy.

When the occupancy rate of hotel rooms has increased, the company will increase the workforce for hotels' readiness to serve tourists staying at the hotel. Yoga (2017) in his research states that the length of stay of tourists has a positive and significant effect on the welfare of the community. Where the increase in the length of stay of tourists in a tourist destination can open opportunities to absorb labor.

2. Literature Review

Sunarta and Sukma Arida (2017)

The tourism industry aims to provide attractiveness so that tourism can be considered as something more meaningful to the economy of a country, especially developing countries. The term tourism industry aims to convince people that tourism can have a positive impact on the economy, especially the impact of the multiplier effect.

Masayu Rahma and Catur Martian (2017)

Which state that if the local revenue has reached 20 percent of regional expenditure, then the regional financial source is said to be sufficient so that the dependence of the regional government on the central government becomes small. So, the greater the percentage of local revenue to regional expenditure, the regional autonomy can be said to be running well.

Santhi (2018)

Which states that tourist visits, length of stay, occupancy rate and the number of tourist objects on the local revenue of Karangasem regency have a positive effect on the regional income of Karangasem regency.

3. Problem Formulation

The hypothesis of this project is:

- a) Hotel occupancy rates, tourist visits, and length of stay of tourists directly have a positive effect on employment in the regency / city in Bali Province
- b) Hotel occupancy rates, tourist visits, length of stay of tourists and labor absorption directly have a positive effect on local revenue in regencies / city in Bali Province.
- c) There is an indirect effect on the occupancy rate, tourist visits, length of stay of tourists on local revenue through the absorption of labor in the regencies / city in Bali Province.

4. Research Methodology

The approach used in this research is an associative quantitative approach. The location of this research was conducted in the Regency / City in Bali Province. The location selection was based on the fact that Bali Province is an area which is well known for having a superior tourism sector. This study focuses on the study of five main variables such as Hotel Occupancy Rates, Tourist Visits, Length of Stay of Tourists, Labor Absorption and Local Revenue. The number of observations in this study were nine regencies / cities in Bali Province in the period 2015 to 2019 (five years), so the number of observations was 45. The data collection method used in this study is the non-participant observation method. This study

uses quantitative and qualitative data, such as explanations of theories and data obtained from various sources regarding the variables in the study. The data source was obtained from the Bali Province Central Bureau of Statistics and the Bali Province Tourism Office. Data analysis techniques were carried out using path analysis.

5. Analysis Result

Description of Research Data

- Local Revenue by regencies / cities in Bali Province 2015-2019 (in million Rupiah) is 45 samples. The mean or average value is Rp. 805,627,174.9. The minimum value is Rp. 45,721,018 in 2015 by Gianyar Regency and the maximum value was Rp. 6,791,520.73 in 2019 by Badung Regency. The standard deviation is Rp. 1,389,163,520,836.
- Population of Regency / City Labor Force in Bali Province in 2015-2019 (people) amounted to 45 samples. The mean or average value is 271,139.56. The minimum score of 104,956 people in 2017 by Klungkung Regency and the maximum value of 526,205 people in 2018 by the City of Denpasar. Standard deviation of 122,197,027 people.
- The Occupancy Rate of Regency / City Hotel Rooms in Bali Province 2015-2019 (in percent) totaled 45 samples. The mean or average value is 29.3251 percent. The minimum value of 2.60 percent in 2018 by Bangli Regency and the maximum value of 64.24 percent in 2019 by Klungkung Regency. Standard deviation of 14.88925 percent.
- The level of tourist visits from regencies / cities in Bali Province in 2015-2019 (in people) is 45 samples. The mean or average value is 1,871,027.00 people. The minimum score was 156,247 people in 2015 by Jembrana Regency and the maximum value was 5,533,745 people in 2018 by Tabanan Regency. Standard deviation of 1,870,254,586 people.
- The length of stay of domestic and foreign tourists in regencies / cities in Bali Province in 2015-2019 (days) totaled 45 samples. The mean or average value is 2.2531 days. The minimum value is 1.02 days in 2019 by Jembrana Regency and the maximum value is 3.95 days in 2016 by Gianyar Regency. The standard deviation is 0.89835 days.

Total Determination Coefficient Value

Based on the calculation of the total coefficient of determination, it is found that the diversity of data that can be explained by the model is 81.6 percent or in other words 81.6 percent of the data can be explained by the model, while 18.4 percent is explained by other variables outside the model.

Research Hypothesis Testing Results

The direct effect of hotel occupancy rates on labor absorption in the Regency / City of Bali Province

Based on the test results, it is obtained that the value of standardized coefficients Beta is -0.549 with sig 0.010 < 0.05, it can be concluded that the hotel occupancy rate directly has a significant effect on labor absorption in the Regency / City of Bali Province. This research is in line with Hasna (2019) which states that hotel occupancy rates directly have a significant effect on Labor Absorption in the Regency / City of Bali Province. The results showed an increase in the number of hotels, both star and non-star hotels during the period 2011-2015 in the Regency / City of the Special Region of Yogyakarta, only increased the income of the tourism sector and was not accompanied by a large labor absorption and an increase and decrease in the number of hotels. causing a decrease in the workforce and the existence of certain criteria both in terms of work experience and level of education desired by hotels, especially star hotels in absorbing labor and hotels that are capital intensive. The large number of domestic tourists compared to foreign tourists has resulted in a decrease in hotel occupancy. However, it does not mean that the increase in the number of hotels has no effect on employment, but the effect is very small. With the availability of adequate hotel rooms, tourists will not hesitate to visit an area, especially if the hotel is comfortable to stop by tourists will feel safer, more comfortable and at home to stay longer in tourist destinations. The tourism industry, especially activities related to lodging, will benefit from the sale of hotel rooms. According to Sari (2013), Bali tourism is the most advanced and developing sector, but it still needs to be developed more modernly because it is felt that the tourism sector is considered to have made a positive contribution in driving other economic sectors such as employment. So, the opportunity to increase people's income and equal distribution of distribution is increasingly being felt, which leads to the welfare of the community.

The direct effect of tourist visits on labor absorption in the Regency / City of Bali Province

Based on the results of the study, the value of standardized coefficients Beta is 0.477 with sig 0.000 <0.05, it can be concluded that tourist visits directly have a significant effect on labor absorption in the Regency / City of Bali Province. The results of this study support the research conducted by Damayanti and Kartika (2016) which states that tourist visits have a positive and significant effect on labor absorption. According to Damayanti and Kartika (2016) an increase in tourist visits and tourist spending can affect the performance of the regional economy, namely increasing income from economic sectors and developing employment opportunities. Labor absorption in the tourism sector depends on high tourist visits, this is because if tourist visits are high, the demand for goods and services in the tourism sector is high, so it must increase the amount of production so that the balance between demand and supply is maintained. The increase in the amount of production affects the supply of labor and this can offset the demand for labor so that the tourism sector can absorb labor optimally. Tourist visits are expected to increase labor absorption in the tourism sector and other sectors so that there is no imbalance between labor demand and labor supply so that poverty is avoided. Poverty is defined as a low standard of living, that is, there is a level of material deficiency compared to the standard of living generally applicable in the community concerned (Wiagustini, et al, 2017).

The direct effect of the length of stay of tourists on the labor absorption in the Regency / City of Bali Province

Based on the test results, it is obtained that the value of standardized coefficients Beta is 0.646 with sig 0.003 <0.05, it can be concluded that the length of stay of tourists directly has a significant effect on labor absorption in the Regency / City of Bali Province. This research is in line with Suastika's research (2017) which states that the more comfortable a tourist is in a tourist destination it will have an impact on the length of stay of these tourists. Thus, the length of stay of tourists will have an effect on the welfare of the workforce or stakeholders in the tourism sector activities according to the length of stay of tourists and have a positive and significant effect on the workforce. The increase in the number of tourist visits will have an impact on increasing the tourism sector which requires a lot of labor that can be absorbed from the community in order to support the success of the tourism sector and can create jobs so that welfare increases.

The direct effect of hotel occupancy rates on local revenue in the Regency / City of Bali Province

Based on the test results, it is obtained that the value of standardized coefficients Beta is 0.408 with sig 0.008 <0.05, it can be concluded that the Hotel Occupancy Rate directly has a significant effect on local revenue in the Regency / City of Bali Province. This is due to the large number of hotels and villas in tourist destinations implementing maximum services in regencies / cities in Bali Province. The rise of illegal hotels and villas that have sprung up in regencies / cities in Bali, especially tourism areas that have attractive tourism destinations, has made competition between hotels increasingly competitive, even though the number of hotels in regencies / cities in Bali Province is quite a lot. The low length of stay of tourists is due to tourists staying at illegal villas and hotels that have not been registered. Another factor is that hotel managers do not pay hotel and restaurant taxes by 10 percent to the regional revenue office, this in turn will affect hotel tax revenue, so that it will indirectly affect the original income of districts / cities in Bali Province. The results of this study are in line with research conducted by Wijaya (2011), which found that the length of stay of tourists did not have a significant effect on local revenue in Badung Regency in 1997-2010.

The direct effect of tourist visits on local revenue in Regencies / Cities in Bali Province

Based on the test results, it is obtained that the value of standardized coefficients Beta is -0.074 with sig 0.620 >0.05, it can be concluded that tourist visits do not have a significant effect on local revenue in the Regency / City of Bali Province. This is in line with research by Amerta and Budhiana (2014) which states that domestic tourist visits have a negative effect on local revenue in Badung Regency. This is because major national and international events are rarely or even not held within the timeframe of the research observations so that tourist visits cannot provide the maximum contribution which can be seen from tourist visits which tend to be stagnant. The results of this test support the research conducted by Cindy (2019) explaining that the number of tourists and hotel occupancy rates do not have a significant effect on hotel tax revenue (Local Revenue sector) because based on data obtained, national and international tourist visits to Palembang City can increase significantly if there are national and international events, while there are fewer weekdays.

The direct effect of the length of stay of tourists on local revenue in the Regency / City of Bali Province

Based on the test results, it is obtained that the value of standardized coefficients Beta is 0.238 with sig 0.030 <0.05, it can be concluded that the length of stay of tourists directly has a significant effect on local revenue in the Regency / City of Bali Province. This research is in line with research conducted by Skufic and Stokovic (2011) which states that the longer tourists stay in a tourist destination, the more money is spent in the tourist destination. The existence of consumptive

activities from both foreign and domestic tourists will increase revenue from the tourism sector in an area and support regional economic growth (Adyharjanti, 2020). Tourists who come and visit West Manggarai Regency pay for their daily needs in carrying out tourism activities. The length of stay of tourists in West Manggarai Regency has increased positively every year so that the local revenue will increase.

The direct effect of labor absorption on local revenue in the Regency / City of Bali Province

Based on the results of the test, it was obtained that the value of standardized coefficients beta was 0.560 with $\text{sig } 0.000 < 0.05$, it can be concluded that labor absorption directly has a significant effect on local revenue in the Regency / City of Bali Province. This study is in line with research by Anwar (2014) and Shella (2014) which state that labor absorption has a direct and significant effect on local revenue. An increase in labor which is balanced with an increase in the resulting output can boost this local revenue. Increasing the number of workers will allow an area to increase its production in order to produce goods and services that are needed by society. According to Todaro (2000: 112), the growth of the labor force is traditionally considered as one of the positive factors that spur economic growth, a larger number of workers means that it will increase the level of production.

Sobel test results

Mediation Test of Labor Absorption variable (Y1) on the effect of Hotel Occupancy Rate (X1) on Regional Original Income (Y2)

Based on the test results, the calculated Z value of $-0.032 < 1.96$ means that employment is not an intervening variable, meaning that the hotel occupancy rate does not have an indirect effect on local revenue through employment. This is because the function of the hotel is not only as a place to stay for tourist purposes but also for other purposes such as running business activities, holding seminars or just to get peace. Hospitality has a role as a driver of regional development, it needs to be developed properly so that it can increase community income, local revenue, absorption of labor and business expansion.

Mediation Test of Labor Absorption Variables (Y1) on the effect of Tourist Visits (X2) on Local Revenue Y2)

Based on the test results, the calculated Z value of $4.033 > 1.96$ means that labor absorption is an intervening variable, which means that tourist visits have an indirect effect on local revenue through labor absorption. As a source of income, tourism cannot be separated from the influence of the number of tourist visits. The advancement of the tourism sector in an area is very dependent on the number of tourists who visit, so that it can cause an increase in labor absorption which ultimately brings revenue to the area it visits.

Mediation Test of Labor Absorption Variables (Y1) on the effect of the Length of Stay of Tourists (X3) on Local Revenue (Y2)

Based on the test results, the calculated Z value of $0.420 < 1.96$ means that labor absorption is not an intervening variable, which means that the length of stay of tourists does not have an indirect effect on local revenue through labor absorption. This is because the length of stay is the number of days spent by a tourist in a country outside his / her residence (Ministry of Tourism, 2016). The factor of length of stay of tourists is indeed one of the factors that determines the size or size of the income or foreign exchange received for countries that rely on foreign exchange from the tourism industry. The longer a tourist stays in a tourist destination, the more money is spent in that area so that the length of time the tourists stay does not have an indirect effect on local revenue through labor absorption. At least for the purposes of eating and drinking as well as hotel accommodation while staying there.

6. Conclusion

Based on the results of the analysis and previous discussion, several conclusions can be drawn. Hotel occupancy rates directly have a positive and significant effect on labor absorption in the regencies / cities of Bali Province. Tourist visits directly have a positive and significant effect on labor absorption in the Regency / City of the Province of Bali. The length of stay of tourists directly has a positive and significant effect on labor absorption in the Regency / City of the Province of Bali.

Hotel Occupancy Rate has a positive and significant effect directly on local revenue in the Regency / City of Bali Province. Tourist visits directly have a negative and insignificant effect on local revenue in the Regency / City of Bali Province. The length of stay of tourists directly has a positive and significant effect on local revenue in the Regency / City of

the Province of Bali. Labor absorption directly has a positive and significant effect on local revenue in the Regency / City of Bali Province.

Labor Absorption (Y1) is not an intervening variable, the effect of Hotel Occupancy Rate (X1) on Local Revenue (Y2). Labor Absorption (Y1) as an intervening variable of the influence of Tourist Visits (X2) on Local Revenue (Y2). Labor Absorption (Y1) is not an intervening variable for the effect of the length of stay of tourists (X3) on Local Revenue (Y2).

As for some suggestions that can be given, such as efforts that must be made so that hotels in the Regency / City in Bali Province, both star hotels and not, are able to improve the quality of service and security so that guests can feel comfortable and feel safe to stay longer. at the hotel. The facilities provided can be in the form of services for transportation to tourist sites, diving, surfing and so on. Efforts should be made to increase the number of tourist visits. One of the efforts that need to be considered is the need to carry out promotions for existing tourist objects, arts and culture so that they can become an attraction for tourists to come to visit. As well as security guarantees for tourists, which are the main attraction of tourists, need to be improved so as to create comfort and security for tourists who visit. Tourism income, which is influenced by hotel occupancy rates, number of tourists and length of stay, needs to be paid more attention by attracting investors to invest in the tourism sector, developing information on investment opportunities in the tourism sector, and increasing and providing convenience in granting tourism industry permits and easy licensing of object utilization. To increase the number of tourist visits, the Regency / City government in Bali Province needs to increase activities in tourist objects that can increase the length of stay of tourists which in turn will increase the tourism object retribution, so that it will increase local revenue which can increase the regional development budget. These activities can be in the form of entertainment, sports, camping, competitions, promotions, as well as communication and guidance to the tourism industry, so that later the contribution of the number of tourists to the income of the tourism sector is greater.

7. References

1. Adyahrjanti, Andhiny dan Hartono, Djoni. 2020. Dampak Pengeluaran Wisatawan Mancanegara Terhadap Perekonomian Indonesia: Analisis Input Output Miyazawa. *Jurnal Ekonomi Kuantitatif Terapan*, Vol. 13, No. 1, pp. 33-54
2. Cahaya Septya Dewi, Ni Putu dan Ketut Ayuningsasi, A.A. 2020. The Effect Of Tourism Sector on Regional Financial Autonomy And Economic Growth in Regency/ City Of Bali Province. *American Journal Of Humanities And Social Sciences Research*, Vol. 4, No. 3, pp. 472.
3. Cindy, Pratiwi Anisa. 2019. Pengaruh Jumlah Wisatawan dan Hotel Terhadap Pendapatan Asli Daerah Kabupaten/Kota di Daerah Istimewa Yogyakarta Tahun 2012-2018, Universitas Ahmad Dahlan
4. Damayanti, dan Kartika, 2016. Pengaruh Kunjungan Wisatawan Asing Dan Investasi Terhadap Penyerapan Tenaga Kerja Serta Pertumbuhan Ekonomi, *E-Jurnal Ekonomi Pembangunan Udayana*. Vol. 5. No.7. Fakultas Ekonomi dan Bisnis Universitas Udayana
5. Kalebos, Fatmawati. (2016). Faktor-Faktor Yang Mempengaruhi Kepuasan Wisatawan Yang Berkunjung Ke Daerah Wisata Kepulauan. *Jurnal Riset Bisnis dan Manajemen*, Vol. 4, No. 3, pp. 490
6. Prathama, Ananta., Nuraini, Risca Evia., dan Firdausi, Yulita. 2020. Pembangunan Pariwisata Berkelanjutan Dalam Prespektif Lingkungan (Studi Kasus Wisata Alam Waduk Gondang di Kabupaten Lamongan). *Jurnal Sosial EkonomidanPolitik*, Vol. 1, No. 3, pp. 33
7. Purwanti, Novi Dwi and Dewi, Retno Mustika. 2014. Pengaruh Jumlah Kunjungan Wisatawan Terhadap Pendapatan Asli Daerah Kabupaten Mojokerto Tahun 2006-2013. *Jurnal Pendidikan Ekonomi Universitas Negeri Surabaya*, Vol. 2, No. 3, pp. 4
8. Skulfic, Lorena and Stokovic Igor. 2011. Demand Function for Croation Tourist Product: A Panel Data Approach Economy, Vol. 2, No. 1, pp. 49-53
9. Spillane, J. 2002. *Ekonomi Pariwisata Sejarah dan Prospeknya*. Kanisius. Yogyakarta.
10. Sunarta, Nyoman., dan Nyoman Sukma Arida. 2017. *Pariwisata Berkelanjutan*. Denpasar: Cakra Press

11. Todaro, Michael, dan Smith, Stephen. 2004. *Pembangunan Ekonomi Dunia Ketiga*. Jakarta: Erlangga
12. Udayantini, K.D., Bagia, I.W dan Swendra, I.W. 2015. Pengaruh Jumlah Wisatawan dan Tingkat Hunian Hotel terhadap Pendapatan Sektor Pariwisata di Kabupaten Buleleng periode 2010-2013. *E-Journal Bisma*. Universitas Pendidikan Ganesha Jurusan Manajemen, Vol. 3, No. 5.
13. Wati, Masayu Rahma dan Fajar, Catur Martian. 2017. Pengaruh Pendapatan Asli Daerah dan Dana Perimbangan Terhadap Belanja Daerah Kota Bandung. *Jurnal Kajian Akuntansi*, Vol. 1, No. 1, pp. 65.
14. Wiagustini, dkk. 2017. Potensi Pengembangan Investasi Berbasis Ekonomi Kreatif di Kota Denpasar. *Jurnal Ekonomi Kuantitatif Terapan* Vol. 10 No. 2
15. Wijaya, I Nengah. 2011. Pengaruh Jumlah Wisatawan Mancanegara, Lama Tinggal dan Kurs Dolar Amerika Terhadap Penerimaan Produk Domestik Regional Bruto Industri Pariwisata Kabupaten Badung Tahun 1997-2010. *E- Jurnal Ekonomi Pembangunan Udayana*, Vol. 6, No. 6
16. Yoga Suastika, I Gede dan Mahendra Yasa, I Nyoman. 2017. Pengaruh Jumlah Kunjungan Wisatawan, Lama Tinggal Wisatawan, dan Tingkat Hunian Hotel Terhadap Pendapatan Asli Daerah dan Kesejahteraan Masyarakat Pada Kabupaten/Kota di Provinsi Bali. *E-Jurnal Ekonomi Pembangunan Udayana*, Vol. 6, No. 7, pp. 1333-1334
17. Yuliarmi, Ni Nyoman dan Santhi Permata Sari. 2018. Pengaruh Kunjungan Wisatawan, Lama Tinggal, Tingkat Hunian dan Jumlah Objek Wisata Terhadap Pendapatan Asli Daerah Kabupaten Karangasem. *E-Jurnal Ekonomi Pembangunan Udayana*, Vol. 7, No. 6, pp. 1293