Analysis of Labor Absorption in the Dodol Industry in Suranadi Village, Narmada District, West Lombok Regency

Saptia Ningsih¹, Helmy Fuadi², Titi Yuniarti³

^{1,2,3} Ilmu Ekonomi Studi Pembangunan, Universitas Mataram

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Keywords:

Capital Labor Production Value Wages This research aims to analyze the application of labor in the dodol industry in Suranadi Village, Narmada District, West Lombok Regency. Data comes from 13 respondents who are owners of the dodol industry with the data collection method used is the census method and questionnaire distribution techniques as data collection tools. The analytical instrument employed is multiple linear regression, accompanied by the classical assumption tests, which encompass three evaluations: the normality test, multicollinearity test, and heteroscedasticity test, as well as the statistical assessment known as the simultaneous test (F test). partial test (t-test) and coefficient of determination. The research results show that the production value and capital wage variables have a significant value of 0.000 <0 05, which means they are simultaneous. has a significant influence on labor absorption. Individually, the wage variable has a significant value of 0.043 < 0.05. the production value variable is 0.040 < .05, and the capital variable is 0.043 <0.05, which means that partially the wages, production value and capital variables have a significant influence on the application of labor force.

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Corresponding Author:

Name: Saptia Ningsih Institution: Ilmu Ekonomi Studi Pembangunan, Universitas Mataram Email: <u>Saptianingsih23@gmail.com</u>

1. INTRODUCTION

Economic development has three main dimensions, namely: creating economic growth, overcoming poverty through employment, and transforming the structure of the economy. As one of the countries with the largest population, Indonesia also has large labor potential. Population growth which increases from year to year is accompanied by growth in the labor force (working age population looking for work) in other words, the supply of labor in the market also increases [1]. As per the Central Statistics Agency (BPS), Indonesia's population has attained 278.69 million individuals by mid-2023. This figure represents a 1.05% increase over the prior year, with a population of 275.77 million individuals. The results of the population census show that rapid population growth without the availability of adequate employment opportunities will create population, employment and poverty problems.

According to the Central Statistics Agency on National Labor Force Survey, (Sakernas) August 2022 according to Regency/City, the total workforce in NTB is 2.80 million people. Where the employed population is 2.72 million people and the unemployed are 80 thousand people or 2.89 percent of the total population in NTB. West Lombok Regency is in first place with the highest number of unemployed, namely 16.37 thousand people. The unemployment rate which is still high and increasing will trigger instability. social and economic The alternative policy implemented by the NTB government in dealing with the large number of unemployed is through sectoral policy. The economic sector has a central role in opening up job opportunities. Various economic subsectors, including industry, can make an important contribution to labor absorption. Industry includes various types of manufacturing and production, often creating large numbers of jobs.

The industrial sector serves as a development. crucial engine of The advancement of the industrial sector is anticipated to stimulate and promote the growth of other sectors, including agriculture and services. The industrial sector possesses numerous advantages over other sectors, including substantial embedded capital capacity, the capability to employ a significant workforce, and the potential to generate additional value from each input, which can enhance export levels.

Table 1. Percentage of Population Aged 15 Years and Over Working According to Regency/City and Main Employment in NTB province

	Main Jab Fielde						
		1	Main Job	Fields			
D /	A			Wholesale and	Provision of		
City	Agriculture,	Processing	Construction	Retail Trade, Car &	accommodation		
City	Forestry and	industry	Construction	Motorcycle Repair	and food and		
	risheries			& Maintenance	drink		
West Lombok	26.63	11.69	8.41	22.64	5.51		
Central Lombok	37.80	15.72	8.00	19.32	3.21		
East Lombok	42.51	10.53	5.38	23.95	2.77		
Sumbawa	40.26	6.98	5.13	20.24	3.79		
Dompu	38.31	4.53	4.72	21.89	4.92		
Bima	44.24	7.43	2.47	19.62	2.94		
West Sumbawa	25.79	5.48	6.63	19.76	7.17		
North Lombok	50.09	7.82	6.21	19.87	3.66		
Mataram City	3.44	6.40	6.78	28.97	14.22		
Bima City	15.02	10.05	5.75	21.37	6.77		
West Nusa	24 55	10.11	(10	22.04	4 59		
Tenggara	34.57	10,11	6.19	22.04	4.78		

Source: BPS, National Labor Force Survey (Sakernas) August 2022

Based on table 1, the processing industry in NTB province is the third contributor to the percentage of population aged 15 years and over who work by Regency/City and is the main employment sector in NTB province with a value of 10.11% of the total working population in 2022. Although the industrial sector processing is under the agricultural and trade sectors, but the processing industrial sector is considered to be able to overcome the problems of unemployment, employment and poverty in NTB, this is because the processing industrial sector can absorb more workers, in small, medium to large industrial sectors which are labor intensive. so it can absorb a lot of labor. Labor absorption in industry is influenced by several factors. [2] factors that influence labor absorption are wage levels, production value, and investment. Meanwhile, [3] which influences labor absorption includes wage levels, labor productivity and capital.

Through a combination of large industry, medium industry and small industry, the economic ecosystem can be diverse and provide extensive employment opportunities. Every policy that supports industrial growth and sustainability will have a positive impact on labor absorption, especially small industries. According to [4], The advancement of small industries is regarded as a significant factor in the progression of the manufacturing sector. The advancement of small industries will address unemployment issues, as the used technology labor-intensive, hence enhancing is employment and entrepreneurial chances, which subsequently promotes regional and rural development. Researchers identified the dodol industry in Suranadi Village, Narmada District, West Lombok Regency, with 13 enterprises and employing a total of 47 persons.

2. LITERATURE REVIEW

2.1 Labor

[3] The labor force comprises the workforce and the non-labor force. The workforce or labor force comprises those who desire and actively engage in the production of products and services. The labor force comprises individuals who are employed and those who are jobless and seeking employment. The non-labor force category includes those who are enrolled in educational institutions, people engaged in domestic responsibilities, and other incomegenerating groups. The three categories within the non-labor force can provide their services for employment at any moment. Consequently, this cohort is frequently referred to as the potential labor force.

The magnitude of the labor supply in society refers to the quantity of individuals who provide their services for the production process. Several individuals are already engaged in activities that generate products or services. They are referred to as working groups or employed individuals. Individuals who are prepared to work and actively seeking employment are referred to as job seekers or unemployed. The labor force comprises individuals who are employed and those seeking employment.

2.2 Labor Demand Theory

The need for labor is contingent upon the demand for a production good; thus, corporations will augment their labor force if the demand for production goods escalates. Consequently, labor demand is termed derived demand [3], To sustain its staff, the [5]–[7]. corporation must ensure consistent or potentially increasing public demand for its products. To sustain demand stability for the company's products, exports should be pursued, necessitating the company's competitive capability in both domestic and international markets. Consequently, it is anticipated that the company's workforce requirement may be sustained [2].

Labor demand significantly influences policy evaluations. The demand for work possesses a distinct nature within the labor market. Labor is acquired not to satisfy a demand for labor, but to accomplish a specific task and deliver a service. The level of demand for labor by individual companies that can maximize profits occurs when the value of labor productivity is equal to the marginal cost of labor.

Labor demand is also an alternative combination of labor with other available inputs, and is related to wage levels. A decline in the price of capital goods will result in a reduction of production expenses. Consequently, the unit selling price of items will diminish. In this scenario, producers are likely to augment production in response to heightened demand for commodities. Consequently, the demand for labor rises, resulting in a rightward shift of the labor demand curve due to scale effects or substitution effects [8].

According to [9] Labor absorption refers to the quantity of occupied positions, as evidenced by the substantial workforce. Absorption of labor is the acceptance of workers to carry out their duties as workers or workers are required to be filled by job seekers. According to experts, there are several factors that influence workforce absorption:

- 1. According to [2] Labor demand pertains to the quantity of employees required by a specific industry. Factors that influence labor absorption are wage levels, production value, and investment. Changes factors in these will of labor influence the amount absorbed by a business field.
- 2. [10] Labor absorption is affected by two determinants: external stimuli and internal variables. External influences encompass the economic growth rate, inflation rate, unemployment rate, and interest rates.
- 3. [3] internal factors that influence labor absorption include wage levels, labor productivity, capital.

2.4 Wages

According to [2] Wages constitute the primary source of an individual's income; thus, they must be adequate to fairly satisfy the demands of employees and their families. Wages are monetary compensation provided by an employer to an employee for work or services rendered, determined by an agreement or statutory regulations, and disbursed according to a work contract between the employer and employee, inclusive of allowances for the employee and their family. An increase in the average salary level will result in a drop in the demand for labor, leading to and unemployment, conversely. Employment opportunities exhibit an adverse correlation with wage levels. An elevation in pay levels will augment the company's production expenses,

consequently raising the unit price of commodities produced [11]. The demand for labor quality will diminish due to increasing pay. An increase in wage levels, with other input prices remaining constant, indicates that the cost of labor is comparatively higher than that of other inputs. This scenario prompts entrepreneurs to minimize the workforce of comparatively costly employees to sustain optimal earnings. The wage function primarily entails the optimal allocation of human resources to promote growth. stable economic Secondly, to optimize the allocation of human resources, the compensation structure must entice and direct the workforce towards enhanced productivity, motivating employees to engage in more efficient work practices. Third, to optimize human resource use, the provision of comparatively high intended motivate wages is to employ labor management to economically and efficiently. Thus, capitalists derive profits from labor use, while workers receive fair compensation for their efforts. The wage system is anticipated to promote stability and economic progress.

2.5 Production Value

Production value refers to the extent of production or the aggregate quantity of goods that constitute the end output of a business unit's production process, which will subsequently be sold or delivered to customers. The fluctuations in market demand for the company's production influence workforce absorption. When demand for a company's or industry's output rises, producers typically augment their production capacity. This indicates that producers will augment their worker The relationship use. between production value and labor absorption is a relationship that describes the amount of production capacity produced by a business unit with the level of labor used in the production process. The size of production capacity depends on the number of consumer requests. The higher the number of goods demanded by consumers; the producers will increase their production capacity. So, to meet the capacity of these goods, producers will increase the number of workers [12].

2.6 Capital

According to [13] Capital represents the ability to utilize capital goods, so it appears on the balance sheet adjacent to credit. Capital goods refer to the assets inside the organization that have not yet been employed, which are recorded on the negative side of the balance sheet. Capital serves as a replacement for labor. This is derived from the production function, namely Q = f(K, L, R, T), where K represents the quantity of capital stock, L denotes the amount of labor, R signifies natural resources, T indicates the level of technology employed, and Q reflects the output generated by various inputs. The production elements are utilized in conjunction to manufacture the commodities whose manufacturing attributes are under examination. Capital aims to increase higher production which will result in a larger surplus, thereby influencing the investment process in one sector or another. In this way, job opportunities will increase, thereby affecting labor absorption. In an industry, provided other production factors remain constant, an increase in capital investment will enhance labor utilization, indicating working capital affects labor that dynamics.

3. RESEARCH METHODS

3.1 Type and Location of Research

The research methodology employed in this study is quantitative, specifically descriptive quantitative research. Quantitative descriptive research is employed to examine data by depicting or presenting the obtained information as it exists, without aiming to draw broad conclusions or generalizations [14]. With a research focus

on labor absorption in the Dodol Industry in Suranadi Village, Narmda District, West Lombok Regency.

3.2 Population and Sample

The population in this study numbered 13 industries, this number was spread across several hamlets in Suranadi Village. The population number was obtained from data taken from the Suranadi Village Office. Determining the number of samples using the census method. According to [14] the census method is a sample collection technique by making all members of the population into samples.

3.3 Data Collection Tools

The data collection tool used in this research is an open questionnaire. An open questionnaire is a question that expects respondents to write their answers in the form of a description of something [14].

3.4 Data Types and Sources

The author emphasizes quantitative data, which mav be processed by mathematical formulas and examined utilizing statistical techniques. The data was sourced from respondents, specifically the proprietors of the dodol industry in Suranadi Village, Narmada District. This research utilizes primary and secondary data sources. Conclusions or generalizations

3.5 Operational Definition of Variables

According to Sugiyono (2018) research a variable is any entity identified by the researcher for examination, enabling the acquisition of information subsequent and conclusions. The operational definition of research variables is elements or values that come from objects or activities that have certain variations which the researcher will then determine to study and draw conclusions from. The operational definition of each of these variables is as follows, including: 1.

Labor Absorption (Y)

Labor absorption refers to the quantity of workers integrated into an industry within a specified timeframe. In this research, labor absorption is defined as labor demand, namely the quantity of workers engaged by dodol industry proprietors in Suranadi Village, Narmada District.

2. Wage (X1)

Wages are the monetary compensation received by a labor unit for their services [15]. In this research, wages are payments made by dodol industrial entrepreneurs to their workers for their services in the production process. The unit used is rupiah per worker in one month.

3. Production Value (X2)

According Mankiw to (2003)production be can interpreted as the optimization activity of production factors such as labor, capital, etc. by a company to produce products in the form of goods and services. The production value in this research is the total value of all dodol production each month, which is calculated by the amount of production absorbed in the market or the total dodol sold multiplied by the average price of the product in rupiah units.

4. Capital (X3)

In this research, what is called capital is in accordance with the book on the extent and structure of Labor Absorption in Various Fields of Activity in Central Java and DIY published by the UGM Faculty Publishing Agency in 1983 (in Zamrowi, 2017), namely funds used in the production process only, not including the value of the land and buildings occupied or what is usually called working capital. The unit used is the rupiah in one month.

3.6 Data Analysis Procedures

This research employs multiple linear regression analysis with SPSS version 21 for Windows. So, the basic model used is a multiple linear regression equation model:

$$Y = \beta 0 + X1\beta 1 + X2\beta 2 + X3\beta 3 + e$$

Where:

Y	:	Number of workers working (people)
X1	:	Workers' wages (Rp per month)
X2	:	Production value (total units of
		goods produced in a month)
X3	:	Capital (Rp per month)

This analysis was conducted in multiple phases, including descriptive analysis, Classic Assumption Testing, Multiple Linear Regression Analysis, and statistical examinations.

4. RESULTS AND DISCUSSION

4.1 Results

a. Descriptive analysis

Distribution of questionnaires to 13 industry owners produced data regarding the characteristics of the dodol industry. Below is presented an analysis of respondents regarding the number of workers, wages, production value and capital.

Descriptive Statistics						
	N	Minimum	Maximum	Mean	Std. Deviation	
Wages	13	900000	3850000	2394230.77	900157.038	
Production Value	13	6000000	20340000	15685384.62	4654894.584	
Capital	13	6100000	42000000	20425000.00	11838395.162	
Workforce	13	2	5	3.62	1,044	
Valid N (listwise)	13					

Wages are payments obtained due to various forms of services provided and provided by workers to entrepreneurs. [3]. Labor wages in this research are all expenditures of money or goods paid to workers as compensation for work or services performed by the company divided by the number of workers in the company each month. The unit used is the labor rupiah. From the descriptive test using SPSS software on wages, it can be seen that the lowest value of wages is900,000on all dodol industry data in Suranadi Village. Meanwhile, the highest value of wages is equal to3,850,000. And toThe average value of wages in all data contained in Suranadi Village is2394230.77% with standard а deviation of 900157.038%.

Production Value is the total value of all dodol production each month, which is calculated by the amount of production absorbed in the market or the total dodol sold multiplied by the average price of the product in rupiah units. Based on the results of descriptive analysis tests on production value, it can be seen that the lowest value of production value is 6,000,000 from data from the entire dodol industry. Meanwhile, the highest production value is 20,340,000. For the average value of production value is15685384.62% and a standard deviation of 4654894.584%.

Capital is funds used in the production process only. Working capital in this research is calculated from the value of raw materials and production equipment. Can be measured in rupiah units. Based on the results of descriptive analysis tests using SPSS software on capital, it can be seen that the lowest Capital value is equal to6,100,000on all data on the dodol industry in Suranadi Village. Meanwhile, the highest capital is42,000,000from all dodol industry data and the average value is20425000.00%and standard а deviation of11838395.162%.

Labor absorption refers to the quantity of workers integrated into an industry within а specified timeframe. In this research, labor absorption is defined as labor demand, namely the quantity of workers engaged by dodol industry proprietors in Suranadi Village, Narmada District. The descriptive labor analysis test reveals a minimum Labor Absorption value of 2, a maximum of 5, an average of 3.62%, and a standard deviation of 1.044%.

b. Estimated Research Results

From data processing using Eviews 6.0 software, with labor absorption as the dependent variable and independent variables including wages, capital and production value, the following results were obtained:

c. Normality Testing

The normality test evaluates whether confounding factors or residuals in the regression model exhibit a normal distribution. This study used the Kolmogorov-Smirnov test for normality assessment to ascertain the normal distribution of residuals in the regression model. Normality testing criteria use significance, namely:

- a. If the sig value is ≥ 0.05 then the residual is normally distributed.
- b. If the sig value ≤ 0.05 then the residual is not normally distributed

One-Sample Kolmogorov-Smirnov Test						
		Wages	Production value	Capital	workforce	
Ν		13	13	13	13	
Normal Daramatora h	Mean	2394230.77	15685384.62	20425000.00	3.62	
Normal Farameters, b	Std. Deviation	900157.038	465489.584	11838395.16	1,044	
Most Extromo	Absolute	.141	,229	,280	,184	
Differences	Positive	.104	,159	,280	,184	
Differences	negative	141	229	165	182	
Kolmogorov-Smirnov Z		,508	,826	1,008	,663	
Asymp. Sig. (2-tailed)		,958	,503	,261	,772	

Table 3. Normality Test Results

a. Test distribution is Normal.

b. Calculated from data.

From the SPSS output results in table 3 above, it can be seen that Asymp.Sig (2-tailed) for the wage variable is 0.958 > 0.05, production value 0.503 > 0.05, capital 0.261 > 0.05, labor 0.772 > 0.05, so it can be concluded that the data for the variable Labor absorption is normally distributed.

d. Multicollinearity Testing

The multicollinearity test assesses if a correlation exists among

independent variables in the regression model. Multicollinearity can be assessed by the Variance Inflation Factor (VIF) and tolerance values. If the VIF value is below 10 and the tolerance value above 0.10, there is no correlation among independent variables exceeding 95%, indicating that the model is devoid of multicollinearity, regardless of distribution [16].

Model		Collinearity	v Statistics
		Tolerance	VIF
	Wages	,169	5,904
1	Production Value	,297	3,367
	Capital	,208	4,801

Table 4. multicollinearity test

a. Dependent Variable: Labor force

The tolerance values for all independent variables-wages (0.169), production value (0.297), and capital (0.208)-exceed the designated threshold of 0.10. All independent variables have a VIF value below 10 (wages: 5.904, production value: 3.367, and capital: 4.801). It may be stated that no signs of multicollinearity exist among the independent variables in this investigation.

e. Heteroscedasticity Test

According to Ghozali (2013), the heteroscedasticity test evaluates if there is a disparity in variance among

the residuals of different observations in a regression model. An effective model is one that does not exhibit heteroscedasticity. A method to identify heteroscedasticity is by examining the scatter plot. If the points disperse in both the positive (+) and negative (-) regions without establishing a discernible pattern, then the data is free from heteroscedasticity issues. If the points spread across the positive (+) and negative (-) areas and form a pattern, then it can be said that the data has a heteroscedasticity problem.



Figure 1. Heteroscedasticity Test

The graphic above indicates that the distribution of residual data lacks a distinct pattern and is dispersed both below and above zero on the Y-axis, so suggesting that the model is devoid of heteroscedasticity symptoms.

f. Multiple Linear Regression Analysis

In this multiple linear regression, the dependent variable,

namely employment (Y), is connected to more than one independent variable, namely wages (X1), production value (X2) and capital (X3). This technique is used to test hypotheses that suspect an influence between variables. independent of the dependent variable.

Table 5. Multiple Linear Regression

Model		Unstanda Coeffici	rdized ents	Standardized Coefficients	Q	Sig.	
		В	Std. Error	Beta		_	
	(Constant)	,858	,279		3,079	.013	
	Wages	4.498E-007	,000,	,388	2,359	,043	
	¹ Production Value	6.695E-008	,000,	,299	2,404	,040	
	Capital	3.084E-008	,000,	,350	2,359	,043	

Dependent Variable: Workforce

Multiple linear regression analysis is employed to ascertain the link and the extent of influence the independent variable exerts on the dependent variable within the dodol industry. The following are the results of multiple regression analysis using Eviews 21:

Y= 0.858 + 4.498X1+ 6.695X2+ 3.084X3

+ e

- Where:
- Y: labor
- X1: Wages
- X2: Capital
- X3: Production Value
- g. Simultaneous Effect Test (F Test) The F test is conducted to assess the simultaneous influence of the independent variable on the dependent variable in its whole.

	ANOVAa						
	Model	Sum of Squares	Df	Mean Square	F	Sig.	
	Regression	12,538	3	4,179	69,816	,000b	
1	Residual	,539	9	,060			
	Total	13,077	12				

Table 6. F	Test
ANOVA	a

a. Dependent Variable: workforce

b. Predictors: (Constant), wages, production value, capital

The Anova table has a significance value (Sig) of 0.000. Since the Sig value is less than 0.05 (0.000 <0.05), the conclusion is to reject H0 and accept Ha, indicating that the

Wage, Production Value, and Capital collectively variables exert а considerable influence on Labor Absorption.

Individual Testing (t Test) h.

	Coefficients a						
Model		Unstanda Coeffici	rdized ents	Standardized Coefficients	Q	Sig.	
		В	Std. Error	Beta			
	(Constant)	,858	,279		3,079	.013	
1	Wages	4.498E-007	,000,	,388	2,359	,043	
	Production Value	6.695E-008	,000,	,299	2,404	,040	
	Capital	3.084E-008	,000	,350	2,359	,043	

Table 7. t Test

Dependent Variable: Workforce

Source: SPSS 21 Output Results

The results in the table above show that the variables wages, production value and capital have a significant value of 0.000 < 0.05, which means they simultaneously have a significant influence on labor absorption. Individually, the wage variable has a significant value of 0.043 < 0.05, the production value variable 0.040 < 0.05, and the capital variable 0.043 < 0.05, which means that partially the wage, production value and capital variables have a significant influence on energy absorption. Work.

Coefficient of Determination Test i. (R2)

The coefficient of determination test or R2 aims to determine how much the independent/free variables (Wage, Production Value and Capital variables) explain the dependent/bound variable (Labor Absorption) or to determine the percentage of variation in the dependent variable explained by the independent variable.

Table 7. R2

Model Summary							
Model R R Square Adjusted R Square Std. Error of the Estimate							
1 .979a ,959 ,945 ,245							
a Predictors (Constant) Wages Production Value Capital							

tors: (Constant), Wages, Production Value, Capital Source: SPSS 21 output

The coefficient of determination (R²) is 0.945, equivalent to 94.5%. The substantial coefficient of determination indicates that the

independent variables, comprising wages (X1), Production Value (X2), and capital (X3), account for 94.5% of the variance in the dependent variable, Labor Absorption (Y), while the remaining 5.5% is attributed to other variables not encompassed in this research model.

4.2 Discussion

From the regression results obtained, it can be seen the influence of each independent variable (wages, production value and capital) on the dependent variable (labor absorption).

a. Effect of Wages (X1) on Labor Absorption

In the regression model of this research, it is known that the wage variable has a value of sig.0.043. The Sig value is less than 0.05 (0.043 < 0.05), and the estimated t value is 2.359, which exceeds the t table value (2.359 > 2.262). This indicates that salaries significantly influence labor absorption. This statement is in line with classical theory which explains that if the relationship between wages and labor is good it will cause population growth so that demand for goods continues to increase and will later producers increase production so that other production factors, including labor, will also be added.

b. Effect of Production Value (X2) on Labor Absorption

In the regression model of this research, it is known that the production value variable has a sig value of 0.040. Sig value < 0.05 (0.040 < 0.05) and the calculated t value is 2.404 which means it is greater than the t table value (2.404 > 2.262) which means it is significant. This means that partially Production Value has a significant effect on Labor Absorption. This is in line with the opinion of [17] where the demand for labor is basically derived demand or the demand for labor in companies is very dependent on market demand for the value of its production. If the production value increases, producers will increase the number of workers so that production targets and increased income targets are achieved.

c. The Effect of Capital (X3) on Labor Absorption

In the regression model of this research, it is known that the Capital variable has a sig value of 0.043. Sig value < 0.05 (0.043 < 0.05) and a calculated t value of 2,359, which means it is greater than the t table value (2,359 > 2,262), which means it is significant. partially Production Value has a significant effect on Labor Absorption. This is in accordance with the theory by [18], to create new job opportunities in small industry is to increase turnover/production capacity, namely by increasing capital investment which can later increase production output and increase production activities, so that ultimately it will have an impact on increasing the workforce. Which means that capital has a positive effect on labor absorption.

5. CONCLUSIONS AND RECOMMENDATIONS

Conclusion Based on the results of research conducted on the dodol industry in Suranadi Village, the following conclusions can be drawn:

- 1. The wage variable has a positive and significant effect on labor absorption in the dodol industry in Suranadi Village, Narmada District, which means that if wages increase, labor absorption will also increase.
- 2. The Production Value variable exerts a positive and significant influence on labor absorption within the dodol industry in Suranadi Village, Narmada District, indicating that an increase in Production Value

correlates with an increase in Labor Absorption.

3. The Capital variable has a positive and significant effect on labor absorption in the dodol industry in Suranadi Village, Narmada District, which means that if Capital increases, Labor Absorption also increases.

Suggestion

1. It is hoped that industry owners will continue to develop this production business, so that they can create various innovations. Because the dodol industry has made a large contribution to employment in Suranadi Village.

2. To encourage the growth of the small and medium industrial sector, the government is expected to develop the small and medium industrial sector by making regulations such as increasing business promotion and building adequate facilities and phrases.

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