

The Influence of Investment and Minimum Wages on Labor Absorption in Gresik Regency

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Abstract

Researchers want to understand the effect of investment on employment in Gresik Regency; and also the effect of the minimum wage on employment in Gresik Regency; and how the influence of investment and minimum wage together on employment in Gresik Regency. The research method used is quantitative. As well as for the population it is the entire development of investment, minimum wage and labor force in Gresik Regency in 2018-2022. And for the sample, the researcher used the total sampling technique. As for the data obtained by documentation techniques and literature study. After that, multiple regression analysis can be carried out using this analysis, the researcher gets the same results for the X1 investment variable, which has an influence on the Y variable on labor absorption, and for the X2 variable, and the minimum wage X2 also has an influence on the Y variable on labor absorption.

Abstrak

Peneliti ingin memahami tentang pengaruh investasi terhadap penyerapan tenaga kerja di Kabupaten Gresik; dan juga pengaruh upah minimum terhadap penyerapan tenaga kerja di Kabupaten Gresik; serta bagaimana pengaruh investasi dan upah minimum secara bersama-sama terhadap penyerapan tenaga kerja di Kabupaten Gresik. Metode penelitian yang digunakan ialah kuantitatif. Serta untuk populasinya sendiri merupakan seluruh perkembangan investasi, upah minimum dan angkatan kerja pada Kabupaten Gresik pada tahun 2018-2022. Dan untuk sampel, yang digunakan peneliti ialah dengan menggunakan teknik total sampling. Sedangkan untuk data didapatkan dengan teknik dokumentasi dan studi kepustakaan. Setelahnya dapat dilakukan analisa regresi berganda menggunakan analisa ini peneliti mendapatkan hasil seperti untuk variabel X1 Investasi yaitu memiliki pengaruh terhadap variabel Y penyerapan tenaga kerja, serta teruntuk varabel X2 upah Minimum X2 juga memiliki pengaruh terhadap variabel Y penyerapan tenaga kerja.

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1. INTRODUCTION

The main source of job supply is the population. While usually the number of residents themselves can also be known from the data publication page of the Central Bureau of Statistics, not all residents offer their services. Work eligibility based on age is the main consideration here, the working age population is those who are ready in good physical condition and also in their minds to work. This number can also be interpreted as labor that can be used by the community to carry out production tasks. Labor is another name for human resources.

According to Muliadi, labor is important for a workforce that really takes part and wants to do useful things, especially the creation of workers and products. The labor force is the population entering working age and/or aged 15 years and over, who have diverse behavior in labor market relations. Their characteristics are divided into two groups, the first is economically active and not, while the workforce is included in the economically active group. Residents who offer their labor in the labor market and succeed in obtaining it are considered workers, while residents who offer their labor but fail to obtain it are considered job seekers.

Level of Gresik Regency's Labor Force Participation (TPAK) was 69.43 percent, a decrease of 2.90 percentage points compared to the 2019 TPAK, which was 66.53 percent. TPAK provides an illustration that of 100 residents entering working age, there are at least 69 who are actively carrying out economic activities. The level of investment value in Gresik Regency 2018-2022

experiences fluctuations from year to year which will also have an impact on the workforce. Looking at 2018, the investment value of 6,619,535.4 decreased to 3,199,730.5 in 2019 while the workforce increased from 662,618 people to 664,523, but in 2020 the investment value itself increased to 12,385,043.6. This also affects the workforce which has decreased, it can be seen that from 2020 it was 657,273 people until 2021 the investment value decreased but on the contrary the workforce increased.

There will be a decrease in investment accompanied by an increase in the labor force, in 2018 - 2022, therefore this is the focus of the research, because if the amount of investment decreases while the labor force increases. This incident could be something that is not good for employment conditions. The Gresik Regency Government prioritizes local workers from Gresik Regency and makes every effort to align the workforce with workers in all business sectors. In addition, the Gresik government provides skills training for workers in accordance with company needs and collaborates with the community and local residents to reduce a number of actions that lead to the level of poverty in Gresik Regency.

The efforts carried out by public authorities cannot be separated, one of which is by establishing a business environment that collects its own capital or PMDN which is abbreviated in the Gresik Regime where all business fields are expected to be able to build new organizations that should exist. The option to give and expand work potential opens doors for neighborhood residents. Apart from compensation, competency is also as important as compensation. Competency has an important role in helping employees improve their performance. An employee who has high competencies such as knowledge, skills and attitudes appropriate to the position he holds is always encouraged to work effectively, efficiently and productively.

Besides business, wage levels are one of the variables that influence business every year. The issue at issue concerns government assistance, asking for better government assistance by asking public authorities to continue expanding the MSE area.

In Gresik Regency, the number of workers varies in all industrial sectors. The number of working people fell to 620 thousand in 2020 from 625 thousand in 2019. This was due to the impact of the COVID-19 pandemic which started in 2020 and put pressure on the employment sector before reaching 628 thousand in 2021. Moreover, in 2022 it will be built to 666 thousand. In terms of wages, differences in the understanding and interests of employers and employees are by far the most common factor. So everything is considered an administrative strategy which is expected to conquer these differences in interests.

An increase in people's income and purchasing power is a direct result of an increase in wages. The increasing demand for goods and services is also accompanied by an increase in people's income. Consequently, it encourages the business world to expand employment opportunities. However, compensation also has an impact on business. If the level of compensation is set higher, it will affect the creation of increased costs, therefore, for efficiency, organizations are forced to reduce work.

2. RESEARCH METHOD

The research method used is a quantitative research method. Research that utilizes data in the form of numbers and statistical analysis is also known as quantitative research. A generational area which is formed by an object/subject which has similar characteristics which can be determined as a research objective using a research method called population.

According to Sugiyono (2014) comprehensive examination is a testing procedure when all individuals from the population are used as tests. Total sampling, also known as census, is when a sample uses all members of its population. This sample is used if the population is relatively small, where <30 people.

This study makes use of subjective information, specifically information introduced in mathematical structures that are directly extracted from examination consequences or consequences of gathering information communicated in numerical units. Secondary data is the information and data used in this research to collect data.

3. RESEARCH RESULTS AND DISCUSSION (12 Pt)

Based on partial research, the investment variable has a sig level of 0.619. It can also be interpreted if (X1) the investment variable itself is at a number > 0.05 which indicates that H_0 is accepted and H_a is rejected, or it can be explained that (X1) the investment variable partially does not have a significant influence on (Y) the energy absorption variable. Work. Meanwhile (X2) the minimum wage variable has a sig value of 0.526, which means that if it has a value > 0.05 , it can be concluded that H_a is rejected and H_0 is accepted, which means that the variable (X2) partially does not have a significant influence on the labor absorption variable (Y).

Based on the results of multiple linear regression analysis, to prove the effect of investment (X1) and minimum wage (X2) on labor absorption (Y) it is 0.686. Furthermore, it is also known that the value of the coefficient of determination of R-Square is 0.470, where the percentage of labor absorption is described by the independent variables investment and minimum wage. 47% of the ability to influence can be predicted or explained by the independent variable X1 investment and variable X2 minimum wage and labor absorption.

It can be concluded that H_0 is accepted and H_1 is rejected then the research hypothesis can be accepted, it can be concluded that the Investment (X1) and Minimum Wage (X2) variables do not have a significant influence on labor absorption in Gresik Regency.

Results in this research compared with the findings in research conducted by I Made Prastawa Adi Guna and Nyoman Yulliani (2021) stated that their findings mean that investment variables can have a positive effect on labor absorption. Apart from that, the results of this research are also not in line with the results of research conducted by Elsa Susanti (2019) which states that explaining that the lowest wages permitted by law greatly influence labor absorption. The results of Siti Laila Magfirani (2021) describe that there is a significant influence of investment and minimum wages on labor absorption in Gresik

4. CONCLUSION

Based on the results of the analysis previously explained, the following conclusions can be drawn:

1. Based on the significance value of $0.619 > 0.05$, (X1) the investment variable has no influence on labor absorption in Gresik Regency, this shows that H_a is rejected and H_0 is accepted.
2. With a significance value of $0.526 > 0.05$ if (X2) the minimum wage variable has no influence on labor absorption in Gresik Regency. If the minimum wage variable itself has a value > 0.05 , then H_a is rejected and H_0 is accepted.
3. Results With a significance value of 0.728, (X1) the investment variable and (X2) the minimum wage have no influence on labor absorption in Gresik Regency, meaning they have a value > 0.05 , where H_a is rejected and H_0 is accepted. Only 47% of the workforce can be influenced by investment variables and minimum wages, while the rest is not explained due to the influence of other variables or factors that are not in this research model.

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