International Journal of Economics, Business and Accounting Research (IJEBAR)
Peer Reviewed – International Journal
Vol-5, Issue-2, June 2021 (IJEBAR)
E-ISSN: 2614-1280 P-ISSN 2622-4771
https://jurnal.stie-aas.ac.id/index.php/IJEBAR

THE EFFECT OF INVESTMENT, UNEMPLOYMENT, MINIMUM WAGES ON LABOR ABSORPTION IN WEST JAVA PROVINCE 2008-2020

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Abstract: Economic development has an important objective which is to provide it with sufficient job opportunities in order to pursue economic growth in an area. This study aims to find out and be able to produce an analysis of the effect of investment, unemployment and minimum wages on employment in West Java Province. Secondary data is the data used in this study with multiple linear regression analysis tools and processing using SPSS 23. Then it is produced thatThe research and discussion above can be partially concluded that the minimum wage variable has a significant effect on employment, then investment and unemployment variables have no significant effect. Meanwhile, investment, unemployment and minimum wage variables simultaneously have a significant effect on employment.

Keywords: *Investment, Unemployment, Minimum Wage, Labor Absorption*

A. Preliminary

One of the developing countries is Indonesia which has the highest population of five countries in the world. Indonesia's natural resources provide joy for the Indonesian people to provide a level of life in the future. Simanjuntak stated that a large population has two things that can reflect it, namely non-potential residents and those with potential (Simanjuntak, 2001). If the population is classified as a large number, it will automatically describe the needs of the large community as well. Then if the population has potential, then with this the community can be mobilized to manage the available natural resources by indirectly helping to increase the welfare of the whole community. Robert Solow's opinion about economic growth is an activity with human resources, the use of technology, capital accumulation and results (Jhingan ML, 2003). After all, population growth will have a positive or even negative impact. Therefore, the increasing population level must be used as a positive human resource.

If we look at the employment that appears if the number of workers with greater offers in each business sector. As a result, the existence of employment opportunities is not able to employ people if they do not have the ability. Because the growth rate is still high, it causes a high growth rate in the workforce. Then if there is an imbalance between the growth of the labor force and the creation of labor, it will cause an increase in unemployment. Lack of

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availability of job vacancies as well as high levels of unemployment can have an impact on the lack of opportunities for job seekers and large expenditures on existing potential and resources (Djojohadikusumo, 1994). If we look at the following, there is data that shows a list of figures for the general condition of workers for each province in Indonesia in the 2008-2020 period.

Table 1
General Condition of Manpower in Indonesia for the Period 2008-2020

Provinsi	Penduduk Usia Kerja (15 tahun ke atas)												
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Aceh	2,972,983	3,036,759	3,068,650	3,146,347	3,221,657	3,293,917	3,347,007	3,440,634	3,545,965	3,580,823	4,012,482	10,306,599	13,479,406
Sumatera Utara	8,959,973	9,188,758	9,520,274	9,951,109	9,698,353	9,205,210	9,551,661	9,488,974	9,641,892	9,789,363	18,847,736	26,052,926	37,403,967
Sumatera Barat	3,725,258	3,383,457	3,506,264	3,414,552	3,488,044	3,521,367	3,577,219	3,634,236	3,688,126	3,746,850	7,214,874	10,778,043	14,315,260
Riau	3,564,098	3,641,877	3,734,841	3,883,354	4,013,974	4,135,186	4,257,120	4,383,550	4,509,908	4,634,041	8,648,015	12,780,200	17,840,321
Jambi	1,957,410	2,082,357	2,169,742	2,251,473	2,285,088	2,340,483	2,395,083	2,450,464	2,505,350	2,554,395	4,840,175	7,180,858	9,575,941
Sumatera Selatan	4,975,219	5,095,742	5,218,600	5,357,724	5,454,772	5,569,661	5,643,876	5,741,308	5,837,451	5,937,755	11,388,527	16,957,568	22,981,204
Bengkulu	1,199,700	1,181,951	1,189,855	1,215,714	1,262,958	1,290,410	1,310,007	1,345,754	1,372,777	1,398,542	2,681,461	3,953,891	5,266,894
Lampung	5,248,358	5,331,955	5,424,376	5,512,262	5,595,453	5,677,512	5,759,171	5,841,965	5,921,182	6,005,702	11,599,157	17,276,669	23,035,840
Bangka-Belitung	815,786	829,103	932,061	889,719	924,448	948,683	973,192	988,120	1,022,955	1,047,683	1,972,131	2,928,814	3,894,906
Kepulauan Riau	1,007,771	1,055,771	1,200,402	1,227,617	1,261,770	1,295,690	1,332,032	1,370,889	1,412,772	1,454,769	2,716,579	4,012,229	5,344,261
DKI Jakarta	6,949,081	7,039,083	7,771,812	7,480,198	7,471,896	7,536,548	7,681,474	7,670,587	7,779,885	7,936,404	15,388,300	22,844,848	30,446,202
Jawa Barat	29,710,108	30,182,189	31,280,809	31,520,089	32,174,048	32,825,057	33,445,546	34,117,483	34,747,218	35,353,191	67,527,239	100,252,276	133,617,622
Jawa Tengah	26,411,603	26,669,525	23,874,585	24,270,714	24,535,631	24,881,808	25,181,967	25,482,467	25,782,809	26,082,003	50,677,634	75,513,442	100,701,409
D I Yogyakarta	2,836,178	2,871,719	2,698,134	2,743,137	2,779,073	2,815,088	2,847,754	2,882,980	2,917,651	2,960,204	5,739,177	8,552,365	11,400,119
Jawa Timur	29,111,364	29,371,152	28,268,825	28,670,870	28,977,195	29,282,929	29,578,682	29,884,863	30,188,623	30,647,158	59,430,341	88,703,273	118,281,952
Banten	6,674,895	6,836,418	8,126,410	7,752,029	7,943,896	8,153,446	8,361,605	8,571,590	8,775,984	8,980,508	16,924,404	25,077,851	33,438,455
Bali	2,686,156	2,728,747	2,902,573	2,959,193	3,004,138	3,047,921	3,092,880	3,141,285	3,189,018	3,235,563	6,239,701	9,287,622	12,380,502
Nusa Tenggara Barat	2,987,725	3,036,681	3,380,329	3,170,710	3,225,950	3,280,317	3,334,651	3,389,084	3,443,448	3,498,399	6,724,329	10,004,646	13,339,207
Nusa Tenggara Timur	3,045,015	3,121,422	2,930,406	3,058,595	3,124,901	3,191,748	3,261,359	3,332,400	3,402,075	3,471,856	6,596,737	9,788,505	13,049,844
Kalimantan Barat	2,928,878	2,996,596	3,002,953	3,124,195	3,189,152	3,254,179	3,318,062	3,385,166	3,446,157	3,508,884	6,698,616	9,952,195	13,270,257
Kalimantan Tengah	1,445,809	1,470,708	1,526,544	1,594,839	1,647,220	1,691,671	1,740,381	1,789,517	1,839,211	1,884,757	3,527,977	5,218,648	6,960,029
Kalimantan Selatan	2,495,221	2,543,859	2,582,687	2,634,662	2,688,130	2,741,655	2,794,608	2,850,029	2,903,846	2,960,401	5,648,751	8,390,386	11,194,994
Kalimantan Timur	2,283,411	2,368,258	2,482,319	2,580,480	2,662,205	2,744,055	2,825,464	2,467,511	2,534,113	2,595,992	5,258,197	8,002,222	10,827,686
Kalimantan Utara	-	-	-	-	-	-	-	446,170	462,351	484,664	484,664	484,644	484,644
Sulawesi Utara	1,669,313	1,694,125	1,617,366	1,692,885	1,738,187	1,749,519	1,768,162	1,793,705	1,818,162	1,842,800	3,580,987	5,384,506	7,072,668
Sulawesi Tengah	1,715,705	1,754,965	1,767,228	1,883,516	1,937,430	1,972,710	2,011,054	2,050,493	2,088,333	2,127,858	4,061,286	6,053,998	8,045,052
Sulawesi Selatan	5,599,748	5,660,024	5,567,601	5,709,323	5,804,171	5,898,655	5,980,749	6,081,873	6,167,955	6,251,377	12,035,548	17,954,200	23,843,930
Sulawesi Tenggara	1,386,350	1,438,144	1,455,372	1,581,359	1,541,477	1,582,401	1,623,264	1,665,095	1,706,330	1,747,584	3,289,021	4,871,422	6,494,686
Gorontalo	688,081	701,495	708,681	705,261	731,727	770,979	795,817	815,506	828,131	845,564	1,607,251	2,386,370	3,182,187
Sulawesi Barat	736,143	750,644	744,721	795,496	815,347	835,797	856,253	877,444	897,964	918,100	1,735,447	2,568,244	3,425,499
Maluku	880,217	910,844	979,714	1,032,416	1,056,017	1,079,849	1,103,643	1,128,137	1,151,962	1,176,116	2,232,153	3,311,982	4,415,625
Maluku Utara	670,805	698,005	672,360	687,794	706,157	724,997	743,705	771,181	792,478	811,067	1,527,224	2,262,223	3,015,986
Papua Barat	502,400	514,293	494,862	530,922	546,867	563,559	583,374	602,248	620,748	638,010	1,184,877	1,748,836	2,332,249
Papua	1,401,848	1,450,851	1,864,589	1,965,384	1,975,497	2,072,206	2,129,404	2,189,250	2,245,462	2,291,111	4,264,608	6,357,314	8,466,738
Total	166,641,050	169,328,208	172,070,339	173,851,717	176,871,832	179,967,361	182,992,204	186,100,917	189,096,722	192,079,416	368,955,248	548,928,609	731,912,813

Source: National Statistics Agency (Data Processed)

Table 1 above shows a list of labor conditions in Indonesia for each province for the 2008-2020 period. The number of working age population aged 15 years and over when seen from the table above has increased every period. Where the 2008 period stated that the number of working age population aged 15 years and over in that period reached 166.641.050 people. Because each period is increasing, the 2008 period is the lowest number in this study. Then it increased until it finally reached the highest number, namely in the 2020 period it reached 203.972.460 people. The large number of workers both rural and urban with working hours below normal creates a situation that demands the emergence of new job vacancies along with the development of the current workforce (Arsyad, 2015).

Then there will be an imbalance with the increasing number of working age population with a lack of adequate employment opportunities and according to the working population. Thus, the absorption of energy will decrease and unemployment will increase. Then it cannot be separated from the highest working age population among all provinces, namely West Java Province which is the highest number until the 2020 period. However, there has been a decline in the number of people working in the 2020 period.

Table 2
General Conditions of Workers in West Java Province for the Period 2008-2020

Tahun	Jumlah Penduduk Usia Kerja	Pertumbuhan (%)	Penduduk Yang Bekerja	Pertumbuhan (%)
2008	29710118		16480395	
2009	30182189	1.59	16901430	2.55
2010	30288009	0.35	16942444	0.24
2011	31520089	4.07	17407516	2.74
2012	32174048	2.07	18615753	6.94
2013	32825037	2.02	18731943	0.62
2014	33465346	1.95	19230943	2.66
2015	34117483	1.94	18791482	-2.28
2016	34747318	1.85	19202038	2.18
2017	35353191	1.74	20551575	7.03
2018	36302831	2.69	20936930	1.87
2019	36920329	1.70	22063833	5.38
2020	37512832	1.60	21674854	-1.76

Source: National Statistics Agency (Data Processed)

Table 2 above shows a list of labor conditions in West Java Province for the 2008-2020 period. Because West Java Province is the highest number in Indonesia until the 2020 period than other provinces. However, in the 2020 period, the number of working people decreased. It can be seen in the table above that the growth of the working age population has increased every period with various percentage rates of growth. However, in the 2015 and 2020 periods there was a decline in the growth of the working population allegedly due to an increase in the prices of production factors and currently in a state of the Corona outbreak, namely the Covid-19 disease because this outbreak first appeared in the 2019 period. This will have an impact on the decline in employment in West Java Province.

Residents who work here are residents who are absorbed into workers by doing their jobs in order to get benefits according to the working time of at least one hour during the past week and are included in groups or someone with a permanent job and people who work in the field of expertise but temporarily do not work (Barthos, 2009). Absorption of labor is a significant problem in regional development. Because initially fulfilling the main needs and increasing the welfare of human life is the task of the individual himself by working. Such a meaningful position makes human labor irreplaceable in all economic activities. Therefore, without human labor there are no results to be achieved and there are no useful results. For Handoko (1987) basically there are several aspects that affect the absorption of labor, namely capital (investment), unemployment and wage levels (Handoko, 2014). Thus the absorption of labor is very meaningful. If an area has a low absorption of energy and the lack of available employment opportunities, it will cause an increase in unemployment which leads to poverty in that region.

B. Literature Review and Hypothesis Development

1. Employment

Labor is a source of human energy that has the ability, expertise, appropriate, personality in a certain way to work and function and in development, so that it is effective for himself and the community as a whole (Oemar Hamalik, 2007). Labor as a source of economic energy refers to the ownership of certain jobs, carrying out work activities, occupying existing jobs and being able to generate new jobs for others.

For Simanjuntak, workers are residents who have been or are still working, who are looking for work, and carry out other activities such as going to school or taking care of the household, with an age limit of 15 periods (working age) and is the number of the workforce working in a certain area (J. Simanjuntak Payaman, 1985). This statement is in line with Law No. 13 Period 2003 Article 1, labor is each person who is able to do work both inside and outside the work bond in order to produce goods and services to meet the needs of citizens. Sourced on Law No. 25 for the 2007 period concerning employment, the determination of the working age limit of the Indonesian population is 15 periods.

On the other hand, Kuncoro will absorb labor if the number of jobs that have been filled is reflected in the large number of working people. The working population is absorbed and scattered in various economic zones. The absorption of the working population is caused by the demand for labor (Kuncoro, 2002). The absorption of labor is influenced by several aspects, basically there are some that can affect the absorption of labor, namely capital (investment), unemployment and wage levels (Handoko, 2014).

2. Investation

Investment itself is one of the most important aspects to determine in terms of the level of national income (Sukirno, 2000). There is an investment that will push the creation of new capital objects, so that new aspects of production will be absorbed and produce a new job or job opportunity that will absorb the workforce so as to reduce unemployment (Shaihu, 2012).

Investment is an expenditure to buy capital goods and production equipment with the aim of changing or increasing capital objects that will be used to produce goods and services in billions of rupiah (Ultimate, 2020). In order to address the case of labor, one of the labor market policies that can be tried in order to generate job opportunities is to generate employment through investment in industry or it can be said that policies from the demand side so that there is an increase in terms of employment (Bactiar, 2006). With investment, it is hoped that there will be a link between investment in industries and the creation of new job opportunities or can increase productivity in one of the less growing business zones, so that it can become a superior zone and continue to expand job opportunities and increase employment in terms of employment.

After that Harrod and Domar determined investment as a key to economic development in a country by generating income as a result of investment demand and increasing production capacity by increasing the capital stock resulting from investment supply (Fivien, 2019). Because considering the population of Indonesia which is increasing every period, so that the consumption of the Indonesian population also increases, it will certainly stimulate industrial zones in increasing their production to

meet the needs of the population, so that they will increase the number of inputs used and one of them is labor, so that job opportunities will also be formed. as well as increasing employment.

3. **Unemployment**

Unemployed are those who are in the labor force but are not working, such as looking for work (an attempt to find a job in a reference period), setting up a business (an activity that a person tries to do in order to prepare a "new" business, which aims to earn income or profit on their own, either with or without hiring workers or employees or employees who are paid or unpaid), feel it is impossible to get a job (those who repeatedly look for work but do not succeed in getting a job so that they feel it is impossible to find work and they feel because the atmosphere, circumstances, weather or time may not get the desired job) and already have a job,but have not started work (those who are not looking for work because they have been accepted to work or have prepared a business but at the time of enumeration have not started work (BPS, 2020).

Unemployment is a group of workers who have not carried out any activity that creates money. Unemployment is not limited to people who have not worked. People who are looking for work and people who work but their work is not productive can also be categorized as unemployed (Fahri, Jalil and Kasnelly, 2020). The workforce requires a lot of jobs in general, both in developing and developed countries. Thus, the rate of population development will also be greater than the rate of employment development. Many of the workforce are partly unemployed or unemployed. Thus, employment and unemployment are closely related to the availability of employment opportunities for residents. Continue to be a lot of existing job opportunities, continue to be large absorption of labor for the population of productive age, so that the unemployment rate continues to be small.

4. **Minimum Wage**

This efficiency wage theory also states that setting a minimum wage allows workers to improve their nutrition so that in the long term they can increase their productivity. The increase in wages also allows workers to send their children to school and provide better nutrition for their children. Both in the long run will have a big impact on increasing productivity. The wages paid for this theory are well above the counterbalance wages. This will not only increase productivity, it will also raise employee loyalty, it can create more qualified workers(Sumarsono, 2009).

The minimum wage is the lowest wage that is used as a standard by employers to ensure the actual wages of workers or laborers who work in their company (Zaeni Asyhadie, 2007). In other words, the wages paid must not be lower than the minimum wage (Willis, 2015). Because the main purpose of the minimum wage policy is to protect workers from low levels of wages, especially when the level of labor supply is large so that wage levels will not continue to face a decline that will affect employment. After that, for Sumarsono, the absorption of labor is also influenced by wages. Where changes in wage levels will affect the level of industry creation costs. Wages are referred to as some of the funds issued by entrepreneurs to pay for workers because they have done their job, namely making products (Sumarsono, 2003).

Sourced on the Regulation of the Minister of Manpower No. Per-01/Men/1999. The Decree of the Minister of Manpower and Transmigration No. Kep-226/Men/2000 regional coverage of the application of the minimum wage includes: The Provincial Minimum Wage (UMP) applies in all districts/cities in one province and the Regency Minimum Wage (UMK) applies in one district or city (Abdul Kharim, 2007). Wage increases allow workers to send their children to school and provide better nutrition for their children. Both in a certain period of time will share a large impact on increasing productivity. So that it can overcome the problem of absorption of labor.

5. Hypothesis Development

Hypotheses are raised from theoretical or literature polls. Survey the literature on this research related to the relationship between the independent variables and the dependent variable. Based on the quantitative research paradigm, the hypothesis is the answer to a research problem that is rationally deduced from theory. After that, the purpose of this hypothesis itself is to determine whether the theoretical answers listed in the hypothesis statements are supported by the facts collected and analyzed in testing information (Supomo, 2018). In this research, the author looks at the theory stated by Handoko (1987) that there are aspects that can affect the absorption of labor, namely capital (investment), unemployment and wage levels. After that, by referring to the background of the problem, the formulation of the problem and the theoretical framework, the proposed hypothesis is:

Ho: None Partial Significant Effect of Investment, Unemployment and Minimum Wage Variables on Labor Absorption in West Java Province for the 2008-2020 Period.

Ha: YesPartial Significant Effect of Investment, Unemployment and Minimum Wage Variables on Labor Absorption in West Java Province for the 2008-2020 Period.

Ho: None Simultaneous Significant Effect of Investment, Unemployment and Minimum Wage Variables on Labor Absorption in West Java Province for the 2008-2020 Period.

Ha: Yes Simultaneous Significant Effect of Investment, Unemployment and Minimum Wage Variables on Labor Absorption in West Java Province for the 2008-2020 Period.

C. Data and Research Methods

This research uses a quantitative research type that is associative (bond). Quantitative research can be defined as a research method based on the nature of positivism, using research instruments, analysis of quantitative or statistical information and with the aim of testing established hypotheses (Sugiyono, 2016). Researchers can see the effect by examining the binding of information on the independent variables, namely the Effect of Investment, Unemployment, Minimum Wage and information on the dependent variable, namely Labor Absorption in West Java Province for the 2008-2020 period. The information used in this research is time series information. Time series is a forecasting procedure using the analysis of the bond pattern between the variables to be estimated and the time variable. The type of information studied in this research is Archives Research (secondary information). Archival research is research on written facts (documents) or in the form of information archives. Collecting information in the form of documents or archives that can be done by researchers themselves or in the form of information publications where the collection is done by other people. This research explores information sourced from periodic survey information as well as those published by the Central Statistics Agency of West Java Province or the Central Bureau of National Statistics. This research also uses the following analytical procedures:

1. Classic assumption test
   In regression analysis to obtain a regression model that can be accounted for, the following assumptions must be fulfilled. There are 4 tests in the classical assumption test, namely: Normality Test, Multicollinearity Test, Autocorrelation Test and Heteroscedasticity Test.
2. Multiple Linear Regression Analysis
   The analytical procedure used in this research is multiple linear regression analysis. Multiple regression analysis is used by researchers if the researcher intends to predict the condition of the condition (up and down) of the dependent variable, if 2 or more independent variables such as predictor aspects are manipulated or increased in value (Sugiyono, 2016). This analysis is used to control whether there is an influence between the independent variable (x) on the dependent variable (y), namely the effect of Investment (x1), Unemployment (x2), Minimum Wage (x3) on Labor Absorption (y). After that, multiple regression analysis can be described by the following equation:
   $y = a + b1x1 + b2x2 + b3x3 + e$
   Explanation:
   y = Labor Absorption (Dependent Variable).
   x1 = Investment (Independent Variable).
   x2 = Unemployment (Independent Variable).
   x3 = Minimum Wage (Independent Variable).
   a = constant i.e. (y value if x1, x2, x3) = 0.
   b = regression coefficient (increase or decrease value).
   e = error.
3. Hypothesis testing
   a. Partial Significance Test
      The partial significance test was tried to show how far one explanatory or dependent variable was individually in explaining the alteration of the independent variable.

The test is tried using a significance level of 0.05 (α=5%). The decision to accept the hypothesis or reject it is as follows:

- If the significance value is > 0.05 then Ho is accepted and H1, H2, H3 is rejected (regression coefficient is not significant). This is convincing that partially the independent variable does not have a significant effect on the dependent variable.
- If the significance value is <0.05 then Ho is rejected and H1, H2, H3 is accepted (significant regression coefficient). This means that partially the independent variable has a significant influence on the dependent variable.

b. Simultaneous Significant Test

Simultaneous significance test is tried to show how far the independent variables together explain the dependent variable. The test is tried using a significance level of 0.05 (α=5%). The decision to accept the hypothesis or reject it is as follows:

- If the significance value is > 0.05 then Ho is accepted and H1, H2, H3 is rejected (regression coefficient is not significant). This matter is convincing that together the independent variables do not have a significant effect on the dependent variable.
- If the significance value is <0.05 then Ho is rejected and H1, H2, H3 is accepted (significant regression coefficient). This means that together the independent variables have a significant influence on the dependent variable.

c. Coefficient of Determination

The coefficient of determination (R2) essentially measures how far the model's expertise in explaining the alteration of the dependent variable is. The value of the coefficient of determination is between zero and 1. A small value of R2 means that the expertise of the independent variables in explaining the alteration of the dependent variable is very limited. A value close to 1 means that the independent variables share almost all of the data needed to predict the alteration of the dependent variable. The coefficient of determination is to determine how much the independent variable contributes (Investment, Unemployment, Minimum Wage) to the dependent variable (Labor Absorption).

D. Research Results and Discussion

1. Classic Assumption Test Results
   a. Normality Test Results

Table 3
Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		13
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.04383221
Most Extreme Differences	Absolute	.202
	Positive	.128
	Negative	-.202
Test Statistic		.202
Asymp. Sig. (2-tailed)		.150[c]

Source: SPSS 23 Secondary Data processed 2021

If we look at the results of the normality test above, it is known in the Unstandardized Redsidual table in the Asymp section. Sig. (2-tailed) shows the number 0.150. This figure can be concluded that the number 0.150 is declared significant. Because it is more than 0.05, then the data to be processed has been proven to be normally distributed. So it can be continued to the next test.

b. Multicollinearity Test Results

Table 4
Multicollinearity Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	14.296	2.179		6.561	.000		
	Ln_x1	.037	.026	.347	1.419	.190	.387	2.584
	Ln_x2	.024	.147	.025	.163	.874	.991	1.009
	Ln_x3	.127	.052	.594	2.436	.038	.389	2.571

Source: SPSS 23 Secondary Data processed 2021

The results of the multicollinearity test show in the Collinearity Statistics table (tolerance and VIF), if the resulting number is more than 1.0 tolerance and VIF is more than 0.1. Then the results obtained at this time on tolerance show more than 1.0 all and likewise the VIF results above are all more than 0.1. So it can be concluded that in this result there is no multicollinearity test and can be continued for the next stage.

c. Autocorrelation Test Results

Table 5
Autocorrelation Test Results

Model Summary[b]

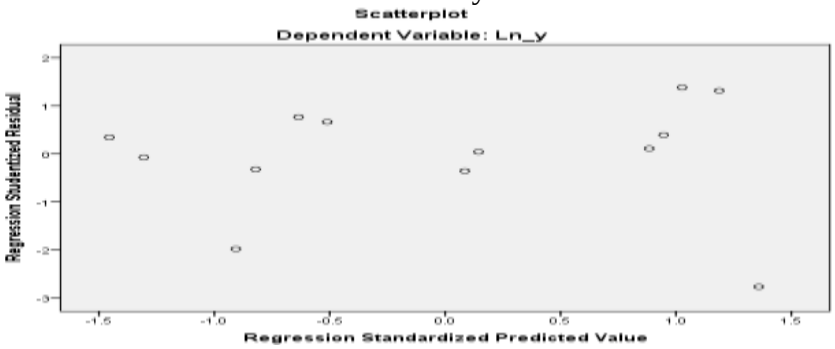
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.890[a]	.792	.723	.05061	1.346

Source: SPSS 23 Secondary Data processed 2021

The Durbin Watson value above in the model summary table regression output shows the number 1.346. Meanwhile, from the Durbin Watson table, the significance is 0.05 and the number of data is n=13 and k=2. Then obtained a value of dl = 0.7147 and du = 1.8159 (see table Durbin Watson). Because the Durbin Watson value above shows 1.346 in the area more than dl and less than dw, so it can be concluded that there is no autocorrelation problem.

d. Heteroscedasticity Test Results

Table 6
Heteroscedasticity Test Results



Source: SPSS 23 Secondary Data processed 2021

From the graph above, it can be seen that the dots spread with an unclear pattern. However, there are still points above and below the number 0 and on the y-axis.

2. Multiple Linear Regression Test Results

Based on the multiple regression equation formulation, the form of the equation in the study is as follows:

Ln_y = a + b1Ln_x1 + b2Ln_x2 + b3Ln_x3 + e

Ln_y = 14.296 + 0.037Ln_x1 + 0.024Ln_x2 + 0.127Ln_x3

Information:

y = Labor Absorption
x1 = Investment
x2 = Unemployment
x3 = Minimum Wage
a = constant
e = error

The multiple linear regression equation above can be interpreted and conclusions are drawn based on the constant value of 14.296 which indicates that if the independent variable is 0, then the decision of the labor absorption factor is 14.296.

3. Hypothesis Test Results

a. Partial Significance Test Results

Table 7
Partial Significance Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	14.296	2.179		6.561	.000
	Ln_x1	.037	.026	.347	1.419	.190
	Ln_x2	.024	.147	.025	.163	.874
	Ln_x3	.127	.052	.594	2.436	.038

Source: SPSS 23 Secondary Data processed 2021

The results in table 7 above can be interpreted as follows:

The investment variable (ln_x1) obtained a significance result of 0.190 and more than 0.05, so it can be stated that partially the investment variable does not have a significant effect on employment in West Java Province. So if the investment value increases or decreases, it will not partially affect the level of employment in West Java Province.

The unemployment variable (ln_x2) obtained a significance result of 0.874 and more than 0.05, it can be stated that partially the unemployment variable does not have a significant effect on employment in West Java Province. So that if the unemployment rate increases or decreases, it will not partially affect the level of employment in West Java Province.

The minimum wage variable (ln_x3) obtained a significance result of 0.038 and less than 0.05, it can be stated that partially the minimum wage variable has a significant influence on employment in West Java Province. So if the value of the minimum wage increases or decreases, it will partially affect the level of employment in West Java Province.

b. Simultaneous Significance Test Results

Table 8
Simultaneous Significance Test Results

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.088	3	.029	11.439	.002[b]
	Residual	.023	9	.003		
	Total	.111	12			

Source: SPSS 23 Secondary Data processed 2021

The independent variables (investment, unemployment, minimum wage) together obtained a significance result of 0.002 and less than 0.05, it can be stated that together (simultaneously) the independent variables (investment, unemployment, minimum wage) have a significant effect on employment work in West Java Province. So if the independent value (investment, unemployment, minimum wage) increases or decreases, it will affect simultaneously (simultaneously) the high and low employment absorption in West Java Province.

c. Coefficient of Determination Test Results

It is known from the results of the coefficient of determination in table 5 above in the R Square section of 0.792, it can be concluded that there are 79.2% of investment variables, unemployment and minimum wages that affect employment in West Java Province. While 20.8% is influenced by other variables that are not found in this study.

4. Discussion

a. The partial effect of investment, unemployment and minimum wages on employment in West Java Province for the period 2008-2020.

The effect of the investment variable on labor absorption in West Java Province for the 2008-2020 period which shows that the results of significance are 0.190 and more than 0.05, so it can be stated that partially the investment variable does not have

a significant effect on employment in West Java Province. So that if the investment value faces an increase or decrease, it will not partially affect the level of employment in West Java Province. It is predicted that because business owners in West Java Province invest in more productive methods in industries that are indeed aimed at increasing product productivity and improving the quality of production in West Java Province, labor absorption will be low. So that the results that are owned on the investment variable do not significantly affect the absorption of labor in the province of West Java. This is in line with research Great Ali et.al in their research entitled the influence of GRDP and investment on employment in the South Minahasa district which resulted in a negative and insignificant impact on investment. (Great Ali, Rosalina AM Koleangan, 2020).

The effect of the unemployment variable on labor absorption in West Java Province for the 2008-2020 period which shows that the results have a significance of 0.874 and more than 0.05, so it can be stated that partially the unemployment variable does not have a significant effect on employment in West Java Province. So that if the unemployment rate faces an increase or decrease, it will not partially affect the level of employment in West Java Province. Unemployment in West Java Province is predicted to have more influence on other variables than on employment in West Java Province. Because basically the case of the large number of unemployed at this time is caused by several factors, including poverty or the incompatibility of competence and qualifications of the workforce needed in work. Similar to what is found in Robby et.al's research with the title research on the influence of economic development, learning and unemployment on the poverty level in Makassar City which means that unemployment has a positive and significant impact on poverty levels. (Ishak, Zakaria and Arifin, 2020).

The effect of the minimum wage variable on labor absorption in West Java Province for the 2008-2020 period which shows that the results are of significance 0.038 and less than 0.05, so it can be stated that partially the minimum wage variable has a significant influence on employment in Java Province. West. So that if the minimum wage value faces an increase or decrease, it will partially affect the level of employment in West Java Province. Because if the minimum wage increases, it will have a big impact on increasing productivity and will create worker loyalty which can make more qualified workers. This is in line with research Esthi et.al with the title analysis of the effect of inflation, GDP, and the minimum wage on employment in East Java which makes the minimum wage a positive and significant influence (Warapsari, Hidayat and Boedirochminarni, 2021).

b. Simultaneous effect of investment, unemployment and minimum wage on employment in West Java Province for the period 2008-2020.

The effect of the independent variables (investment, unemployment, minimum wage) together has a significance result of 0.002 and less than 0.05, so it can be stated that together (simultaneously) the independent variables (investment, unemployment, minimum wage) have a significant effect on absorption workforce in West Java Province. So that if independent values (investment, unemployment, minimum wages) face an increase or decrease, so they want to influence simultaneously

(simultaneously) on the level of employment in West Java Province. Because basically some aspects that can affect the absorption of labor also include investment, unemployment and minimum wages.(Handoko, 1987).

E. Conclusion

Based on the results of the research and discussion above, it can be concluded that partially the minimum wage variable has a significant effect on employment, then the investment and unemployment variables have no significant effect. Meanwhile, investment, unemployment and minimum wage variables simultaneously have a significant effect on employment. Then suggestions for further research or research are expected to use more variables and for a longer period of time. So that you will know more significant results and add insight for the future.

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