

Manpower Absorption in Fishcake, Crackers and Fish Cracker Businesses in Palembang City

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Keywords: Labor Demand, wage rate, production value, gender and business location.

Abstract: The purpose of the research entitled “Manpower Absorption in fishcake, crackers and fish cracker Enterprises in Palembang City” was to find out how the variables of capital, wages, production value, sex and business location influence labor absorption in the business sector of fishcake, crackers and fish cracker in the City Palembang. This study uses primary data through direct interviews with respondents with a list of questions that have been prepared. There were 60 respondents of the small-scale food industry entrepreneurs in the city of Palembang who became the object of research. To achieve the goal, in this study using data analysis was done using multiple linear analysis using OLS (Ordinary Least Square) and SPSS 20. software program. The results showed that the variables of capital (X1), wages (X2), production values (X3), gender (X4) and business location (X5) jointly influence the labor absorption variable (Y). From the partial estimation results, the variables that have a significant influence are only the variables of capital, production value and business location. This means that the wage and sex variables have no real effect on labor absorption in the fishcake, crackers and fish cracker business in Palembang City.

1 INTRODUCTION

During the economic crisis, small and medium enterprises (SMEs) have become a safety valve for the national economy. As in other countries, SMEs not only have a very significant contribution to the economy of a nation but SMEs also play a very large role in employment. In terms of the formation of Gross Domestic Product (GDP), the contribution of SMEs to GDP reached 63.11 percent. While large businesses constitute 0.01 percent of all business units contributing 36.89 percent of GDP (Setiawan, 2010).

As for the population that has increased from year to year has resulted in a growing number of workforce. This means that the increasing number of people who are looking for work or unemployed. To be able to compensate for the growth rate of the working age population, it is necessary to expand employment. Based on BPS data from Palembang City, the population based on the 2015 projection is 1,580,517 people, consisting of 791,943 male and 788,574 female residents. Compared to the projected population in 2014, the population in Palembang City experienced a growth of 1.41 percent. The

employment situation in Palembang City in 2015 had a total workforce of 733,121 people.

Meanwhile, the unemployment rate of Palembang City in 2015 was 9.52 percent, greater than in 2013, which was 9.15%. This unemployment rate is calculated by defining unemployment as looking for a job, preparing a business, feeling impossible to get a job and getting a permanent job but not working yet. The data shows that the unemployment rate in Palembang City is still in a category that is quite alarming. Unemployment can be overcome by placing unemployed people on employment. To employ the unemployed, new jobs must be created. But the more days the number of unemployed continues to increase faster than the increase in the number of jobs. Even so, we still have to remain optimistic that a high labor force problem can be found a solution. One of the things that might be used as a solution for reducing unemployment and expanding employment opportunities is by developing the SME sector (Sudrajad, 2000).

Small and Medium Enterprises (SMEs) absorb more labor than the formal sector. Because the formal sector requires a special skill that is not owned by most job seekers. In addition, Small and Medium Enterprises in increasing employment can

be calculated from how much the business unit owned by the entrepreneur / industry, the value of production or the total number of goods produced, the level of wages offered and capital in the sector in the UKM. At present the food industry in Palembang City is growing rapidly. Compared to other industries, the food industry, especially Palembang specialties such as pempek, kerupuk and kemplang, has a huge opportunity to continue to grow.

When viewed from the internal factors of Pempek businessmen, crackers, and kemplang in Palembang City such as capital and wages associated with employment, these variables will influence each other. The greater the capital owned will increase with the amount of production capacity. From the amount of production capacity, a lot of labor is absorbed to meet a large production capacity. While wages are one of the production costs that must be issued by the company. The absorption of labor will be influenced by the proportion of wages for workers against the overall cost of production. So if the proportion of production costs for small wages, then the response to labor demand will be large.

The value of production can also affect employment in pempek entrepreneurs, crackers and kemplang in Palembang City. The value of production is the level of production or the total amount of goods produced in the food industry. The rise and fall of demand for the production of these industrial SMEs, will affect if the demand for the production of the company's goods increases, so that producers tend to increase their production capacity. For this purpose producers will increase the use of their workforce (Sumarsono, 2012). Based on the phenomena, and the thoughts of the results of previous studies, this study analyzed the employment of the small-medium business sector of the food industry in the city of Palembang.

2 LITERATURE REVIEW

Labor Demand Theory

$$E_d = \frac{\text{percentage change in quantity of labor demand}}{\text{Percentage change in the wage rate}}$$

$$E_d = \frac{\text{Change in quantity of labor demand}}{\text{Sum of quantities}/2} = \frac{\text{change in wage}}{\text{sum of wage}/2}$$

Demand for labor or other production factors used to produce an item / service is determined or controlled by the demand for finished goods / services (derived demand). The demand for labor depends on the productivity of the workforce itself and the market value of the products produced (Mc Connell, Brue, and Macpherson, 1999). As is well known, that the labor market is different from most other markets. Because labor demand is a derivative request. Most labor services, when compared to finished goods that are ready to be enjoyed by consumers, are inputs for producing other goods.

The derived demand theory in this study is closely related to the amount of labor absorption needed. While the employer hires someone because the person helps produce goods and services to sell to the consumer community. In other words, increasing company demand for labor depends on increasing public demand for goods and services produced. Such labor demand is called derived demand (Payaman J. Simanjuntak, 1985). Employers employ someone because they help produce goods / services for sale to consumers. Therefore, an increase in the demand of employers for labor depends on the increase in public demand for goods produced. Penyerapan tenaga kerja merupakan jumlah tertentu dari tenaga kerja yang digunakan dalam suatu unit usaha tertentu atau dengan kata lain penyerapan tenaga kerja adalah jumlah tenaga kerja yang bekerja dalam suatu unit usaha.

Manpower absorption can be attributed to the balance of interaction between labor demand and job supply, where the market demand for labor and the market for labor supply together will determine the balance of wage levels and the balance of labor use.

The market for labor demand is a combination of individual market demand for labor. Demand for labor depends on the elasticity of demand for the number of workers. The sensitivity of the amount of labor demand is calculated in the following ways (Mc Connell, Brue, and Macpherson, 1999):

Determinants of determinants of market elasticity in general labor demand are determined by:

- a. Product demand capacity. The more elastic the demand for the product of a company, the more elastic the company will make the demand for labor.
- b. Comparison between labor costs and total costs. The greater the composition of labor costs in the total cost, the change in the wage rate will be more elastic to the demand for labor. Conversely, if the composition of the workforce is very small in the total cost, the change in wage rate is less elastic.
- c. The easier it is to substitute labor into other input factors, the more demand for labor will change to the wage rate.

Other elasticity of supply of production factors. If the demand for other production factors is more elastic, the demand for labor is also more elastic.

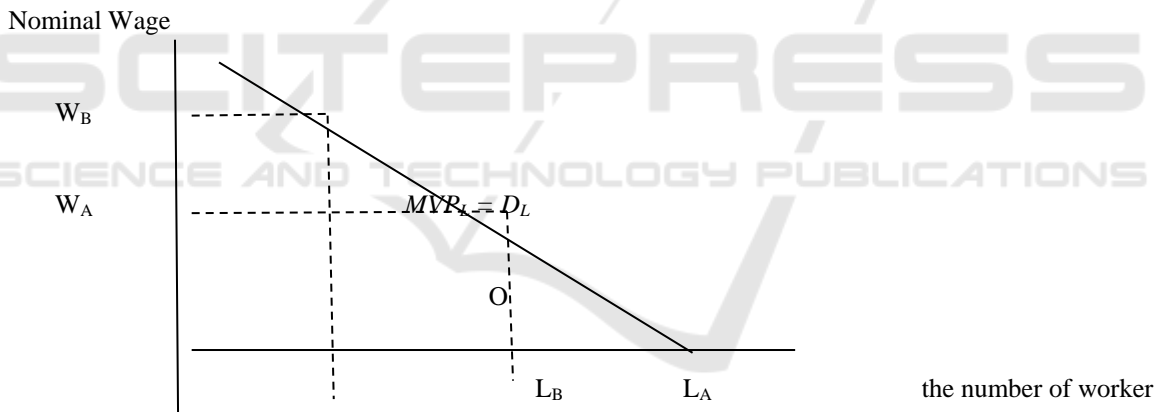
Capital

Working capital is all funds spent in the production process to obtain sales receipts (Ahmad, 2004). Usually working capital is used for labor

costs, workers' rights, to produce goods and costs in other needs (Pratama, 2005). Working capital has two functions, namely supporting production activities and closing funds or fixed expenses that are not directly related to production and sales (Raheman and Nars, 2007). The greater the capital used will affect the amount of production produced, the greater the level of use of the process needed for production.

Wage Theory

The labor market, like other markets in the economy, is controlled by the forces of supply and demand, but the labor market differs from most other markets because labor demand is a derived demand where the demand for labor depends on the demand for output. produced it (Borjas, 2010). The imbalance between demand and supply of labor will determine the level of wages (Mankiw, 2003). According to Ricardo (Deliarnov, 2009) the exchange rate of an item is determined by the costs incurred to produce the goods, namely the cost of raw materials and wages of workers whose amount is only for subsistence for the workers concerned.



Selection of the level of output that maximizes profit also reflects the selection of inputs that produce the level of output in question. This means that the demand for input cannot be separated from the choice of output level (Binger and Hoffman, 1988: 301). Demand for labor is derived demand. Demand for labor depends on demand for output. A decrease in demand for output will reduce demand for labor, and vice versa. Factors that determine labor demand are marginal products of labor and output prices (McConnell et al., 2003: 127).

The addition of a worker will increase output as much as the marginal product of labor (Marginal Product of Labor = MPL). In the perfect competition

market, with the product price level as high as PQ, then the value of the marginal product of labor (Marginal Value Product of Labor = MVPL) is the output price multiplied by the marginal product (MVPL = PQ x MPL). On the other hand, the addition of a worker burdens the company costs by the workers' nominal wage level. If the marginal product value of labor (MVPL) is higher than the nominal wage rate, then the company will increase the number of workers, and vice versa. Companies that maximize profits, will employ a number of workers until a situation is attained which is marked by the similarity between the nominal wage level

and the marginal product value of labor (Branson, 1989: 110).

The value curve of the marginal product of the MVPL workforce illustrates labor demand (Bosworth et al., 1996: 98). The increase in the number of workers is followed by a decrease in the marginal product value of workers so that nominal wages also decline. Thus the labor demand curve also has a negative slope. A nominal wage increase will reduce the amount of labor requested, and vice versa. At nominal wage levels as high as OWA, the amount of labor requested is as large as OLA. If the nominal wage rises to as high as OWB, the number of workers is asked to go down to OLB.

Production Theory

According to Mankiw (2005) the factor of production is the input used to produce goods and services. The two most important factors of production are capital and labor.

In a production process to produce goods and services, labor is one of the factors of production used in the production process. By examining the relationship between the production of goods and the demand for labor, there will be known factors that determine the balance of wages. The following production functions are stated in the equation:

$$Y = F(K, L)$$

This equation states that output is a function of a number of capital and labor. The production function reflects the technology used to convert capital and labor into output. The discovery of better ways to produce goods, produces more output, with the amount of capital and labor is fixed.

Gender

Gender is closely related to small businesses that relate to people's economic activities with equitable development for women and men, in terms of social

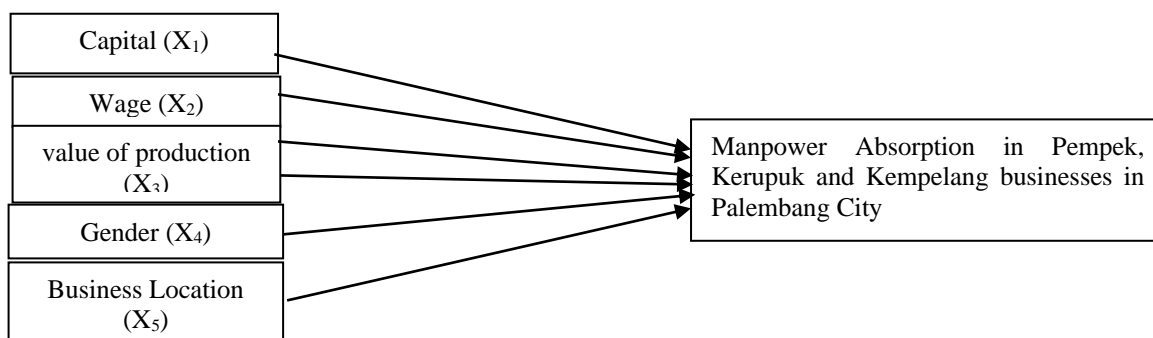
justice, economic efficiency and efforts to encourage regional development. This goal can be achieved through a strategy that is tailored to the conditions, needs and potential.

As quoted in the book Wade and Tavris (2007) different cultures and religions differ in the roles of men and women. For example, equal education for men and women is not seen as important, although there are laws that require minimal education for all people. in a world that is growing rapidly, the message of society towards men and women continues to shift. As a result, gender development becomes a lifelong process, where gender schemes, attitudes and behaviors change with new experiences and changes in society. Their behavior is formed by a combination of hormonal factors, genes, cognitive schemes, education from parents and social environment, religious and cultural traditions, and experience.

Business Location

According to Heizer and Render (2005) the location is a driver of costs and income, the location often has the power to create a business strategy for the company. Strategic locations aim to maximize profits for the company. According to (Kotler, 2008) one of the keys to success is location, the location begins with choosing a community. This decision is very dependent on the potential for economic growth and stability, competition, political climate and so on.

Before a company sets up a factory, it is usually planned as best as possible because the location affects the operating / production costs, selling prices, and the company's ability to compete in the market (Subagyo, 2000). From the views of the theories that have been stated previously and from previous studies, the systematic framework of thought in this study can be described as follows:



Picture 1: The relationship between the variables of capital, wages, production value, sex and location of business to employment in the business of Pempek, Kerupuk and Kempelang in Palembang City.

3 RESEARCH METHODS

In this study the scope of the research which is the object of research is the SME sector of the food industry such as pempek, crackers and kemplang found in Palembang City. The reason for choosing the object of the study, because for the SME sector the food industry such as pempek, crackers and kemplang is quite a lot in the city of Palembang so it is very interesting to do research on the influence of capital, wages, production value, gender and business location on employment in the SME sector food industry in Palembang City.

The type of research conducted using a quantitative descriptive approach using statistical analysis used multiple regression. The research variables used in this study consisted of dependent variables (bound), namely the variable number of workers and independent variables (free) consisting

of variables of capital, wages, production value, sex and business location.

The data needed in this study consists of primary data. Primary data relating to the data collected to meet the needs of research conducted was obtained by direct interviews and filling out questionnaires by entrepreneurs of Pempek, crackers and kemplang in Palembang City.

4 RESULTS AND DISCUSSION

Questionnaires were distributed to 60 SMEs in the food industry such as Pempek, Kerupuk and Kemplang producing data on the characteristics of Pempek, Kerupuk and Kemplang entrepreneurs. Next presented the characteristics of respondents regarding the amount of labor, capital, wages, production value, gender and business location

Characteristics of Respondents

Table 4: Total Absorption of Manpower for Pempek, Kerupuk and Kemplang Enterprises Palembang city

No	Labor (people)	Owner (respondent)	Percentage (%)
1.	3-4	5	8,3
2.	5-6	6	26,7
3.	7-8	18	30
4.	9-10	11	18,4
5.	> 10	10	16,6
Total		60	100%

Table 5 : Monthly Capital Tables issued by Pempek, Kerupuk and Kemplang Enterprises Palembang city

No	Capital/month (Milion Rp)	Owner (respondent)	Percentage (%)
1.	12,5 - 15,0	13	21,6
2.	15,5 - 18,0	8	13,3
3.	18,5 - 21,0	4	6,7
4.	21,5 - 24,0	1	1,7
5.	> 24,5	34	56,7
Total		60	100%

Table 6: Monthly Wages Per Work Force of Pempek, Kerupuk and Kempelang Palembang city

No	Wage/month (Thousand Rp)	Owner (respondent)	Percentage (%)
1.	750 - 755	2	3,3
2.	756 - 855	8	13,3
3.	856 - 955	19	31,7
4.	956 - 1.055	15	25
5.	> 1.056	16	26,7
Total		60	100%

Table 7: Production Value of Pempek, Kerupuk and Kempelang Enterprises Palembang city

No	value of production / month (Thousand unit)	Owner (respondent)	Percentage (%)
1.	40 - 45	16	26,7
2.	66 - 85	18	30
3.	86 - 105	11	18,3
4.	106 - 135	2	3,3
5.	136 - 255	13	21,7
Total		60	100%

Table 8: Gender Respondents of Pempek, Kerupuk and Kempelang Businesses Palembang city

No	Gender	Owner (respondent)	Percentage (%)
1.	Man	47	78,8
2.	Female	13	21,67
Total		60	100%

Table 9: Business Location in Pempek, Kerupuk and Kempelang Enterprises Palembang city

No	Business Location	Owner (respondent)	Percentage (%)
1.	Industrial Centers	41	68,33
2.	Not Industrial Centers	19	31,67
Total		60	100%

Variable Research Distribution Labor Distribution (Y)

In this study, data on the number of labor absorption in the Pempek, Crackers and

Kempelang business in Palembang City in 2017 are as follows:

Table 10: Number of Manpower Absorption

No	Labor (people)	Owner (respondent)	Percentage (%)
1.	<8	38	63,3
2.	>8	22	36,7
	Total	60	100%

Based on table 10 it can be seen that the average respondent who has a workforce of <8 people is 38 respondents, amounting to 63.3%. For respondents > 8 only 22 respondents, amounting to 36.7%. From the table above it can be seen that in the business of Pempek, crackers and kempelang in Palembang City

in 2017 for the number of workers influential in employment. On average, the entrepreneurs of Pempek, Kerupuk and Kempelang have <10 workers who come from neighbors around the area and there is also a relationship between the workforce and the business owner is a family.

Capital Distribution (X1)

The capital in the pempek, crackers and crushing business in Palembang City uses the majority of capital derived from their own capital. The

following is the distribution of capital in the Pempek, Crackers and Kempelang business in Palembang City in 2017.

Table 11 : Capital Table per month in Pempek, Kerupuk and Kempelang Enterprises in the City Palembang, 2017

No	Capital/month (Million Rp)	Owner (respondent)	Percentage (%)
1.	>24jt	27	45,0
2.	<24jt	33	55,0
	Total	60	100%

Based on the table above shows that business capital issued > 24 million per month amounted to 27 respondents, amounting to 45.0%. For capital issued < 24 million per month, there were 33 respondents, amounting to 55.0%. It is seen here that in this business capital becomes an influence for employers to recruit workers.

In this study the meaning of capital is the amount of capital used for the production process in food businesses (pempek, kerupuk / kempelang) per month. This capital does not include the value of land and buildings. In the Pempek business, crackers and kempelang in Palembang City use equipment and equipment that are not sophisticated tools such as large industries, but the equipment and equipment used are still simple.

So that the equipment here is not substitute. The capital in this study is working capital. Meanwhile, working capital is a financing for business or business. In this study the working capital calculated is capital from food production raw materials in the form of (pempek, kerupuk / kempelang) for each production within a month. Other raw materials and equipment used in the food industry are as follows. First, raw materials, such as sago / flour, milled fish, flavorings, eggs, and water. Both equipment, namely fish grinder, basin container, and stirrer.

Wage Distribution (X2)

In this study on the pempek, crackers and kempelang business in the city of Palembang, the wages of workers were paid with monthly wages. The wage table is as follows:

Table 12: Monthly Wages Per Labor in Pempek, Kerupuk and Kempelang Enterprises in Palembang City, 2017.

No	Wage/month (Million Rp)	Owner (respondent)	Percentage (%)
1.	<978	32	53,3
2.	>978	28	46,7
	Total	60	100%

Based on the above table shows that the average respondent has a workforce wage <978 totaling 32 respondents, amounting to 53.3% and for respondents with labor wages of > 978 as many as 28 respondents. it means that the big wage does not affect the amount of labor absorption in the business of Pempek, crackers and kemplang in Palembang City in 2017.

This is because the community does not respond too much to the size of the wages offered by employers to become workers in the pempek,

kerupuk and kemplang businesses. Entrepreneurs in this industry are also rather difficult to find skilled or skilled employees. So that when entrepreneurs raise wages aim to absorb labor.

Production Value Distribution (X3)

The production value referred to in this study is the amount of production (pempek / kerupuk / kemplang) in one month. The following is the production value data for the Pempek, Crackers and Kemplang business in Palembang City in 2017:

Table 13 : Production Value of the Business of Pempek, Kerupuk and Kemplang per Month

No	Production Value / month (Thousand unit)	Owner (respondent)	Percentage (%)
1.	<1290	47	78,3
2.	>1290	13	21,7
	Total	60	100%

Based on the table above shows that the production value of <1290 in this business is 47 respondents, with a percentage of 78.3%. For the production value of <1290, there were 13 respondents, 21.7%. The average production value produced per month <1290 which affects labor absorption by keeping the variable value of wages constant, hence the increasing production capacity,

the value of production increases, increasing the amount of labor absorption.

Gender Distribution of Respondents (X4)

In this study, gender was the sex of the business owner of Pempek, crackers, and Kemplang in Palembang City, which was taken from interviews with 60 respondents.

Table 14: Gender of Respondents

No	Gender	Owner (respondent)	Percentage (%)
1.	Man	47	78,3
2.	Woman	13	21,7
	Total	60	100%

Based on the table above it can be seen that the sex of male respondents dominates the respondents, namely 47 respondents, amounting to 78.3% while the number of female respondents is as many as 13 respondents with a percentage of 21.7% only. This is because in our society, men are intended as breadwinners or become the backbone of their families.

Distribution of Business Locations (X5)

In this study the business location is a place of business or business activity carried out on the business of pempek, crackers and kemplang in Palembang City. Divided into 2 locations, namely strategic locations that are in the food industry area and non-strategic locations that are not in the food industry area.

Table 15: Business Locations in Pempek, Kerupuk and Kemplang Enterprises in Palembang City

No	Business Location	Owner (respondent)	Percentage (%)
1.	Strategy	41	68,3
2.	No Strategy	19	31,7
	Total	60	100%

In the table above shows that the number of pempek, crackers and crisps businesses in Palembang City in 2017 which are in strategic areas are 41 respondents, amounting to 68.3%. While those who are not in the strategic 19 respondents with a percentage of 31.7%. Most of the average entrepreneurs in industrial centers are 41 entrepreneurs.

This is because researchers have determined the location of the study. In accordance with the Government's decree that the food industry center is in the Seberang Ulu 1 area to Seberang Ulu 10. However, the data in the field shows that the most pempek, cracker and kemplang businesses are located in the Palembang specialty food industry located across the ilir (24 ilir to 28 ilir).

Crosstab

Crosstab descriptive statistics (cross tabulation) are included in the description analysis. However, there are differences compared to descriptive frequency statistics and exploration. Descriptive crosstab presents data in tabulation form, which includes rows and columns. Crosstab features are generally two or more variables that have a descriptive relationship. Data presentation in general is qualitative data.

Relationship Between Variables in Pempek, Kerupuk and Kemplang Enterprises

Characteristics of respondents (Pempek entrepreneurs, crackers and kemplang in Palembang City in 2017) according to capital variables with labor variables can be seen in the table below:

Table 16: Relationship between capital variables and labor variables:

	Labor Group		Total
	<8	>8	
Capital Group > 24jt	21	6	27
< 24jt	17	16	33
Total	51	25	60

From the table above shows that there are 21 respondents who have capital > 24 million and absorb labor <8 people, there are 17 respondents have capital <24 million and absorb labor <8 people, 6 respondents who have capital >24 million absorb labor >8 people and lastly there were 16 respondents having capital <24 million absorbing labor > 8 people. This means that for the variable capital affects the amount of labor absorption in the

business of pempek, crackers and kemplang in Palembang City.

The Relationship Between Wage Variables and Labor Variables

The relationship of respondents according to wages and labor absorption in the business of Pempek, crackers and kemplang in Palembang City in 2017 can be seen from the table below.

Table 17: Relationship between wage variables and labor variables:

	Labor Group		Total
	<8	>8	
Wage Group <978	23	9	32
>978	15	13	28
Total	38	22	60

From the table above shows 23 respondents who gave wages <978 thousand per month were able to absorb labor <8 people, there were 15 respondents who gave wages > 978 thousand per month able to absorb labor <8 people. There were 9 respondents who gave a wage of <978 thousand per month able to absorb labor > 8 people and also there were 13 respondents who gave a salary > 978 thousand per month able to absorb labor > 8 people.

From these data it can be said that the wages offered by pempek businessmen, crackers and kemplang in Palembang City were not responded to by the workforce. Entrepreneurs in this business are rather difficult to find workers who have skilled employees.

The Relationship Between Production Value Variables and Labor Variables

The relationship between the variable value of production and labor absorption in the business of

pempek, crackers and kemplang in Palembang City in 2017 can be seen from table 4.10 below

Table 18: Relationship between variables of production values and labor variables:

		Labor Group		Total
		<8	>8	
Production Group	<1290(unit)	34	13	47
	>1290(unit)	4	9	13
Total		38	22	60

Judging from the data above it can be said that there are 34 respondents with production value per month <1290 units absorb <8 people. And there are 4 respondents with production value produced per month > 1290 units absorbing <8 people. there are 13 respondents with production value per month <1290 units absorbing > 8 people, and there are also 9 respondents with monthly production value > 1290 units absorbing > 8 people. In this case it can be said that the production value of <1290 units produced by less than 8 people was 34 respondents compared

to the production value > 1290 units produced by more than 8 people.

Relationship Between Gender Variables and Labor Variables

Characteristics of respondents according to gender and labor absorption in the Pempek, crackers and crisps business in Palembang City in 2017 can be seen from table 19.

Table 19: Relationship between Respondents by sex and labor

		Labor Group		Total
		< 8	> 8	
Gender Group	Man	29	18	47
	Woman	9	4	13
Total		38	22	60

From the table above it can be seen that there are 29 respondents who are male who absorb <8 people, there are 9 respondents who are female who absorb <8 people. Then there were 18 respondents who were male who absorbed labor <8 people, and there were 4 respondents who were female by absorbing labor > 8 people. In the table above shows that male entrepreneurs absorb more labor than female entrepreneurs, but for researchers this can also be indirectly caused by gender factors to influence

decisions and actions to take labor in the business of Pempek , crackers and kemplang.

The Relationship Between Business Location Variables and Labor Variables

Characteristics of respondents according to the location of the business and labor absorption in the business of Pempek, crackers and kemplang in Palembang City in 2017 can be seen from table.

Table 20: Relations of Respondents Based on location of business and labor

		Labor Group		Total
		< 8	> 8	
Location of Business	Strategic	31	10	41
	Not Strategic	7	12	19
Total		38	22	60

From the table above it can be seen that there are 31 respondents who are strategically located that absorb <8 people, there are 7 respondents who are not strategically located that absorb <8 people. Then there were 10 respondents who were strategically located which absorbed employment > 8 people, and there were 12 respondents located not strategically by absorbing labor > 8 people. This shows that strategic business locations are able to absorb more labor than business locations that are not in a strategic location (Palembang's food industry center).

Data Analysis with Statistics

Overall description and the results of this study will be described after the data analysis and interpretation has been carried out. The analysis was

carried out using Statistical Package For Social Communication (SPSS) For Windows ver. 20. The results of statistical calculations are presented in a descriptive form to describe the description of the data by using inferential analysis to determine the relationship of influence between research variables.

Classic assumption test

Normality test

If the data spread around the diagonal line and follow the direction of the diagonal line, the regression model meets the assumption of normality. If not, or the data spreads far from the diagonal line, the regression model does not meet the assumption of normality. The results of the normality test can be seen from the Normal P-P plot below.

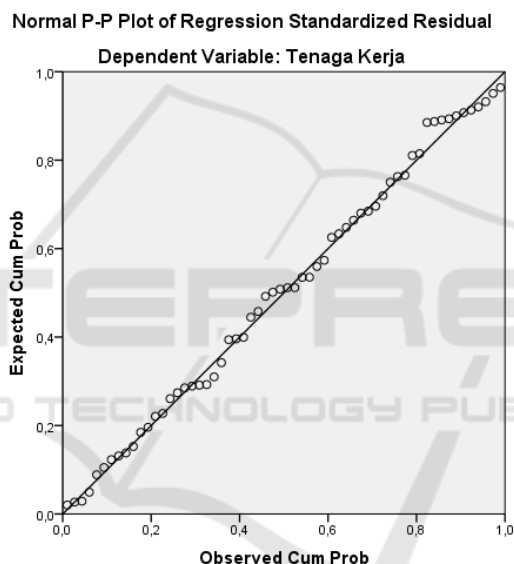


Figure 1: The Results of Normality Test

From the picture above, you can see the points spreading around the diagonal line and the distribution follows the direction of the diagonal line. Then the regression model is feasible to be used for predicting employment variables based on input from variables of capital, wages, production value, sex and business location.

Multicollinearity Test

Multicollinearity testing aims to test whether the regression model found correlation between independent variables. A good regression

model should not have a correlation between independent variables.

To detect the presence of multicollinearity, it can be seen with the amount of VIF (Variance Inflation Factor) and Tolerance values. Looking at the tolerance value, if the value is > 0.10, it means that there is no multicollinearity against the data being tested, whereas if the value is < 0.10, it means that there is multicollinearity. The multicollinearity free regression equation is: has a VIF value around the number 1 and has a tolerance number close to 1. For the results of multicollinearity testing, it can be seen from the following table:

Tabel 21: Multicollinearity Test Results

Model	Collinearity Statistic	
	Tolerance	VIF
Constant		
Capital	,599	1,669
Wage	,842	1,188
Production	,709	1,410
Gender	,837	1,194
Business Location	,797	1,255

In table 4.8 shows the tolerance value for the five variables close to 1 and VIF for the five independent variables around 1, there is no problem of multicollinearity.

Autocorrelation Test

Autocorrelation test in a model aims to find out how big the content is or to find out whether or not

there is a correlation between disturbing variables (et) in a certain period with the magnitude of the disturbing variables in the previous period (et-1). One way to detect autocorrelation symptoms is by using the Durbin-Watson method. The results of the autocorrelation test in this study can be seen in the following table

Table 22 Autocorrelation Testing Results

Model	R	R Square	Adjusted R Square	Std. Error of The Estimate	Durbin-Watson
1	,750 ^a	,562	,521	2,597	1,506

a. Predictors: (Constant), X1, X2, X3, X4, X5
 b. Dependent Variable: Y (tenaga kerja)

Test criteria: compare the value of 1.506 with the value of d from the Durbin-Watson table:

- a. If it's $1.506 < dL$, or $1.506 > 4 - dL$, the conclusion is that there is autocorrelation.
- b. If $dU < 1.506 < 4 - dU$, the conclusion is that there is no autocorrelation.
- c. There is no conclusion if: $dL \leq 1.506 \leq dU$ or $4 - dU \leq 1.506 \leq 4 - dL$

Heteroscedasticity Test

To see whether there is a problem heteroscedasticity can be detected by the presence or absence of a particular pattern on the scatter plot graph, if there are certain patterns, such as dots that form a regular pattern (wavy, widened and then

narrowed) then heteroscedasticity has occurred. Whereas if there is no clear pattern, and the points spread above and below 0 and Y, there is no heteroscedasticity. The results of heteroscedasticity testing can be seen in Figure 2.

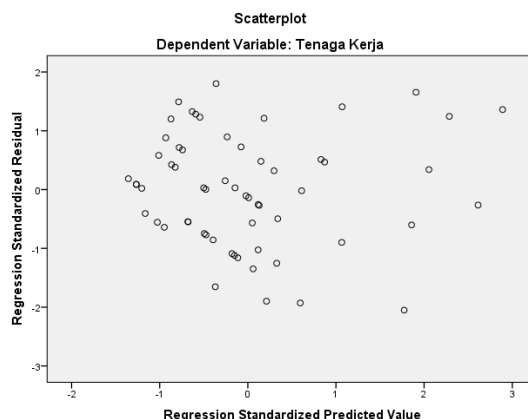


Figure 2: Heteroskedastisitas

In the picture above, there is a regular pattern, in this study the pattern forms and spreads from -1 to 1. This means that heteroscedasticity does not occur.

Multiple Linear Regression Analysis

Multiple linear regression analysis is a linear relationship between independent variables (capital, wages, production value, gender and business location) and dependent (labor absorption variable). This analysis is to determine the direction of the relationship between the variables of capital, wages, production value, gender and business location with

labor absorption variables whether each of them has a positive or negative fan to predict the value of the labor absorption variable if the variable capital, wages, production value , sex and business location have increased or decreased. Koefisien Determinasi (R)

From the results of the calculation of multiple linear regression analysis that has been done the correlation value between the variables of labor absorption with the coefficient of determination (R) can be seen in table 23 presented below:

Table 23: Model Summary

Model	R	R Square	Adj R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	,750 ^a	,562	,521	2,597	,562	13,850	5	54	,000	1,506

a. Predictors: (Constant), X1, X2, X3, X4, X5
 b. Dependent Variable: Y (labor)

From the table above shows that the R Square value of 0.562 means that the variable capital, wages, production value, gender, and business location can explain the employment absorption variable of 56.2%, the remaining 43.8% is explained by other factors.

Uji Signifikan Simultan (uji F)

The F statistical test shows all the independent variables included in the jointly owned model of the dependent variable or not. Tests are carried out on the F test with a 100% confidence level. The results of the research hypothesis testing using test F can be presented in the table below

Table 24: Anova / Simultan Test / F-test

Model	Sum of Square	df	Mean Square	F	Sig
1 Regression	467,096	5	93,419	13,850	,000 ^b
Residual Total	364,238	54	6,745		
	831,333	59			

a. Predictors: (Constant), X1, X2, X3, X4, X5
 b. Dependent Variable: Y (tenaga kerja)

From table 24 anova (F test) by using df = 5 obtained F in the table of 2.25. While the calculated F is obtained at 13.850, the significant value of F is below 0.05, so from the above calculation, it can be seen that Ho is rejected and Ha is accepted, meaning that the overall variables of capital, wages, production value, sex and business location have a significant influence on absorption variables. labor. In other words the proposed hypothesis is accepted.

Partial Test (t test)

The t test is carried out to examine how much influence the factor of wage level and production

value partially on the demand for labor in the Beverage Food Industry UKM in Palembang City. This is done by comparing the tcount and ttable values. Hypothesis statement that will be tested is if t count abel t table then Ha is accepted and Ho is rejected. As for how to find table = number of samples - number of independent variables - 1 (number 1 is a constant) = 60 - 5 - 1 = 54, using the formula with the program excel = tinv (0.05, 54) obtained is 1.672 so that table = 1.672. The results of hypothesis testing using the t test:

Table 25: t-test Results

Model	t	Sig
Constant	1,267	,211
Capital	3,660	,001
Wage	,805	,424
Production	2,060	,044
Gender	-1,511	,137
Business Location	-3,575	,001

From the table above, the regression equation that is formed is as follows:

$$Y = 3,711 + 0,1779X1 + 0,2522 X2 + 0,6516X3 - 1,344X4 - 2,887X5$$

Where :

Y: Manpower Absorption (the number of workers who work)

X1: Capital (Rp. A month)

X2: Wages (Rp. A month)

X3: Production Value (total units of goods produced in a month)

X4: Gender (female, male)

X5: Business location (business center, not business center)

From the results in the coefficient table seen in the sig column, shows that:

1. Capital coefficient value is 0.001 which means it is smaller than 0.05 ($0.001 > 0.05$) and has a coefficient of 0.1779 and positive, the hypothesis criteria shows tcount $3.660 < 1.672$ so that H_a is accepted & H_0 is rejected which means variable capital has a significant and positive effect on employment in the Pempek, Kerupuk and Kempelang businesses in Palembang City.
2. The wage coefficient value is 0.424 which means it is greater than 0.05 ($0.424 > 0.05$), and has a coefficient of 0.2522 and is positive, the hypothesis criteria shows t count $0.805 < t$ table 1.672 so H_a is rejected which means the wage variable does not significantly influence labor absorption in Pempek, Kerupuk and Kempelang Enterprises in Palembang City.
3. Production coefficient value of 0.044 which means it is smaller than 0.05 ($0.044 > 0.05$), and has a coefficient of 0.6516 and positive sign, the criterion of hypothesis t counts $2.060 > t$

table 1.672, which means that the variable value of production is influential significantly and positively towards employment in the Pempek, Kerupuk and Kempelang Enterprises in Palembang City.

4. The value of the sex coefficient is 0.137 which means it is greater than 0.05 ($0.137 > 0.05$), and has a coefficient value of (-1,344) and negative sign, the hypothesis criteria shows t count ($-1,511$) $< t$ table 1,672 so H_a rejected which means that the gender variable has no significant and negative effect on employment in the Pempek, Kerupuk and Kempelang Enterprises in Palembang City.
5. The business location coefficient value is 0.001 < 0.05 , the hypothesis hypothesis is $-3.575 > t$ table 1.672, which means that the business location variable has a significant and negative effect on employment in the Pempek, Kerupuk and Kempelang businesses in Palembang City.

Discussion

From the results of the above study it can be seen that the independent variables namely capital, wages, production value, sex and business location can explain the dependent variable (employment in the Pempek, Kerupuk and Kempelang Enterprises in Palembang City) by 56.2% while the rest is explained by another factor of 43.8%.

Judging from the results of the F test (together) shows the effect of capital, wages, production value, sex and business location significantly influence labor absorption with a significant value of F below 0.05, and the calculated F is obtained at 5.351 using $df = 5$ obtained F table of 2.25. While the calculated F is obtained at 5.351 so that the f count is $5.351 > f$ table 2.25. So H_0 is rejected and H_a is accepted, so that it can be said that there is an influence of independent variables (capital, wages, production value, sex and business location) on the dependent

variable (employment in Pempek, Kerupuk and Kempelang Enterprises in Palembang City).

When viewed from the results of the t test (partial) it is known that the capital variable significantly affects labor absorption, the variable value of production significantly affects labor absorption, while the wage variable shows no real influence on labor absorption, and gender variables and business location variables also did not show any influence on employment in the Pempek, Kerupuk and Kempelang businesses in Palembang City.

Influence of Capital on Manpower Absorption

From the estimation results of the regression model it can be seen that the probability of variable capital is 0.001 which means it is smaller than 0.05 ($0.001 < 0.05$) and has a coefficient value of 0.1779 and is positive. Which means that the variable capital has a significant positive effect on employment in the Pempek, Kerupuk and Kempelang businesses in Palembang City. So if capital increases by 1%, the absorption of labor will increase. In assuming wages and production values remain constant. When the wage variable, the production value remains constant, the greater the capital for each production. This capital is used to buy raw materials, equipment and equipment. So the capital in this study is not substitutionary, so that with the addition of equipment does not replace the role of labor.

In this study, capital has a significant effect on employment. This is if the entrepreneur's capital is to increase production, the food entrepreneur (Pempek, Kerupuk / Kempelang) will increase the number of his workforce, but they tend to utilize the available workforce for maximum output.

Effect of Wages on Labor Demand

Work demand theory, one of which was put forward by Sumarsono (2003), states that labor demand is a function of the level of wages, where the higher the level of wages, the demand for employers for labor will be smaller. Likewise, if the wage rate is low, it will be followed by an increase in employment opportunities.

The wage variable is 0.424 which means it is greater than 0.05 ($0.424 > 0.05$), and has a coefficient of 0.2522 and a positive sign, the hypothesis criteria shows $t_{count} 0.805 < t_{table} 1.672$ so that H_a is not accepted which means that the wage variable has no effect significantly to employment. Wages are not important in absorbing workers in the Pempek,

Kerupuk and Kempelang businesses in the city of Palembang.

This can be seen from the field data where the wages for some Pempek, Kerupuk and Kempelang Enterprises in Palembang City are quite high but are not followed by high labor demand. In addition, this is because the public does not respond too much to the size of the wages offered by employers to become employees in this industry. Entrepreneurs in this industry are also rather difficult to find skilled or skilled employees. So that when entrepreneurs raise wages aim to absorb labor.

Effect of Production Value on Labor Absorption

In the regression model, it is known that the significant value of the production value variable is 0.044 which means it is smaller than 0.05 ($0.044 < 0.05$), and has a coefficient value of 0.6516 and is positive. So if the production value increases 1%, the demand for labor will increase in the assumption that wages are considered constant.

By keeping the variable value of wages constant, the increasing production capacity also increases the value of production so that it will increase the amount of labor absorption. This is similar to Putra's (2012) study entitled "The Influence of Investment Value, Wage Value and Production Value on Manpower Absorption in the Furniture Industry in Pedurungan District, Semarang City". The results of Putra's research stated that the variable value of production factors had a positive and significant effect on employment in the furniture industry. So the increase in production value will cause additional or absorbed labor in the furniture industry.

Gender Differences on Labor Absorption

In the regression model, it is known that the value of the sex variable is 0.137, which means that it is greater than 0.05 ($0.137 > 0.05$), and has a coefficient value of -1.343 and is negative. In this study, gender was the identity of the business owner in Pempek, Kerupuk and Kempelang Enterprises in Palembang City, which was taken from interviews with 60 respondents. Based on interviews, there were 47 food business owners (pempek, kerupuk / kempelang) male sex. While female business owners are only 13 people. And from the research results it is known that the sex of the business owner has an indirect influence on employment in the Pempek, Kerupuk and Kempelang businesses in Palembang City.

Differences in Business Locations against Manpower Absorption

In the regression model, it is known that the value of the business location variable is $0.001 < 0.05$, the hypothesis hypothesis is $-3.575 < t$ table 1.672 , which means that the business location variable is significantly different but negative for employment. In this study the business location which is a place of business or business activity is divided into 2 locations. That is, the location is strategically located in the area of Palembang's typical food industry and the location that is not strategic, namely the location that is not in the industrial area of Palembang's typical food. From the results of the study showed that in the business of Pempek, crackers, and kemplang in the city of Palembang, which is strategically located in the industrial area of Palembang's typical food, there were 41 entrepreneurs, while the non-strategic ones were only 19 entrepreneurs. And this also shows that the business location does not have an influence on employment.

5 CONCLUSION AND SUGGESTION

Conclusion

Based on the results of the research that has been done, it can be concluded that jointly or simultaneously the variables of capital, wages, production value, sex and business location have a significant effect on employment in the Pempek, Kerupuk and Kemplang businesses in Palembang City.

In this study, the capital variable has a significant effect on employment. This is if the entrepreneur's capital is to increase production, the food entrepreneur (Pempek, Kerupuk / Kemplang) will increase the number of his workforce, but they tend to utilize the available workforce for maximum output.

Wage variables have no significant effect on employment in the Pempek, Kerupuk and Kemplang businesses in Palembang City. This is because the public does not respond too much to the size of the wages offered by employers to become employees of this industry. Entrepreneurs in this industry are also rather difficult to find skilled or skilled employees. So that when entrepreneurs raise wages aim to absorb labor.

Variable production values have a positive and significant effect on employment in the Pempek, Kerupuk and Kemplang businesses in Palembang City. By keeping the variable value of wages constant, the increasing production capacity also increases the value of production so that it will increase the amount of labor absorption.

Gender variables do not directly affect significantly and are negative for employment. Based on interviews with 60 respondents, there were 47 food business owners (pempek, kerupuk / kemplang) male sex. While female business owners are only 13 people. And from the results of the study it is known that the sex of the business owner does not have any influence on employment in the food industry.

The business location variables have a significant and negative effect on employment, the results of the study indicate that the Pempek, Kerupuk and Kemplang businesses in Palembang are strategically located in the industrial area of 41 entrepreneurs, while the non-strategic location is not in the center Palembang's typical food industry is only 19 entrepreneurs. And this also shows that the business location does not have an influence on employment.

Suggestion

From the results of the discussions and research that has been carried out, a number of suggestions are proposed:

1. To increase employment can be done by increasing business capital and production or also can develop existing businesses, this is very helpful in the demand for labor in this case employment.
2. The government or related parties should increase socialization or market the Palembang food industry as the economy is quite big and promising. So that many people are interested in developing or contributing to the Pempek, Kerupuk and Kemplang businesses in the city of Palembang. With the development of the times and the existence of major events in the city of Palembang this typical food industry, especially cracker, pempek and kemplang entrepreneurs are able to increase family economic income, it is expected that there will be an increase in production demand which will directly affect the amount of labor absorption needed.
3. For the next researcher, it is hoped that this research can be used as reference material and similar research comparisons in the future, especially regarding the Food Industry SME sector (pempek, kerupuk / kemplang).

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