

Labor Absorption in The Small and Micro Industries of Food and Beverages in Limpung Sub-District, Batang District

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Abstract

*Small and micro-processed food and beverage industry in Limpung District is one of the processing industries in Batang Regency. This makes researchers interested in conducting this research which aims to determine whether there is an effect of wages, production value and business age on labor absorption in small and micro-processed food and beverage industries in Limpung District. The problem in this research is whether the variable wages, production value and business age affect the absorption of labor in small and micro-processed food and beverage industries in Limpung District. This type of research uses a quantitative approach. The data of this study used primary data with 76 respondents, where the respondents were owners of small and micro food and beverage industries. The data used is in the form of primary data taken by questionnaire method. Multiple regression analysis techniques using partial hypothesis testing (*t* test) and simultaneous hypothesis testing (*F* test) at the level of significance of 5%. Based on the research conclusions, wage, production value, and business age variables simultaneously (together) have a significant effect on the magnitude of the labor absorption variable.*

Key words: Labor, Wages, Production Value, Age of Business, Small and Micro Industry

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INTRODUCTION

Economic development is essentially a series of government policy efforts to achieve positive results that have an impact on the welfare of society, which is aimed at increasing the standard of living of the community, expanding employment opportunities with an ever-increasing number of jobs and equitable distribution of income in every layer of the region. The sector that is expected to increase income and employment is the industrial sector, so that progress made by the small and micro industrial sector will be followed by progress in other sectors. Small and micro industries have a very large contribution towards the stage of economic development in both developed and developing countries such as Indonesia. The most visible role of small and micro enterprises in economic development is in terms of employment. Small and micro industries are able to absorb labor because of the characteristics of work in the small and micro business sector which do not require as many conditions as large companies. In the end, small and micro business products that have a competitive advantage will be able to penetrate the global market.

During the economic crisis, it was realized that small and micro industries had become safety valves for the national economy. As is the case in other countries, small and micro industries not only have a large and real contribution to the economy of a nation, but also play a very large role in the absorption of labor. There are several reasons that make the small and micro industrial sector able to survive during times of crisis. One of them, because this sector does not depend on imported raw materials in the production process, so that the production costs are not affected by the decline in the value of the rupiah against the dollar, in fact, if the products are exported,

the profits will increase. The small and micro industrial sectors generally come from within the country.

Seeing this fact, the position of the small and micro industries is very important to strengthen the national economy, but the small and micro industries still get a marginal position because the government's attention is more on the medium and large industries. This fact makes big industry has developed rapidly, while small and micro industry has slower development. According to data from the Ministry of Industry of the Republic of Indonesia, published in February 2019, the number of small and micro industry units in 2017 reached 7,546,931 business units and is targeted to continue to increase by 1% per year with the absorption of a workforce of 11,682,931 people who are targeted to continue to grow by 2.5% per year of which the small and micro industry accounts for 60% of the total industrial workforce absorption. Therefore,

Based on data in the Central Statistics Agency in 2017, the industrial sector in Central Java is also dominated by the industrial sector, the SME sector, from the total employment of 3.1 million people, IKM absorbs around 2.75 million or around 91 percent of the total employment. The absorption of labor for IKM is superior because the SME sector is a sub-sector that manages types of small or micro-scale industries such as home industries, and other small-scale industries that are easier for the community to form, especially the middle to lower economic community, the role of the IKM sector as empowerment of a weak economic community, making this sector more developed in rural areas such as Batang Regency, especially in Limpung District, where the majority of the population has a middle to lower class economy. With a weak economic condition, the people of Limpung try to earn income by carrying out various small or micro-scale business activities that do not require a lot of capital. Meanwhile, to form a business on a

large scale, the community does not have sufficient capital. This is what makes rural communities more developing the IKM sector rather than forming large industries. In addition, IKM is able to absorb workers with low educational quality in Limpung District, Batang Regency. Although the development of large industries can absorb labor, to enter the labor market in the large industrial sector requires special skills that

are not possessed by the middle and lower economic community. Meanwhile, IKM that uses simple technology allows people with low education to carry out their business activities. Thus, the power that is not absorbed by large businesses and other economic sectors can be absorbed by IKM. The number of IKM in the stem district in 2016-2018 can be seen in table 1.1.

Table 1.1. Number of IKM in Batang District by Classification District 2016-2017

No.	districts	2016 year		2017 year	
		Micro Industry	Small industry	Micro Industry	Small industry
1.	Wonotunggal	968	483	972	485
2.	Bandar	772	489	938	493
3.	Blado	2496	604	2620	614
4.	Reban	4452	831	3204	835
5.	Onion	6007	941	3161	942
6.	Tersono	3966	999	2329	999
7.	Gringsing	593	230	1499	237
8.	Limpung	4121	2254	2894	2179
9.	Banyuputih	840	795	921	795
10.	Subah	1019	870	1264	870
11.	Circumcision	726	177	1160	198
12.	Write	553	184	1345	213
13.	Kandeman	314	138	1047	182
14.	Trunk	235	1039	3873	1052
15.	Warungasem	2110	581	2159	589
	total	29,172	10,615	29,386	10,683

Source: BPS, compiled

Seen in table 1.1 states that there is an increase in the number of small and micro industries every year starting from 2016, a total of 29,172 units for the number of micro industries increased to 29,386 units in 2017. Meanwhile, in small industries it increased from 10,615 units to 10,683 units.

In Batang Regency, the growth in the number of IKM business units is always followed by an increase in employment. However, it turned out that the large increase in the number of IKM business units

was not matched by a large increase in labor absorption. The absorption of labor for IKM should be able to reach a larger number considering the large and increasing number of business units. Furthermore, although the number of IKM employment continues to increase, the increase in the absorption of IKM labor tends to be stagnant or there is no change in the 2016-2018 period in the medium industrial sector. Data from BPS Kabupaten Batang the open unemployment rate increased

to 5.59 percent in 2017 compared to the previous year which was 2.18 percent.

Seeing the contribution of the industrial sector as one of the biggest contributors to the PDRB of Batang Regency, the industrial sector in particular is expected to truly be able to lead other sectors and become a sector that is relied on to have a high demand for labor. This makes the industrial sector able to help reduce the unemployment rate because it is considered capable of increasing job availability and can spur economic growth in Batang Regency. In terms of employment in Batang Regency, the industrial sector provides a significant contribution in terms of employment, this can be seen from Table 1.2.

Table 1.2. Population 15 Years and Over by Type of Activity During A week according to Main Employment and Gender, 2017

JobsMain	Gender		Total
	Male	Women	
Agriculture	98,392	91,476	189,868
Industry	129,678	113,556	243,234
Trade and			150,349
Hotels	71,250	79,099	
Services	41,085	49,847	90,932
Others	86,824	5,606	92,430

Source: BPS Batang Regency, 2018

Based on Table 1.3, it is known that the absorption of labor in the manufacturing sector in Batang Regency is the greatest in absorbing labor in the industrial sector. This affects the GRDP of the industrial sector in Batang Regency. The large number of workers in the industrial sector should be able to contribute greatly to the economic sector so that it has a positive impact on national development.

The development of small industries is made to be able to develop the existing potential, namely through the optimal use of natural resources and utilization of existing resources. The development of small

industries besides increasing growth also creates jobs. The absorption of labor in the small industrial sector will be influenced by the existence of the industry itself, the more small industries that are established, the labor absorption will also increase.

Table 1.3. Number of Processing Industry Centers in Limpung District, Batang Regency

No.	Commodity	2016	2017	2018
1	Food and Beverage Industry	258	289	310
2	Iron Craft Industry	8	9	11
3	Brick Industry	15	18	21
4	Bamboo Crafts	60	67	71
5	Fabric	15	22	24

Source: Disperindagkop Batang Regency data processed, 2019

Table 1.4 shows that the largest number of processing industry centers is in the food and beverage processing industry sector in Limpung District, Batang Regency compared to other processing industries.

Based on the description above, this paper aims to analyze and discuss further how the absorption of labor in Batang Regency and estimate the wage variables, number of industries, production value, and business age on labor absorption.

According to Kuncoro (2012) the definition of labor absorption is the number of jobs that have been filled which can be reflected in the number of working people or can be called the workforce that has worked. The working workforce is absorbed and spread across various sectors of the economy. The absorption of the labor force is due to the demand for labor, so that the absorption of labor can be said to be the demand for labor.

This will examine the wage variables, number of industries, production value, and business age on the absorption of labor in Limpung sub-district, Batang district. By

knowing how much influence these variables are, it can be seen wages received by workers, the value of production that can be produced by small and micro industries and the age of business that has been taken by industries that are able to absorb labor. the analysis is to be a concern for the government or related agencies so that it will pay attention to how business owners provide wages, but can still increase the value of industrial production and make the industry resilient even in times of economic crisis.

RESEARCH METHOD

This type of research is based on a quantitative approach. Quantitative research methods are used to examine specific populations or samples, the sampling technique in this study was carried out purposively, data collection using research instruments, data analysis is quantitative / statistical. This study uses a correlation design, namely the relationship between the independent variables X_1 , X_2 and X_3 with the dependent variable Y . Where the independent or independent variables are wages, production value and business age. While the dependent or dependent variable is labor absorption. While the sampling technique used by the writer is purposive sampling method, namely the technique of determining the sample by visiting a meeting of owners of micro and small food and beverage industries held by the Batang Regency Industry and Trade Office. Respondents in this study were owners of micro and small food and beverage industries in Limpung sub-district, Batang regency, which the authors made as research objects. The number of consumer samples to be used is 76 samples, calculated using the Slovin formula with the standard error rate used is 10% of the total population of 310. In

this study there are two types of variables studied, consisting of the dependent variable and the independent variable. In this study, researchers used data collection techniques to store and collect data that had been obtained during interviews (interviews), questionnaires (questionnaires), and observations. The data can be in the form of photographic documentation, activity notes, books or modules, institutional profiles and others at the Batang Regency Disperindagkop and Batang Regency BPS. The characteristics of the industrial owners obtained were analyzed using descriptive analysis, the absorption of labor was examined using multiple linear regression analysis (SPSS).

RESULT AND DISCUSSION

Characteristics of Research Respondents

The results of this study indicate the characteristics of the respondents who own the small and micro food and beverage industry, amounting to 76 respondents. This character analysis will discuss the characteristics of industry owners based on:

a. Characteristics of Industry Owners according to Recent Education

Based on the research that has been conducted by distributing questionnaires, data about the respondent's latest education can be obtained which can be seen in the following table:

Table 4.1. Description Industry Owner According to Education Level

Last education	total	Percentage (%)
SD	8	10
Junior High	6	8
High school	30	40
College	32	42
total	76	100

Source: Primary data processed, 2020

Table 4.1 shows the last level of education taken by the respondents. In this study, the education level of the respondents was categorized into 4, namely elementary school (SD), junior high school (SMP), high school (SMA), and tertiary education (D1 / D2 / D3 / S1 / S2 / S3). From the research results, the latest education level taken by respondents from industrial owners with tertiary education is 42%, high school education level is 40%, junior high school education level is 8% and SD education level is 10%. Thus the educational level of the owners of the small and micro-food and beverage industry is the highest at the high school level or the equivalent of 40%.

b. Characteristics of Industry Owners by Age

Based on the research that has been done, the characteristics of industry owners according to age can be seen in the following table:

Table 4.2. Characteristics Industry Owner According to Age

Age (years)	total	Percentage (%)
<25	6	8
25-30	15	20
31-35	24	31
> 35	31	41
total	76	100

Source: Primary data processed, 2020

Based on table 4.2, it can be explained that industrial owners by age > 35 years are 41%, industrial owners by age 31-35 years are 31%, industrial owners 25-30 years old are 20% and industrial owners by age <25 years are 8%. Thus, the age of most small and micro industry owners is found at the age interval > 35 years, which is 41%.

c. Characteristics of Industry Owners by Gender

Based on the research that has been done, it is known that the average gender of the respondents who own small and micro industries can be seen as follows:

Table 4.3. Characteristics of Industry Owners by Gender

Gender	total	Percentage (%)
Male	22	29
Women	54	71
total	76	100

Source: Primary data processed, 2020

Based on table 4.3, it can be explained that industrial owners according to gender, the number of male industrial owners is 22 people or 29%. The number of women industrial owners is 54 people or 71%. Thus, the largest number of owners of small and micro food and beverage industries are women, amounting to 54 people or 71%

Description of Research Variables

The research variables used in this study include: wages, production value and business age in small and micro food and beverage industries.

1. Description of Wages for Small and Micro Food and Beverage Industry Workers in Limpung District

The wages incurred by the industry represent monthly wages and overtime pay. Wages as a form of return of favors according to services provided by workers. The results of research on the wages issued by the small and micro food and beverage industry are only basic wages and there is no overtime pay. The description of the wages provided by the industry for the wages of each person is as follows:

Table 4.4. Description of Wages for Small and Micro Industry Workers

Wage	Frequency	Presetase
Rp. 500,000 - Rp. 750,000	15	20%
IDR 750,000 - IDR 1,000,000	25	33%
Rp. 1,000,000 - Rp. 1,250,000	22	29%
Rp. 1,250,000 - Rp. 1,500,000	14	18%
total	76	100%

Source: Primary data processed, 2020

Based on Table 4.4, it shows that the value of wages issued by micro-food and beverage industry entrepreneurs who pay wages at intervals of Rp. 500,000 - Rp. 750,000 as many as 15 industries or 20%, entrepreneurs who are able to pay labor wages at intervals of Rp. 750,000 - Rp. 1,000,000 as many as 25 industries or 33%, entrepreneurs who are able to pay labor wages of Rp. 1,000,000 - Rp. 1,250,000 as many as 22 industries or 29% and entrepreneurs who are able to pay labor wages at intervals of Rp. 1,250,000 - Rp. 1,500,000 as many as 14 industries or 18%. Thus, the highest wage of workers is 33%, namely at the interval of Rp. 750,000 - Rp. 1,000,000.

The wages of workers in this small, micro food and beverage industry vary between processors. Wages are determined based on experience and the type of work done and given that the production capacity for each processor is not that large. Which affect the level of wages: job skills, labor market conditions (supply and demand), the ability of companies to pay production costs, and work productivity (labor performance).

2. Description of Production Value in the Small and Micro Food and Beverage Industry in Limpung District

The production value generated for each food and beverage micro small industry varies, some are high and some are low

depending on the size of the company and the amount of demand for these goods. From primary data in the field, descriptive statistics can be obtained as follows:

Table 4.5. Description of Production Value in Small and Micro Industries

Production Value	Frequency	Presetase
Rp. 1,000,000- Rp. 10,000,000	54	71%
Rp.10,000,000- Rp. 20,000,000	16	21%
Rp. 20,000,000- Rp. 30,000,000	3	4%
> Rp. 30,000,000	3	4%
Total	76	100%

Source: Primary data processed, 2020

Based on Table 4.5, it shows that the cost of production value incurred by the micro food and beverage industry is as follows: Entrepreneurs who issue production values at intervals of Rp. 1,000,000 - Rp. 10,000,000 as many as 54 industries or 71%, entrepreneurs who issue production values at intervals of Rp. 10,000,000 - Rp. 20,000,000 as many as 16 industries or 21%, entrepreneurs who issue production values at intervals of Rp. 20,000,000 - Rp. 30,000,000 as many as 3 industries or 4% and entrepreneurs who issue production value > Rp. 30,000,000 as many as 3 industries or 4%. Thus, the production value issued by the small, micro food and beverage industry is the largest at the interval of Rp. 1,000,000 - Rp. 10,000,000 as many as 54 industries or 71%.

3. Description of Business Age in the Small and Micro Food and Beverage Industry in Limpung District

The age of the business can indicate that how well the business is able to survive in the competition and continue to exist because the longer the age of the company, the more information the consumer will get. Companies that have been established for a long time may have a better reputation than those that have

only been established for a few years. Primary data in the field can be obtained as follows:

Table 4.6. Description of Business Age in Small and Micro Industries

Business Age	Frequency	Percentage
1-5 Years	42	55%
6-10 Years	27	36%
11-15 Years	7	9%
total	76	100%

Source: Primary data processed, 2020

Based on table 4.6, it can be explained that the business age of 1-5 years is 42 industries or 41%, the business age of 6-10 years is 27 industries or 36% and the business age of 11-15 years is 7 industries or 9%. Thus, the largest number of small and micro industries was at 1-5 year intervals as many as 42 industries or by 41%.

Absorption of Labor in the Small and Micro Food and Beverage Industry in Limpung District, Batang Regency

The results obtained from the absorption of labor in the Small and Micro Food and Beverage Industry will then be analyzed to determine the extent of the influence of each predetermined variable. The variables that influence include wages, production value and age of business. Variables that are thought to affect the absorption of labor in the Small and Micro Food and Beverage Industry given by the respondents were analyzed using Multiple Linear Regression analysis.

Results of Multiple Linear Regression Analysis

Results of Multiple Linear Regression Analysis The data obtained is a sample data that has been collected through purposive sampling technique. Data analysis and hypothesis testing in this study will be carried out using multiple linear regression models, in which the regression analysis will examine

the effect of wages, production value, and business age on labor absorption. In this case, all research variables are transformed in the form of natural logarithms (Ln) to produce normal data because the original data does not have a range (data range) and a large standard deviation causes the data not to be normally distributed.

The following are the results of the data on labor absorption in the Food and Beverage Micro Small Industry in Limpung District, Batang Regency which is analyzed can be seen in the following table:

Table 4.7. Results of Multiple Linear Regression Analysis of Labor Absorption in the Small Micro Food and Beverage Industry in Limpung District, Batang Regency

Variable	Coefficient	Std. Error	t-Statistics	Prob
Constant (c)	-21,474	2,584	-8,310	0,000
LN_Wages	2,008	0.257	7,825	0,000
LN_Production Value Business Age	0.350	0.225	1,557	0.012
	0.113	0.038	3,006	0.004

n = 76
R-squared = 0.697
Adjusted R-squared = 0.685
F-statistic = 55,274
F (Sig) = 0.000

Source: Data processed by SPSS 20

From the calculation results in the table above, multiple linear regression equations can be made for the following research:

$$Y = -21,474 + 2,008 \text{ Ln}.X_1 + 0,350 \text{ Ln}.X_2 + 0,113.X_3 \quad (1)$$

The regression equation above shows that there is a constant value of -21,474. When the wage-free variables, production value and business age are considered constant or have a value of 0, then the absorption of labor in the Food and Beverage Micro Small Industry in Limpung District, Batang Regency is zero or

there is no change. In addition to the multiple linear regression equation above, there is an independent variable regression coefficient value. The positive value of the X coefficient means that if there is a change in variable X, it will cause changes in the direction of variable Y.

The regression coefficient X_1 (wages) is 2.008%. When the wages of workers have increased by 1%, the absorption of labor in the Small Micro Food and Beverage Industry in Limpung District, Batang Regency will increase by 2.008%, assuming other variables are considered constant or have a value equal to 0.

The regression coefficient X_2 (production value) from multiple linear calculations obtained a coefficient value of 0.350, this means that when the production value increases by 1 unit, the absorption of labor in the Small Micro Food and Beverage Industry in Limpung District, Batang Regency will increase by 0.350 with the assumption Other variables are considered constant or have a value equal to 0. The coefficient of the production value variable is positive, meaning that there is a positive relationship between the value of production and labor absorption.

The regression coefficient X_3 (business age) from multiple linear calculations obtained a coefficient value of 0.113, this means that when the age of the business has increased by 1 unit, the absorption of labor in the Small Micro Food and Beverage Industry in Limpung District, Batang Regency will increase by 0.113 with the assumption Other variables are considered constant or have a value equal to 0. The coefficient of the working age variable is positive, meaning that there is a positive relationship between business age and labor absorption.

Results of Hypothesis Testing on Labor Absorption in Small and Micro Food and Beverage Industries

The results of hypothesis testing on labor absorption in small and micro food and beverage industries can be done by partial test (t test) and simultaneous test (F test). The test of these factors is used to determine the extent of influence between the independent variables on the dependent variable and the extent to which the influence of all independent variables on the dependent variable (LH Priambodo, 2014). The following is a description and the results of testing the hypothesis against.

a. Partial Test (t test)

Partial Test or also called t test in Multiple Linear Regression analysis is a statistical test in SPSS that aims to find out the extent to which the independent variable (X) partially (individually / each variable) has a significant effect on the dependent variable (Y).

Criteria on this partial test (t test) is if $t_{count} > t_{table}$ and $Sig < 0.05$, it can be stated that there is a partial effect on variable Y (Wahyu, 2015). The results of the partial test (t test) of labor absorption in the small and micro food and beverage industry in Limpung district can be seen in the following table:

Table 4.8. Results of Partial Test (t test) of Labor Absorption in the Small and Micro Food and Beverage Industry in Limpung District

Variable	t-Statistic	Prob	Prob. 5%
Wage	7,825	0,00 0	0.05
Production Value	1,557	0.012	0.05
Business Age	3,006	0.00 4	0.05

Source: Data processed by SPSS 20

Based on the table above, the test for the effect of each independent variable on the dependent variable shows that the three variables partially influence labor absorption in small and micro food and beverage industries. For the wage variable (X_1) in Table 4.13 shows that the significance test of the correlation coefficient for the t-statistic results is 7.825 with a probability of 0.000. By using ($\alpha = 5\%$) and $df = 72$), the t-table value is 1.993 and the t-statistic result is $7.825 > t\text{-table } 1.993$ The probability value is smaller than 0.05 ($0.000 < 0$),

For the variable production value (X_2) that the significance test of the correlation coefficient for the t-statistic result is 3.557 with a probability of 0.012. By using ($\alpha = 5\%$) and $df = 72$), the t-table value is 1.993 and the t-statistic result is $3.557 > t\text{-table } 1.993$ The probability value is smaller than 0.05 ($0.012 < 0.05$). that the t value obtained is statistically significant. The production value variable shows a positive value of 3.557, this indicates that the production value has a positive effect on labor absorption in the

micro-food and beverage industry in Limpung District, Batang Regency.

Business age variable (X_3). The significance test for the correlation coefficient for the t-statistic is 3.006 with a probability of 0.004. By using ($\alpha = 5\%$) and $df = 72$), the t-table value is 1.993 and the t-statistic result is $3.006 > t\text{-table } 1.993$ The probability value is smaller than 0.05 ($0.004 < 0.05$). Thus, H_0 is rejected and H_a is accepted, it shows that the t value obtained is statistically significant, which means that the production value has a positive effect on labor absorption in the small food and beverage micro industry in Limpung District, Batang Regency.

b. Simultaneous Test (Test F)

The F-statistic test is used to determine the effect of the independent or independent variables together on the dependent variable. The results of the F-statistic test are as follows:

The F test is known as the simultaneous test or model test / Anova test, namely the test for see the extent to which the influence of all independent variables ($X_1, X_2, X_3, \dots X_n$) in real terms together with the dependent variable (Y). According to Wahyu (2015), criteria in simultaneous testing (F test) is if $F_{count} > F_{table}$ then and $Sig < 0.05$, then there is a simultaneous effect (together) of all variables independent of the dependent variable or Y . The F-statistic test is used to determine the effect of the independent variable or independent variable jointly on the dependent variable. The results of the F-statistic test are as follows:

Table 4.9. Simultaneous Test Results (Test F) Labor Absorption in Small and Micro Food and Beverage Industries in Limpung District

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	112.102	3	37.367	55.274	.000 ^a
	Residual	48.675	72	.676		
	Total	160.776	75			

a. Predictors: (Constant), Usia Usaha , Upah, Nilai Produksi

b. Dependent Variable: Tenaga Kerja

Source: SPSS 20.0 output

The test results in Table 4.8, the simultaneous test (F test) shows that the F table value is obtained from $df_1 = 3$ and $df_2 = 72$ with $\alpha = 0.05$ meaning that we take the wrong risk in making the decision to reject the correct hypothesis as much as 5% . Table 4.8 shows that the Fcount value is 55.274 due to the Fcount value ($55.274 > F_{table} (2.733)$) or the probability value of $0.000 < 0.05$. Thus, this study states that there is a significant effect of wages, production value and business age as independent variables simultaneously (jointly) on labor absorption as the dependent variable.

The researchers also carried out a series of analyzes on the results of Multiple Linear Regression through several other test tools, namely: Determination Coefficient Test with the aim of strengthening the assumptions

that the data displayed in Multiple Linear Regression is real data and can be accounted for. The following is a description of the test tools used by researchers to strengthen the hypothesis, namely:

a. Determination Coefficient Test (R_2)

Analysis of the coefficient of determination is carried out to determine how much the percentage value of the independent variable's contribution to the dependent variable. From the calculation results obtained the coefficient of determination. This coefficient shows how much the percentage of variation in the independent variables used in the model can explain the variation in the dependent variable. In the SPSS output, the coefficient of determination is located in the Model Summary table and written R square. as follows :

Table 4.10. Analysis Results of R Square Determination of Labor Absorption in Small and Micro Food Beverage Industries in Limpung District

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.835 ^a	.697	.685	.82221

a. Predictors: (Constant), Usia Usaha , Upah, Nilai Produksi

b. Dependent Variable: Tenaga Kerja

Source: SPSS 20.0 output

From the results of statistical calculations, it can be seen that the value of Adjusted R Square is 0.685, it means that the variation in Y changes is influenced by changes in X₁, X₂, and X₃ by 68.5%, while the remaining 31.5% is influenced or explained by other variables not included in this research model.

CONCLUSION

The different characteristics of the industrial owners make the data obtained by each respondent very varied on the absorption of labor in small and micro food and beverage industries in Limpung District. The characteristics of the owners of the small and micro food and beverage industries at the time of the study were obtained from 76 respondents, indicating that the largest number of owners were women. Based on the latest education taken by industrial owners, the majority of universities are over 35 years old. The highest level of wages given by industrial owners to workers is IDR 750,000 - IDR 1,000,000.00 per month, where the highest production value ranges from IDR 1,000,000 to IDR 10,000,000. The result of t count the wage value of 7,825 with a probability of 0.001. The probability value is smaller than 0.05 (0.001 < 0.05) so there is a significant influence on the wage variable on the absorption of labor in small and micro food and beverage industries in Limpung District, Batang Regency. The result of t count the production value of 1.557 with a probability of 0.012. The probability value is smaller than 0.05 (0.012 < 0.05), so there is a significant influence on the variable production value on the absorption of labor in small and micro food and beverage industries in Limpung District, Batang Regency. The result of t count the age of the business is 3.006, with a probability of 0.004. This probability value is smaller than 0.05

(0.004 < 0.05). Thus, there is a significant effect on the variable of business age on the absorption of labor in small and micro food and beverage industries in Limpung District, Batang Regency.

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