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ANALYSIS OF VARIABLES AFFECTING LABOR ABSORPTION IN THE WOOD CRAFT INDUSTRY IN GIANYAR DISTRICT

I Gusti Putu Agung Masguhyantara,*[1] Ni Putu Martini Dewi
Economy, Universitas Udayana
agungmas59@gmail.com

ABSTRACT

Labor absorption is the number of jobs that have been filled, which is reflected in the number of working people. The working population is absorbed and spread across various sectors of the economy. Gianyar Regency is known for its variety of souvenirs, one of which is a variety of wood craft industry centers. Through labor absorption, it can show the ability of a company to absorb a number of people to produce a product and increase production value. However, the wood craft industry in Gianyar Regency has an imbalance in labor absorption. The objectives of this study are: 1) To analyze the simultaneous influence of wages, education, capital, and sales turnover on the absorption of wood craft industry labor in Gianyar Regency, 2) To analyze the partial effect of wages, education, capital, and sales turnover on the employment of the wood craft industry in Gianyar Regency. This research was conducted in Gianyar Regency with a total of 476 wood craftsmen business units. The object of this research is the owner of the wood industry in Gianyar Regency. The sample in this study amounted to 83 respondents. The methods used include observation, structured interviews, and questionnaire methods. Based on the results obtained, it shows that 1) wages, education, capital, and sales turnover simultaneously have a significant effect on labor absorption 2) wages, education, capital, and sales turnover partially have a positive and significant effect on labor absorption in the wood industry in Gianyar Regency.

Keywords: Labor absorption, timber industry, wages, education, capital, and sales turnover.

Introduction

Labor is one of the main capital that must be owned by a country. This makes labor referred to as the main subject and object of various national development agendas that will be implemented by the Government. Labor absorption is one of the supporting factors in increasing economic growth. A growing population over time can be both a driver and an obstacle to economic growth. An increasing population will increase the number of workers and allow a country to increase production (Ramadhania, 2019).

Labor absorption is the number of jobs that have been filled which is reflected in the number of working people. The working population is absorbed and

[1] Correspondence author

spread across various sectors of the economy. The absorption of the working population is due to the demand for labor. Therefore, labor absorption can be said to be a demand for labor. In this labor absorption is influenced by two factors, namely external factors and internal factors. The external factors include economic growth rate, inflation rate, unemployment and interest rate. Meanwhile, internal factors that affect labor absorption include wage rates, labor productivity, capital, and non-wage labor expenditures.

The labor force consists of the workforce and non-workforce. The labor force includes people of working age who are working or looking for work with the aim of earning a living to meet their needs, while the non-labor force is the working-age population who are not working because they are still in the education process, taking care of the household without being paid or because they can meet their needs without having to work. The working population is an economic activity carried out by a person with the intention of obtaining or helping to obtain income or profit, at least 1 hour (uninterrupted) in the past week. These activities include the activity patterns of unpaid workers who assist in a business/economic activity.

Indonesia is one of the countries in the world with a labor force that has increased the production process of goods and services in economic growth. Production activities are usually influenced by an increase in investment invested in an industry due to demand. In general, the increase in production output is caused by an increase in production factors. Investment and labor are factors that play a role in increasing output.

Gianyar Regency is a district that is known as the center of craft centers. Gianyar Regency is known for its variety of souvenir bases, as well as a variety of processed craft industry centers. One of the famous processed handicraft industries is the processed wood handicraft industry that is growing both domestically and internationally. The wood craft industry is an industry that uses wood as a basic material that will later be formed into a craft that has high value and meaning. The wood craft industry is supporting tourism and becoming a flagship that has a strategic role for economic development, one of which is the wood carving craft industry. Wood carving crafts have many varieties and variations of sculpture products that provide high benefits to consumers who buy. The handicrafts of each village have their own distinctiveness, such as the garuda bird statue is the production of Pakudui Tegallalang Village, Ubud with dolphin animal statues, and others.

Table 1: Number of business units and labor force of wood craft industry by Bali Province in 2022

No	District/City	Number of Business Units	Labor (Person)
1	Jembrana	280	1.167
2	Tabanan	251	1.615
3	Badung	287	2.915
4	Gianyar	476	7.705
5	Klungkung	49	375
6	Bangli	942	4.416
7	Karangasem	102	873
8	Buleleng	261	1.485
9	Denpasar	313	1.819
	Bali Province	2.961	22.100

Source: Disperindag Bali Province Year 2022

Based on Table 1, it can be seen that Gianyar Regency is a district that has a creative industry, namely the wood craft industry with a high number compared to other districts with a total of 476 business units with a labor absorption of 7,705 people in 2022. Gianyar Regency is indeed famous for its arts and crafts, especially its wood crafts, which have long been recognized by the Balinese and foreign communities. However, researchers see an imbalance in the absorption of labor that occurs in Gianyar Regency. The following is the number of business units and the number of workers generated from the wood craft industry in Gianyar Regency in 2022:

Table 2: Number of business units and labor force of wood craft industry by sub-district in Gianyar Regency in 2022

No	District	Number of Business Units	Labor (Person)
1	Blahbatuh	11	273
2	Gianyar	40	406
3	Payangan	35	80
4	Sukawati	129	1601
5	Tampaksiring	33	534
6	Tegalalang	94	691
7	Ubud	131	3433
	Total	476	7.018

Source: Disperindag Bali Province Year 2022

Based on Table 2, it can be seen that Gianyar Regency has the highest number of business units and labor. Ubud sub-district has the most business units,

which is 131 and the number of workers is 3433 people. However, from Table 2, there is an imbalance between business units and labor in Gianyar Regency. It can be seen, the uneven number of workers with the number of business units in one sub-district with other sub-districts with fairly large business units. In Sukawati Subdistrict, the number of business units is 129 which absorbs a workforce of 1601 while Ubud Subdistrict, whose number of business units is not much different from Sukawati Subdistrict, absorbs a workforce of 3433 people, which means that there is an uneven workforce. The unevenness of the workforce is also seen in Tampak Siring Sub-district which has 33 business units and has a workforce of 534 people, while in Payangan Sub-district which has 35 business units only has 80 workers. From the data that researchers obtained from the Bali Province Disperindag, there is an imbalance between the absorption of labor and the employment of the wood craft industry in Gianyar Regency.

Income in the household industry and craft sector can be seen from the total revenue or the amount of production or sales results minus the costs incurred during the production process. The more production levels produced, the more income will tend to increase.

Through labor absorption, it can show the ability of a company to absorb a number of people to produce a product and increase production value. The absorbed labor is the population of working age (aged 15-64 years). Productive age contributes to increasing income (Diana, 2019). The size of labor demand is determined by influential factors. The development of the production value of the silver craft industry depends on the factors used in the production process. Labor demand is a derived demand from the output produced. The labor factor is one of the factors that plays an important role in production activities (Nugraha and Lewis, 2013).

According to Atiyatna et al (2016), labor conditions can be known from the existence of different serious influences. One of the effects of labor conditions that Indonesia has always faced is the amount of labor that is not accompanied by an increase in economic growth and human capabilities. In a region, including in Bali, there must be an increase in economic growth by opening up employment opportunities for human resources around the region. The occurrence of employment opportunities is the number of production factors that may be able to participate in the production process. The higher the activity/production process, the more the company's absorption of labor will be.

Regarding information on factors affecting labor absorption, it is known which factors affect the absorption of labor in the wood craft industry in Gianyar Regency. Because seen from table 2, there is an imbalance between the absorption of labor and the employment of the wood craft industry in Gianyar Regency. Based on the background that has been described above, the researcher is willing to

conduct research with the title Analysis of Variables Affecting Labor Absorption of the Wood Craft Industry in Gianyar Regency.

RESEARCH METHODS

The research design used in this study is a quantitative research approach in the form of associative. This associative quantitative approach is used to determine the relationship between two or more variables (Sugiyono, 2007). In this study, associative research is used to determine the effect between the independent variable and the dependent variable, namely the effect of capital, education, wages on the absorption of wood craft industry labor in Gianyar Regency.

The object of this research is that wages, education, capital and sales turnover simultaneously affect the employment of the wood craft industry in Gianyar Regency, where people who produce wood crafts or who only sell wood crafts.

RESULTS AND DISCUSSION

This study includes five variables consisting of one independent variable and four dependent variables. The independent variable of this study is the number of workers seen from the number of hours worked as well and the dependent variable of this study is wages, education, capital, and sales turnover which is the target of research in Gianyar Regency.

Validity Test

Table 3. Validity Test Results

Variables	*Pearson Correlation*	Description
Wages	0.929	Valid
Education	0.903	Valid
Capital	0.698	Valid
Turnover	0.674	Valid
TK Absorption	0.954	Valid

Appendix Data processed by SPSS, 2024

If the Sig.<0.05 value and the Pearson Correlation is positive, then the questionnaire item is valid. Results, Sig value of all question items <0.05 and Pearson Correlation is positive, then the item is declared VALID.

Reliability Test

Table 4. Reliability Test Results

Cronbach Alpa	N of Items
0.812	6

Appendix Data processed by SPSS, 2024

From the table above, it can be seen that the research results of the Cronbach Alpa value are 0.812> 0.7, so the reliability is strong.

Variable Description

Descriptive statistical tests are statistics used in analyzing data by describing or describing the data that has been collected. This test aims to provide an overview or describe the data in the variables seen from the average value (mean), median, mode and standard deviation. The results of descriptive statistical test research can be seen in table 5, which is as follows.

Table 5. Descriptive Statistics

	Mean	Minimum	Maximum	Std. Deviation
Wages	26,032,530	4,000,000	164,000,000	26,658,317
Education	122	21	1,720	199
Capital	34,562,651	6,000,000	128,000,000	27,587,757
Turnover	71,793,373	9,100,000	390,000,000	70,837,481
TK Absorption	1,887	416	9,360	1,565

Primary data processed, 2024

Based on the table, it is known, first, for the total wage variable, the average is Rp. 26,032,530 with a minimum and maximum value of Rp. 4,000,000 and Rp. 164,000,000 respectively. Second, for the education variable, the average is 122 graduates with a minimum and maximum of 21 and 1,720 graduates respectively. Third, for the average capital variable of Rp. 34,562,651 with a minimum and maximum value of Rp. 6,000,000 and Rp. 128,000,000 respectively. Fourth, for the average turnover variable of Rp. 71,793,373 with a minimum and maximum value of Rp. 9,100,000 and Rp. 390,000,000 respectively. Fifth, for the employment variable, the average is 1,887 people with a minimum and maximum employment of 416 people and 9,360 people respectively.

Multiple Linear Regression

This study uses multiple linear regression analysis tests to predict how much influence the independent variable has on the dependent variable. The calculation of this test was carried out with the help of SPSS. The results of the multiple linear regression analysis test can be seen in Table 6 below.

Table 6. Multiple Linear Regression Analysis Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-5,928	,689		-8,601	0,000
	Total Wages (X_1)	0,628	0,051	0,762	12,368	0,000

	Education (X_2)	0,124	0,049	0,151	2,523	0,014
	Capital (X_3)	0,058	0,024	0,066	2,484	0,015
	Turnover (X_4)	0,067	0,021	0,082	3,204	0,002

Appendix SPSS Processed Results, 2024

Based on the analysis results in the table, the regression model equation is obtained as follows:

$$LnY = \beta_0 + \beta_1 LnX_1 + \beta_2 LnX_2 + \beta_3 LnX_3 + \beta_4 LnX_4 + \mu$$

$$\dot{Y} = -5{,}928 + 0{,}628X_1 + 0{,}124X_2 + 0{,}058X_3 + 0{,}067X_4$$

Based on the above equation, it can be explained as follows.

1) The regression coefficient on the total wage variable (X1) is 0.628 and is positive, meaning that if the value of the total wage variable (X1) increases by 1 unit significantly and the other independent variables are fixed, it will increase the employment variable (Y) by 0.628.
2) The regression coefficient on the education variable (X2) is 0.124 and is positive, meaning that if the value of the education variable (X2) increases by 1 unit significantly and the other independent variables are fixed, it will increase the labor absorption variable (Y) by 0.124.
3) The regression coefficient on the capital variable (X3) is 0.058 and is positive, meaning that if the value of the capital variable (X3) increases by 1 unit significantly and the other independent variables are fixed, it will increase the employment variable (Y) by 0.058.
4) The regression coefficient on the turnover variable (X4) is 0.067 and has a positive value, which means that if the value of the turnover variable (X4) increases by 1 unit significantly and the other independent variables are constant, it will increase the labor absorption variable (Y) by 0.067.

Classical Assumption Test

This test must be carried out on the independent variables to avoid multicollinearity, autocorrelation and heteroscedasticity.

1) Normality Test

This normality test will use the Kolmogorov-Smirnov test. can be done through a probability approach, the significance used is = 0.05. The basis for decision making is to look at the probability number.

- If the Sig value. > 0.05 then the normality assumption is met.
- If the Sig. <0.05 then the normality assumption is not met.

Table 7. Normality Test Results

	Unstandardized Residual

N		83
Normal Parameters[a]	Mean	0,000
	Std, Deviation	0,135
Most Extreme Differences	Absolute	0,095
	Positive	0,078
	Negative	-0,095
Test Statistic		0,095
Asymp. Sig. (2-tailed)		0,063

Appendix of Processed Results, SPSS 2024

The normality test is conducted to test whether the residuals from the regression model of the data group or variables have a normal distribution or not (Suyana Utama, 2009). Based on the results of the analysis, it was found that the Kolmogorov Smirnov (K-S) value was 0.703. Because this significance value is greater than 0.05. Referring to the basis for decision making, the residual data is normally distributed.

These results indicate that the residuals of the regression equation model are normally distributed because the Asymp. Sig. (2-tailed) is 0.063> 0.05, so the data is normally distributed.

2) Multicollinearity test

The multicollinearity test aims to test whether the regression model found a correlation between the independent variables. To detect the presence or absence of multicollinearity in a regression model, it can be seen in the tolerance value or VIF (Variance Inflation Factor). If the Tolerance value> 0.05 or the VIF value < 5 means there is no multicolonierity. If it turns out that there is multicolonierity in the regression model, it must eliminate the independent variables that have a high correlation.

Table 8. Multicollinearity Test Results

Variables	Collinearity Statistics	
	Tolerance	VIF
Total Wages (X_1)	0,133	7,529
Education (X_2)	0,141	7,070
Capital (X_3)	0,714	1,400
Turnover (X_4)	0,767	1,303

SPSS Processed Results, 2024

Based on the results of the analysis in the table above, the tolerance value for all independent variables is greater than 0.10 and the VIF value for all independent variables is smaller than <10, according to the basis for making decisions on each independent variable there are no symptoms of multicolonierity.

3) Heteroscedasticity Test

The heteroscedasticity test aims to test the regression model for the occurrence of inequality of variance from the residuals of one observation to another. The purpose of heteroscedasticity testing is to see if there is an inequality of variance from the residuals of one observation to the residuals of another observation. The statistical test chosen is the Glejser test, the basis for making heteroscedasticity test decisions through the Glejser test is as follows.

- If the Sig value. > 0.05 then there are no symptoms of heteroscedasticity
- If the Sig value. <0.05 There are symptoms of heteroscedasticity

Table 9. Heteroscedasticity Test Results

Variables	Sig.
Total Wages (X_1)	0,629
Education (X_2)	0,946
Capital (X_3)	0,731
Turnover (X_4)	0,060

Appendix SPSS processed results, 2024

Based on the results of the analysis of the test table above, the significance value of the independent variables from X1 to X4 is greater than 0.05 each. Referring to the basis for decision making, it can be concluded that the assumption of homoscedasticity is fulfilled, which means that there are no symptoms of heteroscedasticity in each independent variable.

Simultaneous Significance Test of Regression Coefficient (F Test)

The simultaneous test is carried out to determine the effect of several independent variables together on one dependent variable, as for the hypothesis sound as follows.

H_0 : There is no significant effect together of the total wage variable (X1), education variable (X2), capital variable (X3) and turnover variable (X4) on the employment variable (Y).

H_1 : There is a significant influence together of the total wage variable (X1), education variable (X2), capital variable (X3) and turnover variable (X4) on the employment variable (Y).

The basis for decision making can be done by comparing the f-table with the f-count, the significance used is = 0.05. The basis for decision making is to look at the probability number, with the following conditions:

- If the value of f-table > f-count then H0 is accepted.
- If the value of f-table < f-count then H0 is rejected.

How to determine the f-table with the formula: (k; n-k) = 4; 83-4 = 4; 79 f table value of 2.490

Table 10. F test results

Model		Sum of Squares	df	Mean Square	F	Sig,
1	Regression	36,702	4	9,176	475,985	0,000[a]
	Residual	1,504	78	0,019		
	Total	38,206	82			

Appendix SPSS processed results, 2024

a) Hypothesis Formulation

H_0: $\beta_1 = \beta_2 = \beta_3 = \beta_4 = 0$: This means that wages, education, capital and sales turnover simultaneously have no significant effect on labor absorption in the wood craft industry in Gianyar Regency. H1 : At least one of the following $\beta_i \neq 0$ (i=1,2,3,4): This means that wages, education, capital, and sales turnover simultaneously have a significant effect on the amount of employment in the wood craft industry in Gianyar Regency.

b) Significant Level

The calculation of the F table is carried out by determining a significant (a) = 5% or 95% confidence level, and df = (k-1) (n-k), thus the F table is obtained.

c) Testing Criteria

H_0 H_i is accepted if F count ≤ F table

H_0 rejected H_i accepted if F count > F table

d) Conclusion

The calculated F value in this study obtained the results of the f-count value of 475.985 greater than the f-table, referring to the basis for decision making, H0 is rejected, which means that there is a significant influence together of the total wage variable (X1), education variable (X2), capital variable (X3) and turnover variable (X4) on the employment variable (Y).

Significance Test of Partial Regression Coefficient (t Test)

Partial test is conducted to determine the effect of each independent variable on the dependent variable partially. Partial tests can be done through the t test by comparing the t-table value with the t count with an alpha value of 0.05. The following are the results of the t test.

- If t-table < t-count then the independent variable partially affects the dependent variable.
- If t-table> t-count, the independent variable has no partial effect on the dependent variable.

The t-table value can be calculated using the formula = t (a/2 ; n-k-1) = 0,05/2 ; 83-4-1 = 1,991

Table 11. T test results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-5,928	,689		-8,601	0,000
	Total Wages (X_1)	0,628	0,051	0,762	12,368	0,000
	Education (X_2)	0,124	0,049	0,151	2,523	0,014
	Modal (X_3)	0,058	0,024	0,066	2,484	0,015
	Turnover (X_4)	0,067	0,021	0,082	3,204	0,002

Appendix SPSS Processed Results, 2024

1. T Test for Wage, Education, Capital, and Sales Turnover Variables

a) Hypothesis Formulation

$H_0 : \beta_1 = 0$: means that the variables of wages, education, capital, and sales turnover partially have no significant effect on the amount of labor absorption in the wood craft industry in Gianyar Regency.

H_1: $\beta_1 > O$: This means that wages, education, capital, and sales turnover partially have a significant positive effect on the amount of labor absorption in the wood craft industry in Gianyar Regency.

b) Significant Level

The significant level used is (a) = 5% or with 95% confidence. The degree of freedom (df) is df- n-k. Based on this, it will be obtained $T_{tabel.}$

c) Testing Criteria

H_0 accepted and H_1 rejected if $t_{count} \geq T_{table}$

H_0 rejected and H_1 accepted if $t_{count} \geq T_{table}$

d) Conclusion

If the value of t count ≤ T table is obtained, then H0 is accepted and H1 is rejected, which means that wages (X1), education (X2), capital (X3), and sales turnover (X4) partially have no significant effect on the amount of labor absorption (Y). Conversely, if t count> t table then H0 is rejected and H1 is accepted which means that wages (X1), education (X2), capital (X3), and sales turnover (X4) partially have a positive and significant effect on the amount of employment (Y).

2. T Test Results for Wage Variables

The t test results show that the total wage variable (X1) has a t count of 12.368> 1.991 and beta is positive. This means that there is a partial positive effect of the total wage variable (X1) on the employment variable (Y).

3. T Test Results for Education Variables

The t test results show that the education variable (X2) has a t value of 2.523> 1.991 and a positive beta value. This means that there is a partial positive effect of the education variable (X2) on the employment variable (Y).

4. T Test Results for Capital Variables

The t test results show that the capital variable (X3) has a t value of 2.523> 1.991 and a positive beta value. This means that there is a partial positive effect of the capital variable (X3) on the labor absorption variable (Y).

5. T Test Results for Sales Turnover Variables

The t test results show that the turnover variable (X4) has a t value of 3.204> 1.991 and a positive beta value. This means that there is a partial positive effect of the turnover variable (X4) on the employment variable (Y).

Discussion

Wages, Education, Capital, and Sales Turnover

Based on the results of the study, wages, education, capital, and sales turnover simultaneously affect labor, where the test results show that the value of the calculated F value (475.985) > F table (2.490) with a sig value of F count = 0.000 < □ = 0.05, it can be concluded that wages, education, capital, and sales turnover have a significant effect on labor in the wood craft industry in Gianyar Regency. Many of the driving factors affecting labor absorption come from workers who want to work such as wages and capital. Capital can be used to purchase production equipment that can support the results or the number of units of goods to increase and will affect the absorption of labor and labor intensity. With high capital, of course, entrepreneurs will be able to produce greater output and meet high demand so that with a large output the time devoted by labor will also be more and more, this will also have an impact on increasing the wages that will be received by labor because more time is used to work. The level of wages or the payment system usually triggers an increase in labor productivity so that it will work and devote time to work more optimally and effectively and it will have an impact on increasing the number of units of goods/output produced. This will affect the absorption of labor in Gianyar Regency. The thing that affects labor is education. The higher the level of education, the worker has a much more detailed and extensive knowledge so that it is possible to find effective ways to increase production optimally and be able to work on increasingly complicated business results and generate large profits for entrepreneurs who will indirectly make it easier to pay for existing labor. Sales

turnover also affects the absorption of labor because with more turnover, the owner will increase the existing capital and will have an impact on increasing the workforce. So it can be said that the measure of success that affects labor can be seen from wages, education, capital, and sales turnover in the wood craft industry in Gianyar Regency.

Effect of Wages on Labor

Based on the research results, the value of T count (12.368) > T table (1.991) indicates that H0 is rejected. This result means that education has a positive and significant effect on labor absorbed by the wood craft industry in Gianyar Regency. These results are in line with the research of Adie Perdana and Made jember (2017) where in his research stated that the level of wages has a direct and significant effect on the absorption of labor in the solid stone sculpture craft industry in Sukawati District.

Effect of Education Level on Labor

Based on the research results, the value of T count (2.523) > T table (1.991) indicates that H0 is rejected. This result means that education has a positive and significant effect on labor absorbed by the wood craft industry in Gianyar Regency. The higher a person's level of education, the higher the value and quality of his or her performance in working on production so that it has an impact on increasing the competitiveness of a product and increasing the profits earned by wood entrepreneurs. With greater profits and competitive quality, entrepreneurs will be able to pay more labor and it will also affect the absorption of labor in the business. The results of this test are in accordance with research conducted by Imam Buchari (2016) which says the level of labor education has a positive and significant effect on labor absorption in the manufacturing industry on the island of Sumatra.

Effect of Capital Level on Labor

Based on the results of research analysis that shows the value of T count (2.523) > T table (1.991) then H0 is rejected which means that the level of capital has a positive and significant influence on the labor absorbed in the wood craft industry in Gianyar Regency. The results of this study are supported by research conducted by Divianto's research (2014) which says capital has a positive and significant influence because it has an important role in increasing production. The results of research by Cahya Ningsih and Indrajaya (2015) also said that simultaneously and partially capital has a significant effect on labor absorption in the silver craft industry in Sukawati District.

Effect of Sales Turnover on Labor

Based on the results of the research analysis that shows the value of T count (3.204) > t table (1.991) then H0 is rejected which means that sales turnover has a positive and significant influence on labor absorbed in the wood craft industry in Gianyar Regency. The results of this study are supported by research conducted by

Dimas Rifki Fajar (2017), in his research stating that sales turnover is a variable that can affect labor absorption where the greater the turnover, the company will further increase its business where it requires additional inputs to produce these goods.

CONCLUSIONS AND SUGGESTIONS

Summary

Based on the results of data analysis and discussion presented in the previous chapter, it can be concluded that:

1) Wages, education, capital, and sales turnover simultaneously have a significant effect on labor absorption in the wood industry in Gianyar Regency. This shows that the four factors jointly affect the absorption of labor that occurs in the wood industry in Gianyar Regency.
2) Wages have a positive and significant effect on labor absorption in the wood craft industry in Gianyar Regency. This shows that the higher the level of wages given, the more it will maximize the performance of workers and optimize the productivity of workers and this affects the absorption of labor.
3) Education has a positive and significant effect on labor absorbed by the wood craft industry in Gianyar Regency. This shows that a person's level of education affects the amount of labor absorption where the higher the level of education, the more and higher the best quality of production produced, the greater the amount of labor absorption required by the company.
4) Capital has a positive and significant influence on labor absorbed in the wood craft industry in Gianyar Regency. This shows that capital affects the amount of labor absorption where the higher the capital owned by wood entrepreneurs, the greater the capacity of the company in producing goods so that the more the amount of labor absorption required.
5) Sales turnover has a positive and significant influence on the labor absorbed in the wood craft industry in Gianyar Regency. This shows that the higher the turnover obtained, the higher the turnover obtained will be played back for the company's capital, one of which is to increase the workforce.

5.2 Advice

Based on the conclusions that have been described above, it can be suggested some things as follows:

1) The wood industry entrepreneurs in Gianyar Regency must be able to maximize and optimize the number of workers needed, considering that Gianyar Regency is a center for wood craftsmen with undoubted quality. It is also recommended to pay better attention and maximize the level of wages, the level of education, the level of capital, the level of sales turnover that is owned as well as possible so that these four factors have a much greater

impact together or simultaneously on the increase that occurs in an effort to absorb a more equitable workforce in Gianyar Regency.

2) The government is expected to help craftsmen or wood workers at times like this with allowances or additional production capital for entrepreneurs so that they are able to survive after the pandemic, the wood industry has experienced a drastic decline of up to 90% which makes turnover and wood entrepreneurs have to rack their brains and this all affects the absorption of labor that occurs.
3) The government is also expected to be able to help wood craftsmen who want to develop their skills by conducting training, courses, or additional schools periodically which will be useful for all workers or craftsmen in the future. This training is also intended and expected to increase employment in Gianyar Regency. This can also have an impact on increasing employment due to higher education levels.
4) Employers should evaluate the periodic wage payment system so that the wages given to workers are more evenly distributed which will attract more workers who want to work in the wood industry and cause an increase in employment in Gianyar Regency.

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