

ABSTRAK

This research aims to analyze the impact of the number of business units, wage levels, and Gross Regional Domestic Product (GRDP) on labor absorption in large and medium-scale processing industries at the district/city level in West Java Province during the period 2014–2023. West Java, as the province with the largest number of industries in Indonesia, has a significant contribution to the national GRDP and serves as a major center for economic growth. However, the increase in the number of industries and GRDP does not always correspond with an increase in labor absorption.

This research uses a quantitative approach with secondary data sourced from the Central Bureau of Statistics (BPS). The analysis method used is panel data regression to see the simultaneous and partial effects of independent variables on the dependent variable. The results of the study show that the number of business units and GDP have a positive and significant effect on labor absorption, while the wage level shows a positive and significant effect.

The implications of this research emphasize the importance of equitable industrial development and improving labor market efficiency in West Java Province. The results of this study are expected to serve as a consideration in formulating labor policies and regional development planning.

Keywords: Employment Absorption, Number of Business Units, Wage Rate, GRDP, Processing Industry, West Java.