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# ANALYSIS OF THE EFFECT OF REGIONAL MINIMUM WAGES AND ECONOMIC GROWTH ON JOB OPPORTUNITIES IN CENTRAL KALIMANTAN

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#### **ABSTRACT**

This study aims to determine the effect of the minimum wage variable and economic growth on employment opportunities partially or simultaneously in Central Kalimantan. This research was carried out in Central Kalimantan by taking the research time span between 2011-2022. The analytical method used is multiple regression analysis and the results of the analysis show that the Regional Minimum Wage partially has a significant effect on employment opportunities in Central Kalimantan. Partial economic growth has no significant effect on employment opportunities in Central Kalimantan. The Regional Minimum Wage simultaneously has a significant effect on employment opportunities in Central Kalimantan. Simultaneous economic growth has no significant effect on employment opportunities in Central Kalimantan.

Keywords: Regional Minimum Wage, Economic Growth, Job Opportunities.

#### A. INTRODUCTION

The high employment opportunities in Central Kalimantan are often influenced by the level of wages received and available jobs. In addition to the economic growth of a region which has increased every year so that economic activity will increase which requires a lot of manpower.

An increase in the minimum wage for workers will improve their purchasing power which will ultimately encourage enthusiasm for work and can increase work productivity. However, for employers who see wages as a cost, this increase causes them to adjust the level of wages they have to give workers to the minimum wage level set by the government. So that with this minimum wage increase, employers tend to reduce the amount of labor they use in the production process (Atiyatna et al., 2016).

For a firm, salaries and wages affect the price level, which in turn result in the expansion and equity of employment opportunities. The higher the wages issued means the higher the product produced. The high price of the product has an effect on power the company's competitiveness in the market, which means it also influences the expansion and equal distribution of opportunities work that the company can provide (Hartono et al., 2018).

The size of wages must pay attention to internal equity & external equity, understanding internal equity is the size of the wages that workers get in accordance with the results of the work of the workforce and the level of productivity in the company itself. External equity is the amount of wages received by workers in accordance with the amount they will receive if they carry out productivity in other companies (Alisman, Uswatun Hasanah, Zulfan Yusuf, Nurfiani Syamsuddin, 2022). The aim of the government in establishing wage policies is to guarantee a decent life for workers, increase productivity and also increase people's purchasing power (Savitri et al., 2021).

State policies in absorbing labor include efforts to encourage growth and expansion of employment opportunities in each region as well as development in quantity and quality the available labor force in order to be able to take full advantage of the development potential in the region each.

Economic activities related to employment in Central Kalimantan exist in various sectors, both in the formal and informal sectors. With economic growth in Central Kalimantan, which is increasing every year, it will certainly provide job opportunities for people who don't have jobs. The following is the Regional Minimum Wage table, economic growth and employment opportunities in Central Kalimantan:

Table 1. Regional Minimum Wage, Economic Growth, Employment Opportunities In Central Kalimantan 2011-2022

Year	Regional Minimum Wage (Rp) X1	Economic Growth (%) X2	Employment Opportunities (Y)
2011	1134580	7.01	1105701
2012	1327459	6.87	1070210
2013	1553127	7.37	1063711
2014	1723970	6.21	1154489
2015	1896367	7.01	1214681
2016	2057558	6.36	1248189
2017	2227307	6.74	1222707
2018	2421305	5.61	1301002
2019	2663436	6.12	1327885
2020	2903144	-1.41	1318133
2021	2903145	3.59	1346437
2022	2922516	6.45	1344475

Sources: kalteng.bps.go.id, UMR 2014-2020, Kalteng Dalam Angka 2023 UMR 2021-2022, Kalteng Dalam Angka 2016, Kalteng Dalam Angka 2018, Statistik Indonesia 2023, kalteng.bps.go.id.

Based on the description above, this research wants to find out how the minimum wage and economic growth affect employment unities in Central Kalimantan during 2011-2022.

# **B. LITERATURE REVIEW**

#### **Regional Minimum Wage**

The Minimum Wage is a minimum standard used by entrepreneurs or actors industry to pay wages to workers in the business or work environment. Due to the fulfillment of decent needs in each province is different, then it is called Provincial Minimum Wage (Yuni, 2020).

Wage are payments obtained from various processes of services provided and provided by employers to workers (Sukirno,2013). On the other hand, entrepreneurs say that wages are a production cost so that they can reduce the value of company profits (Azmi, 2012). So, in this case the government imposes Provincial Minimum Wage or Regional Minimum Wage in each region in order to provide welfare for workers and employers (Tsalsalaila et al., 2022).

Wages are the compensation received by workers for their work service given in the process of producing goods or services in the company. In wages, the term minimum wage is known, namely the minimum standard used by employers or industrial players to provide wages to workers in the business or work environment. Due to the fulfillment of nedds decent

in each province is different, then it is called the Minimum Wage Provincial or Regional Minimum Wage (Bambang, 2013) (Sania et al., 2021).

According to the classical theory that higher wages increase economic growth and causes the demand for food to increase. So manufacturers need to add production with the addition of labor as production managers (Wihastuti and Rahmatullah, 2018) (Muslinawati & Aziz, 2023).

#### **Economic Growth**

Economic growth will encourage the growth of job opportunities. The higher the economic growth, then it will be more high anyway growth in job opportunities (Widada et al., 2019).

The economic growth of a region is an increase in the results of activities economy of all economic units in one area, generally known with an increase in the Gross regional Domestic Product (GRDP) (Sania et al., 2021).

The ideal condition for economic growth for labor growth is when economic growth is able to increase the use of labor in a larger way. Meanwhile, according to Sukirno (2008), economic growth means the fiscal development of the production of goods and services that apply in a country. So it can be concluded that economic growth is a process of increasing the national income of a country in a certain time or a certain period (Hardini, 2017).

According to Herlina (2016), the impact caused by an increase in the rate of economic growth and development in an area is to increase the number of requests for labor so that employment also increases. However, when population growth is greater, it will create greater demand for jobs. Employment opportunities can be interpreted as the number of jobs that have been filled by the workforce or those that have not been filled by the workforce (Saputra et al., 2021). Related to job opportunities, Danawati et al., (2016) suggested that job opportunities are created from the development of economic activity in an area (regional). Regional economic theory states that when a sector experiences economic growth, employment opportunities in that sector will also increase. High economic growth will increase the level of absorption of labor in the labor market, in other words, there is a close relationship between increasing economic growth and employment. According to Alisman (2018), employment is influenced by economic growth in a region. (Ridwan Fajar Hidayat, 2022).

#### **Employment Opportunity**

Keynes said that the economy does not always reach the level of full employment, unemployment will definitely occur but the amount depends on the economic conditions at that time. Labor market follow the goods market when output rises hence the number of people who get jobs or the level of employment also increases, vice versa. (Syahputra, 2018).

Employment is one important aspect that plays a role in encouraging economic success. Labor is not only seen as a part in creating output, but also plays a role in how the quality of labor can interact with other production factors to create added value (productivity). (Izzah, 2021).

There are factors that are predicted to have an influence on labor absorption in Indonesia, one of which is wages. Wages is the right of workers to work that has been done in a certain period, provided by employers (Dewi et al., 2015) (Dian et al., 2022).

Other policies that are often pursued by the government to improve employment opportunities, in addition to encouraging economic growth, namely by setting policies minimum wage. Minimum Wage as stated in the theory of efficiency wages aims to increase the productivity of the workforce, thus having an impact on increase in production results from a company, then will be followed by increasing demand for labour. (Tapparan, 2017)

#### C. RESEARCH METHODS

## **Types of Research**

This research is a quantitative research, a method that uses a lot of numbers starting from the data collection process to its interpretation. Quantitative research methods are defined as part of a series of systematic investigations of phenomena by collecting data to then be measured by mathematical or computational statistical techniques.

#### **Data Source**

The data collection method used in this study is a document because the data used is secondary data. Which comes from BPS Kalteng.go.id, Central Kalimantan in Figures year 2016, year 2018 and year 2023 and documents from various journals and various other sources.

# **Object Of Research**

The research location is Central Kalimantan with a research period of 2011-2022.

# **Data Analysis Technique**

This study uses a simple linear regression method to find the influence of the independent variables, namely Regional Minimum Wage (X1) and Economic Growth (X2) on the dependent variable, namely Job Opportunities (Y) partially and simultaneously. Using the classical assumption test is an analysis conducted to assess whether in a linear regression model Ordinary Least Square (OLS) there are classical assumption problems (Multicollinearity Test, Heteroscedasticity Test, Normality Test, Autocorrelation Test, Linearity Test).

#### D. RESEARCH RESULTS AND DISCUSSION

The effect of Regional Minimum Wages (X1) and Economic Growth (X2) on Employment Opportunities (Y) partially in Central Kalimantan.

# Effect of Regional Minimum Wage (X1) on Job Opportunities Y

Stage 1 regression analysis examines the effect of the Regional Minimum Wage (X1) on Job Opportunity Y with the regression equation is:

 $Y = \alpha + \beta 1 X 1 + ei$ 

Where:

Y = Job Opportunities

 $\alpha = Constant$ 

X1 = Regional Minimum Wage

ei = Standard error 1.

Table 2. The results of the analysis of the influence of Regional Minimum Wages (X1) on Job Opportunities Y

Model	Unstandardized Coefficients		Standardized	l Coefficio	Collinearity S	Statistics	
	В	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (Constant)	883482.152	36055.632		24.503	.000		
X1	.160	.016	.952	9.884	.000	1.000	1.000

# a. Dependent Variable: Y

Source: Processed Data, 2023

Based on the results of the regression analysis above, the regression equation can be compiled as follows:

Y = 883482.152 + 0.160X1 + ei.

## From these equations it can be explained:

- a. The equation of the multiple linear regression results states that the constant value is 883482.152. This means that if the regional minimum wage in an area is constant, then the number of employment opportunities in Central Kalimantan is 883482.152%.
- b. The coefficient of the regional minimum wage variable (X1) is 0.160 indicating that if the regional minimum wage increases by 1%, while other variables are constant, employment opportunities will increase by 0.160%. The positive sign indicates a unidirectional relationship between the regional minimum wage and employment opportunities in Central Kalimantan. The higher the regional minimum wage, the higher the employment opportunities in Central Kalimantan.

# **Multicollinearity Test**

According to Ghozali (2016) the multicollinearity test aims to find out whether the regression model found a correlation between the independent variables or the independent variables. The effect of this multicollinearity is to cause high variables in the sample. This means that the standard error is large, as a result when the coefficients are tested, the t-count will have a smaller value than the t-table. This shows that there is no linear relationship between the independent variables that are affected by the dependent variable. (Pratama et al., 2022)

**Table 3. Multicollinearity Test Analysis Results** 

Model	Unstandardized Coefficients		Standardized Coefficients	Collinearity Statistics			
	В	Std. Error	Beta	t	Sig.	Tolerance	VIF
(Constant)	883482.152	36055.632		24.503	.000		
X1	.160	.016	.95	9.884	.000	1.000	1.000

Source: Processed Data, 2023

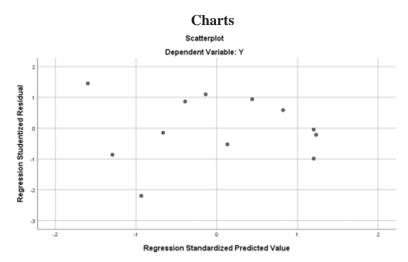
By using a 95% confidence level or using a significance level of 5% (value  $\alpha$  = 0.05), the data processing results show a Tolerance value of 1,000. Because the Tolerance value is greater than 10.00, Ho is accepted, which means that there is no multicollinearity between the independent variables in the regression model.

# Judging from the value of VIF

By using a 95% confidence level or using a significance level of 5% (value  $\alpha$  = 0.05), the data processing results obtained a VIF value of 1,000. Because the VIF value is smaller than 10.00, Ho is accepted, which means that there is no multicollinearity between the independent variables in the regression model.

#### **Heteroscedasticity Test**

Heteroscedasticity test is part of the classic assumption test in regression analysis. One of the methods commonly used in the heteroscedasticity test is the Scatterplot Test. Scatterplot Heteroscedasticity Test is one of the methods used to check the presence of heteroscedasticity in regression data. Heteroscedasticity is a condition where the variance of the error term is not constant or the same at each level of the independent variable. (Sugiyono, 2015)



Heteroscedasticity test with graphs, from the graph above shows that there is no clear pattern, and the dots spread above and below the number 0 on the Y axis, which indicates that there is no heteroscedasticity in all variables in the research instrument.

## **Normality Test**

According to Ghozali, (2016) the normality test is carried out to test whether in a regression model, an independent variable and a dependent variable or both have a normal or abnormal distribution. If a variable is not normally distributed, the statistical test results will decrease. In the data normality test, it can be done using the One Sample Kolmogorov Smirnov test, namely with the provision that if the significance value is above 5% or 0.05, the data has a normal distribution. Meanwhile, if the results of the One Sample Kolmogorov Smirnov test produce a significant value below 5% or 0.05, then the data does not have a normal distribution.

**Table 4. Tests of Normality** 

Kol	mogorov	Smir	Shapiro-Wilk			
Sta	Statistic		Sig	Statistic	Df	Sig
X1	.135	12	.200°	.931	12	.392

<sup>\*.</sup> This is a lower bound of the true significance Source: Processed Data, 2023.

The significance value (p) in the Kolmogorov-Smirnov test is 0.2 (p > 0.05), so that based on the Kolmogorov-Smirnov normality test the data is normally distributed. The significance value (p) in the Shapiro-Wilk test is 0.392 (p > 0.05), so based on the normality test of the Shapiro-Wilk the data was normally distributed.

#### **Autocorrelation Test**

Usually the autocorrelation test is carried out to find out whether in a linear regression model there is a correlation between the confounding errors in period t and the errors in period t-1 (previous). If the data is correlated, then it can be called an autocorrelation problem.

Meanwhile, for decision making whether or not there is autocorrelation using the DW table criteria with a significance level of 5%, namely:

D-W value below -2 means positive autocorrelation.

D-W values between -2 to +2 means there is no autocorrelation.

If the D-W value is above +2 then there has been a negative autocorrelation (Hana Syafei, Langkah Uji Autokorelasi Di SPSS Untuk Mengolah Data - Kompas, n.d.).

**Table 5. Autocorrelation Test** 

Mode		R	Adjusted	Std. Error		Change	Statist	ics		Durbin-
1	R	Square	R Square	of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	Watson
1	.955	.912	.892	34830.243	.912	.912	2	9	.000	.000

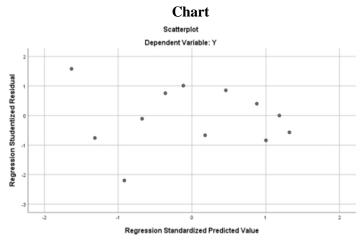
a. Predictors: (Constant), X1b. Dependent Variable: Y

Source: Processed Data, 2023.

Based on the above conclusion that there is no autocorrelation.

# **Linearity Test**

The linearity test is a test to check whether there is a linear relationship between the independent variables and the dependent variable. The linearity test is intended to test whether the data being analyzed is linear or not (Sudjana, 2003). Linearity is an important assumption in the use of linear regression. Some researchers argue that this assumption is the most important because it is directly related to the bias of the results of the overall analysis (Keith, 2006)(Puput, 2020).



Through the scatter plot above, visually it can be seen that there are several points that are far from the horizontal line as well as other observation points. This is an indication that the assumption of linearity is not met in the cases analyzed.

# The Effect of Economic Growth (X2) on Job Opportunities Y

Stage 2 regression analysis tested the effect of economic growth (X2) on employment opportunities (Y). With the regression equation is:  $Y = \alpha + \beta 2X2 + ei$ .

Where:

Y = Job opportunities

A = Constant

X2 = Economic growth

ei = Standard error 1

Table 6. The results of the analysis of the Effect of Economic Growth (X2) on Job Opportunities Y

	Unstanda Coeffic	Standar	dized Coeff	Collinearity Statistics			
Model	В	Std. Error	Beta	T	Sig.	Tolerance	VIF
(Constant)	1351253.177	72857.741		18.546	.000		
X2	-212043.547	11902.375	505	-1.852	.094	1.000	1.000

# a. Dependent Variable: Y

Source: Processed Data, 2023

Based on the results of the regression analysis above, the regression equation can be compiled as follows:

Y = 1351253.177 + -22043.547 X2 + ei.

From these equations it can be explained:

- a. The equation of the multiple linear regression results states that the constant value is 1351253.177. This means that if economic growth in an area is constant then the number of employment opportunities in Central Kalimantan is 1351253.177%.
- b. The coefficient value of economic growth is -22043.547 and is negative. This means that the economic growth variable has a non-unidirectional relationship to the employment opportunity variable. For every 1% increase in the value of economic growth, the employment variable in Central Kalimantan will decrease by 22,043.547%.

#### **Multicollinearity Test**

According to Ghozali (2016) the multicollinearity test aims to find out whether the regression model found a correlation between the independent variables or the independent variables. The effect of this multicollinearity is to cause high variables in the sample. This means that the standard error is large, as a result when the coefficients are tested, the t-count will have a smaller value than the t-table. This shows that there is no linear relationship between the independent variables that are affected by the dependent variable.

**Tabel 7. Multicollinearity Test** 

	standardized oefficients	d	tandardize Coefficients			Collinearity Statistics		
Model	В	Std. Error	Bet a	т	Sig.	Tolerance	VIF	
(Constant ) 0	1347418.28	73747.809	<del></del>	18.271	.000			
X2	-21499.028	12125.533	489	-1.773	.107	1.000	1.000	

# a. Dependent Variable: Y Source: Processed Data, 2023

#### Judging from the Tolerance value

By using a 95% confidence level or using a significance level of 5% (value  $\alpha$  = 0.05), the data processing results show a Tolerance value of 1,000. Because the Tolerance value is greater than 10.00, H0 is accepted, which means that there is no multicollinearity between the independent variables in the regression model.

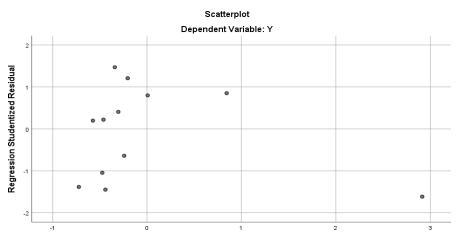
# Judging from the value of VIF

By using a 95% confidence level or using a significance level of 5% (value  $\alpha$  = 0.05), the data processing results obtained a VIF value of 1,000. Because the VIF value is smaller than 10.00, H0 is accepted, which means that there is no multicollinearity between the independent variables in the regression model.

# **Heteroscedasticity Test**

Heteroscedasticity test is part of the classic assumption test in regression analysis. One of the methods commonly used in the heteroscedasticity test is the Scatterplot Test. Scatterplot Heteroscedasticity Test is one of the methods used to check the presence of heteroscedasticity in regression data. Heteroscedasticity is a condition where the variance of the error term is not constant or the same at each level of the independent variable. (Arifin et al., 2020)

# Charts



Regression Standardized Predicted Value

Heteroscedasticity test with graphs, from the graph above shows that there is no clear pattern, and the dots spread above and below the number 0 on the Y axis, which indicates that there is no heteroscedasticity in all variables in the research instrument.

#### **Normality Test**

According to Ghozali (2016) the normality test is carried out to test whether in a regression model, an independent variable and a dependent variable or both have a normal or abnormal distribution. If a variable is not normally distributed, the statistical test results will decrease. In the data normality test, it can be done using the One Sample Kolmogorov Smirnov test, namely with the provision that if the significance value is above 5% or 0.05, the data has a normal distribution. Meanwhile, if the results of the One Sample Kolmogorov Smirnov test produce a significant value below 5% or 0.05, then the data does not have a normal distribution.

**Table 8. Tests of Normality** 

Ko	lmogoro	v Smirr	Shapiro-Wilk			
Sta	tistic	Df	Sig	Statistic	Df	Sig
X2	.331	12	.200	.931	12	.392

#### \*. This is a lower bound of the true significance

Source: Processed Data, 2023.

The significance value (p) in the Kolmogorov-Smirnov test is 0.001 (p <0.05), so based on the Kolomogorov-Smirnov normality test the data did not have a normal distribution. The significance value (p) in the Shapiro-Wilk test is 0.000 (p <0.05), so based on the Shapiro-Wilk normality test the data does not have a normal distribution.

#### **Autocorrelation Test**

Usually the autocorrelation test is carried out to find out whether in a linear regression model there is a correlation between the confounding errors in period t and the errors in period t-1 (previous). If the data is correlated, then it can be called an autocorrelation problem.

Meanwhile, for decision making whether or not there is autocorrelation using the DW table criteria with a significance level of 5%, namely:

D-W value below -2 means positive autocorrelation.

D-W values between -2 to +2 means there is no autocorrelation.

D-W value is above +2 then there has been a negative autocorrelation.

Change Durbin-**Statistics** Std. Watson Error of Adjusted R F R Square Sig. F the R Change Change Model R Square **Estimate** Change df1df2 Square 1 .489 .239 .163 97074.335 .239 3.144 1 10 .107 .724

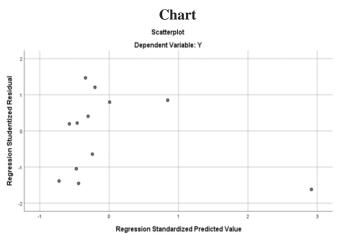
**Table 9. Autocorrelation Test** 

a. Predictors: (Constant), X2b. Dependent Variable: YSource: Processed Data, 2023.

Based on the above conclusion that there is no autocorrelation.

# **Linearity Test**

The linearity test is a test to check whether there is a linear relationship between the independent variables and the dependent variable. The linearity test is intended to test whether the data being analyzed is linear or not (Sudjana, 2003). Linearity is an important assumption in the use of linear regression. Some researchers argue that this assumption is the most important because it is directly related to the bias of the results of the overall analysis (Keith, 2006) (Puput, 2020).



Through the scatter plot above, visually it can be seen that there are several points that are far from the horizontal line as well as other observation points. This is an indication that

the assumption of linearity is not met in the cases analyzed. The Effect of Regional Minimum Wage (X1) and Economic Growth (X2) on Employment Opportunities (Y) simultaneously in Central Kalimantan.

The regression analysis below examines the effect of the Regional Minimum Wage (X1) and Economic Growth (X2) on Employment Opportunities (Y) simultaneously in Central Kalimantan.

With the regression equation is:  $Y = \alpha \beta 1X1 + \beta 2X2 + \beta 3X3 + ei$ 

Where:

Y = Job opportunities

 $\alpha = Constant$ 

X1 = Regional Minimum Wage

X2 = Economic growth

ei = Standard error 1

Table 10. Results of Analysis of Regional Minimum Wages and Economic Growth on Employment Opportunities in Central Kalimantan.

Model	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics		
	В	Std. Error	Beta	t	Sig.	Tolerance	VIF	
X1	.169	.021	1.005	8.208	.000	.651	1.537	
X2	3863.135	5339.798	.089	.723	.488	.651	1.537	

# a. Dependent Variable: Y

Source: Processed Data, 2023.

Based on the results of the regression analysis above, the regression equation can be compiled as follows:

$$Y = 842761.048+0.169X1+3863.135X2+ei$$

From these equations it can be explained:

- 1. The equation for the results of multiple linear regression states that the constant value is 842761.048. This means that if the regional minimum wage and economic growth in an area are constant, then the number of employment opportunities in Central Kalimantan is 842761.048%.
- 2. The coefficient of the Regional Minimum Wage variable (X1) is 0. 169 indicating that if the regional minimum wage increases by 1%, while other variables are constant, employment opportunities will increase by 0. 169%. The higher the regional minimum wage, the higher the employment opportunities in Central Kalimantan.
- 3. The variable coefficient of Economic Growth (X2) is 3863.135 indicating that if economic growth increases by 1%, while other variables are constant, then employment opportunities will increase by 3863.135%. The higher the economic growth, the higher the employment opportunities.

## **Multicollinearity Test**

According to Ghozali (2016) the multicollinearity test aims to find out whether the regression model found a correlation between the independent variables or the independent variables. The effect of this multicollinearity is to cause high variables in the sample. This

means that the standard error is large, as a result when the coefficients are tested, the t-count will have a smaller value than the t-table. This shows that there is no linear relationship between the independent variables that are affected by the dependent variable.

**Table 11. Multicollinearity Test** 

Model _	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics		
1,20,001	В	Std. Error	Beta	T	Sig.	Tolerance	VIF	
X1	.169	.021	1.005	8.208	.000	.651	1.537	
X2	3863.135	5339.798	.089	.723	.488	.651	1.537	

a. Dependent Variable: Y Source: Processed Data, 2023.

#### Judging from the Tolerance value

By using a 95% confidence level or using a significance level of 5% (value  $\alpha$  = 0.05), the data processing results show a Tolerance value of 0,651. Because the Tolerance value is greater than 10.00, Ho is accepted, which means that there is no multicollinearity between the independent variables in the regression model.

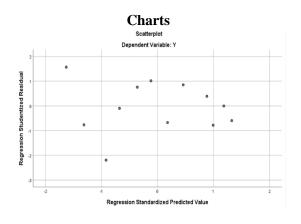
# Judging from the VIF value

By using a 95% confidence level or using a significance level of 5% (value  $\alpha$  = 0.05), the results of data processing obtained a VIF value of 1.537. Because the VIF value is less than 10.00, Ho is accepted, which means that there is no multicollinearity between the independent variables in the regression model.

Note in the coefficient table above, that the value range is narrow, namely at X1 = 0.651 to 1.537. Whereas in X2 it also happens that the results are the same, namely X2 = 0.651 to 1.537. Because the range is narrow, multicollinearity is not detected (Hidayat, 2013).

#### **Heteroscedasticity Test**

Heteroscedasticity test is part of the classic assumption test in regression analysis. One of the methods commonly used in the heteroscedasticity test is the Scatterplot Test. Scatterplot Heteroscedasticity Test is one of the methods used to check the presence of heteroscedasticity in regression data. Heteroscedasticity is a condition where the variance of the error term is not constant or the same at each level of the independent variable. (Sugiyono, 2015)



In the Scatter graph above, it is clear that there is no specific pattern because the points spread irregularly above and below the 0 axis on the Y axis. So it can be concluded that there are no symptoms of heteroscedasticity or Ho is accepted.

## **Normality Test**

According to Ghozali (2016) the normality test is carried out to test whether in a regression model, an independent variable and a dependent variable or both have a normal or abnormal distribution. If a variable is not normally distributed, the statistical test results will decrease. In the data normality test, it can be done using the One Sample Kolmogorov Smirnov test, namely with the provision that if the significance value is above 5% or 0.05, the data has a normal distribution. Meanwhile, if the results of the One Sample Kolmogorov Smirnov test produce a significant value below 5% or 0.05, then the data does not have a normal distribution.

**Table 12. Tests of Normality** 

		Kolmogorov Sr	nirnov <sup>a</sup>	Shapiro-Wilk			
St	atistic	Df	Sig	Statistic	Df	Sig	
X1	.135	12	.200	.931	12	.392	
X2	.331	12	.000	.631	12	.000	

<sup>\*.</sup> This is a lower bound of the true significance

#### a. Lilliefors Significance Correction

Source: Processed Data, 2023

Based on the results of the regression analysis above, it can be explained:

- 1. The significance X1 value (p) in the Kolmogorov-Smirnov test is 0.2 (p > 0.05), so that based on the Kolmogorov-Smirnov normality test the data has a normal distribution.
- 2. The significance X1 value (p) in the Shapiro-Wilk test is 0.392 (p > 0.05), so that based on the normality test of the Shapiro-Wilk the data has a normal distribution.
- 3. The significance value of X2 (p) in the Kolmogorov-Smirnov test is 0.001 (p <0.05), so based on the Kolmogorov-Smirnov normality test the data is not normally distributed.
- 4. The significance value of X2 (p) in the Shapiro-Wilk test is 0.000 (p <0.05), so based on the normality test on the Shapiro-Wilk the data is not normally distributed.

# **Autocorrelation Test**

Usually the autocorrelation test is carried out to find out whether in a linear regression model there is a correlation between the confounding errors in period t and the errors in period t-1 (previous). If the data is correlated, then it can be called an autocorrelation problem.

Meanwhile, for decision making whether or not there is autocorrelation using the DW table criteria with a significance level of 5%, namely:

- 1. D-W value below -2 means positive autocorrelation.
- 2. D-W values between -2 to +2 means there is no autocorrelation.

If the D-W value is above +2 then there has been a negative autocorrelation (Hana Syafei, Langkah Uji Autokorelasi Di SPSS Untuk Mengolah Data - Kompas, n.d.).

			Ta	ible 13. Aut	tocorrelatio	on Test			
				a		Change			Durbin-
				Std. Error of		Statistic	S		Watson
		R	Adjusted	the	R Square	F		Sig. F	
Model	R	Square	R	Estimate	Change	Change	df1df2	Change	

Square

1	.955	.912	.892	34751.343	.912	46.780	2	9	.000	1.713

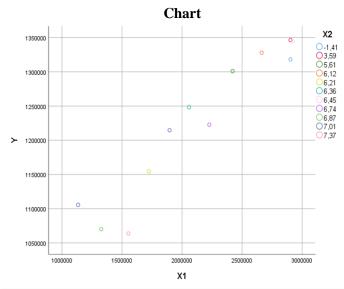
a. Predictors: (Constant), X1b. Dependent Variable: Y

Source: Processed Data, 2023.

Based on the above conclusion that there is no autocorrelation.

## **Linearity Test**

The linearity test is a test to check whether there is a linear relationship between the independent variables and the dependent variable. The linearity test is intended to test whether the data being analyzed is linear or not (Sudjana, 2003). Linearity is an important assumption in the use of linear regression. Some researchers argue that this assumption is the most important because it is directly related to the bias of the results of the overall analysis (Keith, 2006) (Hidayah et al., 2023) (Puput, 2020).



Based on the scatter plot graph above, it can be seen that the data plot points form a straight-line pattern from the bottom left to the top right. This shows that there is a linear and positive relationship between regional minimum wages and economic growth on employment opportunities. This positive relationship means that if regional minimum wages and economic growth increase, employment opportunities also increase.

# Discussion

The effect of Regional Minimum Wages (X1) and Economic Growth (X2) on Employment Opportunities (Y) partially in Central Kalimantan.

# The Effect of Regional Minimum Wage (X1) on Job Opportunities Y.

The results of the analysis show that the Regional Minimum Wage partially has a positive effect on employment opportunities in Central Kalimantan. These results can be seen from t count > t table 9.884 > 1.812 and a significance level of 0.000 is smaller than 0.05. This shows that the increase in the Regional Minimum Wage has a significant effect on employment opportunities in Central Kalimantan.

# The Effect of Economic Growth (X2) on Job Opportunities Y

Based on the results of partial testing and significance testing, it can be said that economic growth has a negative effect on employment opportunities in Central Kalimantan. It

can be seen from t count < t table, namely (-1.852 < 1.812) and the significance value of economic growth on employment opportunities is 0.094 > 0.05. This shows that increased economic growth has no significant effect on employment opportunities in Central Kalimantan.

# The Effect of Regional Minimum Wage (X1) and Economic Growth (X2) on Employment Opportunities (Y) simultaneously in Central Kalimantan.

Based on the results of simultaneous testing it can be seen that the Regional Minimum Wage (X1) has a positive effect, this can be seen from the value of the Regional Minimum Wage t count > t table (8.208 < 1.833) and a significance level of 0.000 which is less than 0.05. This shows that simultaneously the increase in the Regional Minimum Wage has a significant effect on employment opportunities in Central Kalimantan. In other words, an increase in the Regional Minimum Wage will increase employment opportunities in Central Kalimantan.

The variable economic growth simultaneously has no significant effect on employment opportunities in Central Kalimantan where t count (X2) < t table of 0.723 < 1.833 and a significance level (X2) is the 0.488 > 0.05. In other words, increased economic growth will not have an impact on increasing employment opportunities in Central Kalimantan.

#### E. CONCLUSIONS AND SUGGESTIONS

#### Conclusion

- 1. Based conclusion regional minimum wage and significant on has a positive effect on employment opportunities this can be seen from the value of the Regional Minimum Wage t count > t table (8.287 >1.833) In other words increase the Regional Minimum Wage will increase employment opportunities in Central Kalimantan.
- 2. Based conclusion, the variable economic growth no significant effect on employment opportunities where t count (X2) < t table is the 0.693 <1.833. In other words increased economic growth will not have an impact on creased employment opportunities in Central Kalimantan.

#### **Suggestion**

- 1. Suggestions for the Central Kalimantan regional government to continue to increase the regional minimum wage every year so that people's purchasing power remains stable.
- 2. It is hoped that the regional government will provide business credit to increase employment opportunities so that it will indirectly increase economic growth in Central Kalimantan.

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