

## **ABSTRACT**

*Small and medium industry that have an important role for the economy of a region, because its existence which absorbs a lot of labor so that the creation of job opportunities is expected to overcome the unemployment problems.*

*The study uses the variables of wages, productivity, capital, and age of business as variables that are suspected to have an influence on absorption of SMI's convection man power in the Kedungwuni sub-district. This study uses primary data obtained from 69 respondents through interviews with a list of questions that have been prepared. The method analysis used for multiple linear regression analysis.*

*The result of regression analysis show that overall the independent variables had a positive affect on absorption of SMI's convection man power in the Kedungwuni sub-district.*

*Keyword: labor recruitment, wage, productivity, capital, the business age*