

ABSTRACT

The furniture industry is one of the industries in Jepara Regency that contributes to employment in Jepara Regency. However, there are still problems with the factors that influence the furniture industry and also the technical efficiency of the furniture industry production in Jepara Regency. This study aims to determine the factors that influence the production of the furniture industry. And knowing the level of technical efficiency of the furniture industry and the factors that affect technical efficiency.

The method used in this research is Stochastic Frontier Analysis (SFA). The data in this study came from primary data and used a sample of 100 respondents. Input variables used to determine production factors are working capital, raw materials, labor, and furniture tools. The output variable in this study is the production of the furniture industry. While the variables that affect technical efficiency in this study are education, age, length of business, origin of capital, partnership and brand.

The results of research on factors affecting industrial production, namely labor variables and furniture tools, have a positive and significant effect on the production of the furniture industry while the variables of capital and raw materials do not have a positive and significant effect on the production of the furniture industry in Jepara Regency. While the results of research affecting technical efficiency factors, namely education and length of business affect the technical efficiency of furniture industry production in Jepara Regency. While the variables of age, capital origin, partnership and brand have no effect on the technical efficiency of furniture production in Jepara Regency.

Keywords: Technical Efficiency, Stochastic Frontier Analysis, Furniture Industry