

## **ABSTRACT**

*The transformation of the country's economy rested on the agrarian sector into an industrial country, so the government began to direct attention to the industrial and service sectors. One sector that plays an important role in the national economy is the industrial sector. The industrial sector of North Sumatra is the leading sector that contributes the highest average to the structure of the Gross Regional Domestic Product (GRDP). Economic development aims to improve welfare and income equality. Human resources are the main element in encouraging economic development so that, to realize income equality and reduce unemployment, large and medium industries have the potential to become the sector that contributes the most to employment.*

*This study aims to analyze the effect of GDP growth, business units and minimum wages on the absorption of large and medium industrial workers in North Sumatra Province in 2015-2020. The method used in this study is regression analysis of panel data with a Fixed Effect Model (FEM) approach. The data used is secondary data obtained through the publication of the Central Statistics Agency (BPS).*

*The results of the regression analysis show that GDP growth has a negative and insignificant effect, business units have a positive and significant effect and the minimum wage has a positive and insignificant effect on the absorption of District/City workers in North Sumatra Province in 2015-2020.*

*Keywords: Employment, GDP Growth, Business Units, Minimum Wage*