

ABSTRACT

This study aims to analyze the factors that influence labor absorption in Bekasi City. This study was proposed in relation to labor absorption, which acts as a dependent variable on the gross regional domestic product (GRDP), foreign investment (FDI), domestic investment (DDI), number of large and medium industries, and labor force. The purpose of this study is to determine the effect of each independent variable on labor absorption. This research was conducted because the employment condition in Bekasi City indicates an imbalance between the increasing labor supply and the labor market's capacity to absorb workers.

This research was conducted using a quantitative method with an associative approach. Data collection was carried out through documentation and literature study techniques. Based on time series data from 1999 to 2024, multiple linear regression analysis was used to analyze the data in this study using the Ordinal Least Square (OLS) method for all equations.

The results show that GRDP and labor force have a positive and significant effect on employment, while FDI has a negative and significant effect. Meanwhile, the number of large and medium industries and domestic investment (PMDN) do not have a significant effect on labor absorption. Simultaneously, the five independent variables have a significant effect on labor absorption with a coefficient of determination (Adjusted R^2) of 0.982, which means that 98.2% of the variation in labor absorption can be explained by these variables. Therefore, even though Bekasi City has a large number of industries and investments, labor absorption is more influenced by real economic growth (GRDP) and labor force availability than by the quantity of capital-intensive industries and investments that tend to use high technology.

Keyword : *Employment Absorption, Gross Regional Domestic Product, Labor Force, Foreign Investment, Domestic Investment*