ABSTRACT

Labor is one of the important factor in economic development. The tourism sector particularly in the hospitality sector, namely supporting sector is one of the jobs that can absorb labor is quite high. Hotel labor absorption is not comparable to the development of the hotels sector. The tourism sector is one sector that accounted for the second highest revenue in Central Java province.

The problem of labor absorption hotels as outlined above is an important phenomenon that will be studied in this research. The purpose of this research is to analyze how the influence of the provincial minimum wage, the number of domestic and foreign tourists staying at the hotel, and the occupancy rate of star hotel and non-star hotel rooms against the absorption of labor of Central Java province in the year 1987-2016.

This research uses a model of Ordinary Least Square and use secondary data with multiple linear regression analysis technique to the time series data. The period of research used in this study between 1987 until 2016.

Based on the results of the research show that the variable minimum wage, the number of foreign tourists staying at hotel, and the occupancy rate of star hotel rooms influential positive and significant to labour absorption. While the variable the number of domestic tourists staying at hotel and the occupancy rate of non-star hotel rooms influential negative and not significant to labour absorption.

Key word: labour absorption, provincial minimum wage, the number of foreign tourists staying at hotel, the number of domestic tourists staying at hotel, and the occupancy rate of star hotel rooms, the occupancy rate of non-star hotel rooms