

## **ABSTRACT**

*This study has the aim to find out how the influence of the four factors which in theory have an impact on employment. Population growth in Indonesia progressively increasing in number. Population growth will certainly add to the amount of labor. Increasing the number of workers will be a problem in the world of employment if the amount of labor is not proportional to the number of jobs that can absorb them.*

*Efforts to increase the labor force absorption cannot be separated from the factors affecting it such as the provincial minimum wage, Gross Regional Domestic Product (GRDP), domestic investment and foreign investment. This research is a quantitative research. The data used are secondary data from 33 provinces in Indonesia in the 2013-2019 period obtained from the Central Statistics Agency. Data analysis using panel data with fixed effect regression models. The data analysis technique used is Ordinary Least Square (OLS) with Eviews 10.*

*The results of the study showed that: 1) partially GRDP and domestic investment had no significant effects on the labor force absorption; 2) partially provincial minimum wage and foreign investment had a significant positive effects on the labor force absorption; 3) simultaneously the provincial minimum wage, GRDP, domestic investment and foreign investment had significant effects on the labor force absorption. This study suggested the local government to improve economic growth up and to encourage of domestic investment in each province in Indonesia.*

*Keywords: Labor Absorption, GRDP, Provincial Minimum Wage, Investment*