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Analysis of the Influence of Modern Retail Presence on Labor Absorption Local in Sumbawa Regency

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ABSTRACT

This study aims to analyze "The Influence of Modern Retail Existence on the Absorption of Local Labor in Sumbawa Regency". It is a quantitative descriptive research design that is being employed. Time series data were the sort of data utilized in this investigation. The Panel Data Regression analysis approach was used in Eviews 10 to analyze the data. The study's findings demonstrate that the independent factors of Indomaret (X2) and Modern Retail Alfamart (X1) jointly affect the dependent variable of Local Labor (Y). The test findings indicate that there is a notable impact of Alfamart (X1) and Indomaret (X2) on the absorption of Local Workers (Y). The results of this test are known that each increase in one modern retail unit will directly affect the absorption of local labor of Alfamart (X1) of 9.141800 and Indomaret (X2) of 9.894077 units in Sumbawa Regency.

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1. INTRODUCTION

Indonesia is a developing country with a population of 278.8 million people in 2023 based on data from the Central Statistics Agency. Developing countries such as Indonesia carry out economic development to achieve an economic growth rate which is a measure of the success of a country's economy. Increasing economic growth is expected not only to be a measure of economic success, but also to overcome various development problems such as poverty alleviation, income management and the provision of jobs in order to reduce the unemployment rate with the aim of achieving prosperity (Todaro, 2000). Economic growth is a process in which real GDP per capita increases continuously through an increase in productivity per capita. Thus, economic growth is one measure of a region's economic performance, and it occurs in the province of West Nusa Tenggara as well.

One macroeconomic metric that is used to determine if the economic performance of a nation, province, regency, or city is excellent is economic growth. With strong economic growth of 9.42% from the previous year and a lower open unemployment rate of 2.80% from the previous year, West Nusa Tenggara Province's economic performance in 2023 is characterized by volatility. In supporting the economic growth of West Nusa Tenggara, the Gross Regional Domestic Product (GDP) also increased to reach Rp.43.60 trillion. Nevertheless, strategic efforts are still in place to maintain and increase this growth, especially in the face of external dynamics and

global challenges. The West Nusa Tenggara Government is committed to continuing to implement policies that support economic development and community welfare in overcoming economic growth problems to reduce the open unemployment rate every year.

Open unemployment is an issue that exists not only at the provincial level but also at the district level. Sumbawa Regency, a component of West Nusa Tenggara Province, is one of them. Over the last three years, there has been volatility in Sumbawa Regency's open unemployment rate and pace of economic growth. Sumbawa district's economy grew by 1.87% in 2021, despite a very high open unemployment rate of 3.39%. Economic growth in 2022 increased by 3.21% and the open unemployment rate decreased from the previous year to 2.11%. And in 2023 economic growth in Sumbawa Regency declined again to 2.46% and experienced an increase in the open unemployment rate of 2.98% from the previous year.

The open unemployment rate did not significantly increase as a result of the economic development in the Sumbawa area; in fact, in 2021, it doubled from the very low pace of economic growth. In overcoming the problem of unemployment, it is known that the industrial sector such as retail businesses has an important role in creating jobs so that the demand for labor is higher. Consequently, business license No. 31 of 2015 was granted by the Sumbawa district local government in relation to the setup and expansion of Superstores. Then, working with 40 businesses, including Modern Retail giants like Alfamart and Indomaret, the local government of Sumbawa Regency organized a job fair through the Directorate of Transmigration in an attempt to lower the unemployment rate. Therefore, the researcher is interested in conducting research on the influence of modern retail with the title "Analysis of the Influence of Modern Retail Existence on the Absorption of Local Labor in Sumbawa Regency".

2. LITERATURE REVIEW

2.1 Absorption of Local Labor

In Law of the Republic of Indonesia Number 13 of 2003, Labor is every person who is able to carry out work to produce goods and services both to meet their own needs and for the community. Broadly speaking, the population in a country can be divided into two groups, namely labor and non-labor. Residents who are included in the workforce if the population has entered the working age period from the age of 15 – 65 years. As for the category of non-working population, namely those who have not entered the minimum age limit.

2.2 Retail

According to Sunyoto (2015:10), Any activity that involves selling products and services to consumers directly is referred to as retailing. In the meanwhile, businesses that rely on retailing for more than half of their sales are known as retailers.A firm that deals with the retail sale of goods or services to customers is generally referred to as a retail business. Retail is an important link in the distribution process of goods and is also the last link in a distribution process. A product can interact directly with its consumers through retail. Here, the retail sector is defined as one that offers goods and services with value added to satisfy the demands of end users, families, groups, or individuals. Most of the products sold are the fulfillment of household needs, including nine basic ingredients.

2.3 Modern Retail

Minimarkets, supermarkets, and hypermarts are examples of modern retail businesses that suppress the self-service system by offering a variety of goods in an e-commerce format without the need for haggling. The Presidential Regulation of the Republic of Indonesia number 112 of 2007 article 3 highlights the boundaries of contemporary retail in relation to the area of sales floors. A minimarket is one that is smaller than 400 square meters (400 m2), a hypermarket is one that is larger than 5,000 m2 (5,000 m2), and a supermarket is one that is between 400 m2 (four hundred m2 per square) and 5,000 m2 (five thousand m2 per

square). According to Ariefah Sundari & Ahmad Yani S (2022) explained that the retail business in Indonesia is growing so rapidly, the number of modern retail businesses in Indonesia has grown by up to 17.57% per year. This growth is also driven by the growth of the minimarket business concept which is dominated by Indomaret and Alfamart spread throughout Indonesia.

HYPOTHESIS FORMULATION

Based on the description of the thoughts contained in the main problems and goals to be achieved, the following hypotheses can be formulated, namely: It is suspected that modern retail (the number of Alfamart and Indomart) has a positive and significant effect on the absorption of local labor in Sumbawa Regency.

3. METHODS

This study used a quantitative descriptive research design using a causality approach to investigate the relationship between independent and dependent variables.

This study was carried out in the Regency of Sumbawa. The researcher selected this site in order for modern retail to be able to employ the local workers due to the high unemployment rate. Consequently, in 2024, the researcher will carry out research on the impact of the modern retail establishment that is growing in the Sumbawa Regency area.

The present study employs a literature review as its method of data collection. This involves gathering precise information on research topics and problems from a variety of sources, including documents, scientific books, journals, prior research, and relevant agencies like the Central Statistics Agency (BPS), the Investment and One-Stop Integrated Services Office (DPMPTSP), and other sources.

Time series data from 2019 to 2023 and cross-section data from 24 Sumbawa Regency subdistricts were used in this study. Secondary data was the source of data used in this investigation. The "Sumbawa Regency Investment and One-Stop Integrated Service Office" provided secondary data for this study.

Identification and Classification of Variables

Based on the problems that have been determined, the variables used can be identified, namely as follows:

1) Alfamart (X1)
2) Indomaret (X2)
3) Absorption of Local Labor (Y)

Based on the identification of the variables above, the variable variables can be classified as follows:

1) Dependent Variable (Bound)

The variable that is affected or consequential as a result of the existence of an independent variable is known as the dependent variable (Y), also known as the bound variable. The degree of local labor absorption in the contemporary retail industry is the dependent variable in this study.

2) Independent Variable (Free)

The variable that influences or is the source of changes and the appearance of dependent variables is known as the independent variable (X), or simply the independent variable. The number of Alfamart units (X1) and the number of Indomaret units (X2) are the independent variables in this study.

The operational definition of the variables from the study to be studied is as follows:

1) Absorption of Local Labor

The amount of local workers employed in contemporary retail, measured in person-years from 2019 to 2023, is known as local labor absorption.

2) Alfamart (X1)

The quantity of Alfamart is the quantity of Alfamart from 2019 to 2023, represented in units.

3) Indomaret (X2)

The total number of Indomarets from 2019 to 2023, expressed in units, is the number of Indomarets.

4. RESULTS AND DISCUSSION

Existing tables or figures are presented with sufficient explanations and by including numbers and titles. Complete the existing tables and figures by writing the source under each table/figure. The table is created without a vertical border. Example table.

Based on the results of the analysis, it is known that the value of prob. the Alfamart variable (X1) of 0.00 is smaller than 0.05 and prob. the Indomaret variable (X2) by 0.00 is smaller than 0.05. This means that H_a accepted and H_0 rejected. With the receipt of H_a Therefore, the variables of Alfamart (X1) and Indomaret (X2) Modern Retail have a significant influence on the absorption of local labor (Y). This shows that each increase in one modern retail unit will directly affect the absorption of local labor Alfamart (X1) by 9.141800 and Indomaret (X2) by 9.894077 units in Sumbawa Regency, due to the increase in the number of unemployed which causes the demand for employment to increase so that permits are issued for the establishment of modern retail businesses to absorb labor in the Sumbawa Regency area.

4.1 Panel Data Regression Estimation Analysis

The following are the results of the three estimations of the panel data regression model to examine the influence of the existence of modern retail on labor absorption which can be seen as follows:

Table 1. Model Estimation Results with CEM, FEM, REM Approach

Model	Variable	Coefficient	Std. Error	t-Statistic	Prob
HUNDRED	C	0.088838	0.076522	1.160944	0.2479
	X1	9.141800	0.140683	64.98149	0.0000
	X2	9.894077	0.152138	65.03341	0.0000
FIVE	C	-0.000191	0.090737	-0.002108	0.9983
	X1	9.267332	0.182784	50.70088	0.0000
	X2	10.29250	0.222769	46.19704	0.0000
REM	C	0.088838	0.080906	1.098046	0.2743
	X1	9.141800	0.148742	61.46089	0.0000
	X2	9.894077	0.160853	61.51001	0.0000

Source: Data processing results with Eviws 10

Table 1 presents the findings of the Common Effect Model (CEM) regression calculation, which indicates the presence of a constant value of 0.088838 with a probability of 0.2479. The CEM method estimation findings for X1 and X2 indicate a probability of 0.0000 and 0.0000, respectively. The Fixed Effect Model (FEM) regression calculation reveals a constant value of -0.000191 with a probability of 0.9983. The FEM method estimation findings for X1 and X2 indicate a probability of 0.0000 and 0.0000, respectively. The Random Effect Model (CEM) regression calculation reveals a constant value of 0.088838 with a probability of 0.2743. The results of the REM approach estimation for X1 show a probability of 0.0000 and X2 of 0.0000.

4.2 Model Specification Test

The model determined based on the results of the two tests, namely the Chow Test and the Lagrange Multiplier (LM) Test, is the Random Effect Model ((REM) which can be seen in the following table 4.3:

Table 2. Test Results *Chow*, and Lagrange Multiplier Test

Chow Test	
Cross Section	0.9831
Results	>0.05
Selected Models	HUNDRED

Uji LM (Lagrange Multiplier)	
Bot	0.0067
Results	>0.05
Selected Models	REM

Source: Data processing results with Eviws 10

The results of the model specification test are displayed in Table 2 From this, it can be inferred that the selected model is CEM because the Chow test results have a cross section probability of 0.9831 > 0.05, negating the requirement for a hausman test. Meanwhile, the chosen model is REM since the Lagrange Multiplier (LM) test indicates that the test findings have a bot value of 0.0067 < 0.05. In order to determine the optimal model, or Random Effect Model (REM), panel data regression calculations assessing model specifications produced the following findings. The following are the outcomes of the data processing:

Table 3. Panel Data Regression Test Results with Approach *Random Effect Model* (REM)

Dependent Variable: Y
Method: Panel EGLS (Cross-section random effects)
Date: 05/06/24 Time: 14:56
Sample: 2019 2023
Periods included: 5
Cross-sections included: 24
Total panel (balanced) observations: 120
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.088838	0.080906	1.098046	0.2743
X1	9.141800	0.148742	61.46089	0.0000
X2	9.894077	0.160853	61.51001	0.0000

Effects Specification		
	S.D.	Rho
Cross-section random	0.000000	0.0000
Idiosyncratic random	0.823893	1.0000

Weighted Statistics

R-squared	0.988756	Mean dependent var	3.360000
Adjusted R-squared	0.988572	S.D. dependent var	7.289409
S.E. of regression	0.779255	Sum squared resid	74.08314
F-statistic	5364.213	Durbin-Watson stat	3.201468
Prob(F-statistic)	0.000000		

Unweighted Statistics

R-squared	0.988756	Mean dependent var	3.360000
Sum squared resid	74.08314	Durbin-Watson stat	3.201468

Source: Data processing results with Eviws 10

4.3 Classical Assumption Test

According to (Ghozali, 2021), the four steps of doing classical assumption testing are as follows: normality, multicollinearity, heterokedasticity, and autocorrelation.

1. Normality Test

Table 4. Normality Test Results

Jaquel-Bera	1.496826
Probability	0.000000

Source: Results of data processing with Eviews 10

In the table above, it can be seen that the result of the Jarque-Bera value of 1.496 is greater than 0.05 with a probability of 0.00 less than 0.05, so it can be said that it is not normally distributed.

2. Multicollinearity Test

Table 5. Multicollinearity Test Results

	X1	X2
X1	1.000000	0.208088
X2	0.208088	1.000000

Source: Data processing results with Eviews 10

The multicollinearity test findings indicate that the correlation coefficient between the variables, X1 and X2, is 0.208088 and 0.208088 < 0.80, respectively. According to the test requirements, which state that the results of the multicollinearity test do not have a correlation coefficient value between variables that is greater than 0.80, it may be stated that there are no signs of multicollinearity or that the multicollinearity test passes.

3. Heterokedasticity Test

Table 6. Heterokedasticity Test Results

Variable	**Prob**
C	**0.0536**
X1	**0.1310**
X2	**0.1436**

Source: Data processing results with Eviews 10

It is known that the probability value on each variable has a value greater than 0.05. So the decision taken is to accept H_0, namely there are no symptoms of heterokedalysis.

4. Autokorelation test

Table 7. Results Uji Autokorelasi (*Durbin-Watson)*

Durbin-Watson stat	**3.203218**

Source: Data Processing Results with Eviws 10

It is known that the value of DW = 3.203 with a = 5% or 0.05 n = 120, then the value of DL = 1.6684 and DU = 1.7361.

4 – DU = 4 – 1.7361 = 2.2639

4 – DL = 4 – 1.6684 = 2.3316

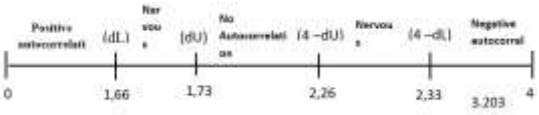

Figure 4.1 Durbin-Watson Autocorrelation Test

Based on DL's value is higher than DW's in the Durbin-Watson computation findings, resulting in a negative autocorrelation.

4.4 Hipotesist Test

The three steps of the hypothesis test in this study are the Coefficient of Determination (R2) test, the Simultaneous Test (f-test), and the Partial Test (t-test) as follows:

1. Partial test (t-test)

Table 8. Results of Statistical Test t (Partial)

Variable	**Prob**
C	**0.2743**
X1	**0.0000**
X2	**0.0000**

Source: Data processing results with Eviws 10

Table 8 regression results indicate that Alfamart (X1) and Indomaret (X2) have a significant impact on the absorption of local labor (Y). Specifically, it is known that the probability values of X1 and X2 are 0.00 and 0.00, respectively, less than 0.05. This indicates that H0 is accepted and Ha is rejected.

2. Simultaneous Test (f-test)

Table 9 Statistical Test Results F (Simultaneous)

Prob (F-Statistic)	**0.000000**

Source: Data Processing Results with Eviws 10

Based on the regression results in table 9, the Prob value (F-statistic) is known as 0.00. Thus the probability value is less than 0.05 then H1 is accepted and H0 is rejected. This means that the variables of Alfamart (X1) and Indomaret (X2) simultaneously affect the variable of local labor absorption (Y).

3. Determination Coefficient Test(R^2)

Table 10. Results of Determination Coefficient Analysis (R^2)

R-Squared	0.988756

Source: Data processing results with eviews version 10

The dependent variable of Labor Absorption (Y) is concurrently affected by the independent variables of Alfamart (X1) and Indomaret (X2) by 98.87%, according to the regression findings shown in Table 10 The R 2 value is 0.988756.

DISCUSSION

The value of the probability variable Alfamart (X1) is 0.00 less than 0.05, and the value of the probability variable Indomaret (X2) is 0.00 less than 0.05, according to the examination of the impact of contemporary retail on the absorption of local labor. This means that H_a is accepted and H_0 is rejected. With the acceptance of H, the variables Alfamart (X1) and Indomaret (X2) Modern Retail have a significant influence on Labor Absorption. This shows that each increase in one modern retail unit will directly affect the absorption of local labor of Alfamart (X1) of 9.141800 and Indomaret (X2) of 9.894077 units in Sumbawa Regency, due to the increase in the number of unemployed which causes the demand for jobs to increase so that permits are issued for the establishment of modern retail businesses to absorb local workers in the Sumbawa Regency area.

5. CONCLUSION

The author draws the following conclusions from the study's findings on the impact of contemporary retail existence on labor absorption in Sumbawa Regency:

1) The local workforce variable (Y) in Sumbawa Regency is positively and significantly impacted by the Modern Retail variables of Alfamart (X1) and Indomaret (X2).
2) Simultaneously, the Modern Retail Variables of Alfamart (X1) and Indomaret (X2) have a joint influence on the local labor variable (Y) in Sumbawa Regency.

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