Analysis of the Influence of Labor Absorption, Welfare and Community Income on Economic Growth in the Construction of a Palm Oil Factory Pt. London Sumatra in Dolok Plantation Village, Fifty District

Dharmawan Rizki Wein [1,] Salwa Na'imi [2,] Salsabila Hana[3], Annio Indah Lestari nasution[4], Nursantri[5]
Universitas Islam Negeri Sumatera Utara Medan

Korespondensi Penulis:
weinrizkimjp@gmail.com[1], naimisalwa26@gmail.com[2], hanasalsa13@gmail.com[3]

Abstract:
This research aims to determine the influence of labor absorption, welfare and community income on economic growth in the construction of a palm oil factory at PT. London Sumatra in Dolok Plantation Village, Limapuluh District. The type of research used is quantitative research. The data source used is primary data with data analysis techniques used: Validity Test, Reliability Test then Classical Assumption Test, Normality Test, Multicollinearity Test, Heteroscedasticity Test, Multiple Linear Regression Analysis Test and finally Hypothesis Test, Coefficient of Determination Test, Partial Test and Simultaneous Test so that in this research the data used is data obtained directly from the first source, both from individuals and individuals, such as all the results from filling out questionnaires and observations. The research results show that there is a positive influence on labor absorption on economic growth with a significant value of $0.000 < 0.05$. Welfare has a positive and significant effect on economic growth with a significant value of $0.000 < 0.05$. People's income has a positive and significant effect on economic growth with a significant value of $0.000 < 0.05$. Then the influence of labor absorption, welfare and community income together (simultaneously) has a positive and significant effect on economic growth with a significant value of $0.000 < 0.05$.
Keywords: Labor absorption, Community income, Economic growth

Introductions

The palm oil mill of PT. London Sumatera located in Perkebunan Dolok Village, Lima Puluh District, has the potential to have a significant impact on employment, welfare, and income of the local community, as well as contributing to economic growth in the area. Therefore, an analysis of the influence of these factors on the development of a palm oil mill is important.

The establishment of PT. London Sumatera as a factory or company that receives fruit from oil palm plantations located in Perkebunan Dolok Village, Lima Puluh District, in addition to managing oil palm fruit, of course the presence of a large company such as this palm oil mill has an impact on economic growth. (Berlianto & Ruspianda, 2022)

In general, the main purpose of the establishment of the palm oil industry sector is to absorb labor in the local community, improve the welfare of workers in the palm oil industrial area and increase income in the community.

Paying attention to the presence of a company must be felt by the community in the Dolok plantation village. In Law No. 40 of 2007 concerning Limited Liability Companies, including the obligation to carry out social and environmental responsibilities. With the establishment of the palm oil plantation industry sector PT. London Sumatera in Perkebunan Dolok Village, Lima Puluh District, it is suspected that it will have a large and small influence as well as a positive impact on the lives of the community who are directly in contact with the company. (Baihaqi, Luthfi, & Hidayat, 2020)

However, to ensure that the construction of the palm oil mill has a positive impact, a comprehensive analysis is needed regarding the influence of labor absorption, welfare, and community income on economic growth in Perkebunan Dolok Village, Lima Puluh District. Through this study, it will be possible to determine the extent of the impact of the construction of the palm oil mill by PT. London Sumatera on the local community.

By understanding the influence of these variables, stakeholders can take appropriate policies to increase the economic and social benefits of the construction of the palm oil mill. In addition, the results of this study can also provide insight and scientific contributions in the field of economics and regional development related to the palm oil industry.

Thus, this study aims to analyze the influence of labor absorption, welfare, and community income on economic growth in the construction of the PT London Sumatera palm oil mill in Perkebunan Dolok Village, Lima Puluh District.

Discussion

1. The Concept of Economic Growth

Increased economic growth is one way that can be done by humans both individually and collectively to find out how to utilize economic growth factors such as natural resources, technological advances, physical development and others. In this case, one of the important requirements in meeting human needs is by increasing economic growth.

There are 3 important aspects in stating economic growth, the first is by continuously increasing the supply of goods, then this is called economic growth. Then the second, increasing technology is included in determining the degree of growth in economic capacity in the form of the ability to supply various products to the population. Then the third, in the institutional and ideological fields, adjustments are needed in using technology widely so that innovations from science and technology can be utilized appropriately.

2. Absorption of Labor

In the context of economics, labor absorption is measured by referring to the unemployment rate or the level of labor involvement. A high rate of labor absorption indicates that many available workers have been successfully placed or employed. Conversely, a low rate of labor absorption indicates a gap between the supply and demand of labor, which could mean unemployment or underemployment.

Definition of labor absorption according to (Todaro P. Michael, 2000) labor absorption is the acceptance of workers to carry out and complete the responsibilities assigned or the existence of a condition that describes the availability of workers or job vacancies to be filled by job seekers.

3. Welfare

According to Bentham's idea (1748-1832), regarding Welfare, Bentham uses the term "utility" or usefulness to explain the concept of happiness and welfare. Based on a principle of utilitarianism that he developed, Bentham argued that anything that can cause unlimited happiness is something good. Conversely, something that causes pain or suffering is bad.

According to Wasistiono (2001), there are three important roles for the government in establishing or increasing the value of community welfare, namely the role of civil servants, the role of development, the role of civil servants. (Fadhillah & Marliyah, 2022)

According to the perspective of Islamic economics, the principles contained in the Qur'an and Hadith provide a strong foundation for welfare. These principles aim to create a just, fair, abundant, and sufficient society by balancing personal gain with public gain. In Islamic economics, Happiness is given by Allah to those who believe in Allah and do good deeds. As mentioned in the word of Allah SWT in surah An-Nahl verse 97, which reads:

مَنْ عَمِلَ صَالِحًا مِّنْ ذَكَرٍ اَوْ اُنْثٰى وَهُوَ مُؤْمِنٌ فَلَنُحْيِيَنَّهٗ حَيٰوةً طَيِّبَةً وَلَنَجْزِيَنَّهُمْ اَجْرَهُمْ بِاَحْسَنِ مَا كَانُوْا يَعْمَلُوْنَ

Whoever does good deeds, whether male or female, while he is a believer, We will surely give him a good life and We will reward him with a reward in proportion to the best of what he did. However, in Islam, the three indicators of well-being and happiness are monotheism, consumption, and the elimination of fear and anxiety because of the differences in understanding the benchmarks of well-being from the perspective of material, spiritual, and conventional economics, the measure of well-being in Islam is different.

4. Community Income

Income is money received from activities, businesses, or jobs. It can also be obtained from the sale of products made by factories to the market. Income greatly affects the survival of a person or company; the more income, the more ability a person or company has to finance all expenses and activities. Factors such as age, gender, ability, education, and experience affect how high or low a person's income is. (Abdul Hakim 2018)

Community income is money received by a person or company in the form of salary, wages, rent, interest, profit, and so on. Community income also consists of money received from the results of a person's business or household group for one month which is used to meet daily needs. (Circle et al. 2021)

Method

This study uses a quantitative approach and emphasizes the analysis of numerical data, or numbers, processed with statistics. This causal associative study aims to determine the effect of two or more independent variables on the dependent variable. The independent variables in question are Labor Absorption (X1), Welfare (X2), and Income (X3) on the dependent variable Economic Growth (Y). This study was conducted in the Perkebunan Dolok village, Lima Puluh District. The determination of the location was determined deliberately with the decision of the researcher that the area is the scope of a palm oil plantation company PT. London Sumatera and the workforce from the company lives in the Perkebunan Dolok village.

Research Result

1. Research Test Instruments

1. Reliability Test
   Reliability Test is conducted to see the questionnaire is declared reliable if the respondent's answers to the questions given are consistent or stable over time. The reliability test for 0.60 variables in this study uses Cronbach Alpha. If the variables in this study are included in the reliable category if the Cronbach Alpha value is greater than 0.60.

Tabel 4. 1 Hasil Uji Reliabilitas

Variabel	Cronbach's Alpha	Batas Reliabilitas	Keterangan
Penyerapan Tenaga Kerja (X1)	0, 408	0,60	Reliabel
Kesejahteraan (X2)	0,431	0,60	Reliabel
Pendapatan Masyarakat (X3)	0,74	0,60	Reliabel
Pertumbuhan Ekonomi (Y)	0,135	0,60	Reliabel

Sumber : data primer diolah dengan SPSS 23

From table 4.10 above, it shows that all questions from all overall variables in the questionnaire are declared reliable because they have a Cronbach Alpha of more than 0.60 or greater than 0.60.

2. Normality Test
   The normality test is carried out to test whether the residual value results in the regression model have been distributed normally or not. If it has a normally distributed residual value, then the regression model is good. The normality test method is by looking at the distribution of data on the normal P-P Pot Of Regression Standartdized residual graph.

Tabel 4. 2 Hasil One-Sample Kolmogrov-Smirnov Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		100
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.35434674
Most Extreme Differences	Absolute	.095
	Positive	.095
	Negative	-.083
Test Statistic		.095
Asymp. Sig. (2-tailed)		.026[c]

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Based on the results of table 4.11 above, if we look at the results of the normality test of each variable using the Kolmogorov Smilnov calculation, the asympiotyc Sig (2-tailed) or P-Value value is 0.26 > level of significance (0.05), so the variable data is normally distributed.

3. Multicollinearity test

Multicollinearity test is shown by looking at VIF (Variance Inflation Factors) through the Coefficient table. If the VIF value <10.00 then there is no multicollinearity, but if the VIF value> 10.00 then there is multicollinearity. By looking at the tolerance value if the tolerance value> 0.10 means that there is no multicollinearity, but if the tolerance value <0.10 then there is multicollinearity.

Tabel 4. 3 Multicollinearity Test Results

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Variabel_X1	.303	3.299
	Variabel _X2	.353	2.832
	Variabel _X3	.248	4.033

a. Dependent Variable: Total_Y1

Based on table 4.12 above, the results of data management using SPSS above show that:
1) The Labor Absorption variable (X1) has a tolerance value of 0.303 which is greater than 0.10 and a VIF value of 3,299 which is less than 10. So it can be concluded that the Labor Absorption variable (X1) is free from multicollinearity problems.
2) The Welfare variable (X2) has a tolerance value of 0.353 which is greater than 0.10 and a VIF value of 2,832 which is less than 10. So it can be concluded that the Welfare variable (X2) is free from multicollinearity problems.

3) The Community Income variable (X3) has a tolerance value of 0.248 which is greater than 0.10 and a VIF value of 3.033 which is less than 10. So it can be concluded that the Community Income variable (X3) is free from multicollinearity problems.

4. Heteroscedasticity Test

The Heteroscedasticity Test is carried out to determine whether there is inequality in the variance of one residual to another in the regression model.

Tabel 4. 4 Glejser Test Results

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.811	.359		-2.261	.026
Variabel _X1	-.041	.029	-.246	-1.418	.160
Variabel _X2	.013	.026	.083	.515	.608
Variabel _X3	.082	.034	.463	2.413	.018

a. Dependent Variable: Abs_Res

Source: Data processed with SPSS 2023

Based on table 4.13 above, it is known that the sig value of variable X1 is greater than 0.05 (0.160 > 0.05), variable X2 is (0.608 > 0.05), variable X3 (0.018 > 0.05). So it can be concluded that all variables are free from heteroscedasticity problems.

5. Multiple Linear Regression Analysis Test

A multiple linear regression analysis test is conducted to determine the extent of the influence of the independent variables.

Table 4.5 Multiple Linear Regression Analysis Test Results

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.791	.625		2.865	.005
Variabel _X1	.341	.050	.318	6.799	.000
Variabel _X2	.353	.045	.344	7.926	.000
Variabel _X3	.437	.059	.383	7.388	.000

d. Dependent Variable: Total_Y1

Source: Data processed with SPSS 2023

From the coefficient values in table 4.14 above, the following multiple regression equation can be compiled. Y = 1.791 + 0.341X1 + 0.353X2 + 0.437X3

From the results of the equation obtained, it can be concluded that:

1) Constant value (a) = 1.791 means that if the score of the Labor Absorption, Welfare, Community Income variables does not change, then Economic Growth increases.

2) The coefficient value of the Labor Absorption variable (X1) is 0.341 so that it is positive, which indicates that if Labor Absorption increases, Economic Growth will increase, assuming other

independent variables are constant or fixed. Conversely, if Labor Absorption decreases, Economic Growth will decrease so that it is negative.

3) The coefficient value of the Welfare variable (X2) is 0.353 so it is positive, which indicates that if Welfare increases, Economic Growth will increase, assuming other independent variables are constant or fixed. Conversely, if Welfare decreases, Economic Growth will decrease so it is negative.

4) The coefficient value of the Community Income variable (X3) is 0.437 so it is positive, which indicates that if Community Income increases, farmer welfare will increase, assuming other independent variables are constant or fixed. Conversely, if Community Income decreases, farmer welfare will decrease so it is negative. Conversely, if Community Income decreases, Economic Growth will decrease so it is negative.

6. Hypothesis Testing

The t-test (partial) is used to test all independent variables of Labor Absorption (X1), Welfare (X2), and Community Income (X3) have a positive and significant effect on the dependent variable (Y), namely Economic Growth.

Table 4.6 Results of t-Test (Partial)

Coefficients[a]

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	1.791	.625		2.865	.005
Variabel _X1	.341	.050	.318	6.799	.000
Variabel _X2	.353	.045	.344	7.926	.000
Variabel _X3	.437	.059	.383	7.388	.000

a. Dependent Variable: Total_Y1
Source: Data processed with SPSS 2023

Based on the results of the t-test (partial) above, it can be concluded that:

1) The Labor Absorption variable is known to have a t-value of 2865 with a significance level of 0.5, because the t-value for the Labor Absorption variable is greater than t-table (2865> 1.988) and the significance level (0.000 <0.05) then it can be concluded that the Labor Absorption variable partially has a significant effect on increasing Economic Growth, thus proving that ha1 is accepted and ho1 is rejected.

2) The Welfare variable is known that the t-value is 6799 with a significance level of 0.5, because the t-value for the Welfare variable is smaller than the t-table (6799> 1988) and the significance level (0.000 <0.05) then it can be concluded that the Welfare variable partially has a significant effect on Economic Growth, thus proving that ha2 is accepted and ho2 is rejected.

3) The Community Income variable is known that the t-value is 7926 with a significance level of 0.5, because the t-value for the Community Income variable is greater than the t-table (7926> 1988) and a smaller significance level, namely (0.000 <0.05) then it can be concluded that the Community Income variable partially has a significant effect on Economic Growth, thus proving that ha3 is accepted and ho3 is rejected.

The F test is conducted to determine whether all independent variables included in the model have a joint or simultaneous effect on the dependent variable. In other words, to find out whether the regression coefficients of the independent variables (X) together or as a whole have an effect on the dependent variable (Y).

The F table value to be tested at a significant level is 0.05, then the way to determine the F table is df (n1) = k - 1 or 4 - 1 = 3 and df (n2) = n - k or 100 - 4 = 96. So that the F table can be obtained as much as 2.71.

F Test Results Table (Simultaneous Test)

ANOVAᵃ

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	182.209	3	60.736	469.060	.000ᵇ
	Residual	12.431	96	.129		
	Total	194.640	99			

a. Dependent Variable: Total_Y1

b. Predictors: (Constant), Total_X3, Total_X2, Total_X1

7. Discussion
  1) The Effect of Labor Absorption on Economic Growth in the Development of PT. London Sumatera Palm Oil Mill in Dolok Plantation Village, Lima Puluh District.
  Based on the results of the Hypothesis test, it can be seen that the results obtained from the Labor Absorption variable have a t-value of 2865 and a t-table of 1988, then (2865> 1988) with a significance of 0.5 (0.000 <0.5). This explains that the Labor Absorption variable (X1) partially has a positive and significant effect on Economic Growth in the Development of PT. London Sumatera Palm Oil Mill in Dolok Plantation Village, Lima Puluh District. This also shows that ha is accepted while ho is rejected. Thus, the Labor Absorption Variable with Economic Growth has a positive relationship.
  From the results of the research conducted by the researcher, it was found that the workforce of PT. London Sumatera in the Perkebunan Dolok village, Lima Puluh District, in working very carefully according to the Company's SOP.

  Plantation Company PT. London Sumatera, Perkebunan Dolok village, Lima Puluh District, is very concerned about the welfare of the Company's workers, especially in the surrounding community area. This research is also in line with the research conducted by Riza Umary in 2019, entitled Analysis of Factors Affecting Labor Absorption in Small Industries in Banda Aceh City, stating that Labor Absorption has a positive effect on production value on Economic Growth Such as the Construction of the PT. London Sumatera Palm Oil Factory in the Perkebunan Dolok Village, Lima Puluh District.
  2) The Effect of Welfare on Economic Growth in the Construction of the PT. London Sumatera Palm Oil Factory in the Perkebunan Dolok Village, Lima Puluh District.
  Based on the results of the hypothesis test, it can be seen that the results obtained from the Welfare variable (X2) have a t-value of 6799 with a significance level of 0.5, because the t-value for the welfare variable is smaller than the t-table (6799> 1988) and a significance level of 0.5 (0.000 <0.5). This shows that the welfare variable (X2) partially has a positive and significant effect on Economic Growth in the Development of the PT. London Sumatera Palm Oil Factory in Dolok Plantation Village, Lima Puluh District. This also shows that ha2 is accepted and ho2 is rejected. Thus, the Welfare variable with Economic Growth has a positive relationship. This study is also in line with the study conducted by Sultan in 2023, entitled Analysis of Community Welfare on Economic Growth in Indonesia, stating that welfare has a positive effect on economic growth. (Sultan, Rahayu, and Purwiyanta 2023)
  3) The Effect of Community Income on Economic Growth in the Development of the PT. London Sumatera Palm Oil Mill in Dolok Plantation Village, Lima Puluh District. Based on the results of the hypothesis test, it can be seen that the results obtained from the Community Income variable (X3) have a t-value of 7926 with a significance level of 0.5 because the t-value for the Community Income variable is smaller than t-table (7926> 1988) and a significance level of 0.5 (0.000 <0.5). This shows that the community income variable (X3) partially has a positive and significant effect on Economic Growth in the Development of PT. London Sumatera Palm Oil Mill in Dolok Plantation Village, Lima Puluh District. This also shows that ha3 is accepted and ho3 is rejected. Thus, the Welfare variable with Economic Growth has a positive relationship.

This study is also in line with the study conducted by Abdul Azim Wahbi in 2020, entitled The Effect of Income on Family Welfare in the Garment Industry in Kampung Bulak Timur Depok, West Java, stating that income has a positive effect on economic growth.

4) The Effect of Labor Absorption, Welfare, and Community Income on Economic Growth in the Development of the PT. London Sumatera Palm Oil Factory in Dolok Plantation Village, Lima Puluh District.

Based on the results of the F Test, it is known that the significance value is 0.000 and the F Calculation value is 337,746. The basis for decision making is if the significance value is less than 0.05 (Sig <0.005). Then the decision is significant, meaning that ha6 is accepted and ha6 is rejected which shows that simultaneously all independent variables, namely Labor Absorption, Welfare and Income have a significant influence on Economic Growth in the Development of the PT. London Sumatera Palm Oil Factory in Perkebunan Dolok Village, Lima Puluh District.

From the results of the determination coefficient test, a result of 93% was obtained, which means that simultaneously the variables (X) Labor Absorption, Welfare and Community Income have an influence of 93% on Economic Growth in the Development of the Palm Oil Factory in Perkebunan Dolok Village, Lima Puluh District, while the remaining 7% is influenced by other factors not discussed in this study.

The results of this study indicate that each variable is interrelated and has an influence on Economic Growth. This research is also in line with the research conducted by Devi Yana Sari in 2022, entitled The Influence of Fertilizer Prices, Capital, Selling Prices, Land Area, Number of Workers, on the Income of Oil Palm Farmers, the results of the study stated that Labor Absorption has a positive effect on economic growth.

Conclusion

Based on the Results and Discussions that have been presented and explained in the previous chapter, it can be concluded that:

1) Labor absorption has a positive and significant effect on economic growth in the construction of the PT. London Sumatera factory in Perkebunan Dolok Village, Lima Puluh District. So that means that increasing Economic Growth will increase the level of labor absorption for increased production.

2) Welfare has a positive and significant effect on Economic Growth in the Construction of the PT. London Sumatera Palm Oil Factory in Perkebunan Dolok Village, Lima Puluh District. This happens because with increasing Economic Growth, it will increase income. So what happens is, with increasing income, it will create welfare for the community. The community is able to meet primary and secondary needs in life.

3) Community income has a positive and significant effect on Economic Growth in the Construction of the PT. London Sumatera Palm Oil Factory in Perkebunan Dolok Village, Lima Puluh District. This happens because with increasing Economic Growth, it will increase community income so that it will bring prosperity to the community.

4) Economic growth has a positive and simultaneous effect on labor absorption, welfare and community income in Dolok Plantation Village, Lima Puluh District.

REFERENCES

Abdul Hakim. 2018. "Pengaruh Biaya Produksi Terhadap Pendapatan Petani Mandiri Kelapa Sawit Di Kecamatan Segah." Jurnal Ekonomi STIEP 3(2): 31–38.

Artini, Ni Rai. 2019. "Analisis Faktor-Faktor Yang Mempengaruhi Pendapatan Umkm Di Kabupaten Tabanan." Ganec Swara 13(1): 71.

Circle, Jurnal Islamic et al. 2021. "Pengaruh Modal Kerja Dan Penggunaan Aplikasi E-Commerce (Shoptimize) Terhadap Pendapatan Umkm Di Kota Medan." 2(2): 76–86.

Kamilah, dan Annio Indah Lestari Nasution. 2019. "Peran kindustri lembaga keuangan mikro syariah dalam mengatasi masalah kesenjangan dan distribusi pendapatan di kota Medan." Human Falah: Jurnal Ekonomi dan Bisnis Islam 6(1): 107–25. http://jurnal.uinsu.ac.id/index.php/humanfalah/article/view/5686.

Mimbar, Lalu, dan Muhammad Yusuf. 2016. "Pengaruh Pertumbuhan Ekonomi Terhadap Penyerapan Tenaga Kerja." Jurnal Valid Vol.13 No.: 333–43.

Sandra Dewi, Novi Yanti. 2019. "Pengupahan Dan Kesejahteraan Dalam Pespektif Islam." Jurnal Econetica 1(2): 11–24.

Sukmasari, Dahliana. 2020. "Konsep Kesejahteraan Masyarakat Dalam Perspektif Al-Qur'an." At-Tibyan 3(1): 1–16.

Sultan, Heffi Christya Rahayu, dan Purwiyanta. 2023. "Analisis Pengaruh Kesejahteraan Masyarakat Terhadap Pertumbuhan Ekonomi di Indonesia." Jurnal Informatika Ekonomi Bisnis 5: 75–83.

Tanjung, Johar Arifin, dan Azhari Akmal Tarigan. 2021. "Peningkatan Kuantitas dan Kualitas Sumber Daya Masyarakat (SDM) Karyawan di PT. Bank Sumut Kantor Cabang Syariah Padang Sidimpuan." AT-TAWASSUTH: Jurnal Ekonomi Islam 6(2): 335.

Wiarta, Iqra. 2019. "Analisis Faktor-Faktor Yang Mempengaruhi Pendapatan Karyawan Di Kota Jambi (Studi Kasus Pada Cv. Graha Cipta Mulia)." Journal Development 7(2): 142–50.

Yanti, Nursantri. 2020. "Peran Perbankan Syariah Terhadap Kesejahteraan Di Indonesia." Jurnal Riset Akuntansi dan Bisnis 20(1): 82–91.

Yuniarti, Puji. 2019. "Artikel-Penelitian_Puji-Yuniarti." 3(1): 165–70.

Yuniarti, Puji, Wiwin Wianti, dan Nandang Estri Nurgaheni. 2020. "Analisis Faktor-faktor yang Mempengaruhi Tingkat Pertumbuhan Ekonomi di Indonesia." SERAMBI: Jurnal Ekonomi Manajemen dan Bisnis Islam 2(3): 169–76.