

# Impact of Employment Opportunity to Unemployment with Competence as Moderating Factor: Case Study on Union Office of Small and Medium Enterprises Jakarta

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**Abstract:** This study aims to study how to advance work competition, job opportunities with competence as a moderating variable for educated spending at the Office of the Cooperative Small and Medium Enterprises of DKI Jakarta Province in vacancies for prospective civil servants with the formation of 2018 financial statement analysis this research uses primary data and secondary data. Primary data was obtained through direct interviews with one of the staff from Office of SMEs of the DKI Jakarta Province about planning to get civil servant vacancies to the government also conducted by questionnaire method, this questionnaire was submitted to civil servant participants who applied for the formation of financial statement analysis in the Office of SMEs in DKI Jakarta province in the year 2018. Whereas secondary data through books, journals and articles and other supporting documents. Based on the results of an analysis of supported employment opportunities that are educated moderated by competence.

**Keywords:** Competence, Employment Opportunity, Unemployment.

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## I. INTRODUCTION

Human resources contain two meanings. First, it is a work effort or service that can be provided in the production process. In other cases, HR reflects the quality of business given by someone in a certain time to produce goods and services. The second understanding, HR concerns human beings who are able to work to provide services or business work. Being able to work means being able to carry out activities that have economic activities, namely that these activities produce goods or services to meet the needs or the community [1].

The government's attention to improve human resources in 2018 is indeed very important and urgent to be realized, especially in relation to the presence of demographic bonuses whose peak is expected in the 2030s. With the presence of the demographic bonus which is marked by the increasing number of productive age population, especially young population, presumably they need to be equipped with adequate quality human resources to try and work. It is known, until now the unemployment rate of the young population (youth unemployment) is quite large reaching 17.8 percent. The youth unemployment rate in Thailand is only 2.8 percent, Vietnam 5.5 percent, Singapore 6.7 percent, Malaysia 10.3 percent, and the Philippines 16.3 percent.

Unemployment is a measure that is done if someone does not have a job but they are doing an active effort in the last four weeks to find work [2]. Unemployment is a condition where someone who belongs to the labor force wants to get a job but they have not been able to get the job [3]. Unemployment can occur due to imbalances in the labor market. This shows that the number of workers offered exceeds the number of job opportunities. So it will affect population growth.

According to prior study, the amount of unemployment has a positive relationship with population growth [4]. If the population increases, it will affect the increase in unemployment in Indonesia. Because an increase in population will ultimately result in an increase in the number of existing workforce. Assuming that the available job vacancies will continue to increase the number of unemployed in general. The amount of unemployment is influenced by the amount of wages. A laborer who sets his minimum wage at a certain wage, if all wages offered are below the wage, a person will refuse to get the wage and consequently cause unemployment. The following table shows the level of open unemployment based on education levels in Indonesia during the period 2015 to 2018.

TABLE: I

Education Level	Unemployment Level (%)						
	Feb'15	Aug'15	Feb'16	Aug'16	Feb'17	Aug'17	Feb'18
Elementary	3,61	2,74	3,44	2,88	3,54	2,62	2,67
Junior High	7,14	6,22	5,76	5,71	5,36	5,54	5,18
Senior High	8,17	10,32	6,95	8,72	7,03	8,29	7,19
Vocational School	9,05	12,65	9,84	11,11	9,27	11,41	8,92
Diploma / Academy	7,49	7,54	7,22	6,04	6,35	6,88	7,92
Graduate School	5,34	6,40	6,22	4,87	4,98	5,18	6,31
<b>Indonesia</b>	<b>5,81</b>	<b>6,18</b>	<b>5,50</b>	<b>5,61</b>	<b>5,33</b>	<b>5,50</b>	<b>5,13</b>

The table above shows that unemployment with Diploma to Graduates education levels increased in the last year, compared to education range from never going to school to high school and vocational school. From the description above it can be seen that unemployment is influenced by several factors namely imbalance in the labor market, the number of workers offered exceeds the number of workers requested. So it is not in accordance with the number of available employment opportunities and will affect population growth and wage rates.

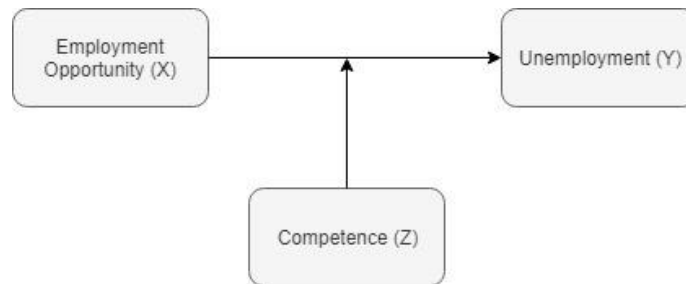
According to the Director General of Training and Work Productivity Guidance from the Indonesian Ministry of Manpower, stated that in 2017 there are still many graduates who do not want to do any work because they are considered not equal to their competencies. As a result, these graduates are unemployed and do not work at all. Factors that play a role in the problem of unemployment, namely the incompatibility of scientific competence with the needs in the world of work and qualifications possessed. The intended qualification is an inappropriate ability, such as a bachelor with low competence, so getting a job with an inappropriate level.

According to prior study [2], the Ministry of Research Technology and Higher Education noted that around 8.8% of the total 7 million unemployed people in Indonesia were scholars. This condition is very worrying considering the competition to get a job will be tighter. In addition to competing with sophisticated technology-based machines, around 630,000 unemployed graduates must also compete with certain competencies and expertise with foreign workers who come from opening a free market. Higher education as a superior human resource printing institution is expected to contribute greatly to efforts to increase the capacity of human resources. Graduates with quite a number of graduates are accounting majors who are ranked second after law as the most popular majors, the goal of children who choose this course is of course so that it is easy to get a job after completing higher education. The number of graduates has made the available workforce increase compared to job opportunities. Competition in the world of work requires university graduates not only to have a diploma or bachelor degree. They also must have competency certification to compete in the labor market.

The Office of Cooperatives for Small and Medium Enterprises and the Provincial Trade of DKI Jakarta are the implementing elements of the regional government. The Regional Office carries out functions namely, formulation of technical policies in accordance with the scope of their duties, granting of licenses and implementation of public services, and fostering the implementation of tasks in accordance with the scope of their duties. The DKI Jakarta Province Office of SMEs has the task of carrying out the development, development and fostering of cooperatives as well as micro, small and medium enterprises, and trade. Based on the description above, this study seeks to determine and analyze the effect of employment opportunities on educated unemployed with competence as a moderating variable.

**A. Research Design**

1. Research Framework



**Fig. 1 Research Framework**

2. Population, Sample, and Dataset

The object of research in this paper is the Office of Cooperatives, Small and Medium Enterprises and Trade of DKI Jakarta Province, which is the implementing element of the regional government. The population of this study were all prospective civil servant candidates who applied for the formation of financial statement analysis in the Office of SMEs service in DKI Jakarta province in 2018, totaling 89 participants. The sample in this study amounted to 89 people and was selected using a saturated sample technique. The data collection in this study is to use a questionnaire aimed at prospective civil servant candidates who applied for the formation of financial statement analysis in the Jakarta Provincial Office of SMEs service in 2018. The variables used in this study were job opportunities as independent variables, educated unemployment as the dependent variable, and Competence as a moderating variable. Data were analyzed using path analysis, which is an applied form of regression analysis. Then the data were analyzed using STATA software version 13.

**II. RESULTS AND FINDINGS**

Path analysis allows us to examine the direct relationship between variables and non-direct relationships between variables in the model [5]. Thus, path analysis is basically a means to analyze causal relationships between variables in order to know both the direct and indirect effects between the independent variables on the dependent variable. Such as knowing the presence or absence of influence between the independent variables Job Opportunities, the moderating variable Competency, and the Y variable is Educated Unemployment. This analysis aims to look at the direction of the relationship between the independent variables with the dependent variable whether of each variable there is a direct or indirect relationship and to predict the value of the dependent variable.

**TABLE: II**

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    . regress y x2 x2z
  
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Source	SS	df	MS			
Model	12.8789015	2	6.43945074	Number of obs =	89	
Residual	20.9030982	86	.243059281	F( 2, 86) =	26.49	
Total	33.7819997	88	.38388636	Prob > F =	0.0000	
				R-squared =	0.3812	
				Adj R-squared =	0.3668	
				Root MSE =	.49301	

y	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
x2	-.5548996	.1606881	-3.45	0.001	-.874337	-.2354622
x2z	.2094927	.0329338	6.36	0.000	.1440226	.2749629
_cons	3.009021	.3260612	9.23	0.000	2.360832	3.657209

The hypothesis proposed in this study is the effect of employment opportunities on educated unemployment moderated by competence. Hypothesis testing results in this study indicate that  $H_1$  is accepted, meaning that employment opportunities directly influence unemployment that is moderated by competence. From table II shows the column t variable employment opportunities for unemployment moderated by competency values 6.36 which means higher than 2, therefore, employment opportunities directly influence unemployment moderated by competence. The results of the path analysis test (standardized) show that the effect of the employment opportunity is 6.36 is moderated by the presence of a competency, that directly influences unemployment. This is in line with the statement of the Director General of Training and Work Productivity Development from the Indonesian Ministry of Manpower stated that, in 2017 the factors that play a role in the problem of unemployment, namely the incompatibility of science competencies with the needs in the workforce and their qualifications. The intended qualification is an inappropriate ability, such as a bachelor with low competence, so getting a job with unsuitable level.

### III. CONCLUSION

Based on the results of the analysis and discussion that has been carried out namely on the effect of employment opportunities, and competence as a moderating variable on educated unemployment, it can be concluded that employment opportunities with competence directly influence educated unemployment. This shows that the higher employment opportunity with competence as a moderating variable, it will affect educated unemployment.

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