

Social Capital Capabilities towards IWAPI Business Performance of South Sulawesi Province

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Abstract: Social capital as a series of processes of human relations that are supported by networks, norms, and social beliefs that enable the achievement of efficiency and effectiveness. Social capital owned by women is influenced by values and norms regarding trust, moral values, namely norms and networks of interaction between family and environment that support women entrepreneurs in developing their business. The purpose of this study is to analyze the effect of the ability of social capital on business performance (IWAPI, South Sulawesi Province). The method used in the research is Structural Equation Modeling (SEM) with the help of PLS software. The population in this study is all 212 women entrepreneurs of IWAPI South Sulawesi. The sample is determined as many as 140 respondents.

Keywords: Social Capital Capabilities, Business Performance

Introduction

Indonesia is one of the countries in Asia that has the potential to develop women's entrepreneurship; this is because the number of female entrepreneurs in Indonesia is less than 0.1 percent of Indonesia's total population or less than 240,000 women entrepreneurs (Purwadi, 2011). In addition, the majority of the performance of women entrepreneurial businesses in Indonesia has not progressed. Pali (1994) suggests that female entrepreneurs have business motivation, but 80 percent of respondents get income below the poverty line. The development of entrepreneurship is still dominated by men until now because entrepreneurship is historically a field of power for men (Casson et al., 2006). The same thing was expressed by Davidson and Burke (2004) who stated that women's entrepreneurship is still a minority for entrepreneurs and the cause of women entrepreneurs still being a minority is the obstacle faced by women entrepreneurs in starting or running a business. World Bank (2011) states that in almost all countries, women are more likely to be involved in lower productivity activities than men.

Indonesia has been known as a developing country with fairly stable economic growth and enormous socio-cultural diversity. In fact, the entrepreneurship sector has been recognized as an important factor supporting the stability of developing countries (Ratten, 2014). It has been proven successful as the engine of prominent economic growth and a decisive factor for improving people's welfare. Statistics Indonesia (2015) has reported based on the 2014 and 2015 Indonesian National Socio-Economic Survey (Susenas) that the country's population has reached 254.9 million, which includes 126.8 million women. This shows that Indonesia has great potential to develop its entrepreneurial sector, especially for women. In addition, data from the Indonesian Ministry of Cooperatives and SMEs (Kemenkop UKM - RI) in 2013 showed that the number of entrepreneurs in Indonesia had reached 1.65% of the country's total population. Of these, women entrepreneurs accounted for 23% and have since grown rapidly, earning 8% per year (Asia Foundation, 2013).

Women in Indonesia have faced obstacles, including the sociocultural environment, in conducting entrepreneurial activities. Practically, culture refers to a set of shared values, beliefs and behaviors that are expected (Hofstede, 1993). In general, cultural diversity may have an impact on people's

behavior, including women's entrepreneurial behavior in their entrepreneurial activities. In Indonesia, issues related to women and Gender equality has developed rapidly. In the business context, therefore, there is no important difference between men and women, making anyone have equal opportunities in business-related activities (Anggadwita and Dhewanto, 2016). Furthermore, the creation of women's entrepreneurship can contribute to the growth of micro, small and medium enterprises (MSMEs), and increase national capacity to increase Gross Domestic Product (GDP) and generate sustainable economic growth (Anggadwita et al., 2015). In fact, women's entrepreneurship is strongly associated with the development of MSMEs. Looking at data from the Ministry of Cooperatives and Small and Medium Enterprises - RI (2013), 60% of the 57.9 million MSMEs in Indonesia are run by women. In terms of labor, MSMEs in this country are able to absorb 114 million workers, or around 97% of the total workforce (Kemenkop UKM - RI, 2013). In other words, MSMEs have increased as a business sector that can increase the economic potential of local communities, which has an impact on the level of social welfare.

Human development is carried out by considering the needs of human life, both men and women. Building human resources that do not see gender and background will show the nation's ability to be highly competitive and become the key to achieving national progress and prosperity. Female entrepreneurs in South Sulawesi have shown their existence in the business world, even contributing a lot in regional economic development. Thus female leaders as entrepreneurs have demonstrated their abilities and results in achieving business success and contributing to the economic growth of South Sulawesi. The dynamics of entrepreneurial development in a region cannot be separated from the participation and role of women in it. Entrepreneurial women are the act of creating business and ownership that not only empowers women economically but also increases their financial strength and position in society.

IWAPI was founded in 1975 by two brothers: Prof. Kemala Motik and Dr. Dewi Motik PMSI, daughter of BR. Motik, a prominent businessman from Palembang, South Sumatra. The majority of IWAPI's 30,000 members are small and medium entrepreneurs engaged in creative business. In the Era of MEA, IWAPI established a small-medium business base focusing on performance related to the improvement of Human Resources (IWAPI). At the beginning of the establishment of IWAPI with only a number of women, IWAPI currently has more than 30,000 female entrepreneurs consisting of 85% of Small and Micro Enterprises (SMEs), 13% of Medium Enterprises and 2% of Large Scale Enterprises. IWAPI is the only legal organization IWAPI led by Mrs. Ir. Dyah Anita Prihapsari, MBA / Mrs. Ir. Nita Yudi, MBA., Based on the results of the Decision of the Supreme Court of the Republic of Indonesia No.1556K / PDT / 2013 dated 9 December 2013 and based on the results of MUNAS VIII - IWAPI on 16 - 17 September 2015 at Discovery Hotel Ancol - Jakarta, which was attended by ± 1500 participants from 32 provinces from all over Indonesia have been re-elected Ms. Ir. Nita Yudi, MBA as Chairperson for the 2015 period. Particularly for the southern Sulawesi province of IWAPI as general chairperson, Ida NoerHaris is in 16 active districts and 6 districts that are not active include Maros, Barru, Jeneponto, Bantaeng, Sinjai and Toraja North and there are 1400 IWAPI entrepreneurs in South Sulawesi. Nita Yudi (Chair of the IWAPI Association of Indonesian Entrepreneurs Association), that of the total MSMEs in Indonesia, which number around 54 million, almost half are micro business groups.

Social capital owned by women is influenced by values and norms regarding trust, moral values, namely norms and networks of interaction between family and environment that support women entrepreneurs in developing their business. Some studies that support Vosta et al., (2015), Bogren et al., (2016), Nikina et al., (2015), Chasserio et al., (2016), Scott et al., (2016), Bogren et al., (2016), Pratono has an understanding that social capital has a strong influence on female entrepreneurs, this is indicated by the existence of trust factors that are directly correlated with personal development and business development, trust / trust factors, norms as values and goals that are believed and networks which are the driving factors in women's business development. Based on the description

above, the authors are interested in testing the effect of "Ability of Social Capital to Business Performance (Study on IWAPI of South Sulawesi Province)".

Social Capital. The ability of people to associate or relate to one another is one element of human capital, in addition to knowledge and skills. This capability will be an important capital not only for economic life but also for every other aspect of social existence.

Fukuyama (2000) defines social capital as a series of informal values or norms that are shared among the members of a group that enable cooperation between them. Social capital (social capital) can be defined as the ability of people to work together, in order to achieve common goals, in various groups. A number of irregularities and failures arise on the surface because neo-classical adherents of economics consider bringing cultural factors from human behavior as rational beings and self-interested into something that is given up (Fukuyama, 1999).

Indicator of Social Capital. Social capital is similar to other forms of capital, in the sense that it is also productive. Social capital can be explained as a product of human relations with each other, especially intimate and consistent relations. Social capital refers to networks, norms and beliefs that have the potential for community productivity. However, social capital is different from financial capital, because social capital is cumulative and self-reinforcing.

There are three parameters of Fukuyama (2000) social capital, namely trust, norms and networks.

1. Trust. Trust is the hope that grows in a society that is shown by the existence of honest, orderly behavior, and cooperation based on shared norms.
2. Norm. Norms consist of understandings, values, hopes and goals that are believed and carried out jointly by a group of people. Norms can be derived from religion, moral guidelines, and secular standards as well as professional codes of ethics. Mangilep (2015) points out a community has its own values.
3. Network. The network facilitates communication and interaction, enables the growth of trust and strengthens cooperation.

Some previous studies Vosta et al. (2016) in their research showed that social capital has a positive and significant influence on entrepreneurship in rural women. With strong statistical significance, three factors of social capital - structural, relational, and cognitive - provide an explanation for variations in the entrepreneur's psychological characteristics including achievement, innovation, personal control, self-esteem, opportunism, autonomy / independence, and risk / uncertainty. Bogren et al., (2016) conducted two studies related to social capital the results of the study showed that female entrepreneurs had a significant positive effect on networks that supported heterogeneous business and network leaders who supported the development of women's entrepreneurial business and other research results. shows that husband's support, marriage contracts have a significant influence and a positive impact on the wife's business as a female entrepreneur.

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Nikina et al., (2015) in her research showed that husband's support, marriage contract had a significant influence and a positive impact on the wife's business as a female entrepreneur. And then Chasserio et al., (2016) revealed how entrepreneurial identity with personal and social life has a significant effect on entrepreneurial women.

Based on some previous studies that shared norms and values are generated by trust. Where this trust is expectations of order, honesty, and cooperative behavior that arise from within a community that is based on the norms shared by its members.

Business Performance. Performance is very important and must be considered by all management, both at the level of small and large organizations. The work achieved by the organization or employee is a form of accountability to the organization and the public. Performance in carrying out its functions does not stand alone, but always relates to employee job satisfaction and the level of compensation given, and is influenced by skills, abilities and individual traits.

Performance is the result obtained by a person or group in an organization (Mardiana, Eliyana, et al., 2012) business performance is the result of the quality and quantity of work achieved by an employee in carrying out their duties in accordance with the responsibilities given to him. Kaplan and Norton (1992) revealed that "What you measure is what you get". In brief, the phrase wants to say that the performance measurement system will really affect the performance and behavior of individuals within the company.

Based on Straub et al. (2016) research, the results of his research show that the important dimensions of decision making have a positive and significant effect on performance. Magal et al., (2016) that the interests and performance of SMEs are indeed related in shaping e-business strategies and that changes in performance will influence the importance of strategies and resource allocation decisions can produce changes in performance. This continuous interaction between interests and performance means that both must be measured and evaluated regularly as input into strategic e-business.

Ali et al., 2017 in the results of the study showed that there were significant differences in the characteristics of companies belonging to men versus women-owned companies in terms of location, size, type and age. The results of the independent t-sample test showed significant differences in business performance across all male and female businesses in terms of annual sales growth, labor productivity growth and company capacity utilization. Likewise, perceptions of male and female-owned firms significantly varied in 10 barriers from a total of 16 parameters of business barriers. Overall, women feel business barriers are relatively less compared to men.

Thus business performance based on several previous studies is an achievement that is a process to motivate employees to achieve the results expected by the organization.

Research Methodology

Conceptual Framework Method Procedure and participant. The population in this study were all IWAPI South Sulawesi entrepreneurs who were registered as active members of IWAPI. According to data released by IWAPI (2018) that the number of women entrepreneurs currently registered is 212 businesses which are divided into DPC IWAPI in South Sulawesi. The population contained in this study amounted to 212 IWAPI entrepreneurs in South Sulawesi and the precision was set or a significance level of 0.05, so the sample size in this study was:

$$n = \frac{N}{1 + (N \cdot e^2)}$$

$$n = \frac{212}{1 + (212 \cdot 0,05^2)}$$

$$n = 140.$$

The number of samples on each DPC can be seen in the following table:

Table 1. Samples of female entrepreneurs

No.	DPC IWAPI	Overall	Proportion
1.	Palopo	36	23
2.	LuwuTimur	54	37
3	Luwu	43	30
4.	Enrekang	79	50
	Total	212	140

Source: IWAPI 2018

Result and Discussion

In this chapter, the researcher presents an explanation of the relationship between concepts derived from the theoretical model that has been proposed. This conceptual framework is the basis for testing the hypotheses put forward in this study reviewing the theoretical study and findings of some previous researchers about the Ability of Social Capital to Business Performance (Study on IWAPI of South Sulawesi Province). This research builds a conceptual framework based on the relevance of the variables theoretically, with previous research studies and specifically is considering the variables that have been specified in the formulation of the problem and the purpose of this study. The inferential statistical method that can be used in analyzing the data of this research is Structural Equation Modeling (SEM) with the help of PLS software (Kline, 2011). The use of SEM-PLS in this study was due to the limited number of samples.

Conclusion

This study is one of the few attempts to understand social capital, as the ability of people to work together to achieve common goals within a group and organization (Coleman, 1999). Fukuyama (2000) defines social capital as a series of informal values or norms that are shared among the members of a group that enable cooperation between them. So that from some of the definitions above it can be concluded that social capital is a series of processes of human relations which are supported by networks, norms, and social beliefs that enable the achievement of efficiency and effectiveness. When viewed from the approach, this conceptual framework is the basis for testing the hypothesis proposed in this study reviewing the theoretical study and findings of some previous researchers about the Ability of Social Capital to Business Performance (Study on IWAPI of South Sulawesi Province). This research is a study that is limited to the context of entrepreneurial women in South Sulawesi, of course, further research is needed that can support our proposition. This research can further replicate research in western countries in the concept of gender.

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