

THE EFFECT OF SOCIAL CAPITAL ON DECISION MAKING FOR WELFARE OF MICRO BUSINESS WOMEN IN KOREM KENDARI MARKET

Nurrahmah Jamaluddin

Department of Agribusiness Faculty of Agriculture University of Halu Oleo Kendari
Southeast Sulawesi, Indonesia.

Corresponding author : rahmahjamal96@gmail.com

Taane La Ola

Department of Agricultural Extension, Faculty of Agriculture, University of Halu Oleo Kendari
Southeast Sulawesi, Indonesia.

Email : laola_taane@yahoo.com

Muhammad Aswar Limi

Department of Agribusiness, Faculty of Agriculture, University of Halu Oleo Kendari Southeast
Sulawesi, Indonesia.

Email : aswar_agribusiness@yahoo.com

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ABSTRACT

The aim to be achieved in this study was to determine the effect of social capital on decision making for the welfare of micro-business women in the Kendari Korem Market. Location of research at Kendari Korem Market. The population in this study were all Micro Business Women who work as vegetable sellers at Kendari Korem Market, which numbered 115 people and the sample determination used Slovin formula as many as 50 people. The method used in sampling is done by Simple Random Sampling. The variables observed in this study were the identity of the respondents in this study, namely age, education level, number of family dependents, business experience. Social capital variables that include trust (trust), network (social network), norms (norms) that exist in the community/self someone. Data analysis in this study used covariant-based structural equation modeling analysis. Based on the results of the study it can be concluded that the trust and network of micro business women in the Kendari Korem Market directly influence the decision making and norms of micro-business women not to have an influence on decision making. Based on the results of the study, it is recommended that micro businesswomen in the korem kendari market increase the values of social capital in decision making to improve their welfare

Keywords: *Effect; Social Capital; Decision Making; Welfare; Micro Business Women*

INTRODUCTION

Economic and social development thrives when representatives from countries, the corporate sector, and civil society make forums, and through forums, it is sought to be a means to identify and pursue common goals (Mubyarto, 2001). Determinants of the process of economic growth in development that is often overlooked are the way economic actors interact which are strongly influenced by social capital (Vipriyanti, 2011). Research on the role of social capital in improving community welfare, economic growth, social and political conditions, and measurement of social capital has been widely carried out and has placed different emphasis on aspects of social capital in development. Source grouping and dimensions of social capital are strongly influenced by the method of approach used in measuring social capital (Grootaert (1999), Fukuyama (1999), Rao (2001). In

general, there are three main groups of social capital, namely Trust. Norm (norms/ethics), and Networks (Network).

Social capital in the micro business sector is inseparable from the role of existing Micro Business Women which are generally related to the trade and processing industries, such as food stalls, small shops, vegetable sellers and food processing and handicraft industries, and this effort can be done at home so as not to forget the role of women as housewives. Initially, many who engaged in micro businesses were women because women worked more on side businesses to help their husbands in increasing household income, but could be the main source of income in the household if done seriously (Priminingtyas, 2011) and well-being classified (Batoa, 2016)

Micro Business Women is part of the Small and Medium Micro Enterprises and are managed by women who have a characteristic that is small capital, high risk but high returns and bring entrepreneurship to their owners (Manurung, 2007). The number of micro-enterprises currently reaches 53.82 million units, in 2011 the population grew to 2.57 million units, besides that micro-businesses absorbed almost all workers in Indonesia, as many as 107.65 million people (BPS, 2012).

One of the traditional markets in Kendari City and found by many Micro Businesses is Pasar Korem located in Korumba Village, Mandonga District which is dominated by Micro Business Women who play a role and cultivate small businesses in a place/area with the aim of meeting their needs.

In a crisis, the traditional market economy dominated by Micro Business Women has shown resilience. This is proof that in a crisis situation, the community is able to find the roots of the power of social capital from the traditional market economy. Traditional markets can survive because of the existence of social capital that lives among the perpetrators (Syahyuti, 2008). Furthermore, according to Damsar (1997), the market does not only require financial capital and human capital to maintain its existence but also requires social capital.

In general, the role of social capital in the framework of improving people's welfare cannot be directly correlated. Social capital at the household level will be able to play a role through a number of intermediate activities (meditation), one of which is through the courage to make decisions/risks in business even though the economy is in a state of crisis (Lumpkin and Dess, 1996).

Social capital owned by Micro Business Women plays a role in maintaining the existence of Micro Business Women, but still raises questions about the role of social capital in improving the welfare of Micro Business Women. Social capital is seen as a productive factor that benefits every individual and is able to establish relationships with other individuals. So it is necessary to examine the model or the relationship between the role of social capital through the courage to make decisions/risks in trying to prosper (subjectively) MicroBusiness Women.

Based on the background described earlier, the objectives to be achieved in this study were to determine the effect of social capital on decision making for the welfare of Micro Business Women in Kendari Korem Market.

MATERIALS AND METHODS

The location of this research was carried out at the Kendari Market Traditional Market District. The time of this study will be held from March to May 2018. The location of this study is determined purposively with the consideration that the Kendari City Traditional Corridor Market has the role of micro business women that has the potential to help with family income.

According to Sugiyono (2014) population is a region of generalization consisting of objects/subjects that have certain qualities and characteristics applied by researchers to be studied and the conclusions drawn. The population in this study were all Micro Business Women who work as vegetable sellers in the Traditional Market Kendari City Corridor, amounting to 115 people and determining the number of samples in this study using the Slovin formula (Rianse and Abdi, 2008) of 50 people. The method used in sampling is done by Simple Random Sampling.

Data analysis in this study uses covariance based Structure Equation Modeling analysis. PLS is a powerful analytical method (Ghozali, 2006) because it is not based on many assumptions. The structural model used in this study:

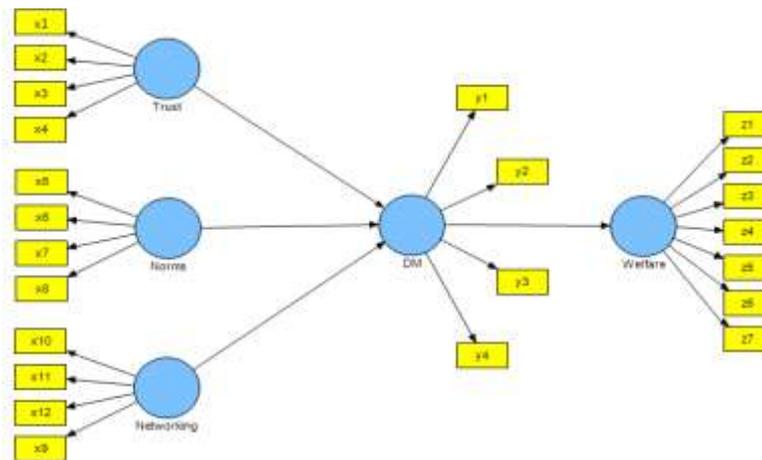


Figure 1. Research Model

RESULTS AND DISCUSSION

Testing of Goodness of Fit (Inner Model)

Testing of Goodness of Fit structural models (inner models) is done to assess the inner model. The inner model assessment is to see the relationship between latent constructs by looking at the results of the estimation of path parameter coefficients and their significance level (Ghozali, 2008). The measurement model for the Goodness of Fit or coefficient of model determination and path coefficient for the equation model can be seen in Figure and Table as follows:

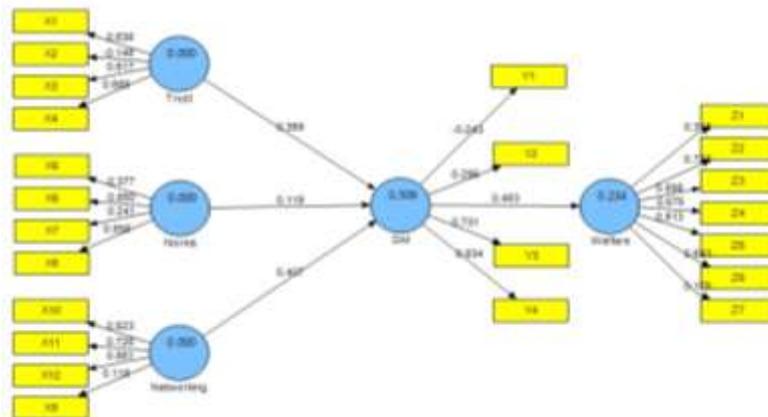


Figure 2. PLS Results (Relationship between Latent Constructions and Estimated Parameter Path Coefficients and Model Determination Coefficients) Structural Equation Model of Social Capital to Decision Making for Micro-Enterprise Women's Employment

The structural model is evaluated by considering R-square (R^2) and Q^2 (predictive relevance model). Q^2 (predictive relevance model) which measures how well the observation value is generated by the model. Q^2 is based on the coefficient of determination (R^2) of all endogenous variables. The amount of Q^2 has a value with a range of $0 < Q^2 < 1$, the closer to the value 1 means the model is getting better. The following results of the calculation of goodness of fit or coefficient of determination (R^2) of the two endogenous variables are presented in Table 23 as follows:

Table 1. Value of Goodness of Fit (R-square)

No.	Effects	To	R-Square (Coefficient of Determinants)
1.	Social Capital	Decision-making	0,509
2.	Decision-Making	Welfare	0,234

Source: PLS Outcome, 2018

Based on Table 1 above shows that the coefficient of determination (R-Square) obtained from the model of the variables of trust, norms, and networks (Social Capital) of the Decision Making variable is 0.509 so that it can be explained that trust variables, norms, and networks (Social Capital) can be explained by Decision Making variable is 50.9% and the remaining 50.1% is determined by other variables from outside the research.

The coefficient of determination obtained from the decision-making variable model of the welfare variable is 0.234 so that it can be explained that the decision-making variable is 23.4% and the remaining 77.6% is determined by other variables from outside the research.

Based on the value of the goodness of fit or coefficient of determination (R²) above, the Q² value can be calculated as follows:

$$\begin{aligned}
 Q^2 &= 1 - (1 - R1^2) (1 - R2^2) \\
 &= 1 - \{(1 - 0,509) (1 - 0,234)\} \\
 &= 1 - 0,37610 \\
 &= 0.624
 \end{aligned}$$

Based on the results of the calculation of Q2 values above, it shows that the predictive value of relevance is 0.624. This means that the accuracy of the research model can explain the diversity of variables of trust, norms, networks, decision-making, and welfare of 62.4%. The remaining 38.6% is explained by other variables not found in this research model. Therefore the model is said to be poor. The Q² value formed has a model accuracy or determination that is not good because the value produced is below 80%.

Testing the Structural Model of the Direct Influence Coefficient

The structural model (inner model) is evaluated by looking at the path parameter coefficients of the relationship between latent variables. The testing of the inner model is done after the relationship model built in this study is in accordance with the data from the observations and the suitability of the overall model (goodness of fit). The purpose of testing the model of the structural relations to determine the relationship between latent variables designed in this study. From the PLS model output, structural model testing is carried out by looking at the estimated path coefficient value and the critical point value (t-statistic) which is significant at α = 0.05 (critical = 1.960). The results of complete data analysis can be seen in the output of the PLS model and the results of testing the relationship between the variables of this study can be seen in the picture as follows.

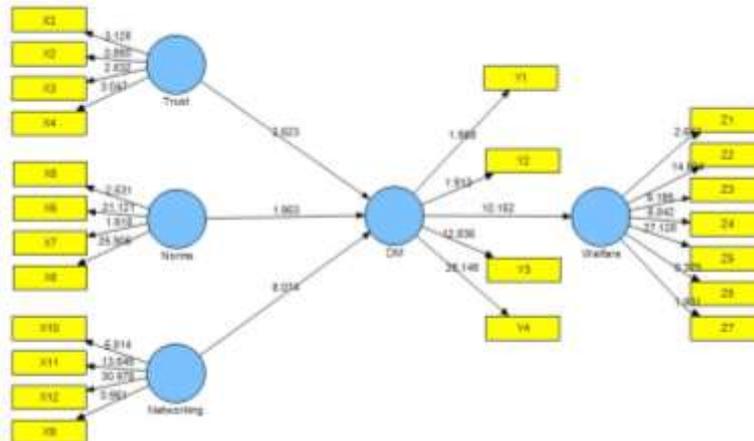


Figure 3. Results of PLS Bootstrapping (Testing the Relationship between Structural Equation Model Variables) Effects of Social Capital on Decision Making for Micro-Business Women's Welfare

Testing the direct effect of the influence of trust, norms, networks (Social Capital) on decision-making and welfare is shown by path coefficients and t-statistics can be seen in the PLS Algorithm and PLS Booths drawing above and in Table 2 below.

Table 2. Path Coefficient Results and Direct Effect Testing

No.	Exogenous Variable	Endogenous variable	Path coefficient	t-statistik (1,960)	Information
1.	Trust	Decision-Making	0,359088	2,622724	Significant
2.	Norms	Decision-Making	0,119437	1,952524	Not Significant
3.	Network	Decision-Making	0,406983	8,074492	Significant
4.	Decision-Making	Welfare	0,483260	10,151715	Significant

Source: PLS Outcome, 2018

Based on the results of the analysis as in Table 2 above, it can be seen that there is a direct influence between the research variables and from the four direct influences between the variables tested there are three direct effects which have a significant effect and one effect is not significant. The trust variable, the network has a significant effect on decision making, and does not have a significant effect on the norm and decision making has a significant effect on welfare.

Direct Impact of Trust in Micro Business Women Decision Making

Trust is a form of desire to take risks in social relationships that are based on feelings of confidence that others will do something as expected and will always act in a pattern of actions that support each other, at least others will not act to harm themselves and their groups. Based on the results of testing the path coefficient and testing the direct effect of trust on decision making can be seen the value of 0.359 on t-statistics 2.623. This shows that trust has a significant effect on decision making.

The growing level of trust among micro-enterprises in Kendari Korem Market is in fact quite good, the majority of respondents expressed their agreement to trust other traders, such as mutual respect and others participating in regular social gathering groups managed by micro-business women in the market, but not a few traders are lacking to build trust, such as being less honest with buyers when selling for price and quality because they want to sell it, sometimes items that have been for days said they are still new. Building trust in a different environment from someone's residence requires a process that is not short, especially with a different culture, so that communication needs to be intensive and cooperation to know one's beliefs. In this case, the micro businesswomen in the Korem Market consist of various tribes and cultures that they have, there are several stalls which are traders of the Javanese tribe, the Muna tribe and the Tolaki tribe where each stall consists of one tribe and are adjacent to each other. From the results of interviews of researchers to the traders that they continue to communicate well and be friendly so that until now there have been no disputes between them even if there have not been protracted. So also the attitude of traders to buyers to build trust by being friendly to buyers because according to traders if we are friendly will attract the attention of buyers. This shows that each region or region has its own uniqueness in the character of its people who can provide value for social capital in the area. Lyer et.al. (2005) in Vipriyanti (2007) states that differences in regional or community characteristics are closely related to social capital that is built. Communities in certain regions are able to build a strong social capital (bridging social capital) while other communities will be better able to build social capital that attaches (social capital bonding). Furthermore, the involvement of micro business women in social gathering became a benchmark in building trust, where the regular social gathering group had a dominant contribution of 68.80% in the measurement model (inner model). This means that regular social gathering groups are the strongest indicator among other indicators of trust, the majority of micro business women participate in a social gathering in the market because of the mutual trust between one another, the traders who are members of it have known each other and the familiarity that is very good. So that the trust will influence the decision making of micro-business women both in building trust and regular social gathering groups and in running businesses. This is in line with the research of Maziyah (2014) that trust is shown by the relationship that exists between the seller and the buyer, when the buyer shop at one of the seller's shops, the buyer will believe in the quality and price that is favorable for him. So for this reason trust has a direct influence on decision making with the consideration that trust has been established, know where to live and character and they assume that building trust is important and from yourself who starts if you do not believe in others, so do people others don't believe in us.

Direct Effects of Norms on Decision Making in Micro Business Women

Social norms will play an important role in controlling the forms of behavior that grow in society. These norms are usually institutionalized and contain social sanctions that can prevent individuals from doing something that deviates from the prevailing habits in their community. These collective rules are usually not written but are understood by each member of the community and determine the expected pattern of behavior in the context of social relations.

The norms of micro businesswomen do not have an influence on decision making, it is obtained from the results of testing the path coefficient and testing the direct effect of norms on decision making can be seen the value of 0.119 on t-statistics 1.952. This shows that the norm does not have a significant effect on decision making. The insignificant norms are also found in the results of the research of Sani and Habibie (2017) which states that Moral variables, Subjective Attitudes, and Norms variables have statistical values below 1.6683. It can be concluded that Moral, Attitudes and Subjective Norms have an influence which is not significant to Tax Compliance because there is still a lack of awareness and adherence to the Micro, Small and Medium Business actors on taxation.

The norms found in Kendari Korem Market are formal and informal. Formal norms are rules made by the management of the Pasra Korem Kendari, while the informal is a trading activity that occurs between traders and buyers. Rules made by the Korem Market manager include; trading location, size of stall/kiosk and price, not allowed to throw garbage at random where every day will be charged for garbage money, discipline in paying rent contracts and prohibited parking at random. Sometimes these rules are violated by some local traders, such as using inappropriate trading locations, late paying for contract leases. So that traders who violate these rules are not permitted to use the stalls at the Kendari Korem Market because they already have rules in the Korem Market and must be heeded.

Furthermore, social norms that occur between other traders and buyers such as; price agreement formed from the bargaining process, after which the agreement in payment is good between traders and buyers. In reality, there are often disputes between retail traders and collecting traders in terms of payment of merchandise. The initial agreement that was made in the end was not fulfilled by retail traders and some even did not pay for goods that had been bought from the collector, the collection system for merchandise at the Market was taken first after the item was sold and paid to the collector. So, this kind of thing can make a bad relationship with fellow traders. This is stated in the research results of Marlina (2012) which states that the role of social capital in the continuity of trading activities as a tool to minimize the possibility of behavioral irregularities in trade, to regulate trade transactions can help traders gain trust from other parties and maintain togetherness and relationships good between individuals.

Direct Influence between Networks on Micro Business Women Decision Making

Network refers to regular, consistent and long-lasting social relations, the relationship involves not only two individuals but many individuals. Relations between individuals will form a social network that also reflects the occurrence of social groupings in people's lives. Networks that exist among micro-business women in Kendari Korem Market have a significant influence on decision making, this can be seen from the results of testing the path coefficient and testing the direct influence of the network on decision making obtained a value of 0.407 on the t-statistic 8.074. This shows that the network has a significant effect on decision making.

Social networks in the Pasar Korem Kendari are networks between agents or wholesalers, traders with buyers and traders with market managers. Where traders work with agents to get merchandise which will then be sold, the activity takes place every day. The network between traders that occurs has several advantages, namely being able to obtain information about where to get merchandise and it starts from the interactions that are established between traders. In addition, micro businesswomen are also looking for customers to be able to sell their merchandise more so that the profits obtained are large. There is also a network created between traders and market managers can be seen from the contract to get a place to trade. This is in line with Maziyah's (2014) research that networks formed naturally from economic actions are proven by the relationship between sellers and buyers, if they are satisfied to shop at the seller's store, they will subscribe. The social network that exists between micro-business women creates a family relationship, cooperation and greeting one another, caring for each other and micro-business women working according to their abilities based on work experience, it also connects information flows because they communicate with each other so that information flows by itself. The network that exists between traders will provide

information benefits to traders and buyers because with the communication in it, information exchanges will be needed by both parties (Maziyah, 2014).

The Direct Effects of Decision Making on the Welfare of Micro Business Women

Decision making is an approach to the nature of a problem, gathering facts and data, determining the nature of the alternatives faced, and taking actions which according to calculations are the most appropriate actions, from the two above understanding, it can be concluded that the decision was taken intentionally, not by chance, and may not be arbitrary. The problem must first be known and clearly formulated, while the solution must be based on the selection of the best alternatives from the existing alternatives.

Micro-business women who work as vegetable traders cannot be separated from the various challenges that exist in the Kendari Korem Market, so firmness in acting must be owned by a micro-business woman in running a business, although generally, men are more assertive or brave and quick in making decisions and women are generally relatively slower and often doubtful. The firmness of acting micro business women in Kendari Korem Market is so good, this is evidenced by the statement of those who agree with the courage to face risks in running a business and micro businesswomen who work as vegetable sellers keep trying to increase income because of the cost of living and necessities even more for their children. So that the business they live in today must be supported by courage or skills to get customers, and can also interact well with consumers.

A profession as a trader certainly requires initial capital that is not little used to run a business. At the Kendari Korem Market stalls or selling places have been provided for traders to peddle their merchandise, where kiosks are rented out to traders with prices ranging from Rp. 300,000, up to Rp. 500,000 / month depending on the size of the place. So that micro businesswomen must prepare initial capital if they want to sell in the Market, among them, there are those who use their own capital and not a few of the micro-business women need loan capital to their relatives. This is in accordance with the results of interviews with the majority of micro business women respondents who stated that they felt calmer when using their own capital, but there were also those who used loan capital and there were those who had difficulty obtaining business capital.

Planning something systematically will affect the success or failure of a job, for micro-business women in determining when to sell, where to sell and determine which items to sell must be well planned. Besides, that micro-business women can overcome the problems faced if there are items that are not sold or easily damaged then they can be overcome in their own way. So that the challenges that can be overcome through good decision making will have an effect on the welfare of micro-business women both from the standard of living satisfaction to their families' needs adequately.

Based on the results of the path coefficients and the testing of direct influences, it shows that trust has a significant influence on the decision making of women in micro businesses. This means that the better the trust possessed by micro-entrepreneurs will have an impact on behavior, to act in the business they live and decision making. Furthermore, the results of testing the path coefficient and testing the direct effect of trust in decision making obtained a value of 0.359 on t-statistics 2.623. This shows that decision making has a significant effect on welfare. This shows that the indicators of the taking itself have been able to influence welfare, in line with the research results of Fauziah (2015), that meeting family needs depends on decision making in the activities of family members, for example, communication patterns. If a farmer's household prefers cheap simple food then fulfilling their needs is achieved (satisfied) even though the expenditure for food consumption is classified as small. Welfare in this study is more directed at subjective well-being which describes the extent of satisfaction in meeting needs.

CONCLUSIONS AND SUGGESTION

Based on the results of the study it can be concluded that the trust and network of micro businesswomen in the Kendari Korem Market directly influence the decision making and norms of micro-business women not to have an influence on decision making. Based on the results of the study, it is recommended that micro businesswomen in the korem kendari market increase the values of social capital in decision making to improve their welfare

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