SOCIAL CAPITAL-BASED WOMEN EMPOWERMENT TO IMPROVE BUSINESS PERFORMANCE

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ABSTRACT

The dimensions of trust in social capital have a dominant influence on women's empowerment, and poverty compared to norm and network social capital. With the bonding of social capital that involves close collaboration of family networks helps shape the climate of trust among certain groups of local entrepreneurs and raises the level of corporate cooperation. The existence of social capital and trust will facilitate women to get loans in starting or continuing and expanding their business, thus creating women's independence. The success of SME management is largely determined by cultural reinforcement or values in the form of social capital. Indicators of successful implementation of empowerment programs include: (1) reduced number of poor people; (2) the development of efforts to increase income made by the poor through the use of available resources; (3) increasing public awareness of efforts to improve the welfare of poor families in their environment; (4) increasing group independence which is characterized by the growing development of productive members and groups; (5) increasing community capacity and income distribution.

Keywords: social capital, women's empowerment, business performance

INTRODUCTION

Empowerment is a process and purpose. As a process, empowerment is a series of activities to strengthen the power or empowerment of weak groups in society, including individuals who experience problems of poverty. As a goal, empowerment refers to the situation or outcome to be achieved by a social change: that is, a community that is empowered, has power or has the knowledge and ability to fulfill its needs, both physically, economically and socially. Women as one of the human resources in the labor market, especially in Indonesia, have a significant contribution to development (Ajuzie et al, 2012). From the total population of 112 million in Indonesia, there are currently 43 million female workers who help Indonesia's economic growth. The more women working in the industrial sector certainly have various problems, especially in terms of the quality of human resources. One measure of the quality of human resources is labor productivity. High-quality human resources will have a better level of productivity than less qualified human resources.

Most of the poor in Indonesia are women, and no less than 6 million of them are head of poor households with an average income below Rp. 10,000 per day. To maintain the survival of themselves and their families, in general they work in the informal sector (especially trade and services), the agricultural sector as farm laborers and factory workers. They face difficulties in gaining access to economic resources, especially financial resources. This is partly due to the reason that they are considered inadequate to get funding, lack of guarantees, remote locations, and not infrequently these conditions are related to gender issues (Zulminarni, 2004).

Bali as a destination for tourism has a variety of traditions that grow and develop in the lives of indigenous people. One of the roles of the Regional Government of Bali is to provide protection for the unity of indigenous peoples including all the local wisdom contained in them. The local kerifan in Bali Province encourages significant growth in the hospitality industry. The biggest comparison of employment between men and women in Bali Province is in the trade sector, restaurants, and hotels. This is supported by the development of the tourism sector in Bali Province.
The demands of the current socio-economic life cause everyone to work hard to make ends meet so they can survive. Job involvement is defined as "psychological identification with work" (Kanungo, 1982). This opinion implies that the person involved in the work views his work "as an important part of his conception" (Lawler & Hall, 1970). Engagement with various aspects of life, such as work, family, religion, or sports are characteristics of mankind. Individuals are especially involved in certain activities when seen as having the potential to meet certain psychological needs that stand out (Kanungo et al., 1975). Job involvement is one of the fundamental factors that are important in the working lives of most people, implying that it is absorbed positively in the fundamental aspects of work (Kanungo, 1982).

### ANALYSIS

Regarding the efforts of women to increase family income, there are several common obstacles faced when they manage their business. Among them are the problems of quality of human resources, limited capital, technological capabilities, raw materials, distribution and marketing as well as weaknesses in knowledge and capabilities in business management. On the other hand, with technological advances it also has a positive impact on women workers where with the advancement of technology there have been changes in the characteristics of certain occupations which usually only can be done by men now that women can enter and work. This shows the strategic position of women in improving the welfare of their families.

Gikonyo et al. (2005) conducted a study of young women with cases of women in rural Malaysia, and using economic, social, psychological, business management and gender approaches found that scaling-up models could be used to encourage economic improvement in rural women. This is driven by the fact that traditionally women have been involved in micro-scale business carried out individually and with their husbands. So it is reasonable to make this micro business as a basis for the development of female entrepreneurs in the context of family economic sustainability.

The phenomenon of development that involves women in it requires strong motivation to solve problems that arise and encourage the community independently to achieve maximum goals in the form of social capital. Social capital is the energy of development. Social capital can be applied to various needs, but the most is for community empowerment efforts. Concern about the role of social capital increasingly leads to issues of local economic development, including the reduction of poverty levels. Putnam (1995) revealed that social capital is a style of social life that consists of networks, norms, and beliefs that make participants able to act effectively together to achieve common goals. Social capital is a concept that emerges as a result of long-term and continuous community interactions. Existing interaction, communication, and cooperation are influenced by the desire to achieve common goals that are sometimes different from one's own goals. This will create an emotional bond to unite the community resulting in the trust of old relationships.

Based on the phenomenon, Turner (2007) revealed in his research that strong ethnic relations within local communities can sustain the majority of small entrepreneurs to be reliable. Small business managers can get access to credit loans with little interest, borrow from each other when they have large production orders, share product tools and information. In addition, networks between them can help in determining the operations of many companies, and can even be profitable. And the existence of social capital ties involving close collaboration of family networks helps shape the climate of trust among certain groups of local entrepreneurs and raises the level of corporate cooperation. According to Utari, (2011), the importance of the role of cooperation in social capital can maximize social welfare. The grouping of sources of social capital is adjusted to the approach used in the measurement of social capital and is broadly divided into three main groups namely Trust, Share Value (Norm) and Network.

Social capital has been believed to be able to have a large impact on the community and its members. The dimensions of social capital grow in a society which contains values and norms as well as patterns of social interaction in regulating the daily lives of its members. Adler & Kwon (2009) mentions that social capital is a picture of internal attachment that characterizes the collective structure and provides shared cohesiveness and profitability from the processes of social dynamics that occur in society. According to Dasgupta & Serageldin (1999), the dimension of social capital describes everything that makes society

### Table 1. Population of 15 Years and Over Whom Works by Field of Business and Gender in 2017

<table>
<thead>
<tr>
<th>Business Field Classification</th>
<th>Men</th>
<th>Women</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Plantation, Forestry and Fisheries</td>
<td>266.428</td>
<td>199.879</td>
<td>466.307</td>
</tr>
<tr>
<td>Mining &amp; Excavation</td>
<td>4.798</td>
<td>1.738</td>
<td>6.536</td>
</tr>
<tr>
<td>Processing industry</td>
<td>141.445</td>
<td>199.776</td>
<td>341.221</td>
</tr>
<tr>
<td>Electricity, Gas and Water</td>
<td>5.753</td>
<td>495</td>
<td>6.248</td>
</tr>
<tr>
<td>Building</td>
<td>157.968</td>
<td>21.166</td>
<td>179.134</td>
</tr>
<tr>
<td>Trade, Restaurants and Hotels</td>
<td>372.167</td>
<td>387.926</td>
<td>760.093</td>
</tr>
<tr>
<td>Transportation, Warehousing and Communication</td>
<td>84.518</td>
<td>10.044</td>
<td>94.562</td>
</tr>
<tr>
<td>Finance, Insurance &amp; Building Rental Business</td>
<td>56.260</td>
<td>43.524</td>
<td>99.784</td>
</tr>
<tr>
<td>Community, Social and Individual Services</td>
<td>226.370</td>
<td>218.052</td>
<td>444.422</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,315.707</td>
<td>1,082.600</td>
<td>2,398.307</td>
</tr>
</tbody>
</table>

Source: Badan Pusat Statistik, Bali Province.
alli to achieve a common goal on the basis of togetherness, and in it is bound by values and norms that grow and obey. Meanwhile, Coleman (1988) also stressed that the dimension of social capital is inherent in the structure of social relations and social networks in a society that creates a variety of social obligations, creates a climate of mutual trust, brings about a channel of reform, and sets norms, and social sanctions for members of society. Different from opinion by Fukuyama (1995), which states that shared norms and values are guided as a reference for behaving, acting, and behaving automatically into social capital. At least by basing on previous conceptions, it can be drawn an understanding that the dimension of social capital is to emphasize community togetherness to achieve the goal of improving the quality of life, and constantly make changes and adjustments continuously.

The concept of social capital is also very complex, which can be formulated based on the point of view of the experts concerned, so that social capital is a resource in the form of a network that has knowledge of values, norms, and social or institutional structures that have a spirit of cooperation, honesty / trust, doing goodness, as knowledge of acting, acting, and behaving that will have positive implications for productivity. In line with the rapid development of the business world, the dependence of employers on external parties is getting stronger. Entrepreneurs begin to think of complementary or mutually supporting activities with each other through mutually beneficial cooperation. Social capital can be defined as the ability of the community to work together, to achieve common goals, in various groups (Azhari & Mawardi, 2018). Fukuyama, (2002) define, social capital as a series of informal values or norms that are shared among the members of a group that enable cooperation between them. In short, economic life cannot be separated from culture, where culture shapes all human aspects, including economic behavior in a number of critical ways. According to Suharto (2010) states that social capital can be interpreted as a source that arises from the interaction between people in a community. Measurement of social capital rarely involves measuring the interaction itself. Attention to the dimensions of strengthening social capital in alleviating the problem of poverty is related to changes in the development paradigm that not only emphasizes material aspects but also on human aspects. This approach is implemented so that the problem can be solved based on the strength and potential of the fishing community.

Another opinion by Icf & Tesoriero (2014) states the role of social capital in community empowerment, namely capital which can be used as a driving force in empowerment. Social capital gives support to the community to take action together and reciprocity is obtained. Aside from being capital that can drive empowerment, social capital is also at the same time empowerment itself. Fukuyama (2002) suggesting social capital occupies a very peripheral position as a factor that determines the quality of society. Efforts to overcome poverty and efforts to free the nation from backwardness always do not produce anything optimal. This is closely related to the dimension of social capital which is not considered an important factor in influencing the efficiency and effectiveness of policies. Next Fukuyama (1995) said that we can no longer separate economic life from cultural life. In an era where the factor of social capital has been as important as fiscal capital, only people who have a high level of social trust will be able to create large-scale flexible business organizations needed to compete in the global economic era. To support his assumption Fukuyama discussed a series of cultures of countries which he divided dichotomically; high trusts and low trust societies. According to Kartasasmita (1997), Social capital is a source of strength produced by humans in community life which is one of the important components to support the human development model. Humans are placed as subjects in the implementation of development. Bellah (1998) who argued that Japan had succeeded in building capitalism because it had succeeded in applying its traditional values more rationally based on the demands of the Tokugawa religion.

The definition of social capital as the ability of the community to associate with each other is stated by: Coleman (1988), Burt (2000), Fukuyama (1995), Cox (1995), Cohen & Prusk (2001) enable efficient and effective coordination and cooperation for mutual benefit. Dasgupta & Serageldin, (999), social glue which maintains the unity of group members. Social capital is the ability of the community to achieve a common goal, namely to determine business performance by collaborating through network development, building and creating trust, and based on prevailing norms in society. Increased business performance is a measure of business success. Business success depends on the seller (business actor) involved in it. Often individuals forget aspects of social capital and prioritize economic, religious, local knowledge, and institutional aspects. Even though the role of social capital is also involved in the process of business success or the process of achieving business performance, which of a group of individuals must have a common good to be achieved. Performance refers to the level of achievement or achievement of a company within a certain period of time. The performance of a company is very decisive in the development of the company. The purpose of the company which consists of: staying standing or existing (survive), to obtain profits (benefits) and can develop (growth), can be achieved if the company has a good performance. Company performance can be seen from the level of sales, the level of profit, return on capital, turnover rate and market share achieved (Jauch & Glueck, 1988).

Mangunegara (2010) states that performance is an ability or achievement achieved by someone in carrying out their duties in accordance with the responsibilities given and in accordance with established standards. Daft (2010) define business performance as the ability of an organization to utilize its resources (knowledge, people and raw materials) to achieve organizational goals effectively and efficiently. Next Flapper et al. (1996), states that performance can be defined as “the way the organization carries out its objectives”. Until now, to measure organizational performance, can be seen from two perspectives, both financial and non-financial performance (Venkatraman & Ramanujam, 1986). Therefore, most studies focus on financial measures, such as profitability (Murphy et al., 1996). Although, the measurement of an organization's financial performance has long been recognized, it is not enough to measure the overall performance of an organization. So that non-financial measurements will be sufficient to be included (Murphy et al., 1996). Business performance will be analyzed through an objective or subjective perspective. As suggested by Wall et al. (2004), that both objective or subjective actions have been treated equally. So far, as debated by Inmyxai & Takahashi (2009), Financial data is preferred, but companies are not always willing to disclose confidential data unless the law requires them to disclose it to the public. However, several previous studies stated that it was difficult to find financial records in the public domain. In this case, subjective action is claimed to be a useful option to be used to measure organizational performance (Dess & Robinson, 1984).
The measurement of the achievement or performance of a company is carried out (business performance) because it can be used as a basis in making decisions both internally and externally. In the formal control system, performance measures include financial and non-financial measures (Fisher, 1998). The company's strategy is directed at producing good business and marketing performance (sales volume and sales growth rate) and good financial performance. Accounting ratios and marketing measures are two major groups of company performance indicators, but these indicators are not strong enough to explain intangible and inappropriate things used in measuring competitive advantage. According to Suci (2009), Modern entrepreneurial activities refer to the concept of entrepreneurship and business performance measured in four indicators, namely: (1) increase in the number of production, (2) increase in types of business units, (3) increase in sales volume, and (4) increase in business profit (profitability). The definition of performance can vary from one size to another. Other research by Hitt et al. (2001) view that company performance can be measured in four dimensions: (1) Relevance, is the level at which stakeholders from the company see the company as they wish. Clients assess the relevance of products by buying them, employees by working hard, shareholders by buying and selling shares and others. (2) Effectiveness, is the degree to which the company is successful in achieving the goals previously set. (3) Efficiency, is how well the company uses its resources in achieving its objectives. (4) Financial feasibility, is how feasible the company is viewed in financial terms, which reflects the company's profitability both in the short term and long term corporate finance (financial measures) are more short-term oriented, namely to seek profits or profits. The size of the short term is about one year of the company's life cycle. Whereas the company's non-financial performance (non-financial size) is more long-term in nature, for example to create value and keep the company able to survive, grow and develop. The long-term orientation is generally more than one year of the company's life cycle (Supeno, 2018).

Research by Gandhiadi et al. (2018) analyze how the direct and indirect effects of social capital and business performance on welfare. The result states that direct social capital has a positive and significant influence on business performance. Nahapet & Ghoshal (1998) which analyzes the relationship between social capital of entrepreneurs who participate in horizontal networks and company performance. The results of his study found that the number of absolute relationships of an entrepreneur in a network, diversity, quality of relationships and cognitive similarity positively influenced the performance of the company. In addition, entrepreneurs who participate in horizontal networks have access to high-level information relevant to their business, through social capital developed in the network. The main theoretical contribution of the study is to confirm the relevance of social capital in business performance, to emphasize the network context between organizations. Study by Ahuja (2000); McFadyen & Cannella (2004); Smith et al., (2005); Tsang (2005); Liao & Welsch (2003) revealed that network managers can create mechanisms to encourage the development of entrepreneurial social capital by supporting the creation and strengthening of bonds, through the positive consequences of business performance. Empirical studies show that social capital has a positive effect on company performance. Leana & Pil (2006), observe the effect of social capital on company performance. The results show that there is a positive relationship between the two.

Geletkanycz & Hambrick (1997) analyze the external ties of entrepreneurs from two different industries (food and technology) and conclude that the network of relationships (social capital) possesses important sources of information and knowledge that complement their own experiences and influence organizational performance. Mu et al., (2008) examine the existence of Chinese software companies in the contact network and find that weaker relationships help companies create initial relationships that will later be developed into strong bonds and into sharing skills that are difficult to access. Network relationships are a company skill that is very difficult to imitate because they are complex, special, and socially built.

Gomez & Santor (2001) study the effect of social capital on the performance of small entrepreneurs in terms of net income by making comparisons between the performance of entrepreneurs taking loans from group-based loan activities by microfinance institutions and individual loan programs. The positive relationship between social capital and the economic performance of entrepreneurs that comes better through 'instrumental support' such as providing initial capital, interest-free loans, cheap or free labor, and others; 'productive information' such as transfer of business knowledge, valuable references, and others. Research by Putnam (1993) revealed that a set of horizontal relationships between individuals or networks of civic engagement, which are governed by norms that determine the productivity of a community group or community. Another opinion by Woodworth (2008) has shown strong connectivity in the success of micro entrepreneurship and the development of social capital. In fact, he gives more importance to access to social capital than to financial capital because of these intangible assets that help micro entrepreneurs in various ways such as improving relationships in building customers and suppliers, expanding business, reducing stress in times of economic crisis and building commitment to the company. Research by Novita et al., (2013) regarding the level of participation and performance of women in the Feati (empowerment through agricultural technology and information) program in Malang Regency. The results of his research state that: the implementation phase has a significant influence on the level of women's participation. This shows that if the implementation stage gets higher, then the level of women's participation increases. While the variables that significantly influence women's performance are the quality of human resources and quality of access. This shows that if the quality of human resources and the quality of access are higher, their performance will increase. This shows that there is a strong relationship between the level of participation and performance of women. Empowerment is often associated with social movements, social change (Askeim, 2003), and performance, Jönsson (2010) claiming that empowerment is closely related to self-expression, strength, influence, participation, and control. Three different types of empowerment: social, psychological, and political, proposed by Friedmann (1992). Riger (1993) explained that psychological empowerment is very important, because it consists of beliefs about the ability, effectiveness, and readiness of women to be part of activities to exercise control in the political and social environment.

Job enrichment and company performance associations seem to lack focus by previous researchers (Patterson et al., 2004). But this is a significant problem because organizations benefit from work enrichment. For example, the reduction in supervision, support staff, and techniques seems to be important for organizations to analyze because the result is a reduction in costs but does
not seem to be measured according to task performance. Research by Kimpah & Raudeliūnienė (2014) It aims to determine the extent of women's empowerment as bank managers and to determine the relationship between women's empowerment through "inner strength" and the work performance of Malaysian banks. The study also considers that for Malaysian bank managers to get better results in terms of performance, considering women's empowerment as a priority because it has a significant influence on its performance. Failure to look at issues of women's empowerment can lead to argumentative effects on their performance. Putnam (1993), Fukuyama (1995), Cox (1995), Cohen & Prusak (2001), Carpenter et al, (2001), Bourdieu (1986), define social capital as a resource that arises from the existence of social relations and can be used as a social glue to maintain the unity of group members in achieving common goals. Supported by the existence of beliefs and social norms that are used as a reference in acting, acting, and relating to each other. Trust and norms in social capital are considered as very important components because they support existing social relations. Coleman (1988) argues that the definition of social capital is determined by its function. Even though there are actually many functions of social capital but basically all of them have the same two elements, namely: (1) social capital covers a number of aspects of social structure, and (2) social capital makes it easy for people to do something within the framework of the social structure.

According to Edwards (2004), that social capital can contribute to increasing intimacy and togetherness in people's lives. In addition, the process of communication between individuals or community groups must be supported by conducive political conditions, upholding the rule of law, the existence of institutions that have good governance and uphold cultural values (Figure 1).

Other opinion by Pelham & Wilson (1996) defining company performance as a success of new products in market development, where company performance can be measured through sales growth and market share. Based on the measurements, Neely (1999) explain the measurement of business performance can be done by combining two factors, namely; (1) measurement of company performance can adopt existing measures, (2) performance measurement must be relevant so that the company must always make changes every time. Tsang, et al. (1999) explained that performance can be measured through financial performance, customer satisfaction, internal processes and learning and growth. Study conducted by Bititci et al. (2000) explained that the performance of a business can be measured from; level of sales, cost of sales, assets owned, brand image and fixed assets owned by the company.

The goal of sustainable development is community empowerment, especially women, in which it integrates the strength of material capital and local social capital. Without strengthening social capital in business management, business activities only

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Figure 1. Conceptual Framework of Social Capital
focus on the production and economic efficiency approach. Aspects of community welfare have not received adequate attention. Management like this is considered to be inconsistent with community development goals. In Figure 2 shows the strengthening of social capital is a major part of this approach. The model of empowering women by incorporating aspects of social capital and the formation of civil society is considered to provide better results, especially related to improving community welfare or sustainable development. Community empowerment with this approach is not solely oriented towards achieving social welfare in a broader and more sustainable sense. The meaning of increasing welfare can be seen from the presence or absence of increased employment and business opportunities, social participation, vertical mobility, and the formation of a significant civil society.

Figure 2 is a model or framework to see the close relationship between strengthening social capital, women's empowerment, and business performance. The model of improvement in the management of SMEs cannot simply be seen as a material object of women's empowerment, but needs to be seen as a material and cultural subject. The success of SME management is largely determined by cultural reinforcement or values in the form of social capital.

DISCUSSION

In the context of collective empowerment of women, women's social capital is an important element. The emergence of social capital in the family raises social support. Social support is support obtained by families both from extended families, neighbors, and the government. Existing capital and social support can build the welfare of the community. Social capital is able to bridge the status of different individuals and provide access to power and can distribute scarce resources. Decreasing the quality of social life (social capital) that influences solidarity and joint action in society needs attention so that social costs in the development process can be minimized.

Minimum social costs and the effectiveness of women's empowerment will be realized through increased social capital, women's empowerment, intellectual capital, and business performance. High network social capital will facilitate organizational members, especially women, to obtain information and conduct mutually beneficial cooperation, so that women will have the ability to utilize their resources. The existence of social capital and trust will facilitate women to get loans in starting or continuing and expanding their business, thus creating women's independence. High norm social capital will make it easier for organizational members to get loans so that they do not interfere with their productivity. If members of the organization are able to carry out their productivity well, their income will increase and also the potential to improve welfare. Women workers in an organization or business entity have the power to contribute to the economy, have independence in making decisions, also have self-confidence, thereby increasing their capacity for poverty.

CONCLUSION

The dimensions of social capital trust have a dominant influence on women's empowerment, and poverty compared to norm and network social capital. Open social networks and enforcement of norms as controls to regulate members will not be able to empower women and eradicate poverty without high trust. Trust built on women-driven businesses makes it easy for women themselves to get loans.

Coffe & Geys (2005) study the impact of social capital on the financial performance of local governments such as 300 Flemish cities with the assumption that social capital tends to improve public monitoring capabilities,
effectively solve social problems and direct officials to better performance. Empirical results show that not only does social capital have a significant positive impact on the budget surplus in the Flemish city; it also shows that one standard deviation increases the surplus of the city budget by 2 to 2.25 percent of total income.

REFERENCE


